

Bills target fiscal accountability of school districts

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Oregon lawmakers are looking at ways to improve the financial management of the state's school districts and education service districts.

Two bills under consideration this week call for audits or financial reviews of districts, with the aim of encouraging them to adopt standard best business practices.

Since voters passed property-tax limitations in 1990, the state has taken over most of the funding for K-12 school districts.

Oregon allocates money to local school districts based on their average enrollment. But the state has little control or oversight of how districts spend that money.

Senate Bill 537 would allow the state Department of Education to hire private auditors to examine the business practices of selected school districts and education service districts.

House Bill 3331 would require a review of the financial management practices of each district every six years. Districts would have to implement an action plan if they were found out of compliance with best practices.

The bill creates a "financial management advisory committee" to develop those best business practices.

It appropriates \$4 million for the reviews during the next biennium.

Both bills are scheduled for work sessions today.

The nonprofit Chalkboard Project is among those calling for more oversight of school district spending.

It backed a 2007 bill calling for mandatory district audits by the Secretary of State's Office.

That bill was amended to allow districts to volunteer for audits, said Nick Smith, a spokesman for House Republican Leader Bruce Hanna, R-Roseburg, who is the chief sponsor of HB 3331.

One audit has been completed of the Multnomah Education Service District's contracting procedures.

"Rep. Hanna felt the 2007 law didn't go far enough to ensure accountability," Smith said. "That's why he reintroduced the concept again this session."

Meanwhile, The Chalkboard Project last year funded school business reviews for five districts across the state. They were Beaverton, Eugene, Albany, Yoncalla and Harney County.

The audits identified some inefficiencies and best practices in each district, Chalkboard Executive Director Sue Hildick said.

"We've got a start to building a best-practice database where districts can share ideas," Hildick said. "There's a large appetite by school districts to have this kind of work done."

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About the bills

Senate Bill 537 is scheduled for a work session in the Senate education committee at 3 p.m. today in Hearing Room C at the Capitol.

House Bill 3331 is scheduled for a work session in the House education committee at 1 p.m. today in Hearing Room E at the Capitol.

Links

Senate Bill 537: www.leg.state.or.us/09reg/measpdf/sb0500.dir/sb0537.intro.pdf

House Bill 3331: www.leg.state.or.us/09reg/measpdf/hb3300.dir/hb3331.intro.pdf