



QUALITY EDUCATION COMMISSION

WEDNESDAY, FEBRUARY 14, 2024

9:00 AM – 11:00 AM

ONLINE MEETING ZOOM

Commission Members: *Andrea Townsend, Cam Preus, Dana Hepper, Tricia Mooney, Whitney Swander, Reed Scott-Schwalbach, Monica Cox, Laurie Wimmer, Dan Farley (Staff), Evan Fuller (Staff)*

Meeting Scribe: *Katie Alvarado*

Welcome & Commissioner Updates:

Monica Cox, Commissioner, based in Portland, Oregon.

Whitney Swander - , joining from Central Oregon Commissioner as well.

Tricia Mooney - Superintendent of Hermiston SD, joining online.

Cam Preus - Salem, Commissioner, good morning.

Reed Scott-Schwalbach - High School Spanish teacher.

John Rexford - Retired School business official superintendent and currently chair.

Lindsay Malanowski - ODE School Finance team.

Vanessa Clark - ODE School Finance team

Evan Fuller - from the research department of the Oregon Department of Education and staff to the quality education commission.

ODE Update

Hello everyone my name is Tenneal Wetherell Chief of Staff of ODE, we're in the short session, but we're hard at work in terms of responding to while still implementing the bills. So that kind of creates a kind of a set of events where everyone's really busy chasing things down and designing things, developing things from program people all the way through budget. I think one of the things that is Important at this time is to think about how we're responding to the New York Times. How that generated some conversation

around our work, the performance of states, how did the students perform in such states. Their performance and then also how they've rebounded from COVID and all of those pieces. This commission talked a lot about what is the right environment to increase the likelihood of student success and what inputs do we need in those types of conversations which is why I feel like it was critical to have the conversation. Or to share more about it. We are excited about the opportunity to think about how to invest in with all of our partners about how to support students and how to make sure that all children have what they need in the system to accomplish their academic goals and dreams. There are insights from other states that are doing a better job with pandemic recovery in terms of what they are doing that you might learn from and apply here to our state. I think the answer is always yes. We learned a lot of things from different states and then we brought back those thoughts and applied them to the Oregon context. And see how it could be merged and utilized in this space.

Governor's Office Update

Pooja Bhatt - Governor Kotek, Education Initiative Director. So everybody online and then here in person I just wanted to share an update from last month's meeting where I came and we had a really rich conversation about the legislative leadership, particularly with the joint committee there's been several conversations happening about what they are planning with that Senate bill that I mentioned last time now there's a number attached to it, Senate bill 1552 and one of the sections I think it's either 12 or 13 there is related to a study that L pro would do to contract out to study the quality education model and then secondarily looking at the education funding. So they're planning to do that work if that bill passes. They're hoping for that work to be completed by the beginning of the next legislative session starting in 25. I know that there's been conversation between Dan and Chair around what other resources that are needed for this year to support you all with the development of your 2024 report. I know that there's been conversation between Dan and chair around what other resources that are needed for this year to support that budget request. To make sure that it accounts for what the L pro is planning to do. I just kind of wonder with the ODE leadership about if there's an amendment to that kind of request then it may be easier for the legislative leadership to see the complementary nature of both the ODE resources as well as what they're planning to do if this senate bill does pass. I wonder if there's additional resources that we can support in the short term , but I'm curious to hear from you all. Have you all seen this kind of proposal when you think it is really most important? In terms of the skill set and capacity needed to develop the 2024 report. The commission needs writing support. We probably need someone who's at least familiar with the report. I want to return to Pooja's initial question about the changes to the inputs and the appropriateness of that. I would say that the change of inputs in the 2022 model was not a novel event and that the inputs have been changed in every iteration of the model in response to changes in the professional judgment of the commission about the best practices required to meet the quality education goals. changes in the inputs due to reflect changes in practice in the field. The difference in the 2022 report is that we were transparent and explicit about the changes in those inputs that went into the model and that we communicated the changes in those inputs Which went into the model, which is just bringing a new level of transparency to the model. Not a new level of activity or a new level of changes to the inputs. And I want to be very clear about the fact that historical changes

have occurred in this model many times. The only difference is that we were very clear about it this time. The second is, regarding, the second part of that initial statement, which is, is it appropriate to add new inputs as the commission determines. And I would say not only is it appropriate, it's statutorily required and is a direct in statute charge to the commission to determine what the best practices to meet the quality of education goals are to include those practices within the model in the form of the inputs which the model takes and to determine the costs of implementing those inputs. it's not only appropriate it is statutorily required of the commission to do that. I empathize with kind of the challenge and predicament that you all have found yourselves as volunteers who are giving your time on top of your already really full plates to to really write this report lead the report process and all of that so that takes a tremendous amount of time and expertise and I just appreciate that.

Oregon's State School Fund & Program Budgeting Manual Overview

Vanessa Clark(State School Fund Program Manager)

Lindsay Malanowski (School Finance Team, Operations and Policy)

I really thought it was important for the commission as a whole to understand a little bit about that state school fund and a little bit about the program budgeting accounting manual that we use. We're starting with the state school funds. This is really the main source of revenue for school districts in the state and at its most basic level the state school fund is a combination of state and local resources that are dedicated to the operation of within the state school fund we have multiple components there are disbursements or sometimes called carve outs there are 3 sub-grants that are part of the state school fund and then there's the general purpose grant and the general purpose grant is what most people are thinking of the state school fund. I'm going to talk about the equity and equalization components today and really adequacy is kind of the work that you all are doing to make sure that the legislature knows what an adequate amount of funding is for the state school funds. So getting into these components, the disbursements or carve outs, these are programs that are funded at a statewide level. Before we make the calculation of the state school distribution that goes to school districts and ESDs All of these programs are funded at a statewide level so that the state is sharing in the cost of these programs. So some examples are the English language learner improvement fund. And like our long-term treatment care and facilities. These are programs that are not necessarily going to touch every student. Some of them are things that not every school district is going to need. But by paying for them at a statewide level, we're ensuring that all students have that equal access.

Lindsay is going to talk about the program budgeting and accounting manual. Maybe you've heard of this before the PBAM houses are in charge of accounts. That's for all Oregon school districts. We'll just be going to walk through a little bit about the PBAM and what it entails. Represent goals of the chart of accounts is designed as a research tool. For all schools in Oregon. We've developed the accounting codes as a structure to help provide consistent notification between school spending and comparisons. We're lined up with the GAP principles, which are the generally accepted accounting principles. Then most district accounting systems can be used using these codes for forecasting budgets and then managing how this schools resources are being spent. This is a working handbook, that's being looked at annually by our Charter of Accounts Committee and that committee is made up of several school district business

officials, a few of us from ODE, a few auditing firms, CPAs and some other folks from the Business Official Association. I just wanna chat about the tried up accounts and how we use them. I used to be a business manager at an Oregon school district. I do have the district perspective on a lot of things. I just want to talk about how the accounts are used from the district perspective. Most of this is for reporting needs just as Vanessa was sharing about how we get all of the data. A lot of this is coming directly from the district. And the accounting and the finance of pieces of it is lined up with the charge of accounts that's identified in the PBAM. So as a district, their financial reporting, they may have some internal financial reporting needs when they're doing their own budget versus actuals, things like that, looking at cash flow projection. Maybe building out an operation or maintenance cost by looking at cash flow projection. We'll be talking about revenues as the income and expenditures as the outgoing. I wanted to show you a little bit about the accounting code structure. And all of these pieces of data we collect in our financial data collections here at ODE. For the revenues, we have an account code structure that includes a fund type, a source code type. The districts can also identify with a project code type if they want, deeper tracking. Then for the expenditure account code structure, we have several pieces of dimensions in the account code structured that will give us a good story about what the expense is really about so it goes through and starts again with a fund type, a certain function or program, the object code type. Then we have operational units which is like the school or location code. The districts can also add in a sub area code to an expenditure code. So as you can see, there's a lot of details just by the separate account code, structure dimensions that make up revenues and expenditures. The revenue account code structure includes a fund code, a source code, and sometimes a project code or project ID. As far as auditor findings and comments and things like that, we receive those from the audit book that we receive and then we take a note of that. If there are consecutive findings like the same finding over and over a year after year, that is specific to a federal program. We submit those over to our program specialists that are running those federal programs and have them touch base with the school district to maybe do a correction corrective action plan or something like that to get that type of stuff in play. A lot of smaller school districts have ESD's that are managing their budgets. When we collect all this data, we wanna make sure that it's consistent across the districts so we can make good comparisons in that and go forward with that stuff. So thanks again for having us and yeah welcome any questions or any follow up if you need.

Adjourn

NEXT MEETING: WEDNESDAY, MARCH 8, 2024

9:00 AM – 11:00 A.M (Zoom)