

SB 141-3
(LC 531)
4/4/25 (HRS/ps)

Requested by Senator WAGNER

**PROPOSED AMENDMENTS TO
SENATE BILL 141**

In line 2 of the printed bill, after “education” insert “; 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 and section 2, chapter 6, Oregon Laws 2024; repealing ORS 327.214 and 337.065; and declaring an emergency”.

Delete lines 4 through 9 and insert:

“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;

“(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 treat-

1 ment programs for education services to children who are in treat-
2 ment programs as described in ORS 343.961.

3 “(11) ‘Student group’ means the following student groups:

4 “(a) Economically disadvantaged students, as determined based on
5 rules adopted by the State Board of Education;

6 “(b) Students from racial or ethnic groups that have historically
7 experienced academic disparities, as determined under rules adopted
8 by the State Board of Education;

9 “(c) Students with disabilities;

10 “(d) Students who are English language learners;

11 “(e) Students who are foster children, as defined in ORS 30.297;

12 “(f) Students who are homeless, as determined under rules adopted
13 by the State Board of Education; and

14 “(g) Any other student groups that have historically experienced
15 academic disparities, as determined by the State Board of Education
16 by rule.

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

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

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

26 **“(A) On-time graduation rate;**

27 **“(B) Five-year completion rate;**

28 **“(C) Ninth-grade on-track rate;**

29 **“(D) Eighth-grade mathematics proficiency rate;**

30 **“(E) Third-grade reading proficiency rate;**

1 **“(F) Regular attendance rate;**

2 **“(G) Regular early-grade attendance rate; and**

3 **“(H) Local metric rates.**

4 **“(b) For the purpose of this subsection:**

5 **“(A) The board shall develop a list of no more than five local met-**
6 **rics; and**

7 **“(B) Each school district shall select one local metric from the list**
8 **developed under subparagraph (A) of this paragraph.**

9 **“(3) Based on the statewide metric targets developed under sub-**
10 **section (2) of this section, the Department of Education shall establish**
11 **metric targets for similar school districts, as determined by the de-**
12 **partment. The metric targets for similar school districts shall include:**

13 **“(a) On-time graduation rates, including:**

14 **“(A) The overall on-time graduation rate.**

15 **“(B) Gaps in disaggregated on-time graduation rates.**

16 **“(b) Five-year completion rates, including:**

17 **“(A) The overall five-year completion rate.**

18 **“(B) Gaps in disaggregated five-year completion rates.**

19 **“(c) Ninth-grade on-track rates, including:**

20 **“(A) The overall ninth-grade on-track rate.**

21 **“(B) Gaps in disaggregated ninth-grade on-track rates.**

22 **“(d) Eighth-grade mathematics proficiency rates, including:**

23 **“(A) The overall eighth-grade mathematics proficiency rate.**

24 **“(B) Gaps in disaggregated eighth-grade mathematics proficiency**
25 **rates.**

26 **“(e) Third-grade reading proficiency rates, including:**

27 **“(A) The overall third-grade reading proficiency rate.**

28 **“(B) Gaps in disaggregated third-grade reading proficiency rates.**

29 **“(f) Regular attendance rates, including:**

30 **“(A) The overall regular attendance rate.**

1 **“(B) Gaps in disaggregated regular attendance rates.**

2 **“(g) Regular early-grade attendance rates, including:**

3 **“(A) The overall regular early-grade attendance rate.**

4 **“(B) Gaps in disaggregated regular early-grade attendance rates.**

5 **“(h) Local metric rates, including:**

6 **“(A) The overall local metric rate.**

7 **“(B) Gaps in disaggregated local metric rates.**

8 **“(4)(a) The department shall collaborate with each school district**
9 **to develop performance growth targets for the school district to make**
10 **progress toward meeting the metric targets established under sub-**
11 **section (3) of this section. The board shall adopt by rule requirements**
12 **for a school district not identified in section 2 (10)(a) or (c) of this 2025**
13 **Act for the purpose of developing differentiated performance growth**
14 **targets for the school district based on the student population of the**
15 **school district.**

16 **“(b) The performance growth targets must:**

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

18 **“(B) Be developed based on guidance established by the department.**

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

21 **“(a) Review disaggregated student data;**

22 **“(b) Apply a process adopted by the department for the purpose of**
23 **strategically developing equitable policies and programs; and**

24 **“(c) Identify which student groups are most at risk of not meeting**
25 **performance growth targets.**

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

30 **“(b) For the purpose of providing technical assistance under this**

1 subsection, the department may enter into a contract with any entities
2 the department determines are qualified to provide the technical as-
3 sistance.

4 **“SECTION 4.** The requirements of section 3 of this 2025 Act related
5 to the development of performance growth targets first apply to the
6 **2026-2027 school year.**

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

11 **“(2) Results of the school district’s review of progress made toward**
12 **meeting performance growth targets must be:**

13 **“(a) Made available at the main office of the school district and on**
14 **the school district’s website.**

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

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

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

21 **“(c) Provided to the Department of Education.**

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

26 **“(b) In addition to determinations made under paragraph (a) of this**
27 **subsection, the department may establish a procedure for conducting**
28 **performance audits on a random basis or based on just cause as al-**
29 **lowed under rules adopted by the State Board of Education and con-**
30 **sistent with ORS 327.141.**

1 “(4) If a school district does not meet the performance growth tar-
2 gets developed as provided by section 3 of this 2025 Act:

3 “(a) After two years of not meeting the performance growth tar-
4 gets, the school district must accept coaching and support from the
5 department. Through the coaching, the department shall advise and
6 counsel a school district on how to meet performance growth targets
7 and shall assist a school district with ongoing professional develop-
8 ment and peer collaboration.

9 “(b) After three or more years of not meeting the performance
10 growth targets, the school district must participate in intensive
11 coaching as provided by ORS 327.222. A school district that participates
12 in intensive coaching shall receive additional funding based on rules
13 adopted by the State Board of Education. The school district must use
14 the additional funding as prescribed by the department based on rule
15 of the board.

16 “(c) After four or more years of not meeting the performance
17 growth targets, the school district shall, in addition to participating
18 in intensive coaching as described in paragraph (b) of this subsection,
19 authorize the department to prescribe the uses of up to 25 percent of
20 the moneys available to the school district from:

21 “(A) The State School Fund as follows:

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

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

26 “(iii) For a public charter school, the amount received under ORS
27 338.155.

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

30 “(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 may include a determination by the department that the school district is making satisfactory progress, as defined by rule, toward meeting performance growth targets.

SECTION 6. (1) The review of a school district’s progress toward

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

5 “(2) Notwithstanding subsection (1) of this section, a school district
6 that had agreed to participate in the intensive program under ORS
7 327.222 prior to the effective date of this 2025 Act:

8 “(a) May complete the terms of the school district’s agreement for
9 participation; and

10 “(b) Is not subject to a review of the school district’s progress to-
11 ward meeting performance growth targets under section 5 (3) of this
12 2025 Act until the school district completes the terms of the school
13 district’s agreement for participation.

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

16 “SECTION 8. ORS 327.222 is amended to read:

17 “327.222. (1) The Department of Education shall establish an intensive
18 **coaching** program for school districts [*with the highest needs in this state.*]
19 **that do not meet performance growth targets for three or more years,**
20 **as described in section 5 of this 2025 Act.**

21 “[*(2)(a) The department shall identify and select school districts to partic-*
22 *ipate in the intensive program. The department may not select a public charter*
23 *school under this section.*]

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

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

1 “[4] (2) A school district that [*agrees to participate*] **participates** in the
2 intensive **coaching** program shall:

3 “(a) Commit to regular student success plan meetings to monitor prac-
4 tices;

5 “(b) Use data to track student progress;

6 “(c) Ensure school employees receive appropriate professional develop-
7 ment and training;

8 “(d) Create safe and inclusive learning environments;

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

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

12 “[5] (3)(a) For the purpose of assisting school districts participating in
13 the intensive **coaching** program, the department shall establish student
14 success teams. **To the greatest extent practicable, student success teams**
15 **shall assist school districts in person and while on site at the school**
16 **district.**

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

18 “(A) **Led by a person who has at least seven years of relevant ex-**
19 **perience, as determined by the department, in systems change, cur-**
20 **riculum and instruction, leadership, finance, human resources, school**
21 **district board governance, local district continuous improvement**
22 **plans, labor and management relations or community engagement;**
23 **and**

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

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

29 “[6](a) (4)(a) Under the intensive **coaching** program, student success
30 teams shall:

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

3 “(B) Develop recommendations for meeting performance growth targets.

4 “(b) School district boards and superintendents of school districts partic-
5 ipating in an intensive **coaching** program must:

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

11 “(B) Consider, and may accept, all recommendations of the student suc-
12 cess teams not described in subparagraph (A) of this paragraph.

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

15 “(A) Describes the recommendations;

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

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

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

21 “(A) Made available at the school district’s main office and on the school
22 district’s website; and

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

25 **“SECTION 9.** ORS 327.224 is amended to read:

26 “327.224. (1) The Student Success Teams Account is established in the
27 State Treasury, separate and distinct from the General Fund.

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

29 “(a) Moneys transferred to the account from the Statewide Education In-
30 itiatives Account;

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

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

4 “(3) Moneys in the Student Success Teams Account are continuously ap-
5 propriated to the Department of Education for the purpose of funding the
6 intensive **coaching** program for school districts [*with the highest needs*] es-
7 tablished under ORS 327.222, including funding any costs incurred for stu-
8 dent success teams under that program.

9 **“SECTION 10.** ORS 327.235 is amended to read:

10 “327.235. The Department of Education shall make a report to the com-
11 mittees of the Legislative Assembly related to education no later than Feb-
12 ruary 1 of each year regarding the implementation of ORS 327.175 to 327.235
13 **and sections 2 to 5 of this 2025 Act.** The report must include an annual
14 performance review of **each school district and, if applicable,** each eligible
15 applicant, as defined in ORS 327.185. The report must:

16 “(1) **For eligible applicants for a grant awarded from the Student**
17 **Investment Account under ORS 327.195,** identify whether the eligible ap-
18 plicant received a grant under ORS 327.175 to 327.235.

19 “(2) For **school districts and** grant recipients, include a comparison of
20 the **school district’s or** grant recipient’s progress toward meeting perform-
21 ance growth targets compared with the actual performance growth targets
22 [*established*] **developed** by the department for the following:

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

25 “(b) Ninth-grade on-track rates, including the overall rate and disaggre-
26 gated student group rates;

27 “(c) **Eighth-grade mathematics proficiency rates and** third-grade
28 reading proficiency rates, including the overall rate and disaggregated stu-
29 dent group rates;

30 “(d) Regular attendance rates **and regular early-grade attendance**

1 **rates**, including the overall rate and disaggregated student group rates;
2 [and]

3 **“(e) Local metrics rates, including the overall rate and the disag-**
4 **gregated student group rates; and**

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

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

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

13
14 **“ALIGNMENT WITH OTHER PROGRAMS**

15
16 **“SECTION 12. ORS 327.180 is amended to read:**

17 **“327.180. (1) In addition to those moneys distributed through the State**
18 **School Fund, the Department of Education shall award grants from the**
19 **Student Investment Account. Grants shall be distributed as provided under**
20 **ORS 327.195.**

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

22 **“(a) Meet students’ mental or behavioral health needs; and**

23 **“(b) Increase academic achievement for students, including reducing aca-**
24 **demic disparities for each student group identified in section 2 (11) of**
25 **this 2025 Act.[.]**

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

28 **“[(B) Students from racial or ethnic groups that have historically experi-**
29 **enced academic disparities, as determined under rules adopted by the State**
30 **Board of Education;]**

1 “(C) *Students with disabilities;*]

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

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

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

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

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

10 “(a) Increasing instructional time, which may include:

11 “(A) More hours or days of instructional time;

12 “(B) Summer programs;

13 “(C) Before-school or after-school programs; or

14 “(D) Technological investments that minimize class time used for assess-
15 ments administered to students.

16 “(b) Addressing students’ health or safety needs, which may include:

17 “(A) Social-emotional learning and development;

18 “(B) Student mental and behavioral health;

19 “(C) Improvements to teaching and learning practices or organizational
20 structures that lead to better interpersonal relationships at the school;

21 “(D) Student health and wellness;

22 “(E) Trauma-informed practices;

23 “(F) School health professionals and assistants; or

24 “(G) Facility improvements directly related to improving student health
25 or safety.

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

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

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

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

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

7 “(i) Art, music and physical education classes;

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

9 “(iii) Career and technical education, including career and technical stu-
10 dent organization programs and payment of student fees, costs and instruc-
11 tors of those programs;

12 “(iv) Electives that are engaging to students;

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

15 “(vi) Dropout prevention programs and transition supports;

16 “(vii) Life skills classes; or

17 “(viii) Talented and gifted programs; or

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

19 **“SECTION 13.** ORS 327.185 is amended to read:

20 “327.185. (1) As used in this section, ‘eligible applicant’ means any of the
21 following entities:

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

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

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

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

29 “(i) Economically disadvantaged, as described in [ORS 327.180 (2)(b)(A)]
30 **section 2 (11)(a) of this 2025 Act;**

1 “(ii) Racial or ethnic groups that have historically experienced academic
2 disparities, as described in [ORS 327.180 (2)(b)(B)] **section 2 (11)(b) of this**
3 **2025 Act**; or

4 “(iii) Students with disabilities, as described in [ORS 327.180 (2)(b)(C)]
5 **section 2 (11)(c) of this 2025 Act**; and

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

8 “(i) The percentage of all students in the school district who are eco-
9 nomically disadvantaged, if eligibility is determined based on the percentage
10 of students who are economically disadvantaged;

11 “(ii) The percentage of all students in the school district who are from
12 racial or ethnic groups that have historically experienced academic dispari-
13 ties, if eligibility is determined based on the percentage of students who are
14 from those racial or ethnic groups; or

15 “(iii) The percentage of all students in the school district who are disa-
16 bled, if eligibility is determined based on the percentage of students who are
17 disabled.

18 “(2)(a) Eligible applicants may apply for a grant from the Student In-
19 vestment Account to receive a distribution under ORS 327.190.

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

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

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

27 “(b) If the eligible applicant is a public charter school, determine whether
28 the public charter school intends to apply for a grant and provide notice of
29 that intent to the school district in which the public charter school is lo-
30 cated and to the Department of Education.

1 “(4)(a) If an eligible applicant is a school district and decides to include
2 public charter schools in the grant application and grant agreement, the
3 school district must provide all public charter schools sponsored by, or lo-
4 cated within, the school district the opportunity to participate in the grant
5 application and grant agreement.

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

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

10 “(i) The ADMw of the public charter school may not be used in the cal-
11 culation of the school district ADMw for grants distributed under ORS
12 327.195; and

13 “(ii) The public charter school is not entitled to any grant moneys dis-
14 tributed under ORS 327.195.

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

17 “(i) The public charter school and school district shall enter into an
18 agreement for the distribution of moneys or the provision of services, in-
19 cluding any accountability measures required of the public charter school
20 by the school district;

21 “(ii) The ADMw of the public charter school shall be used in the calcu-
22 lation of the school district ADMw for grants distributed under ORS 327.195;
23 and

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

26 “(5)(a) For the purpose of preparing a grant application, an eligible ap-
27 plicant must determine:

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

30 “(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

1 student mental and behavioral health needs.

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

4 “(A) Meet students’ mental and behavioral health needs;

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

7 “(C) Reduce academic disparities for student groups identified in [ORS
8 327.180 (2)(b)] **section 2 (11) of this 2025 Act** who are served by the eligible
9 applicant, and identify which of those student groups will benefit from the
10 allowed uses that are being funded with grant moneys.

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

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

15 “(A) Provision of the plan at the main office of the eligible applicant and
16 on the eligible applicant’s website;

17 “(B) Oral presentation of the plan by an administrator of the eligible ap-
18 plicant to the governing body of the eligible applicant; and

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

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

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

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

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

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

1 **“SECTION 14.** ORS 327.190 is amended to read:

2 “327.190. [(1) As used in this section:]

3 “[(a) ‘Disaggregated’ means separated based on the student groups identi-
4 fied in ORS 327.180 (2)(b).]

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

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

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

15 “[(e) ‘On-time graduation rate’ means the percentage of students who re-
16 ceived a high school diploma or a modified diploma within four years of the
17 students beginning the ninth grade.]

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

21 “[(g) ‘Third-grade reading proficiency rate’ means the percentage of stu-
22 dents in the third grade who are determined to be proficient or above in Eng-
23 lish language arts, as determined under rules adopted by the State Board of
24 Education.]

25 “[(2)] (1) The Department of Education shall review all applications for
26 grants from the Student Investment Account that comply with the require-
27 ments prescribed by ORS 327.185.

28 “[(3)] (2) If an application complies with the requirements of ORS 327.185,
29 the department shall:

30 **“(a) If the grant applicant has developed performance growth tar-**

gets 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

1 *grant recipient shall:]*

2 *“[(a) Review disaggregated student data;]*

3 *“[(b) Apply a process adopted by the department for the purpose of strate-*
4 *gically developing equitable policies and programs; and]*

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

7 *“[(6)(a)] (4)(a) After **confirming or** developing performance growth tar-*
8 *gets, the department and grant [recipient] **applicant** shall enter into a grant*
9 *agreement. The grant agreement must include applicable performance growth*
10 *targets for measuring the academic growth of the students of the grant re-*
11 *cipient.*

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

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

16 *“(B) Oral presentation of the plan by an administrator of the grant re-*
17 *cipient to the governing body of the grant recipient; and*

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

20 *“[(7)] (5) Any agreements between a public charter school and a grant*
21 *recipient that is a school district shall become part of the grant agreement.*

22 **“SECTION 15.** ORS 327.201 is amended to read:

23 *“327.201. (1)(a) Each year, each recipient of a grant from the Student In-*
24 *vestment Account shall[:]*

25 *“[(A)] conduct a financial audit of the use of grant moneys that is pre-*
26 *pared in accordance with the Municipal Audit Law. [; and]*

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

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

30 *“(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*

1 *the performance growth targets were not met; and]*

2 *“[(B) The department may:]*

3 *“[(i) Take into consideration the explanation submitted by the grant recip-*
4 *ient;]*

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

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

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

10 *“[(5)(a)]* **(3)** Based on a review of the information received under sub-
11 section (1) of this section, the department may require a grant recipient to
12 conduct a financial audit on a specific funding area or multiple funding
13 areas.

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

17 **“SECTION 16.** ORS 327.208 is amended to read:

18 **“327.208. (1)** The Department of Education shall make available technical
19 assistance to eligible applicants, as defined in ORS 327.185, and to recipients
20 of a grant from the Student Investment Account. The technical assistance
21 shall include the provision of assistance with:

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

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

25 *“[(c) Identifying and implementing best practices for meeting performance*
26 *growth targets; and]*

27 *“[(d)]* **(c)** Identifying and implementing promising practices related to a
28 grant agreement.

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

30 **“(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;

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

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

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

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

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

9 “(m) Funding the Early Literacy Success School Grant program, as pro-
10 vided by ORS 327.833;

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

13 “(o) Funding any additional amounts for approved recovery schools, as
14 provided by rules of the State Board of Education adopted under ORS
15 327.029;

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

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

22 “(r) Funding costs incurred by the department in implementing this sec-
23 tion and ORS 327.175 to 327.235 and 327.274.

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

27 “(A) One percent of the total amount available for distribution to educa-
28 tion service districts in each biennium.

29 “(B) The education service district’s $ADM_w \times$ (the total amount avail-
30 able for distribution to education service districts in each biennium \div the

1 total ADMw of all education service districts that receive a distribution).

2 “(b) The amount of the distribution to an education service district shall
3 be the greater of the amounts calculated under paragraph (a) of this sub-
4 section, except that, for distributions made as provided by paragraph (a)(B)
5 of this subsection, the total amount available for distribution to education
6 service districts shall be the amount remaining after any distributions re-
7 quired under paragraph (a)(A) of this subsection have been made.

8 “(c) For purposes of this subsection, ADMw equals the ADMw as calcu-
9 lated under ORS 327.013, except that the additional amount allowed for stu-
10 dents who are in poverty families, as determined under ORS 327.013
11 (1)(c)(A)(v)(I), shall be 0.5.

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

18 “(e) A plan developed under this subsection must:

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

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

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

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

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

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

7 “(B) Any charter school that is an eligible applicant, as defined in ORS
8 327.185; and

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

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

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

15 “(B) Includes an evaluation of the education service district’s compliance
16 with the plan from the superintendent of each school district that partic-
17 ipated in the development of the plan.

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

20 **“SECTION 18.** ORS 327.362 is amended to read:

21 “327.362. (1) As used in this section:

22 “(a) ‘ADMw’ means weighted average daily membership, as calculated
23 under ORS 327.013.

24 “(b) ‘Eligible public charter school’ means a public charter school that is
25 not a virtual public charter school, as defined in ORS 338.005, and that has
26 a student population of which at least 65 percent of the total student popu-
27 lation is composed of students from the following combined student groups:

28 “(A) Racial or ethnic groups that have historically experienced academic
29 disparities, as described in [ORS 327.180 (2)(b)(B)] **section 2 (11)(b) of this**
30 **2025 Act**; and

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

3 “(2) In addition to those moneys distributed through the State School
4 Fund, the Department of Education shall award grants under this section to
5 eligible public charter schools from the Statewide Education Initiatives Ac-
6 count.

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

10 “(a) The amount of the General Purpose Grant per ADMw for the school
11 district that has contractually established payment for the provision of edu-
12 cational services to the public charter school’s students under ORS 338.155
13 (2) or (3); and

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

17 “(4) The purpose of grants distributed under this section shall be to in-
18 crease academic achievement, including reducing academic disparities, for:

19 “(a) Students from racial or ethnic groups that have historically experi-
20 enced academic disparities, as determined under rules adopted by the State
21 Board of Education; and

22 “(b) Students with disabilities.

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

25 “(a) Describe how grant moneys will be used to advance the purpose de-
26 scribed in subsection (4) of this section.

27 “(b) Specify the supports that will be:

28 “(A) Provided to students with a disability; or

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

1 charter school.

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

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

6 “(B) By the public charter school or the school district in which the
7 public charter school is located for purposes of grants from the Student In-
8 vestment Account, as provided by ORS 327.190.

9 “(d) Be submitted based on the timelines and forms prescribed by the de-
10 partment.

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

14 “(b) A grant agreement must include longitudinal performance growth
15 targets for the public charter school. If the grant application identified lon-
16 gitudinal performance growth targets, those targets shall be included in the
17 grant agreement. If the grant application did not identify longitudinal per-
18 formance growth targets, the public charter school shall collaborate with the
19 department to develop longitudinal performance growth targets. Longitudi-
20 nal performance growth targets must:

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

22 “(B) Use the following applicable metrics:

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

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

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

29 “(7) After the department and the public charter school have entered into
30 a grant agreement, the department shall award a grant to the public charter

1 school in the amount calculated under subsection (3) of this section. A grant
2 recipient shall deposit grant moneys received under this section into a sep-
3 arate account and shall apply the amounts in that account as provided by
4 the grant agreement.

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

7 “(A) How grant moneys received under this section were used to advance
8 the purpose described in subsection (4) of this section and to meet perform-
9 ance growth targets in the grant agreement; and

10 “(B) Progress made by the grant recipient toward meeting the perform-
11 ance growth targets in the grant agreement.

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

17 “(9) To the greatest extent practicable, any requirements prescribed by
18 the department or the board under this section in relation to an application,
19 a grant agreement or the submission of information under subsection (8) of
20 this section shall reduce any redundancies between a grant awarded under
21 this section and a grant awarded from the Student Investment Account. Re-
22 duction in redundancies includes accepting for the purposes of grants
23 awarded under this section any applicable forms or information submitted
24 by the public charter school to the department or a school district for the
25 purposes of a grant awarded from the Student Investment Account.

26 “(10) A public charter school and a school district may not consider
27 moneys received by the public charter school under this section when es-
28 tablishing payment for the provision of educational services to the public
29 charter school’s students under ORS 338.155 (2) or (3).

30 “(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.

1 “(2) As part of setting local goals, school districts shall undertake a
2 communications process that involves parents, students, teachers, school
3 employees, the educational equity advisory committee and community repre-
4 sentatives to explain and discuss the local goals and their relationship to
5 programs under this chapter.

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

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

10 “(a) Goals to implement the following:

11 “(A) A rigorous curriculum aligned with state standards;

12 “(B) High-quality instructional programs;

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

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

15 “(E) A plan for family and community engagement;

16 “(F) Staff leadership development;

17 “(G) High-quality data systems;

18 “(H) Improvement planning that is data-driven;

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

21 “(J) A strong school library program;

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

24 “(c) A description of district efforts to achieve local efficiencies and ef-
25 forts to make better use of resources; and

26 “(d) A needs assessment, which shall:

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

30 “(B) Address the following priorities:

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

2 “(ii) Meeting students’ mental or behavioral health needs;

3 “(iii) Providing equitable access to academic courses across the school
4 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)**
5 **of this 2025 Act**;

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

7 “(I) Collaborate with other teachers and staff;

8 “(II) Review data on students’ grades, absences and discipline, based on
9 school and on grade level or course; and

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

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

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

20 “336.680. (1) As used in this section, ‘approved recovery school’ means a
21 school that is under an agreement with the Department of Education to
22 provide students enrolled in the school with a holistic approach to:

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

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

25 “(2) The department shall provide or cause to be provided appropriate
26 education for students enrolled in an approved recovery school. For the
27 purpose of paying the costs of providing education to students enrolled in
28

1 an approved recovery school, the Superintendent of Public Instruction shall
2 make the following:

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

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

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

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

22 “(a) The recovery school must align, to the extent identified by the board,
23 with standards for accreditation established by a nonprofit accrediting or-
24 ganization composed of representatives of recovery schools and individuals
25 who support the growth of recovery schools. The standards must include re-
26 quirements that:

27 “(A) The recovery school, in compliance with timelines established by the
28 department, be accredited by a nonprofit accrediting organization that es-
29 tablishes standards for recovery schools. Nothing in this subparagraph re-
30 quires the recovery school to be accredited at the time the superintendent

1 first enters into a contract with the recovery school.

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

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

12 “(D) The school district, education service district or public charter
13 school with which the department has entered into a contract for a recovery
14 school must agree to award high school diplomas, modified diplomas, ex-
15 tended diplomas and alternative certificates as provided by ORS 329.451 and
16 339.877. An entity that awards high school diplomas as provided by this
17 subparagraph:

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

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

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

28 “(F) All administrators and teachers at the recovery school must be li-
29 censed by the Teacher Standards and Practices Commission.

30 “(G) An approved recovery school is not required to comply with the en-

rollment 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.

1 “(9) For the purposes of administering this section:

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

3 “(b) The department shall collaborate with the Oregon Health Authority,
4 the Youth Development Division, the Alcohol and Drug Policy Commission,
5 the Oregon Youth Authority, the Department of Human Services and local
6 public health and mental health authorities or providers and shall coordi-
7 nate, to the greatest extent practicable, funding of services provided in re-
8 lation to approved recovery schools.

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

12 “(a) The interim committees of the Legislative Assembly related to edu-
13 cation; and

14 “(b) The advisory committee convened under ORS 336.685.

15 **“SECTION 21.** Section 2, chapter 6, Oregon Laws 2024, is amended to
16 read:

17 **“Sec. 2.** (1) The Department of Education shall establish and administer
18 the Summer Learning Grant program.

19 “(2) Under the grant program, the department shall award grants for
20 summer learning programs that are provided to incoming kindergarten stu-
21 dents through outgoing grade 12 students. A summer learning program is
22 eligible for a grant if the program meets all three of the following require-
23 ments:

24 “(a) The program provides academic enrichment by:

25 “(A) Using a variety of learning strategies that align with academic con-
26 tent standards adopted under ORS 329.045 and focused on mathematics, sci-
27 ence, language arts or personal financial education and that, when
28 appropriate, assist with credit recovery; and

29 “(B) As appropriate, assisting with school readiness and providing tran-
30 sition supports prior to kindergarten, prior to middle school, through the

1 middle and high school grades or after high school graduation.

2 “(b) The program provides youth development by using a broad array of
3 well-rounded enrichment opportunities that:

4 “(A) Include hands-on, inquiry-based and project-based learning, which
5 may include access to the arts; and

6 “(B) Support students’ mental, emotional and social well-being.

7 “(c) The program provides equitable access, outreach and engagement by:

8 “(A) Using culturally and linguistically responsive approaches to student
9 academic success and well-being; and

10 “(B) Engaging families as partners in students’ academic success.

11 “(3) In addition to the requirements prescribed by subsection (2) of this
12 section, a summer learning program must be provided for a minimum of 80
13 total hours for each session of the program. Calculations made under this
14 subsection may include hours provided by an entity with which a partnership
15 has been entered, as described in subsection (4)(c) of this section.

16 “(4)(a) Any school district, education service district or public charter
17 school, or any combination thereof, may apply to receive a grant under this
18 section for a summer learning program.

19 “(b) The department shall award a grant to an applicant based on whether
20 the applicant meets the requirements for the grant. An application for a
21 grant must include:

22 “(A) A description of the summer learning program and how the program
23 satisfies the requirements described in subsections (2) and (3) of this section.

24 “(B) Documentation that the applicant has a plan for summer learning,
25 which may include:

26 “(i) A plan developed under ORS 327.185 to receive a grant from the
27 Student Investment Account;

28 “(ii) An early literacy success plan developed under ORS 327.831 to re-
29 ceive a grant under the Early Literacy Success School Grant program;

30 “(iii) A plan developed under ORS 327.883 to receive a grant under the

1 High School Graduation and College and Career Readiness Act; or

2 “(iv) A plan developed as required to receive federal funding, as identified
3 by the State Board of Education by rule.

4 “(C) A description of how the grant will be used with other funding
5 sources available to the applicant.

6 “(c)(A) An applicant for a grant may enter into a partnership with one
7 or more entities to provide a summer learning program that is funded by a
8 grant under this section.

9 “(B) Entities with which an applicant may enter into a partnership in-
10 clude a school district, an education service district, a federally recognized
11 Indian tribe in this state, a community-based organization, a unit of local
12 government as defined in ORS 190.003 or a local service district as defined
13 in ORS 174.116.

14 “(C) If an applicant applies for a grant based on a plan that includes a
15 partnership with an entity identified in subparagraph (B) of this paragraph,
16 the applicant must provide with the application a written letter of support
17 from the entity. The letter must include a description of services to be pro-
18 vided by the entity and the budget of the entity for the provision of those
19 services.

20 “(5)(a) The department shall award grants under this section based on a
21 formula established by the State Board of Education by rule.

22 “(b) When awarding grants, the department shall:

23 “(A) Prioritize funding for summer learning programs that serve student
24 groups that have historically experienced academic disparities, as [*described*
25 *in ORS 327.180 (2)(b)*] **identified in section 2 (11) of this 2025 Act.**

26 “(B) Encourage and support partnerships with entities identified in sub-
27 section (4)(c)(B) of this section to provide expanded learning opportunities
28 during nonschool hours.

29 “(c) The department shall establish the process and timelines for awarding
30 a grant under this section. The process must be communicated on the

department's website and be easily accessible by applicants.

“(6)(a) Grants awarded under this section may be used for all expenses related to:

“(A) Providing personnel and staffing for a summer learning program, including professional development.

“(B) Providing summer learning, including curriculum, technology and other supplies.

“(C) Contracting with third parties to provide a summer learning program.

“(D) Providing incentives and removing barriers to student participation in a summer learning program.

“(E) Providing facilities that will support and accommodate a summer learning program.

“(F) Providing student transportation for a summer learning program.

“(G) Providing nutritious snacks and meals to participants of a summer learning program.

“(H) Engaging family members in summer learning program activities.

“(b) As provided by rule of the State Board of Education, a recipient of a grant received under this section may use a percentage of the grant moneys for administrative expenses. The rules shall:

“(A) Provide for the use of grant moneys for the administrative expenses of both the applicant and any entities with which the applicant has entered into a partnership to provide a summer learning program; and

“(B) Limit the percentage of grant moneys that may be used for administrative expenses, as allowed under subparagraph (A) of this paragraph, to no more than a total of 10 percent of the grant amount.

“(7) In administering the grant program, the department shall minimize administrative barriers for grant recipients while retaining accountability for resources allocated and spent. Recipients of a grant must provide to the department a report that includes:

1 “(a) The number and demographics of students served by the summer
2 learning program;

3 “(b) Activities of the summer learning program;

4 “(c) Information regarding staffing levels of the summer learning program
5 and training provided to staff of the summer learning program;

6 “(d) A description of how activities of the summer learning program sup-
7 ported the requirements described in subsection (2) of this section; and

8 “(e) A report on three or more of the following outcome areas:

9 “(A) Perception surveys of the summer learning program, as provided by
10 students, staff and families;

11 “(B) Qualitative data and stories of impact for the summer learning pro-
12 gram;

13 “(C) Credits earned by participants of the summer learning program, if
14 applicable;

15 “(D) Participation of the summer learning program provider in site visits,
16 interviews or focus groups; or

17 “(E) Summer learning program evaluations by a third party.

18 “(8) The State Board of Education may adopt any rules necessary for the
19 administration of this section.

20 **“SECTION 22.** ORS 327.016 is amended to read:

21 “327.016. (1) The Department of Education shall prepare an annual report
22 that:

23 “(a) Identifies the total amounts that are:

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

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

30 “(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

1 **“SECTION 24.** ORS 329.485 is amended to read:

2 “329.485. (1) As used in this section:

3 “(a) ‘Content-based assessment’ means testing of the understanding of a
4 student of a predetermined body of knowledge.

5 “(b) ‘Criterion-referenced assessment’ means testing of the knowledge or
6 ability of a student with respect to some standard.

7 “(c) ‘Performance-based assessment’ means testing of the ability of a stu-
8 dent to use knowledge and skills to create a complex or multifaceted product
9 or complete a complex task.

10 “(2)(a) The Department of Education shall implement statewide a valid
11 and reliable assessment system for all students that meets technical ade-
12 quacy standards. The assessment system shall include criterion-referenced
13 assessments including performance-based assessments, content-based assess-
14 ments, and other valid methods to measure the academic content standards
15 and to identify students who meet or exceed the standards.

16 “(b) The department shall develop the statewide assessment system in
17 mathematics, science, language arts, history, geography, economics and civ-
18 ics.

19 **“(c) The statewide assessment system must include the requirement**
20 **that school districts measure student performance growth during the**
21 **school year by administering an interim assessment as provided by**
22 **subsection (4)(b) of this section. For the purpose of this paragraph, the**
23 **State Board of Education shall adopt a list of no more than four ap-**
24 **proved interim assessments.**

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

30 “(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 **and the interim assessment**. In addition, school districts and public charter schools may implement the statewide assessment system in history, geography, economics and civics.

“(b) For the purposes of this section, 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 twice each school year, administer interim assessments selected under subparagraph (A) of this paragraph in mathematics and language arts; and

“(C) Review data collected from interim assessments administered as provided by subparagraph (B) of this paragraph:

“(i) At least twice 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 annually during a public meeting, for the superintendent of the school district, the school district board and, if applicable,

1 **the governing body of the public charter school.**

2 “[(b)] (c) School districts and public charter schools may choose to im-
3 plement the assessment system described in subsection (3) of this section.

4 “(5)(a) Each year the resident school district shall be accountable for de-
5 termining the student’s progress toward achieving the academic content
6 standards. Progress toward the academic content standards:

7 “(A) Shall clearly show the student and parents whether the student is
8 making progress toward meeting or exceeding the academic content stan-
9 dards at the student’s current grade level or course content level;

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

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

15 “(b) School districts shall determine the method and format for showing
16 student progress toward achieving the academic content standards. Commu-
17 nications on student progress shall include a reasonable number, as deter-
18 mined by the school district, of academic knowledge and skills in a content
19 area to enable parents and students to understand a student’s progress to-
20 ward meeting or exceeding the academic content standards. No more than
21 three indicators of academic knowledge and skills per content area reporting
22 category shall be required as provided by this section. A school district may
23 use more than three indicators of academic knowledge and skills per content
24 area reporting category if the school district implements a proficiency edu-
25 cation system as provided by ORS 329.119.

26 “(6) In addition to the requirements described in subsection (5) of this
27 section, the school district shall adopt and implement a reporting system
28 based on the school district board adopted course content of the school
29 district’s curriculum. The reporting system:

30 “(a) Shall clearly show the student and parents whether the student is

1 achieving course requirements at the student's current grade level or course
2 content level;

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

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

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

11 “(8) If the student to whom additional services or alternative educational
12 options have been made available does not meet or exceed the academic
13 content standards within one year, the school district, with the consent of
14 the parents, shall make an appropriate placement, which may include an al-
15 ternative education program or the transfer of the student to another public
16 school in the school district or to a public school in another school district
17 that agrees to accept the student. The school district that receives the stu-
18 dent shall be entitled to payment. The payment shall consist of:

19 “(a) An amount equal to the school district's expenses from its local rev-
20 enues for each student in average daily membership, payable by the resident
21 school district in the same year; and

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

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

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

30 **“(3) The amendments to ORS 329.485 by section 24 of this 2025 Act**

1 **first apply to the 2026-2027 school year.**

2
3 **“CURRICULA STANDARDS**

4
5 **“SECTION 26.** ORS 327.837 is amended to read:

6 “327.837. (1) Based on the reports submitted under ORS 327.835, the De-
7 partment of Education shall monitor a school district’s or a public charter
8 school’s progress toward achieving the goals established in the early literacy
9 success plan, as described in ORS 327.831 (3).

10 “(2) The department shall intervene when a school district or public
11 charter school does not meet the goals established in the early literacy suc-
12 cess plan.

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

15 “(a) Shall assist the school district or the public charter school in devel-
16 oping a corrective action plan; *[and]*

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

22 **“(c) May require the school district or public charter school to**
23 **adopt textbooks or other instructional materials from the list of text-**
24 **books and other instructional materials adopted by the State Board**
25 **of Education under ORS 337.050 for early literacy; and**

26 **“(d) May require the school district or public charter school to**
27 **participate in school or school district training or improvement activ-**
28 **ities, as identified by the department.**

29 “(4) An intervention and corrective action plan shall continue until the
30 school district or public charter school makes sufficient and sustained

1 progress toward achieving the goals established in the early literacy success
2 plan. The department shall determine when sufficient and sustained progress
3 has been achieved.

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

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

10
11 **“REDUCTION OF REDUNDANCIES**

12
13 **“SECTION 28. (1) The Department of Education shall study the re-**
14 **porting requirements imposed on school districts, as defined in section**
15 **2 of this 2025 Act.**

16 **“(2) As part of the study conducted under this section, the depart-**
17 **ment shall identify:**

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

19 **“(b) State reporting requirements that can be decreased in fre-**
20 **quency, eliminated or consolidated;**

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

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

26 **“(3) The department shall submit a report on the study conducted**
27 **under this section in the manner provided by ORS 192.245, and may**
28 **include recommendations for legislation, to the interim committees**
29 **of the Legislative Assembly related to education no later than De-**
30 **cember 15, 2026.**

1 **“SECTION 29.** Section 28 of this 2025 Act is repealed on January 2,
2 **2027.**

3
4 **“DISTRICT STANDARDS**

5
6 **“SECTION 30.** (1) The Department of Education shall contract with
7 **a public or private entity to review the administrative rule require-**
8 **ments that must be met for a school district to be considered standard**
9 **under ORS 327.103 or an education service district to be considered**
10 **standard under ORS 334.217.**

11 **“(2) When conducting the review under subsection (1) of this sec-**
12 **tion, the entity shall identify:**

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

15 **“(b) Standards that make less significant contributions to the sup-**
16 **port of student outcomes and can be removed.**

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

18 **“(d) A process for a parent of a student to submit a complaint about**
19 **noncompliance with a standard, including timelines for investigating**
20 **and resolving the complaint. The process may require the parent to**
21 **first attempt to resolve the complaint with the district when the**
22 **complaint involves specified types of standards.**

23 **“(3) The department shall submit a report on the review required**
24 **under this section in the manner provided by ORS 192.245, and may**
25 **include recommendations for legislation, to the interim committees**
26 **of the Legislative Assembly related to education no later than De-**
27 **cember 15, 2026.**

28 **“SECTION 31.** Section 30 of this 2025 Act is repealed on January 2,
29 **2027.**

30 **“SECTION 32.** ORS 326.051 is amended to read:

1 “326.051. Subject to ORS 417.300 and 417.305:

2 “(1) In addition to such other duties as are prescribed by law and pursu-
3 ant to the requirement of ORS chapter 183, the State Board of Education
4 shall:

5 “(a) Establish **and enforce** state standards for public kindergartens and
6 public elementary and secondary schools consistent with the policies stated
7 in ORS 326.011, **including providing a process for a parent of a student**
8 **to file a complaint about noncompliance with a standard.**

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

11 “(c) Prescribe required or minimum courses of study.

12 “(d) Adopt rules for public kindergartens and public elementary and sec-
13 ondary schools consistent with the policy stated in ORS 342.437.

14 “(e) Adopt rules regarding school and interscholastic activities.

15 “(f) Adopt rules that provide that no public elementary or secondary
16 school shall discriminate in determining participation in interscholastic ac-
17 tivities. As used in this paragraph, ‘discrimination’ has the meaning given
18 that term in ORS 659.850.

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

22 “(2) The State Board of Education may:

23 “(a) Consistent with the laws of this state, accept money or property not
24 otherwise provided for under paragraph (b) of this subsection, which is do-
25 nated for the use or benefit of the public kindergartens and public elemen-
26 tary and secondary schools and use such money or property for the purpose
27 for which it was donated. Until it is used, the board shall deposit any money
28 received under this paragraph in a special fund with the State Treasurer as
29 provided in ORS 293.265 to 293.275.

30 “(b) Apply for federal funds, accept and enter into any contracts or

1 agreements on behalf of the state for the receipt of funds from the federal
2 government or its agencies and disburse or expend the federal funds as pro-
3 vided by ORS 327.128. This paragraph applies to federal funds to be used for:

4 “(A) Educational purposes, including but not limited to any funds avail-
5 able for the school lunch program;

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

8 “(C) Any grants available to the state or its political subdivisions for
9 general federal aid for public kindergartens, public elementary schools and
10 public secondary schools and their auxiliary services, improvement of
11 teacher preparation, teacher salaries, construction of school buildings, ad-
12 ministration of the Department of Education and any other educational ac-
13 tivities under the jurisdiction of the State Board of Education.

14 “(c) Adopt rules to administer the United States Department of
15 Agriculture’s National School Lunch Program and School Breakfast Program
16 for public and private prekindergarten through grade 12 schools and resi-
17 dential child care facilities.

18 **“SECTION 33.** ORS 334.217 is amended to read:

19 “334.217. (1) The State Board of Education by rule shall establish **and**
20 **enforce** standards to determine the adequacy of services and facilities pro-
21 vided by the education service districts. In establishing such standards, the
22 state board shall:

23 “(a) Consider the most economic method of providing services and facili-
24 ties, the quality of the services and facilities according to the best educa-
25 tional standards, and the needs of the students[.]; **and**

26 “(b) **Provide a process for a parent of a student to file a complaint**
27 **about noncompliance with a standard.**

28 “(2) When the Superintendent of Public Instruction determines pursuant
29 to rule that an education service district is nonstandard, the district desig-
30 nated nonstandard shall file a plan to meet standards over a specified period

1 of time. The Superintendent of Public Instruction may accept, reject or
2 modify the plan and order the nonstandard district to comply with the plan
3 as approved by the superintendent. Once a plan is approved, the district shall
4 be conditionally standard until all deficiencies are corrected. If a district
5 corrects all deficiencies, the district shall be designated as standard. The
6 district shall have 180 days from the date the plan is accepted to make all
7 corrections. After that time, the Superintendent of Public Instruction may
8 impose sanctions on the district if the district has not made the necessary
9 corrections.

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

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

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

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

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

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

19 “(f) Dissolution of the education service district.

20 **“SECTION 34. (1) The amendments to ORS 326.051 and 334.217 by**
21 **sections 32 and 33 of this 2025 Act become operative on July 1, 2026.**

22 **“(2) When adopting rules for the purposes of determining how to**
23 **enforce standards and of providing a complaint process for a parent**
24 **to file a complaint about noncompliance with a standard, including the**
25 **timelines for the investigation and resolution of a complaint, the State**
26 **Board of Education shall take into consideration the review conducted**
27 **as provided by section 30 of this 2025 Act.**

28
29 **“DEPARTMENT OF EDUCATION REPORT**
30

1 **“SECTION 35.** No later than December 15, 2025, the Department of
2 **Education shall submit a report in the manner provided by ORS 192.245**
3 **to the interim committees of the Legislative Assembly related to edu-**
4 **cation. The report must provide a summary of:**

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

7 **“(a) Improve grant consolidation, data collection and public trans-**
8 **parency;**

9 **“(b) Improve internal operations; and**

10 **“(c) Elevate best practices and responsive support for school dis-**
11 **tricts.**

12 **“(2) The status on the implementation of the provisions of this 2025**
13 **Act.**

14 **“SECTION 36.** Section 35 of this 2025 Act is repealed on January 2,
15 **2026.**

16
17 **“MISCELLANEOUS**
18

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

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