

# Senate Bill 978

Sponsored by COMMITTEE ON EDUCATION

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

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

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

## A BILL FOR AN ACT

1  
2 Relating to legal processes involving education districts; creating new provisions; and amending  
3 ORS 334.240.

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

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

5  
6 (a) **"504 Plan" means an education plan developed for a student in accordance with sec-**  
7 **tion 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794.**

8 (b) **"Related services" has the meaning given that term in ORS 343.035.**

9 (c) **"Special education" has the meaning given that term in ORS 343.035.**

10 (2) **Each school district shall prepare an annual report that summarizes the legal expen-**  
11 **ditures of the school district and the legal processes involved in by the school district, as**  
12 **described in subsections (3) to (5) of this section.**

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

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

17 (b) **To attorneys employed by the school district, including salaries, bonuses and other**  
18 **compensation.**

19 (c) **For legal services related to special education and related services or to 504 Plans,**  
20 **including:**

21 (A) **General legal guidance;**

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

23 (C) **Training related to special education and related services purchased through a law**  
24 **firm or from an attorney;**

25 (D) **Attendance at meetings for special education and related services or for 504 Plans;**  
26 **and**

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

29 (d) **For legal services related to contract negotiations, internal investigations, personnel**

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

- 1 **actions and other labor relations, including:**
- 2 (A) **General legal guidance;**
- 3 (B) **Private study or learning groups led through a law firm or by an attorney;**
- 4 (C) **Training in negotiations or human resources purchased through a law firm or from**
- 5 **an attorney;**
- 6 (D) **Attendance at disciplinary meetings or at appeals to disciplinary actions; and**
- 7 (E) **Legal services provided for complaints filed by employees or volunteers and for**
- 8 **lawsuits filed in state or federal court.**
- 9 (e) **To students or families for settlements or judgments, disaggregated by payment for:**
- 10 (A) **Whether the payment was for a settlement or a judgment;**
- 11 (B) **Attorney fees and other costs; and**
- 12 (C) **Controversies related to special education and related services, 504 Plans or other**
- 13 **controversies.**
- 14 (f) **To employees or volunteers for settlements or judgments, disaggregated by payment**
- 15 **for:**
- 16 (A) **Whether the payment was for a settlement or a judgment; and**
- 17 (B) **Attorney fees and other costs.**
- 18 (g) **To a prevailing party not identified in paragraph (e) or (f) of this subsection for**
- 19 **settlements or judgments, disaggregated by payment for:**
- 20 (A) **Whether the payment was for a settlement or a judgment; and**
- 21 (B) **Attorney fees and other costs.**
- 22 (4) **The report required by this section must include the total number of each of the fol-**
- 23 **lowing legal processes for the school district for the school year:**
- 24 (a) **Mediations related to special education and related services.**
- 25 (b) **Formal complaints filed with the Department of Education related to special educa-**
- 26 **tion and related services, including due process claims.**
- 27 (c) **Formal complaints filed with the department related to discrimination.**
- 28 (d) **Lawsuits filed and lawsuits resolved in state or federal court against the school dis-**
- 29 **trict related to special education and related services.**
- 30 (e) **Lawsuits filed and lawsuits resolved in state or federal court against the school dis-**
- 31 **trict that were not related to special education and related services.**
- 32 (f) **Contested adverse employment actions.**
- 33 (5) **The report required by this section must include the case number and the names of**
- 34 **the parties of any action brought against the school district that was active in any state or**
- 35 **federal court during the school year.**
- 36 (6) **No later than October 15 of the year following the school year for which the report**
- 37 **is prepared, each school district must ensure that the report is made available on the school**
- 38 **district's website and is provided to:**
- 39 (a) **The district school board; and**
- 40 (b) **The Department of Education in the form and manner prescribed by the department.**
- 41 (7) **No later than January 15 of the year following receipt of the information described**
- 42 **in subsection (6) of this section, the Department of Education shall:**
- 43 (a) **Compile the information received under subsection (6) of this section and ORS 334.240**
- 44 **into a single report that allows for transparency and accountability;**
- 45 (b) **Make available the report prepared under paragraph (a) of this subsection on the**

1 **department’s website; and**

2 **(c) Provide a summary of the report prepared under paragraph (a) of this subsection to**  
 3 **the interim committees of the Legislative Assembly related to education and to the education**  
 4 **subcommittee of the Joint Interim Committee on Ways and Means.**

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

6 334.240. (1) Except as provided in subsection (2) of this section, the education service district  
 7 board shall be subject [*in all respects*] to ORS 294.305 to 294.565, except that, in addition to other  
 8 qualifications, members of the budget committee who are not members of the education service dis-  
 9 trict board shall be members of component school district boards within the education service dis-  
 10 trict or shall be designees of a school district board.

11 (2) Notwithstanding ORS 294.414 and 294.423, a majority of the members of the budget commit-  
 12 tee of an education service district must consist of members of the component school district boards  
 13 or designees of a school district board. The budget committee may meet to conduct business if the  
 14 education service district board is unable to fill all of the positions on the budget committee.

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

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

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

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

25 **(A) Made available on the education service district’s website; and**

26 **(B) Provided to the board of directors of the education service district and to the De-**  
 27 **partment of Education.**

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

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