

HB 3427 A STAFF MEASURE SUMMARY**Carrier:** Rep. Smith Warner, Rep. Nathanson**Joint Committee On Student Success****Action Date:** 04/29/19**Action:** Do pass with amendments. (Printed A-Eng.)**House Vote****Yeas:** 6 - Clem, Fahey, Hernandez, Lively, Nathanson, Smith Warner**Nays:** 3 - Helt, Smith G, Sprenger**Senate Vote****Yeas:** 4 - Frederick, Hass, Roblan, Taylor**Nays:** 3 - Knopp, Thatcher, Thomsen**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Lisa Gezelter, LPRO Analyst**Meeting Dates:** 4/16, 4/18, 4/23, 4/25, 4/29**WHAT THE MEASURE DOES:**

Establishes the Fund for Student Success (FSS). Allocates moneys in the FSS to the State School Fund, Student Investment Account (SIA), the Early Learning Account (ELA), and the Statewide Education Initiatives Account (SEIA). Establishes grant program for moneys in the SIA. Requires funds to be spent on increasing learning time, decreasing class size, offering a well-rounded education, or student health or safety. Establishes ability for school districts and certain charter schools to apply for grants directly. Outlines grant application requirements and process, review and approval process, distribution formula, and oversight requirements. Requires Oregon Department of Education (ODE) to work with grant recipients to establish growth targets for the following metrics: percentage of third graders reading at grade-level proficiency, percentage of ninth graders completing that year with at least six credits toward graduation, percentage of students graduating or completing high school, and percentage of students attending school more than 90 percent of instructional days. Establishes reporting requirements for school districts and ODE. Requires financial audits of grant funds and reviews of district performance. Establishes coaching program for districts not meeting performance growth targets and intensive program for chronically low-performing districts. Allocates additional funding for districts participating in the intensive program. Establishes Student Success Teams to assist participants in intensive program. Requires intensive program participants to implement certain recommendations made by the Student Success Teams. Requires ODE to offer technical assistance to school districts. Establishes needs assessment as part of school district continuous improvement plan. Establishes allowable uses for the SEIA and ELA. Expands access to free meals at school. Establishes youth reengagement system for students who have left high school and wish to complete. Establishes statewide school safety and prevention system. Enacts recommendations of School Safety Task Force. Establishes American Indian or Alaskan Native education plan. Establishes Latino or Hispanic education plan. Establishes summer learning programs for Title I schools. Allocates funding for early warning systems to assist school districts in keeping high school students on track to graduate on time. Requires ODE and the Educator Advancement Council, Teacher Standards and Practices Commission, school district representatives and education stakeholders to report to the 2020 Legislative Assembly on recommendations to increase educator diversity. Establishes the Early Childhood Equity Fund. Reduces personal income tax rates for the lowest three tax brackets by 0.25 percent. Establishes a modified commercial activities tax of 0.57 percent on Oregon commercial activity over \$1 million. Establishes a 35 percent subtraction. Defines business receipts. Delineates exceptions. Requires income from commercial activities tax be deposited in Fund for Student Success.

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ISSUES DISCUSSED:

- Revenue rates and exemptions
- Definition of business receipts
- Community college career and technical education programs
- Class sizes
- Conditions inside schools
- Funding levels for PreK-12

EFFECT OF AMENDMENT:

Replaces measure.

BACKGROUND:

The Joint Committee on Student Success was established in January 2018 and tasked with creating a plan to improve outcomes for students throughout Oregon. The committee met four times during the 2018 session and conducted nine tours throughout Oregon, where it met with students, teachers, administrators, school employees, school board members, parents, business leaders, and other stakeholders. House Bill 3427-A is the result of that work.