

## SENATE AMENDMENTS TO SENATE BILL 47

By COMMITTEE ON EDUCATION AND GENERAL GOVERNMENT

February 13

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating new provisions;  
2 amending ORS 297.210;”.

3 Delete lines 4 through 28 and delete pages 2 and 3 and insert:

4 **“SECTION 1. As used in sections 2 and 3 of this 2007 Act:**

5 **“(1) ‘Business practices’ means:**

6 **“(a) The process of providing transportation, food service, grounds maintenance, building  
7 and systems maintenance, new construction, purchasing and contracting; or**

8 **“(b) Financial practices.**

9 **“(2) ‘District’ means a school district as defined in ORS 332.002 and an education service  
10 district as defined in ORS 334.003.**

11 **“SECTION 2. (1) The Department of Education, in consultation with the District Best  
12 Business Practices Advisory Committee, shall establish a system for auditing the business  
13 practices of districts. The department shall develop a list of best business practices to use  
14 for the district audits.**

15 **“(2) Only those districts that volunteer for the audit will be audited under this section.**

16 **“(3) The department shall contract with the Secretary of State to audit districts based  
17 on the list of best business practices.**

18 **“(4) The secretary shall report the results of the audit first to the Governor, the State  
19 Board of Education and the district that was the subject of the audit. Then the secretary  
20 may post the results of the audit on the Internet.**

21 **“(5) The department shall monitor district responses to the recommendations made in  
22 the audit. The department shall report to the board on the district responses and make fur-  
23 ther recommendations if necessary.**

24 **“SECTION 3. (1) There is established the District Best Business Practices Advisory  
25 Committee. The advisory committee shall consist of:**

26 **“(a) One member appointed by the President of the Senate from among the members of  
27 the Senate;**

28 **“(b) One member appointed by the Speaker of the House of Representatives from among  
29 the members of the House of Representatives; and**

30 **“(c) The following members appointed by the Superintendent of Public Instruction:**

31 **“(A) One member selected from a list of nominees submitted by the Oregon School  
32 Boards Association;**

33 **“(B) One member selected from a list of nominees submitted by the Confederation of  
34 Oregon School Administrators;**

35 **“(C) One member selected from a list of nominees submitted by the Oregon Education**

1 Association;

2 “(D) One member selected from a list of nominees submitted by the Oregon Association  
3 of School Business Officials; and

4 “(E) One member selected from a list of nominees submitted by the Oregon Association  
5 of Education Service Districts.

6 “(2) In addition to the members appointed under subsection (1) of this section, the su-  
7 perintendent may appoint additional members who have special expertise in district business  
8 practices.

9 “(3) The advisory committee shall advise the Department of Education on the develop-  
10 ment of a system for auditing the business practices of districts under section 2 of this 2007  
11 Act, including:

12 “(a) The designation of best business practices of districts;

13 “(b) The method of selecting districts that volunteer for an audit;

14 “(c) The interpretation and understanding of audit results; and

15 “(d) Monitoring and reporting the district responses to the results of the audits.

16 “(4) A majority of the members of the advisory committee constitutes a quorum for the  
17 transaction of business.

18 “(5) The advisory committee shall meet at times and places specified by the call of the  
19 chairperson or of a majority of the members of the advisory committee.

20 “(6) Official action by the advisory committee requires the approval of a majority of the  
21 members of the advisory committee.

22 “(7) The advisory committee shall elect one of its members to serve as chairperson.

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

26 “(9) The department shall provide staff support to the advisory committee.

27 “(10) Members of the advisory committee who are not members of the Legislative As-  
28 ssembly are not entitled to compensation, but may be reimbursed for actual and necessary  
29 travel and other expenses incurred by them in the performance of their official duties in the  
30 manner and amounts provided for in ORS 292.495. Claims for expenses incurred in per-  
31 forming functions of the advisory committee shall be paid out of funds appropriated to the  
32 department for that purpose.

33 “(11) All agencies of state government, as defined in ORS 174.111, and all districts are  
34 directed to assist the advisory committee in the performance of its duties and, to the extent  
35 permitted by laws relating to confidentiality, to furnish such information and advice as the  
36 members of the advisory committee consider necessary to perform their duties.

37 “**SECTION 4.** ORS 297.210 is amended to read:

38 “297.210. (1)(a) The Secretary of State, as State Auditor, shall have the accounts and financial  
39 affairs of state departments, boards, commissions, institutions and state-aided institutions and agen-  
40 cies of the state reviewed or audited as the Secretary of State considers advisable or necessary.

41 “(b) The Secretary of State, as State Auditor, may conduct audits of the business prac-  
42 tices of school districts and education service districts pursuant to a contract with the De-  
43 partment of Education authorized by section 2 of this 2007 Act.

44 “(c) The Secretary of State may subpoena witnesses, require the production of books and papers  
45 and rendering of reports in such manner and form as the Secretary of State requires and may do

1 all things necessary to secure a full and thorough investigation. The Secretary of State shall report,  
2 in writing, to the Governor. The report shall include a copy of the report on each audit.

3 “(2) An audit or review shall be made of any institution or department of the state government  
4 at any time the executive head of the institution or department, for any reason, retires from the  
5 head’s office or position.

6 “(3) The Secretary of State shall employ auditors upon such terms and for such compensation  
7 as the Secretary of State determines are advantageous and advisable.

8 “(4) If a person fails to comply with any subpoena issued under subsection (1) of this section, a  
9 judge of the circuit court of any county, on application of the Secretary of State, shall compel obe-  
10 dience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena  
11 issued from the circuit court.

12 “**SECTION 5. Notwithstanding ORS 327.008, each biennium the Department of Education**  
13 **may expend up to \$1 million from the State School Fund for the administration of sections**  
14 **2 and 3 of this 2007 Act.**

15 “**SECTION 6. This 2007 Act being necessary for the immediate preservation of the public**  
16 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**  
17 **July 1, 2007.”**