In line 2 of the printed bill, after the semicolon delete the rest of the line and insert “creating new provisions; and amending ORS 327.008 and 327.137.”.

Delete lines 4 through 26 and insert:

“SECTION 1. ORS 327.137 is amended to read:

“327.137. (1)(a) Every common or union high school district or education service district shall file a copy of its audit report with the Department of Education within six months of the end of the fiscal year for which the audit is required. The audit report shall include:

“(A) Information necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.356 to 327.359, 327.731, 328.542 and 530.115 and this section; [and]

“(B) Information describing the expenditures of moneys received by school districts from the State School Fund as provided by ORS 327.013 and by education service districts as provided by ORS 327.019; and

“(c) The Superintendent of Public Instruction may withhold any payments from the State School Fund for a public charter school that, pursuant to ORS 338.155, are due to a district under ORS 327.095 if:

“(A) The audit report filed by the district fails to include the public charter school annual audit as required by paragraph (a)(B) of this subsection; and

“(B) The district has not filed the public charter school annual audit with the department by April 1.

“(d) If payments are withheld as provided by paragraph (c) of this subsection, the superintendent may allow payments to be made from the State School Fund to the district upon receipt of the annual audit or upon the meeting of any other conditions identified by rule of the State Board of Education.

“(e) Any district failing to file a copy of an audit report under this section or a report under ORS 327.133 may not receive any payments from the State School Fund until the report is filed.

“(2)(a) The Department of Education shall prescribe requirements for the reporting of expenditures under subsection (1)(a)(B) of this section. The department shall make information received under subsection (1)(a)(B) of this section available on the department’s website in a manner that makes the information transparent, uniform and readily accessible.
“(3) Notwithstanding the timeline provided by this section and pursuant to rules adopted by the State Board of Education, the superintendent may waive a reporting date or specify an alternative date to provide the audit report or information if a human-created disaster or a natural disaster affects the ability of a school district or an education service district to provide the audit report or information by a specified date.

SECTION 2. (1) The Department of Education shall convene an advisory committee to make any recommendations necessary to:

(a) Update the uniform budget and accounting system for school districts and education service districts under ORS 327.511; and

(b) Provide transparency, uniformity and consistency in how school districts report expenditures and comply with the requirements of ORS 327.137.

(2) Any recommendations made by the advisory committee convened under this section must:

(a) Align with existing requirements in the uniform budget and accounting system adopted under ORS 327.511;

(b) Allow the Department of Education to provide a statewide, aggregate view of State School Fund expenditures to the Legislative Assembly;

(c) Consider how to streamline existing budgetary reporting requirements to reduce any undue burden for school districts and education service districts;

(d) Include a plan for making the State School Fund expenditure data for each school district available in a manner that is accessible to the public; and

(e) Be presented to the State Board of Education.

(3) The advisory committee convened under this section must include at least the following representatives:

(a) Stakeholders with technical expertise in school financial systems;

(b) School business managers;

(c) Community-based organizations and culturally specific organizations;

(d) Student organizations and parent organizations; and

(e) Organizations representing school district boards, school district administrators, licensed school employees, classified school employees and education service districts.

SECTION 3. ORS 327.008 is amended to read:

327.008. (1)(a) There is established a State School Fund in the General Fund.

(b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the State School Fund. Moneys received as provided in this paragraph shall be deposited into the State School Fund.

(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, moneys transferred from the Fund for Student Success, moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b) of this subsection.


(e) No later than September 15 of each even-numbered year, the Department of Education shall report to the interim committees of the Legislative Assembly related to education, in the manner provided in ORS 192.245, the aggregate school district and education service
district expenditures from the State School Fund for the purpose of assisting the Legislative
Assembly in developing the biennial budget and determining the amount to be appropriated
to the State School Fund for the following biennium.

“(2) There shall be apportioned from the State School Fund to each school district a State
School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility
grant and a transportation grant and a high cost disabilities grant minus local revenue, computed
as provided in ORS 327.011 and 327.013.

“(3) For the first school year after a public charter school ceases to operate because of dissol-
ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned
from the State School Fund to each school district that had sponsored a public charter school that
ceased to operate an amount equal to the school district’s general purpose grant per extended
ADMw multiplied by five percent of the ADM of the public charter school for the previous school
year.

“(4) There shall be apportioned from the State School Fund to each education service district
a State School Fund grant as calculated under ORS 327.019.

“(5) All figures used in the determination of the distribution of the State School Fund shall be
estimates for the same year as the distribution occurs, unless otherwise specified.

“(6) Numbers of students in average daily membership used in the distribution formula shall be
the numbers as of June of the year of distribution.

“(7) A school district may not use the portion of the State School Fund grant that is attributable
to the facility grant for capital construction costs.

“(8) The total amount of the State School Fund that is distributed as facility grants may not
exceed $3 million in any biennium. If the total amount to be distributed as facility grants exceeds
this limitation, the Department of Education shall prorate the amount of funds available for facility
grants among those school districts that qualified for a facility grant. If the total amount to be dis-
tributed as facility grants does not exceed this limitation, any remaining amounts shall be expended
for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

“(9) Each biennium, the Department of Education may expend from the State School Fund no
more than $10 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2)
to (7).

“(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Fa-
cility Account established in ORS 327.022 the amount necessary to pay the costs of educational
services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

“(11) Each fiscal year, the Department of Education shall transfer the amount of $55 million
from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

“(12)(a) Each biennium, the Department of Education shall transfer $39.5 million from the State
School Fund to the Educator Advancement Fund established under ORS 342.953.

“(b) For the purpose of making the transfer under this subsection:

“(A) The total amount available for all distributions from the State School Fund shall be reduced
by $6 million;

“(B) The amount distributed to school districts from the State School Fund under this section
and ORS 327.013 shall be reduced by $16.75 million; and

“(C) The amount distributed to education service districts from the State School Fund under this
section and ORS 327.019 shall be reduced by $16.75 million.

“(c) For each biennium, the amounts identified in this subsection shall be adjusted by the same
percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204
direct the state agencies to adjust their agency budget requests for special payments under ORS
291.216(6)(a)(C).

“(13) Each biennium, the Department of Education shall transfer $12.5 million from the State
School Fund to the Statewide English Language Learner Program Account established under ORS
327.344.

“(14) Each fiscal year, the Department of Education may expend up to $550,000 from the State
School Fund for the contract described in ORS 329.488. The amount distributed to education service
districts from the State School Fund under this section and ORS 327.019 shall be reduced by the
amount expended by the department under this subsection.

“(15) Each biennium, the Department of Education may expend up to $350,000 from the State
School Fund to provide administration of and support for the development of talented and gifted
education under ORS 343.404.

“(16) Each biennium, the Department of Education may expend up to $150,000 from the State
School Fund for the administration of a program to increase the number of speech-language
pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

“(17) Each biennium, the Department of Education shall transfer $2 million from the State
School Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
Facilities Fund under this subsection only as grants for costs associated with testing for elevated
levels of lead in water used for drinking or food preparation.

“(18) Each biennium, the Department of Education shall transfer an amount not to exceed
$5,595,000 for the purpose of making tampons and sanitary pads available as provided by ORS
326.545.

“(19) Each fiscal year, the Department of Education shall transfer the amount of $2.5 million
from the State School Fund to the Small School District Supplement Fund established in ORS
327.359.”.