

SB 323 STAFF MEASURE SUMMARY

Senate Committee On Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/24, 3/31

WHAT THE MEASURE DOES:

The measure requires school districts or education service district (ESD)s to conduct cost analyses of contracts for substitute teacher services before extending, renewing, or entering into new contracts. It specifies that a district school board or ESD board must post the contract and cost analysis publicly on its website, address the matter in a regular meeting with the opportunity for public comment, and submit the contract and cost analysis to the Oregon Department of Education (ODE). The measure also requires ODE to submit an annual report on the implementation of these provisions. Provisions of the measure become operative on January 1, 2026, and the measure takes effect on the 91st day after adjournment.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

- Models for substitute teacher management
- Experiences of substitute teachers working for third-party service providers
- Existing statutory requirements for public contracting

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

[Senate Bill 283 \(2023\)](#) established the [Joint Task Force on Substitute Teachers](#). The Task Force met from September 2023 to September 2024. Task Force members discussed a wide range of issues impacting substitute teachers, including professional development, licensure, supervision and management, retirement and healthcare benefits, and employment models. In its [final report](#), the Task Force adopted seven recommendations.

Among the issues that the Task Force studied was the cost savings analysis and feasibility determinations that school districts are required to conduct before contracting with a third-party employer. Under ORS 279B, any state contracting agency, including a school district or education service district (ESD), must either demonstrate that services provided by a contractor would cost less than providing the services directly without reducing compensation, or that providing the services directly is not feasible. The required contents of a cost analysis are outlined in ORS 279B.033 and the standards for a feasibility determination are outlined in ORS 279B.036. In accordance with [Senate Bill 283 \(2023\)](#), the Legislative Policy and Research Office produced a [memorandum](#) for the Task Force, presented at the Task Force's [June 13, 2024, meeting](#), that summarized the variation in documentation and analysis produced by school districts in response to these statutory requirements.

Provisions in Senate Bill 323 would address the Task Force's second recommendation, Clarifying Expectations of School Districts When Contracting with a Third Party for Substitute Teachers.