

House Bill 4068

Sponsored by Representative HUDSON; Senator WEBER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Prescribes process for DAS to prepare a budget for funding the State School Fund. Requires budgets of school districts be made public. (Flesch Readability Score: 76.4).

Directs the Oregon Department of Administrative Services to prepare a tentative budget for the funding of the State School Fund. Requires the department to form a committee for the purpose of preparing the tentative budget. Prescribes factors to be considered by the committee.

Requires school districts to provide a financial summary to the Department of Education. Directs the department to withhold from a school district State School Fund payments if the unappropriated ending fund balance and reserves for the general fund of the school district exceeds the beginning fund balance of the general fund of the school district by a specified percentage. Requires the department to make public information related to the financial summaries.

A BILL FOR AN ACT

1
2 Relating to the funding of public education.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS 327.006 to**
5 **327.133.**

6 **SECTION 2. (1) Each even-numbered year, the Oregon Department of Administrative**
7 **Services shall prepare a tentative budget for funding the State School Fund for the next**
8 **biennium.**

9 **(2)(a) For the purpose of preparing the tentative budget, the department shall form a**
10 **committee. The committee must include:**

11 **(A) Three representatives of state government, which must include one representative**
12 **from each of the following:**

13 **(i) The Department of Education;**

14 **(ii) The Legislative Fiscal Officer or a designee of the officer; and**

15 **(iii) The Legislative Revenue Officer or a designee of the officer;**

16 **(B) Four representatives of statewide professional educator organizations, which must**
17 **include one representative from each of the following:**

18 **(i) School district administrators;**

19 **(ii) School district boards;**

20 **(iii) A licensed school employees labor union; and**

21 **(iv) A classified school employees labor union;**

22 **(C) Three representatives of educator professionals, which must include one designee of**
23 **each of the following:**

24 **(i) School business officials;**

25 **(ii) School district human resources personnel; and**

26 **(iii) Education service districts; and**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (D) One Senator appointed by the President of the Senate and one Representative ap-
 2 pointed by the Speaker of the House of Representatives.

3 (b) The Legislative Fiscal Officer and the Legislative Revenue Officer, or their designees,
 4 and the members of the committee who are members of the Legislative Assembly shall serve
 5 as nonvoting members on the committee formed under this subsection.

6 (3)(a) The Oregon Department of Administrative Services shall review with the commit-
 7 tee formed under subsection (2) of this section the components of the methodology that will
 8 be used to prepare the tentative budget and the calculations for the tentative budget.

9 (b) The methodology used for the tentative budget must calculate the current service
 10 level based on consideration of the methodology identified by the committee.

11 (c) The tentative budget shall at a minimum include:

12 (A) Projected changes in the cost of personnel services, other services, supplies and
 13 capital expenditures, based on:

14 (i) Anticipated expenses; and

15 (ii) Projections of roll-up costs provided by school districts that represent at least two-
 16 thirds of the number of weighted students (ADMw) in the most recent State School Fund
 17 calculations;

18 (B) Forecasted local revenues, as described in ORS 327.011 and as calculated by the
 19 Oregon Department of Administrative Services, the Legislative Fiscal Officer, the Legislative
 20 Revenue Officer and the Department of Revenue; and

21 (C) Projected cost factors that may arise from new laws and administrative rules.

22 (4) The Oregon Department of Administrative Services shall consult with the Legislative
 23 Fiscal Officer and shall collaborate with the committee formed under subsection (2) of this
 24 section prior to finalizing the tentative budget required under this section.

25 (5) The Oregon Department of Administrative Services shall present the tentative budget
 26 prepared under this section to the Governor and to the Legislative Assembly in conjunction
 27 with the submittal of the agency request budget of the Department of Education.

28 **SECTION 3.** Section 4 of this 2024 Act is added to and made a part of ORS chapter 327.

29 **SECTION 4.** (1) Every school district shall provide a copy of the financial summary re-
 30 quired under ORS 294.438 (1) and 294.441 to the Department of Education.

31 (2) A financial summary must be provided under subsection (1) of this section by a date
 32 specified by the State Board of Education by rule. The rules must allow the Superintendent
 33 of Public Instruction to specify an alternative date to provide the financial summary if a
 34 human-created disaster or a natural disaster affects the ability of a school district to provide
 35 the financial summary by the specified date.

36 (3) Any school district failing to provide a copy of a financial summary as required by this
 37 section and by rule of the State Board of Education may not receive any payments from the
 38 State School Fund until the financial summary is provided.

39 (4) The department shall review all financial summaries received under this section. If,
 40 for a budget period, the unappropriated ending fund balance and reserves for the general
 41 fund of a school district exceeds the beginning fund balance for the general fund for the
 42 school district by 10 percent or more, the department shall withhold the amount of the ex-
 43 cess that exceeds the 10 percent from future payments to the school district from the State
 44 School Fund in a manner prescribed by the State Board of Education by rule.

45 (5) Based on financial summaries received under this section, the department shall cal-

1 **culate, for each category identified in ORS 294.441 that is applicable to a school district, the**
2 **percentage of the total budget that is made of that category.**

3 **(6)(a) The department shall make accessible to the public the following:**

4 **(A) The financial summaries provided under this section; and**

5 **(B) The calculations made under subsection (5) of this section.**

6 **(b) The information made available to the public under this subsection must be made**
7 **available:**

8 **(A) Through the Internet, a personal computer or other similar technology; and**

9 **(B) In a manner that allows for comparisons between the financial summaries provided**
10 **by different school districts.**

11 **(7) The State Board of Education may adopt any rules necessary for the administration**
12 **of this section.**

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