

HB 2710-1
(LC 1079)
3/13/23 (HRL/ps)

Requested by Representative VALDERRAMA

**PROPOSED AMENDMENTS TO
HOUSE BILL 2710**

1 In line 2 of the printed bill, after the semicolon delete the rest of the line
2 and insert “creating new provisions; and amending ORS 327.008 and
3 327.137.”.

4 Delete lines 4 through 26 and insert:

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

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

10 “(A) Information necessary for the computation required in the adminis-
11 tration of ORS 327.006 to 327.133, 327.348, 327.356 to 327.359, 327.731, 328.542
12 and 530.115 and this section; [*and*]

13 **“(B) Information describing the expenditures of moneys received by**
14 **school districts from the State School Fund as provided by ORS 327.013**
15 **and by education service districts as provided by ORS 327.019; and**

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

18 “(b) If the audit report, as submitted to the district, fails to provide the
19 detail necessary for the computation required in the administration of ORS
20 327.006 to 327.133, 327.348, 327.356 to 327.359, 327.731, 328.542 and 530.115 and
21 this section, the district shall submit the necessary information on forms

1 provided by the department within the time prescribed for filing the audit
2 in this section.

3 “(c) The Superintendent of Public Instruction may withhold any payments
4 from the State School Fund for a public charter school that, pursuant to ORS
5 338.155, are due to a district under ORS 327.095 if:

6 “(A) The audit report filed by the district fails to include the public
7 charter school annual audit as required by paragraph (a)(B) of this sub-
8 section; and

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

11 “(d) If payments are withheld as provided by paragraph (c) of this sub-
12 section, the superintendent may allow payments to be made from the State
13 School Fund to the district upon receipt of the annual audit or upon the
14 meeting of any other conditions identified by rule of the State Board of Ed-
15 ucation.

16 “(e) Any district failing to file a copy of an audit report under this sec-
17 tion or a report under ORS 327.133 may not receive any payments from the
18 State School Fund until the report is filed.

19 “**(2)(a) The Department of Education shall prescribe requirements**
20 **for the reporting of expenditures under subsection (1)(a)(B) of this**
21 **section. The department shall make information received under sub-**
22 **section (1)(a)(B) of this section available on the department’s website**
23 **in a manner that makes the information transparent, uniform and**
24 **readily accessible.**

25 “[2] **(3)** Notwithstanding the timeline provided by this section and pur-
26 suant to rules adopted by the State Board of Education, the superintendent
27 may waive a reporting date or specify an alternative date to provide the
28 audit report or information if a human-created disaster or a natural disaster
29 affects the ability of a school district or an education service district to
30 provide the audit report or information by a specified date.

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

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

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

8 **“(2) Any recommendations made by the advisory committee con-**
9 **vened under this section must:**

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

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

15 **“(c) Consider how to streamline existing budgetary reporting re-**
16 **quirements to reduce any undue burden for school districts and edu-**
17 **cation service districts;**

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

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

22 **“(3) The advisory committee convened under this section must in-**
23 **clude at least the following representatives:**

24 **“(a) Stakeholders with technical expertise in school financial sys-**
25 **tems;**

26 **“(b) School business managers;**

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

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

30 **“(e) Organizations representing school district boards, school dis-**

1 **trict administrators, licensed school employees, classified school em-**
2 **ployees and education service districts.**

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

4 “327.008. (1)(a) There is established a State School Fund in the General
5 Fund.

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

10 “(c) The State School Fund shall consist of moneys appropriated by the
11 Legislative Assembly, moneys transferred from the Fund for Student Success,
12 moneys transferred from the Education Stability Fund and the Oregon
13 Marijuana Account and moneys received as provided in paragraph (b) of this
14 subsection.

15 “(d) The State School Fund is continuously appropriated to the Depart-
16 ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,
17 327.099, 327.101, 327.125, 327.137, 327.348, 327.356 to 327.359, 336.575, 336.580,
18 336.635, 343.243, 343.533, 343.941 and 343.961.

19 **“(e) No later than September 15 of each even-numbered year, the**
20 **Department of Education shall report to the interim committees of the**
21 **Legislative Assembly related to education, in the manner provided in**
22 **ORS 192.245, the aggregate school district and education service dis-**
23 **trict expenditures from the State School Fund for the purpose of as-**
24 **sisting the Legislative Assembly in developing the biennial budget and**
25 **determining the amount to be appropriated to the State School Fund**
26 **for the following biennium.**

27 “(2) There shall be apportioned from the State School Fund to each school
28 district a State School Fund grant, consisting of the positive amount equal
29 to a general purpose grant and a facility grant and a transportation grant
30 and a high cost disabilities grant minus local revenue, computed as provided

1 in ORS 327.011 and 327.013.

2 “(3) For the first school year after a public charter school ceases to op-
3 erate because of dissolution or closure or because of termination or
4 nonrenewal of a charter, there shall be apportioned from the State School
5 Fund to each school district that had sponsored a public charter school that
6 ceased to operate an amount equal to the school district’s general purpose
7 grant per extended ADMw multiplied by five percent of the ADM of the
8 public charter school for the previous school year.

9 “(4) There shall be apportioned from the State School Fund to each edu-
10 cation service district a State School Fund grant as calculated under ORS
11 327.019.

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

15 “(6) Numbers of students in average daily membership used in the dis-
16 tribution formula shall be the numbers as of June of the year of distribution.

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

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

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

30 “(10) Each fiscal year, the Department of Education shall transfer to the

1 Pediatric Nursing Facility Account established in ORS 327.022 the amount
2 necessary to pay the costs of educational services provided to students ad-
3 mitted to pediatric nursing facilities as provided in ORS 343.941.

4 “(11) Each fiscal year, the Department of Education shall transfer the
5 amount of \$55 million from the State School Fund to the High Cost Disa-
6 bilities Account established in ORS 327.348.

7 “(12)(a) Each biennium, the Department of Education shall transfer \$39.5
8 million from the State School Fund to the Educator Advancement Fund es-
9 tablished under ORS 342.953.

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

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

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

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

19 “(c) For each biennium, the amounts identified in this subsection shall
20 be adjusted by the same percentage by which the instructions furnished to
21 state agencies by the Governor under ORS 291.204 direct the state agencies
22 to adjust their agency budget requests for special payments under ORS
23 291.216 (6)(a)(C).

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

27 “(14) Each fiscal year, the Department of Education may expend up to
28 \$550,000 from the State School Fund for the contract described in ORS
29 329.488. The amount distributed to education service districts from the State
30 School Fund under this section and ORS 327.019 shall be reduced by the

1 amount expended by the department under this subsection.

2 “(15) Each biennium, the Department of Education may expend up to
3 \$350,000 from the State School Fund to provide administration of and support
4 for the development of talented and gifted education under ORS 343.404.

5 “(16) Each biennium, the Department of Education may expend up to
6 \$150,000 from the State School Fund for the administration of a program to
7 increase the number of speech-language pathologists and speech-language
8 pathology assistants under ORS 348.394 to 348.406.

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

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

18 “(19) Each fiscal year, the Department of Education shall transfer the
19 amount of \$2.5 million from the State School Fund to the Small School Dis-
20 trict Supplement Fund established in ORS 327.359.”.

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