

DRAFT

SUMMARY

Digest: Requires school districts and ESDs to prepare a report about legal acts occurring during the school year. (Flesch Readability Score: 60.1).

Requires school districts and education service districts to prepare an annual report of the legal processes involved in by the district during the school year, including the legal expenditures of the district for the school year.

A BILL FOR AN ACT

Relating to legal processes involving education districts; creating new provisions; and amending ORS 334.240.

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

SECTION 1. (1) As used in this section:

(a) “504 Plan” means an education plan developed for a student in accordance with section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794.

(b) “Related services” has the meaning given that term in ORS 343.035.

(c) “Special education” has the meaning given that term in ORS 343.035.

(2) Each school district shall prepare an annual report that summarizes the legal expenditures of the school district and the legal processes involved in by the school district, as described in subsections (3) to (5) of this section.

(3) The report required under this section must include the total amount paid for legal expenditures during the school year, including

1 amounts paid during the school year:

2 (a) To law firms or attorneys who are not employees of the school
3 district, disaggregated by total amount paid to each attorney or firm
4 and including current accounts payable.

5 (b) To attorneys employed by the school district, including salaries,
6 bonuses and other compensation.

7 (c) For legal services related to special education and related ser-
8 vices or to 504 Plans, including:

9 (A) General legal guidance;

10 (B) Private study or learning groups led through a law firm or by
11 an attorney;

12 (C) Training related to special education and related services pur-
13 chased through a law firm or from an attorney;

14 (D) Attendance at meetings for special education and related ser-
15 vices or for 504 Plans; and

16 (E) Legal services provided for mediations, for complaints filed with
17 the Department of Education and for lawsuits filed in state or federal
18 court.

19 (d) For legal services related to contract negotiations, internal in-
20 vestigations, personnel actions and other labor relations, including:

21 (A) General legal guidance;

22 (B) Private study or learning groups led through a law firm or by
23 an attorney;

24 (C) Training in negotiations or human resources purchased through
25 a law firm or from an attorney;

26 (D) Attendance at disciplinary meetings or at appeals to disciplinary
27 actions; and

28 (E) Legal services provided for complaints filed by employees or
29 volunteers and for lawsuits filed in state or federal court.

30 (e) To students or families for settlements or judgments, disaggre-
31 gated by payment for:

1 (A) Whether the payment was for a settlement or a judgment;

2 (B) Attorney fees and other costs; and

3 (C) Controversies related to special education and related services,
4 504 Plans or other controversies.

5 (f) To employees or volunteers for settlements or judgments, dis-
6 aggregated by payment for:

7 (A) Whether the payment was for a settlement or a judgment; and

8 (B) Attorney fees and other costs.

9 (g) To a prevailing party not identified in paragraph (e) or (f) of this
10 subsection for settlements or judgments, disaggregated by payment
11 for:

12 (A) Whether the payment was for a settlement or a judgment; and

13 (B) Attorney fees and other costs.

14 (4) The report required by this section must include the total
15 number of each of the following legal processes for the school district
16 for the school year:

17 (a) Mediations related to special education and related services.

18 (b) Formal complaints filed with the Department of Education re-
19 lated to special education and related services, including due process
20 claims.

21 (c) Formal complaints filed with the department related to dis-
22 crimination.

23 (d) Lawsuits filed and lawsuits resolved in state or federal court
24 against the school district related to special education and related
25 services.

26 (e) Lawsuits filed and lawsuits resolved in state or federal court
27 against the school district that were not related to special education
28 and related services.

29 (f) Contested adverse employment actions.

30 (5) The report required by this section must include the case num-
31 ber and the names of the parties of any action brought against the

1 **school district that was active in any state or federal court during the**
2 **school year.**

3 **(6) No later than October 15 of the year following the school year**
4 **for which the report is prepared, each school district must ensure that**
5 **the report is made available on the school district's website and is**
6 **provided to:**

7 **(a) The district school board; and**

8 **(b) The Department of Education in the form and manner pre-**
9 **scribed by the department.**

10 **(7) No later than January 15 of the year following receipt of the**
11 **information described in subsection (6) of this section, the Department**
12 **of Education shall:**

13 **(a) Compile the information received under subsection (6) of this**
14 **section and ORS 334.240 into a single report that allows for transpar-**
15 **ency and accountability;**

16 **(b) Make available the report prepared under paragraph (a) of this**
17 **subsection on the department's website; and**

18 **(c) Provide a summary of the report prepared under paragraph (a)**
19 **of this subsection to the interim committees of the Legislative As-**
20 **sembly related to education and to the education subcommittee of the**
21 **Joint Interim Committee on Ways and Means.**

22 **SECTION 2. ORS 334.240 is amended to read:**

23 334.240. (1) Except as provided in subsection (2) of this section, the edu-
24 cation service district board shall be subject [*in all respects*] to ORS 294.305
25 to 294.565, except that, in addition to other qualifications, members of the
26 budget committee who are not members of the education service district
27 board shall be members of component school district boards within the edu-
28 cation service district or shall be designees of a school district board.

29 (2) Notwithstanding ORS 294.414 and 294.423, a majority of the members
30 of the budget committee of an education service district must consist of
31 members of the component school district boards or designees of a school

1 district board. The budget committee may meet to conduct business if the
2 education service district board is unable to fill all of the positions on the
3 budget committee.

4 (3) The budget committee shall prepare a budget for the operational and
5 administrative expenses of the education service district. The budget shall
6 include amounts necessary to provide services required by the local service
7 plan of the district developed under ORS 334.175. The budget must be adopted
8 by the board of the education service district.

9 (4) The board of the education service district shall ensure that:

10 (a) An annual audit of the accounts of the education service district is
11 prepared in accordance with the Municipal Audit Law, as provided in ORS
12 297.405 to 297.555 and 297.990.

13 (b) **An annual report that summarizes the legal expenditures of the**
14 **education service district and the legal processes involved in by the**
15 **education service district, as described in section 1 of this 2025 Act, is**
16 **prepared and is:**

17 (A) **Made available on the education service district's website; and**

18 (B) **Provided to the board of directors of the education service dis-**
19 **trict and to the Department of Education.**

20 **SECTION 3. Section 1 of this 2025 Act and the amendments to ORS**
21 **334.240 by section 2 of this 2025 Act first apply to the 2025-2026 school**
22 **year.**

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