

HB 3373 STAFF MEASURE SUMMARY

House Committee On Education

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Meeting Dates: 3/26, 4/2

WHAT THE MEASURE DOES:

The measure requires the Oregon Department of Education to compile findings from school district audit reports into a single report that identifies the findings by school district or public charter school. It requires ODE to submit the report annually to the Legislative Fiscal Officer, the members of the Joint Committee on Ways and Means, and the members of legislative committees related to education.

ISSUES DISCUSSED:

- Financial problems in school districts
- Legislature's knowledge of districts' financial situations
- Municipal audit law requirements
- Current report published by Oregon Department of Education
- Accountability and transparency

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

School districts and education service districts (ESDs) are subject to Oregon's municipal audit law, which requires their accounts and fiscal affairs to be audited once each fiscal year (ORS 297.405, ORS 297.425). Copies of local government audits, including for school districts and ESDs, are available on the [Secretary of State's](#) website. School districts and ESDs are also required to file a copy of their audit reports with the Oregon Department of Education within six months of the end of the fiscal year (ORS 327.137).

Currently, the Oregon Department of Education compiles school district audit information into a single report that does not identify the school district to which the finding is attributable. These reports are posted on [ODE's website](#) under the heading "Audit Findings." The [most recent report posted, from 2022-2023](#), lists findings related to:

- average daily membership
- bid requirements
- budget process
- filings
- insurance
- program compliance
- the Student Investment Account
- teacher experience
- transportation
- accounting practices
- accounts payable
- child nutrition billing
- high school equivalency
- the Individuals with Disabilities Education Act
- the Elementary and Secondary School Emergency Relief (ESSER) Fund
- associated student body accounting

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- audit preparation
- bank reconciliation
- capital assets
- contracting
- internal controls and management oversight
- financial statement preparation
- payroll processing
- the public employees retirement system (PERS)
- segregation of duties,
- year end statements