

House Bill 2830

Sponsored by Representative MORGAN; Representatives CATE, SCHARF, SMITH DB, Senator HANSELL (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes process and requirements for establishing education savings accounts. Allows participating students to obtain grants from education savings accounts to pay for qualified education expenses for specified education expenses. Requires participating students to comply with examination requirements.

First applies to 2024-2025 school year.

Declares emergency, effective July 1, 2023.

A BILL FOR AN ACT

1
2 Relating to education savings accounts; creating new provisions; amending ORS 334.175 and 339.035;
3 and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. As used in sections 1 to 4 of this 2023 Act:**

6 (1) **"Parent" means a person who is eligible to establish or has established an education**
7 **savings account pursuant to section 2 of this 2023 Act.**

8 (2) **"Participating student" means a student who has an education savings account pur-**
9 **suant to sections 1 to 4 of this 2023 Act.**

10 (3) **"Qualified education expenses" means expenses incurred for a participating student**
11 **and identified pursuant to section 4 of this 2023 Act.**

12 **SECTION 2. (1) A person may establish an education savings account for a student if:**

13 (a) **The person is the parent, legal guardian or other person who has the legal duty to**
14 **ensure the student receives an education as provided by ORS 339.020; and**

15 (b) **The student is a resident of this state and is eligible to enroll in a public elementary**
16 **or secondary school of this state.**

17 (2)(a) **An education savings account shall be established when a parent enters into a**
18 **written agreement with a school district as provided by this section. A written agreement**
19 **is valid for one year and may be renewed for each subsequent school year.**

20 (b) **A parent must enter into a separate written agreement for each participating student**
21 **of the parent. Only one education savings account may be established for each participating**
22 **student.**

23 (3)(a) **The State Board of Education shall prescribe by rule the timelines by which a**
24 **written agreement must be entered into or renewed for the following school year.**

25 (b) **The Department of Education shall create a form for a standard written agreement**
26 **that can be used by a school district and a parent to establish an education savings account.**

27 (4) **A written agreement for an education savings account must provide that:**

28 (a) **The participating student will receive, for the school year to which the written**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 agreement applies, instruction in at least the subjects of mathematics, science, language arts
 2 and social studies;

3 (b) The participating student will not enroll as a full-time student in a public school of
 4 this state for the school year to which the written agreement applies;

5 (c) The parent will use the funds in the education savings account only for qualified ed-
 6 ucation expenses;

7 (d) The parent and the participating student will comply with the rules and requirements
 8 of sections 1 to 4 of this 2023 Act and any related rules or policies adopted by the State Board
 9 of Education; and

10 (e) The participating student will receive a grant, in the form of moneys deposited pur-
 11 suant to section 3 of this 2023 Act, in the education savings account established for the
 12 participating student.

13 (5) Upon entering into or renewing a written agreement, a school district shall provide
 14 a parent with a written explanation of the allowable uses of funds, the responsibilities of the
 15 parent and the duties of the school district.

16 (6)(a) The State Board of Education shall adopt rules and policies to allow a participating
 17 student to enroll full-time in a public school in this state for a school year for which the
 18 student has received moneys from an education savings account. The rules may prescribe:

19 (A) Timelines and other requirements in order to minimize disruption; and

20 (B) Any requirements to return to the school district moneys that had been transferred
 21 to an education savings account.

22 (b) When a participating student enrolls in a public school in this state as provided by
 23 this subsection:

24 (A) The written agreement between the parent and the school district shall be termi-
 25 nated, and no further funds shall be deposited into the student's education savings account;
 26 and

27 (B) Any remaining funds in the education savings account upon termination revert to the
 28 school district.

29 (7) A written agreement terminates automatically if a participating student no longer
 30 resides in this state or if the student does not comply with the examination requirements
 31 of ORS 339.035.

32 (8) If a written agreement is terminated for any reason, any moneys remaining in the
 33 education savings account revert to the school district.

34 **SECTION 3.** (1) If the parent of a student enters into a written agreement for an edu-
 35 cation savings account pursuant to section 2 of this 2023 Act, a grant of moneys must be
 36 transferred at the beginning of the school year by the school district into the education
 37 savings account of the participating student.

38 (2) Except as otherwise provided in subsections (3) and (4) of this section, the grant re-
 39 quired by subsection (1) of this section must, for the school year for which the grant is made,
 40 be in an amount equal to the amount the school district received for the student as a general
 41 purpose grant from the State School Fund under ORS 327.013, based on any additional
 42 amounts attributable to the student under ORS 327.013 (1)(c)(A)(i), (ii) or (v).

43 (3) If the total amount of qualified expenses incurred during the school year for the
 44 participating student is less than the amount transferred as provided by subsection (2) of
 45 this section, any excess amounts shall revert to the school district at the end of the school

1 year.

2 (4) A school district may deduct no more than three percent from each grant for the
 3 administrative costs incurred by the school district in implementing the provisions of
 4 sections 1 to 4 of this 2023 Act.

5 (5) All participating students for which a school district has entered into a written
 6 agreement as provided by sections 1 to 4 of this 2023 Act shall be used in the calculation of
 7 the average daily membership for the school district for purposes of making distributions
 8 from the State School Fund to the school district as provided by ORS 327.013.

9 **SECTION 4.** (1) Moneys deposited in an education savings account pursuant to section 3
 10 of this 2023 Act may be expended only for qualified education expenses identified in this
 11 section.

12 (2) Qualified education expenses are expenses incurred for a participating student exempt
 13 from compulsory school attendance because the participating student is being taught:

14 (a) In a private school, as provided by ORS 339.030 (1)(a), if the private school:

15 (A) Meets the requirements of a national accrediting agency approved by the State Board
 16 of Education by rule; and

17 (B) Satisfies any requirements prescribed by the State Board of Education by rule, in-
 18 cluding any requirements for information about the school's policies and procedure relating
 19 to student attendance and discipline, information about academic growth and achievement
 20 of students, and information about high school graduation and college admission rates.

21 (b) By a private teacher as provided by ORS 339.030 (1)(d); or

22 (c) In the student's home by a parent or legal guardian, as provided by ORS 339.030 (1)(e).

23 (3) Qualified expenses must be incurred by a parent of a participating student for the
 24 education of a student as described in subsection (2) of this section, including:

25 (a) For a student taught in a private school as described in subsection (2)(a) of this sec-
 26 tion:

27 (A) Tuition and fees;

28 (B) Textbooks, curriculum or other instructional materials, including any supplemental
 29 materials required by a curriculum;

30 (C) Uniforms purchased from or through a private school; and

31 (D) Any other expenses identified by the State Board of Education by rule.

32 (b) For a student taught by a private teacher or in the student's home as described in
 33 subsection (2)(b) or (c) of this section:

34 (A) Tuition and fees for nonpublic online learning programs or courses;

35 (B) Services contracted for and provided by a public school or public charter school, in-
 36 cluding individual classes, extracurricular activities and programs in these schools;

37 (C) Textbooks, curriculum or other instructional materials, including any supplemental
 38 materials required by a curriculum;

39 (D) Computer hardware or other technological devices that are primarily used to help
 40 meet a participating student's educational needs;

41 (E) Educational software and applications;

42 (F) Educational services and therapies, including occupational, behavioral, physical,
 43 speech-language and audiology therapies; and

44 (G) Any other expenses identified by the State Board of Education by rule.

45 (4) Funds in an education savings account may not be refunded or rebated to or shared

1 **with a parent or participating student in any manner.**

2 **(5) Any refund or rebate for goods or services purchased with funds from an education**
 3 **savings account shall be credited directly to the education savings account of the partic-**
 4 **ipating student.**

5 **(6) Parents may make payments for the costs of educational goods and services not**
 6 **covered by the funds available in the participating student's education savings account.**

7 **(7) Personal deposits into an education savings account are not permitted.**

8 **(8) Funds deposited in a participating student's education savings account do not consti-**
 9 **tute taxable income to the parent or the participating student.**

10 **SECTION 5.** ORS 339.035 is amended to read:

11 339.035. (1) As used in this section, "education service district" means the education service
 12 district that contains the school district of which the child is a resident.

13 (2) When a child is taught or is withdrawn from a public school to be taught **in a private school**
 14 **or** by a parent, legal guardian or private teacher, as provided in ORS 339.030, the parent, legal
 15 guardian or private teacher must notify the education service district in writing. In addition, when
 16 a child who is taught **in a private school or** by a parent, legal guardian or private teacher moves
 17 to a new education service district, the parent, legal guardian or private teacher shall notify the
 18 new education service district in writing. The education service district shall acknowledge receipt
 19 of any notification in writing.

20 (3) Children being taught as provided in subsection (2) of this section shall be examined at
 21 grades 3, 5, 8 and 10 in accordance with the following procedures:

22 (a) The State Board of Education shall adopt by rule a list of approved comprehensive exam-
 23 inations that are readily available.

24 (b)(A) The parent or legal guardian shall select an examination from the approved list and ar-
 25 range to have the examination administered to the child by a qualified neutral person, as defined
 26 by rule by the State Board of Education.

27 (B) If the child was withdrawn from public school, the first examination shall be administered
 28 to the child at least 18 months after the date on which the child was withdrawn from public school.

29 (C) If the child never attended public or private school, the first examination shall be adminis-
 30 tered to the child prior to the end of grade three.

31 (c) The person administering the examination shall:

32 (A) Score the examination; and

33 (B) Report the results of the examination to the parent or legal guardian.

34 (d) Upon request of the superintendent of the education service district, the parent or legal
 35 guardian shall submit the results of the examination to the education service district.

36 (4)(a) If the composite test score of the child places the child below the 15th percentile based
 37 on national norms, the child shall be given an additional examination within one year of when the
 38 first examination was administered.

39 (b) If the composite test score of the child on the second examination shows a declining score,
 40 then the child shall be given an additional examination within one year of when the second exam-
 41 ination was administered and the superintendent of the education service district may:

42 (A) Allow the child to continue to be taught **in a private school or** by a parent, legal guardian
 43 or private teacher; or

44 (B) Place the education of the child under the supervision of a person holding a teaching license
 45 who is selected by the parent or legal guardian at the expense of the parent or legal guardian. If

1 the composite test score of the child continues to show a declining score, the superintendent of the
 2 education service district may:

3 (i) Allow the child to continue under the educational supervision of a licensed teacher selected
 4 by the parent or legal guardian and require that the child be given an additional examination within
 5 one year of when the last examination was administered;

6 (ii) Allow the child to be taught **in a private school or** by a parent, legal guardian or private
 7 teacher and require that the child be given an additional examination within one year of when the
 8 last examination was administered; or

9 (iii) Order the parent or legal guardian to send the child to **public** school for a period not to
 10 exceed 12 consecutive months as determined by the superintendent.

11 (c) If the parent or legal guardian of the child does not consent to placing the education of the
 12 child under the supervision of a licensed teacher who is selected by the parent or legal guardian,
 13 then the superintendent of the education service district may order the child to return to **public**
 14 school for a period not to exceed 12 consecutive months as determined by the superintendent.

15 (d) If the composite test score of the child on an examination is equal to or greater than the
 16 percentile score on the prior test, the child may be taught **in a private school or** by a parent, legal
 17 guardian or private teacher and for the next examination be examined pursuant to paragraph (a)
 18 of this subsection or subsection (3) of this section.

19 (5)(a) Notwithstanding the examination requirements of subsections (3) and (4) of this section,
 20 the parent or legal guardian of a child with a disability who has an individualized education pro-
 21 gram and is receiving special education and related services through the school district or who is
 22 being educated in accordance with a privately developed plan shall be evaluated for satisfactory
 23 educational progress according to the recommendations of the program or plan.

24 (b) The parent or legal guardian of a child with a disability who was evaluated by service pro-
 25 viders selected by the parent or legal guardian based on a privately developed plan shall submit a
 26 report of such evaluation to the education service district in lieu of the examination results required
 27 by subsections (3) and (4) of this section.

28 (c) A child with a disability described in this subsection may not be subject to the examination
 29 requirements of subsections (3) and (4) of this section unless the examination is recommended in the
 30 program or plan in effect for the child.

31 **SECTION 6.** ORS 334.175 is amended to read:

32 334.175. (1) An education service district shall provide regionalized core services to component
 33 school districts. The goals of these services are to:

34 (a) Assist component school districts in meeting the requirements of state and federal law;

35 (b) Improve student learning;

36 (c) Enhance the quality of instruction provided to students;

37 (d) Enable component school districts and the students who attend schools in those districts to
 38 have equitable access to resources; and

39 (e) Maximize operational and fiscal efficiencies for component school districts.

40 (2) The services provided by an education service district shall be provided according to a local
 41 service plan developed by the education service district and component school districts. The educa-
 42 tion service district and component school districts shall develop the local service plan to meet the
 43 goals specified in subsection (1) of this section. The local service plan must include services in at
 44 least the following areas:

45 (a) Programs for children with special needs, including but not limited to special education ser-

1 vices and services for at-risk students.

2 (b) Technology support for component school districts and the individual technology plans of
 3 those districts, including but not limited to technology infrastructure services, data services, in-
 4 structional technology services and distance learning.

5 (c) School improvement services for component school districts, including but not limited to:

6 (A) Services designed to support component school districts in meeting the requirements of state
 7 and federal law;

8 (B) Services designed to allow the education service district to participate in and facilitate a
 9 review of the state and federal standards related to the provision of a quality education by compo-
 10 nent school districts;

11 (C) Services designed to support and facilitate continuous school improvement planning;

12 (D) Services designed to address schoolwide behavior and climate issues; and

13 (E) Services designed to support career and technical education.

14 (d) Administrative and support services for component school districts, including but not limited
 15 to services designed to consolidate component school district business functions, liaison services
 16 between the Department of Education and component school districts and registration of children
 17 being taught **in private schools or** by private teachers, parents or legal guardians pursuant to ORS
 18 339.035.

19 (e) Other services that an education service district is required to provide by state or federal
 20 law, including but not limited to services required under ORS 339.005 to 339.090.

21 (3) In addition to the services specified in subsection (2) of this section, a local service plan may
 22 include other services that are designed to meet regional needs.

23 (4) A local service plan shall also contain annual performance measures for the education ser-
 24 vice district.

25 (5) A local service plan must:

26 (a) Be adopted by the board of the education service district.

27 (b) After being adopted by the board of the education service district, be approved on or before
 28 March 1 by resolution of two-thirds of the component school districts that are a part of the educa-
 29 tion service district and that have at least a majority of the pupils included in the average daily
 30 membership of the education service district, as determined by the reports of such school districts
 31 for the preceding year, enrolled in the schools of the school districts.

32 (6) Notwithstanding the process for approval and adoption required by subsection (5) of this
 33 section, if the component school districts approve an amendment to a local service plan pursuant
 34 to subsection (5)(b) of this section, the board of an education service district may amend a local
 35 service plan that has been previously adopted by the board and approved by the component school
 36 districts. An amendment to a local service plan may be done at any time.

37 (7) If a component school district determines that a local service plan, or the provision of ser-
 38 vices under a local service plan, does not meet the service needs of the component school district,
 39 the component school district may contract with a public entity for the provision of services.

40 (8) An education service district may provide the services required by the local service plan
 41 directly through the staff of the district. In addition, an education service district may provide ser-
 42 vices required by the local service plan through the operation of a public school, a public charter
 43 school pursuant to ORS chapter 338, an alternative school or a preschool.

44 (9) An education service district may provide the services required by the local service plan in
 45 cooperation with another education service district or with a school district. In addition, an educa-

tion service district may contract with a public or private entity for the provision of services.

SECTION 7. (1) Sections 1 to 4 of this 2023 Act and the amendments to ORS 334.175 and 339.035 by sections 5 and 6 of this 2023 Act become operative on January 1, 2024.

(2) Sections 1 to 4 of this 2023 Act and the amendments to ORS 334.175 and 339.035 by sections 5 and 6 of this 2023 Act first apply to the 2024-2025 school year.

(3) The State Board of Education and the Department of Education may take any action before the operative date specified in subsection (1) of this section to ensure that students are first allowed to receive moneys from an education savings account during the 2024-2025 school year.

SECTION 8. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect July 1, 2023.
