
MEMORANDUM

Legislative Fiscal Office
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To: *Education Subcommittee*

From: *Krista McDowell, Legislative Fiscal Office*
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Date: June 22, 2015

Subject: *SB 519*
Work Session Recommendations

SB 519 - A relates to fiscal systems for community colleges. The bill directs community college districts to use the same system for reporting finances. The bill also directs the Department of Community Colleges and Workforce Development (CCWD) to select and provide guidelines for the system.

The bill previously had a public hearing in the Joint Ways and Means Subcommittee on Education on May 28, 2015.

The bill has an estimated \$69,862 fiscal impact associated with one limited-duration position (0.25FTE) requested by the Higher Education Coordinating Commission (HECC) to implement the provisions of the bill. No appropriations are being made for this bill. The HECC is directed to absorb the workload associated with this legislation using existing resources.

Measure

The measure is recommended to be moved to the full Committee on Joint Ways and Means.

Motion: Move SB 519 to the full committee with a “do pass” recommendation.

Assignment of Carriers

Full: _____

1st Chamber: _____

2nd Chamber: _____

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 519 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Krista McDowell
Reviewed by: Doug Wilson
Date: 3/13/2015

Measure Description:

Directs community college districts to use uniform budget and accounting system for reporting finances.

Government Unit(s) Affected:

Department of Community Colleges and Workforce Development

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
General Fund	\$69,862	
Total Funds	\$69,862	\$0
Positions	1	
FTE	0.25	

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The bill directs community college districts to use the same system for reporting finances. The bill also directs the Department of Community Colleges and Workforce Development (CCWD) to select and provide guidelines for the system. The system must include uniform identification of funds, revenue by source and expenditures by function and classification. The CCWD is directed to place data gathered from the uniform system in a database that includes information that is available to the public through the Internet or other similar technology.

For the purposes of implementing this bill the CCWD plans to reinstate financial data collection in the Oregon Community College Financial Information System (CCFIS). This work is anticipated to be contracted for an estimated cost of \$120 per hour for 250 hours for a total cost of \$30,000 General Fund (GF). In addition, a limited duration Research Analyst 3, is anticipated to be needed full-time for six months (.25 FTE), to work with the colleges to validate the data system and make sure the information is being accurately reported. This position is estimated to cost \$39,862 GF for the 2015-17 biennium.

The fiscal impact to community colleges has not been determined but there are likely additional costs to them as a result of this bill.

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date:

Action:

Meeting Dates:

Prepared By: Krista McDowell, Fiscal Analyst

WHAT THE MEASURE DOES:

Requires all community college districts use same system for reporting finances. Requires Department of Community Colleges and Workforce Development to select system, which may be existing system, and provide guidelines for implementation. Specifies what system shall include. Requires department to place data from system on website and ensure timely public access. Takes effect July 1, 2016.

ISSUES DISCUSSED:

- The policy committee worked hard on the amended A version that is now before the subcommittee

EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND:

House Bill 3636 (1997) established the Program Budgeting and Accounting Manual, a uniform budget and accounting system for kindergarten through twelfth grade. House Bill 3636 additionally directed the Department of Education to “review, modify, update and improve the existing chart of accounts for school districts and education service districts that will allow for valid comparisons of expenditures among schools and districts.”