

HOUSE AMENDMENTS TO HOUSE BILL 2710

By COMMITTEE ON EDUCATION

April 10

1 In line 2 of the printed bill, after the semicolon delete the rest of the line and insert “creating
2 new provisions; and amending ORS 327.008 and 327.137.”.

3 Delete lines 4 through 26 and insert:

4 “**SECTION 1.** ORS 327.137 is amended to read:

5 “327.137. (1)(a) Every common or union high school district or education service district shall
6 file a copy of its audit report with the Department of Education within six months of the end of the
7 fiscal year for which the audit is required. The audit report shall include:

8 “(A) Information necessary for the computation required in the administration of ORS 327.006
9 to 327.133, 327.348, 327.356 to 327.359, 327.731, 328.542 and 530.115 and this section; *[and]*

10 “(B) **Information describing the expenditures of moneys received by school districts from
11 the State School Fund as provided by ORS 327.013 and by education service districts as pro-
12 vided by ORS 327.019; and**

13 “[*(B)*] (C) If the district is a sponsor of any public charter schools, a copy of each annual audit
14 forwarded to the district as required by ORS 338.095 (4).

15 “(b) If the audit report, as submitted to the district, fails to provide the detail necessary for the
16 computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.356 to 327.359,
17 327.731, 328.542 and 530.115 and this section, the district shall submit the necessary information on
18 forms provided by the department within the time prescribed for filing the audit in this section.

19 “(c) The Superintendent of Public Instruction may withhold any payments from the State School
20 Fund for a public charter school that, pursuant to ORS 338.155, are due to a district under ORS
21 327.095 if:

22 “(A) The audit report filed by the district fails to include the public charter school annual audit
23 as required by paragraph (a)(B) of this subsection; and

24 “(B) The district has not filed the public charter school annual audit with the department by
25 April 1.

26 “(d) If payments are withheld as provided by paragraph (c) of this subsection, the superintendent
27 may allow payments to be made from the State School Fund to the district upon receipt of the an-
28 nual audit or upon the meeting of any other conditions identified by rule of the State Board of Ed-
29 ucation.

30 “(e) Any district failing to file a copy of an audit report under this section or a report under
31 ORS 327.133 may not receive any payments from the State School Fund until the report is filed.

32 “(2)(a) **The Department of Education shall prescribe requirements for the reporting of
33 expenditures under subsection (1)(a)(B) of this section. The department shall make informa-
34 tion received under subsection (1)(a)(B) of this section available on the department’s website
35 in a manner that makes the information transparent, uniform and readily accessible.**

1 “(2) (3) Notwithstanding the timeline provided by this section and pursuant to rules adopted
2 by the State Board of Education, the superintendent may waive a reporting date or specify an al-
3 ternative date to provide the audit report or information if a human-created disaster or a natural
4 disaster affects the ability of a school district or an education service district to provide the audit
5 report or information by a specified date.

6 **“SECTION 2. (1) The Department of Education shall convene an advisory committee to
7 make any recommendations necessary to:**

8 **“(a) Update the uniform budget and accounting system for school districts and education
9 service districts under ORS 327.511; and**

10 **“(b) Provide transparency, uniformity and consistency in how school districts report
11 expenditures and comply with the requirements of ORS 327.137.**

12 **“(2) Any recommendations made by the advisory committee convened under this section
13 must:**

14 **“(a) Align with existing requirements in the uniform budget and accounting system
15 adopted under ORS 327.511;**

16 **“(b) Allow the Department of Education to provide a statewide, aggregate view of State
17 School Fund expenditures to the Legislative Assembly;**

18 **“(c) Consider how to streamline existing budgetary reporting requirements to reduce any
19 undue burden for school districts and education service districts;**

20 **“(d) Include a plan for making the State School Fund expenditure data for each school
21 district available in a manner that is accessible to the public; and**

22 **“(e) Be presented to the State Board of Education.**

23 **“(3) The advisory committee convened under this section must include at least the fol-
24 lowing representatives:**

25 **“(a) Stakeholders with technical expertise in school financial systems;**

26 **“(b) School business managers;**

27 **“(c) Community-based organizations and culturally specific organizations;**

28 **“(d) Student organizations and parent organizations; and**

29 **“(e) Organizations representing school district boards, school district administrators, li-
30 censed school employees, classified school employees and education service districts.**

31 **“SECTION 3. ORS 327.008 is amended to read:**

32 **“327.008. (1)(a) There is established a State School Fund in the General Fund.**

33 **“(b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,
34 grants, donations and other moneys from public and private sources for the State School Fund.
35 Moneys received as provided in this paragraph shall be deposited into the State School Fund.**

36 **“(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,
37 moneys transferred from the Fund for Student Success, moneys transferred from the Education Sta-
38 bility Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b)
39 of this subsection.**

40 **“(d) The State School Fund is continuously appropriated to the Department of Education for the
41 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 327.356 to
42 327.359, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961.**

43 **“(e) No later than September 15 of each even-numbered year, the Department of Educa-
44 tion shall report to the interim committees of the Legislative Assembly related to education,
45 in the manner provided in ORS 192.245, the aggregate school district and education service**

**1 district expenditures from the State School Fund for the purpose of assisting the Legislative
2 Assembly in developing the biennial budget and determining the amount to be appropriated
3 to the State School Fund for the following biennium.**

4 “(2) There shall be apportioned from the State School Fund to each school district a State
5 School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility
6 grant and a transportation grant and a high cost disabilities grant minus local revenue, computed
7 as provided in ORS 327.011 and 327.013.

8 “(3) For the first school year after a public charter school ceases to operate because of dissol-
9 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned
10 from the State School Fund to each school district that had sponsored a public charter school that
11 ceased to operate an amount equal to the school district’s general purpose grant per extended
12 ADMw multiplied by five percent of the ADM of the public charter school for the previous school
13 year.

14 “(4) There shall be apportioned from the State School Fund to each education service district
15 a State School Fund grant as calculated under ORS 327.019.

16 “(5) All figures used in the determination of the distribution of the State School Fund shall be
17 estimates for the same year as the distribution occurs, unless otherwise specified.

18 “(6) Numbers of students in average daily membership used in the distribution formula shall be
19 the numbers as of June of the year of distribution.

20 “(7) A school district may not use the portion of the State School Fund grant that is attributable
21 to the facility grant for capital construction costs.

22 “(8) The total amount of the State School Fund that is distributed as facility grants may not
23 exceed \$3 million in any biennium. If the total amount to be distributed as facility grants exceeds
24 this limitation, the Department of Education shall prorate the amount of funds available for facility
25 grants among those school districts that qualified for a facility grant. If the total amount to be dis-
26 tributed as facility grants does not exceed this limitation, any remaining amounts shall be expended
27 for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

28 “(9) Each biennium, the Department of Education may expend from the State School Fund no
29 more than \$10 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2)
30 to (7).

31 “(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Fa-
32 cility Account established in ORS 327.022 the amount necessary to pay the costs of educational
33 services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

34 “(11) Each fiscal year, the Department of Education shall transfer the amount of \$55 million
35 from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

36 “(12)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State
37 School Fund to the Educator Advancement Fund established under ORS 342.953.

38 “(b) For the purpose of making the transfer under this subsection:

39 “(A) The total amount available for all distributions from the State School Fund shall be reduced
40 by \$6 million;

41 “(B) The amount distributed to school districts from the State School Fund under this section
42 and ORS 327.013 shall be reduced by \$16.75 million; and

43 “(C) The amount distributed to education service districts from the State School Fund under this
44 section and ORS 327.019 shall be reduced by \$16.75 million.

45 “(c) For each biennium, the amounts identified in this subsection shall be adjusted by the same

1 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204
2 direct the state agencies to adjust their agency budget requests for special payments under ORS
3 291.216 (6)(a)(C).

4 “(13) Each biennium, the Department of Education shall transfer \$12.5 million from the State
5 School Fund to the Statewide English Language Learner Program Account established under ORS
6 327.344.

7 “(14) Each fiscal year, the Department of Education may expend up to \$550,000 from the State
8 School Fund for the contract described in ORS 329.488. The amount distributed to education service
9 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the
10 amount expended by the department under this subsection.

11 “(15) Each biennium, the Department of Education may expend up to \$350,000 from the State
12 School Fund to provide administration of and support for the development of talented and gifted
13 education under ORS 343.404.

14 “(16) Each biennium, the Department of Education may expend up to \$150,000 from the State
15 School Fund for the administration of a program to increase the number of speech-language
16 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

17 “(17) Each biennium, the Department of Education shall transfer \$2 million from the State
18 School Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
19 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
20 Facilities Fund under this subsection only as grants for costs associated with testing for elevated
21 levels of lead in water used for drinking or food preparation.

22 “(18) Each biennium, the Department of Education shall transfer an amount not to exceed
23 \$5,595,000 for the purpose of making tampons and sanitary pads available as provided by ORS
24 326.545.

25 “(19) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million
26 from the State School Fund to the Small School District Supplement Fund established in ORS
27 327.359.”.

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