



Date: February 27, 2023
To: House Education Committee
From: Parasa Chanramy, Coalition of Oregon School Administrators
Subject: Concerns regarding [House Bill 2710](#)

Good Afternoon, Chair Neron, Vice Chairs Hudson and Wright, and Members of the House Education Committee:

For the record, my name is Parasa Chanramy with the Coalition of Oregon School Administrators. Our organization represents over 2,800 administrators across Oregon who serve in principalships, central office administration, and the superintendency.

While we support the goals of House Bill 2710 in improving transparency, uniformity, and accessibility around how the State School Fund is spent, our members have a number of concerns about the bill as currently written.

These concerns center around: i) being able to see a district's budget in context; ii) the impact on systems and processes, iii) staffing capacity, and iv) timing.

In our view, we must be able to address these concerns so that we can continue to maximize our ability to provide core services and supports to our students and schools.

To be clear - our issue is not with transparency in spending. Our organization and our members support transparency and accountability which is why we supported, and continue to support, the implementation of House Bill 3499 to help improve outcomes for Emerging Bilingual Students, High School Success, and the Student Success Act. However, every report we add takes time and attention away from our primary job – to support and educate our students. So before we add another report, we want to make sure that we are thoughtful about the process, scope, and relevance of any new report.

Budget in Context

Currently, our school districts are already required to complete an extensive number of public reports regarding how we spend public dollars. There are a total of 101 reports districts are required to submit to the Oregon Department of Education on an annual basis. Of those, 20 are finance-related from budget and audits to transportation and facilities.



For example, State School Fund dollars are part of our General Operating Funds, in addition to a number of local revenue sources, and there's a [public report](#) on how each district and school spends their General Operating dollars. There's also detailed external auditing, as required by [ORS 327.137](#), in place that happens on an annual basis.

- [2020-21 School Level Expenditure Report](#)
- [2019-20 School Level Expenditure Report](#)
- [2018-19 School Level Expenditure Report](#)

In our view, it's critical that the public understand and see our district and school level expenditures in context. If State School Fund dollars are disaggregated from general operating funds, we would still want to make sure that the public can see important district details about the students we serve, as well as how we spend our general operating dollars so there's information that helps provide for a more complete picture of our budget and spending in context.

Systems and Processes

Our members shared with us how the bill as currently written would impact their financial systems and processes and create redundancy.

Here are some examples shared by districts:

- *In the General Fund, like cities, all sources of revenue, except grants, are braided into a single fund to transparently demonstrate the total resources available to support the services of our schools. The State School Fund makes up over 97% of our funding for the General Fund, so requiring us to report it separate from our other funding sources in the General Fund would require wholly unnecessary additional work to create additional accounting codes, additional funds, additional reporting, and additional efforts to split expenses that at the end of the day the public and budget committee want to see combined to they understand the total cost of providing educational services to students in our community.*
- *This would require some sweeping changes in processes affecting the district board, budget committee, all staff that work with a department or classroom budget, and more. The extra time and expenses would in fact be paid for with State School Fund monies, thereby taking it away from education. In fact, most of the revenue in the General Fund is from the State School Fund. ODE has access to both the budget and the financial reports showing how the money was budgeted and spent. So in many ways, this extra work would be redundant.*



The work required to implement this bill would take time and resources. With that, we'd recommend convening a technical work group that includes all of the key partners to examine our current process, develop recommendations on how transparency around the State School Fund could be improved, and report those recommendations back to the Legislature.

Staffing Capacity

Over the last several years, we've seen a high amount of turnover in our workforce. Every part of our workforce has been impacted, including our district budgeting and accounting staff. These staffing shortages – coupled with the turnover we are experiencing – impact our capacity.

Here are some examples shared by districts:

- *For small schools, this will create large amounts of work and require hiring more central office staff – taking resources away from direct instruction.*
- *As the administrator who not only oversees the fiscal operations of the district, I also oversee facilities/maintenance, food service and transportation. This request places an undue burden on districts with limited staffing.*
- *The amount of additional work, oversight, and internal auditing to have all of our directors and secretaries code general fund expenses to multiple places instead of one with the amount of accuracy needed for decision makers to act on that information would require significantly more administrative costs. We would need at least 1.0 if not 2.0 additional FTE just in the business office to handle this, which seems like a painful ask of public dollars when we are already "right sizing" teacher positions to fit our budget to meet current service levels to the community.*

Additional funding for staffing, training, and technical support would be needed in order to support the implementation of this bill.

Timing of the Bill

We also wanted to flag an issue with timing. First, our organization is part of the State School Fund Advisory Committee, and so are many of the organizations who have testified before you today. Central to this Advisory Committee's work is studying the impacts of State School Fund spending across 25 districts to determine if this spending pattern results in disparities between students who are Black, Indigenous or People of Color (BIPOC) and those who are not BIPOC students.



We support this work and have been actively engaged in this process. An [interim report](#) was issued in December 2022. The final report is set to be released in June 2023. We believe that it would be important for any proposals around State School Fund spending transparency to hold off until that final report has been issued so that we can utilize the final report recommendations to inform a future policy proposal.

In closing, we want to reinforce that we are supportive of the goals of the bill, however, we still have a number of key concerns that we would like to see addressed before moving forward.

With that, we would be very interested in being part of a technical work group that includes community organizations, education advocates, the Department of Education, school business officials and bookkeepers, and our K-12 associations to:

- Examine current accounting and reporting processes and procedures around the State School Fund;
- Develop recommendations on how current accounting and reporting processes and procedures around the State School Fund may be improved to increase transparency, uniformity, and accessibility; and
- Report those recommendations back to the Legislature.

We believe that establishing a technical work group that includes all of the partners at the table will be an important first step in working towards the goals of improving reporting transparency, uniformity, and accessibility around the State School Fund. In doing so, we will want to make sure that we are minimizing the administrative burden, so that we can continue to dedicate our time, energy, and resources to serving our students.

Thank you again for your time and consideration. Happy to help answer any questions.