

Oregon State Board of Education
May 19, 2016

<p>SUBJECT: Program Budget and Accounting Manual/OAR 581-023-0035 - Budgeting and Accounting for Schools. STAFF NAME & OFFICE: Rick Crager, Michael Wiltfong and Mari Sue Johnson, Office of Finance and Administration</p> <p>SUMMARY: The 2016 edition of the Program Budget and Accounting Manual (PBAM) is ready for Board review and approval. The Chart of Accounts Committee updates the manual biannually and has recommended changes to the 2016 edition to incorporate coding mandated by HB 3499. As per ORS 581-023-0035, the State Board of Education adopts this publication to govern budgeting and accounting systems for schools.</p> <p><input type="checkbox"/> New Rule <input type="checkbox"/> Amend Existing Rule <input type="checkbox"/> Repeal Rule</p>	<p><input type="checkbox"/> Consent Agenda</p> <p><input checked="" type="checkbox"/> First Reading</p> <p><input type="checkbox"/> Action (Adoption)</p> <p><input type="checkbox"/> Information</p>
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BACKGROUND

House Bill 3636, enacted by the Legislature in 1997, directed the Department of Education to review, modify, update and improve the existing chart of accounts (the Program Budgeting and Accounting Manual or PBAM) for school districts and education service districts that would allow for valid comparisons of expenditures among schools and districts. ORS 329.045 states The State Board of Education adopts this publication to govern budgeting and accounting systems for schools.

The Chart of Accounts Committee is charged with keeping PBAM updated. The committee consists of business managers from around the state who work daily with the codes and are responsible for district reporting to the state. The expert guidance provided by these school business professionals is key in keeping our financial coding system current, concise and efficient. When the 1998 manual was drafted, the Chart of Accounts Committee recommended biennial revisions to keep the manual up to date and to promote consistency of accounting across school districts in the state. This system is still in practice today.

The Chart of Accounts Committee has recommended changes to the 2016 edition of the PBAM which reflect the insurgence of technology in districts and clarifies coding for English language Learner(ELL) programs as mandated by HB 3499. The manual is currently under review of the PBAM committee with the intent all changes will be final before submitting the final version for State Board approval in June.

SUMMARY OF PREVIOUS BOARD ACTION

N/A

POLICY ISSUE OR CONCERNS (IF APPLICABLE)

N/A

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CHANGED SINCE LAST BOARD MEETING? (IF APPLICABLE)

- N/A; first read—hasn't been before board
 No; same as last month
 Yes - As follows:

EFFECT OF A "YES" OR "NO" VOTE (AS APPROPRIATE)

With a "Yes" vote, the updated 2016 Program Budget and Accounting Manual will be posted July 1, 2016 to give districts time to incorporate the changes for reporting data beginning with the 2017-2018 reporting cycle. With a "No" vote, the 2014 edition will remain as is with no updates.

STAFF RECOMMENDATION

- Approve Approve next month No recommendation at this time

Hearing Date:

Prompted by:

- State law changes Federal law changes other

FISCAL ANALYSIS (AS APPROPRIATE)

School districts and education service districts report all of their financial activity to the state using the coding system set forth in the Program Budgeting and Accounting Manual. The reported data is then used for reporting at the state level, the federal level and is a key element in the state school fund calculation.

ATTACHMENTS (e.g., OAR with "track changes" ...)

Attachment 1: 2016 PBAM Edition – Draft

Attachment 2: Spreadsheet detailing edits in the 2016 PBAM Draft