

# Preparing for the Financial Transparency Provision: State Educational Agency Examples

## *Oregon*

**This state example was informed by a June 2018 interview with Michael Wiltfong, Director of School Finance and School Facilities at the Oregon Department of Education (ODE)**

### **Changing the data collection processes**

Oregon already has robust data collections and an established chart of accounts enabling reporting of financial expenditures at the school level. Oregon has 197 school districts and 19 Education Service Districts (ESDs), and all of the 197 school districts belong to one of the 19 regional ESDs. Oregon found their definitions of districts to be consistent with federal guidance, which is a critical first step in this process. Oregon recognized early on the value of having collaborative relationships, patience, and flexibility with their partners in the districts as they reviewed deliverables and expectations.

### **District planning and resource equity**

Oregon reviewed FY17 financial data for testing purposes and found the districts were doing a decent job of reporting at the school level. The larger districts were able to disaggregate this data by school much easier than the smaller districts. School districts in Oregon range in size from almost 50,000 students to two students, but all districts have the same reporting requirements. The biggest challenge of implementing this change in reporting is in the work with the 184 smaller districts in the state. Many will likely need to update their accounting software, budget process, policies, and communication strategies as a result, and much of this work is still in the design phase or hasn't begun.

### **Coordinating with other state offices and programs**

At the recommendation of the Council of Chief State School Officers, staff at the ODE formed a partnership with the Edunomics Lab at Georgetown University, along with approximately 25 other states, and Oregon began reviewing the amendment and the capability of the participating states. This group became the Financial Transparency Working Group, and they were helpful as Oregon started thinking in critical terms about how to go about this work. In addition, ERS worked with a cohort of Oregon district leadership teams toward meeting ESSA's financial transparency requirement as a means to advance equity. The work with ERS involved individual support and consultation for each participating district in validating the quality of their data, examining the equitable distribution of resources, and using the [Financial Transparency and Reporting Readiness Assessment Tool](#) to better understand the accuracy of their current financial reporting practices.

### **Looking to other states as models**

Oregon spent considerable time reviewing what requirements and structures around school-level reporting other states already had in place, as some had mandates for school-level expenditure reporting prior to the ESSA amendment. States such as Massachusetts, Rhode Island, and Georgia all had some form of a working school-level model that had been in existence for several years, and they were helpful and informative as to their challenges in many aspects of implementation.

### **Advice for other states**

- Don't wait for clarifying guidance on this topic from our federal partners in the near future
- Understand/appreciate the local politics related to this level of reporting
- Anticipate that discussions about this work have not taken place in many communities
- Have a working model to demonstrate results, as it is difficult to explain a complex system that doesn't exist
- Understand the value of flexibility in reporting and that there will likely be a need for an exception to every rule
- There is still a lot of work to be done on the communication of this change in the long term