

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number: SJM 24a**

**49th Legislature, 2nd Session, 2010**

**Tracking Number: .180398.1**

**Short Title: Study School District Finances & Operations**

**Sponsor(s): Senators Cynthia Nava and Mary Jane M. García and Others**

**Analyst: Eilani Gerstner**

**Date: February 11, 2010**

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**FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE**

**AS AMENDED**

**The Senate Rules Committee (SRC) amendment requests that the Office of Education Accountability (OEA) form a work group in “consultation” with (rather than in “collaboration” with) the Office of the State Auditor (OSA) and the Public Education Department (PED).**

**The SRC amendment also changes the date of the requested report of the work group’s findings and recommendations from October 30, 2010 to November 30, 2010.**

**Original Bill Summary:**

SJM 24 requests that the Office of Education Accountability (OEA), in collaboration with the Office of the State Auditor (OSA) and the Public Education Department (PED), convene a work group to examine:

- current public school finance policies and practice;
- statutory powers and duties of local school boards and state agencies vis-à-vis public school finance;
- legal concepts pertaining to public schools, finance, and budget;
- the ability and capacity of school districts and state agencies to manage and oversee school district financial systems;
- the state-required and locally required education and training of school district and charter school officials, including:
  - local school board members;
  - members of the governing bodies of charter schools; and
  - school finance personnel;
- systemic safeguards against fraud, waste, and abuse; and
- other related matters.

SJM 24 further requests that the work group include representatives from:

- local school boards and governing boards of charter schools;
- school superintendents and charter school administrators;
- independent auditors;

- school finance experts from universities and colleges; and
- other stakeholders from other appropriate professional associations.

The memorial also requests that the work group hold an organizational meeting and present an interim work plan to the Legislative Education Study Committee (LESC) by May 30, 2010; and that OEA provide a report of its findings and any recommendations for necessary legislation to the LESL, the Legislative Finance Committee (LFC) and the Governor by October 30, 2010.

**Fiscal Impact:**

Legislative memorials do not contain an appropriation.

**Fiscal Issues:**

Both PED and OEA report that the requests of SJM 24 could be accomplished with existing staff.

However, the OSA analysis notes the following:

“OSA staff members with expertise in the subject area of the work group will have to be redirected from assigned tasks within the OSA and assigned to the tasks of the work group. Accordingly, given the OSA’s current budget constraints and limited staff, as well as the broad scope of the work group’s charge under the joint memorial, this may impact other statutory and administrative functions of the OSA related to conducting financial audits, administering the financial audit process for over 600 government agencies, and conducting special audits related to financial fraud, waste, and abuse.”

**Background:**

The LESL’s focus in the 2010 legislative interim will be to:

- monitor the implementation of provisions in law that strengthen the requirements for timely school districts audits;
- bring awareness to the issues and factors that may be affecting the accountability of school district operations; and
- identify in-state and regional initiatives and resources that can support and strengthen school district financial practices.

**Related Bill(s):**

CS/HB 227 & 251 *School Board Finance & Audit Committees*