

Enrolled Senate Bill 141

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CHAPTER

AN ACT

Relating to education; creating new provisions; amending ORS 326.051, 327.016, 327.180, 327.185, 327.190, 327.201, 327.208, 327.222, 327.224, 327.235, 327.254, 327.362, 327.837, 329.095, 329.485, 334.217 and 336.680; repealing ORS 327.214 and 337.065; and declaring an emergency.

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

PERFORMANCE GROWTH METRICS

SECTION 1. Sections 2 to 6 of this 2025 Act are added to and made a part of ORS 327.006 to 327.133.

SECTION 2. As used in sections 2 to 6 of this 2025 Act:

- (1) “Disaggregated” means separated based on student group.
- (2) “Eighth-grade mathematics proficiency rate” means the percentage of students in the eighth grade who are determined to be proficient or above in mathematics, as determined under rules adopted by the State Board of Education.
- (3) “Five-year completion rate” means the percentage of students who received a high school diploma, a modified diploma or an extended diploma or who received a certificate for passing an approved high school equivalency test such as the General Educational Development test (GED) within five years of the student beginning the ninth grade.
- (4) “High school diploma” means a diploma that is awarded to a student upon satisfaction of the requirements prescribed by ORS 329.451 (2).
- (5) “Local metric rate” means the percentage of students who meet or exceed an indicator of a measurable student performance outcome.
- (6) “Ninth-grade on-track rate” means the percentage of students who, at the end of the summer following the year the students began ninth grade, completed one quarter of the credits required for high school graduation.
- (7) “On-time graduation rate” means the percentage of students who received a high school diploma or a modified diploma within four years of the students beginning the ninth grade.
- (8) “Regular attendance rate” means the percentage of students who are absent, as determined by Department of Education policy, for less than 10 percent of the school days for which the students are enrolled.

(9) "Regular early-grade attendance rate" means the percentage of students in kindergarten through grade two who are absent, as determined by Department of Education policy, for less than 10 percent of the school days for which the students are enrolled.

(10) "School district" means:

- (a) A common school district or a union high school district;
- (b) An education service district that has enrolled students in any grade from kindergarten through grade 12 for specialized services;
- (c) A public charter school;
- (d) An approved recovery school;
- (e) The Youth Corrections Education Program;
- (f) The Juvenile Detention Education Program;
- (g) The Oregon School for the Deaf; or
- (h) Eligible day treatment programs and eligible residential treatment programs for education services to children who are in treatment programs as described in ORS 343.961.

(11) "Student group" means the following student groups:

- (a) Economically disadvantaged students, as determined based on rules adopted by the State Board of Education;
- (b) Students from racial or ethnic groups that have historically experienced academic disparities, as determined under rules adopted by the State Board of Education;
- (c) Students with disabilities;
- (d) Students who are English language learners;
- (e) Students who are foster children, as defined in ORS 30.297;
- (f) Students who are homeless, as determined under rules adopted by the State Board of Education; and
- (g) Any other student groups that have historically experienced academic disparities, as determined by the State Board of Education by rule.

(12) "Third-grade reading proficiency rate" means the percentage of students in the third grade who are determined to be proficient or above in English language arts, as determined under rules adopted by the State Board of Education.

SECTION 3. (1) Each school district that receives moneys from the State School Fund shall measure outcomes of the students of the school district as provided by this section.

(2)(a) The State Board of Education shall develop statewide targets for the following metrics:

- (A) On-time graduation rate;
- (B) Five-year completion rate;
- (C) Ninth-grade on-track rate;
- (D) Eighth-grade mathematics proficiency rate;
- (E) Third-grade reading proficiency rate;
- (F) Regular attendance rate;
- (G) Regular early-grade attendance rate; and
- (H) Local metric rates.

(b) For the purpose of this subsection:

- (A) The board shall develop a list of no more than five local metrics; and
- (B) Each school district shall select one local metric from the list developed under subparagraph (A) of this paragraph.

(3) Based on the statewide metric targets developed under subsection (2) of this section, the Department of Education shall establish metric targets for similar school districts, as determined by the department. The metric targets for similar school districts shall include:

- (a) On-time graduation rates, including:
 - (A) The overall on-time graduation rate.
 - (B) Gaps in disaggregated on-time graduation rates.
- (b) Five-year completion rates, including:

- (A) The overall five-year completion rate.
- (B) Gaps in disaggregated five-year completion rates.
- (c) Ninth-grade on-track rates, including:
 - (A) The overall ninth-grade on-track rate.
 - (B) Gaps in disaggregated ninth-grade on-track rates.
- (d) Eighth-grade mathematics proficiency rates, including:
 - (A) The overall eighth-grade mathematics proficiency rate.
 - (B) Gaps in disaggregated eighth-grade mathematics proficiency rates.
- (e) Third-grade reading proficiency rates, including:
 - (A) The overall third-grade reading proficiency rate.
 - (B) Gaps in disaggregated third-grade reading proficiency rates.
- (f) Regular attendance rates, including:
 - (A) The overall regular attendance rate.
 - (B) Gaps in disaggregated regular attendance rates.
- (g) Regular early-grade attendance rates, including:
 - (A) The overall regular early-grade attendance rate.
 - (B) Gaps in disaggregated regular early-grade attendance rates.
- (h) Local metric rates, including:
 - (A) The overall local metric rate.
 - (B) Gaps in disaggregated local metric rates.

(4)(a) The department shall collaborate with each school district to develop performance growth targets for the school district to make progress toward meeting the metric targets established under subsection (3) of this section. The board shall adopt by rule requirements for a school district not identified in section 2 (10)(a) or (c) of this 2025 Act for the purpose of developing differentiated performance growth targets for the school district.

- (b) The performance growth targets must:
 - (A) Be based on data available for longitudinal analysis; and
 - (B) Be developed based on guidance established by the department.

(5) When developing performance growth targets, the department and school district shall:

- (a) Review disaggregated student data;
- (b) Apply a process adopted by the department for the purpose of strategically developing equitable policies and programs; and
- (c) Identify which student groups are most at risk of not meeting performance growth targets.

(6)(a) The department shall make available technical assistance to school districts to assist school districts in meeting performance growth targets. The technical assistance must include identifying and implementing best practices for meeting performance growth targets.

(b) For the purpose of providing technical assistance under this subsection, the department may enter into a contract with any entities the department determines are qualified to provide the technical assistance.

SECTION 4. For purposes of section 3 of this 2025 Act:

(1) Any performance growth targets developed prior to the effective date of this 2025 Act by a school district with the Department of Education for the purpose of making progress toward meeting the metric targets identified in section 3 (3)(a), (b), (c), (e) or (f) of this 2025 Act shall be the performance growth targets for the school district for the 2025-2026 school year.

(2) For any metric target for which, on the effective date of this 2025 Act, the school district does not have a performance growth target developed with the department, the school district and the department must develop the performance growth target and first apply the performance growth target to the 2026-2027 school year.

SECTION 5. (1) Each year, each school district that receives moneys from the State School Fund shall review the school district's progress toward meeting the performance growth targets developed as provided by section 3 of this 2025 Act.

(2) Results of the school district's review of progress made toward meeting performance growth targets must be:

(a) Made available at the main office of the school district and on the school district's website.

(b) Presented to the governing body of the school district at an open meeting, following:

(A) Oral presentation of the results by an administrator of the school district to the governing body of the school district; and

(B) Opportunity for the public to comment on the results at an open meeting.

(c) Provided to the Department of Education.

(3)(a) Based on information received under subsection (2) of this section, the department shall determine each year whether the school district met the performance growth targets developed for the school district as provided by section 3 of this 2025 Act.

(b) In addition to determinations made under paragraph (a) of this subsection, the department may establish a procedure for conducting performance audits on a random basis or based on just cause as allowed under rules adopted by the State Board of Education and consistent with ORS 327.141.

(4) If a school district does not meet the performance growth targets developed as provided by section 3 of this 2025 Act:

(a) After two years of the district's not meeting the performance growth targets, the department shall offer and the school district must accept coaching and support from the department. Through the coaching, the department shall advise and counsel a school district on how to meet performance growth targets and shall assist a school district with ongoing professional development and peer collaboration.

(b) After three or more years of the district's not meeting the performance growth targets, the department shall provide and the school district must participate in intensive coaching as described in ORS 327.222. A school district that participates in intensive coaching shall receive additional funding based on rules adopted by the State Board of Education. The school district must use the additional funding as prescribed by the department based on rule of the board.

(c) After four or more years of the district's not meeting the performance growth targets, the department shall require the school district to authorize the department to prescribe the uses of moneys available to the school district as provided by this paragraph. An authorization made under this paragraph is in addition to the requirement that the school district participate in intensive coaching as described in paragraph (b) of this subsection. A school district must authorize the department to prescribe the uses of up to 25 percent of the moneys available to the school district from:

(A) The State School Fund as follows:

(i) For a common school district or a union high school district, the amount received as a general purpose grant under ORS 327.013.

(ii) For an education service district, the amount received under ORS 327.019.

(iii) For a public charter school, the amount received under ORS 338.155.

(iv) For an approved recovery school, the amount received under ORS 327.029.

(v) For the Youth Corrections Education Program, the amount received under ORS 327.026.

(vi) For the Juvenile Detention Education Program, the amount received under ORS 327.026.

(vii) For the Oregon School for the Deaf, the amount received under ORS 343.243.

(viii) For eligible day treatment programs and eligible residential treatment programs, the amount received under ORS 343.243.

(B) Grants awarded from the Student Investment Account under ORS 327.195.

(5) For the purpose of providing coaching under this section, the department may enter into a contract with any entities the department determines are qualified to provide the coaching.

(6) For the purpose of prescribing the uses of the moneys identified in subsection (4)(c) of this section, the department shall:

(a) Present the proposed uses of the moneys to the governing body of the school district at an open meeting of the governing body that occurs no later than January 31 of the school year preceding the school year during which the department will be prescribing the uses of the moneys; and

(b) Enter into a partnership with an organization that specializes in budgets for public kindergarten through grade 12 schools to provide additional training and consultation services for a school district for which the uses of moneys will be prescribed.

(7) The State Board of Education shall adopt by rule timelines and criteria for reconsideration of whether a school district shall remain subject to the provisions of subsection (4) of this section. The criteria:

(a) Must take into consideration data from the statewide assessment system and interim assessments; and

(b) May allow the department to determine that a school district is making satisfactory progress, as defined by rule, toward meeting performance growth targets and is no longer subject to the provisions of subsection (4) of this section.

SECTION 6. (1) The review of a school district's progress toward meeting performance growth targets under section 5 (3) of this 2025 Act shall first be made based on the 2026-2027 school year and a school district may first be required to accept coaching and support under section 5 (4)(a) of this 2025 Act for the 2028-2029 school year.

(2) Notwithstanding subsection (1) of this section, a school district that had agreed to participate in the intensive program under ORS 327.222 prior to the effective date of this 2025 Act:

(a) May complete the terms of the school district's agreement for participation; and

(b) Is not subject to a review of the school district's progress toward meeting performance growth targets under section 5 (3) of this 2025 Act until the school district completes the terms of the school district's agreement for participation.

SECTION 7. ORS 327.222, 327.224 and 327.235 are added to and made a part of sections 2 to 6 of this 2025 Act.

SECTION 8. ORS 327.222 is amended to read:

327.222. (1) The Department of Education shall establish an intensive **coaching** program for school districts [*with the highest needs in this state.*] **that do not meet performance growth targets for three or more years, as described in section 5 of this 2025 Act.**

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

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

[(3) *A school district that agrees to participate in the intensive program shall be eligible for additional funding from the Statewide Education Initiatives Account. The additional funding shall be based on rules adopted by the State Board of Education and shall be calculated based on the ADMw of the school district, as calculated under ORS 327.195.*]

[(4)] (2) A school district that [*agrees to participate*] **participates** in the intensive **coaching** program shall:

(a) Commit to regular student success plan meetings to monitor practices;

(b) Use data to track student progress;

(c) Ensure school employees receive appropriate professional development and training;

(d) Create safe and inclusive learning environments;

(e) Improve school and school district practices and structures to support teaching and learning; and

(f) Improve the skills of the members of the school board.

[(5)] **(3)(a)** For the purpose of assisting school districts participating in the intensive **coaching** program, the department shall establish student success teams. **To the greatest extent practicable, student success teams shall assist school districts in person and while on site at the school district.**

(b) Student success teams shall be [composed of]:

(A) Led by a person who has at least seven years of relevant experience, as determined by the department, in systems change, curriculum and instruction, leadership, finance, human resources, school district board governance, local district continuous improvement plans, labor and management relations or community engagement; and

(B) Supported by personnel with expertise in school and school district improvement strategies, including the use of differentiated instruction and inclusionary practices.

(c) A student success team is not a government body and is not subject to any statute or rule applicable to a public body.

[(6)(a)] **(4)(a)** Under the intensive **coaching** program, student success teams shall:

(A) Advise and counsel school districts on how to improve performance outcomes; and

(B) Develop recommendations for meeting performance growth targets.

(b) School district boards and superintendents of school districts participating in an intensive **coaching** program must:

(A) Accept all recommendations of the student success teams related to the use of **State School Fund moneys**, Student Investment Account grant moneys and additional funding received under this section. A school district that does not accept the recommendations made under this subparagraph is not eligible for additional funding under this section.

(B) Consider, and may accept, all recommendations of the student success teams not described in subparagraph (A) of this paragraph.

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

(A) Describes the recommendations;

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

(C) Identifies the recommendations that will not be implemented and an explanation for why the recommendations will not be implemented.

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

(A) Made available at the school district's main office and on the school district's website; and

(B) Distributed to the school district community, including employees of the school district and families of the students of the school district.

SECTION 9. ORS 327.224 is amended to read:

327.224. (1) The Student Success Teams Account is established in the State Treasury, separate and distinct from the General Fund.

(2) The Student Success Teams Account shall consist of:

(a) Moneys transferred to the account from the Statewide Education Initiatives Account;

(b) Moneys appropriated or otherwise transferred to the Student Success Teams Account by the Legislative Assembly; and

(c) Other amounts deposited into the account from any source.

(3) Moneys in the Student Success Teams Account are continuously appropriated to the Department of Education for the purpose of funding the intensive **coaching** program for school districts [with the highest needs] established under ORS 327.222, including funding any costs incurred for student success teams under that program.

SECTION 10. ORS 327.235 is amended to read:

327.235. The Department of Education shall make a report to the committees of the Legislative Assembly related to education no later than February 1 of each year regarding the implementation of ORS 327.175 to 327.235 **and sections 2 to 5 of this 2025 Act**. The report must include an annual performance review of **each school district and, if applicable**, each eligible applicant, as defined in ORS 327.185. The report must:

(1) **For eligible applicants for a grant awarded from the Student Investment Account under ORS 327.195**, identify whether the eligible applicant received a grant under ORS 327.175 to 327.235.

(2) For **school districts and** grant recipients, include a comparison of the **school district's** or grant recipient's progress toward meeting performance growth targets compared with the actual performance growth targets [*established*] **developed** by the department for the following:

(a) On-time graduation rates and five-year completion rates, including the overall rate and disaggregated student group rates;

(b) Ninth-grade on-track rates, including the overall rate and disaggregated student group rates;

(c) **Eighth-grade mathematics proficiency rates and** third-grade reading proficiency rates, including the overall rate and disaggregated student group rates;

(d) Regular attendance rates **and regular early-grade attendance rates**, including the overall rate and disaggregated student group rates; [*and*]

(e) **Local metrics rates, including the overall rate and the disaggregated student group rates; and**

[*e*] (f) Any optional local metrics or any targets related to student mental and behavioral health needs established by the State Board of Education **for purposes of ORS 327.175 to 327.235**.

SECTION 11. (1) **The amendments to ORS 327.235 by section 10 of this 2025 Act become operative on January 1, 2028.**

(2) **The Department of Education shall make the first report required under ORS 327.235, as amended by section 10 of this 2025 Act, no later than February 1, 2028, based on the 2026-2027 school year.**

ALIGNMENT WITH OTHER PROGRAMS

SECTION 12. ORS 327.180 is amended to read:

327.180. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants from the Student Investment Account. Grants shall be distributed as provided under ORS 327.195.

(2) The purposes of grants distributed under ORS 327.195 shall be to:

(a) Meet students' mental or behavioral health needs; and

(b) Increase academic achievement for students, including reducing academic disparities for **each student group identified in section 2 (11) of this 2025 Act.**[.:]

[*(A) Economically disadvantaged students, as determined based on rules adopted by the State Board of Education;*]

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

[*(C) Students with disabilities;*]

[*(D) Students who are English language learners;*]

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

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

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

(3) Grant moneys received under ORS 327.195 may be used by a grant recipient only for:

(a) Increasing instructional time, which may include:

(A) More hours or days of instructional time;
(B) Summer programs;
(C) Before-school or after-school programs; or
(D) Technological investments that minimize class time used for assessments administered to students.

(b) Addressing students' health or safety needs, which may include:
(A) Social-emotional learning and development;
(B) Student mental and behavioral health;
(C) Improvements to teaching and learning practices or organizational structures that lead to better interpersonal relationships at the school;
(D) Student health and wellness;
(E) Trauma-informed practices;
(F) School health professionals and assistants; or
(G) Facility improvements directly related to improving student health or safety.

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

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

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

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

(C) Broadened curricular options at all grade levels, including access to:

(i) Art, music and physical education classes;

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

(iii) Career and technical education, including career and technical student organization programs and payment of student fees, costs and instructors of those programs;

(iv) Electives that are engaging to students;

(v) Accelerated college credit programs, including dual credit programs, International Baccalaureate programs and advanced placement programs;

(vi) Dropout prevention programs and transition supports;

(vii) Life skills classes; or

(viii) Talented and gifted programs; or

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

SECTION 13. ORS 327.185 is amended to read:

327.185. (1) As used in this section, "eligible applicant" means any of the following entities:

(a) Common school districts and union high school districts.

(b) The Youth Corrections Education Program or the Juvenile Detention Education Program.

(c) Public charter schools that are not virtual public charter schools, as defined in ORS 338.005, and that have a student population of which:

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

(i) Economically disadvantaged, as described in [ORS 327.180 (2)(b)(A)] **section 2 (1)(a) of this 2025 Act**;

(ii) Racial or ethnic groups that have historically experienced academic disparities, as described in [ORS 327.180 (2)(b)(B)] **section 2 (1)(b) of this 2025 Act**; or

(iii) Students with disabilities, as described in [ORS 327.180 (2)(b)(C)] **section 2 (1)(c) of this 2025 Act**; and

(B) The percentage of the students from student groups identified under subparagraph (A) of this paragraph is greater than or equal to:

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

(ii) The percentage of all students in the school district who are from racial or ethnic groups that have historically experienced academic disparities, if eligibility is determined based on the percentage of students who are from those racial or ethnic groups; or

(iii) The percentage of all students in the school district who are disabled, if eligibility is determined based on the percentage of students who are disabled.

(2)(a) Eligible applicants may apply for a grant from the Student Investment Account to receive a distribution under ORS 327.190.

(b) Notwithstanding ORS 338.155 (9), a public charter school that is not an eligible applicant may not apply for a grant under this section.

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

(a) If the eligible applicant is a school district, determine whether the school district will allow public charter schools sponsored by, or located within, the school district to participate in the grant application and the grant agreement.

(b) If the eligible applicant is a public charter school, determine whether the public charter school intends to apply for a grant and provide notice of that intent to the school district in which the public charter school is located and to the Department of Education.

(4)(a) If an eligible applicant is a school district and decides to include public charter schools in the grant application and grant agreement, the school district must provide all public charter schools sponsored by, or located within, the school district the opportunity to participate in the grant application and grant agreement.

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

(B) If a public charter school does not participate in a grant application and grant agreement under this subsection:

(i) The ADMw of the public charter school may not be used in the calculation of the school district ADMw for grants distributed under ORS 327.195; and

(ii) The public charter school is not entitled to any grant moneys distributed under ORS 327.195.

(C) If a public charter school participates in a grant application and grant agreement under this subsection:

(i) The public charter school and school district shall enter into an agreement for the distribution of moneys or the provision of services, including any accountability measures required of the public charter school by the school district;

(ii) The ADMw of the public charter school shall be used in the calculation of the school district ADMw for grants distributed under ORS 327.195; and

(iii) The public charter school is entitled to any grant moneys or services provided for in the agreement entered into under this subparagraph.

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

(A) Which of the allowed uses identified in ORS 327.180 (3) the eligible applicant will fund with grant moneys; and

(B) Which of the eligible uses identified under subparagraph (A) of this paragraph the eligible applicant will designate to meeting student mental and behavioral health needs.

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

(A) Engaging in strategic planning; and

(B) Considering the recommendations of the Quality Education Commission established under ORS 327.500 and recommendations from the advisory groups formed by the Department of Education for the purposes of the statewide education plans developed and implemented by the department.

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

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

(B) An analysis of the potential academic impact, both for the students of the eligible applicant and for student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act**, from the allowed uses that would be funded by grant moneys; and

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

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

(A) Input from the community of the eligible applicant, including school employees, students from student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act** and parents of those students; and

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

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

(a) Identify which allowed uses identified in ORS 327.180 (3) will be funded with grant moneys and which of those uses will be designated to meet student mental and behavioral health needs.

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

(A) Meet students' mental and behavioral health needs;

(B) Increase academic achievement for students of the eligible applicant; and

(C) Reduce academic disparities for student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act** who are served by the eligible applicant, and identify which of those student groups will benefit from the allowed uses that are being funded with grant moneys.

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

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

(A) Provision of the plan at the main office of the eligible applicant and on the eligible applicant's website;

(B) Oral presentation of the plan by an administrator of the eligible applicant to the governing body of the eligible applicant; and

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

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

(8) To apply for a grant, an eligible applicant must submit an application every two years in a format and according to timelines prescribed by the Department of Education. The application must include:

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

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

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

SECTION 14. ORS 327.190 is amended to read:

327.190. [(1) As used in this section:]

[(a) "Disaggregated" means separated based on the student groups identified in ORS 327.180 (2)(b).]

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

[(c) "High school diploma" means a diploma that is awarded to a student upon satisfaction of the requirements prescribed by ORS 329.451 (2).]

[(d) "Ninth-grade on-track rates" means the percentage of students who, at the end of the summer following the year the students began ninth grade, completed one quarter of the credits required for high school graduation.]

[(e) "On-time graduation rate" means the percentage of students who received a high school diploma or a modified diploma within four years of the students beginning the ninth grade.]

[(f) “Regular attendance rates” means the percentage of students who are absent, as determined by Department of Education policy, for less than 10 percent of the school days for which the students are enrolled.]

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

[(2)] (1) The Department of Education shall review all applications for grants from the Student Investment Account that comply with the requirements prescribed by ORS 327.185.

[(3)] (2) If an application complies with the requirements of ORS 327.185, the department shall:

(a) **If the grant applicant has developed performance growth targets as provided by section 3 of this 2025 Act, confirm the applicable performance growth targets; or**

(b) **If the grant applicant has not developed performance growth targets under section 3 of this 2025 Act, collaborate with the grant [recipient] applicant to develop applicable [longitudinal] performance growth targets that are in alignment with section 3 of this 2025 Act.**

[The longitudinal performance growth targets must:]

[(a) Be based on data available for longitudinal analysis;]

[(b) Be developed based on guidance established by the department; and]

[(c) Use the following applicable metrics:]

[(A) On-time graduation rates and five-year completion rates, including:]

[(i) The overall on-time graduation rate and five-year completion rate.]

[(ii) Gaps in disaggregated on-time graduation rates and five-year completion rates.]

[(B) Ninth-grade on-track rates, including:]

[(i) The overall ninth-grade on-track rate.]

[(ii) Gaps in disaggregated ninth-grade on-track rates.]

[(C) Third-grade reading proficiency rates, including:]

[(i) The overall third-grade reading proficiency rate.]

[(ii) Gaps in disaggregated third-grade reading proficiency rates.]

[(D) Regular attendance rates, including:]

[(i) The overall regular attendance rate.]

[(ii) Gaps in disaggregated regular attendance rates.]

[(4)] (3) In addition to the metrics [identified] **confirmed or developed** in subsection [(3)] (2) of this section, the following may be used to develop applicable performance growth targets:

(a) Local metrics; and

(b) Targets related to student mental and behavioral health needs, as established by the State Board of Education by rule.

[(5) When developing performance growth targets, the department and grant recipient shall:]

[(a) Review disaggregated student data;]

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

[(c) Identify which student groups identified in ORS 327.180 (2)(b) are most at risk of not meeting performance growth targets.]

[(6)(a)] (4)(a) After **confirming or** developing performance growth targets, the department and grant [recipient] **applicant** shall enter into a grant agreement. The grant agreement must include applicable performance growth targets for measuring the academic growth of the students of the grant recipient.

(b) A grant agreement is not valid until approved by the governing body of the grant [recipient] **applicant** at an open meeting following:

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

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

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

[(7)] (5) Any agreements between a public charter school and a grant recipient that is a school district shall become part of the grant agreement.

SECTION 15. ORS 327.201 is amended to read:

327.201. (1)(a) Each year, each recipient of a grant from the Student Investment Account shall[.:]

[(A)] conduct a financial audit of the use of grant moneys that is prepared in accordance with the Municipal Audit Law. [; and]

[(B) *Review the grant recipient's progress toward meeting the performance growth targets in the grant agreement.*]

(b) Results of the financial audit [*and progress review*] must be:

(A) Made available at the main office of the grant recipient and on the grant recipient's website.

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

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

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

(C) Forwarded to the Department of Education.

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

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

(A) Collaborate with the grant recipient to identify and implement specific interventions;

(B) Provide technical assistance to the grant recipient as described in ORS 327.208; [*or*]

(C) Direct amounts of future grant distributions for specific investments; or

[(C)] **(D)** Deduct amounts from future grant distributions.

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

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

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

[(b) *If a grant recipient does not meet the performance growth targets:*]

[(A) *The grant recipient may submit an explanation for the reasons why the performance growth targets were not met; and*]

[(B) *The department may:*]

[(i) *Take into consideration the explanation submitted by the grant recipient;*]

[(ii) *Require the grant recipient to enter into a coaching program described in ORS 327.214; or*]

[(iii) *Direct the expenditure of grant moneys.*]

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

[(5)(a)] (3) Based on a review of the information received under subsection (1) of this section, the department may require a grant recipient to conduct a financial audit on a specific funding area or multiple funding areas.

[(b) *The department may establish a procedure for conducting performance audits on a random basis or based on just cause as allowed under rules adopted by the board.*]

SECTION 16. ORS 327.208 is amended to read:

327.208. (1) The Department of Education shall make available technical assistance to eligible applicants, as defined in ORS 327.185, and to recipients of a grant from the Student Investment Account. The technical assistance shall include the provision of assistance with:

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

(b) Developing an application for a grant from the Student Investment Account; **and**

[(c) Identifying and implementing best practices for meeting performance growth targets; and]
[(d)] (c) Identifying and implementing promising practices related to a grant agreement.

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

(a) Apply a process adopted by the department to strategically develop equitable policies and programs; and

(b) Ensure that technical assistance is based on the eligible applicant's or grant recipient's specific needs and demographics.

(3) For the purpose of providing technical assistance under this section, the department may enter into contracts with entities the department determines are qualified to provide the technical assistance.

SECTION 17. ORS 327.254, as amended by section 25, chapter 95, Oregon Laws 2024, is amended to read:

327.254. (1) The Department of Education shall use moneys in the Statewide Education Initiatives Account to provide funding for statewide education initiatives, including:

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

(b) Expanding school breakfast and lunch programs;

(c) Operating youth reengagement programs or providing youth reengagement services;

(d) Establishing and maintaining the Statewide School Safety and Prevention System under ORS 339.341;

(e) Developing and providing statewide equity initiatives, including any statewide education plan developed and implemented by the department;

(f) Providing summer learning programs at schools that are considered high poverty under Title I of the federal Elementary and Secondary Education Act of 1965;

(g) Funding early warning systems to assist students in graduating from high school, as described in ORS 327.367;

(h) Developing and implementing professional development programs and training programs, including programs that increase educator diversity and retain diverse educators;

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

(j) Providing additional funding to school districts participating in the intensive **coaching** program under ORS 327.222;

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

(A) The coaching [*program*] **and support** described in [*ORS 327.214*] **section 5 of this 2025 Act**; and

(B) The intensive **coaching** program described in ORS 327.222, including costs for student success teams;

(L) Funding public charter schools, as described in ORS 327.362;

(m) Funding the Early Literacy Success School Grant program, as provided by ORS 327.833;

(n) Funding the Early Literacy Success Community Grant program, as established by ORS 327.843;

(o) Funding any additional amounts for approved recovery schools, as provided by rules of the State Board of Education adopted under ORS 327.029;

(p) Funding education service districts, as described in subsection (2) of this section;

(q) Funding the Youth Corrections Education Program and the Juvenile Detention Education Program through the Juvenile Justice Education Fund established under section 22, chapter 95, Oregon Laws 2024, when necessary as provided by section 23, chapter 95, Oregon Laws 2024; and

(r) Funding costs incurred by the department in implementing this section and ORS 327.175 to 327.235 and 327.274.

(2)(a) The amount of a distribution to an education service district under this section shall be made as provided by paragraph (b) of this subsection after calculating the following for each education service district:

(A) One percent of the total amount available for distribution to education service districts in each biennium.

(B) The education service district's $ADMw \times$ (the total amount available for distribution to education service districts in each biennium \div the total $ADMw$ of all education service districts that receive a distribution).

(b) The amount of the distribution to an education service district shall be the greater of the amounts calculated under paragraph (a) of this subsection, except that, for distributions made as provided by paragraph (a)(B) of this subsection, the total amount available for distribution to education service districts shall be the amount remaining after any distributions required under paragraph (a)(A) of this subsection have been made.

(c) For purposes of this subsection, $ADMw$ equals the $ADMw$ as calculated under ORS 327.013, except that the additional amount allowed for students who are in poverty families, as determined under ORS 327.013 (1)(c)(A)(v)(I), shall be 0.5.

(d) An education service district shall use moneys received under this section as provided by a plan developed by the school districts located within the education service district. A school district that declines to participate in the development of the plan or that has withdrawn from an education service district as provided by ORS 334.015 is not entitled to any moneys distributed to the education service district under this subsection.

(e) A plan developed under this subsection must:

(A) Align with and support the meeting of performance growth targets established for recipients of moneys under ORS 327.195 that are located within the education service district;

(B) Include the provision, to recipients of moneys under ORS 327.195 that are located within the education service district, of technical assistance in developing, implementing and reviewing a plan for receiving a grant from the Student Investment Account;

(C) Provide for coordination with the department in administering and providing technical assistance to recipients of moneys under ORS 327.195 that are located within the education service district, including coordinating any coaching [*programs*] **and support** established under [*ORS 327.214*] **section 5 of this 2025 Act**; and

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

(f) For the purposes of paragraph (e) of this subsection, recipients of moneys under ORS 327.195 that are located within the education service district include, as applicable:

(A) Common school districts and union high school districts;

(B) Any charter school that is an eligible applicant, as defined in ORS 327.185; and

(C) The Youth Corrections Education Program or the Juvenile Detention Education Program.

(g) Each education service district must submit an annual report to the department that:

(A) Describes how the education service district spent moneys received under this subsection; and

(B) Includes an evaluation of the education service district's compliance with the plan from the superintendent of each school district that participated in the development of the plan.

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

SECTION 18. ORS 327.362 is amended to read:

327.362. (1) As used in this section:

(a) "ADMw" means weighted average daily membership, as calculated under ORS 327.013.

(b) "Eligible public charter school" means a public charter school that is not a virtual public charter school, as defined in ORS 338.005, and that has a student population of which at least 65 percent of the total student population is composed of students from the following combined student groups:

(A) Racial or ethnic groups that have historically experienced academic disparities, as described in [*ORS 327.180 (2)(b)(B)*] **section 2 (11)(b) of this 2025 Act**; and

(B) Students with disabilities, as described in [ORS 327.180 (2)(b)(C)] **section 2 (11)(c) of this 2025 Act.**

(2) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants under this section to eligible public charter schools from the State-wide Education Initiatives Account.

(3) The amount of a grant awarded to an eligible public charter school under this section = the public charter school's ADMw \times the difference between:

(a) The amount of the General Purpose Grant per ADMw for the school district that has contractually established payment for the provision of educational services to the public charter school's students under ORS 338.155 (2) or (3); and

(b) The amount of the General Purpose Grant per ADMw that the public charter school receives under a contract for the provision of educational services to the public charter school's students under ORS 338.155 (2) or (3).

(4) The purpose of grants distributed under this section shall be to increase academic achievement, including reducing academic disparities, for:

(a) Students from racial or ethnic groups that have historically experienced academic disparities, as determined under rules adopted by the State Board of Education; and

(b) Students with disabilities.

(5) Any eligible public charter school may apply for and receive a grant as provided by this section. A grant application must:

(a) Describe how grant moneys will be used to advance the purpose described in subsection (4) of this section.

(b) Specify the supports that will be:

(A) Provided to students with a disability; or

(B) Used to enhance special education and related services that are provided by a school district under ORS 338.165 to the students of the public charter school.

(c) Identify any applicable longitudinal performance growth targets for the public charter school that have been established:

(A) Under contract between the public charter school and the sponsor of the public charter school; or

(B) By the public charter school or the school district in which the public charter school is located for purposes of grants from the Student Investment Account, as provided by ORS 327.190.

(d) Be submitted based on the timelines and forms prescribed by the department.

(6)(a) If the department determines that a grant application complies with the requirements prescribed under this section, the department shall enter into a grant agreement with the eligible public charter school.

(b) A grant agreement must include longitudinal performance growth targets for the public charter school. If the grant application identified longitudinal performance growth targets, those targets shall be included in the grant agreement. If the grant application did not identify longitudinal performance growth targets, the public charter school shall collaborate with the department to develop longitudinal performance growth targets. Longitudinal performance growth targets must:

(A) Be based on data available for longitudinal analysis; and

(B) Use the following applicable metrics:

(i) Third-grade reading proficiency rates, as defined in [ORS 327.190] **section 2 of this 2025 Act;**

(ii) Regular attendance rates, as defined in [ORS 327.190] **section 2 of this 2025 Act;** and

(iii) Any other metrics identified by the department in collaboration with the public charter school.

(7) After the department and the public charter school have entered into a grant agreement, the department shall award a grant to the public charter school in the amount calculated under subsection (3) of this section. A grant recipient shall deposit grant moneys received under this section

into a separate account and shall apply the amounts in that account as provided by the grant agreement.

(8)(a) Each year, each grant recipient must submit to the department a description of:

(A) How grant moneys received under this section were used to advance the purpose described in subsection (4) of this section and to meet performance growth targets in the grant agreement; and

(B) Progress made by the grant recipient toward meeting the performance growth targets in the grant agreement.

(b) A grant recipient shall provide the information required under this subsection based on the timelines and forms prescribed by the department. To the greatest extent practicable, the department shall accept the information described in this subsection in the manner that it is made available by a public charter school to the sponsor of the public charter school.

(9) To the greatest extent practicable, any requirements prescribed by the department or the board under this section in relation to an application, a grant agreement or the submission of information under subsection (8) of this section shall reduce any redundancies between a grant awarded under this section and a grant awarded from the Student Investment Account. Reduction in redundancies includes accepting for the purposes of grants awarded under this section any applicable forms or information submitted by the public charter school to the department or a school district for the purposes of a grant awarded from the Student Investment Account.

(10) A public charter school and a school district may not consider moneys received by the public charter school under this section when establishing payment for the provision of educational services to the public charter school's students under ORS 338.155 (2) or (3).

(11) Prior to February 1 of each year, the department shall submit to the appropriate interim legislative committees a report related to the grants awarded under this section. The report must describe:

(a) The public charter schools that applied for the grants and the public charter schools that received the grants;

(b) The longitudinal performance growth targets included in grant agreements, as provided by subsection (6)(b) of this section; and

(c) Progress made toward meeting longitudinal performance growth targets, as reported under subsection (8)(a) of this section.

(12) The State Board of Education shall adopt any rules necessary for the distribution of grants under this section.

SECTION 19. ORS 329.095 is amended to read:

329.095. (1)(a) The Department of Education shall require school districts and schools to conduct self-evaluations and to periodically update their local district continuous improvement plans. Except as provided by paragraph (b)(C) of this subsection, the department may not require school districts or schools to conduct self-evaluations or to update their local district continuous improvement plans more frequently than biennially.

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

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

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

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

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

(2) As part of setting local goals, school districts shall undertake a communications process that involves parents, students, teachers, school employees, the educational equity advisory committee

and community representatives to explain and discuss the local goals and their relationship to programs under this chapter.

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

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

(a) Goals to implement the following:

(A) A rigorous curriculum aligned with state standards;

(B) High-quality instructional programs;

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

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

(E) A plan for family and community engagement;

(F) Staff leadership development;

(G) High-quality data systems;

(H) Improvement planning that is data-driven;

(I) Education service plans for students who have or have not exceeded all of the academic content standards; and

(J) A strong school library program;

(b) A review of demographics, student performance, staff characteristics and student access to, and use of, educational opportunities;

(c) A description of district efforts to achieve local efficiencies and efforts to make better use of resources; and

(d) A needs assessment, which shall:

(A) Be conducted in a manner that is inclusive of school employees, students from student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act** and parents of those students.

(B) Address the following priorities:

(i) Reducing academic disparities for students from student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act**;

(ii) Meeting students' mental or behavioral health needs;

(iii) Providing equitable access to academic courses across the school district or public charter school, with specific emphasis on access by students from student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act**;

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

(I) Collaborate with other teachers and staff;

(II) Review data on students' grades, absences and discipline, based on school and on grade level or course; and

(III) Develop strategies to ensure that at-risk students stay on track to graduate; and

(v) Possible partnerships with other organizations, federally recognized Indian tribes, school districts, education service districts, regional achievement collaboratives, post-secondary institutions of education, education partners or nonprofit programs and community-based programs that have demonstrated achievement of positive outcomes in work with students from student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act**.

SECTION 20. ORS 336.680, as amended by section 45, chapter 95, Oregon Laws 2024, is amended to read:

336.680. (1) As used in this section, "approved recovery school" means a school that is under an agreement with the Department of Education to provide students enrolled in the school with a holistic approach to:

(a) Educational services for grades 9 through 12; and

(b) Health care services related to recovery from substance use disorders.

(2) The department shall provide or cause to be provided appropriate education for students enrolled in an approved recovery school. For the purpose of paying the costs of providing education

to students enrolled in an approved recovery school, the Superintendent of Public Instruction shall make the following:

(a) Payments from amounts available from the State School Fund under ORS 327.029.

(b) Payments from the Statewide Education Initiatives Account, as provided by rule adopted by the State Board of Education in collaboration with the advisory committee convened under ORS 336.685. The rules adopted as provided by this paragraph may include a minimum amount, a maximum amount or both for approved recovery schools.

(3) The Superintendent of Public Instruction may contract with a school district, an education service district or a public charter school to provide or cause to be provided appropriate education to students enrolled in an approved recovery school. Unless otherwise specified, any educational services provided under a contract entered into under this subsection shall be paid as described in this section and not by any other state moneys distributed based on average daily membership that are available to the school district, education service district or public charter school for the purpose of providing educational services.

(4) The State Board of Education shall adopt by rule the standards for a recovery school to become and operate as an approved recovery school. The standards must provide that:

(a) The recovery school must align, to the extent identified by the board, with standards for accreditation established by a nonprofit accrediting organization composed of representatives of recovery schools and individuals who support the growth of recovery schools. The standards must include requirements that:

(A) The recovery school, in compliance with timelines established by the department, be accredited by a nonprofit accrediting organization that establishes standards for recovery schools. Nothing in this subparagraph requires the recovery school to be accredited at the time the superintendent first enters into a contract with the recovery school.

(B) Student enrollment in the recovery school is voluntary. No school district or state or local agency may compel or otherwise require a student to enroll in a recovery school. Students enrolled in an approved recovery school may not be counted in determining the number of pupils in average daily membership for purposes of ORS 334.175 (5).

(C) All students who reside in this state and who meet the eligibility criteria established under subsection (8) of this section may enroll in an approved recovery school if space is available. If space is not available, the approved recovery school may prioritize for enrollment student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act.**

(D) The school district, education service district or public charter school with which the department has entered into a contract for a recovery school must agree to award high school diplomas, modified diplomas, extended diplomas and alternative certificates as provided by ORS 329.451 and 339.877. An entity that awards high school diplomas as provided by this subparagraph:

(i) May not impose requirements for a high school diploma that are in addition to the requirements prescribed by ORS 329.451 (2)(a) or by rule of the State Board of Education; and

(ii) Must accept any credits previously earned by students in another school or educational program in this state and apply those credits toward the requirements prescribed by ORS 329.451 (2)(a) or by rule of the State Board of Education.

(E) Except as provided by subparagraphs (F) and (G) of this paragraph, the recovery school must satisfy the same laws that apply to public charter schools under ORS 338.115.

(F) All administrators and teachers at the recovery school must be licensed by the Teacher Standards and Practices Commission.

(G) An approved recovery school is not required to comply with the enrollment requirements prescribed by ORS 338.115 (1)(bb) or (5).

(H) An approved recovery school must comply with the requirements of the uniform budget and accounting system adopted by rule of the State Board of Education under ORS 327.511.

(b) Recovery schools will be approved, to the greatest extent practicable, in a manner that:

(A) Represents a geographic distribution across this state; and

(B) Takes into consideration the needs for services by the community in which the recovery school would be located.

(5) Any school that provides the services of a recovery school may enter into a contract with the superintendent to become an approved recovery school, including schools already providing the services of a recovery school and schools that are proposing to provide the services of a recovery school.

(6) An approved recovery school may enter into agreements with other entities, including community-based organizations and federally recognized tribes of this state, for the purposes of providing educational and health care services to students enrolled in the approved recovery school.

(7)(a) The department shall be responsible for:

(A) Identifying, locating and evaluating students enrolled in an approved recovery school who may be in need of special education and related services; and

(B) Ensuring that eligible students receive special education and related services.

(b) For the purpose of this subsection, the department may enter into a contract with a school district or an education service district.

(8) The department shall establish eligibility criteria for students to enroll in an approved recovery school, based on input from the advisory committee convened under ORS 336.685 and based on research from a nonprofit organization composed of representatives of recovery schools and individuals who support the growth of recovery schools and other relevant organizations.

(9) For the purposes of administering this section:

(a) The State Board of Education shall adopt any necessary rules.

(b) The department shall collaborate with the Oregon Health Authority, the Youth Development Division, the Alcohol and Drug Policy Commission, the Oregon Youth Authority, the Department of Human Services and local public health and mental health authorities or providers and shall coordinate, to the greatest extent practicable, funding of services provided in relation to approved recovery schools.

(10) Each biennium, the Department of Education shall prepare a report on the progress, successes and challenges of approved recovery schools and submit that report to:

(a) The interim committees of the Legislative Assembly related to education; and

(b) The advisory committee convened under ORS 336.685.

NOTE: Section 21 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 22. ORS 327.016 is amended to read:

327.016. (1) The Department of Education shall prepare an annual report that:

(a) Identifies the total amounts that are:

(A) Allocated to each school district from the State School Fund for students eligible for and enrolled in an English language learner program as provided by ORS 327.013 (1)(c)(A)(ii);

(B) Expended from the amounts identified in subparagraph (A) of this paragraph for students in average daily membership who are eligible for and enrolled in an English language learner program; and

(C) Expended as described in subparagraph (B) of this paragraph by category of expenditure, as identified and defined by the State Board of Education by rule.

(b) Summarizes the progress for each school district on meeting objectives and the needs of students eligible for and enrolled in an English language learner program, **including progress of English language learners toward meeting performance growth targets developed as provided by section 3 of this 2025 Act.**

(c) Provides information on the demographics of students in English language learner programs in each school district, including:

(A) The average number of years students have been enrolled in an English language learner program;

(B) The average number of years the students have attended their current schools;

(C) The percentage of students who also receive special education and related services; and

(D) Any other information identified by the department.

- (2) The report prepared under subsection (1) of this section must:
- (a) Be made available on the department's website by June 30 of each year;
 - (b) Be provided to each school district board by September 1 of each year and made available at the school district's main office and on the school district's website; and
 - (c) Cover the school year ending June 30 of the prior year.
- (3) Prior to January 1 of each odd-numbered year, the department shall submit to the interim legislative committees on education a summary of the two most recent reports prepared under subsection (1) of this section.

SECTION 23. ORS 327.214 is repealed.

INTERIM ASSESSMENTS

SECTION 24. ORS 329.485 is amended to read:

329.485. (1) As used in this section:

(a) "Content-based assessment" means testing of the understanding of a student of a predetermined body of knowledge.

(b) "Criterion-referenced assessment" means testing of the knowledge or ability of a student with respect to some standard.

(c) "Performance-based assessment" means testing of the ability of a student to use knowledge and skills to create a complex or multifaceted product or complete a complex task.

(2)(a) The Department of Education shall implement statewide a valid and reliable assessment system for all students that meets technical adequacy standards. The assessment system shall include criterion-referenced assessments including performance-based assessments, content-based assessments, and other valid methods to measure the academic content standards and to identify students who meet or exceed the standards.

(b) The department shall develop the statewide assessment system in mathematics, science, language arts, history, geography, economics and civics.

(3) In addition to the assessment system implemented under subsection (2) of this section, the department may make available to school districts and public charter schools an assessment system that uses criterion-referenced assessments, including performance-based assessments and content-based assessments to:

(a) Measure a student's progress toward mastery of the knowledge and skills of the student's current grade level or course content level;

(b) Determine the student's level of mastery, which shall be determined regardless of the actual grade level of the student and may be determined by adapting the assessment during the assessment process as a result of the performance of the student;

(c) Track and provide reports on the progress of a student based on the information provided under paragraphs (a) and (b) of this subsection; and

(d) Provide predictions of anticipated student progress that are based on the information provided under this subsection and not on the current grade level of the student.

(4)(a) School districts and public charter schools shall implement the statewide assessment system in mathematics, science and language arts. In addition, school districts and public charter schools may implement the statewide assessment system in history, geography, economics and civics.

(b) School districts and public charter schools may choose to implement the assessment system described in subsection (3) of this section.

(5)(a) School districts and public charter schools shall administer interim assessments in mathematics and language arts to measure student academic growth during the school year.

(b) To comply with the provisions of this subsection, school districts and public charter schools must:

(A) Select interim assessments that measure student performance growth from the list of interim assessments adopted by the State Board of Education;

(B) At least three times each school year, administer interim assessments selected under subparagraph (A) of this paragraph in mathematics and language arts; and

(C) For interim assessments in mathematics and language arts administered as provided by subparagraph (B) of this paragraph to students in any grade from kindergarten through grade eight, review the data collected from the interim assessments:

(i) At least three times each school year, for the administrators of each of the schools of the school district and for the administrators of each public charter school; and

(ii) At least three times each school year during a public meeting, for the superintendent of the school district, the school district board and, if applicable, the governing body of the public charter school.

(c) For the purpose of this subsection, the State Board of Education shall adopt a list of no more than four approved interim assessments.

[(5)(a)] (6)(a) Each year the resident school district shall be accountable for determining the student's progress toward achieving the academic content standards. Progress toward the academic content standards:

(A) Shall clearly show the student and parents whether the student is making progress toward meeting or exceeding the academic content standards at the student's current grade level or course content level;

(B) Shall be based on the student's progress toward mastery of a continuum of academic knowledge and skills; and

(C) May be based on the student's progress in a continuum of knowledge and skills that are not academic and that may include student behaviors that are defined by the school district.

(b) School districts shall determine the method and format for showing student progress toward achieving the academic content standards. Communications on student progress shall include a reasonable number, as determined by the school district, of academic knowledge and skills in a content area to enable parents and students to understand a student's progress toward meeting or exceeding the academic content standards. No more than three indicators of academic knowledge and skills per content area reporting category shall be required as provided by this section. A school district may use more than three indicators of academic knowledge and skills per content area reporting category if the school district implements a proficiency education system as provided by ORS 329.119.

[(6)] (7) In addition to the requirements described in subsection **[(5)] (6)** of this section, the school district shall adopt and implement a reporting system based on the school district board adopted course content of the school district's curriculum. The reporting system:

(a) Shall clearly show the student and parents whether the student is achieving course requirements at the student's current grade level or course content level;

(b) Shall be based on the student's progress toward mastery of a continuum of academic knowledge and skills; and

(c) May be based on the student's progress in a continuum of knowledge and skills that are not academic and that may include student behaviors that are defined by the school district.

[(7)] (8) If a student has not met or has exceeded all of the academic content standards, the school district shall make additional services or alternative educational or public school options available to the student.

[(8)] (9) If the student to whom additional services or alternative educational options have been made available does not meet or exceed the academic content standards within one year, the school district, with the consent of the parents, shall make an appropriate placement, which may include an alternative education program or the transfer of the student to another public school in the school district or to a public school in another school district that agrees to accept the student. The school district that receives the student shall be entitled to payment. The payment shall consist of:

(a) An amount equal to the school district's expenses from its local revenues for each student in average daily membership, payable by the resident school district in the same year; and

(b) Any state and federal funds the attending school district is entitled to receive payable as provided in ORS 339.133 (2)(b).

SECTION 25. (1) **The amendments to ORS 329.485 by section 24 of this 2025 Act become operative on July 1, 2026.**

(2) **Notwithstanding the operative date set forth in subsection (1) of this section, the State Board of Education shall adopt a list of approved interim assessments to measure student performance growth no later than January 31, 2026.**

(3) **The amendments to ORS 329.485 by section 24 of this 2025 Act first apply to the 2026-2027 school year.**

CURRICULA STANDARDS

SECTION 26. ORS 327.837 is amended to read:

327.837. (1) Based on the reports submitted under ORS 327.835, the Department of Education shall monitor a school district's or a public charter school's progress toward achieving the goals established in the early literacy success plan, as described in ORS 327.831 (3).

(2) The department shall intervene when a school district or public charter school does not meet the goals established in the early literacy success plan.

(3) When the department intervenes, as provided by subsection (2) of this section, the department:

(a) Shall assist the school district or the public charter school in developing a corrective action plan; *[and]*

(b) May retain any or all of the amount the school district or public charter school would have received as a distribution under ORS 327.833 and may use a portion of the amount retained to prepare and assist the school district or the public charter school in implementing the corrective action plan[.];

(c) May require the school district or public charter school to adopt textbooks or other instructional materials from the list of textbooks and other instructional materials adopted by the State Board of Education under ORS 337.050 for early literacy; and

(d) May require the school district or public charter school to participate in school or school district training or improvement activities, as identified by the department.

(4) An intervention and corrective action plan shall continue until the school district or public charter school makes sufficient and sustained progress toward achieving the goals established in the early literacy success plan. The department shall determine when sufficient and sustained progress has been achieved.

(5) If a school district or public charter school continues to fail to make progress toward achieving the goals established in the early literacy success plan, the department may take additional action, including not allowing for the distribution to the school district or public charter school of any additional moneys under ORS 327.833.

SECTION 27. **ORS 337.065 is repealed.**

REDUCTION OF REDUNDANCIES

SECTION 28. (1) **The Department of Education shall study the reporting requirements imposed on school districts, as defined in section 2 of this 2025 Act.**

(2) **As part of the study conducted under this section, the department shall identify:**

(a) **Requirements for school districts to report to the department;**

(b) **State reporting requirements that can be decreased in frequency, eliminated or consolidated;**

(c) **State reporting requirements that can be aligned with federal reporting requirements, including any necessary changes to state programs to align with federal programs; and**

(d) Statutory changes that would provide for the alignment of grants, programs, planning, reporting and monitoring processes.

(3) The department shall submit a report on the study conducted under this section in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to education no later than December 15, 2026.

DISTRICT STANDARDS

SECTION 29. (1) The Department of Education shall contract with a public or private entity to review the administrative rule requirements that must be met for a school district to be considered standard under ORS 327.103 or an education service district to be considered standard under ORS 334.217.

(2) When conducting the review under subsection (1) of this section, the entity shall identify:

(a) Standards that best support student outcomes and that should be prioritized by the department and districts.

(b) Standards that make less significant contributions to the support of student outcomes and can be removed.

(c) Effective methods for enforcing whether a district is standard.

(d) A process for a person who resides in the district, or a parent or guardian of a student who attends school in the district, to submit a complaint about noncompliance with a standard, including timelines for investigating and resolving the complaint. The process may require the person, parent or guardian to first attempt to resolve the complaint with the district when the complaint involves specified types of standards.

(3) The department shall submit a report on the review required under this section in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to education no later than December 15, 2026.

SECTION 30. Section 29 of this 2025 Act is repealed on January 2, 2027.

SECTION 31. ORS 326.051 is amended to read:

326.051. Subject to ORS 417.300 and 417.305:

(1) In addition to such other duties as are prescribed by law and pursuant to the requirement of ORS chapter 183, the State Board of Education shall:

(a) Establish **and enforce** state standards for public kindergartens and public elementary and secondary schools consistent with the policies stated in ORS 326.011, **including providing a process for a person who resides in the district, or a parent or guardian of a student who attends school in the district, to file a complaint about noncompliance with a standard.**

(b) Adopt rules for the general governance of public kindergartens and public elementary and secondary schools.

(c) Prescribe required or minimum courses of study.

(d) Adopt rules for public kindergartens and public elementary and secondary schools consistent with the policy stated in ORS 342.437.

(e) Adopt rules regarding school and interscholastic activities.

(f) Adopt rules that provide that no public elementary or secondary school shall discriminate in determining participation in interscholastic activities. As used in this paragraph, "discrimination" has the meaning given that term in ORS 659.850.

(g) Adopt rules that will eliminate the use and purchase of elemental mercury, mercury compounds and mercury-added instructional materials by public elementary and secondary schools.

(2) The State Board of Education may:

(a) Consistent with the laws of this state, accept money or property not otherwise provided for under paragraph (b) of this subsection, which is donated for the use or benefit of the public

kindergartens and public elementary and secondary schools and use such money or property for the purpose for which it was donated. Until it is used, the board shall deposit any money received under this paragraph in a special fund with the State Treasurer as provided in ORS 293.265 to 293.275.

(b) Apply for federal funds, accept and enter into any contracts or agreements on behalf of the state for the receipt of funds from the federal government or its agencies and disburse or expend the federal funds as provided by ORS 327.128. This paragraph applies to federal funds to be used for:

(A) Educational purposes, including but not limited to any funds available for the school lunch program;

(B) Career and technical education programs in public elementary and secondary schools; and

(C) Any grants available to the state or its political subdivisions for general federal aid for public kindergartens, public elementary schools and public secondary schools and their auxiliary services, improvement of teacher preparation, teacher salaries, construction of school buildings, administration of the Department of Education and any other educational activities under the jurisdiction of the State Board of Education.

(c) Adopt rules to administer the United States Department of Agriculture's National School Lunch Program and School Breakfast Program for public and private prekindergarten through grade 12 schools and residential child care facilities.

SECTION 32. ORS 334.217 is amended to read:

334.217. (1) The State Board of Education by rule shall establish **and enforce** standards to determine the adequacy of services and facilities provided by the education service districts. In establishing such standards, the state board shall:

(a) Consider the most economic method of providing services and facilities, the quality of the services and facilities according to the best educational standards, and the needs of the students[.]; **and**

(b) Provide a process for a person who resides in the district, or a parent or guardian of a student who attends school in the district, to file a complaint about noncompliance with a standard.

(2) When the Superintendent of Public Instruction determines pursuant to rule that an education service district is nonstandard, the district designated nonstandard shall file a plan to meet standards over a specified period of time. The Superintendent of Public Instruction may accept, reject or modify the plan and order the nonstandard district to comply with the plan as approved by the superintendent. Once a plan is approved, the district shall be conditionally standard until all deficiencies are corrected. If a district corrects all deficiencies, the district shall be designated as standard. The district shall have 180 days from the date the plan is accepted to make all corrections. After that time, the Superintendent of Public Instruction may impose sanctions on the district if the district has not made the necessary corrections.

(3) The state board shall establish by rule appropriate sanctions for noncompliance. The sanctions may include:

(a) Mandatory merger of the nonstandard education service district with a contiguous education service district that is standard;

(b) The sanctions described in ORS 342.173, if applicable;

(c) The withholding of funds from the State School Fund;

(d) The removal of the superintendent of the education service district;

(e) The temporary governance of the education service district by the state board; or

(f) Dissolution of the education service district.

SECTION 33. (1) The amendments to ORS 326.051 and 334.217 by sections 31 and 32 of this 2025 Act become operative on December 31, 2026.

(2) When adopting rules for the purposes of determining how to enforce standards and of providing a complaint process for a person who resides in the district, or a parent or guardian of a student who attends school in the district, to file a complaint about noncompliance with a standard, including the timelines for the investigation and resolution of a

complaint, the State Board of Education shall take into consideration the review conducted as provided by section 29 of this 2025 Act.

DEPARTMENT OF EDUCATION REPORT

SECTION 34. No later than December 15, 2025, the Department of Education shall submit a report in the manner provided by ORS 192.245 to the interim committees of the Legislative Assembly related to education. The report must provide a summary of:

(1) The administrative and organizational changes made to the department between January 1, 2025, and December 1, 2025, to:

(a) Improve grant consolidation, reporting, data collection and public transparency before the 2026-2027 school year;

(b) Improve and align internal operations across programs and offices in the department before the 2026-2027 school year; and

(c) Organize state and regional efforts to elevate best practices and responsive support for school districts before the 2026-2027 school year.

(2) The status on the implementation of the provisions of this 2025 Act.

SECTION 35. Section 34 of this 2025 Act is repealed on January 2, 2026.

APPROPRIATION

SECTION 36. Notwithstanding any other law limiting expenditures, the amount of \$2,625,296 is established for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses by the Department of Education from the Statewide Education Initiatives Account established under ORS 327.250 for the purpose of increasing accountability and transparency in the public kindergarten through grade 12 system as provided by sections 3, 6, 28, 29 and 34 of this 2025 Act and the amendments to ORS 326.051, 327.222, 327.235, 329.485 and 334.217 by sections 8, 10, 24, 31 and 32 of this 2025 Act.

MISCELLANEOUS

SECTION 37. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.

SECTION 38. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.

Passed by Senate June 5, 2025

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Obadiah Rutledge, Secretary of Senate

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Rob Wagner, President of Senate

Passed by House June 16, 2025

.....
Julie Fahey, Speaker of House

Received by Governor:

.....M,....., 2025

Approved:

.....M,....., 2025

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M,....., 2025

.....
Tobias Read, Secretary of State