

**Enrolled**  
**House Bill 2263**

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Superintendent of Public Instruction Susan Castillo for Department of Education)

CHAPTER .....

AN ACT

Relating to education; creating new provisions; amending ORS 179.210, 179.460, 181.539, 238.350, 240.205, 240.240, 285A.075, 285A.090, 326.603, 327.008, 327.023, 327.297, 327.506, 328.542, 329.007, 329.015, 329.025, 329.045, 329.075, 329.085, 329.095, 329.105, 329.115, 329.160, 329.165, 329.183, 329.190, 329.195, 329.200, 329.228, 329.255, 329.265, 329.415, 329.451, 329.485, 329.489, 329.675, 329.704, 329.830, 329.860, 329.885, 332.114, 336.113, 336.790, 336.800, 336.805, 338.115, 339.370, 339.505, 339.860, 341.009, 342.845, 343.236, 346.010, 346.015, 346.017, 346.019, 346.020, 346.030, 346.041, 346.047, 346.055, 346.080, 348.183, 348.186, 351.117 and 656.135 and section 3, chapter 827, Oregon Laws 2005; repealing ORS 329.035, 329.077, 329.215, 329.225, 329.237, 329.245, 329.405, 329.445, 329.447, 329.465, 329.467, 329.475, 329.537, 329.545, 329.555, 329.565, 329.570, 329.575, 329.585, 329.595, 329.600, 329.605, 329.685, 329.690, 329.695, 329.700, 329.709, 329.715, 329.735, 329.745, 329.855, 329.905, 329.915, 329.920, 329.925, 329.930, 329.950 and 329.975 and sections 7 and 27, chapter 660, Oregon Laws 1995; and declaring an emergency.

Whereas every student enrolled in public secondary school should have access to high-quality, rigorous academics with a particular focus on access to advanced placement (AP) and honors courses; and

Whereas all high school students should be ready for college and the workforce upon graduation; and

Whereas identifying as many students as possible for advanced placement and honors courses would increase the number of students taking advanced placement and honors courses; and

Whereas it is important to ensure that minority and underrepresented students excel to their fullest potential; and

Whereas not only access to college but also success in college and the workforce are important for all students; now, therefore,

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

**SECTION 1.** ORS 329.007 is amended to read:

329.007. As used in this chapter, unless the context requires otherwise:

(1) "Academic content standards" [*or "academic standards"*] means expectations of student knowledge and skills adopted by the State Board of Education under ORS 329.045.

(2) "Administrator" includes all persons whose duties require an administrative license.

(3) "Board" or "state board" means the State Board of Education.

(4) "Community learning center" means a school-based or school-linked program providing informal meeting places and coordination for community activities, adult education, child care, information and referral and other services as described in ORS 329.157. "Community learning center"

includes, but is not limited to, a community school program as defined in ORS 336.505, family resource centers as described in ORS 417.725, full service schools, lighted schools and 21st century community learning centers.

(5) "Department" means the Department of Education.

[(6) "*District planning committee*" means a committee composed of teachers, administrators, school board members and public members established for the purposes of ORS 329.537 to 329.605.]

[(7) (6) "English" includes, but is not limited to, reading and writing.

[(8) (7) "History, geography, economics and civics" includes, but is not limited to, Oregon Studies.

[(9) (8) "Oregon Studies" means history, geography, economics and civics specific to the State of Oregon. Oregon Studies instruction in Oregon government shall include municipal, county, tribal and state government, as well as the electoral and legislative processes.

[(10) (9) "Parents" means parents or guardians of students who are covered by this chapter.

[(11) (10) "Public charter school" has the meaning given that term in ORS 338.005.

[(12) (11) "School district" means a school district as defined in ORS 332.002, [*an education service district,*] a state-operated school or any legally constituted combination of such entities.

[(13) "*School Improvement and Professional Development program*" means a formal plan submitted by a school district and approved by the Department of Education according to criteria specified in ORS 329.675 to 329.745 and 329.790 to 329.820.]

[(14) (12) "Second languages" means any foreign language or American Sign Language.

[(15) (13) "Teacher" means any licensed employee of a school district who has direct responsibility for instruction, coordination of educational programs or supervision of students and who is compensated for such services from public funds. "Teacher" does not include a school nurse, as defined in ORS 342.455, or a person whose duties require an administrative license.

[(16) (14) "The arts" includes, but is not limited to, literary arts, performing arts and visual arts.

[(17) (15) "21st Century Schools Council" means a council established pursuant to ORS 329.704.

[(18) "*Work-related learning experiences*" means opportunities in which all students may participate in high quality programs that provide industry related and subject matter related learning experiences that prepare students for further education, future employment and lifelong learning.]

**SECTION 2.** ORS 329.015 is amended to read:

329.015. (1) The Legislative Assembly believes that education is a major civilizing influence on the development of a humane, responsible and informed citizenry, able to adjust to and grow in a rapidly changing world. Students must be encouraged to learn of their heritage and their place in the global society. The Legislative Assembly concludes that these goals are not inconsistent with the goals to be implemented under this chapter.

(2) The Legislative Assembly believes that the goals of kindergarten through grade 12 education are:

(a) To [*demand academic excellence through a*] **equip students with the academic and career skills and information necessary to pursue the future of their choice through a program of rigorous academic** [*program that equips students with the information and skills necessary to pursue the future of their choice*] **preparation and career readiness;**

(b) To provide an environment that motivates students to pursue serious scholarship and to have experience in applying knowledge and skills and demonstrating achievement; [*and*]

(c) To provide students with [*lifelong academic skills that will prepare them for*] the **skills necessary to pursue learning throughout their lives in an ever-changing world**[:]; and

(d) **To prepare students for successful transitions to the next phase of their educational development.**

**SECTION 3.** ORS 329.025 is amended to read:

329.025. It is the intent of the Legislative Assembly to maintain a system of public elementary and secondary schools that allows students, parents, teachers, administrators, school district boards

and the State Board of Education to be accountable for the development and improvement of the public school system. The public school system shall have the following characteristics:

(1) Provides equal and open access and educational opportunities for all students in the state regardless of their linguistic background, culture, race, gender, capability or geographic location;

(2) Assumes that all students can learn and establishes high, specific skill and knowledge expectations and recognizes individual differences at all instructional levels;

(3) Provides special education, compensatory education, linguistically and culturally appropriate education and other specialized programs to all students who need those services;

(4) Provides students with a solid foundation in the skills of reading, writing, problem solving and communication;

(5) Provides opportunities for students to learn, think, reason, retrieve information, use technology and work effectively alone and in groups;

(6) Provides for rigorous academic content standards and instruction in mathematics, science, English, history, geography, economics, civics, physical education, health, the arts and second languages;

(7) Provides students an educational background to the end that they will function successfully in a constitutional republic, a participatory democracy and a multicultural nation and world;

(8) Provides students with the knowledge and skills that will provide the opportunities to succeed in the world of work, as members of families and as citizens;

(9) Provides students with the knowledge[,] **and** skills [*and positive attitude*] that lead to an active, healthy lifestyle;

(10) Provides students with the knowledge and skills to take responsibility for their decisions and choices;

(11) Provides opportunities for students to learn through a variety of teaching strategies;

(12) Emphasizes involvement of parents and the community in the total education of students;

(13) Transports children safely to and from school;

(14) Ensures that the funds allocated to schools reflect the uncontrollable differences in costs facing each district;

(15) Ensures that local schools have adequate control of how funds are spent to best meet the needs of students in their communities; and

(16) Provides for a safe, educational environment.

**SECTION 4.** ORS 329.045 is amended to read:

329.045. (1) In order to achieve the goals contained in ORS 329.025 [*and 329.035*], the State Board of Education shall regularly and periodically review and revise its Common Curriculum Goals, **performance indicators and diploma requirements**. This includes Essential Learning Skills and rigorous academic content standards in mathematics, science, English, history, geography, economics, civics, physical education, health, the arts and second languages. School districts and public charter schools shall maintain control over course content, format, materials and teaching methods. [*The rigorous academic content standards shall reflect the knowledge and skills necessary for achieving the Certificate of Initial Mastery, the Certificate of Initial Mastery subject area endorsements, the Certificate of Advanced Mastery and diplomas pursuant to ORS 329.025 and as described in ORS 329.447.*] The regular review shall involve teachers and other educators, parents of students and other citizens and shall provide ample opportunity for public comment.

(2) The State Board of Education shall continually review **and revise** all adopted academic content standards [*and shall raise the standards for mathematics, science, English, history, geography, economics, civics, physical education, health, the arts and second languages to the highest levels possible*] **necessary for students to successfully transition to the next phase of their education**.

(3) School districts and public charter schools shall offer students instruction in mathematics, science, English, history, geography, economics, civics, physical education, health, the arts and second languages that meets the academic content standards adopted by the State Board of Education and meets the requirements adopted by the State Board of Education and the board of the school district or public charter school.

**SECTION 5.** ORS 329.075 is amended to read:

329.075. (1) The State Board of Education shall adopt rules, in accordance with ORS 183.750 and ORS chapter 183, as necessary for the statewide implementation of this chapter. The rules shall be prepared in consultation with appropriate representatives from the educational and business and labor communities.

(2) The Department of Education shall be responsible for *[coordinating research, planning and public discussion so that activities necessary to the implementation of this chapter can be achieved]* **implementing the provisions of this chapter.** Actions by the department to fulfill this responsibility and to increase student achievement may include, but are not limited to:

**(a) Developing academic content standards;**

*[(a)]* **(b) Updating Common Curriculum Goals to meet rigorous academic content standards and updating performance indicators and diploma requirements;**

*[(b)]* **(c) Developing criterion-referenced assessments including performance-based, content-based and other assessment mechanisms to test knowledge and skills and whether students meet the performance expectations as determined by the board; and**

*[(c) Establishing criteria for Certificates of Initial Mastery and Advanced Mastery;]*

*[(d) Establishing criteria for early childhood [improvement] education programs.];]*

*[(e) Amending the application process for school improvement grants;]*

*[(f) Researching and developing public school choice plans;]*

*[(g) Working with the Education and Workforce Policy Advisor and the Department of Community Colleges and Workforce Development to develop no fewer than six broad career endorsement areas of study; and]*

*[(h) Establishing criteria for learning options that may include alternative learning centers.]*

*[(3) The State Board of Education shall create, by rule, a process for school districts to initiate and propose pilot programs. The rules shall include a process for waivers of rules and regulations and a process for approval of the proposed pilot programs.]*

*[(4)]* **(3)** The department *[of Education]* shall make school districts and the public aware of public school choice options available within our current public education framework.

*[(5) The Department of Education shall:]*

*[(a) Evaluate pilot programs developed pursuant to ORS 329.690 using external evaluators to provide data that specify the educational effectiveness, implementation requirements and costs of the programs and to describe what training, funding and related factors are required to replicate pilot programs that are shown to be effective;]*

*[(b) Present to the State Board of Education and the appropriate legislative committee an annual evaluation of all pilot programs; and]*

*[(c) Include funding for the implementation and evaluation of pilot programs in the Department of Education budget.]*

*[(6) As used in this section:]*

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

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

*[(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.]*

**SECTION 6.** ORS 329.085 is amended to read:

329.085. (1) To facilitate the attainment and successful implementation of educational standards under ORS 326.051 (1)(a)[,] **and** 329.025 *[and 329.035]*, the State Board of Education or its designee shall assess the effectiveness of each public **school, public charter school and** school district. The findings of the assessment shall be reported to the **school or** school district within six months.

(2) The board shall establish the standards, including standards of accessibility to educational opportunities, upon which the assessment is based.

(3) On a periodic basis, the board shall review *[existing]* **school and school district** standards and *[, after public hearings and consultation with local school officials, shall adopt by rule a revised set of standards]* **credit and performance requirements. The board shall seek public input in this process.**

**SECTION 7.** ORS 329.095 is amended to read:

329.095. (1) The *[State Board]* **Department** of Education shall require school districts and schools to conduct self-evaluations and update their local district **continuous** improvement plans on a biennial basis. The self-evaluation process 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 *[are encouraged to]* **shall** undertake a communications process that involves parents, students, teachers, school employees 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 *[of Education]* 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) **A rigorous curriculum aligned with state standards;**
- (b) **High-quality instructional programs;**
- (c) **Short-term and long-term professional development plans;**
- (d) **Programs and policies to achieve a safe educational environment;**
- (e) **A plan for family and community engagement;**
- (f) **Staff leadership development;**
- (g) **High-quality data systems;**
- (h) **Improvement planning that is data-driven;**
- (i) **Education service plans for students who have or have not exceeded all of the academic content standards;**
- (j) **A review of demographics, student performance, staff characteristics and student access to, and use of, educational opportunities; and**

(k) District efforts to achieve local efficiencies and efforts to make better use of resources. *[Efficiencies may include, but are not limited to, use of magnet schools, energy programs, public and private partnerships, staffing and other economies.]*

*[(5) All school districts shall, as part of their local district improvement plan, develop programs and policies to achieve a safe, educational environment.]*

*[(6) Local district improvement plans shall include the district's and school's short-term and long-term plans for staff development.]*

*[(7) Local district and school goals and district and school improvement plans shall be made available to the public.]*

*[(8) The self-evaluations shall include a review of demographics, student performance, student access to and utilization of educational opportunities and staff characteristics. However, failure to complete the self-evaluation process shall not constitute grounds for withholding of state moneys.]*

**SECTION 8.** ORS 329.105 is amended to read:

329.105. (1) The Superintendent of Public Instruction shall collect data and produce annual school district and school performance reports containing information on student performance, student behavior and school characteristics. The purpose of the performance reports is to provide information to parents and to improve schools through greater parental involvement.

(2)(a) In consultation with representatives of parents, teachers, school district boards and school administrators, the State Board of Education shall adopt, by rule, criteria for *[grading schools]* **identifying outstanding schools, satisfactory schools and schools in need of improvement.** Such criteria shall take into account student performance, improvement in student performance,

[and] the participation rate of students on the statewide assessments, **student attendance rates and graduation rates**. The Superintendent of Public Instruction, based on the criteria adopted by the State Board of Education, shall assign a [grade] **rating** to each school [for student performance, student behavior and school characteristics and also shall assign an overall grade to the school. The grades shall include classifications for exceptional performance, strong performance, satisfactory performance, low performance and unacceptable performance.] **that identifies the school as outstanding, satisfactory or in need of improvement.**

(b) The [grades] **ratings** received by a school shall be included in the school district and school performance reports.

(c) If a school [is within the low performance or unacceptable performance classification in any category] **is designated as in need of improvement**, the school shall file a school improvement plan with the Superintendent of Public Instruction and with the school district board [and the 21st Century Schools Council for the school].

**(d) The Department of Education shall work with stakeholders to design and implement an accountability system of progressive interventions for and provide technical assistance to schools and school districts that do not demonstrate improvement.**

(3) The Superintendent of Public Instruction shall include in the school performance reports data for the following areas, for each school, that are available to the Department of Education from the most recent school year:

(a) Enrollment in English as a second language courses under ORS 336.079;

(b) Attendance rates;

(c) School safety, such as expulsions involving weapons in the school;

[d) Students who met or exceeded standards leading to the Certificate of Initial Mastery;]

**(d) Disaggregated data on students who met or exceeded the academic content standards established by the board;**

(e) Dropout rates and the number of students who dropped out of school;

(f) Parent and community involvement such as volunteer hours;

[g) Classes taught by a teacher outside the teacher's area of certification; and]

**(g) The percentage of classes taught by a teacher identified as highly qualified under rules adopted by the United States Department of Education; and**

(h) School staff, identified by category.

(4) The Superintendent of Public Instruction shall include in the school district performance reports data for the following areas, for each school district, that are available to the Department of Education from the most recent school year:

(a) Resident students who attend a public school in another school district;

(b) Facilities used for distance learning;

(c) Election results of any bond levy proposed to the electors of the district;

(d) Expenditures;

(e) Level of support from the education service district;

(f) Administrators not assigned to a specific school;

(g) School district staff, identified by category; and

(h) Students who are eligible for special education.

(5) The Superintendent of Public Instruction shall notify the public and the media by January 30 of each year that school district and school performance reports are available at schools and school districts and at the Department of Education website and offices. The superintendent shall also include notice that copies of school **improvement plans** and district **continuous** improvement plans can be obtained from school and school district offices. Each school district shall send a copy of the school district and applicable school performance reports to each parent of a child enrolled in a public school in the school district.

**SECTION 9.** ORS 329.115 is amended to read:

329.115. (1) Prior to [September 30] **December 1** of each year, the Superintendent of Public Instruction shall issue an Oregon Report Card on the state of the public schools and progress toward

achieving the goals contained in ORS 329.025 [and 329.035]. **The purpose of the Oregon Report Card is to monitor trends among school districts and Oregon's progress toward achieving the goals stated in this chapter and the Department of Education key performance measures established by the Oregon Progress Board.**

**(2) The Oregon Report Card shall include information on the following:**

**(a) Student performance on Oregon state assessments and national assessments;**  
**(b) Data required by the federal No Child Left Behind Act of 2001 (P.L. 107-110, 115 Stat.**

**1425);**

**(c) Public school funding, expenditures and employee salary information;**

**(d) Instructional hours;**

**(e) School staff information;**

**(f) District size, student demographics and student enrollment;**

**(g) Dropout rates;**

**(h) Alternative education programs;**

**(i) Public charter schools;**

**(j) Early childhood education and Oregon prekindergarten; and**

**(k) Programs for students with special needs.**

*[(2) The purpose of the Oregon Report Card is to monitor trends among school districts and Oregon's progress toward achieving the goals stated in this chapter. The report on the state of the public schools shall be designed to:]*

*[(a) Allow educators and local citizens to determine and share successful and unsuccessful school programs;]*

*[(b) Allow educators to sustain support for reforms demonstrated to be successful;]*

*[(c) Recognize schools for their progress and achievements; and]*

*[(d) Facilitate the use of educational resources and innovations in the most effective manner.]*

*[(3) The report shall contain, but need not be limited to:]*

*[(a) Demographic information on public school children in this state.]*

*[(b) Information pertaining to student achievement, including statewide assessment data, graduation rates and dropout rates, including progress toward achieving the education benchmarks established by the Oregon Progress Board, with arrangements by minority groupings where applicable.]*

*[(c) Information pertaining to special program offerings.]*

*[(d) Information pertaining to the characteristics of the school and school staff, including assignment of teachers, experience of staff and the proportion of minorities and women represented on the teaching and administrative staff.]*

*[(e) Budget information, including source and disposition of school district operating funds and salary data.]*

*[(f) Examples of exemplary programs, proven practices, programs designed to reduce costs or other innovations in education being developed by school districts in this state that show improved student learning.]*

*[(g) Such other information as the superintendent obtains under ORS 329.105.]*

*[(4) In the second and subsequent years that the report is issued, the report shall include a comparison between the current and previous data and an analysis of trends in public education.]*

**SECTION 10.** ORS 329.160 is amended to read:

329.160. It is the policy of this state to implement programs for early childhood education, for parenting education including instruction about prenatal care, for child-parent centers and for extended Oregon prekindergarten programs. *[By 1999, funding for programs shall be available for 50 percent of children eligible for Oregon prekindergarten programs, and, by 2004, full funding for programs shall be available for all eligible children.]* The Oregon prekindergarten program shall *[continue to]* be operated in coordination with the federal Head Start program in order to avoid duplication of services and so as to ensure maximum use of resources. The state shall continue funding Oregon prekindergarten programs with a goal to have full funding for all eligible children.

**SECTION 11.** ORS 329.165 is amended to read:

329.165. (1) In consultation with the advisory committee for the Oregon prekindergarten program, the Department of Education [*and the Department of Community Colleges and Workforce Development*] shall develop a long-range plan for serving eligible children and their families and shall report to each regular session of the Legislative Assembly on the funds necessary to implement the long-range plan, including but not limited to regular programming costs, salary enhancements and program improvement grants. The department shall determine the rate of increase in funding for programs necessary each biennium to provide service to all children eligible for the prekindergarten program [*by 2004*].

[*(2) The Department of Education and the Department of Community Colleges and Workforce Development shall include in their budget requests to the Governor funds sufficient to implement each two-year phase of the long-range plan.*]

[*(3)*] **(2)** Each biennial report shall include but not be limited to estimates of the number of eligible children and families to be served, projected cost of programs and evaluation of the programs.

**SECTION 12.** ORS 329.183 is amended to read:

329.183. (1) The Prekindergarten Program Trust Fund is established as a fund in the State Treasury, separate and distinct from the General Fund. Interest earned by the trust fund shall be credited to the trust fund. The primary purpose of the trust fund is to assist eligible children with comprehensive services including educational, social, health and nutritional development to enhance their chances for success in school and life. For this purpose, the trust fund is continuously appropriated [*for and shall be expended only for*] **to the Department of Education for the Oregon prekindergarten program described in ORS 329.170 to 329.200.**

(2) The [*State Board of Education*] **department** may solicit and accept money in the form of gifts, contributions and grants to be deposited in the trust fund. Except as provided in ORS 329.185, the acceptance of federal grants for purposes of ORS 329.170 to 329.200 does not commit state funds nor place an obligation upon the Legislative Assembly to continue the purposes for which the federal funds are made available.

(3) The trust fund may be listed, if otherwise qualified, on the Oregon income tax return for checkoff pursuant to application made to the Oregon Charitable Checkoff Commission under ORS 305.690 to 305.753 by the [*State Board of Education*] **department.**

**SECTION 13.** ORS 329.190 is amended to read:

329.190. The Department of Education [*and the Department of Community Colleges and Workforce Development*] shall establish an advisory committee composed of interested parents and representatives from the State Commission on Children and Families, health care profession, early childhood education and development staff preparation programs, Oregon Head Start Association, school districts, community colleges, Early Intervention Council, child care and other organizations [*as considered necessary by the Department of Education and the Department of Community Colleges and Workforce Development to assist with the establishment of the Oregon prekindergarten program*]. **The purpose of the advisory committee is to provide advice to the department on matters related to the Oregon prekindergarten program.**

**SECTION 14.** ORS 329.195 is amended to read:

329.195. (1) The State Board of Education shall adopt rules for the establishment of the Oregon prekindergarten program. Rules specifically shall require the Oregon prekindergarten program to provide for parental involvement and performance standards at a level no less than that provided under the federal Head Start program guidelines. Federal Head Start program guidelines shall be considered as guidelines for the Oregon prekindergarten program.

(2) In developing rules for the Oregon prekindergarten program, the board shall consult with the advisory committee **established under ORS 329.190** and shall consider such factors as coordination with existing programs, the preparation necessary for instructors, qualifications of instructors, training of staff, adequate space and equipment and special transportation needs.

(3) The Department of Education [*and the Department of Community Colleges and Workforce Development*] shall review applications for the Oregon prekindergarten program received and designate those programs as eligible to commence operation by July 1 of each year. When approving

grant applications, to the extent practicable, the [State] board [of Education] shall distribute funds regionally based on percentages of unmet needs as identified in the voluntary local early childhood system plans that are part of the local coordinated comprehensive plans developed under ORS 417.775 for the county or region.

**SECTION 15.** ORS 329.200 is amended to read:

329.200. (1) The Superintendent of Public Instruction shall report to the Legislative Assembly on the merits of continuing and expanding the Oregon prekindergarten program or instituting other means of providing early childhood development assistance.

(2) The superintendent's report shall include specific recommendations on at least the following issues:

(a) The relationship of the state-funded Oregon prekindergarten program with the common school system;

(b) The types of children and their needs that the program should serve;

(c) The appropriate level of state support for implementing the program for all eligible children, including related projects to prepare instructors and provide facilities, equipment and transportation;

(d) The state administrative structure necessary to implement the program; and

(e) Licensing or endorsement of early childhood teachers.

(3) The Department of Education[, *in consultation with the Department of Community Colleges and Workforce Development,*] shall examine, monitor and assess the effectiveness of the Oregon prekindergarten program. The superintendent shall make biennial reports to the Legislative Assembly on the effectiveness of the program.

**SECTION 16.** ORS 329.228 is amended to read:

329.228. (1) The Early Childhood Education Trust Fund is established as a fund in the State Treasury, separate and distinct from the General Fund. Interest earned by the trust fund shall be credited to the trust fund. The primary purpose of the trust fund is to assist public school districts in providing programs designed to improve educational services for children enrolled in kindergarten through grade three. For this purpose, the trust fund is continuously appropriated to the Department of Education for programs described in ORS [329.215 to] 329.235.

(2) The State Board of Education may solicit and accept money in the form of gifts, contributions and grants to be deposited in the trust fund. The acceptance of federal grants for purposes of ORS [329.215 to] 329.235 does not commit state funds nor place an obligation upon the Legislative Assembly to continue the purposes for which the federal funds are made available.

(3) The trust fund may be listed, if otherwise qualified, on the Oregon income tax return for checkoff pursuant to application made to the Oregon Charitable Checkoff Commission under ORS 305.690 to 305.753 by the State Board of Education.

**SECTION 17.** ORS 329.255 is amended to read:

329.255. (1) The district school board of every school district operating any elementary schools may [make the services of] **establish** a child development specialist **program** [available to the pupils enrolled in the elementary schools and their families].

[(2) A child development specialist shall provide primary prevention services directly or in cooperation with others in settings in addition to the school setting:]

[(a) To pupils enrolled in the elementary school, with priority given at the primary level, including kindergarten, to assist them in developing positive attitudes toward themselves and others in relation to life career roles and to ensure that appropriate assessment and screening procedures that recognize academic and individual differences are provided for the early identification of talents and strengths on which to base a positive learning experience for each child.]

[(b) To the professional staff of the elementary school to assist them in early identification of pupils enrolled therein with learning or developmental problems.]

[(c) To parents of pupils enrolled in elementary schools to assist them in understanding their children's unique aptitudes and needs and to aid in relating home, school and neighborhood experiences.]

*[(d) To refer pupils enrolled in the elementary school and their families to appropriate state or local agencies for additional assistance as needed.]*

*[(e) To coordinate resources available through the community and the school.]*

*[(3) The district school board of every school district operating any elementary schools may make the services of a child development specialist, as described in subsection (2) of this section available to children four years of age or younger and their families residing in its district. If such children need assessment, the child development specialist shall ensure that appropriate assessment and screening procedures that recognize academic and individual differences are provided for early identification of barriers or needs that prevent successful transition to early education programs.]*

**(2) If a district school board establishes a child development specialist program, the school district must meet the following requirements:**

**(a) The school district shall submit a written plan describing the program to the Department of Education and the program must be approved by the department.**

**(b) Upon approval of a program, a school district shall submit child development specialist candidate applications for department approval.**

**(c) The school district shall conduct an annual review of the program and submit an updated plan to the department for reauthorization of the program.**

**(d) Each child development specialist employed by a school district shall complete an annual evaluation of the specialist's child development plan to be included with the school district's updated plan.**

**(3) The department shall review the plans annually.**

(4) School districts may provide the *[services authorized or required under this section]* **child development specialist program** by contract with qualified state or local programs.

**SECTION 18.** ORS 329.265 is amended to read:

329.265. (1) Following the close of each fiscal quarter for which reimbursement is claimed, any district *[making the services of]* **that establishes** a child development specialist *[available]* **program** pursuant to ORS 329.255 *[in a state approved program]* shall file a verified claim with the Superintendent of Public Instruction for the reimbursement as designated in the notice of allotment for the costs incurred by the district in providing the *[services of the]* child development specialist **program**.

(2) If the Superintendent of Public Instruction approves the application for reimbursement, the superintendent shall cause the district to be reimbursed in the amount claimed in accordance with the state approved program provided in subsection (1) of this section. In no case shall the state reimbursement from funds available for the child development specialist program exceed 75 percent of the approved annual cost of the program nor shall the state's expenditure exceed the amount appropriated by the Legislative Assembly for this purpose.

**SECTION 19.** ORS 329.415 is amended to read:

329.415. (1) The Department of Education shall prepare operating guides for child development programs and for teenage parent programs applicable to programs under ORS 329.395 to 329.425 that are consistent with requirements imposed by the State Board of Education.

(2) The department *[of Education]* shall review applications for approval of child development programs and teenage parent programs and may approve those programs after considering:

(a) The educational adequacy and type of programs.

(b) The number of students and children who are to be served by the program.

(c) The availability of trained personnel and facilities.

(d) The need for the programs in the applying district.

(3) In approving applications for child development programs, the department shall require that the school district use its grant for child development curriculum and in the formulation and initiation of on-site child development centers. Each center must be able to accommodate from 15 to 30 full-time equivalent spaces for children, distributed according to needs of the community.

(4) In approving applications for teenage parent programs, the department shall require that the school district use the grant in connection with appropriate education for teenage parents leading

to graduation and in the formulation and development of appropriate on-site child care centers. Each center must be able to accommodate from 15 to 30 full-time equivalent spaces for children, distributed according to the needs of the teenage student-parents.

*[(5) Results of the study required by ORS 329.405 shall be used as a basis for school district planning.]*

**SECTION 20.** ORS 329.451 is amended to read:

**329.451. (1) At or before grade 12, a school district shall award a high school diploma to a student who completes the requirements established by the State Board of Education, the school district and this section.**

*[(1)]* **(2)** In order to receive a high school diploma from a school district, a student must *[meet]* **satisfy** the requirements established by the *[State]* board *[of Education]* **and the school district** and, while in grades 9 through 12, must complete:

(a) At least 24 *[credit hours]* **credits**, as defined by rule of the board;

(b) Three *[years]* **credits** of mathematics; and

(c) Four *[years]* **credits** of English.

*[(2)]* **(3)** Notwithstanding subsection *[(1)]* **(2)** of this section, a school district may award a diploma to a student who does not *[meet]* **satisfy** the requirements of subsection *[(1)(b) or (c)]* **(2)(b) or (c)** of this section if the student:

(a) Has met or exceeded the academic content standards for mathematics or English established by the board, **as demonstrated on Oregon state assessments**; or

(b) Displays proficiency in mathematics or English at a level established by the board.

**(4) Notwithstanding subsections (1) and (2) of this section, a school district may award an alternative credential to a student who does not satisfy the requirements of subsections (1) and (2) of this section, if the student, with additional services and accommodations, does not satisfy the requirements for a diploma specified under subsections (1) and (2) of this section.**

**SECTION 21.** Section 3, chapter 827, Oregon Laws 2005, is amended to read:

**Sec. 3.** The requirements of *[section 1 of this 2005 Act]* **ORS 329.451 (2)** apply to students who receive a high school diploma from a school district on or after July 1, 2009.

**SECTION 22.** ORS 329.485 is amended to read:

**329.485. (1) As used in this section:**

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

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

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

*[(1)(a)]* **(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, *[as those terms are defined in ORS 329.075,]* and other valid methods to measure the academic content standards and to identify students who meet or exceed the standards *[for each mastery level leading to the Certificate of Initial Mastery, Certificate of Initial Mastery subject area endorsements and the Certificate of Advanced Mastery].*

(b) The department *[of Education]* shall develop the statewide assessment system in mathematics, science, English, history, geography, economics and civics.

*[(2)]* **(3)** School districts and public charter schools shall implement the statewide assessment system in mathematics, science and English. In addition, school districts and public charter schools may implement the statewide assessment system in history, geography, economics and civics.

*[(3)]* **(4)** Each year the resident district shall be accountable for determining the student’s progress toward achieving the academic content standards. Progress toward the academic content

standards shall be measured in a manner that clearly enables the student and parents to know whether the student is making progress toward meeting or exceeding the academic content standards. In addition, the district shall adopt a grading system based on the local school district board adopted course content of the district's curriculum. The grading system shall clearly enable the student and parents to know how well the student is achieving course requirements.

[4] (5) 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.

[5] (6) 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 district or to a public school in another district that agrees to accept the student. The district that receives the student shall be entitled to payment. The payment shall consist of:

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

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

**SECTION 23. ORS 329.675 is added to and made a part of ORS 329.790 to 329.820.**

**SECTION 24.** ORS 329.675 is amended to read:

329.675. As used in ORS [329.675 to 329.745 and] 329.790 to 329.820:

(1) "Beginning administrator" means an administrator who:

(a) Is employed as an administrator by a school district; and

(b) Has been assigned for fewer than three successive school years as a licensed or acting administrator in any public, private or state-operated school.

(2) "Beginning teacher" means a teacher who:

(a) Possesses a teaching license issued by the Teacher Standards and Practices Commission;

(b) Is employed at least half-time, primarily as a classroom teacher, by a school district; and

(c) Has taught fewer than three successive school years as a licensed probationary teacher in any public, private or state-operated school.

(3) "Mentor" means a teacher or administrator who:

(a) Possesses a teaching, personnel service or administrative license issued by the Teacher Standards and Practices Commission;

(b) Has successfully served for three or more years as a licensed teacher or administrator in any public school;

(c) Has been selected and trained as described in ORS 329.815; and

(d) Has demonstrated mastery of the appropriate subject matter knowledge and teaching and administrative skills.

(4) "Mentorship program" means a program provided by a mentor teacher or administrator to a beginning teacher or administrator that includes, but is not limited to, direct classroom observation and consultation, assistance in instructional planning and preparation, support in implementation and delivery of classroom instruction, development of school leadership skills and other assistance intended to assist the beginning teacher or administrator to become a confident and competent professional educator who makes a positive impact on student learning.

**SECTION 25.** ORS 329.704 is amended to read:

329.704. (1) Nothing in this section shall interfere with the duties, responsibilities and rights of duly elected school district boards. There shall be established at each school a 21st Century Schools Council. The duties of a 21st Century Schools Council shall include but not be limited to:

(a) The development of plans to improve the professional growth of the school's staff;

(b) The improvement of the school's instructional program;

(c) The development and coordination of plans for the implementation of programs under this chapter at the school; **and**

(d) The administration of grants-in-aid for the professional development of teachers and classified district employees[; and].

[*(e) Advising the school district board in the development of a plan for school safety and student discipline under section 5, chapter 618, Oregon Laws 2001.*]

(2) A 21st Century Schools Council shall be composed of teachers, parents, classified employees and principals or the principal's designee, as follows:

(a) Not more than half of the members shall be teachers;

(b) Not more than half of the members shall be parents of students attending that school;

(c) At least one member shall be a classified employee; and

(d) One member shall be the principal of the building or the principal's designee.

(3) In addition, other members may be as the school district shall designate, including but not limited to local school committee members, business leaders, students and members of the community at large.

(4) Members of a 21st Century Schools Council shall be selected as follows:

(a) Teachers shall be licensed teachers elected by licensed teachers at the school site;

(b) Classified employees shall be elected by classified employees at the school site;

(c) Parents shall be selected by parents of students attending the school; and

(d) Other representatives shall be selected by the council.

(5) If a school district board determines that a school site is unable to fulfill the requirements of this section or if the needs of a school site require a different composition, the school district board shall establish the 21st Century Schools Council in a manner that best meets the educational needs of the district.

(6) All 21st Century Schools Council meetings shall be subject to the open meetings law pursuant to ORS 192.610 to 192.690.

(7) A school district may establish a district site committee to assist in the administration of grants or in the district-wide coordination of programs.

**SECTION 25a.** ORS 329.830 is amended to read:

329.830. (1) The State Board of Education shall establish a system of determining successful schools and dispensing appropriate incentive rewards to those schools. The system shall be based on a school being the measurement unit to determine success. School success shall be determined by measuring a school's improvement over a specific assessment period. The successful schools program shall be voluntary.

(2) A school may submit an application to the Department of Education for the successful schools program. The application shall include a short statement from the school requesting consideration for the successful schools program. The application shall also include a copy of the [school] **district continuous** improvement plan implemented pursuant to ORS 329.095 **for the school**.

(3) A school may not amend its application after the application is submitted without approval by the state board. A school that has submitted an application may not submit a new application until the assessment period has ended, unless the school withdraws the previous application.

(4) The department shall distribute incentive rewards to schools that are determined to be successful schools. The board shall establish criteria for determining successful schools. The criteria shall include, but not be limited to:

(a) The results from the statewide assessment system developed pursuant to ORS 329.485;

(b) The achievement of measurable academic goals from [school] **district continuous** improvement plans; and

(c) Other criteria relating to improvement in student learning.

(5) The department shall base the amount of the reward to each successful school on the number of teachers employed by the school. The minimum reward for each full-time teacher shall be \$1,000. Part-time teachers shall receive a percentage of the reward based on the amount of time the part-time teacher worked. Teachers hired during the assessment period shall receive a percentage of the reward based on the length of time the teacher worked at the school during the assessment period.

(6) Each teacher shall individually decide how to use the reward. A reward shall be used by a teacher for classroom enhancements or professional development. As used in this subsection, "classroom enhancements" means items and activities that will improve student learning, including, but not limited to, books, instructional materials, multimedia equipment and software, supplies and field trips.

(7) The State Board of Education shall adopt any rules necessary to implement the successful schools program.

**SECTION 26.** ORS 329.860 is amended to read:

329.860. [(1) *The Department of Education in consultation with the Department of Community Colleges and Workforce Development and the Education and Workforce Policy Advisor shall develop models for school districts of alternative learning options that may include Learning Centers designed to assist students who have left school in meeting the academic content standards required for the Certificate of Initial Mastery through the use of teaching strategies, technology and curricula that emphasize the latest research and best practice.*]

[(2) *The Learning Centers may also provide for the integration of existing local and community programs that provide any part of the services needed to assist individuals in meeting the academic content standards for the Certificate of Initial Mastery.*]

[(3) *The centers may promote means of identifying, coordinating and integrating existing resources and may include:*]

[(a) *Child care services during school hours;*]

[(b) *After-school child care;*]

[(c) *Parental training;*]

[(d) *Parent and child education;*]

[(e) *English as a second language or bilingual services for limited proficiency students;*]

[(f) *Health services or referral to health services;*]

[(g) *Housing assistance;*]

[(h) *Employment counseling, training and placement;*]

[(i) *Summer and part-time job development;*]

[(j) *Drug and alcohol abuse counseling; and*]

[(k) *Family crisis and mental health counseling.*]

[(4)] Education service districts, school districts or schools, or any combination thereof, may contact any eligible elementary or secondary school student and the student's family if the student has ceased to attend school to encourage the student's enrollment in an education program that may include alternative learning options. If the student or the family cannot be located, the name and last-known address shall be reported to the school nearest the address. The school shall attempt to determine if that student or family is being provided services by this state and shall seek to assist the student or family in any appropriate manner.

**SECTION 27.** ORS 329.885 is amended to read:

329.885. (1) It is the policy of the State of Oregon to encourage educational institutions and businesses to develop, in partnership, models for programs related to school-to-work transitions and work experience internships [*directed by the Oregon Educational Act for the 21st Century as described in ORS 329.005 to 329.165, 329.185, 329.445, 329.850 and 329.855*].

(2) From funds available, the Department of Education may allocate to any education service district, school district, individual secondary school or community college grants to develop programs such as those described in subsection (1) of this section.

(3) To receive a grant to operate a program described in subsection (1) of this section, a business shall demonstrate to the satisfaction of the department that the program shall:

(a) Identify groups that have been traditionally underrepresented in the programs and internships, particularly in health care, business and high technology employment positions.

(b) Encourage students who belong to groups identified in paragraph (a) of this subsection, particularly students in secondary schools and community colleges, to apply for consideration and acceptance into a model program described in subsection (1) of this section.

(c) Promote an awareness of career opportunities in the school-to-work transition and the work experience internships among students sufficiently early in their educational careers to permit and encourage students to apply for the model programs.

(d) Promote cooperation among businesses, school districts and community colleges in working toward the goals of the Oregon Educational Act for the 21st Century.

(e) Develop academic skills, attitudes and self-confidence necessary to allow students to succeed in the work environment, including attitudes of curiosity and perseverance and the feelings of positive self-worth that result from sustained effort.

(f) Provide a variety of experiences that reinforce the attitudes needed for success in the business world.

(4) The department shall direct fund recipients to adopt rules establishing standards for approved programs under this section, including criteria for eligibility of organizations to receive grants, and standards to determine the amount of grants.

(5) The department may seek and receive gifts, grants, endowments and other funds from public or private sources as may be made from time to time, in trust or otherwise, for the use and benefit of the purposes of the school-to-work transition and the work experience internship programs and may expend the same or any income therefrom according to the terms of such gifts, grants, endowments or other funds.

**SECTION 28.** ORS 285A.075 is amended to read:

285A.075. (1) The Economic and Community Development Department, through research, promotion and coordination of activities in this state, shall foster the most desirable growth and geographical distribution of agriculture, industry and commerce in the state. The department shall serve as a central coordinating agency and clearinghouse for activities and information concerning the resources and economy of the state.

(2) The department shall have no regulatory power over the activities of private persons. Its functions shall be solely advisory, coordinative and promotional.

(3) The department shall administer the state's participation in the federal Community Development Block Grant funding program authorized by 42 U.S.C. 5301 et seq.

(4) In order to accomplish the purposes of ORS chapters 285A, 285B and 285C [*and ORS 329.905 to 329.975*], the department may expend moneys duly budgeted to pay the travel and various other expenses of industrial or commercial site location agents, film or video production location agents, business journal writers, elected state officials or other state personnel whom the Director of the Economic and Community Development Department determines may promote the purposes of this subsection.

(5) In accordance with applicable provisions of ORS chapter 183, the department may adopt rules necessary for the administration of laws that the department is charged with administering.

(6) ORS 276.428, 279A.120, 279A.140, 279A.155, 279A.275, 279B.025, 279B.235, 279B.270, 279B.280, 279C.370, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.800 to 279C.870, 282.020, 282.050, 282.210, 282.220, 282.230, 283.140, 459A.475, 459A.490, 653.268 and 653.269 do not apply to the department's operation of foreign trade offices outside the state.

(7) Notwithstanding ORS 279A.140, the department may enter into contracts for personal services as necessary or appropriate to carry out the duties, functions and powers vested in the department by law.

(8)(a) The department may contract directly with the Oregon Downtown Development Association, or its successor entity, to provide downtown development and redevelopment assistance and similar services to municipalities in Oregon.

(b) The department may contract directly with Rural Development Initiatives, or its successor entity, to provide training, technical assistance, planning assistance and other support and services to municipalities in Oregon to build economic and community development capacity.

(c) Contracts entered into under this subsection are exempt from the requirements of ORS 279.835 to 279.855 and ORS chapters 279A, 279B and 279C.

(9) If the director determines that moneys are available, the department may transfer funds from the Special Public Works Fund created under ORS 285B.455 or from the Water Fund established under ORS 285B.563 to a state agency to provide financial assistance in the delivery of technical assistance or other services to one or more water systems for evaluation of water quality or services or for planning the improvement of water quality or services. The department may structure the financial assistance under this subsection in the form of an interagency grant or loan or in any other manner the director considers necessary or appropriate.

**SECTION 29.** ORS 285A.090 is amended to read:

285A.090. The Economic and Community Development Department shall:

(1) Implement programs consistent with policies of the Oregon Economic and Community Development Commission.

(2) Provide field representatives in the various geographical regions of the state. The field representatives shall be in the unclassified service and shall receive such salary as may be set by the Director of the Economic and Community Development Department, unless otherwise provided by law. The field representatives shall:

(a) Serve as internal advocates and centralized contacts within state government for businesses seeking to locate or expand in the region and shall guide the businesses through all required processes with state regulatory agencies and local units of government to facilitate and expedite siting or expansion of the businesses within the businesses' budgets and in an economically viable manner;

(b) Seek assistance and direction from the Governor or a designee of the Governor for resolving issues that have delayed a project in order to ensure that governmental decisions and actions on projects are made in a timely and reasonable manner;

(c) Work with local units of government and the private sector as they establish and carry out economic and community development plans and programs under ORS 280.500;

(d) Establish links with and act as liaisons between businesses seeking to locate or expand in the region and resources within the public and private institutions of higher education in Oregon familiar with technological advancements and grant opportunities;

(e) Serve as liaisons between businesses seeking to locate or expand in the region and appropriate governmental, university, community college and industry representatives to assist and partner with the businesses in their developmental efforts;

(f) Assemble regional rapid response teams that include regional departmental staff and representatives of local governments in the region to work with businesses seeking to locate or expand in the region by facilitating developmental procedures and eliminating obstacles to completion of projects;

(g) Assign specific responsibilities for and monitor progress of rapid response team members toward completion of tasks essential to the achievement of a successful outcome of a project for all parties involved;

(h) Coordinate meetings between businesses seeking to locate or expand in the region and the members of rapid response teams to establish and monitor the adherence to developmental timelines and to ensure satisfaction with services provided;

(i) Deliver to local units of government and the private sector the assistance and services available from the department, including publications, research and technical and financial assistance programs; and

(j) Promote local awareness of department policy and department programs and services and of assistance and economic incentives available from government at all levels.

(3) Process requests received by state agencies and interested parties for information pertaining to industrial and commercial locations and relocations throughout the state.

(4) Consult and advise with, coordinate activities of, and give technical assistance and encouragement to, state and local organizations, including local development corporations, county, city, and metropolitan-area committees, chambers of commerce, labor organizations and similar agencies interested in obtaining new industrial plants or commercial enterprises.

(5) Act as the state's official liaison agency between persons interested in locating industrial or business firms in the state, and state and local groups seeking new industry or business, maintaining the confidential nature of the negotiations it conducts as requested by persons contemplating location in the state.

(6) Coordinate state and federal economic and community development programs.

(7) Consult and advise with, coordinate activities of, and give technical assistance and encouragement to all parties including, but not limited to, port districts within the state working in the field of international trade or interested in promoting their own trading activity.

(8) Provide advice and technical assistance to Oregon business and labor.

(9) Collect and disseminate information regarding the advantages of developing new business and expanding existing business in the state.

(10) Aid local communities in planning for and obtaining new business to locate therein and provide assistance in local applications for federal development grants.

(11) Work actively to recruit domestic and international business firms to those communities that desire such recruitment.

(12) In carrying out its duties under ORS chapters 285A, 285B and 285C [*and ORS 329.905 to 329.975*], give priority to assisting small businesses in this state by encouraging the creation of new businesses, the expansion of existing businesses and the retention of economically distressed businesses which are economically viable.

(13) Establish and operate foreign trade offices in those foreign countries in which the department considers a foreign trade office necessary using department employees, contracts with public or private persons or a combination of department employees and contractors. Department employees, including managers, who are assigned to work in a foreign trade office shall be in the unclassified service, and the director shall set the salaries of those persons. Foreign trade offices shall provide one or more of the following services:

(a) Work with the private sector to assist them in finding international markets for their goods and services;

(b) Work with local units of government to assist them in locating foreign businesses within their jurisdiction;

(c) Promote awareness in foreign countries of department policy, programs and services and of assistance and economic incentives available from government at all levels; or

(d) Provide other assistance considered necessary by the director.

**SECTION 30.** ORS 327.023 is amended to read:

327.023. In addition to those moneys distributed through the State School Fund, the Department of Education shall provide from state funds appropriated therefor, grants in aid or support for special and compensatory education programs including:

[*1) Special schools for children who are deaf or blind as defined in ORS 346.010.*]

**(1) The Oregon School for the Blind and the Oregon School for the Deaf.**

(2) Medicaid match for administration efforts to secure Medicaid funds for services provided to children with disabilities.

(3) Hospital programs for education services to children who are hospitalized for extended periods of time or who require hospitalization due to severe disability as described in ORS 343.261.

(4) Private agency programs for education services to children who are placed by the state in long term care or treatment facilities as described in ORS 343.961.

(5) Regional services provided to children with low-incidence disabling conditions as described in ORS 343.236.

(6) Early childhood special education provided to preschool children with disabilities from age three until age of eligibility for kindergarten as described in ORS 339.185, 343.035, 343.041, 343.055, 343.065, 343.157 and 343.455 to 343.534.

(7) Early intervention services for preschool children from birth until age three as described in ORS 339.185, 343.035, 343.041, 343.055, 343.065, 343.157 and 343.455 to 343.534.

(8) Evaluation services for children with disabilities to determine program eligibility and needs as described in ORS 343.146.

(9) Education services to children residing at state hospitals.

(10) Disadvantaged children program under ORS 343.680.

(11) Early childhood education under ORS [329.215 to] **329.228 and** 329.235.

(12) Child development specialist **program** under ORS 329.255.

(13) Youth care centers under ORS 420.885.

(14) Staff development and mentoring.

(15) Professional technical education grants.

(16) Special science education programs.

(17) Talented and Gifted children program under ORS 343.391 to 343.413.

**SECTION 30a.** ORS 327.297 is amended to read:

327.297. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants to school districts, the Youth Corrections Education Program and the Juvenile Detention Education Program for activities that relate to increases in student achievement, including:

(a) Class size reduction;

(b) Increases in instructional time;

(c) Professional development;

(d) Remediation and alternative learning;

(e) Early childhood support;

(f) Services to at-risk youth;

(g) Additional instructional materials;

(h) Curriculum and instructional support;

(i) Services for English as a second language students; and

(j) Other activities approved by the State Board of Education that are shown to have a relationship to increasing student achievement.

(2) Each school district, the Youth Corrections Education Program and the Juvenile Detention Education Program may apply to the Department of Education for a grant. The department shall review and approve applications based on criteria established by the State Board of Education. In establishing the criteria, the State Board of Education shall consider the recommendations of the Quality Education Commission established under Executive Order 99-16 and the recommendations of the Quality Education Commission established under ORS 327.500. The applications shall include the activities to be funded and the goals of the school district or program for increases in student performance. The applications shall become part of the local district **continuous** improvement plan described in ORS 329.095.

(3) The Department of Education shall evaluate the annual progress of each recipient of grant funds under this section toward the performance targets established by the Quality Education Commissions that have been funded by the Legislative Assembly. The evaluation shall become part of the requirements of the department for assessing the effectiveness of the district under ORS 329.085, 329.095 and 329.105. The department shall ensure school district and program accountability by providing appropriate assistance, intervening and establishing consequences in order to support progress toward the performance targets.

(4) Each biennium the Department of Education shall report to the Legislative Assembly on the grant program and the results of the grant program.

(5)(a) Notwithstanding ORS 338.155 (9), the Department of Education may not award a grant under this section directly to a public charter school.

(b) A school district that receives a grant under this section may transfer a portion of the grant to a public charter school based on the charter of the school or any other agreement between the school district and the public charter school.

(c) A public charter school that receives grant funds under this subsection shall use those funds for the activities specified in subsection (1) of this section.

(6)(a) The amount of each grant = the program's or school district's ADMw × (the total amount available for the grants in each distribution year ÷ the total statewide ADMw).

(b) As used in this subsection:

(A) "ADMw" means:

(i) For a school district, the extended weighted average daily membership as calculated under ORS 327.013, 338.155 (1) and 338.165 (2);

(ii) For the Youth Corrections Education Program, the average daily membership as defined in ORS 327.006 multiplied by 2.0; and

(iii) For the Juvenile Detention Education Program, the average daily membership as defined in ORS 327.006 multiplied by 1.5.

(B) "Total statewide ADMw" means the total extended ADMw of all school districts plus the ADMw of the Youth Corrections Education Program plus the ADMw of the Juvenile Detention Education Program.

(7) Each school district or program shall deposit the grant amounts it receives under this section in a separate account, and shall apply amounts in that account to pay for activities described in the district's or program's application.

(8) The State Board of Education may adopt any rules necessary for the administration of the grant program.

**SECTION 31.** ORS 327.506 is amended to read:

327.506. (1) The quality goals for the state's system of kindergarten through grade 12 public education include those established under ORS 329.007, 329.015, 329.025, [329.035,] 329.045[,] and 329.065[, 329.465 and 329.475].

(2) Each biennium the Quality Education Commission shall determine the amount of moneys sufficient to ensure that the state's system of kindergarten through grade 12 public education meets the quality goals.

(3) In determining the amount of moneys sufficient to meet the quality goals, the commission shall identify best practices that lead to high student performance and the costs of implementing those best practices in the state's kindergarten through grade 12 public schools. Those best practices shall be based on research, data, professional judgment and public values.

(4) Prior to August 1 of each even-numbered year, the commission shall issue a report to the Governor and the Legislative Assembly that identifies:

(a) Current practices in the state's system of kindergarten through grade 12 public education, the costs of continuing those practices and the expected student performance under those practices; and

(b) The best practices for meeting the quality goals, the costs of implementing the best practices and the expected student performance under the best practices.

(5) In addition, the commission shall provide in the report issued under subsection (4) of this section at least two alternatives for meeting the quality goals. The alternatives may use different approaches for meeting the quality goals or use a phased implementation of best practices for meeting the quality goals.

**SECTION 32.** ORS 332.114 is amended to read:

332.114. (1) A person who meets the requirements under subsection (3) of this section may request a school district to issue the person a high school diploma if the person resides within the boundaries of the school district or is a resident of this state and attended a high school of the school district.

(2) A representative of a deceased person who meets the requirements under subsection (3) of this section may request a school district to issue a high school diploma on behalf of the deceased person if the deceased person resided within the boundaries of the school district at the time of death or was a resident of this state at the time of death and attended a high school of the school district.

(3) Notwithstanding the requirements for a high school diploma established under ORS 329.451 and by the State Board of Education and school districts [under ORS 329.447], a school district that

receives a request under subsection (1) or (2) of this section shall issue a high school diploma to a person if the person:

- (a) Attended a high school before serving in the Armed Forces of the United States;
  - (b) Did not graduate from a high school because the person was serving in the Armed Forces of the United States;
  - (c) Was discharged or released under honorable conditions from the Armed Forces of the United States;
  - (d) Served in the Armed Forces of the United States as described in subsection (4) of this section; and
  - (e)(A) Has received a General Educational Development (GED) certificate;
  - (B) Has received a post-secondary degree from a community college, state institution of higher education or other generally accredited institution of higher education; or
  - (C) Has received a minimum score on the Armed Services Vocational Aptitude Battery (ASVAB), as established by the Oregon Military Department.
- (4) The provisions of subsection (3) of this section apply to a person who:
- (a) Served in the Armed Forces of the United States at any time during:
    - (A) World War I;
    - (B) World War II;
    - (C) The Korean Conflict; or
    - (D) The Vietnam War;
  - (b) Served in the Armed Forces of the United States and was physically present in:
    - (A) Operation Urgent Fury (Grenada);
    - (B) Operation Just Cause (Panama);
    - (C) Operation Desert Shield/Desert Storm (the Persian Gulf War);
    - (D) Operation Restore Hope (Somalia);
    - (E) Operation Enduring Freedom (Afghanistan); or
    - (F) Operation Iraqi Freedom (Iraq); or
  - (c) Served in the Armed Forces of the United States in an area designated as a combat zone by the President of the United States.

**SECTION 32a.** ORS 336.113 is amended to read:

336.113. (1) The Superintendent of Public Instruction shall direct the Department of Education to increase efforts to:

- (a) Evaluate the distribution of ethnic, racial and cultural backgrounds of the public school students of Oregon and the use of demographic data by school districts for curricula and program planning as reflected in [*school districts' consolidated*] **district continuous** improvement plans;
  - (b) Examine strategies to inform school district boards, school administrators, teachers, parents of students and the public about multicultural and diversity laws and policies;
  - (c) Identify and review exemplary multicultural curricula for different grade levels based on the needs of Oregon's public school students;
  - (d) Identify and review strategies to integrate a multicultural education program with other education programs of school districts; and
  - (e) Evaluate how current laws on diversity and multicultural education are being implemented and applied at the state and school district levels.
- (2) The superintendent shall:
- (a) Seek federal and other funds to develop and implement multicultural education;
  - (b) Seek federal and other funds to provide funding and technical support for school districts to develop and implement multicultural curricula and educational programs; and
  - (c) Report to the State Board of Education on the funds available, the success in obtaining funds, the plans to develop and implement multicultural education and the development of a system for evaluation.
- (3) The superintendent may appoint an advisory committee to accomplish the requirements of this section. The superintendent and the advisory committee shall seek and incorporate input from

the business community, educators and minority representatives that reflect the demographics and geographic regions of this state.

**SECTION 33.** ORS 338.115 is amended to read:

338.115. (1) Statutes and rules that apply to school district boards, school districts or other public schools do not apply to public charter schools. However, the following laws do apply to public charter schools:

- (a) Federal law;
- (b) ORS 192.410 to 192.505 (public records law);
- (c) ORS 192.610 to 192.690 (public meetings law);
- (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- (e) ORS 181.534, 181.539, 326.603, 326.607 and 342.232 (criminal records checks);
- (f) ORS 337.150 (textbooks);
- (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- (h) ORS 659.850 and 659.855 (discrimination);
- (i) ORS 30.260 to 30.300 (tort claims);
- (j) Health and safety statutes and rules;
- (k) Any statute or rule that is listed in the charter;
- (L) The statewide assessment system developed by the Department of Education for mathematics, science and English under ORS 329.485 [(1)] (2);
- (m) ORS 329.045 (academic content standards and instruction);
- (n) Any statute or rule that establishes requirements for instructional time provided by a school during each day or during a year;
- (o) ORS 339.250 (12) (prohibition on infliction of corporal punishment);
- (p) ORS 339.370, 339.372 and 339.375 (reporting of child abuse); and
- (q) This chapter.

(2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules that apply to school district boards, school districts and other public schools may apply to a public charter school.

(3) If a statute or rule applies to a public charter school, then the terms “school district” and “public school” include public charter school as those terms are used in that statute or rule.

(4) A public charter school may not violate the Establishment Clause of the First Amendment to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion based.

(5) A public charter school shall maintain an active enrollment of at least 25 students.

(6) A public charter school may sue or be sued as a separate legal entity.

(7) The sponsor, members of the governing board of the sponsor acting in their official capacities and employees of a sponsor acting in their official capacities are immune from civil liability with respect to all activities related to a public charter school within the scope of their duties or employment.

(8) A public charter school may enter into contracts and may lease facilities and services from a school district, education service district, state institution of higher education, other governmental unit or any person or legal entity.

(9) A public charter school may not levy taxes or issue bonds under which the public incurs liability.

(10) A public charter school may receive and accept gifts, grants and donations from any source for expenditure to carry out the lawful functions of the school.

(11) The school district in which the public charter school is located shall offer a high school diploma[, *certificate, Certificate of Initial Mastery or Certificate of Advanced Mastery*] to any public charter school student who meets the district’s and state’s standards for a high school diploma[, *certificate, Certificate of Initial Mastery or Certificate of Advanced Mastery*]. *If the school district offers a Certificate of Initial Mastery subject area endorsement to students who attend school in the*

*district, then the school district shall offer the endorsement to any public charter school student who meets the district's and state's standards for the endorsement].*

(12) A high school diploma, *certificate, Certificate of Initial Mastery, Certificate of Initial Mastery subject area endorsement or Certificate of Advanced Mastery*] issued by a public charter school grants to the holder the same rights and privileges as a high school diploma, *certificate, Certificate of Initial Mastery, Certificate of Initial Mastery subject area endorsement or Certificate of Advanced Mastery*] issued by a nonchartered public school.

(13) Prior to beginning operation, the public charter school shall show proof of insurance to the sponsor as specified in the charter.

(14) A public charter school may receive services from an education service district in the same manner as a nonchartered public school in the school district in which the public charter school is located.

**NOTE:** Section 34 was deleted by amendment. Subsequent sections were not renumbered.

**SECTION 35.** ORS 339.505 is amended to read:

339.505. (1) For purposes of the student accounting system required by ORS 339.515, the following definitions shall be used:

(a) "Graduate" means an individual who has:

(A) Not reached 21 years of age or whose 21st birthday occurs during the current school year;

(B) Met all state requirements and local requirements for attendance, competence and units of credit for high school; and

(C) Received one of the following:

(i) A high school diploma issued by a school district.

(ii) An adult high school diploma issued by an authorized community college.

(iii) *[A modified]* **An alternative** high school diploma based on the successful completion of an individual education plan.

(b) "School dropout" means an individual who:

(A) Has enrolled for the current school year, or was enrolled in the previous school year and did not attend during the current school year;

(B) Is not a high school graduate;

(C) Has not received a General Educational Development (GED) certificate; and

(D) Has withdrawn from school.

(c) "School dropout" does not include a student described by at least one of the following:

(A) A student who has transferred to another educational system or institution that leads to graduation and the school district has received a written request for the transfer of the student's records or transcripts.

(B) A student who is deceased.

(C) A student who is participating in home instruction paid for by the district.

(D) A student who is being taught by a private teacher, parent or legal guardian pursuant to ORS 339.030 (1)(c) or (d).

(E) A student who is participating in a Department of Education approved public or private education program, an alternative education program as defined in ORS 336.615 or a hospital education program, or is residing in a Department of Human Services facility.

(F) A student who is temporarily residing in a shelter care program certified by the Oregon Youth Authority or the Department of Human Services or in a juvenile detention facility.

(G) A student who is enrolled in a foreign exchange program.

(H) A student who is temporarily absent from school because of suspension, a family emergency, or severe health or medical problems that prohibit the student from attending school.

(I) A student who has received a General Educational Development (GED) certificate.

(2) The State Board of Education shall prescribe by rule when an unexplained absence becomes withdrawal, when a student is considered enrolled in school, acceptable alternative education programs under ORS 336.615 to 336.665 and the standards for excused absences for purposes of ORS 339.065 for family emergencies and health and medical problems.

**SECTION 36.** ORS 341.009 is amended to read:  
341.009. The Legislative Assembly finds that:

(1) The community college is an educational institution which is intended to fill the institutional gap in education by offering broad, comprehensive programs in academic as well as professional technical subjects. It is primarily designed to provide associate or certificate degree programs for some, serve a transitional purpose for others who will continue baccalaureate or other college work, provide the ability to enter the workforce immediately and serve to determine future educational needs for other students. It can provide means for continuation of academic education, professional technical training or the attainment of entirely new skills as demands for old skills and old occupations are supplanted by new technologies. It may also provide the means to coordinate courses and programs with high schools [*to enhance the Certificate of Advanced Mastery and*] to accommodate successful transition to college degree programs.

(2) Each community college should be so located as to be within commuting time of a substantial majority of its students. As an economical method of providing education close to the student's home, the community college should remain a commuting institution.

(3) The community college should establish its organizational patterns to maintain a unique quality of flexibility and the ability to change to meet changing needs.

(4) The community college is a post-high-school institution under the general supervision of the State Board of Education. It should not be a "starter" institution intended to evolve into a four-year baccalaureate institution. It should be concerned with programs terminating before reaching the baccalaureate degree.

(5) The community college should continue to be prohibited by law from becoming a baccalaureate degree granting institution.

(6) Admission to the community college should be open to high school graduates or to non-high school graduates who can profit from the instruction offered.

(7) There should be close cooperation between those directing the community college program and those responsible for higher education, so that lower-division college transfer programs of the community college will provide adequate preparation for entering baccalaureate degree granting programs, and so that students will be able to transfer with a minimum of difficulty.

(8) The community college should offer as comprehensive a program as the needs and resources of the area which it serves dictate. Cost to student and quality of instruction in established private institutions should be among the factors in determining necessary duplication of effort.

(9) It should be the policy of the community college to open its facilities and make available its resources to the high schools of its area on a sound contractual basis, for appropriate secondary or transitional courses, either academic or professional technical, when it is within its ability to provide facilities and it is determined that the high school cannot or does not offer them.

(10) Programs designed to meet the needs of the area served should be based on the actual educational and service needs of the district. Specific professional technical courses should be related not only to the employment opportunities of the area but of the state and nation as well. Such determination should be made in consultation with representatives of labor, business, industry, agriculture and other interested groups.

(11) The State Board of Education should be responsible for coordinating the community college program of the state and should have general supervisory responsibilities for that program. The State Board of Education should prepare estimates and make the requests for legislative appropriations for a reasonable and consistent basis of support and establish standards for the distribution of that support.

(12) The initiative for the establishment of new community colleges should come from the localities to be served, as a response to demonstrated educational needs of an area. However, these localities must not only be willing to assume the responsibility for the institutions but must be able to provide resources needed for an adequate educational and service program.

(13) The governing board of the community college should be charged with the policy-making function. With respect to educational programming, the governing board should in cooperation with the State Board of Education:

- (a) Identify educational needs of the district; and
- (b) Bring together the resources necessary to meet the needs.

(14) The state should maintain a policy of substantial state participation in community college building costs and the maintenance of an adequate level of state support for operation. However, no state funds should be appropriated for buildings such as dormitories or athletic facilities for spectator sports. The district should provide a substantial portion of the funds for capital improvement as well as for operation of a community college.

(15) State appropriations for community colleges shall be made separately from those for other segments of education.

(16) The formula for the distribution of funds for operating costs should reflect the heavier operating costs and capital outlay for certain professional technical courses. Federal funds received for professional technical training, adult basic education, workforce development or other federal initiatives should be used for those purposes only and be distributed separately from funds appropriated by the state and should be exempted from the computations of the present distribution formula for operating costs.

(17) The cost of education to the individual should be sufficiently low to permit students of low-income families to attend. This is particularly true of tuition costs. However, students should pay an amount sufficient to provide an incentive to profit from the instructional program offered.

(18) Any eligible Oregon resident should have the right to attend a community college even though not residing in a district operating one, subject to the right of the governing board to limit the size of classes and to give preference to students residing in the district. Local school districts and education service districts should have the authority to negotiate the terms and conditions with the governing boards for the enrollment of students residing in such areas.

**SECTION 37.** ORS 342.845 is amended to read:

342.845. (1) A contract teacher shall not be subjected to the requirement of annual appointment nor shall the teacher be dismissed or employed on a part-time basis without the consent of the teacher except as provided in ORS 342.805 to 342.937.

(2) Notwithstanding subsection (1) of this section, a part-time contract teacher attains contract status at not less than half-time but less than full-time and may be assigned within those limits by the school district. The assignment of a contract part-time teacher is not subject to the procedures specified in ORS 342.805 to 342.930. A contract part-time teacher who accepts a full-time assignment shall be considered a contract teacher for purposes of the assignment.

(3) No teacher shall be deprived of employment status solely because the duties of employment have been assumed or acquired by another school district or education service district in a state reorganization of a regional special education program. Where such reorganization occurs, a teacher shall be transferred to the employment of the school district or education service district which assumed or acquired program responsibilities. The teacher shall be allowed to transfer accrued sick leave and experience status to the new district. However, the district to which the programs are transferred is obligated to hire displaced employees only to the extent that such would complement a cost effective staffing plan in the reorganized program.

(4)(a) As used in this subsection:

(A) "Juvenile detention education program" means the Juvenile Detention Education Program, as defined in ORS 326.695.

(B) "School district" *[has the meaning given that term in ORS 329.007]* **means a school district as defined in ORS 332.002, an education service district, a state-operated school or any legally constituted combination of such entities.**

(b) No teacher shall be deprived of employment status solely because the duties of employment have been assumed or acquired by another school district or education service district pursuant to a transfer of juvenile detention education program responsibilities to another school district or ed-

ucation service district. Where such reorganization occurs, a teacher shall be transferred to the employment of the school district or education service district that assumed or acquired program responsibilities. The teacher shall be allowed to transfer accrued sick leave, seniority and status as a contract teacher. However, the district to which the program is transferred is obligated to hire displaced teachers only to the extent that such would complement a cost-effective staffing plan in the reorganized program.

(5)(a) An administrator shall serve a probationary period that does not exceed three years, unless the administrator and the school district mutually agree to a shorter time period. Following a probationary period, an administrator shall be employed by a school district pursuant to a three-year employment contract. An administrator may be dismissed or have a reduction in pay during the term of a contract for any reason set forth for dismissal of a teacher in ORS 342.865, or pursuant to ORS 342.934 (5). If an administrator is dismissed or has a reduction in pay during the term of the contract, the administrator may appeal to the Fair Dismissal Appeals Board in the same manner as provided for the appeal of a dismissal or a nonextension of a contract teacher. An administrator may not appeal the nonextension of a contract to the Fair Dismissal Appeals Board.

(b) The administrator may be assigned and reassigned at will during the term of the contract.

(c) The district school board may elect not to extend the administrator's contract for any cause the school board in good faith considers sufficient. Prior to March 15 of the second year of the administrator's contract, the school board shall take one of the following actions:

(A) Issue a new three-year contract effective July 1 following the March 15 of the second year of the administrator's contract;

(B) Provide, in writing, notice that the contract will not be renewed or extended; or

(C) Extend the existing contract for a period of not more than one year.

(6) If an administrator receives notice of contract nonextension prior to the expiration of the administrator's contract, the administrator shall have the right to fill any vacant teaching position in the district for which the contract administrator is licensed and competent as defined in ORS 342.934, provided the administrator has three years' teaching experience in Oregon that has been successful, in the judgment of the district superintendent.

**SECTION 38.** ORS 348.183 is amended to read:

348.183. [(1)] The Legislative Assembly recognizes:

[(a)] (1) That an investment in educational opportunities for all Oregonians is an investment in a strong and stable economy and greater personal opportunities;

[(b)] (2) That the single largest barrier to attending an institution of higher education is lack of finances;

[(c)] (3) The broad and diverse range of quality post-secondary educational services provided by Oregon's institutions of higher education, including Oregon's community colleges, state institutions and independent not-for-profit institutions of higher education; and

[(d)] (4) The positive effects on Oregon's citizens, families and economy of encouraging talented and hardworking students to stay in Oregon to pursue a post-secondary education.

[(2) *It is the intent of the Legislative Assembly to:*]

[(a) *Empower students who have achieved a Certificate of Initial Mastery with the ability to attend an Oregon institution of higher education; and*]

[(b) *Reward all Oregon students who have achieved a Certificate of Initial Mastery or a comparable level of academic merit in Oregon schools with the opportunity and the necessary funding to attend an Oregon institution of higher education.*]

**SECTION 39.** ORS 348.186 is amended to read:

348.186. (1) In addition to any other form of student financial aid authorized by law, the Oregon Student Assistance Commission shall award, to the extent funds are made available, an Oregon Achievement Grant to any qualified student who:

(a) Commences at least half-time study toward a degree at the eligible post-secondary institution within three years of high school graduation; and

(b) [*Has received a Certificate of Initial Mastery or,*] While a resident of Oregon, has scored at or above a level on a nationally recognized college admissions test as determined by the Oregon Student Assistance Commission.

(2) Any qualified student receiving an Oregon Achievement Grant under subsection (1) of this section must use the grant for the purpose of study in an eligible program, as defined by rule of the Oregon Student Assistance Commission, at an eligible post-secondary institution.

(3) The Oregon Student Assistance Commission may not award an Oregon Achievement Grant to a qualified student who is enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(4) Each Oregon Achievement Grant shall be renewed yearly provided that the recipient has maintained satisfactory progress toward a first associate or baccalaureate degree as determined by the Oregon Student Assistance Commission.

(5) Notwithstanding subsection (4) of this section, no Oregon Achievement Grant shall be renewed after a qualified student has reached the number of credit hours required to graduate with a baccalaureate degree at the institution the student is attending.

**SECTION 40.** (1) **ORS 329.035, 329.077, 329.215, 329.225, 329.237, 329.245, 329.405, 329.445, 329.447, 329.465, 329.467, 329.475, 329.537, 329.545, 329.555, 329.565, 329.570, 329.575, 329.585, 329.595, 329.600, 329.605, 329.685, 329.690, 329.695, 329.700, 329.709, 329.715, 329.735, 329.745, 329.855, 329.905, 329.915, 329.920, 329.925, 329.930, 329.950 and 329.975 are repealed.**

(2) **Section 7, chapter 660, Oregon Laws 1995, is repealed.**

(3) **Section 27, chapter 660, Oregon Laws 1995, as amended by section 2, chapter 353, Oregon Laws 1997, and section 16, chapter 303, Oregon Laws 2003, is repealed.**

**SECTION 41.** The amendments to **ORS 285A.075, 285A.090, 327.023, 327.297, 327.506, 329.007, 329.015, 329.025, 329.045, 329.075, 329.085, 329.095, 329.105, 329.115, 329.160, 329.165, 329.183, 329.190, 329.195, 329.200, 329.228, 329.255, 329.265, 329.415, 329.451, 329.485, 329.675, 329.704, 329.830, 329.860, 329.885, 332.114, 336.113, 338.115, 339.505, 341.009, 342.845, 348.183 and 348.186 and section 3, chapter 827, Oregon Laws 2005, by sections 1 to 22 and 24 to 39 of this 2007 Act and the repeal of ORS 329.035, 329.077, 329.215, 329.225, 329.237, 329.245, 329.405, 329.445, 329.447, 329.465, 329.467, 329.475, 329.537, 329.545, 329.555, 329.565, 329.570, 329.575, 329.585, 329.595, 329.600, 329.605, 329.685, 329.690, 329.695, 329.700, 329.709, 329.715, 329.735, 329.745, 329.855, 329.905, 329.915, 329.920, 329.925, 329.930, 329.950 and 329.975 and sections 7 and 27, chapter 660, Oregon Laws 1995, by section 40 of this 2007 Act first apply to the 2008-2009 school year.**

**SECTION 42.** (1) The Department of Education shall contract with a nonprofit entity to administer a nationally normed assessment, in collaboration with the department, to all students in grade 10 who are enrolled in a public school. The purpose of the assessment is to predict the success of students on, and provide practice for students taking, college entrance exams.

(2) The department shall base the selection of the contractor under subsection (1) of this section on all of the following criteria:

(a) The contractor must be able to provide to the department statewide data containing the results of the assessment;

(b) The contractor shall provide an assessment that:

(A) Identifies students with high potential to excel in advanced placement (AP) or other honors courses based on a research-based correlation of scores on the grade 10 assessment to advanced placement examinations;

(B) Examines students in mathematics, reading and writing; and

(C) Provides results that can be used by Oregon's higher education institutions to recruit students to attend college;

(c) The contractor must be able to supply schools with an item-by-item analysis of student performance on the assessment; and

**(d) The contractor must be able to make available to each student taking the assessment a free career assessment and online exploration of colleges and career opportunities.**

**(3) Notwithstanding subsection (1) of this section:**

**(a) The department may allow the contractor to waive the assessment for specific groups of students; and**

**(b) Upon request from a student who is enrolled in a public school operated by a school district or the parent or guardian of the student, the school district shall waive the assessment for the student.**

**SECTION 43. The Department of Education shall enter into a contract under section 42 of this 2007 Act to first provide an assessment during the 2008-2009 school year.**

**SECTION 44.** ORS 327.008, as amended by section 6a, chapter 803, Oregon Laws 2005, is amended to read:

327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education Stability Fund. The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 327.355, 327.357, 327.360, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.013.

(3) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

(4) All figures used in the determination of the distribution of the State School Fund shall be estimates for the same year as the distribution occurs, unless otherwise specified.

(5) Numbers of students in average daily membership used in the distribution formula shall be the numbers as of June of the year of distribution.

(6) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(7) The total amount of the State School Fund that is distributed as facility grants may not exceed \$25 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant.

(8) Each fiscal year, the Department of Education shall transfer the amount of \$12 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(9) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from the State School Fund to the Small School District Supplement Fund established in ORS 327.360.

**(10) Each fiscal year, the Department of Education may expend up to \$550,000 from the State School Fund for the contract described in section 42 of this 2007 Act. The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by the amount expended by the department under this subsection.**

**SECTION 45. The amendments to ORS 327.008 by section 44 of this 2007 Act apply to State School Fund distributions commencing with the 2007-2008 distribution.**

**SECTION 46.** ORS 328.542 is amended to read:

328.542. Subject to the Local Budget Law (ORS 294.305 to 294.565) and to sections 11 and 11b, Article XI, Oregon Constitution, each school district board shall prepare annually **or biennially** the budget of the school district and shall certify ad valorem property taxes to the assessor as provided by law.

**SECTION 47. (1) There is established a Board of Directors of the Oregon School for the Deaf, consisting of seven members of whom at least four are persons who are deaf. The members shall be appointed by the Governor as follows:**

- (a) One member who has attended the Oregon School for the Deaf;
- (b) One member who is deaf;
- (c) One member who is a professional with experience working with persons who are deaf;
- (d) One member who is a professional with experience working with regional programs for persons who are deaf;
- (e) One member of the business community; and
- (f) Two members who are parents of a child who is deaf.

(2) The term of office of each member is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) A member of the board is not entitled to compensation but may be reimbursed for expenses as provided in ORS 292.495.

**SECTION 48.** (1) The Board of Directors of the Oregon School for the Deaf shall be appointed within 60 days of the effective date of this 2007 Act.

(2) Notwithstanding the term of office specified by section 47 of this 2007 Act, of the members first appointed to the board:

- (a) One shall serve for a term ending July 1, 2008.
- (b) Two shall serve for terms ending July 1, 2009.
- (c) Two shall serve for terms ending July 1, 2010.
- (d) Two shall serve for terms ending July 1, 2011.

**SECTION 49.** (1) The Board of Directors of the Oregon School for the Deaf shall select one of its members as chairperson and another as vice chairperson, for such terms and with duties and powers necessary for the performance of the functions of such offices as the board determines.

(2) A majority of the members of the board constitutes a quorum for the transaction of business.

(3) The board shall meet at times and places specified by the call of the chairperson or of a majority of the members of the board.

**SECTION 50.** The Board of Directors of the Oregon School for the Deaf shall:

(1) Periodically, in conjunction with the Department of Education, conduct a comprehensive review of policies and procedures of the Oregon School for the Deaf and of the state that relate to programs, services and employment of staff for the school;

(2) Make recommendations to the Superintendent of Public Instruction about policies and procedures of the school that relate to programs, services and employment of staff for the school;

(3) Establish an interview committee as necessary to provide advice to the Superintendent of Public Instruction on the hiring of a director for the school;

(4) Make recommendations to the superintendent about candidates for the director position;

(5) Make recommendations to the department about the school's budget and funding requests; and

(6) Make recommendations to the department about the expenditure of private donations and grants received by the department on behalf of the school.

**SECTION 51.** (1) The Board of Directors of the Oregon School for the Deaf shall adopt a master plan for the Oregon School for the Deaf. The plan shall specify the mission and objectives of the school.

(2) The board shall include the input of stakeholders in the school in the development of the plan, including school districts, education service districts, students, graduates of the school and parents and guardians of students at the school.

- (3) The plan shall include, but not be limited to, recommendations for:
- (a) Procedures for systematically measuring the school's progress toward meeting its objectives;
  - (b) Procedures for analyzing changes in student population and modifying school programs and services to respond to the changes; and
  - (c) The delivery of the school's services to school districts and education service districts.
- (4) The plan shall honor deaf culture.
- (5) The plan shall be in effect for a period of five years and shall be reviewed for needed modification every two years.
- (6) Prior to February 1 of each odd-numbered year, the board shall submit the plan to the Superintendent of Public Instruction and the Legislative Assembly. The board shall also include the plan in the presentation to the Joint Legislative Committee on Ways and Means on the budget of the school.

**SECTION 52.** (1) There is established a Board of Directors of the Oregon School for the Blind, consisting of seven members of whom at least three are persons who are blind. The members shall be appointed by the Governor as follows:

- (a) One member who has attended the Oregon School for the Blind or was a staff person at the school;
  - (b) One member who is a professional with experience working with regional programs for persons who are blind;
  - (c) One member of the business community;
  - (d) One member who is a parent of a child who is blind;
  - (e) One member who serves on the Commission for the Blind or who is a staff person of the commission; and
  - (f) Two members who represent consumer groups that focus on issues relating to persons who are blind.
- (2) The term of office of each member is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) A member of the board is not entitled to compensation but may be reimbursed for expenses as provided in ORS 292.495.

**SECTION 53.** (1) The Board of Directors of the Oregon School for the Blind shall be appointed within 60 days of the effective date of this 2007 Act.

(2) Notwithstanding the term of office specified by section 52 of this 2007 Act, of the members first appointed to the board:

- (a) One shall serve for a term ending July 1, 2008.
- (b) Two shall serve for terms ending July 1, 2009.
- (c) Two shall serve for terms ending July 1, 2010.
- (d) Two shall serve for terms ending July 1, 2011.

**SECTION 54.** (1) The Board of Directors of the Oregon School for the Blind shall select one of its members as chairperson and another as vice chairperson, for such terms and with duties and powers necessary for the performance of the functions of such offices as the board determines.

(2) A majority of the members of the board constitutes a quorum for the transaction of business.

(3) The board shall meet at times and places specified by the call of the chairperson or of a majority of the members of the board.

**SECTION 55.** The Board of Directors of the Oregon School for the Blind shall:

(1) Periodically, in conjunction the Department of Education, conduct a comprehensive review of policies and procedures of the Oregon School for the Blind and of the state that relate to programs, services and employment of staff for the school;

(2) Make recommendations to the Superintendent of Public Instruction about policies and procedures of the school that relate to programs, services and employment of staff for the school;

(3) Establish an interview committee as necessary to provide advice to the Superintendent of Public Instruction on the hiring of a director for the school;

(4) Make recommendations to the superintendent about candidates for the director position;

(5) Make recommendations to the department about the school's budget and funding requests; and

(6) Make recommendations to the department about the expenditure of private donations and grants received by the department on behalf of the school.

**SECTION 56.** (1) The Board of Directors of the Oregon School for the Blind shall adopt a master plan for the Oregon School for the Blind. The plan shall specify the mission and objectives of the school.

(2) The board shall include the input of stakeholders in the school in the development of the plan, including school districts, education service districts, students, graduates of the school and parents and guardians of students at the school.

(3) The plan shall include, but not be limited to, recommendations for:

(a) Procedures for systematically measuring the school's progress toward meeting its objectives;

(b) Procedures for analyzing changes in student population and modifying school programs and services to respond to the changes; and

(c) The delivery of the school's services to school districts and education service districts.

(4) The plan shall honor blind culture.

(5) The plan shall be in effect for a period of five years and shall be reviewed for needed modification every two years.

(6) Prior to February 1 of each odd-numbered year, the board shall submit the plan to the Superintendent of Public Instruction and the Legislative Assembly. The board shall also include the plan in the presentation to the Joint Legislative Committee on Ways and Means on the budget of the school.

**SECTION 57.** ORS 179.210 is amended to read:

179.210. (1) The Department of Human Services, the Department of Corrections and the Superintendent of Public Instruction may audit, allow and pay a claim for damage to property made by an employee of one of those agencies if:

(a) The damage to property arises out of the claimant's employment at one of the institutions or facilities operated by the Department of Human Services or the Department of Corrections, or one of the [facilities] **schools** operated by the Superintendent of Public Instruction under ORS 346.010; and

(b) The employee files a written claim with the employee's employer within 180 days after the employee discovers or should have discovered the damage.

(2) No claim under subsection (1) of this section shall be paid:

(a) That exceeds, in the aggregate with payments of other claims, the moneys appropriated for such purpose.

(b) To the extent that the person incurring damage has been or may be compensated by liability insurance or otherwise.

(c) If the Department of Human Services, the Department of Corrections or the Superintendent of Public Instruction determines the cause or occasion of the accident resulting in damage is chargeable to the conduct or negligence of the party damaged.

**SECTION 58.** ORS 179.460 is amended to read:

179.460. (1) In order to encourage industry and thereby increase productiveness in the institutions, the Department of Corrections and the Department of Human Services shall prescribe rules and regulations for the sale and exchange of surplus products of each.

(2) The funds derived from the sale of the surplus products shall be paid into the State Treasury and become a part of a fund to be known as the State Institutional Betterment Fund, which fund shall be expended by the Department of Corrections and the Department of Human Services, respectively, for the benefit of the institutions in proportion to the amount earned by each.

(3) The provisions of this section apply to [facilities] **schools** operated under ORS 346.010.

**SECTION 59.** ORS 181.539 is amended to read:

181.539. (1) For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the Teacher Standards and Practices Commission and the Department of Education may require the fingerprints of:

(a) A person who is applying for initial issuance of a license under ORS 342.120 to 342.430 as a teacher, administrator or personnel specialist if the person has not submitted to a criminal records check by the commission within the previous year.

(b) A person who is applying for reinstatement of a license as a teacher, administrator or personnel specialist whose license has lapsed for at least three years.

(c) A person who is applying for initial issuance of a certificate under ORS 342.475 as a school nurse.

(d) A school district or private school contractor, whether part-time or full-time, or an employee thereof, whether part-time or full-time, who has direct, unsupervised contact with students as determined by the district or private school.

(e) A person newly hired, whether part-time or full-time, by a school district or private school in a capacity not described in paragraphs (a) to (c) of this subsection who has direct, unsupervised contact with children as determined by the district or private school.

(f) A person employed, whether part-time or full-time, by a school district or private school in a capacity not described in paragraphs (a) to (c) of this subsection who has direct, unsupervised contact with children as determined by the district or private school.

(g) A person who is registering with the commission for student teaching, practicum or internship as a teacher, administrator or personnel specialist, if the person has not submitted to a criminal records check by the commission within the previous year for student teaching, practicum or internship as a teacher, administrator or personnel specialist.

(h) A person who is a community college faculty member providing instruction at a kindergarten through grade 12 school site during the regular school day.

(i) A person who is an employee of a public charter school.

(j) A person who is applying for initial issuance of a registration as a public charter school teacher under ORS 342.125.

(2) Notwithstanding subsection (1) of this section, the commission and the department may not require fingerprints of a person described in subsection (1)(d), (e), (f), (h) or (i) of this section if the person or the person's employer was checked in one school district or private school and is currently seeking to work in another district or private school unless the person lived outside this state during the interval between the two periods of time of working in the district or private school.

(3) Nothing in this section requires a person described in subsection (1)(d), (e) or (i) of this section to submit to fingerprinting until the person has been offered employment or a contract by a school district or private school. Contractor employees shall not be required to submit to fingerprinting until the contractor has been offered a contract.

(4) As used in this section:

(a) "Private school" means a school that provides educational services as defined in ORS 345.505 and is registered as a private school under ORS 345.505 to 345.575.

(b) "School district" means:

(A) A school district as defined in ORS 330.003.

- (B) The Oregon [State] School for the Blind.
- (C) The Oregon [State] School for the Deaf.
- (D) An educational program under the Youth Corrections Education Program.
- (E) A public charter school as defined in ORS 338.005.
- (F) An education service district.

**SECTION 60.** ORS 238.350 is amended to read:

238.350. (1)(a) Upon the request by a public employer that its employees be compensated for accumulated unused sick leave with pay in the form of increased retirement benefits upon service or disability retirement, the board shall establish a procedure for adding to the gross amount of salary used in determining final average salary the monetary value of one-half of the accumulated unused sick leave with pay of each retiring employee of the requesting public employer and shall establish benefits of the retiring employee on the basis of a final average salary reflecting that addition.

(b) For employees of a common school district, a union high school district, an education service district or a community college, or employees of the State Board of Higher Education engaged in teaching or other school activity at an institution of higher education, or employees of [state] schools [for the deaf or blind] **operated under ORS 346.010** engaged in teaching or other school activity, who are employed under contract for a period of less than 12 consecutive months and who are entitled to sick leave with pay of less than 96 hours for a year, each hour of accumulated unused sick leave with pay shall be valued on the basis of the actual number of contract hours of employment during the last year of contributing membership of an employee before retiring and the salary of the employee during the same period. This paragraph does not apply to any employee who is employed under contract for 12 consecutive months in any of the three or less years used in determining the final average salary of the employee.

(c) For the purpose of this subsection, accumulated unused sick leave with pay includes unused sick leave with pay accumulated by an active member of the system while in the service of any public employer participating in the system that has the request described in paragraph (a) of this subsection in effect at the time of the member's separation from the service of the employer, whether that employer is or is not the employer of the member at the time of the member's retirement.

(d) The board shall establish rules requiring all public employers participating in the system to transmit to the board reports of unused sick leave with pay accumulated by their employees who are members of the system and to provide timely notification to each of those employees of unused sick leave with pay accumulated by the employee and reported to the board.

(2) Accumulated unused sick leave with pay may be considered for the purpose of subsection (1) of this section only in accordance with the following requirements:

(a) Sick leave not credited at the rate actually provided by the public employer may not be considered. The amount of sick leave exceeding an amount credited at the lowest rate in effect for any employee of the public employer who is normally entitled to sick leave, and in any event exceeding an amount credited at a rate of eight hours for each full month worked, may not be considered.

(b) Sick leave credited for periods when an employee was absent from employment on sabbatical leave, educational leave or any leave without pay may not be considered.

(c) Any period during which an employee was absent from employment for illness or injury that was charged against sick leave not qualified for consideration shall be deducted from sick leave qualified for consideration.

(d) Sick leave for any period for which the public employer provides no sick leave with pay for its employees may not be considered.

(e) Sick leave accumulated on and after July 1, 1973, may be considered only to the extent it is supported by records of accumulation and use pursuant to a plan adopted formally by the public employer.

(f) Accumulated unused sick leave for periods before July 1, 1973, may be considered as follows:

(A) If any department, bureau or other organizational unit of a public employer maintained formal records of accumulation and use even though the public employer did not require that those records be maintained, the accumulated unused sick leave shall be considered according to those records.

(B) Where the public employer provided sick leave before July 1, 1973, but formal records of accumulation and use were not required or if required, are unavailable or incomplete, or the sick leave was subject to administrative limitations on total accumulation or transfer between public employers, accumulated unused sick leave for periods before July 1, 1973, may be considered as equal to 2.675 hours for each full month worked or an amount per month equal to the average monthly accumulation by an employee during the period beginning July 1, 1973, and ending at the time of retirement, whichever amount is greater, but reduced by the amount of any accumulated unused sick leave credited to the employee on July 1, 1973.

(g) The written certification of a member or former member of the Legislative Assembly shall constitute a formal record of accumulation and use in determining the amount of accumulated unused sick leave of an employee of the Legislative Assembly, either of its houses or any of its committees or officers for periods of employment before July 1, 1981. Sick leave accumulated on and after July 1, 1981, by employees of the Legislative Assembly, either of its houses or any of its committees or officers may be considered only to the extent it is supported by records of accumulation and use maintained by the Legislative Administration Committee, or any statutory, standing, special or interim committee of the Legislative Assembly or either house thereof, or any constitutional or statutory office of the Legislative Assembly or either house thereof, pursuant to a plan adopted formally by the committee or officer.

(3)(a) As used in this subsection, "legislative employee" means any person employed by the Legislative Assembly, either of its houses or any of its committees or officers, but does not include a regular employee of a statutory committee or statutory office of the Legislative Assembly described in ORS 173.005 (1).

(b) Upon the request of a retiring legislative employee who is a member of the system, and the request of the public employer of the legislative employee, that the legislative employee be compensated for accumulated unused vacation with pay for periods of legislative employment in the form of increased retirement benefits upon service or disability retirement, the board shall add to the gross amount of salary used in determining final average salary of the legislative employee the monetary value of one-half of the accumulated unused vacation with pay of the legislative employee and shall establish the benefits of the legislative employee on the basis of a final average salary reflecting that addition.

(c) Accumulated unused vacation with pay may be considered for the purposes of paragraph (b) of this subsection only in accordance with the following requirements:

(A) Vacation not credited at the rate actually provided by the public employer may not be considered.

(B) Amounts of vacation exceeding amounts creditable to employees in the classified service of the state service pursuant to ORS 240.515 (1), and rules adopted pursuant thereto, in effect on June 30, 1981, shall not be considered.

(C) Vacation accumulated before, on and after July 1, 1981, may be considered only to the extent it is supported by records of accumulation and use pursuant to a plan adopted formally by the public employer. However, the written certification of a member or former member of the Legislative Assembly shall constitute a formal record of accumulation and use in determining the amount of accumulated unused vacation of a legislative employee for periods of legislative employment before July 1, 1981.

(4) Employers with plans providing payments on account of sickness in lieu of sick leave with pay may request the board to consider the monetary value of accumulated unused payments on account of sickness as if such payments were an equivalent amount of accumulated unused sick leave with pay under the same terms and conditions specified in subsections (1) and (2) of this section.

**SECTION 61.** ORS 240.205 is amended to read:

240.205. The unclassified service shall comprise:

(1) One executive officer and one secretary for each board or commission, the members of which are elected officers or are appointed by the Governor.

(2) The director of each department of state government, each full-time salaried head of a state agency required by law to be appointed by the Governor and each full-time salaried member of a board or commission required by law to be appointed by the Governor.

(3) The administrator of each division within a department of state government required by law to be appointed by the director of the department with the approval of the Governor.

(4) Principal assistants and deputies and one private secretary for each executive or administrative officer specified in ORS 240.200 (1) and in subsections (1) to (3) of this section. "Deputy" means the deputy or deputies to an executive or administrative officer listed in subsections (1) to (3) of this section who is authorized to exercise that officer's authority upon absence of the officer. "Principal assistant" means a manager of a major agency organizational component who reports directly to an executive or administrative officer listed in subsections (1) to (3) of this section or deputy and who is designated as such by that executive or administrative officer with the approval of the Director of the Oregon Department of Administrative Services.

(5) Employees in the Governor's office and the principal assistant and private secretary in the Secretary of State's division.

(6) The [*deans, professors*] **director**, principals, instructors and teachers in [*facilities*] **schools** operated under ORS 346.010.

(7) Apprentice trainees only during the prescribed length of their course of training.

(8) Licensed physicians and dentists employed in their professional capacities and student nurses, interns, and patient or inmate help in state institutions.

(9) Lawyers employed in their professional capacities.

(10) All members of the Oregon State Police appointed under ORS 181.250 and 181.265.

(11) Deputy superintendents and associate superintendents in the Department of Education.

(12) Temporary seasonal farm laborers engaged in single phases of agricultural production or harvesting.

(13) Any individual employed and paid from federal funds received under the Emergency Job and Unemployment Assistance Act of 1974 (United States Public Law 93-567) or any other federal program intended primarily to alleviate unemployment. However, persons employed under this subsection shall be treated as classified employees for purposes of ORS 243.650 to 243.782.

(14) Managers, department heads, directors, producers and announcers of the state radio and television network.

(15) Employees, including managers, of the foreign trade offices of the Economic and Community Development Department located outside the country.

(16) Any other position designated by law as unclassified.

**SECTION 62.** ORS 240.240 is amended to read:

240.240. (1) The unclassified service or, except as provided in ORS 240.250, the management service shall not be subject to this chapter, except that employees and officers in the unclassified or management service shall be subject to the laws, rules and policies pertaining to any type of leave with pay except as otherwise provided in subsections (4) and (5) of this section, and shall be subject to the laws, rules and policies pertaining to salary plans except as otherwise provided in subsections (3) and (5) of this section.

(2) With regard to any unclassified or management service position for which the salary is not fixed by law, and except as otherwise provided in subsections (3) and (5) of this section, the Personnel Division shall adopt a salary plan which is equitably applied to various categories in the unclassified or management service and is in reasonable conformity with the general salary structure of the state. The division shall maintain this unclassified and management salary plan in accordance with the procedures established for the classified salary plan as provided in ORS 240.235.

(3) The Secretary of State and the State Treasurer, for the purpose of maintaining a salary plan for unclassified and management service positions in their departments, may request the advice and assistance of the division.

(4) With regard to unclassified instructors and teachers under annual teaching contracts for an academic year in [facilities] **schools** operated under ORS 346.010, arrangements for leave with pay shall be established by the Department of Education.

(5) With regard to unclassified positions in the Economic and Community Development Department's foreign offices, the salary plan and arrangements for leave with pay shall be established by the Director of the Economic and Community Development Department.

**SECTION 63.** ORS 326.603 is amended to read:

326.603. (1)(a) A school district shall send to the Department of Education for purposes of a criminal records check any information, including fingerprints, for each person described in ORS 181.539 (1)(d), (e), (f), (h) or (i).

(b) A private school may send to the Department of Education for purposes of a criminal records check any information, including fingerprints, for each person described in ORS 181.539 (1)(d), (e), (f) or (h).

(2) The Department of Education shall request that the Department of State Police conduct a criminal records check as provided in ORS 181.534 and may charge the district or private school a fee as established by rule under ORS 181.534. The school district or private school may recover its costs or a portion thereof from the person described in ORS 181.539 (1)(d), (e), (f), (h) or (i). If the person described in ORS 181.539 (1)(e), (f) or (i) requests, the district shall and a private school may withhold the amount from amounts otherwise due the person, including a periodic payroll deduction rather than a lump sum payment.

(3)(a) If the Superintendent of Public Instruction informs the school district that the person has been convicted of a crime listed in ORS 342.143 or has made a false statement as to the conviction of a crime, the superintendent shall notify the school district of the fact and the district shall not employ or contract with the person. Notification by the superintendent that the school district shall not employ or contract with the person shall remove the person from any school district policies, collective bargaining provisions regarding dismissal procedures and appeals and the provisions of ORS 342.805 to 342.937.

(b) The Superintendent of Public Instruction shall notify the private school if the person has been convicted of a crime listed in ORS 342.143 or has made a false statement as to the conviction of a crime. Based on the notice, the private school may choose not to employ or contract with the person.

(4) If a person described in subsection (1) of this section refuses to consent to the criminal records check or refuses to be fingerprinted or if the person falsely swears to the nonconviction of a crime, the district shall terminate the employment or contract status of the person. Termination under this subsection removes the person from any school district policies, collective bargaining provisions regarding dismissal procedures and appeals and the provisions of ORS 342.805 to 342.937.

(5) A school district may not hire or continue to employ or contract with or allow the contractor to continue to assign a person to the school project if the person described in subsection (1) of this section has been convicted of a crime according to the provisions of ORS 342.143.

(6) As used in this section and ORS 326.607:

(a) "Private school" means a school that provides educational services as defined in ORS 345.505 and is registered as a private school under ORS 345.505 to 345.575.

(b) "School district" means:

(A) A school district as defined in ORS 330.003.

(B) The Oregon [State] School for the Blind.

(C) The Oregon [State] School for the Deaf.

(D) An educational program under the Youth Corrections Education Program.

(E) A public charter school as defined in ORS 338.005.

(F) An education service district.

**SECTION 64.** ORS 329.489 is amended to read:

329.489. (1) Within the State of Oregon's kindergarten through grade 12 education system, proficiency for students in American Sign Language shall be in accordance with rules adopted by the State Board of Education pursuant to ORS chapter 329 and any other applicable state or federal law.

(2) The State Board of Education is encouraged to continue to:

(a) Coordinate with the State Board of Higher Education and the Oregon [State] School for the Deaf to develop curricula for American Sign Language courses;

(b) Implement programs to locate and prepare qualified teachers and interpreters of American Sign Language; and

(c) Assist public high schools in identifying local and regional needs and resources available for American Sign Language courses.

**SECTION 65.** ORS 336.790 is amended to read:

336.790. As used in ORS 336.790 to 336.815, unless the context requires otherwise:

(1) "Commercial driver training school" means a school operated by a person issued a commercial driver training school certificate by the Department of Transportation under ORS 822.515.

[2] "*Facility*" means any facility for the deaf operated under ORS 346.010.]

[3] (2) "Private school" means a private or parochial high school.

[4] (3) "Public school" means a common or union high school district, education service district [and], a community college district **and the Oregon School for the Deaf.**

**SECTION 66.** ORS 336.800 is amended to read:

336.800. (1) Any private school, public school[, *facility*] or commercial driver training school may offer a course in traffic safety education. The curriculum for the traffic safety education course shall be established by the Department of Transportation under ORS 802.345.

(2) A person employed to teach a traffic safety education course must meet qualifications established by the department under ORS 802.345.

**SECTION 67.** ORS 336.805 is amended to read:

336.805. (1) Each public school [*or facility*] offering a course in traffic safety education may charge tuition therefor and shall keep accurate records of the cost thereof in the manner required under rules adopted by the Department of Transportation under ORS 802.345. As provided in ORS 336.810, each public school [*or facility*] shall be reimbursed \$210 per pupil completing the course, including any private school pupil completing the course in a public school [*or facility*].

(2) If funds available to the Department of Transportation for the Student Driver Training Fund are not adequate to pay all approved claims in full, public schools [*and facilities*] shall receive a pro rata reimbursement based upon the ratio that the total amount of funds available bears to the total amount of funds required for maximum allowable reimbursement.

(3) Tuition authorized by subsection (1) of this section shall not exceed the cost to the public school [*or facility*] of providing traffic safety education less the state reimbursement. Tuition may be reduced or waived by a public school [*or facility*] for low income pupils.

(4) A public school may also offer a traffic safety education course to pupils in neighboring public schools that do not offer traffic safety education.

(5) Each public school [*and facility*] offering a course in traffic safety education shall adopt written policies and procedures regarding reduced or waived tuition for low income pupils.

(6) Each public school offering a course in traffic safety education shall adopt written policies and procedures for the admission of pupils from neighboring public schools.

**SECTION 68.** ORS 339.370 is amended to read:

339.370. As used in this section and ORS 339.372 and 339.375:

(1) "Abuse" has the meaning given that term in ORS 419B.005.

(2) "Disciplinary records" means the records related to a personnel discipline action or materials or documents supporting that action.

(3) "Education provider" means:

(a) A school district as defined in ORS 332.002.

- (b) The Oregon [State] School for the Blind.
- (c) The Oregon [State] School for the Deaf.
- (d) An educational program under the Youth Corrections Education Program.
- (e) A public charter school as defined in ORS 338.005.
- (f) An education service district as defined in ORS 334.003.
- (g) Any state-operated program that provides educational services to kindergarten through grade 12 students.
- (h) A private school.
- (4) "Law enforcement agency" has the meaning given that term in ORS 419B.005.
- (5) "Private school" means a school that provides educational services as defined in ORS 345.505 to kindergarten through grade 12 students.
- (6) "School board" means the governing board or governing body of an education provider.
- (7) "School employee" means an employee of an education provider.

**SECTION 69.** ORS 339.860 is amended to read:

339.860. (1) Any person other than a student at the Oregon [State] School for the Deaf or the Oregon [State] School for the Blind upon successful completion of an educational program at elementary or secondary level at a state institution shall receive a diploma evidencing such completion issued by the common or union high school district in which the person last resided prior to commitment to the state institution.

(2) All educational records for the person shall be sent to the common or union high school district issuing the diploma. The school district may make a transcript of such records available upon request in the same manner and in the same form as it makes any other transcript available and shall not therein indicate that any of the educational program was completed in any state institution.

**SECTION 70.** ORS 343.236 is amended to read:

343.236. (1) The Superintendent of Public Instruction may provide special education on a local, county or regional basis without regard to county boundaries in all areas of the state for children who have:

- (a) A visual impairment;
- (b) A hearing impairment;
- (c) Blindness or deafness, or both;
- (d) An orthopedic impairment;
- (e) Autism; or
- (f) Traumatic brain injury.

(2) The Superintendent of Public Instruction may operate and administer a local, county or regional program of special education or the superintendent may contract for the operation and administration of the program with a school district or an education service district.

(3) The State Board of Education by rule shall establish eligibility criteria and educational standards for the programs described in subsection (1) of this section and those programs in [facilities] **schools** operated under ORS 346.010.

(4) A school district which contracts to provide a program under this section shall be paid for the state-approved program as determined and funded by the Legislative Assembly. Contracting school districts are authorized to negotiate supplemental programs with participating school districts.

**SECTION 71.** ORS 346.010 is amended to read:

346.010. (1) Pursuant to rules of the State Board of Education, the Superintendent of Public Instruction shall provide free training and education services **in schools located in Marion County** for [deaf or blind children, or children who are both deaf and blind, in facilities located in Marion County] **children who are blind or deaf.**

(2) The Superintendent of Public Instruction shall indicate which [facilities] **school** shall serve as [the school for the deaf and] the **Oregon School for the Blind and which school shall serve as the Oregon School for the Deaf.**

(3) The superintendent may order a change in all or part in the purpose and use of *[facilities]* **schools** available under this section whenever the superintendent determines that a change in purpose and use will better enable the state to meet its responsibilities for the education and training of *[deaf or blind children, or children who are both deaf and blind]* **children who are blind or deaf**.

*[(3)]* (4) The *[facilities]* **schools** shall be operated primarily for the provision of education and training services for children *[with sensory disabilities]* **who are blind or deaf** who cannot be efficiently served *[under the provisions of ORS chapter 343]* **in other schools or programs**.

(5) **The Board of Directors of the Oregon School for the Blind or the Board of Directors of the Oregon School for the Deaf may appeal any decision of the Superintendent of Public Instruction made under this section to the State Board of Education. An appeal under this subsection must be filed with the State Board of Education within 60 days of the date of the decision by the superintendent. The State Board of Education may uphold, modify or overturn any decision of the superintendent under this section.**

**SECTION 72.** Notwithstanding ORS 346.010 (5), the Board of Directors of the Oregon School for the Blind or the Board of Directors of the Oregon School for the Deaf may appeal any decision of the Superintendent of Public Instruction made under ORS 346.010 on or after January 1, 2007, to the State Board of Education if the appeal is filed with the State Board of Education within 60 days after the date of the first meeting of the board of directors making the appeal.

**SECTION 73.** ORS 346.015 is amended to read:

346.015. (1) Prior to convening a meeting to prepare an individual education plan for a mentally retarded or developmentally disabled child for whom placement at a school under ORS 346.010 may be considered, the agency that is providing the education for the child shall notify the local community mental health and developmental disabilities program. The mentally retarded and developmentally disabled program mental health case manager in consultation with the Department of Human Services shall evaluate whether the child also has needs for alternative residential care or other support services. If the evaluation determines this to be the case, but documents that community resources are not available to meet these needs, the school district may proceed with the meeting to prepare the individual education plan in which placement at a school under ORS 346.010 may be considered.

(2) An agency providing education under subsection (1) of this section may initiate the procedure in subsection (1) of this section for any child who is not mentally retarded or developmentally disabled when in the agency's judgment a treatment or residential issue is prompting proposed placement under ORS 346.010.

(3) No child shall be placed in a *[facility]* **school** operated under ORS 346.010 unless the district superintendent or the superintendent's designee has signed a statement declaring that the district cannot provide a free appropriate public education for the child commensurate with the needs of the child as identified by the individual education plan of the child and that the *[facility]* **school** is the least restrictive environment in which the child can be educated.

(4) By rule, the State Board of Education shall determine procedures to be followed by local education agencies in carrying out this section.

**SECTION 74.** ORS 346.017 is amended to read:

346.017. (1) Notwithstanding ORS 346.015, the Superintendent of Public Instruction may enroll a student in the *[facilities]* **schools** operated under ORS 346.010 if the student is not a resident of Oregon. However, priority for enrollment at the *[facilities]* **schools** shall be given to students who are residents of Oregon.

(2) The superintendent may charge tuition and fees to any student who is enrolled under this section.

(3) A student who is enrolled under this section *[shall]* **is** not *[be]* considered a resident of any school district based on the enrollment and attendance at the *[facility]* **school**.

**SECTION 75.** ORS 346.019 is amended to read:

346.019. (1) There is established an Educational Facilities Fund, separate and distinct from the General Fund. All tuition and fees collected under ORS 346.017 and all expenses incurred in the administration of ORS 346.017 shall be deposited to and borne by the fund. Interest earned by the fund shall be credited to the fund.

(2) The moneys in the fund are appropriated continuously to the [*Superintendent of Public Instruction*] **Department of Education** for purposes of the [*facilities*] **schools** operated under ORS 346.010.

**SECTION 76.** ORS 346.020 is amended to read:

346.020. (1) The Superintendent of Public Instruction shall prescribe the course of instruction for students enrolled in [*facilities*] **schools** operated under ORS 346.010. The State Board of Education shall determine the procedures for placement, development of services and operation of the schools in conformance with state and federal laws relating to children who are eligible for special education and shall adopt the procedures by rule.

(2) **In consultation with the Board of Directors of the Oregon School for the Deaf or the Board of Directors of the Oregon School for the Blind, as appropriate,** the Superintendent of Public Instruction shall select **a director for each school. The superintendent may also select teachers and other personnel necessary to manage the [*facilities*] schools in an effective and efficient manner or may delegate the selection of teachers and other personnel to the director of the school.** [*The superintendent shall also designate a well-qualified person or persons to assist in the administration of these facilities. The superintendent shall designate which positions shall serve as supervisors of these educational services and facilities; these designated positions shall be in the unclassified service.*]

(3) The Superintendent of Public Instruction shall have control over persons enrolled in [*these facilities*] **the schools** and shall direct their care and promote their mental, moral and physical welfare.

(4) **The Board of Directors of the Oregon School for the Blind or the Board of Directors of the Oregon School for the Deaf may appeal a decision of the Superintendent of Public Instruction to the State Board of Education if the decision was made under subsection (2) of this section and relates to the selection or dismissal of the director of a school. An appeal under this subsection must be filed with the State Board of Education within 60 days of the date of the decision by the superintendent. The State Board of Education may uphold, modify or overturn any decision of the superintendent under this section.**

**SECTION 77.** ORS 346.030 is amended to read:

346.030. Application for admission to [*facilities*] **the schools** operated under ORS 346.010 shall be made to the Department of Education. Application shall be made on forms which are provided by the department.

**SECTION 78.** ORS 346.041 is amended to read:

346.041. (1) Transportation for pupils attending [*facilities*] **schools** under ORS 346.010 is the responsibility of the pupil's resident school district. The district may provide transportation directly or by agreement with another school district, a public carrier or the Department of Education.

(2) The actual and necessary transportation expenses incurred under subsection (1) of this section, at a frequency consistent with a pupil's individual education plan, shall be considered [*pupil transportation by the district for purposes of ORS 327.035 (1989 Edition)*] **approved transportation costs for purposes of ORS 327.006 and 327.033.**

(3) The resident school district shall reimburse the Department of Education for all transportation costs the department incurs on behalf of the district within 10 days after receipt of the itemized invoice.

(4) The payments of the resident school districts required under subsection (3) of this section and an amount specifically appropriated thereto shall be deposited in the State Treasury to the credit of the Special Education Transportation Revolving Account to be used by the Department of Education for the transportation of pupils attending [*facilities*] **schools** under ORS 346.010. The account shall be continuously appropriated **to the department** for such purpose.

(5) Any unexpended and unobligated balance in the Special Education Transportation Revolving Account in excess of \$70,000 as of September 1 of any year shall be transferred from the account to the General Fund to be available for general governmental purposes.

**SECTION 79.** ORS 346.047 is amended to read:

346.047. The State Board of Education may receive, take and hold property, both real and personal for any [facility] **school** operated under ORS 346.010 and may sell, transfer, assign, allot, set over or convey the property pursuant to legislative authority.

**SECTION 80.** ORS 346.055 is amended to read:

346.055. (1) When the [Superintendent of Public Instruction] **Department of Education** has in possession or under control, in a bank account or otherwise, funds that are the property of the students enrolled in [facilities] **schools** operated under ORS 346.010 or that have been deposited for their use or for expenditure in their behalf, **the department** shall deposit such funds, as they are received, together with any such funds as heretofore have accumulated, with the State Treasurer as a trust account, separate and distinct from the General Fund. Interest earned by the account shall be credited to the account.

(2) [The word "funds"] As used in this section, "**funds**" **includes but is not** [shall include, but shall not be] limited to[,] moneys deposited with the [superintendent] **department** for medical care or assistance of students, moneys derived from athletic activities, contributions for athletic, health, or recreation projects, and any other moneys received by the [superintendent] **department** that are not required by law to be credited to other state funds or accounts.

(3) The [Superintendent of Public Instruction or designee] **department** is authorized to receive any of the funds referred to in this section. The State Treasurer shall carry such funds in separate accounts for such [institutions] **schools**, but [shall] **may** not credit such funds or any part thereof to any state fund for governmental purposes.

(4) Disbursements from the accounts for the purposes for which the contributions or payments were made, and for payment to persons lawfully entitled thereto, may be made by the [Superintendent of Public Instruction or designee] **department**, by checks or orders drawn upon the State Treasurer. The [superintendent] **department** shall be accountable for the proper handling of the accounts.

**SECTION 81.** ORS 346.080 is amended to read:

346.080. The Department of Education shall give the notice required by ORS 332.554 to all classified employees of the Oregon [State] School for the Deaf and the Oregon [State] School for the Blind in the same manner and to the same effect as notice given under ORS 332.554.

**SECTION 82.** ORS 351.117 is amended to read:

351.117. (1) If the State Board of Higher Education determines that enrollment is sufficient to make an American Sign Language class economically viable and if qualified instructors are available, the board may offer to students courses for credit in American Sign Language at any institution of higher education within the Oregon University System. Such courses shall satisfy any second language elective requirement.

(2) The State Board of Higher Education is encouraged to continue to:

(a) Coordinate with the State Board of Education and the Oregon [State] School for the Deaf to develop curricula for American Sign Language courses;

(b) Implement programs to locate and prepare qualified teachers and interpreters of American Sign Language; and

(c) Assist institutions of higher education in identifying local and regional needs and resources available for American Sign Language courses.

**SECTION 83.** ORS 656.135 is amended to read:

656.135. (1) As used in this section "school" means the Oregon [State] School for the Deaf or the Oregon [State] School for the Blind.

(2) All persons participating as trainees in a work experience program of a school in which such persons are enrolled are considered as workers of the school subject to this chapter for purposes of this section.

(3) On behalf of a school conducting a work experience program, the Department of Education shall submit a written statement to the State Accident Insurance Fund Corporation that includes a description of the work to be performed by such persons.

(4) Upon receiving the written statement, the corporation may fix assumed wage rates for the persons enrolled in the work experience program, without regard to ORS chapter 652 or ORS 653.010 to 653.545 and 653.991, which may be used only for purposes of computations under this chapter.

(5) The Department of Education shall furnish the corporation with a list of the names of those enrolled in work experience programs in the schools and shall notify the corporation of any changes therein. Only those persons whose names appear on such list prior to their personal injury by accident are entitled to the benefits of this chapter and they are entitled to such benefits if injured as provided in ORS 656.156 and 656.202 while performing any duties arising out of and in the course of their participation in the work experience program, provided the duties being performed are among those:

- (a) Described on the application of the department; and
- (b) Required of similar full-time paid employees.

(6) The filing of claims for benefits under this section is the exclusive remedy of a trainee or beneficiary of the trainee for injuries compensable under this chapter against the state, the school, the department, its officers and employees, or any employer, regardless of negligence.

(7) The provisions of this section shall be inapplicable to any trainee who is earning wages for such employment.

**SECTION 84.** (1) For the purpose of harmonizing and clarifying statute sections published in Oregon Revised Statutes, the Legislative Counsel may substitute for words designating the “Oregon State School for the Deaf,” wherever they occur in Oregon Revised Statutes, other words designating the “Oregon School for the Deaf.”

(2) For the purpose of harmonizing and clarifying statute sections published in Oregon Revised Statutes, the Legislative Counsel may substitute for words designating the “Oregon State School for the Blind,” wherever they occur in Oregon Revised Statutes, other words designating the “Oregon School for the Blind.”

**SECTION 85.** This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect July 1, 2007.

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**Passed by House April 18, 2007**

**Repassed by House June 25, 2007**

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Chief Clerk of House

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Speaker of House

**Passed by Senate June 23, 2007**

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President of Senate

**Received by Governor:**

.....M,....., 2007

**Approved:**

.....M,....., 2007

.....  
Governor

**Filed in Office of Secretary of State:**

.....M,....., 2007

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Secretary of State