HB 2009-2 (LC 4520) 3/31/25 (HRS/ps)

Requested by Representative FAHEY

PROPOSED AMENDMENTS TO HOUSE BILL 2009

In line 2 of the printed bill, after "education" insert "; creating new provisions; amending ORS 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 and 336.680 and section 2, chapter 6, Oregon Laws 2024; repealing ORS 327.214 and 337.065; and declaring an emergency".

6 Delete lines 4 through 8 and insert:

- 7
- 8
- 9

"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.

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

13 "(1) 'Disaggregated' means separated based on student group.

"(2) 'Eighth-grade mathematics proficiency rate' means the per centage 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 en rolled.

18 "(9) 'Regular early-grade attendance rate' means the percentage of 19 students in kindergarten through grade two who are absent, as deter-20 mined by Department of Education policy, for less than 10 percent of 21 the school days for which the students are enrolled.

22 "(10) 'School district' means:

23 "(a) A common school district or a union high school district;

24 "(b) A public charter school;

25 "(c) An approved recovery school;

²⁶ "(d) The Youth Corrections Education Program;

27 "(e) The Juvenile Detention Education Program;

28 "(f) The Oregon School for the Deaf; or

"(g) Eligible day treatment programs and eligible residential treat ment programs for education services to children who are in treat-

1 ment programs as described in ORS 343.961.

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

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

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

8 "(c) Students with disabilities;

9 "(d) Students who are English language learners;

10 "(e) Students who are foster children, as defined in ORS 30.297;

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

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

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

20 "<u>SECTION 3.</u> (1) Each school district that receives moneys from the 21 State School Fund shall measure outcomes of the students of the 22 school district as provided by this section.

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

- 25 "(A) On-time graduation rate;
- 26 **"(B) Five-year completion rate;**
- 27 "(C) Ninth-grade on-track rate;
- ²⁸ "(D) Eighth-grade mathematics proficiency rate;
- 29 "(E) Third-grade reading proficiency rate;
- 30 "(F) Regular attendance rate;

- 1 "(G) Regular early-grade attendance rate; and
- 2 "(H) Local metric rates.
- 3 **"(b)** For the purpose of this subsection:

4 "(A) The board shall develop a list of no more than three local
5 metrics; and

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

- 8 "(3) Based on the statewide metric targets developed under sub-9 section (2) of this section, the Department of Education shall establish 10 metric targets for similar school districts, as determined by the de-11 partment. The metric targets for similar school districts shall include:
- 12 "(a) On-time graduation rates, including:
- 13 "(A) The overall on-time graduation rate.
- 14 "(B) Gaps in disaggregated on-time graduation rates.
- 15 **"(b) Five-year completion rates, including:**
- 16 "(A) The overall five-year completion rate.
- 17 "(B) Gaps in disaggregated five-year completion rates.
- 18 "(c) Ninth-grade on-track rates, including:
- 19 "(A) The overall ninth-grade on-track rate.
- 20 "(B) Gaps in disaggregated ninth-grade on-track rates.
- ²¹ "(d) Eighth-grade mathematics proficiency rates, including:
- ²² "(A) The overall eighth-grade mathematics proficiency rate.
- "(B) Gaps in disaggregated eighth-grade mathematics proficiency
 rates.
- ²⁵ "(e) Third-grade reading proficiency rates, including:
- ²⁶ "(A) The overall third-grade reading proficiency rate.
- ²⁷ "(B) Gaps in disaggregated third-grade reading proficiency rates.
- ²⁸ "(f) Regular attendance rates, including:
- 29 "(A) The overall regular attendance rate.
- 30 "(B) Gaps in disaggregated regular attendance rates.

- 1 "(g) Regular early-grade attendance rates, including:
- 2 "(A) The overall regular early-grade attendance rate.
- 3 "(B) Gaps in disaggregated regular early-grade attendance rates.
- 4 "(h) Local metric rates, including:
- 5 "(A) The overall local metric rate.
- 6 "(B) Gaps in disaggregated local metric rates.

"(4) The department shall collaborate with each school district to
develop performance growth targets for the school district to make
progress toward meeting the metric targets established under subsection (3) of this section. The performance growth targets must:

- 11 "(a) Be based on data available for longitudinal analysis; and
- 12 "(b) Be developed based on guidance established by the department.

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

15 "(a) Review disaggregated student data;

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

"(c) Identify which student groups are most at risk of not meeting
 performance growth targets.

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

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

"<u>SECTION 4.</u> The requirements of section 3 of this 2025 Act related
 to the development of performance growth targets first apply to the
 2025-2026 school year.

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

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

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

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

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

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

15 "(c) Provided to the Department of Education.

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

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

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

"(a) After two years of not meeting the performance growth targets, the school district must accept coaching and support from the
department. Through the coaching, the department shall advise and
counsel a school district on how to meet performance growth targets

and shall assist a school district with ongoing professional develop ment and peer collaboration.

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

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

15 "(A) The State School Fund as follows:

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

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

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

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

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

"(vi) For the Oregon School for the Deaf, the amount received un der ORS 343.243.

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

30 "(B) Grants awarded from the Student Investment Account under

1 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.

5 "(6) For the purpose of prescribing the uses of the moneys identified 6 in subsection (4)(c) of this section, the department shall present the 7 proposed uses of the moneys to the governing body of the school dis-8 trict at an open meeting of the governing body.

9 "(7)(a) The department may find a school district to be nonstandard
10 if the school district does not comply with the provisions prescribed
11 by subsection (4) of this section.

"(b) If the department finds a school district to be nonstandard
 under paragraph (a) of this subsection, the department:

"(A) Shall support the school district in creating differentiated
 performance growth targets; and

"(B) May impose sanctions authorized under ORS 327.103 or 334.217
 or as otherwise allowed under rule of the State Board of Education.

18 "(8) The State Board of Education shall adopt by rule timelines and 19 criteria for reconsideration of whether a school district shall remain 20 subject to the provisions of subsection (4) of this section. The criteria 21 may include a determination by the department that the school dis-22 trict is making satisfactory progress, as defined by rule, toward 23 meeting performance growth targets.

24 "SECTION 6. (1) The review of a school district's progress toward 25 meeting performance growth targets under section 5 (3) of this 2025 26 Act shall first be made based on the 2026-2027 school year and a school 27 district may first be required to accept coaching and support under 28 section 5 (4)(a) of this 2025 Act for the 2028-2029 school year.

"(2) Notwithstanding subsection (1) of this section, a school district
 that had agreed to participate in the intensive program under ORS

1 327.222 prior to the effective date of this 2025 Act:

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

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

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

10 "SECTION 8. ORS 327.222 is amended to read:

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

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

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

²⁰ "[(3) A school district that agrees to participate in the intensive program ²¹ shall be eligible for additional funding from the Statewide Education Initi-²² atives Account. The additional funding shall be based on rules adopted by the ²³ State Board of Education and shall be calculated based on the ADMw of the ²⁴ school district, as calculated under ORS 327.195.]

²⁵ "[(4)] (2) A school district that [agrees to participate] participates in the ²⁶ intensive coaching program shall:

"(a) Commit to regular student success plan meetings to monitor prac tices;

29 "(b) Use data to track student progress;

30 "(c) Ensure school employees receive appropriate professional develop-

1 ment and training;

2 "(d) Create safe and inclusive learning environments;

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

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

6 "[(5)] (3)(a) For the purpose of assisting school districts participating in 7 the intensive coaching program, the department shall establish student 8 success teams.

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

"(A) Led by a person who has at least seven years of relevant ex perience, as determined by the department, in kindergarten through
 grade 12 education, community organizing or systems changes through
 continuous improvement; and

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

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

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

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

²³ "(B) Develop recommendations for meeting performance growth targets.

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

"(A) Accept all recommendations of the student success teams related to the use of **State School Fund moneys**, Student Investment Account grant moneys and additional funding received under this section. A school district that does not accept the recommendations made under this subparagraph is not eligible for additional funding under this section. 1 "(B) Consider, and may accept, all recommendations of the student suc-2 cess teams not described in subparagraph (A) of this paragraph.

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

5 "(A) Describes the recommendations;

6 "(B) Identifies the recommendations that will be implemented and the 7 timelines for implementing the recommendations; and

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

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

11 "(A) Made available at the school district's main office and on the school 12 district's website; and

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

¹⁵ **"SECTION 9.** ORS 327.224 is amended to read:

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

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

"(a) Moneys transferred to the account from the Statewide Education In itiatives Account;

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

²³ "(c) Other amounts deposited into the account from any source.

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

²⁹ "SECTION 10. ORS 327.235 is amended to read:

30 "327.235. The Department of Education shall make a report to the com-

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

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

9 "(2) For school districts and grant recipients, include a comparison of 10 the school district's or grant recipient's progress toward meeting perform-11 ance growth targets compared with the actual performance growth targets 12 [established] developed by the department for the following:

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

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

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

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

"(e) Local metrics rates, including the overall rate and the disag gregated student group rates; and

²⁵ "[(e)] (f) Any optional local metrics or any targets related to student ²⁶ mental and behavioral health needs established by the State Board of Edu-²⁷ cation for purposes of ORS 327.175 to 327.235.

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

30 (2) The Department of Education shall make the first report re-

1	quired under ORS 327.235, as amended by section 10 of this 2025 Act,
2	no later than February 1, 2028, based on the 2026-2027 school year.
3	
4	"ALIGNMENT WITH OTHER PROGRAMS
5	
6	"SECTION 12. ORS 327.180 is amended to read:
7	"327.180. (1) In addition to those moneys distributed through the State
8	School Fund, the Department of Education shall award grants from the
9	Student Investment Account. Grants shall be distributed as provided under
10	ORS 327.195.
11	"(2) The purposes of grants distributed under ORS 327.195 shall be to:
12	"(a) Meet students' mental or behavioral health needs; and
13	"(b) Increase academic achievement for students, including reducing aca-
14	demic disparities for each student group identified in section 2 (11) of
15	this 2025 Act.[:]
16	"[(A) Economically disadvantaged students, as determined based on rules
17	adopted by the State Board of Education;]
18	"[(B) Students from racial or ethnic groups that have historically experi-
19	enced academic disparities, as determined under rules adopted by the State
20	Board of Education;]
21	"[(C) Students with disabilities;]
22	"[(D) Students who are English language learners;]
23	"[(E) Students who are foster children, as defined in ORS 30.297;]
24	"[(F) Students who are homeless, as determined under rules adopted by the
25	State Board of Education; and]
26	"[(G) Any other student groups that have historically experienced academic
27	disparities, as determined by the State Board of Education by rule.]
28	"(3) Grant moneys received under ORS 327.195 may be used by a grant
29	recipient only for:
30	"(a) Increasing instructional time, which may include:

- 1 "(A) More hours or days of instructional time;
- 2 "(B) Summer programs;
- 3 "(C) Before-school or after-school programs; or

4 "(D) Technological investments that minimize class time used for assess-5 ments administered to students.

6 "(b) Addressing students' health or safety needs, which may include:

7 "(A) Social-emotional learning and development;

8 "(B) Student mental and behavioral health;

9 "(C) Improvements to teaching and learning practices or organizational 10 structures that lead to better interpersonal relationships at the school;

11 "(D) Student health and wellness;

12 "(E) Trauma-informed practices;

13 "(F) School health professionals and assistants; or

"(G) Facility improvements directly related to improving student healthor safety.

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

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

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

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

²⁶ "(C) Broadened curricular options at all grade levels, including access to:

27 "(i) Art, music and physical education classes;

²⁸ "(ii) Science, technology, engineering and mathematics education;

29 "(iii) Career and technical education, including career and technical stu-30 dent organization programs and payment of student fees, costs and instruc1 tors of those programs;

2 "(iv) Electives that are engaging to students;

3 "(v) Accelerated college credit programs, including dual credit programs,

4 International Baccalaureate programs and advanced placement programs;

5 "(vi) Dropout prevention programs and transition supports;

6 "(vii) Life skills classes; or

7 "(viii) Talented and gifted programs; or

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

9 "SECTION 13. ORS 327.185 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 "(i) The ADMw of the public charter school may not be used in the cal-

culation of the school district ADMw for grants distributed under ORS
 327.195; and

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

5 "(C) If a public charter school participates in a grant application and 6 grant agreement under this subsection:

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

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

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

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

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

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

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

²⁵ "(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.

³⁰ "(6)(a) The strategic planning required under subsection (5) of this section

1 must include:

² "(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

7 "(C) The creation of budgets for the allowed uses that would be funded8 by grant moneys.

9 "(b) The strategic planning required under subsection (5) of this section 10 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 appli-cant to make equity-based decisions.

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

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

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

²⁴ "(A) Meet students' mental and behavioral health needs;

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

"(C) Reduce academic disparities for student groups identified in [ORS 327.180 (2)(b)] section 2 (11) of this 2025 Act who are served by the eligible applicant, and identify which of those student groups will benefit from the allowed uses that are being funded with grant moneys. 1 "(c) Include the budgets for the allowed uses to be funded with grant 2 moneys.

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

5 "(A) Provision of the plan at the main office of the eligible applicant and 6 on the eligible applicant's website;

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

9 "(C) Opportunity for the public to comment on the plan at an open 10 meeting.

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

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

¹⁶ "(a) A completed needs assessment, as described in ORS 329.095;

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

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

²¹ **"SECTION 14.** ORS 327.190 is amended to read:

22 "327.190. [(1) As used in this section:]

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

²⁵ "[(b) 'Five-year completion rate' means the percentage of students who re-²⁶ ceived a high school diploma, a modified diploma or an extended diploma or ²⁷ who received a certificate for passing an approved high school equivalency test ²⁸ such as the General Educational Development test (GED) within five years of ²⁹ the student beginning the ninth grade.]

30 "[(c) 'High school diploma' means a diploma that is awarded to a student

1 upon satisfaction of the requirements prescribed by ORS 329.451 (2).]

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

5 "[(e) 'On-time graduation rate' means the percentage of students who re-6 ceived a high school diploma or a modified diploma within four years of the 7 students beginning the ninth grade.]

8 "[(f) 'Regular attendance rates' means the percentage of students who are 9 absent, as determined by Department of Education policy, for less than 10 10 percent of the school days for which the students are enrolled.]

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

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

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

"(a) If the grant applicant has developed performance growth 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:*]

²⁸ "[(a) Be based on data available for longitudinal analysis;]

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

30 "[(c) Use the following applicable metrics:]

- 1 "[(A) On-time graduation rates and five-year completion rates, including:]
- 2 "[(i) The overall on-time graduation rate and five-year completion rate.]
- 3 "[(ii) Gaps in disaggregated on-time graduation rates and five-year com4 pletion rates.]
- 5 "[(B) Ninth-grade on-track rates, including:]
- 6 "[(i) The overall ninth-grade on-track rate.]
- 7 "[(ii) Gaps in disaggregated ninth-grade on-track rates.]
- 8 "[(C) Third-grade reading proficiency rates, including:]
- 9 "[(i) The overall third-grade reading proficiency rate.]
- 10 "[(*ii*) Gaps in disaggregated third-grade reading proficiency rates.]
- 11 "[(D) Regular attendance rates, including:]
- 12 "[(i) The overall regular attendance rate.]
- 13 "[(*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:
- 17 "(a) Local metrics; and
- "(b) Targets related to student mental and behavioral health needs, as
 established by the State Board of Education by rule.
- 20 "[(5) When developing performance growth targets, the department and 21 grant recipient shall:]
- 22 "[(a) Review disaggregated student data;]
- 23 "[(b) Apply a process adopted by the department for the purpose of strate-24 gically developing equitable policies and programs; and]
- ²⁵ "[(c) Identify which student groups identified in ORS 327.180 (2)(b) are ²⁶ most at risk of not meeting performance growth targets.]
- "[(6)(a)] (4)(a) After confirming or developing performance growth targets, the department and grant [*recipient*] applicant shall enter into a grant agreement. The grant agreement must include applicable performance growth targets for measuring the academic growth of the students of the grant re-

1 cipient.

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

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

6 "(B) Oral presentation of the plan by an administrator of the grant re-7 cipient to the governing body of the grant recipient; and

8 "(C) Opportunity for the public to comment on the plan at an open9 meeting.

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

¹² "SECTION 15. ORS 327.201 is amended to read:

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

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

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

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

20 "(A) Made available at the main office of the grant recipient and on the 21 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

26 "(ii) Opportunity for the public to comment on the results at an open 27 meeting.

²⁸ "(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 1 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:

4 "(A) Collaborate with the grant recipient to identify and implement spe-5 cific interventions;

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

8 "(C) Direct amounts of future grant distributions for specific in9 vestments; or

10 "[(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.]

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

20 "[(A) The grant recipient may submit an explanation for the reasons why 21 the performance growth targets were not met; and]

22 "[(B) The department may:]

23 "[(i) Take into consideration the explanation submitted by the grant recip-24 ient;]

²⁵ "[(*ii*) Require the grant recipient to enter into a coaching program described ²⁶ in ORS 327.214; or]

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

28 "[(4) Each grant recipient must conduct a performance review every four 29 years, as required by standards adopted by the board by rule.]

(5)(a) (3) Based on a review of the information received under sub-

section (1) of this section, the department may require a grant recipient to
 conduct a financial audit on a specific funding area or multiple funding
 areas.

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

7 "SECTION 16. ORS 327.208 is amended to read:

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

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

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

"[(c) Identifying and implementing best practices for meeting performance
 growth targets; and]

"[(d)] (c) Identifying and implementing promising practices related to a
 grant agreement.

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

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

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

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

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

29 "327.254. (1) The Department of Education shall use moneys in the State-30 wide Education Initiatives Account to provide funding for statewide educa1 tion initiatives, including:

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

4 "(b) Expanding school breakfast and lunch programs;

5 "(c) Operating youth reengagement programs or providing youth reen-6 gagement services;

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

9 "(e) Developing and providing statewide equity initiatives, including any 10 statewide education plan developed and implemented by the department;

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

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

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

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

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

²³ "(k) Providing technical assistance, including costs incurred for:

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

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

²⁸ "(L) Funding public charter schools, as described in ORS 327.362;

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

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

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

6 "(p) Funding education service districts, as described in subsection (2) of 7 this section;

8 "(q) Funding the Youth Corrections Education Program and the Juvenile 9 Detention Education Program through the Juvenile Justice Education Fund 10 established under section 22, chapter 95, Oregon Laws 2024, when necessary 11 as provided by section 23, chapter 95, Oregon Laws 2024; and

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

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

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

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

²² "(b) The amount of the distribution to an education service district shall ²³ be the greater of the amounts calculated under paragraph (a) of this sub-²⁴ section, except that, for distributions made as provided by paragraph (a)(B) ²⁵ of this subsection, the total amount available for distribution to education ²⁶ service districts shall be the amount remaining after any distributions re-²⁷ quired under paragraph (a)(A) of this subsection have been made.

"(c) For purposes of this subsection, ADMw equals the ADMw as calculated under ORS 327.013, except that the additional amount allowed for students who are in poverty families, as determined under ORS 327.013

1 (1)(c)(A)(v)(I), shall be 0.5.

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

8 "(e) A plan developed under this subsection must:

9 "(A) Align with and support the meeting of performance growth targets 10 established for recipients of moneys under ORS 327.195 that are located 11 within the education service district;

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

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

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

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

²⁶ "(A) Common school districts and union high school districts;

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

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

1 "(g) Each education service district must submit an annual report to the 2 department that:

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

5 "(B) Includes an evaluation of the education service district's compliance 6 with the plan from the superintendent of each school district that partic-7 ipated in the development of the plan.

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

¹⁰ "SECTION 18. ORS 327.362 is amended to read:

11 "327.362. (1) As used in this section:

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

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

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

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

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

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

30 "(a) The amount of the General Purpose Grant per ADMw for the school

district that has contractually established payment for the provision of educational services to the public charter school's students under ORS 338.155
(2) or (3); and

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

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

9 "(a) Students from racial or ethnic groups that have historically experi-10 enced academic disparities, as determined under rules adopted by the State 11 Board of Education; and

12 "(b) Students with disabilities.

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

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

17 "(b) Specify the supports that will be:

18 "(A) Provided to students with a disability; or

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

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

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

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

"(d) Be submitted based on the timelines and forms prescribed by the de partment.

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

4 "(b) A grant agreement must include longitudinal performance growth 5 targets for the public charter school. If the grant application identified lon-6 gitudinal performance growth targets, those targets shall be included in the 7 grant agreement. If the grant application did not identify longitudinal per-8 formance growth targets, the public charter school shall collaborate with the 9 department to develop longitudinal performance growth targets. Longitudi-10 nal performance growth targets must:

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

12 "(B) Use the following applicable metrics:

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

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

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

"(7) After the department and the public charter school have entered into a grant agreement, the department shall award a grant to the public charter school in the amount calculated under subsection (3) of this section. A grant recipient shall deposit grant moneys received under this section into a separate account and shall apply the amounts in that account as provided by the grant agreement.

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

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

30 "(B) Progress made by the grant recipient toward meeting the perform-

1 ance growth targets in the grant agreement.

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

"(9) To the greatest extent practicable, any requirements prescribed by 7 the department or the board under this section in relation to an application, 8 a grant agreement or the submission of information under subsection (8) of 9 this section shall reduce any redundancies between a grant awarded under 10 this section and a grant awarded from the Student Investment Account. Re-11 duction in redundancies includes accepting for the purposes of grants 12 awarded under this section any applicable forms or information submitted 13 by the public charter school to the department or a school district for the 14 purposes of a grant awarded from the Student Investment Account. 15

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

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

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

25 "(b) The longitudinal performance growth targets included in grant 26 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.

29 "(12) The State Board of Education shall adopt any rules necessary for 30 the distribution of grants under this section.

1 **"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.

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

9 "(A) File, periodically, or at the department's request, its local district 10 continuous improvement plan with the department;

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

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

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

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

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

"(4) The local district continuous improvement plan shall include:
"(a) Goals to implement the following:

- 1 "(A) A rigorous curriculum aligned with state standards;
- 2 "(B) High-quality instructional programs;
- 3 "(C) Short-term and long-term professional development plans;
- 4 "(D) Programs and policies that achieve a safe educational environment;
- 5 "(E) A plan for family and community engagement;
- 6 "(F) Staff leadership development;
- 7 "(G) High-quality data systems;
- 8 "(H) Improvement planning that is data-driven;
- 9 "(I) Education service plans for students who have or have not exceeded 10 all of the academic content standards; and
- 11 "(J) A strong school library program;
- "(b) A review of demographics, student performance, staff characteristics
 and student access to, and use of, educational opportunities;
- "(c) A description of district efforts to achieve local efficiencies and ef forts to make better use of resources; and
- 16 "(d) A needs assessment, which shall:
- "(A) Be conducted in a manner that is inclusive of school employees,
 students from student groups identified in [ORS 327.180 (2)(b)] section 2 (11)
 of this 2025 Act and parents of those students.
- 20 "(B) Address the following priorities:
- "(i) Reducing academic disparities for students from student groups identified in [ORS 327.180 (2)(b)] section 2 (11) of this 2025 Act;
- 23 "(ii) Meeting students' mental or behavioral health needs;
- "(iii) Providing equitable access to academic courses across the school
 district or public charter school, with specific emphasis on access by students from student groups identified in [ORS 327.180 (2)(b)] section 2 (11)
- 27 of this 2025 Act;
- ²⁸ "(iv) Allowing teachers and staff to have sufficient time to:
- 29 "(I) Collaborate with other teachers and staff;
- 30 "(II) Review data on students' grades, absences and discipline, based on

1 school and on grade level or course; and

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

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

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

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

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

"(b) Health care services related to recovery from substance use disorders. "(2) The department shall provide or cause to be provided appropriate education for students enrolled in an approved recovery school. For the purpose of paying the costs of providing education to students enrolled in an approved recovery school, the Superintendent of Public Instruction shall make the following:

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

²⁵ "(b) Payments from the Statewide Education Initiatives Account, as pro-²⁶ vided by rule adopted by the State Board of Education in collaboration with ²⁷ the advisory committee convened under ORS 336.685. The rules adopted as ²⁸ provided by this paragraph may include a minimum amount, a maximum ²⁹ amount or both for approved recovery schools.

30 "(3) The Superintendent of Public Instruction may contract with a school

district, an education service district or a public charter school to provide 1 or cause to be provided appropriate education to students enrolled in an $\mathbf{2}$ approved recovery school. Unless otherwise specified, any educational ser-3 vices provided under a contract entered into under this subsection shall be 4 paid as described in this section and not by any other state moneys distrib- $\mathbf{5}$ uted based on average daily membership that are available to the school 6 district, education service district or public charter school for the purpose 7 of providing educational services. 8

9 "(4) The State Board of Education shall adopt by rule the standards for 10 a recovery school to become and operate as an approved recovery school. The 11 standards must provide that:

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

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

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

"(C) All students who reside in this state and who meet the eligibility criteria established under subsection (8) of this section may enroll in an approved recovery school if space is available. If space is not available, the approved recovery school may prioritize for enrollment student groups iden1 tified in [ORS 327.180 (2)(b)] section 2 (11) of this 2025 Act.

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

8 "(i) May not impose requirements for a high school diploma that are in 9 addition to the requirements prescribed by ORS 329.451 (2)(a) or by rule of 10 the State Board of Education; and

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

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

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

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

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

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

27 "(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.

30 "(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.

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

9 "(A) Identifying, locating and evaluating students enrolled in an approved 10 recovery school who may be in need of special education and related ser-11 vices; 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.

21 "(9) For the purposes of administering this section:

²² "(a) The State Board of Education shall adopt any necessary rules.

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

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

1 submit that report to:

2 "(a) The interim committees of the Legislative Assembly related to edu-3 cation; and

4 "(b) The advisory committee convened under ORS 336.685.

5 "SECTION 21. Section 2, chapter 6, Oregon Laws 2024, is amended to 6 read:

"Sec. 2. (1) The Department of Education shall establish and administer
the Summer Learning Grant program.

9 "(2) Under the grant program, the department shall award grants for 10 summer learning programs that are provided to incoming kindergarten stu-11 dents through outgoing grade 12 students. A summer learning program is 12 eligible for a grant if the program meets all three of the following require-13 ments:

14 "(a) The program provides academic enrichment by:

"(A) Using a variety of learning strategies that align with academic content standards adopted under ORS 329.045 and focused on mathematics, science, language arts or personal financial education and that, when appropriate, assist with credit recovery; and

"(B) As appropriate, assisting with school readiness and providing transition supports prior to kindergarten, prior to middle school, through the middle and high school grades or after high school graduation.

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

24 "(A) Include hands-on, inquiry-based and project-based learning, which 25 may include access to the arts; and

²⁶ "(B) Support students' mental, emotional and social well-being.

²⁷ "(c) The program provides equitable access, outreach and engagement by:

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

³⁰ "(B) Engaging families as partners in students' academic success.

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

6 "(4)(a) Any school district, education service district or public charter 7 school, or any combination thereof, may apply to receive a grant under this 8 section for a summer learning program.

9 "(b) The department shall award a grant to an applicant based on whether 10 the applicant meets the requirements for the grant. An application for a 11 grant must include:

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

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

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

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

"(iii) A plan developed under ORS 327.883 to receive a grant under the
High School Graduation and College and Career Readiness Act; or

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

²⁴ "(C) A description of how the grant will be used with other funding ²⁵ sources available to the applicant.

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

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

"(C) If an applicant applies for a grant based on a plan that includes a partnership with an entity identified in subparagraph (B) of this paragraph, the applicant must provide with the application a written letter of support from the entity. The letter must include a description of services to be provided by the entity and the budget of the entity for the provision of those services.

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

12 "(b) When awarding grants, the department shall:

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

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

"(c) The department shall establish the process and timelines for awarding 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 expensesrelated 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 pro-gram.

30 "(D) Providing incentives and removing barriers to student participation

1 in a summer learning program.

2 "(E) Providing facilities that will support and accommodate a summer 3 learning program.

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

5 "(G) Providing nutritious snacks and meals to participants of a summer 6 learning program.

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

8 "(b) As provided by rule of the State Board of Education, a recipient of 9 a grant received under this section may use a percentage of the grant moneys 10 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:

"(a) The number and demographics of students served by the summerlearning program;

²³ "(b) Activities of the summer learning program;

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

26 "(d) A description of how activities of the summer learning program sup-27 ported the requirements described in subsection (2) of this section; and

²⁸ "(e) A report on three or more of the following outcome areas:

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

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

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

5 "(D) Participation of the summer learning program provider in site visits,
6 interviews or focus groups; or

7 "(E) Summer learning program evaluations by a third party.

8 "(8) The State Board of Education may adopt any rules necessary for the
9 administration of this section.

¹⁰ "SECTION 22. ORS 327.016 is amended to read:

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

13 "(a) Identifies the total amounts that are:

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

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

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

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

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

30 "(A) The average number of years students have been enrolled in an

1 English language learner program;

2 "(B) The average number of years the students have attended their cur-3 rent schools;

4 "(C) The percentage of students who also receive special education and 5 related services; and

6 "(D) Any other information identified by the department.

7 "(2) The report prepared under subsection (1) of this section must:

8 "(a) Be made available on the department's website by June 30 of each
9 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

13 "(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.

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"SECTION 23. ORS 327.214 is repealed.

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"INTERIM ASSESSMENTS

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²¹ "SECTION 24. ORS 329.485 is amended to read:

²² "329.485. (1) As used in this section:

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

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

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

30 "(2)(a) The Department of Education shall implement statewide a valid

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

6 "(b) The department shall develop the statewide assessment system in 7 mathematics, science, language arts, history, geography, economics and civ-8 ics.

"(c) The statewide assessment system must include the provision
of an interim assessment to measure student performance growth
during the school year. For the purposes of this paragraph, the State
Board of Education shall adopt a list of no more than four approved
interim assessments.

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

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

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

25 "(c) Track and provide reports on the progress of a student based on the 26 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.

30 "(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.

5 "(b) For the purposes of this section, school districts and public
6 charter schools must:

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

"(B) At least twice each school year, administer interim assess ments selected under subparagraph (A) of this paragraph in math ematics 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 superinten dent of the school district, the school district board and, if applicable,
 the governing body of the public charter school.

21 "[(b)] (c) School districts and public charter schools may choose to im-22 plement the assessment system described in subsection (3) of this section.

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

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

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

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

"(b) School districts shall determine the method and format for showing 4 student progress toward achieving the academic content standards. Commu- $\mathbf{5}$ nications on student progress shall include a reasonable number, as deter-6 mined by the school district, of academic knowledge and skills in a content 7 area to enable parents and students to understand a student's progress to-8 9 ward meeting or exceeding the academic content standards. No more than three indicators of academic knowledge and skills per content area reporting 10 category shall be required as provided by this section. A school district may 11 use more than three indicators of academic knowledge and skills per content 12 area reporting category if the school district implements a proficiency edu-13 cation system as provided by ORS 329.119. 14

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

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

22 "(b) Shall be based on the student's progress toward mastery of a 23 continuum of academic knowledge and skills; and

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

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

30 "(8) If the student to whom additional services or alternative educational

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

8 "(a) An amount equal to the school district's expenses from its local rev-9 enues for each student in average daily membership, payable by the resident 10 school district in the same year; and

11 "(b) Any state and federal funds the attending school district is entitled 12 to receive payable as provided in ORS 339.133 (2)(b).

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

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

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

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"CURRICULA STANDARDS

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²⁴ "SECTION 26. ORS 327.837 is amended to read:

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

29 "(2) The department shall intervene when a school district or public 30 charter school does not meet the goals established in the early literacy suc1 cess plan.

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

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

6 "(b) May retain any or all of the amount the school district or public 7 charter school would have received as a distribution under ORS 327.833 and 8 may use a portion of the amount retained to prepare and assist the school 9 district or the public charter school in implementing the corrective action 10 plan[.];

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

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

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

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

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"REDUCTION OF REDUNDANCIES

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"SECTION 27. ORS 337.065 is repealed.

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

4 "(2) As part of the study conducted under this section, the depart5 ment shall identify:

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

7 "(b) State reporting requirements that can be decreased in fre8 quency, eliminated or consolidated;

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

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

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

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

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"DISTRICT STANDARDS

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"SECTION 30. (1) The Department of Education shall contract with a public or private entity to review the administrative rule requirements that must be met for a school district to be considered standard under ORS 327.103 or an education service district to be considered standard under ORS 334.217.

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

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

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

5 "(c) More effective methods for enforcing whether a district is 6 standard.

"(3) Beginning with the 2026-2027 school year, the department shall:
"(a) Enforce standards based on the review conducted under subsection (1) of this section; and

"(b) Provide a complaint process for a parent of a student of a dis trict to file a complaint about noncompliance with a standard. The
 complaint process must provide for:

"(A) Investigation of the complaint within 90 days of the depart ment receiving the complaint; and

"(B) Resolution of the complaint within 120 days of the department
 receiving the complaint.

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

"<u>SECTION 31.</u> Section 30 of this 2025 Act is repealed on January 2,
 2027.

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"MISCELLANEOUS

27 "SECTION 32. The unit captions used in this 2025 Act are provided 28 only for the convenience of the reader and do not become part of the 29 statutory law of this state or express any legislative intent in the 20 enactment of this 2025 Act.

"SECTION 33. This 2025 Act being necessary for the immediate
preservation of the public peace, health and safety, an emergency is
declared to exist, and this 2025 Act takes effect on its passage.".

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