

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass
Vote: 5 - 0 - 0
Yeas: Bonamici, George, Morse, Shields, Hass
Nays: 0
Exc.: 0
Prepared By: Linda Lindholm, Administrator
Meeting Dates: 4/7

WHAT THE MEASURE DOES: Requires education service district to prepare annual audit of books and accounts of district. Declares emergency, effective July 1, 2011.

ISSUES DISCUSSED:

- Accountability and transparency of school districts and education service districts
- Consistency in education statutes regarding audits and reporting
- Measures to remedy deficiencies in audit reports or sanctions

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: School districts are required to file annual audits. If deficiencies are identified in the audit findings, the school district board must create and adopt a plan for correcting them. State education statutes provide for corrections and sanctions regarding audit findings for school districts. If a school district audit identifies the same problems two years in a row, the Oregon Department of Education (ODE) withholds ten percent of State School Fund (SSF) money until sufficient corrective actions are taken by the district.

Currently, education service districts (ESDs) are not required to submit annual audits to ODE, nor does ODE have authority to withhold SSF money if deficiencies are identified. Senate Bill 27 holds ESDs to the same standards as schools districts by requiring submission of annual audits and corrective plans if necessary. The measure authorizes ODE to withhold ten percent of SSF money from the ESD if shortcomings are identified, until corrections occur.

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This summary has not been adopted or officially endorsed by action of the committee.