

# Senate Bill 47

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## 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**.

Directs Department of Education to establish system for reviewing business practices of school districts. Establishes Efficiency Review Advisory Panel to provide advice to department on school district reviews. Directs department to appoint efficiency review teams.

Allows department to use moneys from State School Fund for reviews.

Declares emergency, effective July 1, 2007.

## A BILL FOR AN ACT

1  
2 Relating to school finance; and declaring an emergency.

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

4 **SECTION 1. (1) The Department of Education shall establish a system for reviewing the**  
5 **business practices of school districts. The department shall:**

6 (a) **Select school districts for review;**

7 (b) **Designate which school district activities to review;**

8 (c) **Determine standards for business practices based on best practices;**

9 (d) **Appoint efficiency review teams to conduct the reviews;**

10 (e) **Report the findings of the reviews to the school districts; and**

11 (f) **Assist school districts in responding to the reviews.**

12 (2) **The department shall report to the State Board of Education on the results of the**  
13 **reviews and on recommendations for subsequent actions. The board may accept or modify**  
14 **the recommendations of the department.**

15 (3) **The department shall monitor school district responses to the recommendations. The**  
16 **department shall report to the board on the school district responses and make further**  
17 **recommendations if necessary.**

18 (4) **Each biennium, the department shall report the results of the reviews to the Legis-**  
19 **lative Assembly in the manner prescribed in ORS 192.245.**

20 **SECTION 2. (1) There is established an Efficiency Review Advisory Panel. The panel shall**  
21 **consist of:**

22 (a) **One member appointed by the President of the Senate;**

23 (b) **One member appointed by the Speaker of the House of Representatives;**

24 (c) **One member appointed by the Governor;**

25 (d) **One member appointed by the Superintendent of Public Instruction, selected from a**  
26 **list of nominees submitted by the Oregon School Boards Association;**

27 (e) **One member appointed by the superintendent, selected from a list of nominees sub-**  
28 **mitted by the Confederation of Oregon School Administrators; 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 (f) One member appointed by the superintendent, selected from a list of nominees sub-  
 2 mitted by the Oregon Education Association.

3 (2) Members appointed to the panel shall have experience in:

- 4 (a) Private sector performance auditing;
- 5 (b) Public sector performance auditing; or
- 6 (c) School district business practices.

7 (3) The panel shall advise the Department of Education on:

- 8 (a) The designation of school district activities for review under section 1 of this 2007  
 9 Act;
- 10 (b) The method of selecting school districts for review;
- 11 (c) The development of standards for business practices;
- 12 (d) The interpretation and understanding of review results; and
- 13 (e) The school district responses to the results of reviews.

14 (4) A majority of the members of the panel constitutes a quorum for the transaction of  
 15 business.

16 (5) The panel shall meet at times and places specified by the call of the chairperson or  
 17 of a majority of the members of the panel.

18 (6) Official action by the panel requires the approval of a majority of the members of the  
 19 panel.

20 (7) The panel shall elect one of its members to serve as chairperson.

21 (8) The term of office of each member is two years, but a member serves at the pleasure  
 22 of the appointing authority. If there is a vacancy for any cause, the appointing authority  
 23 shall make an appointment to become immediately effective.

24 (9) The department shall provide staff support to the panel.

25 (10) Members of the panel who are not members of the Legislative Assembly are not  
 26 entitled to compensation, but may be reimbursed for actual and necessary travel and other  
 27 expenses incurred by them in the performance of their official duties in the manner and  
 28 amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions  
 29 of the panel shall be paid out of funds appropriated to the department for that purpose.

30 (11) All agencies of state government, as defined in ORS 174.111, and school districts are  
 31 directed to assist the panel in the performance of its duties and, to the extent permitted by  
 32 laws relating to confidentiality, to furnish such information and advice as the members of  
 33 the panel consider necessary to perform their duties.

34 **SECTION 3.** (1) The Department of Education shall establish efficiency review teams. The  
 35 teams shall consist of individuals who are retired from school districts, local government,  
 36 state government or the private sector and who have extensive experience with performance  
 37 auditing.

38 (2) The department may direct the efficiency review teams to conduct on-site reviews of  
 39 the business practices of selected school districts for activities designated under section 1  
 40 of this 2007 Act. The teams shall work with local school officials by sharing information and  
 41 developing a plan for responding to the review.

42 **SECTION 4.** Notwithstanding ORS 327.008, for the 2007-2009 biennium, the Department  
 43 of Education may expend up to \$1 million from the State School Fund for the administration  
 44 of sections 1 to 3 of this 2007 Act.

45 **SECTION 5.** This 2007 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**  
2 **July 1, 2007.**

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