

Chair Neron, Vice Chair Hudson, Vice Chair Wright and Members of the House Education Committee:  
House Bill 2710 will make school district financial statements more difficult to understand. To see why, please consider the following question.

**Question:**

***How much did a certain school district spend on high school instructional expenditures during the fiscal year?***

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**How to find the answer prior to 2020:**

Go to the **General Fund | High School Instructional Expenditures** function in the district's financial statements.

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**How to find the answer since 2020:**

*Add the following:*

**General Fund | High School Instructional Expenditures** function in the district's financial statements



**Student Investment Account Fund | High School Instructional Expenditures** function in the district's financial statements



**High School Success Fund | High School Instructional Expenditures** function in the district's financial statements

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**How to find the answer with House Bill 2710**

*Add the following:*

**General Fund | High School Instructional Expenditures from State School Fund Sources** function in the district's financial statements



**General Fund | High School Instructional Expenditures from non-State School Fund Sources** function in the district's financial statements



**Student Investment Account Fund | High School Instructional Expenditures** function in the district's financial statements



**High School Success Fund | High School Instructional Expenditures** function in the district's financial statements

## **House Bill 2710**

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House Bill 2710 will also require school districts to allocate each General Fund expenditure line item between those derived from State School Fund sources and those derived from non-State School Fund sources. Doing so will take time and make school district financial information more opaque.

For example, suppose one school district decides to allocate counseling expenses as being from State School Fund sources while utility expenses are allocated as being from non-State School Fund sources. Meanwhile, a similar sized district decides to do just the opposite. Anyone trying to compare the districts' financial statements line by line will be confused by the accounting.

We should try to make school district financial statements more transparent and we should try to make financial statement reporting more efficient so more dollars can directly benefit students. House Bill 2710 is contrary to both of these goals.

Sincerely,  
Kevin Strong, Certified Management Accountant  
Sweet Home, Oregon