

Oregon State Board of Education

June 23, 2016

<p>SUBJECT: Program Budget and Accounting Manual</p> <p>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 clarity and transparency 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 checked="" type="checkbox"/> Consent Agenda</p> <p><input type="checkbox"/> First Reading</p> <p><input type="checkbox"/> Action (Adoption)</p> <p><input type="checkbox"/> Information</p>
--	---

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 and stakeholders from around the state who work daily with the accounting structure 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 helps clarify and adds transparency to coding and accounting for English Language Learner (ELL) programs as mandated by HB 3499. The PBAM committee is recommending approval of the submitted edition by the State Board at the June 23, 2016 meeting.

SUMMARY OF PREVIOUS BOARD ACTION

Reviewed first draft at the May 2016 State Board meeting

Oregon State Board of Education

June 23, 2016

CHANGED SINCE LAST BOARD MEETING?

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

1. Revised civil rights statement pertaining to English Language Learner
2. Revised discrimination statement in introduction
3. Revised coding and definitions for interpretation and translation services for English Language Learners
4. Revised definitions for codes pertaining to English Language Learner's program (336.079) and non-program expenses
5. Edited formatting in Appendix E to reduce clutter and made it easier to navigate reference and resource links and information

EFFECT OF A "YES" OR "NO" VOTE

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 to the accounting system.

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)

There isn't a direct fiscal impact to the Department or school districts due to the proposed changes in the 2016 PBAM. However, if we are not thoughtful about changes to the PBAM and fully understand the down-stream impact of new codes and definitions, we could create an undesirable result, which could have a dire effect on a school district's, and potentially the State's finances. The reported financial data is used for reporting at the state level and federal level, which is then used in calculations for State and federal distributions.

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

Attachment 1: 2016 PBAM Edition – Draft

Attachment 2: Spreadsheet detailing edits in the 2016 PBAM Draft