

# Senate Bill 800

Sponsored by Senator WHITSETT, Representative GARRARD; Senators BEYER, G GEORGE, L GEORGE, Representatives BOQUIST, BUTLER, KOMP, KRIEGER, KRUMMEL, LIM, MAURER, RILEY, SHIELDS

## 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**.

Requires school district and education service district to make annual financial report to public. Allows resident of district to petition to require district to provide report. Allows resident to initiate independently funded private audit of district financial records.

Provides for withholding of State School Fund grants from any district that does not make financial report to public or make financial records available to independent auditor.

## A BILL FOR AN ACT

1  
2 Relating to education districts.

3 Whereas Oregon statute requires open public access to financial data regarding expenditure of  
4 public funds; and

5 Whereas privately funded auditing of school districts will provide checks and balances that will  
6 improve district expenditure accountability; and

7 Whereas certain school districts have used attorney-client privilege to circumvent and avoid  
8 statutory open public access requirements; and

9 Whereas Oregon courts have upheld the right of school districts to avoid public disclosure of  
10 expenditure data due to attorney-client privilege; now, therefore,

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

12 **SECTION 1. Each school district and education service district shall make annual full**  
13 **financial reports to the public. The reports shall:**

14 (1) **Include a description of all of the income and expenditures of the district.**

15 (2) **Be provided both online and, upon written request, in hard copy.**

16 (3) **Utilize standard accounting methods.**

17 (4) **Be in a form determined by the Department of Education to be as understandable to**  
18 **the lay reader as practicable.**

19 **SECTION 2. (1) Any person 18 years of age or older who is a resident of a school district**  
20 **or education service district, or a group of such residents, may:**

21 (a) **Petition the Department of Education to require the school district or education**  
22 **service district to provide the full financial report described in section 1 of this 2007 Act**  
23 **within 30 days of receipt of the petition by the department; and**

24 (b) **By petition to the Department of Education, initiate an independently funded audit**  
25 **of expenditures of the school district or education service district.**

26 (2) **An auditor performing an audit under this section shall be licensed by the State of**  
27 **Oregon to perform financial audits.**

28 (3) **All costs of an auditor performing an audit under this section shall be reimbursed by**  
29 **the resident or residents who initiated the audit.**

**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       (4) Any school district or education service district being audited under this section shall,  
2 within 30 days after written request by the auditor, provide the auditor all financial records  
3 of the district requested by the auditor.

4       (5) The employees of the school district or education service district shall cooperate with  
5 an auditor performing an audit under this section to ensure a fair and accurate audit.

6       SECTION 3. The Department of Education shall withhold all grant funds due from the  
7 State School Fund to a school district or education service district that fails to provide,  
8 within 30 days, the full financial report requested in a petition under section 2 of this 2007  
9 Act until the district provides the report to the resident or residents who filed the petition.

10       SECTION 4. The Department of Education shall withhold all grant funds due from the  
11 State School Fund to a school district or education service district that fails to provide,  
12 within 30 days, the full financial records requested by an auditor under section 2 of this 2007  
13 Act until the district provides the financial records to the auditor who made the request.  
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