

Requested by Representative ZIKA

**PROPOSED AMENDMENTS TO  
HOUSE BILL 3427**

1 In line 2 of the printed bill, before the period insert “; creating new pro-  
2 visions; amending ORS 316.037, 327.008, 327.527, 327.535, 329.095, 417.790 and  
3 417.847; providing for revenue raising that requires approval by a three-fifths  
4 majority; and providing that this Act shall be referred to the people for their  
5 approval or rejection”.

6 Delete lines 4 through 8 and insert:  
7

8 **“FUND FOR STUDENT SUCCESS**  
9

10 **“SECTION 1. Section 2 of this 2019 Act is added to and made a part**  
11 **of ORS chapter 327.**

12 **“SECTION 2. Fund for Student Success; transfers to accounts. (1)**  
13 **The Fund for Student Success is established in the State Treasury,**  
14 **separate and distinct from the General Fund.**

15 **“(2) The Fund for Student Success shall consist of moneys appro-**  
16 **priated by the Legislative Assembly, moneys transferred to the fund**  
17 **under section 76 of this 2019 Act and moneys received as provided in**  
18 **subsection (3) of this section.**

19 **“(3) The Department of Education, on behalf of the State of Oregon,**  
20 **may solicit and accept gifts, grants, donations and other moneys from**  
21 **public and private sources for the Fund for Student Success. Moneys**

1 received as provided in this subsection shall be deposited into the Fund  
2 for Student Success.

3 “(4) Moneys in the Fund for Student Success are continuously ap-  
4 propriated to the department for:

5 “(a) Transfer to the State School Fund in the amount calculated  
6 by the Legislative Fiscal Officer and the Legislative Revenue Officer  
7 to be the sum of:

8 “(A) At least \$40 million, for the purpose of a transfer under ORS  
9 327.008 (11) to the High Cost Disabilities Account established in ORS  
10 327.348; and

11 “(B) The amount of change in General Fund revenue to be collected  
12 in the biennium due to the amendments to ORS 316.037 by section 56  
13 of this 2019 Act and the operation of sections 58 to 76 of this 2019 Act.

14 “(b) Of the amount remaining in the Fund for Student Success after  
15 the transfer prescribed by paragraph (a) of this subsection, transfer  
16 to other education accounts as follows:

17 “(A) At least 50 percent to the Student Investment Account estab-  
18 lished in section 8 of this 2019 Act.

19 “(B) Up to 30 percent to the Statewide Education Initiatives Ac-  
20 count established in section 24 of this 2019 Act.

21 “(C) At least 20 percent to the Early Learning Account established  
22 in section 51 of this 2019 Act.

23 “SECTION 3. (1) In addition to and not in lieu of the transfer under  
24 section 2 of this 2019 Act, for the biennium beginning July 1, 2019, the  
25 Department of Education shall transfer from the Fund for Student  
26 Success to the State School Fund an amount that equals \$200 million.

27 “(2) Notwithstanding section 2 (4)(a) of this 2019 Act, for the  
28 biennium beginning July 1, 2019, the amount the Department of Edu-  
29 cation shall transfer from the Fund for Student Success to the State  
30 School Fund for the purpose of a transfer under ORS 327.008 (11) to the

1 **High Cost Disabilities Account established in ORS 327.348 shall be \$20**  
2 **million.**

3

4

#### “STATE SCHOOL FUND

5

6 **“SECTION 4.** ORS 327.008, as amended by section 22, chapter 639, Oregon  
7 Laws 2017, and section 5, chapter 700, Oregon Laws 2017, is amended to read:

8 “327.008. (1)(a) There is established a State School Fund in the General  
9 Fund.

10 “(b) The Department of Education, on behalf of the State of Oregon, may  
11 solicit and accept gifts, grants, donations and other moneys from public and  
12 private sources for the State School Fund. Moneys received as provided in  
13 this paragraph shall be deposited into the State School Fund.

14 “(c) The State School Fund shall consist of moneys appropriated by the  
15 Legislative Assembly, **moneys transferred from the Fund for Student**  
16 **Success**, moneys transferred from the Education Stability Fund and the  
17 Oregon Marijuana Account and moneys received as provided in paragraph  
18 (b) of this subsection.

19 “(d) The State School Fund is continuously appropriated to the Depart-  
20 ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,  
21 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243,  
22 343.533, 343.941 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws  
23 2013.

24 “(2) There shall be apportioned from the State School Fund to each school  
25 district a State School Fund grant, consisting of the positive amount equal  
26 to a general purpose grant and a facility grant and a transportation grant  
27 and a high cost disabilities grant minus local revenue, computed as provided  
28 in ORS 327.011 and 327.013.

29 “(3) For the first school year after a public charter school ceases to op-  
30 erate because of dissolution or closure or because of termination or

1 nonrenewal of a charter, there shall be apportioned from the State School  
2 Fund to each school district that had sponsored a public charter school that  
3 ceased to operate an amount equal to the school district's general purpose  
4 grant per extended ADMw multiplied by five percent of the ADM of the  
5 public charter school for the previous school year.

6 “(4) There shall be apportioned from the State School Fund to each edu-  
7 cation service district a State School Fund grant as calculated under ORS  
8 327.019.

9 “(5) All figures used in the determination of the distribution of the State  
10 School Fund shall be estimates for the same year as the distribution occurs,  
11 unless otherwise specified.

12 “(6) Numbers of students in average daily membership used in the dis-  
13 tribution formula shall be the numbers as of June of the year of distribution.

14 “(7) A school district may not use the portion of the State School Fund  
15 grant that is attributable to the facility grant for capital construction costs.

16 “(8) The total amount of the State School Fund that is distributed as fa-  
17 cility grants may not exceed \$7 million in any biennium. If the total amount  
18 to be distributed as facility grants exceeds this limitation, the Department  
19 of Education shall prorate the amount of funds available for facility grants  
20 among those school districts that qualified for a facility grant. If the total  
21 amount to be distributed as facility grants does not exceed this limitation,  
22 any remaining amounts shall be expended for expenses incurred by the Office  
23 of School Facilities as provided in ORS 326.125 (1).

24 “(9) Each biennium, the Department of Education may expend from the  
25 State School Fund no more than \$6 million for expenses incurred by the Of-  
26 fice of School Facilities under ORS 326.125 (2) to (6).

27 “(10) Each fiscal year, the Department of Education shall transfer to the  
28 Pediatric Nursing Facility Account established in ORS 327.022 the amount  
29 necessary to pay the costs of educational services provided to students ad-  
30 mitted to pediatric nursing facilities as provided in ORS 343.941.

1 “(11) Each fiscal year, the Department of Education shall transfer the  
2 amount of \$35 million from the State School Fund to the High Cost Disa-  
3 bilities Account established in ORS 327.348.

4 “(12)(a) Each biennium, the Department of Education shall transfer \$39.5  
5 million from the State School Fund to the Educator Advancement Fund es-  
6 tablished under ORS 342.953.

7 “(b) For the purpose of making the transfer under this subsection:

8 “(A) The total amount available for all distributions from the State  
9 School Fund shall be reduced by \$6 million;

10 “(B) The amount distributed to school districts from the State School  
11 Fund under this section and ORS 327.013 shall be reduced by \$16.75 million;  
12 and

13 “(C) The amount distributed to education service districts from the State  
14 School Fund under this section and ORS 327.019 shall be reduced by \$16.75  
15 million.

16 “(c) For each biennium, the amounts identified in this subsection shall  
17 be adjusted by the same percentage by which the instructions furnished to  
18 state agencies by the Governor under ORS 291.204 direct the state agencies  
19 to adjust their agency budget requests for special payments under ORS  
20 291.216 (6)(a)(C).

21 “(13) Each biennium, the Department of Education shall transfer \$12.5  
22 million from the State School Fund to the Statewide English Language  
23 Learner Program Account established under ORS 327.344.

24 “(14) Each fiscal year, the Department of Education may expend up to  
25 \$550,000 from the State School Fund for the contract described in ORS  
26 329.488. The amount distributed to education service districts from the State  
27 School Fund under this section and ORS 327.019 shall be reduced by the  
28 amount expended by the department under this subsection.

29 “(15) Each biennium, the Department of Education may expend up to  
30 \$350,000 from the State School Fund to provide administration of and support

1 for the development of talented and gifted education under ORS 343.404.

2 “(16) Each biennium, the Department of Education may expend up to  
3 \$150,000 from the State School Fund for the administration of a program to  
4 increase the number of speech-language pathologists and speech-language  
5 pathology assistants under ORS 348.394 to 348.406.

6 “(17) Each fiscal year, the Department of Education shall transfer the  
7 amount of \$2.5 million from the State School Fund to the Small School Dis-  
8 trict Supplement Fund established in section 3, chapter 735, Oregon Laws  
9 2013.

10 “(18) Each biennium, the Department of Education shall transfer \$2  
11 million from the State School Fund for deposit to the Healthy School Facil-  
12 ities Fund established under ORS 332.337. Notwithstanding ORS 332.337, the  
13 department may expend moneys received in the Healthy School Facilities  
14 Fund under this subsection only as grants for costs associated with testing  
15 for elevated levels of lead in water used for drinking or food preparation.

16 **“SECTION 5.** ORS 327.008, as amended by section 7, chapter 735, Oregon  
17 Laws 2013, section 7, chapter 81, Oregon Laws 2014, section 2, chapter 68,  
18 Oregon Laws 2015, section 38, chapter 245, Oregon Laws 2015, section 2,  
19 chapter 555, Oregon Laws 2015, section 11, chapter 604, Oregon Laws 2015,  
20 section 2, chapter 644, Oregon Laws 2015, section 8, chapter 783, Oregon  
21 Laws 2015, sections 22 and 23, chapter 639, Oregon Laws 2017, sections 5 and  
22 6, chapter 700, Oregon Laws 2017, and section 34, chapter 725, Oregon Laws  
23 2017, is amended to read:

24 “327.008. (1)(a) There is established a State School Fund in the General  
25 Fund.

26 “(b) The Department of Education, on behalf of the State of Oregon, may  
27 solicit and accept gifts, grants, donations and other moneys from public and  
28 private sources for the State School Fund. Moneys received as provided in  
29 this paragraph shall be deposited into the State School Fund.

30 “(c) The State School Fund shall consist of moneys appropriated by the

1 Legislative Assembly, **moneys transferred from the Fund for Student**  
2 **Success**, moneys transferred from the Education Stability Fund and the  
3 Oregon Marijuana Account and moneys received as provided in paragraph  
4 (b) of this subsection.

5 “(d) The State School Fund is continuously appropriated to the Depart-  
6 ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,  
7 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243,  
8 343.533, 343.941 and 343.961.

9 “(2) There shall be apportioned from the State School Fund to each school  
10 district a State School Fund grant, consisting of the positive amount equal  
11 to a general purpose grant and a facility grant and a transportation grant  
12 and a high cost disabilities grant minus local revenue, computed as provided  
13 in ORS 327.011 and 327.013.

14 “(3) For the first school year after a public charter school ceases to op-  
15 erate because of dissolution or closure or because of termination or  
16 nonrenewal of a charter, there shall be apportioned from the State School  
17 Fund to each school district that had sponsored a public charter school that  
18 ceased to operate an amount equal to the school district’s general purpose  
19 grant per extended ADMw multiplied by five percent of the ADM of the  
20 public charter school for the previous school year.

21 “(4) There shall be apportioned from the State School Fund to each edu-  
22 cation service district a State School Fund grant as calculated under ORS  
23 327.019.

24 “(5) All figures used in the determination of the distribution of the State  
25 School Fund shall be estimates for the same year as the distribution occurs,  
26 unless otherwise specified.

27 “(6) Numbers of students in average daily membership used in the dis-  
28 tribution formula shall be the numbers as of June of the year of distribution.

29 “(7) A school district may not use the portion of the State School Fund  
30 grant that is attributable to the facility grant for capital construction costs.

1       “(8) The total amount of the State School Fund that is distributed as fa-  
2       cility grants may not exceed \$7 million in any biennium. If the total amount  
3       to be distributed as facility grants exceeds this limitation, the Department  
4       of Education shall prorate the amount of funds available for facility grants  
5       among those school districts that qualified for a facility grant. If the total  
6       amount to be distributed as facility grants does not exceed this limitation,  
7       any remaining amounts shall be expended for expenses incurred by the Office  
8       of School Facilities as provided in ORS 326.125 (1).

9       “(9) Each biennium, the Department of Education may expend from the  
10       State School Fund no more than \$6 million for expenses incurred by the Of-  
11       fice of School Facilities under ORS 326.125 (2) to (6).

12       “(10) Each fiscal year, the Department of Education shall transfer to the  
13       Pediatric Nursing Facility Account established in ORS 327.022 the amount  
14       necessary to pay the costs of educational services provided to students ad-  
15       mitted to pediatric nursing facilities as provided in ORS 343.941.

16       “(11) Each fiscal year, the Department of Education shall transfer the  
17       amount of [~~\$35~~] **\$55** million from the State School Fund to the High Cost  
18       Disabilities Account established in ORS 327.348.

19       “(12)(a) Each biennium, the Department of Education shall transfer \$39.5  
20       million from the State School Fund to the Educator Advancement Fund es-  
21       tablished under ORS 342.953.

22       “(b) For the purpose of making the transfer under this subsection:

23       “(A) The total amount available for all distributions from the State  
24       School Fund shall be reduced by \$6 million;

25       “(B) The amount distributed to school districts from the State School  
26       Fund under this section and ORS 327.013 shall be reduced by \$16.75 million;  
27       and

28       “(C) The amount distributed to education service districts from the State  
29       School Fund under this section and ORS 327.019 shall be reduced by \$16.75  
30       million.



1 “(c) For each biennium, the amounts identified in this subsection shall  
2 be adjusted by the same percentage by which the instructions furnished to  
3 state agencies by the Governor under ORS 291.204 direct the state agencies  
4 to adjust their agency budget requests for special payments under ORS  
5 291.216 (6)(a)(C).

6 “(13) Each biennium, the Department of Education shall transfer \$12.5  
7 million from the State School Fund to the Statewide English Language  
8 Learner Program Account established under ORS 327.344.

9 “(14) Each fiscal year, the Department of Education may expend up to  
10 \$550,000 from the State School Fund for the contract described in ORS  
11 329.488. The amount distributed to education service districts from the State  
12 School Fund under this section and ORS 327.019 shall be reduced by the  
13 amount expended by the department under this subsection.

14 “(15) Each biennium, the Department of Education may expend up to  
15 \$350,000 from the State School Fund to provide administration of and support  
16 for the development of talented and gifted education under ORS 343.404.

17 “(16) Each biennium, the Department of Education may expend up to  
18 \$150,000 from the State School Fund for the administration of a program to  
19 increase the number of speech-language pathologists and speech-language  
20 pathology assistants under ORS 348.394 to 348.406.

21 “(17) Each biennium, the Department of Education shall transfer \$2  
22 million from the State School Fund for deposit to the Healthy School Facil-  
23 ities Fund established under ORS 332.337. Notwithstanding ORS 332.337, the  
24 department may expend moneys received in the Healthy School Facilities  
25 Fund under this subsection only as grants for costs associated with testing  
26 for elevated levels of lead in water used for drinking or food preparation.

27 **“SECTION 6. (1) The amendments to ORS 327.008 by section 5 of this**  
28 **2019 Act become operative on July 1, 2020.**

29 **“(2) The amendments to ORS 327.008 by section 5 of this 2019 Act**  
30 **apply to State School Fund distributions commencing with the**

1 2020-2021 distributions.

2

3

**“STUDENT INVESTMENT ACCOUNT**

4

5 **“SECTION 7. Sections 8 to 19 of this 2019 Act are added to and made**  
6 **a part of ORS chapter 327.**

7 **“SECTION 8. Student Investment Account. (1) The Student Invest-**  
8 **ment Account is established within the Fund for Student Success.**

9 **“(2) The Student Investment Account shall consist of:**

10 **“(a) Moneys transferred to the account from the Fund for Student**  
11 **Success;**

12 **“(b) Moneys appropriated or otherwise transferred to the account**  
13 **by the Legislative Assembly;**

14 **“(c) Amounts donated to the account; and**

15 **“(d) Other amounts deposited into the account from any source.**

16 **“(3) The Department of Education, on behalf of the State of Oregon,**  
17 **may solicit and accept gifts, grants, donations and other moneys from**  
18 **public and private sources for the Student Investment Account. Mon-**  
19 **eys received as provided in this subsection shall be deposited into the**  
20 **Student Investment Account.**

21 **“(4) Moneys in the Student Investment Account are continuously**  
22 **appropriated to the Department of Education for the purposes of dis-**  
23 **tributing grants under section 13 of this 2019 Act.**

24 **“SECTION 9. Allowed uses of grants from Student Investment Ac-**  
25 **count. (1) In addition to those moneys distributed through the State**  
26 **School Fund, the Department of Education shall award grants from**  
27 **the Student Investment Account. Grants shall be distributed as pro-**  
28 **vided under section 13 of this 2019 Act.**

29 **“(2) The purposes of grants distributed under section 13 of this 2019**  
30 **Act shall be to:**

1       **“(a) Meet students’ mental or behavioral health needs; and**  
2       **“(b) Increase academic achievement for students, including reduc-**  
3 **ing academic disparities for:**

4       **“(A) Economically disadvantaged students, as determined based on**  
5 **eligibility for free or reduced price lunches under the United States**  
6 **Department of Agriculture’s current Income Eligibility Guidelines;**

7       **“(B) Students from racial or ethnic groups that have historically**  
8 **experienced academic disparities, as determined under rules adopted**  
9 **by the State Board of Education;**

10       **“(C) Students with disabilities;**

11       **“(D) Students who are English language learners;**

12       **“(E) Students who are foster children, as defined in ORS 30.297;**

13       **“(F) Students who are homeless, as determined under rules adopted**  
14 **by the State Board of Education; and**

15       **“(G) Any other student groups that have historically experienced**  
16 **academic disparities, as determined by the State Board of Education**  
17 **by rule.**

18       **“(3) Grant moneys received under section 13 of this 2019 Act may**  
19 **be used by a grant recipient only for:**

20       **“(a) Increasing instructional time, which may include:**

21       **“(A) More hours or days of instructional time;**

22       **“(B) Summer programs;**

23       **“(C) Before-school or after-school programs; or**

24       **“(D) Technological investments that minimize class time used for**  
25 **assessments administered to students.**

26       **“(b) Addressing students’ health or safety needs, which may in-**  
27 **clude:**

28       **“(A) Social-emotional learning and development;**

29       **“(B) Student mental and behavioral health;**

30       **“(C) Improvements to teaching and learning practices or organiza-**

1 tional structures that lead to better interpersonal relationships at the  
2 school;

3 “(D) Student health and wellness;

4 “(E) Trauma-informed practices;

5 “(F) School health professionals and assistants; or

6 “(G) Facility improvements directly related to improving student  
7 health or safety.

8 “(c) Reducing class sizes, which may include increasing the use of  
9 instructional assistants, by using evidence-based criteria to ensure  
10 appropriate student-teacher ratios or staff caseloads.

11 “(d) Expanding availability of and student participation in well-  
12 rounded learning experiences, which may include:

13 “(A) Developmentally appropriate and culturally responsive early  
14 literacy practices and programs in prekindergarten through third  
15 grade;

16 “(B) Culturally responsive practices and programs in grades six  
17 through eight, including learning, counseling and student support that  
18 is connected to colleges and careers;

19 “(C) Broadened curricular options at all grade levels, including ac-  
20 cess to:

21 “(i) Art, music and physical education classes;

22 “(ii) Science, technology, engineering and mathematics education;

23 “(iii) Career and technical education;

24 “(iv) Electives that are engaging to students;

25 “(v) Accelerated college credit programs, including dual credit pro-  
26 grams, International Baccalaureate programs and advanced placement  
27 programs;

28 “(vi) Dropout prevention programs and transition supports;

29 “(vii) Life skills classes; or

30 “(viii) Talented and gifted programs; or

1       **“(D) Access to licensed educators with a library media endorsement.**

2       **“SECTION 10. Application requirements to receive grants from**  
3 **Student Investment Account. (1) As used in this section, ‘eligible ap-**  
4 **plicant’ means:**

5       **“(a) Common school districts and union high school districts; and**

6       **“(b) Public charter schools that are not virtual public charter**  
7 **schools, as defined in ORS 338.005, and that have a student population**  
8 **of which:**

9       **“(A) At least 35 percent of the student population is composed of**  
10 **students from the following student groups:**

11       **“(i) Economically disadvantaged, as described in section 9 (2)(b)(A)**  
12 **of this 2019 Act;**

13       **“(ii) Racial or ethnic groups that have historically experienced ac-**  
14 **ademic disparities, as described in section 9 (2)(b)(B) of this 2019 Act;**  
15 **or**

16       **“(iii) Students with disabilities, as described in section 9 (2)(b)(C)**  
17 **of this 2019 Act; and**

18       **“(B) The percentage of the students from student groups identified**  
19 **under subparagraph (A) of this paragraph is greater than:**

20       **“(i) The percentage of all students in the school district who are**  
21 **economically disadvantaged, if eligibility is determined based on the**  
22 **percentage of students who are economically disadvantaged;**

23       **“(ii) The percentage of all students in the school district who are**  
24 **from racial or ethnic groups that have historically experienced aca-**  
25 **ademic disparities, if eligibility is determined based on the percentage**  
26 **of students who are from those racial or ethnic groups; or**

27       **“(iii) The percentage of all students in the school district who are**  
28 **disabled, if eligibility is determined based on the percentage of stu-**  
29 **dents who are disabled.**

30       **“(2)(a) Eligible applicants may apply for a grant from the Student**

1 Investment Account to receive a distribution under section 12 of this  
2 2019 Act.

3 “(b) Notwithstanding ORS 338.155 (9), a public charter school that  
4 is not an eligible applicant may not apply for a grant under this sec-  
5 tion.

6 “(3) Prior to preparing a grant application, an eligible applicant  
7 must:

8 “(a) If the eligible applicant is a school district, determine whether  
9 the school district will allow public charter schools sponsored by the  
10 school district to participate in the grant application and the grant  
11 agreement.

12 “(b) If the eligible applicant is a public charter school, determine  
13 whether the public charter school intends to apply for a grant and  
14 provide notice of that intent to the school district that is the sponsor  
15 of the public charter school and to the Department of Education.

16 “(4)(a) If an eligible applicant is a school district and decides to in-  
17 clude public charter schools in the grant application and grant agree-  
18 ment, the school district must provide all public charter schools  
19 sponsored by the school district the opportunity to participate in the  
20 grant application and grant agreement.

21 “(b)(A) A public charter school is not required to participate in the  
22 grant application and grant agreement of a school district.

23 “(B) If a public charter school does not participate in a grant ap-  
24 plication and grant agreement under this subsection:

25 “(i) The ADMw of the public charter school may not be used in the  
26 calculation of the school district ADMw for grants distributed under  
27 section 13 of this 2019 Act; and

28 “(ii) The public charter school is not entitled to any grant moneys  
29 distributed under section 13 of this 2019 Act.

30 “(C) If a public charter school participates in a grant application

1 and grant agreement under this subsection:

2 “(i) The public charter school and school district shall enter into  
3 an agreement for the distribution of moneys or the provision of ser-  
4 vices, including any accountability measures required of the public  
5 charter school by the school district;

6 “(ii) The ADMw of the public charter school shall be used in the  
7 calculation of the school district ADMw for grants distributed under  
8 section 13 of this 2019 Act; and

9 “(iii) The public charter school is entitled to any grant moneys or  
10 services provided for in the agreement entered into under this sub-  
11 paragraph.

12 “(5)(a) For the purpose of preparing a grant application, an eligible  
13 applicant must determine:

14 “(A) Which of the allowed uses identified in section 9 (3) of this 2019  
15 Act the eligible applicant will fund with grant moneys; and

16 “(B) Which of the eligible uses identified under subparagraph (A)  
17 of this paragraph the eligible applicant will designate to meeting stu-  
18 dent mental and behavioral health needs.

19 “(b) An eligible applicant shall make the determinations required  
20 under paragraph (a) of this subsection by:

21 “(A) Engaging in strategic planning; and

22 “(B) Considering the recommendations of the Quality Education  
23 Commission established under ORS 327.500.

24 “(6)(a) The strategic planning required under subsection (5) of this  
25 section must include:

26 “(A) A completed needs assessment, as described in ORS 329.095;

27 “(B) An analysis of the potential academic impact, both for the  
28 students of the eligible applicant and for student groups identified in  
29 section 9 (2)(b) of this 2019 Act, from the allowed uses that would be  
30 funded by grant moneys; and

1       **“(C) The creation of budgets for the allowed uses that would be**  
2 **funded by grant moneys.**

3       **“(b) The strategic planning required under subsection (5) of this**  
4 **section must take into consideration:**

5       **“(A) Input from the community of the eligible applicant, including**  
6 **school employees, students from student groups identified in section**  
7 **9 (2)(b) of this 2019 Act and parents of those students; and**

8       **“(B) Data collected by the eligible applicant to enable the eligible**  
9 **applicant to make equity-based decisions.**

10       **“(7) Based on the strategic planning described in subsection (6) of**  
11 **this section, the eligible applicant shall develop a four-year plan for**  
12 **the use of grant moneys. The plan must be updated every two years**  
13 **and must:**

14       **“(a) Identify which allowed uses identified in section 9 (3) of this**  
15 **2019 Act will be funded with grant moneys and which of those uses**  
16 **will be designated to meet student mental and behavioral health needs.**

17       **“(b) Describe how the allowed uses identified under paragraph (a)**  
18 **of this subsection will be used to:**

19       **“(A) Meet students’ mental and behavioral health needs;**

20       **“(B) Increase academic achievement for students of the eligible**  
21 **applicant; and**

22       **“(C) Reduce academic disparities for student groups identified in**  
23 **section 9 (2)(b) of this 2019 Act who are served by the eligible applicant,**  
24 **and identify which of those student groups will benefit from the al-**  
25 **lowed uses that are being funded with grant moneys.**

26       **“(c) Include the budgets for the allowed uses to be funded with**  
27 **grant moneys.**

28       **“(d) Be approved by the governing body of the eligible applicant at**  
29 **an open meeting, following:**

30       **“(A) Provision of the plan at the main office of the eligible appli-**



1 cant and on the eligible applicant’s website;

2 “(B) Oral presentation of the plan by an administrator of the eligi-  
3 ble applicant to the governing body of the eligible applicant; and

4 “(C) Opportunity for the public to comment on the plan at an open  
5 meeting.

6 “(e) Be a part of the local district continuous improvement plan  
7 described in ORS 329.095, if the eligible applicant is a school district.

8 “(8) To apply for a grant, an eligible applicant must submit an ap-  
9 plication every two years in a format and according to timelines pre-  
10 scribed by the Department of Education. The application must include:

11 “(a) A completed needs assessment, as described in ORS 329.095;

12 “(b) The plan developed under subsection (7) of this section; and

13 “(c) Budget estimates for each of the allowed uses identified in the  
14 plan developed under subsection (7) of this section that will be funded  
15 by grant moneys.

16 “SECTION 11. Notwithstanding section 10 of this 2019 Act, any plans  
17 submitted for a grant from the Student Investment Account to be used  
18 before the 2021-2023 biennium must be for a three-year plan and must  
19 be updated after the first year.

20 “SECTION 12. Approval of applications to receive grants from the  
21 Student Investment Account; performance growth targets. (1) As used  
22 in this section:

23 “(a) ‘Disaggregated’ means separated based on the student groups  
24 identified in section 9 (2)(b) of this 2019 Act.

25 “(b) ‘Five-year completion rate’ means the percentage of students  
26 who received a high school diploma, a modified diploma or an extended  
27 diploma or who received a certificate for passing an approved high  
28 school equivalency test such as the General Educational Development  
29 test (GED) within five years of the student beginning the ninth grade.

30 “(c) ‘High school diploma’ means a diploma that is awarded to a

1 student upon satisfaction of the requirements prescribed by ORS  
2 329.451 (2).

3 “(d) ‘Ninth-grade on-track rates’ means the percentage of students  
4 who, at the end of the summer following the year the students began  
5 ninth grade, completed one quarter of the credits required for high  
6 school graduation.

7 “(e) ‘On-time graduation rate’ means the percentage of students  
8 who received a high school diploma or a modified diploma within four  
9 years of the students beginning the ninth grade.

10 “(f) ‘Regular attendance rates’ means the percentage of students  
11 who are absent, as determined by Department of Education policy, for  
12 less than 10 percent of the school days for which the students are en-  
13 rolled.

14 “(g) ‘Third-grade reading proficiency rate’ means the percentage of  
15 students in the third grade who are determined to be proficient or  
16 above in English language arts, as determined under rules adopted by  
17 the State Board of Education.

18 “(2) The Department of Education shall review all applications for  
19 grants from the Student Investment Account that comply with the  
20 requirements prescribed by section 10 of this 2019 Act.

21 “(3) If an application complies with the requirements of section 10  
22 of this 2019 Act, the department shall collaborate with the grant re-  
23 cipient to develop applicable longitudinal performance growth targets.  
24 The longitudinal performance growth targets must:

25 “(a) Be based on data available for longitudinal analysis;

26 “(b) Be developed based on guidance established by the department;  
27 and

28 “(c) Use the following applicable metrics:

29 “(A) On-time graduation rates and five-year completion rates, in-  
30 cluding:

1       “(i) The overall on-time graduation rate and five-year completion  
2 rate.

3       “(ii) Gaps in disaggregated on-time graduation rates and five-year  
4 completion rates.

5       “(B) Ninth-grade on-track rates, including:

6       “(i) The overall ninth-grade on-track rate.

7       “(ii) Gaps in disaggregated ninth-grade on-track rates.

8       “(C) Third-grade reading proficiency rates, including:

9       “(i) The overall third-grade reading proficiency rate.

10       “(ii) Gaps in disaggregated third-grade reading proficiency rates.

11       “(D) Regular attendance rates, including:

12       “(i) The overall regular attendance rate.

13       “(ii) Gaps in disaggregated regular attendance rates.

14       “(4) In addition to the metrics identified in subsection (3) of this  
15 section, other local metrics may be used to develop applicable per-  
16 formance growth targets.

17       “(5) When developing performance growth targets, the department  
18 and grant recipient shall:

19       “(a) Review disaggregated student data;

20       “(b) Apply a process adopted by the department for the purpose of  
21 strategically developing equitable policies and programs; and

22       “(c) Identify which student groups identified in section 9 (2)(b) of  
23 this 2019 Act are most at risk of not meeting performance growth  
24 targets.

25       “(6)(a) After developing performance growth targets, the depart-  
26 ment and grant recipient shall enter into a grant agreement. The  
27 grant agreement must include applicable performance growth targets  
28 for measuring the academic growth of the students of the grant re-  
29 cipient.

30       “(b) A grant agreement is not valid until approved by the governing

1 body of the grant recipient at an open meeting following:

2 “(A) Provision of the plan at the main office of the grant recipient  
3 and on the grant recipient’s website;

4 “(B) Oral presentation of the plan by an administrator of the grant  
5 recipient to the governing body of the grant recipient; and

6 “(C) Opportunity for the public to comment on the plan at an open  
7 meeting.

8 “(7) Any agreements between a public charter school and a grant  
9 recipient that is a school district shall become part of the grant  
10 agreement.

11 “SECTION 13. Calculations of grant amounts; distributions of  
12 grants. (1)(a) Except as provided by paragraph (d) of this subsection,  
13 the amount of a grant awarded from the Student Investment Account  
14 = the grant recipient’s ADMw × (the total amount available for dis-  
15 tribution as grants in each biennium ÷ the total ADMw of all grant  
16 recipients).

17 “(b) For purposes of this subsection and except as provided by par-  
18 agraph (c) of this subsection, ADMw equals the ADMw as calculated  
19 under ORS 327.013, except that the additional amount allowed for stu-  
20 dents who are in poverty families, as determined under ORS 327.013  
21 (1)(c)(A)(v)(I), shall be 0.5.

22 “(c) When calculating ADMw, the Department of Education shall  
23 remove from a school district’s calculation any amounts that are at-  
24 tributable to:

25 “(A) A virtual public charter school, as defined in ORS 338.005.

26 “(B) A public charter school that provided notice of the public  
27 charter school’s intent to apply for a grant as an eligible applicant;  
28 and

29 “(C) A public charter school sponsored by the school district that  
30 did not participate in the grant application or grant agreement.

1       “(d) The amount of a grant distributed under this section may be  
2 adjusted by the department to ensure that:

3       “(A) A grant recipient does not receive any moneys for uses that  
4 are not allowed uses under section 9 (3) of this 2019 Act.

5       “(B) A school district with an ADMw of 50 or less receives a mini-  
6 mum grant amount.

7       “(2) The State Board of Education shall adopt any rules necessary  
8 for the distribution of grants under this section, including establish-  
9 ing:

10       “(a) The minimum grant amounts under subsection (1)(d) of this  
11 section; and

12       “(b) Any percentages and timelines for installment payments and  
13 adjustments of those installment payments.

14       “(3) A grant recipient shall deposit the grant moneys the grant re-  
15 cipient receives under this section into a separate account and shall  
16 apply amounts in that account as provided by the grant agreement.

17       “SECTION 14. The Department of Education shall establish  
18 timelines that allow for the first distributions to be made under sec-  
19 tion 13 of this 2019 Act for the 2020-2021 school year.

20       “SECTION 15. Financial audits; determinations of moneys not spent  
21 in accordance with grant agreement or failure to meet performance  
22 growth targets. (1)(a) Each year, each recipient of a grant from the  
23 Student Investment Account shall:

24       “(A) Conduct a financial audit of the use of grant moneys that is  
25 prepared in accordance with the Municipal Audit Law; and

26       “(B) Review the grant recipient’s progress toward meeting the per-  
27 formance growth targets in the grant agreement.

28       “(b) Results of the financial audit and progress review must be:

29       “(A) Made available at the main office of the grant recipient and  
30 on the grant recipient’s website.

1       **“(B) Presented to the governing body of the grant recipient at an**  
2 **open meeting, following:**

3       **“(i) Oral presentation of the results by an administrator of the**  
4 **grant recipient to the governing body of the grant recipient; and**

5       **“(ii) Opportunity for the public to comment on the results at an**  
6 **open meeting.**

7       **“(C) Forwarded to the Department of Education.**

8       **“(2)(a) Based on information received under subsection (1) of this**  
9 **section, the department shall determine each year whether grant**  
10 **moneys received by a grant recipient were used as provided by the**  
11 **grant agreement.**

12       **“(b) If a grant recipient did not use grant moneys as provided by**  
13 **the grant agreement, the department shall:**

14       **“(A) Collaborate with the grant recipient to identify and implement**  
15 **specific interventions;**

16       **“(B) Provide technical assistance to the grant recipient as described**  
17 **in section 16 of this 2019 Act; or**

18       **“(C) Deduct amounts from future grant distributions.**

19       **“(c) If amounts are to be deducted from future grant distributions**  
20 **under paragraph (b)(C) of this subsection, the grant recipient may**  
21 **appeal to the State Board of Education for review as provided by the**  
22 **board by rule.**

23       **“(d) If a grant recipient fails to commit to spending all available**  
24 **grant moneys, the department may deduct amounts not committed**  
25 **from future grant distributions.**

26       **“(3)(a) The department shall determine each biennium if a grant**  
27 **recipient does not meet performance growth targets identified in the**  
28 **grant agreement.**

29       **“(b) If a grant recipient does not meet the performance growth**  
30 **targets:**

1       “(A) The grant recipient may submit an explanation for the reasons  
2 why the performance growth targets were not met; and

3       “(B) The department may:

4       “(i) Take into consideration the explanation submitted by the grant  
5 recipient;

6       “(ii) Require the grant recipient to enter into a coaching program  
7 described in section 17 of this 2019 Act; or

8       “(iii) Direct the expenditure of grant moneys.

9       “(4) Each grant recipient must conduct a performance review every  
10 four years, as required by standards adopted by the board by rule.

11       “(5)(a) Based on a review of the information received under sub-  
12 section (1) of this section, the department may require a grant recipi-  
13 ent to conduct a financial audit on a specific funding area or multiple  
14 funding areas.

15       “(b) The department may establish a procedure for conducting per-  
16 formance audits on a random basis or based on just cause as allowed  
17 under rules adopted by the board.

18       “SECTION 16. Technical assistance provided by the Department of  
19 Education. (1) The Department of Education shall make available  
20 technical assistance to eligible applicants, as defined in section 10 of  
21 this 2019 Act, and to recipients of a grant from the Student Investment  
22 Account. The technical assistance shall include the provision of as-  
23 sistance with:

24       “(a) Strategic planning for the use of grant moneys;

25       “(b) Developing an application for a grant from the Student In-  
26 vestment Account;

27       “(c) Identifying and implementing best practices for meeting per-  
28 formance growth targets; and

29       “(d) Identifying and implementing promising practices related to a  
30 grant agreement.

1       **“(2) When providing technical assistance, the department shall:**

2       **“(a) Apply a process adopted by the department to strategically de-**  
3 **velop equitable policies and programs; and**

4       **“(b) Ensure that technical assistance is based on the eligible**  
5 **applicant’s or grant recipient’s specific needs and demographics.**

6       **“(3) For the purpose of providing technical assistance under this**  
7 **section, the department may enter into contracts with entities the**  
8 **department determines are qualified to provide the technical assist-**  
9 **ance.**

10       **“SECTION 17. Coaching program for grant recipients that do not**  
11 **meet performance growth targets. (1) The Department of Education**  
12 **shall establish a coaching program for recipients of a grant from the**  
13 **Student Investment Account that do not meet the performance growth**  
14 **targets specified in their grant agreements. A public charter school**  
15 **may participate in the coaching program only if the public charter**  
16 **school received a grant directly from the department and did not meet**  
17 **the performance growth targets specified in the public charter school’s**  
18 **grant agreement.**

19       **“(2) If required by the department under section 15 of this 2019 Act**  
20 **to participate in a coaching program, a grant recipient must partic-**  
21 **ipate in the coaching program. Participation in the coaching program**  
22 **must be for at least one year, unless the department allows for a**  
23 **shorter period of time. Under the program, the department shall ad-**  
24 **vice and counsel grant recipients on how to meet performance growth**  
25 **targets and shall assist grant recipients with ongoing professional de-**  
26 **velopment and peer collaboration.**

27       **“(3) After a grant recipient has completed the coaching program,**  
28 **the department shall make available to the grant recipient ongoing**  
29 **technical assistance as described in section 16 of this 2019 Act.**

30       **“(4) For the purpose of providing the coaching program under this**



1 section, the department may enter into contracts with entities the  
2 department determines are qualified to provide the coaching.

3 **“SECTION 18. Intensive program for high needs school districts. (1)**

4 **The Department of Education shall establish an intensive program for**  
5 **school districts with the highest needs in this state.**

6 **“(2)(a) The department shall identify and select school districts to**  
7 **participate in the intensive program. The department may not select**  
8 **a public charter school under this section.**

9 **“(b) A school district that agrees to participate in the intensive**  
10 **program must participate in the program for at least four years.**

11 **“(3) A school district that agrees to participate in the intensive**  
12 **program shall be eligible for additional funding from the Statewide**  
13 **Education Initiatives Account. The additional funding shall be based**  
14 **on rules adopted by the State Board of Education and shall be calcu-**  
15 **lated based on the ADMw of the school district, as calculated under**  
16 **section 13 of this 2019 Act.**

17 **“(4) A school district that agrees to participate in the intensive**  
18 **program shall:**

19 **“(a) Commit to regular student success plan meetings to monitor**  
20 **practices;**

21 **“(b) Use data to track student progress;**

22 **“(c) Ensure school employees receive appropriate professional de-**  
23 **velopment and training;**

24 **“(d) Create safe and inclusive learning environments;**

25 **“(e) Improve school and school district practices and structures to**  
26 **support teaching and learning; and**

27 **“(f) Improve the skills of the members of the school board.**

28 **“(5) For the purpose of assisting school districts participating in the**  
29 **intensive program, the department shall establish student success**  
30 **teams. Student success teams shall be composed of personnel with**

1 expertise in school and school district improvement strategies, in-  
2 cluding the use of differentiated instruction and inclusionary prac-  
3 tices.

4 “(6)(a) Under the intensive program, student success teams shall:

5 “(A) Advise and counsel school districts on how to improve per-  
6 formance outcomes; and

7 “(B) Develop recommendations for meeting performance growth  
8 targets.

9 “(b) School district boards and superintendents of school districts  
10 participating in an intensive program must:

11 “(A) Accept all recommendations of the student success teams re-  
12 lated to the use of Student Investment Account grant moneys and  
13 additional funding received under this section; and

14 “(B) Consider all recommendations of the student success teams  
15 not described in subparagraph (A) of this paragraph.

16 “(c) A school district that receives recommendations under this  
17 subsection must issue a report that:

18 “(A) Describes the recommendations;

19 “(B) Identifies the recommendations that will be implemented and  
20 the timelines for implementing the recommendations; and

21 “(C) Identifies the recommendations that will not be implemented  
22 and an explanation for why the recommendations will not be imple-  
23 mented.

24 “(d) The report required under paragraph (c) of this subsection  
25 must be:

26 “(A) Made available at the school district’s main office and on the  
27 school district’s website; and

28 “(B) Distributed to the school district community, including em-  
29 ployees of the school district and families of the students of the school  
30 district.

1       **“SECTION 19. Reports to the Legislative Assembly. The Department**  
2 **of Education shall make a report to the committees of the Legislative**  
3 **Assembly related to education no later than February 1 of each year**  
4 **regarding the implementation of sections 8 to 19 of this 2019 Act. The**  
5 **report must include an annual performance review of each eligible**  
6 **applicant, as defined in section 10 of this 2019 Act. The report must:**

7       **“(1) Identify whether the eligible applicant received a grant under**  
8 **sections 8 to 19 of this 2019 Act.**

9       **“(2) For grant recipients, include a comparison of the grant**  
10 **recipient’s progress toward meeting performance growth targets com-**  
11 **pared with the actual performance growth targets established by the**  
12 **department for the following:**

13       **“(a) On-time graduation rates and five-year completion rates, in-**  
14 **cluding the overall rate and disaggregated student group rates;**

15       **“(b) Ninth-grade on-track rates, including the overall rate and dis-**  
16 **aggregated student group rates;**

17       **“(c) Third-grade reading proficiency rates, including the overall rate**  
18 **and disaggregated student group rates;**

19       **“(d) Regular attendance rates, including the overall rate and dis-**  
20 **aggregated student group rates; and**

21       **“(e) Any optional local metrics.**

22       **“SECTION 20. The Department of Education must make the first**  
23 **report required under section 19 of this 2019 Act no later than Febru-**  
24 **ary 1, 2022.**

25       **“SECTION 21. ORS 329.095 is amended to read:**

26       **“329.095. (1)(a) The Department of Education shall require school districts**  
27 **and schools to conduct self-evaluations and to periodically update their local**  
28 **district continuous improvement plans. Except as provided by paragraph**  
29 **(b)(C) of this subsection, the department may not require school districts or**  
30 **schools to conduct self-evaluations or to update their local district contin-**

1 uous improvement plans more frequently than biennially.

2 “(b) The department may require a school district to:

3 “(A) File, periodically, or at the department’s request, its local district  
4 continuous improvement plan with the department;

5 “(B) Notify the department of any substantial changes, as defined by rule  
6 of the State Board of Education, to the school district; or

7 “(C) Update its local district continuous improvement plan when there  
8 has been a substantial change, as defined by rule of the board, to the school  
9 district.

10 “(c) The self-evaluation process conducted as provided by this subsection  
11 shall involve the public in the setting of local goals. The school districts  
12 shall ensure that representatives from the demographic groups of their  
13 school population are invited to participate in the development of local dis-  
14 trict continuous improvement plans to achieve the goals.

15 “(2) As part of setting local goals, school districts shall undertake a  
16 communications process that involves parents, students, teachers, school  
17 employees and community representatives to explain and discuss the local  
18 goals and their relationship to programs under this chapter.

19 “(3) At the request of the school district, department staff shall provide  
20 ongoing technical assistance in the development and implementation of the  
21 local district continuous improvement plan.

22 “(4) The local district continuous improvement plan shall include:

23 “(a) Goals to implement the following:

24 “(A) A rigorous curriculum aligned with state standards;

25 “(B) High-quality instructional programs;

26 “(C) Short-term and long-term professional development plans;

27 “(D) Programs and policies that achieve a safe educational environment;

28 “(E) A plan for family and community engagement;

29 “(F) Staff leadership development;

30 “(G) High-quality data systems;

1 “(H) Improvement planning that is data-driven;

2 “(I) Education service plans for students who have or have not exceeded

3 all of the academic content standards; and

4 “(J) A strong school library program;

5 “(b) A review of demographics, student performance, staff characteristics

6 and student access to, and use of, educational opportunities; *[and]*

7 “(c) A description of district efforts to achieve local efficiencies and ef-

8 forts to make better use of resources[.]; **and**

9 **“(d) A needs assessment, which shall:**

10 **“(A) Be conducted in a manner that is inclusive of school employ-**

11 **ees, students from student groups identified in section 9 (2)(b) of this**

12 **2019 Act and parents of those students.**

13 **“(B) Address the following priorities:**

14 **“(i) Reducing academic disparities for students from student groups**

15 **identified in section 9 (2)(b) of this 2019 Act;**

16 **“(ii) Meeting students’ mental or behavioral health needs;**

17 **“(iii) Providing equitable access to academic courses across the**

18 **school district or public charter school, with specific emphasis on ac-**

19 **cess by students from student groups identified in section 9 (2)(b) of**

20 **this 2019 Act;**

21 **“(iv) Allowing teachers and staff to have sufficient time to:**

22 **“(I) Collaborate with other teachers and staff;**

23 **“(II) Review data on students’ grades, absences and discipline, based**

24 **on school and on grade level or course; and**

25 **“(III) Develop strategies to ensure that at-risk students stay on**

26 **track to graduate; and**

27 **“(v) Possible partnerships with other organizations, federally re-**

28 **cognized Indian tribes, school districts, education service districts,**

29 **regional achievement collaboratives, post-secondary institutions of**

30 **education, education partners or nonprofit programs and community-**

1 based programs that have demonstrated achievement of positive out-  
2 comes in work with students from student groups identified in section  
3 9 (2)(b) of this 2019 Act.

4 **“SECTION 22.** The amendments to ORS 329.095 by section 21 of this  
5 2019 Act become operative on July 1, 2020.

6  
7 **“STATEWIDE EDUCATION INITIATIVES ACCOUNT**

8  
9 **“SECTION 23.** Sections 24 and 25 of this 2019 Act are added to and  
10 made a part of ORS chapter 327.

11 **“SECTION 24. Statewide Education Initiatives Account.** (1) The  
12 Statewide Education Initiatives Account is established within the  
13 Fund for Student Success.

14 **“(2) The Statewide Education Initiatives Account shall consist of:**

15 **“(a) Moneys transferred to the account from the Fund for Student**  
16 **Success;**

17 **“(b) Moneys appropriated or otherwise transferred to the account**  
18 **by the Legislative Assembly;**

19 **“(c) Amounts donated to the account; and**

20 **“(d) Other amounts deposited into the account from any source.**

21 **“(3) The Department of Education, on behalf of the State of Oregon,**  
22 **may solicit and accept gifts, grants, donations and other moneys from**  
23 **public and private sources for the Statewide Education Initiatives Ac-**  
24 **count. Moneys received as provided in this subsection shall be depos-**  
25 **ited into the account.**

26 **“(4) Moneys in the Statewide Education Initiatives Account are**  
27 **continuously appropriated to the Department of Education for use as**  
28 **described in section 25 of this 2019 Act.**

29 **“SECTION 25. Statewide Education Initiatives Account uses.** (1)  
30 **The Department of Education shall use moneys in the Statewide Edu-**

1 **cation Initiatives Account to provide funding for statewide education**  
2 **initiatives, including:**

3 **“(a) Funding the High School Graduation and College and Career**  
4 **Readiness Act at the levels prescribed by ORS 327.856;**

5 **“(b) Expanding school breakfast and lunch programs;**

6 **“(c) Operating youth reengagement programs or providing youth**  
7 **reengagement services;**

8 **“(d) Establishing and maintaining the Statewide School Safety and**  
9 **Prevention System under section 36 of this 2019 Act;**

10 **“(e) Developing and providing statewide equity initiatives, including**  
11 **the black or African-American education plan developed under ORS**  
12 **329.841, the American Indian or Alaskan Native education plan devel-**  
13 **oped under section 38 of this 2019 Act, the Latino or Hispanic educa-**  
14 **tion plan developed under section 39 of this 2019 Act or any similar**  
15 **education plan identified by the department;**

16 **“(f) Providing summer learning programs at schools that are con-**  
17 **sidered high poverty under Title I of the federal Elementary and Sec-**  
18 **ondary Education Act of 1965;**

19 **“(g) Funding early warning systems to assist students in graduating**  
20 **from high school, as described in section 46 of this 2019 Act;**

21 **“(h) Developing and implementing professional development pro-**  
22 **grams and training programs, including programs that increase edu-**  
23 **cator diversity and retain diverse educators;**

24 **“(i) Planning for increased transparency and accountability in the**  
25 **public education system of this state;**

26 **“(j) Providing additional funding to school districts participating in**  
27 **the intensive program under section 18 of this 2019 Act;**

28 **“(k) Providing technical assistance, including costs incurred for:**

29 **“(A) The coaching program described in section 17 of this 2019 Act;**

30 **and**

1       **“(B) The intensive program described in section 18 of this 2019 Act,**  
2 **including costs for student success teams;**

3       **“(L) Funding education service districts, as described in subsection**  
4 **(2) of this section; and**

5       **“(m) Funding costs incurred by the department in implementing**  
6 **this section and sections 8 to 19 and 52 of this 2019 Act.**

7       **“(2)(a) The amount of a distribution to an education service district**  
8 **under this section = the education service district’s ADMw × (the**  
9 **total amount available for distribution to education service districts**  
10 **in each biennium ÷ the total ADMw of all education service districts**  
11 **that receive a distribution).**

12       **“(b) For purposes of this subsection, ADMw equals the ADMw as**  
13 **calculated under ORS 327.013, except that the additional amount al-**  
14 **lowed for students who are in poverty families, as determined under**  
15 **ORS 327.013 (1)(c)(A)(v)(I), shall be 0.5.**

16       **“(c) An education service district shall use moneys received under**  
17 **this section as provided by a plan developed by the school districts**  
18 **located within the education service district. A school district that**  
19 **declines to participate in the development of the plan or that has**  
20 **withdrawn from an education service district as provided by ORS**  
21 **334.015 is not entitled to any moneys distributed to the education ser-**  
22 **vice district under this subsection.**

23       **“(d) A plan developed under this subsection must:**

24       **“(A) Align with and support school districts in meeting the per-**  
25 **formance growth targets of the school districts developing the plan;**

26       **“(B) Include the provision of technical assistance to school districts**  
27 **in developing, implementing and reviewing a plan for receiving a grant**  
28 **from the Student Investment Account;**

29       **“(C) Provide for coordination with the department in administering**  
30 **and providing technical assistance to school districts, including coor-**



1 **dinating any coaching programs established under section 15 of this**  
2 **2019 Act; and**

3 **“(D) Be adopted and amended as provided for local service plans**  
4 **under ORS 334.175 and approved by the department.**

5 **“(e) Each education service district must submit an annual report**  
6 **to the department that:**

7 **“(A) Describes how the education service district spent moneys re-**  
8 **ceived under this subsection; and**

9 **“(B) Includes an evaluation of the education service district’s com-**  
10 **pliance with the plan from the superintendent of each school district**  
11 **that participated in the development of the plan.**

12 **“(3) The State Board of Education shall adopt rules necessary for**  
13 **the distribution of moneys under this section.**

14

15 **“SCHOOL BREAKFAST AND LUNCH PROGRAMS**

16

17 **“SECTION 26.** ORS 327.535 is amended to read:

18 **“327.535. (1) As used in this section, ‘eligible student’ means a stu-**  
19 **dent who is eligible for free or reduced price lunches under the United**  
20 **States Department of Agriculture’s current Income Eligibility Guide-**  
21 **lines.**

22 **“[(1)] (2) A school district may make breakfast accessible at any school**  
23 **site and shall make breakfast accessible if required by this section. [*Time***  
24 ***spent by students consuming breakfast is considered instructional time when***  
25 ***students consume breakfast in the students’ classroom and instruction is being***  
26 ***provided while students are consuming breakfast. No more than 15 minutes***  
27 ***may be considered instructional time when students are consuming***  
28 ***breakfast.*]**

29 **“[(2)] (3) Subject to subsections [(3) and] (4) and (5) of this section, a**  
30 **school district that provides lunch at any school site shall make breakfast**

1 accessible as part of a breakfast program if 25 percent or more of the stu-  
2 dents at the **school** site are eligible **students** [*for free or reduced price*  
3 *lunches under the United States Department of Agriculture’s current Income*  
4 *Eligibility Guidelines*] or the school site qualifies for assistance under  
5 Chapter I of Title I of the federal Elementary and Secondary Education Act  
6 of 1965.

7 “[~~(3)~~] **(4)** A school district that makes breakfast accessible as provided  
8 under subsection [~~(2)~~] **(3)** of this section may apply to the [*State Board*]  
9 **Department** of Education for a waiver for all or for particular grade levels  
10 if [*it*] **the school district** is financially unable to implement a breakfast  
11 program. The [*state board*] **department** may grant a waiver to the school  
12 district for a period not to exceed two years, after which the school district  
13 must reestablish its claim of financial hardship if the waiver is to be ex-  
14 tended.

15 “[~~(4)~~] **(5)** If the per meal federal reimbursement for the breakfast program  
16 falls below the 1991 reimbursement levels, a school district may elect to  
17 discontinue the program until federal funding is restored to those levels. No  
18 waiver is required for such election.

19 “[~~(5)~~] **(6)** A school district that makes breakfast accessible at any school  
20 site shall make breakfast accessible at that school site at no charge to all  
21 **eligible** students [*who are eligible for free or reduced price lunches under the*  
22 *United States Department of Agriculture’s current Income Eligibility Guide-*  
23 *lines*]. For each breakfast that a school district provides free of charge to a  
24 student who is eligible for a reduced price lunch, the department [*of Educa-*  
25 *tion*] shall provide reimbursement to the school district for the actual  
26 amount that a student would have been required to pay for the reduced price  
27 breakfast.

28 “**(7)(a) Except as provided by subsection (8) of this section, a school**  
29 **district that makes breakfast accessible at a school site may choose**  
30 **to make breakfast accessible at that school site after the beginning**

1 of the school day.

2 “(b) Time spent by students consuming breakfast is considered in-  
3 structional time when students consume breakfast in the students’  
4 classroom and instruction is being provided while students are con-  
5 suming breakfast. No more than 15 minutes may be considered in-  
6 structional time when students are consuming breakfast.

7 “(8)(a) If 70 percent or more of the students at a school site are el-  
8 ible students, the school district must make breakfast accessible at  
9 that school site after the beginning of the school day.

10 “(b) A school district that is required to make breakfast accessible  
11 as prescribed by paragraph (a) of this subsection must ensure that  
12 breakfast is:

13 “(A) Accessible to all students after the beginning of the school day,  
14 regardless of grade or arrival time; and

15 “(B) Provided free of charge to all students, regardless of whether  
16 a student is an eligible student.

17 “(c) The department shall provide technical assistance to school  
18 districts to meet the requirements of this subsection. Technical as-  
19 sistance may include the development of breakfast delivery models.

20 “(d) Notwithstanding paragraph (a) of this subsection, if a school  
21 district can demonstrate that 70 percent or more of the eligible stu-  
22 dents at a school site regularly receive breakfast at the school site  
23 without the school district complying with paragraph (a) of this sub-  
24 section, the school district is not required to comply with paragraph  
25 (a) of this subsection.

26 “(9) The State Board of Education may adopt any rules necessary  
27 for the implementation of this section.

28 “SECTION 27. (1) The amendments to ORS 327.535 by section 26 of  
29 this 2019 Act become operative on July 1, 2020.

30 “(2) Notwithstanding the operative date set forth in subsection (1)

1 **of this section, the Department of Education may take any action be-**  
2 **fore the operative date set forth in subsection (1) of this section that**  
3 **is necessary for the department to exercise, on and after the operative**  
4 **date set forth in subsection (1) of this section, all of the duties, func-**  
5 **tions and powers conferred on the department by the amendments to**  
6 **ORS 327.535 by section 26 of this 2019 Act.**

7 **“SECTION 28.** ORS 327.527 is amended to read:

8 “327.527. (1) The Department of Education shall reimburse a school dis-  
9 trict, government agency or community group five cents for every breakfast  
10 or lunch the district, agency or group serves during the summer as a part  
11 of:

12 “(a) The United States Department of Agriculture’s Summer Food Service  
13 Program; or

14 “(b) A summer meals program through an existing national school lunch  
15 program.

16 “(2) In addition to the reimbursements provided under subsection (1) of  
17 this section, the Department **of Education** may award grants to school dis-  
18 tricts, government agencies and community groups to encourage partic-  
19 ipation in a program identified in subsection (1) of this section. Each grant  
20 may not exceed \$20,000 and must be used to:

21 “(a) Purchase or upgrade necessary equipment and services required to  
22 provide food service and meet sanitation requirements;

23 “(b) Make any payment necessary to comply with sanitation requirements  
24 that may be required prior to approval; or

25 “(c) Fund participant outreach activities and materials and necessary  
26 enrichment activities and materials.

27 **“(3) The department may award grants or enter into contracts to**  
28 **enable school districts to make breakfast accessible as required under**  
29 **ORS 327.535 (8). Each grant or contract may not exceed \$5,000 per**  
30 **school site and must be used to purchase or upgrade necessary equip-**

1 **ment required to provide breakfast after the beginning of the school**  
2 **day.**

3 “[3] (4) The department may enter into a contract with a public or pri-  
4 vate entity for the purposes of the entity providing:

5 “(a) Technical assistance to applicants for and recipients of grants; and

6 “(b) Administration of the grant program.

7 “[4] (5) The State Board of Education may adopt any rules necessary for  
8 the administration of this section.

9 **“SECTION 29. Section 30 of this 2019 Act is added to and made a**  
10 **part of ORS chapter 327.**

11 **“SECTION 30. (1) For school districts with schools that provide**  
12 **United States Department of Agriculture reimbursable meals to stu-**  
13 **dents as described in subsections (2) and (3) of this section, the De-**  
14 **partment of Education shall reimburse the school districts for costs**  
15 **incurred by the school districts in providing the meals. The amounts**  
16 **of the reimbursements may not exceed the amounts prescribed by**  
17 **subsections (2) and (3) of this section.**

18 **“(2) For schools that offer reimburseable breakfast and lunch free**  
19 **of charge to all students of the school based on the school’s or school**  
20 **district’s categorical eligibility to provide reimburseable breakfast and**  
21 **lunch free of charge without consideration of individual eligibility for**  
22 **free or reduced price meals, the amount of reimbursements provided**  
23 **under this section may not exceed the difference between:**

24 **“(a) The reimbursement rate established by the United States De-**  
25 **partment of Agriculture for reimburseable meals; and**

26 **“(b) Any amounts otherwise reimbursed or paid by state, federal**  
27 **or other sources.**

28 **“(3) For schools that are not eligible to offer reimburseable break-**  
29 **fast and lunch free of charge as described in subsection (2) of this**  
30 **section but that provide reimburseable breakfast or lunch free of**

1 charge to students from households with incomes that do not exceed  
2 300 percent of the federal poverty guidelines, the amount of re-  
3 imbursements provided under this section may not exceed the differ-  
4 ence between:

5 “(a) The actual amount that a student would have been required to  
6 pay for the breakfast or lunch, taking into consideration if the student  
7 qualified for a free or reduced price lunch; and

8 “(b) Any amounts otherwise reimbursed or paid by state, federal  
9 or other sources.

10 “(4) The State Board of Education may adopt any rules necessary  
11 for making reimbursements under this section.

12 **“SECTION 31. (1) Section 30 of this 2019 Act becomes operative on  
13 July 1, 2020.**

14 **“(2) Section 30 of this 2019 Act applies to costs incurred on or after  
15 July 1, 2020.**

16 **“SECTION 32. (1) The Hunger Free Schools Account is established  
17 in the State Treasury, separate and distinct from the General Fund.**

18 **“(2) Moneys in the Hunger Free Schools Account are continuously  
19 appropriated to the Department of Education for the purpose of mak-  
20 ing reimbursements to school districts under section 30 of this 2019  
21 Act.**

22

23 **“STATEWIDE YOUTH REENGAGEMENT SYSTEM**

24

25 **“SECTION 33. Youth reengagement program. (1) As used in this  
26 section, ‘eligible youth’ means a person who:**

27 **“(a) Is at least 14 years of age but younger than 21 years of age at  
28 the beginning of the school year; and**

29 **“(b)(A) Is a school dropout, as defined in ORS 339.505;**

30 **“(B) Is not exempt from attending public full-time schools under**

1 **ORS 339.030; or**

2 **“(C) Is recommended to participate in a youth reengagement pro-**  
3 **gram by the Department of Human Services, a juvenile court, the**  
4 **Oregon Youth Authority or any other entity identified by the Youth**  
5 **Development Council by rule.**

6 **“(2) The Youth Development Division shall develop and administer**  
7 **a statewide youth reengagement system to provide appropriate educa-**  
8 **tional opportunities and access to services for eligible youths.**

9 **“(3) Under the statewide youth reengagement system, a school dis-**  
10 **trict or other entity identified by the Youth Development Council by**  
11 **rule may choose to provide a youth reengagement program. A youth**  
12 **reengagement program must:**

13 **“(a) Be offered in collaboration with the Youth Development Divi-**  
14 **sion; and**

15 **“(b) Include a partnership with an education service district, a**  
16 **community college district, a federally recognized Indian tribe, a**  
17 **community-based organization or any other entity identified by the**  
18 **Youth Development Council by rule.**

19 **“(4) A youth reengagement program must offer, at a minimum, the**  
20 **following:**

21 **“(a) Academic instruction that enables an eligible youth to receive**  
22 **credit that can be:**

23 **“(A) Applied toward a high school diploma, a modified diploma or**  
24 **an extended diploma; or**

25 **“(B) Used to improve college or career readiness, including courses**  
26 **that assist the eligible youth in preparing for an approved high school**  
27 **equivalency test such as the General Educational Development (GED)**  
28 **test; or**

29 **“(b) Services for monitoring and supporting eligible youths, includ-**  
30 **ing:**

1       **“(A) Academic counseling, career coaching and workforce readiness**  
2 **services; or**

3       **“(B) Assistance with accessing services and resources that support**  
4 **at-risk youth and reduce barriers to educational success.**

5       **“(5) If a school district or other entity chooses to provide a youth**  
6 **reengagement program, the school district or other entity may enter**  
7 **into an agreement to provide academic instruction or services as de-**  
8 **scribed in subsection (4) of this section. The agreement:**

9       **“(a) May be with an education service district, a community college**  
10 **district or another public entity or with a community-based organiza-**  
11 **tion; and**

12       **“(b) Must comply with any other requirements prescribed by the**  
13 **State Board of Education or the Youth Development Council by rule.**

14       **“(6)(a) The State Board of Education, in collaboration with the**  
15 **Youth Development Council, shall establish by rule criteria for a**  
16 **school district or other entity to receive funding for eligible youths**  
17 **participating in a youth reengagement program. Funding may be in**  
18 **the form of grants.**

19       **“(b) The criteria to receive funding may prescribe:**

20       **“(A) Enrollment and attendance standards for eligible youths.**

21       **“(B) Performance measures that establish targets that must be met**  
22 **for purposes of accountability. The performance measure targets shall**  
23 **be based on standards adopted by the Youth Development Council and**  
24 **may take into account the specific purpose of the program offered by**  
25 **the school district or other entity, the population served by the pro-**  
26 **gram and any other factors identified by the council.**

27       **“(c) The criteria to receive funding must require a school district**  
28 **or other entity to provide to the Youth Development Division infor-**  
29 **mation that, at a minimum, describes:**

30       **“(A) How the school district or other entity will identify, refer and**



1 enroll eligible youths;

2 “(B) How academic instruction and services will be provided  
3 through the youth reengagement program and what academic in-  
4 struction and services will be provided;

5 “(C) How student records will be maintained and how data will be  
6 collected and reported;

7 “(D) How any applicable assessments under ORS 329.485 or 329.488  
8 will be administered;

9 “(E) How the school district or other entity will provide special ed-  
10 ucation and related services for eligible youths with disabilities who  
11 have an individualized education program or will provide necessary  
12 accommodations and plans for eligible youths who qualify under sec-  
13 tion 504 of the Rehabilitation Act of 1978 (29 U.S.C. 794);

14 “(F) How the school district or other entity will ensure that eligible  
15 youths receive appropriate in-person guidance or support; and

16 “(G) How the school district or other entity will record and report  
17 performance measures for purposes of accountability, including longi-  
18 tudinal monitoring of student progress and post-secondary education  
19 and employment readiness.

20 “(7) The Department of Education and Youth Development Division  
21 shall provide technical assistance to school districts and other eligible  
22 entities choosing to provide youth reengagement programs.

23 “(8)(a) The Youth Development Council shall coordinate with the  
24 State Board of Education to adopt rules under this section.

25 “(b) When adopting rules under this section, the board and the  
26 council shall consult with post-secondary institutions of education and  
27 community-based organizations that have previously offered youth  
28 reengagement programs, providers of online courses and programs and  
29 education service districts.

30 “(9) Nothing in this section affects the authority of a school district

1 **or other entity to directly offer youth reengagement programs or other**  
2 **educational services for eligible youths.**

3 **“SECTION 34.** ORS 417.847, as amended by section 63, chapter 774,  
4 Oregon Laws 2015, and section 36, chapter 17, Oregon Laws 2017, is amended  
5 to read:

6 “417.847. (1) The Youth Development Council is established.

7 “(2) The council is established for the purpose of overseeing a unified  
8 system that provides services to school-age children through youth 24 years  
9 of age in a manner that supports educational success, focuses on crime pre-  
10 vention, reduces high risk behaviors and is integrated, measurable and ac-  
11 countable. The council shall provide direction to the Youth Development  
12 Division.

13 “(3) The council consists of no fewer than 15 members who are appointed  
14 by the Governor. The Governor shall ensure that membership of the council  
15 satisfies any federal requirements for membership of a state advisory com-  
16 mittee on juvenile justice, and shall include tribal representation in the  
17 membership of the council.

18 “(4) The council shall:

19 “(a) Determine the availability of funding to support community-based  
20 youth development programs, services and initiatives with demonstrated  
21 outcomes and strategic objectives established by the council by rule.

22 “(b) Prioritize funding for services related to:

23 “(A) The prevention of and intervention in the risk factors that lead to  
24 juvenile delinquency and the promotion of protective factors that improve  
25 the health and well-being of children and youth, as supported by evidence-  
26 based program models and other research-based models; and

27 “(B) The prevention of and intervention in gang violence and gang in-  
28 volvement.

29 **“(c) Administer and coordinate the statewide youth reengagement**  
30 **system described in section 33 of this 2019 Act.**

1 “(5) The council may:

2 “(a) Enter into performance-based intergovernmental agreements with re-  
3 gional and county entities, and tribal governments, to contract for the pro-  
4 vision of youth development programs, services and initiatives that will  
5 achieve demonstrated outcomes and strategic objectives established by the  
6 council by rule.

7 “(b) Determine the means by which services to children and youth may  
8 be provided effectively and efficiently across multiple programs to improve  
9 the academic and social outcomes of children and youth.

10 “(c) Assess state programs and services related to youth development and  
11 training, and identify methods by which programs and services may be co-  
12 ordinated or consolidated.

13 “(d) Establish common academic and social indicators to support attain-  
14 ment of goals established by the council.

15 “(e) Establish common program outcome measurements and coordinate  
16 data collection across multiple programs and services.

17 “(f) Ensure implementation of best practices that:

18 “(A) Are evidence based;

19 “(B) Are culturally, gender and age appropriate;

20 “(C) Address individual risk factors;

21 “(D) Build upon factors that improve the health and well-being of children  
22 and youth; and

23 “(E) Include tribal best practices.

24 “(6) The Governor may designate one member of the council to serve as  
25 the chairperson or, if the Governor chooses not to designate a chairperson,  
26 the council may elect one of its members to serve as chairperson.

27 “(7) In accordance with applicable provisions of ORS chapter 183, the  
28 council may adopt rules necessary for the administration of the laws that the  
29 council is charged with administering.

30 **“SECTION 35. Section 33 of this 2019 Act and the amendments to**

1 ORS 417.847 by section 34 of this 2019 Act become operative on July 1,  
2 2020.

3

4 **“STATEWIDE SCHOOL SAFETY AND PREVENTION SYSTEM**

5

6 **“SECTION 36. Statewide School Safety and Prevention System. (1)**

7 **As used in this section:**

8 **“(a) ‘Cyberbullying’ has the meaning given that term in ORS**  
9 **339.351.**

10 **“(b) ‘Harassment, intimidation or bullying’ has the meaning given**  
11 **that term in ORS 339.351.**

12 **“(c) ‘Suicidal behavior’ includes:**

13 **“(A) Self-directed, injurious behavior with an intent to die as a re-**  
14 **sult of the behavior;**

15 **“(B) Nonfatal, self-directed, potentially injurious behavior with an**  
16 **intent to die as a result of the behavior that may not result in injury;**  
17 **or**

18 **“(C) Thinking about, considering or planning suicide.**

19 **“(d) ‘Violence’ means aggressive behavior with the intention to**  
20 **cause, or an outcome that poses a risk of causing, serious or lethal**  
21 **injury.**

22 **“(2) The Department of Education shall establish and maintain the**  
23 **Statewide School Safety and Prevention System.**

24 **“(3) The system required under this section shall consist of the**  
25 **following:**

26 **“(a) Assistance to school districts and education service districts in**  
27 **decreasing acts of harassment, intimidation or bullying and acts of**  
28 **cyberbullying through the implementation of effective prevention**  
29 **programs that:**

30 **“(A) Incorporate evidenced-based, multitiered practices; and**

1       **“(B) Support resiliency building and trauma-informed care prac-**  
2 **tices.**

3       **“(b) Assistance to school districts and education service districts in**  
4 **decreasing youth suicidal behavior through the implementation of ef-**  
5 **fective prevention programs and student wellness programs that focus**  
6 **on early identification and intervention by school safety and pre-**  
7 **vention specialists, as described in subsection (4) of this section, who:**

8       **“(A) Provide training, outreach and technical assistance related to**  
9 **youth suicidal behavior prevention and wellness;**

10       **“(B) Support coordination between schools and health agencies, in-**  
11 **cluding public and private behavioral health providers; and**

12       **“(C) Support school districts and education service districts in the**  
13 **establishment of suicidal behavior prevention programs.**

14       **“(c) Assistance to school districts and education service districts in**  
15 **implementing a multidisciplinary student safety assessment system to**  
16 **identify, assess and support students who present a potential risk for**  
17 **violence to others. Multidisciplinary school safety assessment teams**  
18 **shall be made available to assist each school district and education**  
19 **service district in assessing students who are engaged in violence or**  
20 **who are posing a threat of violence to others. The teams shall:**

21       **“(A) Assess potential danger and identify circumstances and risk**  
22 **factors that may increase risk for potential violence;**

23       **“(B) Develop management and intervention plans in collaboration**  
24 **with community partners; and**

25       **“(C) Connect students and families to community resources and**  
26 **supports.**

27       **“(d) Promotion and use of the statewide school safety tip line es-**  
28 **tablished by ORS 339.329. School safety and prevention specialists, as**  
29 **described in subsection (4) of this section, shall work collaboratively**  
30 **with the Oregon State Police to support school districts and education**

1 service districts in accessing and implementing the school safety tip  
2 line.

3 “(4) The system required under this section shall be supported by  
4 school safety and prevention specialists who:

5 “(a) Serve regions of this state;

6 “(b) Are cross-trained in safety assessments and in the prevention  
7 of youth suicide, of acts of bullying, intimidation or harassment and  
8 of acts of cyberbullying; and

9 “(c) Provide or facilitate training, the development of programs and  
10 plans, the coordination of local teams and the provision of ongoing  
11 consultation to regional partners, school districts and education ser-  
12 vice districts.

13 “(5) The State Board of Education, in consultation with the Oregon  
14 Health Authority and other representatives of school districts, educa-  
15 tion service districts, school employees, human services, mental health  
16 professionals and law enforcement agencies, shall adopt rules related  
17 to the system required under this section.

18 **“SECTION 37.** (1) Section 36 of this 2019 Act becomes operative on  
19 July 1, 2020.

20 “(2) Notwithstanding the operative date set forth in subsection (1)  
21 of this section, the Department of Education may take any action be-  
22 fore the operative date set forth in subsection (1) of this section that  
23 is necessary for the department to exercise, on and after the operative  
24 date set forth in subsection (1) of this section, all of the duties, func-  
25 tions and powers conferred on the department by section 36 of this 2019  
26 Act.

27

28 **“STATEWIDE EQUITY INITIATIVES**

29

30 **“SECTION 38.** (1) As used in this section, ‘plan student’ means a

1 student enrolled in early childhood through post-secondary education  
2 who:

3 “(a) Is an American Indian or Alaskan Native; and

4 “(b) Has experienced disproportionate results in education due to  
5 historical practices, as identified by the State Board of Education by  
6 rule.

7 “(2)(a) The Department of Education shall develop and implement  
8 a statewide education plan for plan students.

9 “(b) When developing the plan, the department shall consult with  
10 representatives from tribal governments and from executive branch  
11 agencies who have formed government-to-government relations to fo-  
12 cus on education. Additionally, the department may receive input from  
13 an advisory group consisting of community members, education  
14 stakeholders and representatives of the Early Learning Division, the  
15 Youth Development Division and the Higher Education Coordinating  
16 Commission.

17 “(c) The department shall be responsible for:

18 “(A) Implementing the plan developed under this subsection;

19 “(B) Developing eligibility criteria, the applicant selection process  
20 and expectations for recipients of grant awards described in this sec-  
21 tion; and

22 “(C) Advising the State Board of Education on the adoption of rules  
23 under this section.

24 “(3) The plan developed under this section must address:

25 “(a) The disparities experienced by plan students in every indicator  
26 of academic success, as documented by the department’s statewide  
27 report card and other relevant reports related to plan students;

28 “(b) The historical practices leading to disproportionate outcomes  
29 for plan students; and

30 “(c) The educational needs of plan students from early childhood

1 through post-secondary education as determined by examining cul-  
2 turally appropriate best practices in this state and across the nation.

3 “(4) The plan developed and implemented under this section must  
4 provide strategies to:

5 “(a) Address the disproportionate rate of disciplinary incidents in-  
6 volving plan students as compared to all students in the education  
7 system;

8 “(b) Increase parental engagement in the education of plan stu-  
9 dents;

10 “(c) Increase the engagement of plan students in educational ac-  
11 tivities before and after regular school hours;

12 “(d) Increase early childhood education and kindergarten readiness  
13 for plan students;

14 “(e) Improve literacy and numeracy levels among plan students  
15 between kindergarten and grade three;

16 “(f) Support plan student transitions to middle school and through  
17 the middle school and high school grades to maintain and improve  
18 academic performance;

19 “(g) Support culturally responsive pedagogy and practices from  
20 early childhood through post-secondary education;

21 “(h) Support the development of culturally responsive curricula  
22 from early childhood through post-secondary education;

23 “(i) Increase attendance of plan students in early childhood pro-  
24 grams through post-secondary and professional certification programs;  
25 and

26 “(j) Increase attendance of plan students in four-year post-  
27 secondary institutions of education.

28 “(5) The department shall submit a biennial report concerning the  
29 progress of the plan developed and implemented under this section to  
30 a committee of the Legislative Assembly related to education at each



1 even-numbered year regular session of the Legislative Assembly.

2 “(6) The department, in consultation with the advisory group, shall  
3 award grants to early learning hubs, providers of early learning ser-  
4 vices, school districts, education service districts, post-secondary in-  
5 stitutions of education, tribal governments and community-based  
6 organizations to implement the strategies provided in the plan devel-  
7 oped and implemented under this section.

8 “(7) To qualify for and receive grants described in this section, an  
9 applicant must identify and demonstrate that the applicant meets the  
10 eligibility criteria adopted by the State Board of Education by rule.

11 **“SECTION 39. (1) As used in this section, ‘plan student’ means a**  
12 **student enrolled in early childhood through post-secondary education**  
13 **who:**

14 **“(a) Is Latino or Hispanic, including individuals of Mexican, Cuban,**  
15 **Puerto Rican, South American, Central American or Spanish descent;**  
16 **and**

17 **“(b) Has experienced disproportionate results in education due to**  
18 **historical practices, as identified by the State Board of Education by**  
19 **rule.**

20 **“(2)(a) The Department of Education shall develop and implement**  
21 **a statewide education plan for plan students.**

22 **“(b) The department shall form an advisory group consisting of in-**  
23 **dividuals representing:**

24 **“(A) Urban and rural communities;**

25 **“(B) Indigenous and immigrant populations;**

26 **“(C) English language learners;**

27 **“(D) Individuals with disabilities;**

28 **“(E) Parents and students;**

29 **“(F) Youth who are lesbian, gay, bisexual, transgender, queer or**  
30 **another minority gender or sexual orientation;**

1       **“(G) Community-based organizations serving Latino or Hispanic**  
2 **youth and families; and**

3       **“(H) Education stakeholders, including representatives of the Early**  
4 **Learning Division, the Youth Development Division and the Higher**  
5 **Education Coordinating Commission.**

6       **“(c) The advisory group formed as provided in paragraph (b) of this**  
7 **subsection shall advise the department regarding:**

8       **“(A) Development and implementation of the plan;**

9       **“(B) Eligibility criteria, applicant selection processes and expecta-**  
10 **tions for recipients of grant awards described in this section; and**

11       **“(C) Adoption of rules by the State Board of Education for the im-**  
12 **plementation of the plan.**

13       **“(3) The plan developed under this section must address:**

14       **“(a) The disparities experienced by plan students in every indicator**  
15 **of academic success, as documented by the department’s statewide**  
16 **report card and other relevant reports related to plan students;**

17       **“(b) The historical practices leading to disproportionate outcomes**  
18 **for plan students; and**

19       **“(c) The educational needs of plan students from early childhood**  
20 **through post-secondary education as determined by examining cul-**  
21 **turally appropriate best practices in this state and across the nation.**

22       **“(4) The plan developed and implemented under this section must**  
23 **provide strategies to:**

24       **“(a) Address the disproportionate rate of disciplinary incidents in-**  
25 **volving plan students compared to all students in the education sys-**  
26 **tem;**

27       **“(b) Increase parental engagement in the education of plan stu-**  
28 **dents;**

29       **“(c) Increase the engagement of plan students in educational ac-**  
30 **tivities before and after regular school hours;**

1       “(d) Increase early childhood education and kindergarten readiness  
2 for plan students;

3       “(e) Improve literacy and numeracy levels among plan students  
4 between kindergarten and grade three;

5       “(f) Support plan student transitions to middle school and through  
6 the middle school and high school grades to maintain and improve  
7 academic performance;

8       “(g) Support culturally responsive pedagogy and practices from  
9 early childhood through post-secondary education;

10       “(h) Support the development of culturally responsive curricula  
11 from early childhood through post-secondary education;

12       “(i) Increase attendance of plan students in community colleges and  
13 professional certification programs; and

14       “(j) Increase attendance of plan students in four-year post-  
15 secondary institutions of education.

16       “(5) The department shall submit a biennial report concerning the  
17 progress of the plan developed and implemented under this section to  
18 a committee of the Legislative Assembly related to education at each  
19 even-numbered year regular session of the Legislative Assembly.

20       “(6) The department, in consultation with the advisory group, shall  
21 award grants to early learning hubs, providers of early learning ser-  
22 vices, school districts, post-secondary institutions of education and  
23 community-based organizations to implement the strategies provided  
24 in the plan developed and implemented under this section.

25       “(7) To qualify for and receive a grant described in this section, an  
26 applicant must identify and demonstrate that the applicant meets the  
27 eligibility criteria established by the State Board of Education by rule.

28       “SECTION 40. The Department of Education shall submit a report  
29 concerning the development of the statewide education plans under  
30 sections 38 and 39 of this 2019 Act to an interim committee of the

1 Legislative Assembly related to education no later than January 1,  
2 2021.

3 **“SECTION 41.** Notwithstanding section 39 of this 2019 Act, the De-  
4 partment of Education may not do any of the following prior to July  
5 1, 2020:

6 **“(1) Implement the statewide education plans developed under sec-**  
7 **tion 39 of this 2019 Act, including awarding any grants to implement**  
8 **the plans; or**

9 **“(2) Make any expenditures from any appropriations made to the**  
10 **department for the implementation of the plans developed under sec-**  
11 **tion 39 of this 2019 Act.**

12

13 **“SUMMER PROGRAMS FOR TITLE I SCHOOLS**

14

15 **“SECTION 42.** Section 43 of this 2019 Act is added to and made a  
16 part of ORS chapter 327.

17 **“SECTION 43. (1) In addition to those moneys distributed through**  
18 **the State School Fund, the Department of Education shall make**  
19 **grants to improve student achievement in schools that:**

20 **“(a) Are considered high poverty under Title I of the federal Ele-**  
21 **mentary and Secondary Education Act of 1965;**

22 **“(b) The department has identified as having a significant achieve-**  
23 **ment gap between historically underserved students groups and other**  
24 **student groups pursuant to standards adopted by the State Board of**  
25 **Education; and**

26 **“(c) The department has identified as needing additional supports**  
27 **and interventions based on:**

28 **“(A) Criteria used by the Department of Education to measure the**  
29 **performance of the schools; and**

30 **“(B) The schools’ performance ranking compared to similar schools.**

1       “(2) The department shall identify schools to receive grants as pro-  
2       vided in this section and shall notify the identified schools of the  
3       schools’ eligibility to receive grants as provided in this section.

4       “(3) Moneys received by a school under this section must be used  
5       to provide instructional time during a summer program. The summer  
6       program must provide at least 60 hours of direct academic instruction  
7       by a teacher licensed under ORS 342.125 or by an instructional assist-  
8       ant, as defined in ORS 342.120.

9       “(4) The State Board of Education may adopt any rules necessary  
10      for the administration of this section.

11      “SECTION 44. Notwithstanding section 43 of this 2019 Act, the De-  
12      partment of Education may not award any grants as provided under  
13      section 43 of this 2019 Act prior to July 1, 2020.

14  
15      “**EARLY WARNING SYSTEM FOR HIGH SCHOOL GRADUATION**

16  
17      “SECTION 45. Section 46 of this 2019 Act is added to and made a  
18      part of ORS chapter 327.

19      “SECTION 46. (1) In addition to those moneys distributed through  
20      the State School Fund, the Department of Education shall award  
21      grants from the Statewide Education Initiatives Account to school  
22      districts to implement the early warning system described in this sec-  
23      tion that assist students in graduating from high school.

24      “(2)(a) A system funded by a grant awarded under this section must  
25      enable school districts, students, students’ families, educators, school  
26      counselors and community organizations to take necessary corrective  
27      actions to assist students in graduating from high school.

28      “(b) Corrective actions that may be taken must be based on re-  
29      search on graduation rates and on reports of individual students re-  
30      lated to:

1       **“(A) The student’s attendance;**  
2       **“(B) The student’s behavior at school;**  
3       **“(C) The student’s academic or skill progress; and**  
4       **“(D) Any other factors identified by the State Board of Education**  
5 **by rule.**

6       **“(3) The department shall assist school districts that may apply for**  
7 **a grant under this section, that have applied for a grant under this**  
8 **section or that have received a grant under this section, as appropri-**  
9 **ate, by:**

10       **“(a) Providing technical assistance to school districts to ensure that**  
11 **the school districts understand the goals and objectives of the system;**

12       **“(b) Assisting school districts in developing expertise in assisting**  
13 **students in graduating from high school and developing a culture that**  
14 **encourages and assists students in graduating from high school;**

15       **“(c) Identifying meaningful predictive indicators of high school**  
16 **graduation;**

17       **“(d) Developing local communication systems among students,**  
18 **students’ families, educators and community organizations to assist**  
19 **students in graduating from high school;**

20       **“(e) Identifying and developing interventions at school, at home and**  
21 **in the community to meet students’ needs; and**

22       **“(f) Reviewing existing policies and practices to:**

23       **“(A) Expand policies and practices that encourage high school**  
24 **graduation; and**

25       **“(B) Eliminate or modify policies and practices that may provide a**  
26 **disincentive to graduate from high school.**

27       **“(4) The amount of each grant awarded under this section shall**  
28 **equal the school district’s ADM as defined in ORS 327.006 × \$3.**

29       **“(5) The State Board of Education shall adopt any rules necessary**  
30 **for the administration of the grants described in this section.**

1       **SECTION 47. Section 46 of this 2019 Act becomes operative on July**  
2 **1, 2020.**

3  
4                   **“EDUCATOR PROFESSIONAL DEVELOPMENT**

5  
6       **SECTION 48. (1) The Department of Education and the Educator**  
7 **Advancement Council, in consultation with the Teacher Standards and**  
8 **Practices Commission, the Higher Education Coordinating Commission**  
9 **and representatives of school districts and other education**  
10 **stakeholders, shall develop a plan to provide an effective combination**  
11 **of programs and initiatives for the professional development of edu-**  
12 **cators from kindergarten through grade 12 and to be funded by the**  
13 **Statewide Education Initiatives Account. The plan shall be based on**  
14 **consideration of increasing:**

15       **“(a) Educator retention;**

16       **“(b) Educator diversity;**

17       **“(c) Mentoring and coaching of educators;**

18       **“(d) Participation in educator preparation programs; and**

19       **“(e) Educator scholarships.**

20       **“(2) The department shall provide a report, and may include rec-**  
21 **ommendations for legislation, to an interim committee of the Legis-**  
22 **lative Assembly related to education no later than October 1, 2020.**

23       **SECTION 49. Section 48 of this 2019 Act is repealed on June 30,**  
24 **2020.**

25  
26                   **“EARLY LEARNING ACCOUNT**

27  
28       **SECTION 50. Sections 51 and 52 of this 2019 Act are added to and**  
29 **made a part of ORS chapter 327.**

30       **SECTION 51. Early Learning Account. (1) The Early Learning Ac-**

1 count is established within the Fund for Student Success.

2 “(2) The Early Learning Account shall consist of:

3 “(a) Moneys transferred from the Fund for Student Success under  
4 section 2 of this 2019 Act;

5 “(b) Moneys appropriated or otherwise transferred to the account  
6 by the Legislative Assembly;

7 “(c) Amounts donated to the account; and

8 “(d) Other amounts deposited into the account from any source.

9 “(3) The Department of Education, on behalf of the State of Oregon,  
10 may solicit and accept gifts, grants, donations and other moneys from  
11 public and private sources for the Early Learning Account. Moneys  
12 received as provided in this subsection shall be deposited into the  
13 Early Learning Account.

14 “(4) Moneys in the Early Learning Account are continuously ap-  
15 propriated to the Department of Education for early learning programs  
16 as described in section 52 of this 2019 Act.

17 “SECTION 52. Early Learning Account uses. (1) The Department  
18 of Education and the Early Learning Division shall use moneys in the  
19 Early Learning Account to provide funding for early learning pro-  
20 grams in a manner consistent with a statewide early learning system  
21 plan overseen by the Early Learning Council. Early learning programs  
22 that may receive moneys from the Early Learning Account include:

23 “(a) Early childhood special education or early intervention ser-  
24 vices, as provided by ORS 343.475;

25 “(b) Relief nurseries;

26 “(c) Programs funded by the Early Childhood Equity Fund;

27 “(d) The Oregon prekindergarten program and other public pre-  
28 school programs established under ORS 329.170 to 329.200, by increas-  
29 ing:

30 “(A) The total number of spaces for children served by the pro-



1 **grams; or**

2 **“(B) Existing spaces for full-day programs from half-day programs;**

3 **“(e) Professional development for early childhood educators; and**

4 **“(f) Early Head Start programs.**

5 **“(2) In addition to the uses identified in subsection (1) of this sec-**  
6 **tion, moneys in the Early Learning Account may be used for staffing**  
7 **needs of the Early Learning Division for the purpose of implementing**  
8 **this section.**

9 **“(3) The State Board of Education and the Early Learning Council**  
10 **shall adopt rules necessary for the distribution of moneys under this**  
11 **section.**

12

13 **“EARLY CHILDHOOD EQUITY FUND**

14

15 **“SECTION 53. Early Childhood Equity Fund. (1) The Early Child-**  
16 **hood Equity Fund is established in the State Treasury, separate and**  
17 **distinct from the General Fund. Moneys in the Early Childhood Equity**  
18 **Fund are continuously appropriated to the Department of Education**  
19 **for the Early Learning Division to make grants under section 54 of this**  
20 **2019 Act to culturally specific early learning, early childhood and par-**  
21 **ent support programs and to promote the capacity of culturally spe-**  
22 **cific organizations to deliver these programs.**

23 **“(2) The fund shall consist of:**

24 **“(a) Moneys appropriated or otherwise transferred to the fund from**  
25 **the Legislative Assembly;**

26 **“(b) Earnings received on moneys in the fund; and**

27 **“(c) Other amounts deposited into the fund from any source.**

28 **“SECTION 54. Early childhood support grant program. (1) The Early**  
29 **Learning Division may make grants from the Early Childhood Equity**  
30 **Fund established under section 53 of this 2019 Act to culturally specific**

1 early learning, early childhood and parent support programs in this  
2 state that build capacity in communities, ensure children start  
3 kindergarten ready to succeed and support families to be stable,  
4 healthy and attached. For purposes of this subsection, a program is in  
5 this state if the program serves communities within the geographic  
6 boundaries of this state, including communities within Indian country  
7 of a federally recognized Oregon Indian tribe that is within the ge-  
8 ographic boundaries of this state.

9 “(2) To receive a grant under this section, a program must:

10 “(a) Provide outreach, support and resources to children and fami-  
11 lies who are at risk because of any combination of two or more fac-  
12 tors, including their race, ethnicity, English language proficiency,  
13 socioeconomic status and geographic location; and

14 “(b) Demonstrate a proven ability to provide outreach, support and  
15 resources to children and families described in paragraph (a) of this  
16 subsection.

17 “(3) The division shall monitor capacity needs and provide technical  
18 assistance to grantees.

19 “(4) The division shall conduct a biennial evaluation of programs  
20 that receive grants under this section. The evaluation shall include  
21 measurement of outcomes that align with:

22 “(a) Current research regarding positive child and family indicators,  
23 including family stability and early childhood school readiness; and

24 “(b) Culturally specific approaches.

25 “(5) The Early Learning Council, in consultation with the division,  
26 shall adopt rules necessary to carry out the provisions of this section.  
27 The rules shall include requirements for grant eligibility under this  
28 section.

29 “(6) On or before September 15 of each odd-numbered year, the di-  
30 vision shall submit to the interim committees of the Legislative As-

1 **sembly related to early childhood and child welfare a report on the**  
2 **status and impact of grants made to programs under this section. The**  
3 **report shall include changes in the capacity of culturally specific or-**  
4 **ganizations and the results of any biennial evaluations conducted in**  
5 **accordance with subsection (4) of this section.**

6 **“SECTION 55.** ORS 417.790 is amended to read:

7 **“417.790. The Early Learning Division shall:**

8 **“(1) Make grants to fund research-based services and initiatives to im-**  
9 **prove outcomes for children, youth or families.**

10 **“(2) Make Great Start grants to fund community-based programs for**  
11 **children zero through six years of age. A recipient shall use Great Start**  
12 **grant funds to provide research-based early childhood programs in commu-**  
13 **nity settings and to provide services that have proven to be successful and**  
14 **that meet the needs of the community. These services shall be provided in**  
15 **accordance with ORS 417.728.**

16 **“(3) Make grants under section 54 of this 2019 Act to fund culturally**  
17 **specific early learning, early childhood and parent support programs**  
18 **that build capacity in communities to provide culturally appropriate**  
19 **services to ensure children start kindergarten ready to succeed and to**  
20 **support family stability.**

21

22 **“PERSONAL INCOME TAX RATES**

23

24 **“SECTION 56.** ORS 316.037 is amended to read:

25 **“316.037. (1)(a) A tax is imposed for each taxable year on the entire tax-**  
26 **able income of every resident of this state. The amount of the tax shall be**  
27 **determined in accordance with the following table:**

28 **“**

29 **If taxable income is:                      The tax is:**

30

1 Not over \$2,000 [5%] **4.75%** of  
2 taxable  
3 income  
4  
5 Over \$2,000 but not  
6 over \$5,000 [~~\$100~~] **\$95** plus [7%] **6.75%**  
7 of the excess  
8 over \$2,000  
9  
10 Over \$5,000 but not  
11 over \$125,000 [~~\$310~~] **\$298** plus [9%] **8.75%**  
12 of the excess  
13 over \$5,000  
14  
15 Over \$125,000 [~~\$11,110~~] **\$10,798** plus 9.9%  
16 of the excess  
17 over \$125,000

18 “ \_\_\_\_\_

19 “(b) For tax years beginning in each calendar year, the Department of  
20 Revenue shall adopt a table that shall apply in lieu of the table contained  
21 in paragraph (a) of this subsection, as follows:

22 “(A) Except as provided in subparagraph (D) of this paragraph, the mini-  
23 mum and maximum dollar amounts for each bracket for which a tax is im-  
24 posed shall be increased by the cost-of-living adjustment for the calendar  
25 year.

26 “(B) The rate applicable to any rate bracket as adjusted under subpara-  
27 graph (A) of this paragraph [~~shall~~] **may** not be changed.

28 “(C) The amounts setting forth the tax, to the extent necessary to reflect  
29 the adjustments in the rate brackets, shall be adjusted.

30 “(D) The rate brackets applicable to taxable income in excess of \$125,000

1 may not be adjusted.

2 “(c) For purposes of paragraph (b) of this subsection, the cost-of-living  
3 adjustment for any calendar year is the percentage (if any) by which the  
4 monthly averaged U.S. City Average Consumer Price Index for the 12 con-  
5 secutive months ending August 31 of the prior calendar year exceeds the  
6 monthly averaged index for the second quarter of the calendar year 1992.

7 “(d) As used in this subsection, ‘U.S. City Average Consumer Price  
8 Index’ means the U.S. City Average Consumer Price Index for All Urban  
9 Consumers (All Items) as published by the Bureau of Labor Statistics of the  
10 United States Department of Labor.

11 “(e) If any increase determined under paragraph (b) of this subsection is  
12 not a multiple of \$50, the increase shall be rounded to the next lower mul-  
13 tiple of \$50.

14 “(2) A tax is imposed for each taxable year upon the entire taxable income  
15 of every part-year resident of this state. The amount of the tax shall be  
16 computed under subsection (1) of this section as if the part-year resident  
17 were a full-year resident and shall be multiplied by the ratio provided under  
18 ORS 316.117 to determine the tax on income derived from sources within this  
19 state.

20 “(3) A tax is imposed for each taxable year on the taxable income of every  
21 full-year nonresident that is derived from sources within this state. The  
22 amount of the tax shall be determined in accordance with the table set forth  
23 in subsection (1) of this section.

24 **“SECTION 57. The amendments to ORS 316.037 by section 56 of this**  
25 **2019 Act apply to tax years beginning on or after January 1, 2020.**

26

27 **“CORPORATE ACTIVITY TAX**

28

29 **“SECTION 58. Definitions. As used in sections 58 to 76 of this 2019**

30 **Act:**

1       **“(1)(a) ‘Commercial activity’ means the total amount realized by a**  
2 **person, arising from transactions and activity in the regular course**  
3 **of the person’s trade or business, without deduction for expenses in-**  
4 **curring by the trade or business.**

5       **“(b) ‘Commercial activity’ does not include:**

6       **“(A) Interest income except interest on credit sales;**

7       **“(B) Receipts from the sale, exchange or other disposition of an**  
8 **asset described in section 1221 or 1231 of the Internal Revenue Code,**  
9 **without regard to the length of time the person held the asset;**

10       **“(C) Proceeds received attributable to the repayment, maturity or**  
11 **redemption of the principal of a loan, bond, mutual fund, certificate**  
12 **of deposit or marketable instrument;**

13       **“(D) The principal amount received under a repurchase agreement**  
14 **or on account of any transaction properly characterized as a loan to**  
15 **the person;**

16       **“(E) Contributions received by a trust, plan or other arrangement,**  
17 **any of which is described in section 501(a) of the Internal Revenue**  
18 **Code, or to which title 26, subtitle A, chapter 1, subchapter (D) of the**  
19 **Internal Revenue Code applies;**

20       **“(F) Proceeds received from the issuance of the taxpayer’s own**  
21 **stock, options, warrants, puts or calls, or from the sale of the**  
22 **taxpayer’s treasury stock;**

23       **“(G) Proceeds received on the account of payments from insurance**  
24 **policies, except those proceeds received for the loss of business reve-**  
25 **nue;**

26       **“(H) Gifts or charitable contributions received, membership dues**  
27 **received by trade, professional, homeowners’ or condominium associ-**  
28 **ations, payments received for educational courses, meetings or meals,**  
29 **or similar payments to a trade, professional or other similar associ-**  
30 **ation, and fundraising receipts received by any person when any excess**

1 receipts are donated or used exclusively for charitable purposes;

2 “(I) Damages received as the result of litigation in excess of  
3 amounts that, if received without litigation, would be treated as com-  
4 mercial activity;

5 “(J) Property, money and other amounts received or acquired by  
6 an agent on behalf of another in excess of the agent’s commission, fee  
7 or other remuneration;

8 “(K) Tax refunds, other tax benefit recoveries and reimbursements  
9 for the tax imposed under sections 58 to 76 of this 2019 Act made by  
10 entities that are part of the same unitary group as provided under  
11 section 60 of this 2019 Act, and reimbursements made by entities that  
12 are not members of a unitary group that are required to be made for  
13 economic parity among multiple owners of an entity whose tax obli-  
14 gation under sections 58 to 76 of this 2019 Act is required to be reported  
15 and paid entirely by one owner, as provided in section 60 of this 2019  
16 Act;

17 “(L) Pension reversions;

18 “(M) Contributions to capital;

19 “(N) Receipts from the sale, transfer, exchange or other disposition  
20 of motor vehicle fuel or any other product used for the propulsion of  
21 motor vehicles;

22 “(O) In the case of receipts from the sale of cigarettes or tobacco  
23 products by a wholesale dealer, retail dealer, distributor, manufacturer  
24 or seller, an amount equal to the federal and state excise taxes paid  
25 by any person on or for such cigarettes or tobacco products under  
26 subtitle E of the Internal Revenue Code or ORS chapter 323;

27 “(P) In the case of receipts from the sale of malt beverages, wine  
28 or alcoholic liquor, all as defined in ORS 471.001, or cider, as defined  
29 in ORS 471.023, by a person holding a license issued under ORS chapter  
30 471, an amount equal to the federal and state excise taxes paid by any

1 person on or for such malt beverages, wine or alcoholic liquor under  
2 subtitle E of the Internal Revenue Code or ORS chapter 471, and any  
3 net amount paid to the Oregon Liquor Control Commission by a per-  
4 son licensed to sell alcoholic liquor under ORS chapter 471 in excess  
5 of the purchase price paid by the licensee;

6 “(Q) In the case of receipts from the sale of marijuana items, as  
7 defined in ORS 475B.015, by a person holding a license issued under  
8 ORS 475B.010 to 475B.545, an amount equal to the federal and state  
9 excise taxes paid by any person on or for such marijuana items under  
10 subtitle E of the Internal Revenue Code or ORS 475B.700 to 475B.760;

11 “(R) Receipts realized by a vehicle dealer certified under ORS 822.020  
12 from the sale or other transfer of a motor vehicle, as defined in ORS  
13 801.360, to another vehicle dealer for the purpose of resale by the  
14 transferee vehicle dealer, but only if the sale or other transfer was  
15 based upon the transferee’s need to meet a specific customer’s pref-  
16 erence for a motor vehicle;

17 “(S) Registration fees or taxes collected by a vehicle dealer certified  
18 under ORS 822.020 at the sale or other transfer of a motor vehicle, as  
19 defined in ORS 801.360, that are owed to a third party by the purchaser  
20 of the motor vehicle and passed to the third party by the dealer;

21 “(T) Receipts from a financial institution for services provided to  
22 the financial institution in connection with the issuance, processing,  
23 servicing and management of loans or credit accounts, if the financial  
24 institution and the recipient of the receipts have at least 50 percent  
25 of their ownership interests owned or controlled, directly or con-  
26 structively through related interests, by common owners;

27 “(U) In the case of amounts retained as commissions by a holder  
28 of a license under ORS chapter 462, an amount equal to the amounts  
29 specified under ORS chapter 462 that must be paid to or collected by  
30 the Department of Revenue as a tax and the amounts specified under



1 **ORS chapter 462 to be used as purse money;**  
2 **“(V) Net revenue of residential care facilities as defined in ORS**  
3 **443.400 or in-home care agencies as defined in ORS 443.305, to the ex-**  
4 **tent that the revenue is derived from or received as compensation for**  
5 **providing services to a medical assistance or Medicare recipient;**  
6 **“(W) Dividends received;**  
7 **“(X) Distributive income received from a pass-through entity;**  
8 **“(Y) Receipts from sales to a wholesaler in this state, if the seller**  
9 **receives certification at the time of sale from the wholesaler that the**  
10 **wholesaler will sell the purchased property outside this state;**  
11 **“(Z) Rebates paid to purchasers by retailers or wholesalers;**  
12 **“(AA) Receipts from the wholesale or retail sale of groceries;**  
13 **“(BB) Receipts from transactions among members of a unitary**  
14 **group;**  
15 **“(CC) Moneys, including public purpose charge moneys collected**  
16 **under ORS 757.612 and costs of funding or implementing cost-effective**  
17 **energy conservation measures collected under ORS 757.689, that are**  
18 **collected from customers, passed to a utility and approved by the**  
19 **Public Utility Commission and that support energy conservation,**  
20 **renewable resource acquisition and low-income assistance programs;**  
21 **“(DD) Moneys collected by a utility from customers for the payment**  
22 **of loans through on-bill financing;**  
23 **“(EE) Surcharges collected under ORS 757.736;**  
24 **“(FF) Moneys passed to a utility by the Bonneville Power Adminis-**  
25 **tration for the purpose of effectuating the Regional Power Act Ex-**  
26 **change credits or pursuant to any settlement associated with the**  
27 **exchange credit;**  
28 **“(GG) Moneys collected by a utility for franchise fees, privilege**  
29 **taxes, federal taxes, local taxes and fees payable under ORS 756.310;**  
30 **“(HH) Charges paid to the Residential Service Protection Fund re-**

1 **quired by chapter 290, Oregon Laws 1987;**

2 **“(II) Universal service surcharge moneys collected by telecommu-**  
3 **nications carriers and paid into the universal service fund established**  
4 **in ORS 759.425;**

5 **“(JJ) Moneys collected for public purpose funding as described in**  
6 **ORS 759.430;**

7 **“(KK) Moneys collected for the federal universal service fund as**  
8 **determined by the Federal Communications Commission;**

9 **“(LL) In the case of a seller or provider of telecommunications**  
10 **services, the amount of tax imposed under ORS 403.200 for access to**  
11 **the emergency communications system that is collected from sub-**  
12 **scribers or consumers;**

13 **“(MM) In the case of a transient lodging tax collector, the amount**  
14 **of tax imposed under ORS 320.305 and of any local transient lodging**  
15 **tax imposed upon the occupancy of transit lodging;**

16 **“(NN) In the case of a seller of bicycles, the amount of tax imposed**  
17 **under ORS 320.415 upon retail sales of bicycles;**

18 **“(OO) In the case of a qualified heavy equipment provider, the**  
19 **amount of tax imposed under section 2, chapter 64, Oregon Laws 2018,**  
20 **upon the rental price of heavy equipment; and**

21 **“(PP) Receipts representing business done with or for members of**  
22 **an agricultural cooperative in this state that is a cooperative organ-**  
23 **ization described in section 1381 of the Internal Revenue Code.**

24 **“(2)(a) ‘Commercial activity of a financial institution’ includes all**  
25 **items of income without deduction for expenses.**

26 **“(b) If the reporting person for a financial institution is a holding**  
27 **company, ‘commercial activity of a financial institution’ includes all**  
28 **items of income reported on the FR Y-9 filed by the holding company.**

29 **“(c) If the reporting person for a financial institution is a bank or-**  
30 **ganization, ‘commercial activity of a financial institution’ includes all**

1 items of income reported on the call report filed by the bank organ-  
2 ization.

3 “(d) If the reporting person for a financial institution is a nonbank  
4 financial organization, ‘commercial activity of a financial institution’  
5 includes all items of income reported in accordance with generally  
6 accepted accounting principles.

7 “(3) ‘Commercial activity of an insurer’ includes all items of income  
8 without deduction for expenses and all items of income reported on the  
9 statement of income accompanying the annual statement required  
10 under ORS 731.574 to be filed with the Director of the Department of  
11 Consumer and Business Services.

12 “(4) ‘Cost inputs’ means the cost of materials incurred in the cre-  
13 ation of a good or service and the cost of purchase of items held in the  
14 ordinary course of business for inventory, in accordance with section  
15 471 of the Internal Revenue Code.

16 “(5) ‘Doing business’ means engaging in any activity, whether legal  
17 or illegal, that is conducted for, or results in, the receipt of commer-  
18 cial activity at any time during a calendar year.

19 “(6) ‘Excluded person’ means any of the following:

20 “(a) Organizations described in sections 501(c) and 501(j) of the  
21 Internal Revenue Code, unless the exemption is denied under section  
22 501(h), (i) or (m) or under section 502, 503 or 505 of the Internal Reve-  
23 nue Code.

24 “(b) Organizations described in section 501(d) of the Internal Reve-  
25 nue Code, unless the exemption is denied under section 502 or 503 of  
26 the Internal Revenue Code.

27 “(c) Organizations described in section 501(e) of the Internal Reve-  
28 nue Code.

29 “(d) Organizations described in section 501(f) of the Internal Reve-  
30 nue Code.

1       “(e) Charitable risk pools described in section 501(n) of the Internal  
2 Revenue Code.

3       “(f) Organizations described in section 521 of the Internal Revenue  
4 Code.

5       “(g) Qualified state tuition programs described in section 529 of the  
6 Internal Revenue Code.

7       “(h) Foreign or alien insurance companies, but only with respect  
8 to the underwriting profit derived from writing wet marine and  
9 transportation insurance subject to tax under ORS 731.824 and 731.828.

10       “(i) Governmental entities.

11       “(j) Any person with commercial activity that does not exceed \$1  
12 million for the calendar year, other than a person that is part of a  
13 unitary group as provided in section 60 of this 2019 Act with commer-  
14 cial activity in excess of \$1 million.

15       “(k) Hospitals subject to assessment under section 2, chapter 736,  
16 Oregon Laws 2003, long term care facilities subject to assessment un-  
17 der section 16, chapter 736, Oregon Laws 2003, or any entity subject to  
18 assessment under section 3, 5 or 9, chapter 538, Oregon Laws 2017.

19       “(7) ‘Financial institution’ has the meaning given that term in ORS  
20 314.610, except that ‘financial institution’ does not include a credit  
21 union.

22       “(8)(a) ‘FR Y-9’ means the consolidated or parent-only financial  
23 statements that a holding company is required to file with the Federal  
24 Reserve Board pursuant to 12 U.S.C. 1844.

25       “(b) In the case of a holding company required to file both consol-  
26 idated and parent-only financial statements, ‘FR Y-9’ means the con-  
27 solidated financial statements that the holding company is required  
28 to file.

29       “(9) ‘Governmental entity’ means:

30       “(a) The United States and any of its unincorporated agencies and

1 **instrumentalities.**

2 **“(b) Any incorporated agency or instrumentality of the United**  
3 **States wholly owned by the United States or by a corporation wholly**  
4 **owned by the United States.**

5 **“(c) The State of Oregon and any of its unincorporated agencies and**  
6 **instrumentalities.**

7 **“(d) Any county, city, district or other political subdivision of the**  
8 **state.**

9 **“(e) Any public corporation.**

10 **“(f) A federally recognized Indian tribe.**

11 **“(10) ‘Groceries’ means food as defined in 7 U.S.C. 2012(k).**

12 **“(11) ‘Insurer’ has the meaning given that term in ORS 317.010.**

13 **“(12) ‘Internal Revenue Code,’ except where the Legislative Assem-**  
14 **ibly has provided otherwise, refers to the laws of the United States or**  
15 **to the Internal Revenue Code as they are amended and in effect on**  
16 **December 31, 2018.**

17 **“(13) ‘Labor costs’ means total compensation of all employees, not**  
18 **to include compensation paid to any single employee in excess of**  
19 **\$500,000.**

20 **“(14)(a) ‘Motor vehicle fuel or any other product used for the pro-**  
21 **pulsion of motor vehicles’ means:**

22 **“(A) Motor vehicle fuel as defined in ORS 319.010; and**

23 **“(B) Fuel the use of which in a motor vehicle is subject to taxation**  
24 **under ORS 319.530.**

25 **“(b) ‘Motor vehicle fuel or any other product used for the propul-**  
26 **sion of motor vehicles’ does not mean:**

27 **“(A) Electricity; or**

28 **“(B) Electric batteries or any other mechanical or physical compo-**  
29 **nent or accessory of a motor vehicle.**

30 **“(15) ‘Person’ includes individuals, combinations of individuals of**

1 any form, receivers, assignees, trustees in bankruptcy, firms, compa-  
2 nies, joint-stock companies, business trusts, estates, partnerships,  
3 limited liability partnerships, limited liability companies, associations,  
4 joint ventures, clubs, societies, entities organized as for-profit corpo-  
5 rations under ORS chapter 60, C corporations, S corporations, qualified  
6 subchapter S subsidiaries, qualified subchapter S trusts, trusts, enti-  
7 ties that are disregarded for federal income tax purposes and any other  
8 entities.

9 “(16) ‘Retailer’ means a person doing business by selling tangible  
10 personal property to a purchaser for a purpose other than:

11 “(a) Resale by the purchaser of the property as tangible personal  
12 property in the regular course of business;

13 “(b) Incorporation by the purchaser of the property in the course  
14 of regular business as an ingredient or component of real or personal  
15 property; or

16 “(c) Consumption by the purchaser of the property in the pro-  
17 duction for sale of a new article of tangible personal property.

18 “(17) ‘Taxable commercial activity’ means commercial activity  
19 sourced to this state under section 66 of this 2019 Act, less any sub-  
20 traction pursuant to section 64 of this 2019 Act.

21 “(18)(a) ‘Taxpayer’ means any person or unitary group required to  
22 register, file or pay tax under sections 58 to 76 of this 2019 Act.

23 “(b) ‘Taxpayer’ does not include excluded persons.

24 “(19)(a) ‘Unitary business’ means a business enterprise in which  
25 there exists directly or indirectly between the members or parts of the  
26 enterprise a sharing or exchange of value as demonstrated by:

27 “(A) Centralized management or a common executive force;

28 “(B) Centralized administrative services or functions resulting in  
29 economies of scale; or

30 “(C) Flow of goods, capital resources or services demonstrating

1 functional integration.

2 “(b) ‘Unitary business’ may include a business enterprise the ac-  
3 tivities of which:

4 “(A) Are in the same general line of business, such as manufac-  
5 turing, wholesaling or retailing; or

6 “(B) Constitute steps in a vertically integrated process, such as the  
7 steps involved in the production of natural resources, which might  
8 include exploration, mining, refining and marketing.

9 “(20) ‘Unitary group’ means a group of persons with more than 50  
10 percent common ownership, either direct or indirect, that is engaged  
11 in business activities that constitute a unitary business.

12 “(21) ‘Wholesaler’ means a person primarily doing business by  
13 merchant distribution of tangible personal property to retailers or to  
14 other wholesalers.

15 “SECTION 59. Accounting methods. A taxpayer’s method of ac-  
16 counting for commercial activity, cost inputs and labor costs for a tax  
17 year shall be the same as the taxpayer’s method of accounting for  
18 federal income tax purposes for the taxpayer’s federal tax year that  
19 includes the tax year. If a taxpayer’s method of accounting for federal  
20 income tax purposes changes, the taxpayer’s method of accounting for  
21 commercial activity under sections 58 to 76 of this 2019 Act shall be  
22 changed accordingly.

23 “SECTION 60. Unitary groups. A unitary group shall register, file  
24 and pay taxes under sections 58 to 76 of this 2019 Act as a single tax-  
25 payer and may exclude receipts from transactions among its members.  
26 The Department of Revenue may collect identifying information about  
27 all members of a unitary group and may require disclosure to the de-  
28 partment, for each member, of the commercial activity in Oregon and  
29 in the United States.

30 “SECTION 61. Taxation of property transferred into state. (1) Ex-

1 cept as provided in subsection (2) of this section:

2 “(a) A person shall include as taxable commercial activity the value  
3 of property the person transfers into this state for the person’s own  
4 use in the course of a trade or business within one year after the  
5 person receives the property outside this state; and

6 “(b) In the case of a unitary group, the taxpayer shall include as  
7 taxable commercial activity the value of property that any of the  
8 taxpayer’s members transferred into this state for the use in the  
9 course of a trade or business by any of the taxpayer’s members within  
10 one year after the taxpayer receives the property outside this state.

11 “(2) Property brought into this state within one year after it is re-  
12 ceived outside this state by a person or unitary group described in  
13 subsection (1) of this section may not be included as taxable commer-  
14 cial activity as required under subsection (1) of this section if the De-  
15 partment of Revenue ascertains that the property’s receipt outside this  
16 state by the person or unitary group followed by its transfer into this  
17 state within one year was not intended in whole or in part to avoid in  
18 whole or in part the tax imposed under sections 58 to 76 of this 2019  
19 Act.

20 “(3) The department may adopt rules necessary to administer this  
21 section.

22 “SECTION 62. Joint and several liability. All members of a unitary  
23 group during the tax year or periods for which additional tax, penalty  
24 or interest is owed are jointly and severally liable for such amounts.  
25 Although the reporting person shall be assessed for the liability,  
26 amounts due may be collected by assessment against any member of  
27 the unitary group or pursued against any member of the unitary  
28 group.

29 “SECTION 63. Corporate activity tax imposed on commercial activ-  
30 ity. (1) A corporate activity tax is imposed on each person with taxable



1 commercial activity for the privilege of doing business in this state.  
2 The tax is imposed upon persons with substantial nexus with this  
3 state. The tax imposed under this section is not a transactional tax  
4 and is not subject to the Interstate Income Act of 1959 (P.L. 86-272).  
5 The tax imposed under this section is in addition to any other taxes  
6 or fees imposed under the tax laws of this state. The tax imposed un-  
7 der this section is imposed on the person receiving the commercial  
8 activity and is not a tax imposed directly on a purchaser. The tax  
9 imposed under this section is an annual privilege tax for the calendar  
10 year and shall be remitted quarterly to the Department of Revenue.  
11 A taxpayer is subject to the annual corporate activity tax for doing  
12 business during any portion of such calendar year.

13 “(2) A person has substantial nexus with this state if any of the  
14 following applies. The person:

15 “(a) Owns or uses a part or all of its capital in this state.

16 “(b) Holds a certificate of existence or authorization issued by the  
17 Secretary of State authorizing the person to do business in this state.

18 “(c) Has bright-line presence in this state.

19 “(d) Otherwise has nexus with this state to an extent that the per-  
20 son can be required to remit the tax imposed under sections 58 to 76  
21 of this 2019 Act under the United States Constitution.

22 “(3) A person has bright-line presence in this state for the calendar  
23 year if any of the following applies. The person:

24 “(a) Owns at any time during the calendar year property in this  
25 state with an aggregate value of at least \$50,000. For purposes of this  
26 paragraph, owned property is valued at original cost and rented prop-  
27 erty is valued at eight times the net annual rental charge.

28 “(b) Has during the calendar year payroll in this state of at least  
29 \$50,000. Payroll in this state includes the following:

30 “(A) Any amount subject to withholding by the person under ORS

1 **316.167 and 316.172;**

2 **“(B) Any other amount the person pays as compensation to an in-**  
3 **dividual under the supervision or control of the person for work done**  
4 **in this state; and**

5 **“(C) Any amount the person pays for services performed in this**  
6 **state on the person’s behalf by another.**

7 **“(c) Has during the calendar year commercial activity, sourced to**  
8 **this state under section 66 of this 2019 Act, of at least \$750,000.**

9 **“(d) Has at any time during the calendar year within this state at**  
10 **least 25 percent of the person’s total property, total payroll or total**  
11 **commercial activity.**

12 **“(e) Is a resident of this state or is domiciled in this state for cor-**  
13 **porate, commercial or other business purposes.**

14 **“SECTION 64. Subtraction. (1) A taxpayer shall subtract from**  
15 **commercial activity sourced to this state 25 percent of the greater of**  
16 **the following amounts paid or incurred by the taxpayer in the tax**  
17 **year:**

18 **“(a) The amount of cost inputs paid to other businesses; or**

19 **“(b) The taxpayer’s labor costs.**

20 **“(2) The amounts in subsection (1)(a) or (b) of this section shall be**  
21 **apportioned to this state in the manner required for apportionment**  
22 **of income under ORS 314.605 to 314.675.**

23 **“(3) Notwithstanding subsection (1) of this section, the subtraction**  
24 **under this section may not exceed 95 percent of the taxpayer’s com-**  
25 **mercial activity in this state.**

26 **“SECTION 65. Rate of taxation. (1) The corporate activity tax im-**  
27 **posed under section 63 of this 2019 Act for each calendar year shall**  
28 **equal \$250 plus the product of the taxpayer’s taxable commercial ac-**  
29 **tivity in excess of \$1 million for the calendar year multiplied by 0.49**  
30 **percent.**

1       “(2) A tax is not owed under this section if the person’s taxable  
2 commercial activity does not exceed \$1 million.

3       “SECTION 66. Sourcing of commercial activity. (1) For purposes of  
4 sections 58 to 76 of this 2019 Act, commercial activity other than  
5 commercial activity of financial institutions or insurers shall be  
6 sourced to this state as follows:

7       “(a) In the case of the sale, rental, lease or license of real property,  
8 if and to the extent the property is located in this state.

9       “(b) In the case of the rental, lease or license of tangible personal  
10 property, if and to the extent the property is located in this state.

11       “(c) In the case of the sale of tangible personal property, if and to  
12 the extent the property is delivered to a purchaser in this state.

13       “(d) In the case of the sale of a service, if and to the extent the  
14 service is delivered to a location in this state.

15       “(e) In the case of the sale, rental, lease or license of intangible  
16 property, if and to the extent the property is used in this state. If the  
17 receipts are not based on the amount of use of the property, but rather  
18 on the right to use the property, and the payor has the right to use  
19 the property in this state, the receipts shall be sourced to this state  
20 to the extent the receipts are based on the right to use the property  
21 in this state.

22       “(2) If the sourcing provisions of subsection (1) of this section do  
23 not fairly represent the extent of a person’s commercial activity at-  
24 tributable to this state, the person may request, or the Department  
25 of Revenue may require or permit, an alternative method. A request  
26 under this subsection by a person must be made within the statute of  
27 limitations applicable to sections 58 to 76 of this 2019 Act.

28       “(3) The department may adopt rules to provide additional guidance  
29 to the application of this section, and to provide alternative methods  
30 of sourcing commercial activity that apply to financial institutions

1 and to insurers, and to any other persons, or a subset of persons, that  
2 are engaged in similar business or trade activities.

3  
4 **“LOCAL TAX PREEMPTION**

5  
6 **“SECTION 67. Local taxes preempted. (1) Except as expressly au-**  
7 **thorized by this section, the authority to impose, in this state, a tax**  
8 **upon the commercial activity of an entity is vested solely in the Leg-**  
9 **islative Assembly. A city, county, district or other political subdivision**  
10 **or municipal corporation of this state may not impose, by ordinance**  
11 **or other law, a tax upon commercial activity or upon receipts from**  
12 **grocery sales.**

13 **“(2) Subsection (1) of this section does not apply:**

14 **(a) To any tax, or to subsequent amendments of the provisions of**  
15 **any tax, if the ordinance or other law imposing the tax is in effect and**  
16 **operative on March 1, 2019; or**

17 **(b) To the imposition of franchise fees or franchise taxes.**

18  
19 **“REGISTRATION PROCEDURES**

20  
21 **“SECTION 68. Registration. (1) Any person or unitary group with**  
22 **commercial activity in excess of \$750,000 in the tax year shall register**  
23 **with the Department of Revenue.**

24 **“(2) The department by rule may establish the information per-**  
25 **taining to the person or unitary group that must be submitted to the**  
26 **department accompanying the registration and the time and manner**  
27 **for issuance of registrations under this section.**

28 **“(3) The department may impose a penalty for failing to register**  
29 **as required under this section, not to exceed \$100 per month that a**  
30 **person or unitary group has failed to register or a total of \$1,000 in a**

1 calendar year. The penalty under this subsection may be imposed not  
2 earlier than 30 days after the date on which the commercial activity  
3 of the person or unitary group exceeds \$750,000 for the tax year.

4 **“SECTION 69. Records.** Every person doing business in this state  
5 shall keep records, receipts, invoices and other pertinent papers re-  
6 lated to the corporate activity tax imposed under section 63 of this 2019  
7 Act in a form required by the Department of Revenue.

8  
9 **“RETURNS AND PAYMENTS**

10  
11 **“SECTION 70. Returns, payment.** (1) For purposes of the corporate  
12 activity tax imposed under section 63 of this 2019 Act, every person  
13 doing business in this state with commercial activity for the tax year  
14 in excess of \$1 million shall file not later than April 15 of the following  
15 year an annual return. The return must be filed with the Department  
16 of Revenue in a form prescribed by the department.

17 **“(2)** The corporate activity tax imposed under section 63 of this 2019  
18 Act is due and payable to the department on or before the last day of  
19 January, April, July and October of each year for the previous calen-  
20 dar quarter.

21 **“(3)** The department may by rule extend the time for making any  
22 return for good cause. If the time for filing a return is extended at the  
23 request of a taxpayer, interest on any unpaid tax at the rate estab-  
24 lished under ORS 305.220 from the time the return was originally re-  
25 quired to be filed to the time of payment, shall be added and paid.

26 **“SECTION 71. Accounting, installment payment.** (1) Subject to  
27 rules adopted by the Department of Revenue, the corporate activity  
28 tax imposed under section 63 of this 2019 Act becomes payable in ac-  
29 cordance with the system of accounting regularly employed by the  
30 taxpayer.



1 amount of the tax and may withhold from the purchase price a sum  
2 sufficient to pay any tax due until a receipt or evidence from the De-  
3 partment of Revenue showing payment in full of any tax due is pre-  
4 sented to the successor. If a receipt or other evidence is not presented  
5 to the successor within 45 days, the successor may pay the tax and the  
6 amount paid shall, to the extent paid, be considered a payment of the  
7 purchase price. If the tax paid by the successor is greater than the  
8 purchase price, the amount of the difference is a debt due to the suc-  
9 cessor from the seller or transferor.

10 “(4) A successor is not liable for any tax due from the person from  
11 whom the successor has acquired a business or stock of goods if the  
12 successor gives written notice to the department of the acquisition and  
13 the department does not assess a deficiency against the seller or  
14 transferor within 18 months of receipt of the notice of acquisition and  
15 mail or deliver a copy of the assessment to the successor.

16

## 17 “APPLICABILITY OF TAX LAWS

18

19 “SECTION 74. Except as otherwise provided in sections 58 to 76 of  
20 this 2019 Act or where the context requires otherwise:

21 “(1) The provisions of ORS chapters 305 and 314 as to the audit and  
22 examination of returns, periods of limitation, determination of and  
23 notices of deficiencies, assessments, collections, liens, delinquencies,  
24 claims for refund and refunds, conferences, appeals to the Oregon Tax  
25 Court, stays of collection pending appeal, confidentiality of returns  
26 and the penalties relative thereto, and the procedures relating thereto,  
27 apply to the determinations of taxes, penalties and interest under  
28 sections 58 to 76 of this 2019 Act.

29 “(2) Any term that is not defined in section 58 of this 2019 Act shall  
30 have the meaning given that term for the purposes of ORS chapter 305,

1 314, 316 or 317.

2  
3 **“DISPOSITION OF PROCEEDS**

4  
5 **“SECTION 75. Payments to Department of Revenue. For purposes**  
6 **of sections 58 to 76 of this 2019 Act, and except as otherwise provided**  
7 **by law, all taxes, interest and penalties imposed and all amounts of**  
8 **corporate activity tax collected or required to be paid to the state shall**  
9 **be paid to the Department of Revenue and upon receipt by the de-**  
10 **partment shall be turned over to the State Treasurer, to be disbursed**  
11 **as provided in section 76 of this 2019 Act.**

12 **“SECTION 76. Suspense account, other disposition. (1) Except as**  
13 **otherwise provided by law, all moneys received by the Department of**  
14 **Revenue under sections 58 to 76 of this 2019 Act shall be deposited in**  
15 **the State Treasury and credited to a suspense account established**  
16 **under ORS 293.445 separate and distinct from the General Fund. The**  
17 **department may pay expenses for the administration, collection and**  
18 **enforcement of the tax imposed under sections 58 to 76 of this 2019 Act**  
19 **out of moneys received from the corporate activity tax imposed under**  
20 **section 63 of this 2019 Act. Refunds, including refunds of erroneous**  
21 **overpayments or refunds of other moneys received in which the de-**  
22 **partment has no legal interest, shall be paid out of the suspense ac-**  
23 **count.**

24 **“(2) After payment of refunds, the net revenue shall be transferred**  
25 **to the Fund for Student Success established under section 2 of this**  
26 **2019 Act. A working balance of unreceipted revenue from the tax im-**  
27 **posed under sections 58 to 76 of this 2019 Act may be retained by the**  
28 **department for the payment of refunds, but such working balance may**  
29 **not at the close of any fiscal year exceed the amount of \$500,000.**

30 **“(3) There are continuously appropriated to the department**



1 amounts necessary to pay the administrative expenses of the depart-  
2 ment in administering, collecting and enforcing the corporate activity  
3 tax imposed under section 63 of this 2019 Act.

4  
5 **“UNDERPAYMENT OR UNDERREPORTING**

6  
7 **“SECTION 77. Interest and penalties.** (1) The Department of Reve-  
8 nue may not impose any interest or penalty that would otherwise ap-  
9 ply to taxes due if the interest or penalty is based on underpayment  
10 or underreporting that results solely from the operation of sections 58  
11 to 76 of this 2019 Act.

12 **“(2) A taxpayer shall pay at least 80 percent of the balance due for**  
13 **any quarter or the department may impose a penalty as provided in**  
14 **ORS 314.400 (3).**

15 **“SECTION 78. Section 77 of this 2019 Act applies to tax years be-**  
16 **ginning on or after January 1, 2020, and before January 1, 2021, and**  
17 **to returns filed on or before April 15, 2021.**

18  
19 **“APPLICABILITY**

20  
21 **“SECTION 79. Sections 58 to 76 of this 2019 Act apply to tax years**  
22 **beginning on or after January 1, 2020.**

23  
24 **“PARTS NOT SEVERABLE**

25  
26 **“SECTION 80. It is the intent of the Legislative Assembly that each**  
27 **part of this 2019 Act be considered as essentially and inseparably con-**  
28 **ected with and dependent upon every other part. The Legislative**  
29 **Assembly does not intend that any part of this 2019 Act be the law if**  
30 **any other part does not become law.**

