

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 351

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Directs Secretary of State to conduct audit of use of statewide summative assessment in public schools in this state.

Government Unit(s) Affected:

Department of Education, School Districts, Secretary of State

Summary of Expenditure Impact:

The measure could result in additional costs of up to \$500,000, if the audit is not incorporated into the Secretary of State’s regular audit schedule. If incorporated into that schedule, the audit would be funded by the regular Audits Division assessment collected by the Secretary of State, however, the ability of the Audits Division to perform other audits would be reduced. If there are insufficient assessment revenues to perform all anticipated audits, then other revenues may be needed.

Analysis:

SB 351 requires the Secretary of State (SOS) to conduct an audit on statewide summative assessments in Oregon schools. The measure specifies information that must be gathered as part of the audit. A similar audit was conducted by the SOS as a result of legislation passed in 2015; that audit was released in 2016. Given the timing of the audit as required by the 2015 measure, and the fact that an audit on this subject had not previously been conducted, the SOS incorporated the audit into their audit plan and covered the costs out of their approved operating budget. However, given the timing of the audit as required by SB 351 and other audits already planned, the SOS does not anticipate being able to absorb the audit and audit costs in their 2017 audit plan or budget. The SOS does note that they are currently working with the Joint Legislative Audit Committee (JLAC) to identify performance audits that are a high priority to the Legislature that may be able to be incorporated into the audit schedule.

Based on the time it took and the costs incurred for the 2016 audit, the SOS estimates a cost of approximately \$489,000 to conduct the audit required by SB 351. SOS states that it is likely that they would contract out for the audit. As a result, the cost may be slightly below or above the \$489,000 estimate. This estimate assumes a new audit on this topic would take less time because there is already baseline information and knowledge of the subject.

While the Department of Education estimates only a minimal impact for their role in implementation of the measure, they note that the requirement for the audit to be completed by September 15, 2017 may prove difficult as many school and district staff needed to provide information for the audit are not under contract during the months of July and August. As such, the data available to complete the audit in the required timeframe may be limited.

Given that JLAC is currently working on recommendations for audits to be conducted during the 2017-19 biennium, it is recommended that SB 351 be referred to this committee for further consideration. If it is then determined that additional budget authority may be necessary for implementation of the measure, it is recommended that SB 351 be referred from JLAC to the Joint Committee on Ways and Means.