PROPOSED AMENDMENTS TO

HOUSE BILL 2019

In line 2 of the printed bill, after the semicolon delete the rest of the line and insert “creating new provisions; amending ORS 327.008, 327.019, 327.137, 329.095, 334.177, 339.515, 341.481, 417.790 and 417.847; repealing ORS 327.290, 327.294 and 327.297; and prescribing an effective date.”.

Delete lines 4 through 12 and insert:

“FUND FOR STUDENT SUCCESS

“SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 327.

“SECTION 2. Fund for Student Success; transfers to accounts. (1) The Fund for Student Success is established in the State Treasury, separate and distinct from the General Fund.

“(2) The Fund for Student Success shall consist of moneys appropriated by the Legislative Assembly and moneys received as provided in subsection (3) of this section.

“(3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the Fund for Student Success. Moneys received as provided in this subsection shall be deposited into the Fund for Student Success.
“(4) Moneys in the Fund for Student Success are continuously appropriated to the department for:

“(a) Transfer to the State School Fund in the amount calculated by the Legislative Fiscal Officer and the Legislative Revenue Officer to be the sum of:

“(A) $100 million, as adjusted by the same percentage by which the current service level of the State School Fund increased or decreased compared with the preceding biennium;

“(B) $40 million, for transfer under ORS 327.008 (11) to the High Cost Disabilities Account established in ORS 327.348; and

“(C) The amount of change in revenue to be collected in the biennium due to the changes made to the personal income tax rates in section X of this 2019 Act.

“(b) Of the amount remaining in the Fund for Student Success after the transfer prescribed by paragraph (a) of this subsection, transfer to other education accounts as follows:

“(A) Fifty percent to the District Improvement Account established in section 9 of this 2019 Act.

“(B) Thirty percent to the Statewide Initiative Account established in section 26 of this 2019 Act.

“(C) Twenty percent to the Early Learning Account established in section 29 of this 2019 Act.

“SECTION 3. Notwithstanding section 2 (4)(a) of this 2019 Act, for the biennium beginning July 1, 2019, the amount the Department of Education shall transfer to the State School Fund shall equal $431 million.

“STATE SCHOOL FUND

“SECTION 4. ORS 327.008, as amended by section 22, chapter 639, Oregon
Laws 2017, and section 5, chapter 700, Oregon Laws 2017, is amended to read:

“327.008. (1)(a) There is established a State School Fund in the General Fund.

“(b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the State School Fund. Moneys received as provided in this paragraph shall be deposited into the State School Fund.

“(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, **moneys transferred from the Fund for Student Success**, moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b) of this subsection.


“(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 327.011 and 327.013.

“(3) For the first school year after a public charter school ceases to operate because of dissolution or closure or because of termination or nonrenewal of a charter, there shall be apportioned from the State School Fund to each school district that had sponsored a public charter school that ceased to operate an amount equal to the school district’s general purpose grant per extended ADMw multiplied by five percent of the ADM of the public charter school for the previous school year.

“(4) There shall be apportioned from the State School Fund to each edu-
ation service district a State School Fund grant as calculated under ORS
327.019.

“(5) 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.

“(6) Numbers of students in average daily membership used in the dis-
tribution formula shall be the numbers as of June of the year of distribution.

“(7) 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.

“(8) The total amount of the State School Fund that is distributed as fa-
cility grants may not exceed $7 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. If the total
amount to be distributed as facility grants does not exceed this limitation,
any remaining amounts shall be expended for expenses incurred by the Office
of School Facilities as provided in ORS 326.125 (1).

“(9) Each biennium, the Department of Education may expend from the
State School Fund no more than $6 million for expenses incurred by the Of-
face of School Facilities under ORS 326.125 (2) to (6).

“(10) Each fiscal year, the Department of Education shall transfer to the
Pediatric Nursing Facility Account established in ORS 327.022 the amount
necessary to pay the costs of educational services provided to students ad-
mitted to pediatric nursing facilities as provided in ORS 343.941.

“(11) Each fiscal year, the Department of Education shall transfer the
amount of $35 million from the State School Fund to the High Cost Disa-
bilities Account established in ORS 327.348.

“(12)(a) Each biennium, the Department of Education shall transfer $39.5
million from the State School Fund to the Educator Advancement Fund es-
tablished under ORS 342.953.
“(b) For the purpose of making the transfer under this subsection:

“(A) The total amount available for all distributions from the State School Fund shall be reduced by $6 million;

“(B) The amount distributed to school districts from the State School Fund under this section and ORS 327.013 shall be reduced by $16.75 million; and

“(C) The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by $16.75 million.

“(c) For each biennium, the amounts identified in this subsection shall be adjusted by the same percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204 direct the state agencies to adjust their agency budget requests for special payments under ORS 291.216 (6)(a)(C).

“(13) Each biennium, the Department of Education shall transfer $12.5 million from the State School Fund to the Statewide English Language Learner Program Account established under ORS 327.344.

“(14) Each fiscal year, the Department of Education may expend up to $550,000 from the State School Fund for the contract described in ORS 329.488. 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.

“(15) Each biennium, the Department of Education may expend up to $350,000 from the State School Fund to provide administration of and support for the development of talented and gifted education under ORS 343.404.

“(16) Each biennium, the Department of Education may expend up to $150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

“(17) Each fiscal year, the Department of Education shall transfer the
amount of $2.5 million from the State School Fund to the Small School Dis-


track Supplement Fund established in section 3, chapter 735, Oregon Laws 2013.

“(18) Each biennium, the Department of Education shall transfer $2 million from the State School Fund for deposit to the Healthy School Facili-
ties Fund established under ORS 332.337. Notwithstanding ORS 332.337, the

department may expend moneys received in the Healthy School Facilities

Fund under this subsection only as grants for costs associated with testing

for elevated levels of lead in water used for drinking or food preparation.

“SECTION 5. ORS 327.008, as amended by section 7, chapter 735, Oregon

Laws 2013, section 7, chapter 81, Oregon Laws 2014, section 2, chapter 68,

Oregon Laws 2015, section 38, chapter 245, Oregon Laws 2015, section 2,

chapter 555, Oregon Laws 2015, section 11, chapter 604, Oregon Laws 2015,

section 2, chapter 644, Oregon Laws 2015, section 8, chapter 783, Oregon

Laws 2015, sections 22 and 23, chapter 639, Oregon Laws 2017, sections 5 and

6, chapter 700, Oregon Laws 2017, and section 34, chapter 725, Oregon Laws

2017, is amended to read:

“327.008. (1)(a) There is established a State School Fund in the General

Fund.

“(b) The Department of Education, on behalf of the State of Oregon, may

solicit and accept gifts, grants, donations and other moneys from public and

private sources for the State School Fund. Moneys received as provided in

this paragraph shall be deposited into the State School Fund.

“(c) The State School Fund shall consist of moneys appropriated by the

Legislative Assembly, moneys transferred from the Fund for Student

Success, moneys transferred from the Education Stability Fund and the

Oregon Marijuana Account and moneys received as provided in paragraph

(b) of this subsection.

“(d) The State School Fund is continuously appropriated to the Depart-

ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,
327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243,
343.533, 343.941 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 327.011 and 327.013.

“(3) For the first school year after a public charter school ceases to op-
erate because of dissolution or closure or because of termination or
nonrenewal of a charter, there shall be apportioned from the State School
Fund to each school district that had sponsored a public charter school that
ceased to operate an amount equal to the school district’s general purpose
grant per extended ADMw multiplied by five percent of the ADM of the
public charter school for the previous school year.

“(4) There shall be apportioned from the State School Fund to each edu-
cation service district a State School Fund grant as calculated under ORS
327.019.

“(5) 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.

“(6) Numbers of students in average daily membership used in the dis-
tribution formula shall be the numbers as of June of the year of distribution.

“(7) 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.

“(8) The total amount of the State School Fund that is distributed as fa-
cility grants may not exceed $7 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. If the total
amount to be distributed as facility grants does not exceed this limitation,
any remaining amounts shall be expended for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

“(9) Each biennium, the Department of Education may expend from the State School Fund no more than $6 million for expenses incurred by the Office of School Facilities under ORS 326.125 (2) to (6).

“(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

“(11) Each fiscal year, the Department of Education shall transfer the amount of [§35] $55 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

“(12)(a) Each biennium, the Department of Education shall transfer $39.5 million from the State School Fund to the Educator Advancement Fund established under ORS 342.953.

“(b) For the purpose of making the transfer under this subsection:

“(A) The total amount available for all distributions from the State School Fund shall be reduced by $6 million;

“(B) The amount distributed to school districts from the State School Fund under this section and ORS 327.013 shall be reduced by $16.75 million; and

“(C) The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by $16.75 million.

“(c) For each biennium, the amounts identified in this subsection shall be adjusted by the same percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204 direct the state agencies to adjust their agency budget requests for special payments under ORS 291.216 (6)(a)(C).

“(13) Each biennium, the Department of Education shall transfer $12.5
million from the State School Fund to the Statewide English Language Learner Program Account established under ORS 327.344.

“(14) Each fiscal year, the Department of Education may expend up to $550,000 from the State School Fund for the contract described in ORS 329.488. 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.

“(15) Each biennium, the Department of Education may expend up to $350,000 from the State School Fund to provide administration of and support for the development of talented and gifted education under ORS 343.404.

“(16) Each biennium, the Department of Education may expend up to $150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

“(17) Each biennium, the Department of Education shall transfer $2 million from the State School Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337. Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School Facilities Fund under this subsection only as grants for costs associated with testing for elevated levels of lead in water used for drinking or food preparation.

“SECTION 6. (1) The amendments to ORS 327.008 by section 5 of this 2019 Act become operative on July 1, 2020.

“(2) The amendments to ORS 327.008 by section 5 of this 2019 Act apply to State School Fund distributions commencing with the 2020-2021 distributions.

“NOTE: Section 7 was deleted by amendment. Subsequent sections were not renumbered.

“DISTRICT IMPROVEMENT ACCOUNT
“SECTION 8. Sections 9 to 16 of this 2019 Act are added to and made a part of ORS chapter 327.

“SECTION 9. District Improvement Account. (1) The District Improvement Account is established in the State Treasury, separate and distinct from the General Fund.

“(2) The District Improvement Account shall consist of:

“(a) Moneys transferred to the account from the Fund for Student Success;

“(b) Moneys appropriated or otherwise transferred to the account by the Legislative Assembly;

“(c) Amounts donated to the account; and

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

“(3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the District Improvement Account. Moneys received as provided in this subsection shall be deposited into the District Improvement Account.

“(4) Moneys in the District Improvement Account are continuously appropriated to the Department of Education for the purpose of awarding grants under section 10 of this 2019 Act.

“SECTION 10. Awarding of grants from District Improvement Account; eligible uses of grants; calculation of grants; rules. (1) In addition to those moneys distributed through the State School Fund, the Department of Education shall award grants to common school districts and union high school districts as provided under this section.

“(2) The purposes of grants awarded under this section shall be to:

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

“(b) Increase student achievement for students of the school district, including reducing academic disparities for:

“(A) Economically disadvantaged students;
“(B) Students from racial or ethnic groups that have historically experienced academic disparities;
“(C) Students with disabilities; and
“(D) Students who are English language learners.
“(3) Grant moneys awarded under this section may be used by school districts only for:
“(a) Increasing instructional time, which may include:
“(A) More hours or days of instructional time;
“(B) Summer programs;
“(C) Before-school or after-school programs; or
“(D) Technological investments that minimize class time used for assessments administered to students.
“(b) Addressing students’ health or safety needs, which may include:
“(A) Social-emotional learning and development;
“(B) Student mental and behavioral health;
“(C) Improvements to teaching and learning practices or organizational structures that lead to better interpersonal relationships at the school;
“(D) Student health and wellness;
“(E) Trauma-informed practices;
“(F) School health professionals and assistants; or
“(G) Facility improvements directly related to improving student health or safety.
“(c) Reducing class sizes based on evidence-based criteria to ensure appropriate student-teacher ratios or staff caseloads.
“(d) Expanding student access to and participation in well-rounded learning experiences, which may include:
“(A) Developmentally appropriate, evidence-based early literacy practices and programs in prekindergarten through third grade;
“(B) Evidence-based practices and programs in grades six through eight, including learning, counseling and student support that is connected to colleges and careers;

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

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

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

“(iii) Career and technical education;

“(iv) Electives that are engaging to students;

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

“(vi) Dropout prevention programs and transition supports;

“(vii) Life skills classes; or

“(viii) Talented and gifted programs; or

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

“(4)(a) The amount of a grant awarded to a school district under this section = the school district’s ADMw × (the total amount available for distribution to school districts as grants in each biennium ÷ the total ADMw of all school districts that receive a grant).

“(b) For the purpose of this subsection, ADMw equals the ADMw as calculated under ORS 327.013, except that the additional amount allowed for students who are in poverty families, as determined under ORS 327.013 (1)(c)(A)(v)(I), shall be 0.5.

“(5) Payments of grant moneys under this section may be made in accordance with ORS 327.095, including any adjustments allowed under ORS 327.099 and 327.101.

“(6) The State Board of Education may adopt any rules necessary for the administration of grants as provided by sections 9 to 16 of this 2019 Act.
“SECTION 11. Application requirements to receive grants from
District Improvement Account. (1) Any common school district or
union high school district in this state may apply for a grant from the
District Improvement Account as provided by this section.

“(2) (a) Prior to applying for a grant, a school district must engage
in strategic planning to determine which programs and services listed
in section 10 (3) of this 2019 Act the school district will fund with grant
moneys. The strategic planning must include:

“(A) A completed school district needs assessment, as described in
ORS 329.095;

“(B) An analysis of the potential academic impact, both for the
students of the school district and for student groups identified in
section 10 (2)(b) of this 2019 Act, from the programs and services that
would be funded by grant moneys; and

“(C) Creation of budgets for the programs and services that would
be funded by grant moneys.

“(b) The strategic planning required under paragraph (a) of this
subsection must take into consideration:

“(A) Input from the school district community, including students
from student groups identified in section 10 (2)(b) of this 2019 Act and
parents of those students; and

“(B) Data collected by the school district to enable the school dis-
trict to make equity-based decisions.

“(3) Based on the strategic planning described in subsection (2) of
this section, the school district shall develop a four-year plan for use
of grant moneys. The plan must:

“(a) Identify which programs and services listed in section 10 (3) of
this 2019 Act will be funded with grant moneys.

“(b) Describe how the programs and services identified under para-
graph (a) of this subsection will be used to:
“(A) Meet students’ mental or behavioral needs;
(B) Increase student achievement for students of the district; and
(C) Reduce academic disparities for student groups identified in section 10 (2)(b) of this 2019 Act, and which of those student groups will benefit from the programs and services.

“(c) Include the budget for implementing the programs and services to be funded with grant moneys.

“(d) Be approved by the school district board at an open board meeting, following:

“(A) Oral presentation of the plan by the superintendent to the board; and
(B) Opportunity for the public to comment on the plan at an open board meeting.

“(e) Be a part of the local district continuous improvement plan developed under ORS 329.095.

“(4) To apply for a grant, a school district must submit an application every two years in a format and according to timelines prescribed by the Department of Education. The application must include:

“(a) A completed school district needs assessment, as described in ORS 329.095;
(b) The plan developed under subsection (3) of this section; and
(c) Budget estimates for each of the programs and services identified in the plan described under paragraph (b) of this subsection.

“SECTION 12. Approval of applications to receive grants from District Improvement Account; performance growth targets. (1) As used in this section:

“(a) ‘Completion rate’ means the percentage of students who received a high school diploma, a modified diploma, an extended diploma or an alternative certificate or who received a certificate for passing an approved high school equivalency test such as the General Educa-
tional Development test (GED).

“(b) ‘Disaggregated’ means separated based on the student groups identified in section 10 (2)(b) of this 2019 Act.

“(c) ‘Graduation rate’ means the percentage of students who received a high school diploma or a modified diploma.

“(d) ‘Ninth-grade on-track rates” means the percentage of students who completed the ninth grade with six or more credits that may be applied toward high school graduation requirements.

“(e) ‘Regular attendance rates’ means the percentage of students who have not missed 10 percent or more of school days, including excused, nonexcused and disciplinary exclusion, within a school year.

“(f) ‘Third-grade reading proficiency rate’ means the percentage of students in the third grade who can read at or above grade level, as determined based on a statewide summative assessment or a local assessment.

“(2) The Department of Education shall review all applications for a grant from the District Improvement Account that are submitted by common and union high school districts and that comply with the format and timeline requirements prescribed by the department under section 11 (4) of this 2019 Act.

“(3) The department shall review an application to determine if the application complies with the requirements of section 11 of this 2019 Act.

“(4) If an application complies with the requirements of section 11 of this 2019 Act, the department shall develop performance growth targets for the school district. The performance growth targets must be statistically based and must use the following metrics:

“(a) On-time graduation rates and completion rates, including:

“(A) The overall district-wide graduation rate and completion rates.

“(B) Gaps in disaggregated on-time graduation rates and completion
rates.

“(b) Ninth-grade on-track rates, including:

“(A) The overall district-wide ninth-grade on-track rates.

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

“(c) Third-grade reading proficiency rates, including:

“(A) The overall district-wide third-grade reading proficiency rates.

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

“(d) Regular attendance rates, including:

“(A) Overall district-wide regular attendance rates.

“(B) Gaps in disaggregated regular attendance rates.

“(e) Any other optional local metrics.

“(5) When developing performance growth targets, the department shall:

“(a) Review student data that is disaggregated;

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

“(c) Identify which student groups identified in section 10 (2)(b) of this 2019 Act are most at risk of not meeting performance growth targets.

“(6)(a) After developing performance growth targets for a school district, the department shall enter into a grant agreement with the school district. The grant agreement must include performance growth targets for measuring the academic growth of the students of the school district.

“(b) A grant agreement is not valid until approved by the school district board at an open board meeting, following:

“(A) Oral presentation of the plan by the superintendent to the board; and

“(B) Opportunity for the public to comment on the plan at an open board meeting.
“(7) A school district shall deposit the grant moneys it receives under sections 9 to 16 of this 2019 Act in a separate account and shall apply amounts in that account as provided by the grant agreement.

“SECTION 13. Audits; determinations of moneys not spent in accordance with grant agreement or failure to meet performance growth targets; technical assistance; student success teams. (1)(a) Each year, each school district that received a grant from the District Improvement Account under section 12 of this 2019 Act shall:

“(A) Conduct an audit of the use of grant moneys received by the school district; and

“(B) Review the school district’s progress toward meeting the performance growth targets in the grant agreement.

“(b) Results of the audit and review must be:

“(A) Presented to the school district board at an open board meeting, following:

“(i) Oral presentation of the results by the superintendent to the board; and

“(ii) Opportunity for the public to comment on the results at an open board meeting;

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

“(C) Included in the audit report filed with the Department of Education under ORS 327.137.

“(2)(a) Based on information received from an audit report filed under ORS 327.137, the department shall determine each year whether grant moneys received by a school district were used as provided by the grant agreement.

“(b) If a school district is not using grant moneys as provided by the school district’s grant agreement, the department shall:

“(A) Collaborate with the school district to identify and implement
specific interventions;

“(B) Provide technical assistance to the school district as described in this section; and

“(C) Deduct amounts from future grant distributions.

“(c) If amounts are to be deducted from future grant distributions under paragraph (b)(C) of this subsection, the school district may appeal to the State Board of Education for review as provided by the board by rule.

“(d) If a school district fails to spend all available grant moneys, the amounts not spent will be deducted from future grant distributions.

“(3)(a) The department shall determine each biennium if a school district does not meet performance growth targets identified in the school district’s grant agreement.

“(b) If a school district does not meet the performance growth targets, the department:

“(A) Shall require the school district to enter into a coaching program described in section 14 of this 2019 Act; and

“(B) May direct the expenditure of grant moneys or revise the grant agreement.

“(4) Each school district must conduct a district-wide performance review every four years.

“(5) The department shall make available technical assistance to school districts that are applying for grant moneys or that receive grant moneys. The technical assistance shall include the provision of:

“(a) Evaluations of the academic return on investment of grant moneys;

“(b) Strategic planning for the use of grant moneys; and

“(c) Best practices for meeting performance growth targets with strategies funded by grant moneys.
“(6) When providing technical assistance, the department shall:
“(a) Apply a process adopted by the department to strategically de-
velop equitable policies and programs; and
“(b) Ensure that the technical assistance is based on the school
district’s needs and demographics.
“(7) For the purpose of providing technical assistance, the depart-
ment shall establish student success teams. Student success teams
shall be composed of personnel with expertise in school and school
district improvement strategies, including the use of differentiated
instruction and inclusionary practices.

“SECTION 14. Coaching program for school districts that do not
meet performance growth targets. (1) The Department of Education
shall establish a coaching program for school districts that do not
meet the performance growth targets specified in their grant agree-
ments as provided by section 12 of this 2019 Act.
“(2) A school district must participate in a coaching program for
at least one year if the school district does not meet performance
growth targets established for the school district. Under the program,
student success teams established under section 13 of this 2019 Act
shall advise and counsel school districts on how to meet performance
growth targets and shall assist school districts with ongoing profes-
sional development and peer collaboration.
“(3) After a school district has participated in a coaching program
for one year, the department may determine that the school district
is no longer required to participate in the program. If a school district
is no longer required to participate, the department shall make avail-
able to the school district ongoing technical assistance as described in
section 13 of this 2019 Act.

“SECTION 15. Intensive program for high needs school districts. (1)
The Department of Education shall establish an intensive program for
school districts with the highest needs in this state based on those
school districts’ progress toward meeting the performance growth
targets specified in their grant agreements.

“(2)(a) The department shall identify and select school districts to
participate in the intensive program. When selecting school districts,
the department shall consider geographic and demographic diversity.

“(b) A school district that is selected to participate in the intensive
program must participate in the program for at least four years.

“(3) A school district that participates in the intensive program
shall be eligible for additional funding from the District Improvement
Account. The additional funding shall be based on rules adopted by the
State Board of Education and shall be calculated based on the number
of students attending the public schools of the school district.

“(4) A school district participating in the intensive program must:
“(a) Commit to regular student success plan meetings to monitor
practices;
“(b) Develop review systems;
“(c) Use data to track student progress; and
“(d) Determine academic return on investment for interventions.

“(5) Under the intensive program, student success teams established
under section 13 of this 2019 Act shall advise and counsel school dis-
tricts on how to improve performance outcomes. Student success
teams shall develop recommendations for meeting performance growth
targets. School district boards must implement the recommendations
of the student success teams.

“SECTION 16. Reports to the Legislative Assembly. (1) The Depart-
ment of Education shall make a report to the committees of the Leg-
islative Assembly related to education no later than February 28 of
each year regarding the implementation of sections 9 to 16 of this 2019
Act. The report must include an annual performance review of each
school district in this state. The report must:

“(a) Identify whether the school district received a grant under sections 9 to 16 of this 2019 Act.

“(b) Include a comparison of the school district’s progress toward meeting performance growth targets compared with the actual performance growth targets established by the Department of Education for the following:

“(A) On-time graduation rates and completion rates, including the overall district-wide rate and disaggregated student group rates;

“(B) Ninth-grade on-track rates, including the overall district-wide rate and disaggregated student group rates;

“(C) Third-grade reading proficiency rates, including the overall district-wide rate and disaggregated student group rates;

“(D) Regular attendance rates, including the overall district-wide rate and disaggregated student group rates; and

“(E) Any other optional local metrics.

“(2) After making a report provided under this section, the Department of Education may require a school district to conduct a focused district-wide audit or an audit on a specific funding area.

“SECTION 17. ORS 329.095 is amended to read:

“329.095. (1)(a) The Department of Education shall require school districts and schools to conduct self-evaluations and to periodically update their local district continuous improvement plans. Except as provided by paragraph (b)(C) of this subsection, the department may not require school districts or schools to conduct self-evaluations or to update their local district continuous improvement plans more frequently than biennially.

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

“(A) File, periodically, or at the department’s request, its local district continuous improvement plan with the department;

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

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

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

“(2) As part of setting local goals, school districts 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 staff shall provide ongoing technical assistance in the development and implementation of the local district continuous improvement plan.

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

“(a) Goals to implement the following:

“(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 that 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; and

“(J) A strong school library program;

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

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

“(d) A school district needs assessment, which shall:

“(A) Be conducted in a manner that is inclusive of historically
underserved students and of parents of those students.

“(B) Address the following priorities:

“(i) Reducing academic disparities for students identified in section
10 (2)(b) of this 2019 Act;

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

“(iii) Providing equitable access to academic courses across the
school district, with specific emphasis on access by students identified
in section 10 (2)(b) of this 2019 Act;

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

“(I) Collaborate with other teachers and staff;

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

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

“(v) Possible partnerships with other organizations, federally re-
cognized Indian tribes, school districts, education service districts,
regional achievement collaboratives, post-secondary institutions of
education, education partners or nonprofit programs and community-
based programs that have demonstrated achievement of positive out-
comes in work with students identified in section 10 (2)(b) of this 2019
Act.

“SECTION 18. ORS 327.137 is amended to read:

“327.137. (1)(a) Every common or union high school district or education
service district shall file a copy of its audit report with the Department of
Education within six months of the end of the fiscal year for which the audit
is required. The audit report shall include:

“(A) Information necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.731, 328.542 and 530.115 and sections 1 to 3, chapter 735, Oregon Laws 2013, and this section; [and]

“(B) If the district received distributions from the District Improvement Account, information on those distributions including a list of expenditures made; and

“(C) If the district is a sponsor of any public charter schools, a copy of each annual audit forwarded to the district as required by ORS 338.095 (4).

“(b) If the audit report, as submitted to the district, fails to provide the information required under paragraph (a)(A) or (B) of this subsection, the district shall submit the necessary information on forms provided by the department within the time prescribed for filing the audit in this section.

“(c) The Superintendent of Public Instruction may withhold any payments from the State School Fund for a public charter school that, pursuant to ORS 338.155, are due to a district under ORS 327.095 if:

“(A) The audit report filed by the district fails to include the public charter school annual audit as required by paragraph [(a)(B)] (a)(C) of this subsection; and

“(B) The district has not filed the public charter school annual audit with the department by April 1.

“(d) If payments are withheld as provided by paragraph (c) of this subsection, the superintendent may allow payments to be made from the State School Fund to the district upon receipt of the annual audit or upon the meeting of any other conditions identified by rule of the State Board of Education.

“(e) Any district failing to file a copy of an audit report under this sec-
tion or a report under ORS 327.133 may not receive any payments from the State School Fund or the District Improvement Account until the report is filed.

“(2) Notwithstanding the timeline provided by this section and pursuant to rules adopted by the State Board of Education, the superintendent may waive a reporting date or specify an alternative date to provide the audit report or information if a human-created disaster or a natural disaster affects the ability of a school district or an education service district to provide the audit report or information by a specified date.

“SECTION 19. ORS 327.137, as amended by section 14, chapter 735, Oregon Laws 2013, is amended to read:

“327.137. (1)(a) Every common or union high school district or education service district shall file a copy of its audit report with the Department of Education within six months of the end of the fiscal year for which the audit is required. The audit report shall include:

“(A) Information necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.731, 328.542 and 530.115 and this section; [and]

“(B) If the district received distributions from the District Improvement Account, information on those distributions including a list of expenditures made; and

“(C) If the district is a sponsor of any public charter schools, a copy of each annual audit forwarded to the district as required by ORS 338.095 (4).

“(b) If the audit report, as submitted to the district, fails to provide the detailed necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.348, 327.731, 328.542 and 530.115 and this section] information required under paragraph (a)(A) or (B) of this subsection, the district shall submit the necessary information on forms provided by the department within the time prescribed for filing the audit in this section.

“(c) The Superintendent of Public Instruction may withhold any payments
from the State School Fund for a public charter school that, pursuant to ORS 338.155, are due to a district under ORS 327.095 if:

“(A) The audit report filed by the district fails to include the public charter school annual audit as required by paragraph [(a)(B)] (a)(C) of this subsection; and

“(B) The district has not filed the public charter school annual audit with the department by April 1.

“(d) If payments are withheld as provided by paragraph (c) of this subsection, the superintendent may allow payments to be made from the State School Fund to the district upon receipt of the annual audit or upon the meeting of any other conditions identified by rule of the State Board of Education.

“(e) Any district failing to file a copy of an audit report under this section or a report under ORS 327.133 may not receive any payments from the State School Fund or the District Improvement Account until the report is filed.

“(2) Notwithstanding the timeline provided by this section and pursuant to rules adopted by the State Board of Education, the superintendent may waive a reporting date or specify an alternative date to provide the audit report or information if a human-created disaster or a natural disaster affects the ability of a school district or an education service district to provide the audit report or information by a specified date.

**SECTION 20.** ORS 327.019 is amended to read:

“327.019. (1) As used in this section:

“(a) ‘Education service district extended ADMw’ means the sum of the extended ADMw of the school districts located within the territory of the education service district as computed under ORS 327.013.

“(b) ‘Local revenues of an education service district’ means the total of the following:

“(A) The amount of revenue offset against local property taxes as deter-
mined by the Department of Revenue under ORS 311.175 (3)(a)(A);

“(B) The amount of property taxes actually received by the district including penalties and interest on taxes;

“(C) The amount of revenue received by the district from state-managed forestlands under ORS 530.115 (1)(b) and (c); and

“(D) Any positive amount obtained by subtracting the operating property taxes actually imposed by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have been imposed by the district if the district had certified the maximum rate of operating property taxes allowed by law.

“(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund grant for each education service district as provided in this section.

“(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or allocated to the State School Fund and available for distribution to school districts, education service districts and programs + total amount of local revenues of all school districts, computed as provided in ORS 327.011, + total amount of local revenues of all education service districts. The superintendent may not include in the calculation under this paragraph amounts received by the Department of Education from the State School Fund under ORS 343.243.

“(b) The superintendent shall multiply the amount calculated under paragraph (a) of this subsection by 95.5 percent.

“(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to 327.133 and 327.348 and sections 1 to 3, chapter 735, Oregon Laws 2013, the total amount calculated under paragraph (b) of this subsection as school district general purpose grants, facility grants, high cost disabilities grants and transportation grants to school districts.
“(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the superintendent shall calculate the general purpose grant, facility grant, transportation grant and high cost disabilities grant amounts for each school district.

“(4)(a) The general services grant for an education service district shall equal the higher of:

“(A) The total amount calculated under subsection (3)(d) of this section for the school districts located within the territory of the education service district \( \times \) \( \frac{4.5}{95.5} \); or

“(B) $1,165,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund for distribution to education service districts is increased or decreased as compared with the amount appropriated for the 2015-2016 school year, if the education service district received a general services grant of $1 million for the 2010-2011 school year.

“(b) Notwithstanding paragraph (a) of this subsection and only for State School Fund distributions made for the first school year after two or more education service districts join together, if an education service district received a general services grant as provided by paragraph (a)(B) of this subsection prior to the education service district joining together with one or more other education service districts to form a new education service district:

“(A) The general services grant for the new education service district shall be calculated for each component education service district as though the component education service districts had not joined together to form a new education service district; and

“(B) A component education service district that received an amount as provided by paragraph (a)(B) of this subsection shall be entitled to receive that amount under the calculation provided by this paragraph.

“(5) Subject to subsection (6) of this section, the State School Fund grant
for an education service district = general services grant − local revenues of the education service district.

“(6)(a) After completing the calculations under subsections (2) to (5) of this section, the Superintendent of Public Instruction shall apportion from the State School Fund to each education service district an amount = (funding percentage × general services grant) − local revenues of the education service district.

“(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the superintendent to distribute as nearly as practicable the total amount available for distribution to education service districts from the State School Fund for each fiscal year.

“(7) Notwithstanding subsections (5) and (6) of this section:

“(a) The State School Fund grant of an education service district may not be less than zero; and

“(b) The State School Fund grant of an education service district shall be in an amount that, when combined with the local revenues of the education service district, equals $1,165,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund for distribution to education service districts is increased or decreased as compared with the amount appropriated for the 2015-2016 school year.

“(8) An education service district shall distribute to school districts located within the territory of the education service district any amount of local revenues of the education service district that is greater than the general services grant. The amount that each school district receives under this subsection shall be prorated based on the district extended ADMw of the school district as calculated under ORS 327.013.

“(9)(a) An education service district shall distribute to a school district that is located within the territory of the education service district but that has withdrawn from the education service district as provided in ORS 334.015 the amounts received by the education service district as a general services
grant [and from the School Improvement Fund].

“(b) The amounts that a school district receives under this subsection:

“(A) Shall be prorated based on the district extended ADMw of the school
district as calculated under ORS 327.013;

“(B) Shall equal 90 percent of the school district’s prorated share, as
calculated under subparagraph (A) of this paragraph; and

“(C) May be used to pay for any expenses incurred in providing services
described in ORS 334.175 (2) to the students of the school district by:

“(i) The school district;

“(ii) The education service district from which the school district with-
drew;

“(iii) An education service district that is not the education service dis-
trict from which the school district withdrew; or

“(iv) Any other public entity with which the school district has entered
into a contract to provide the services.

“SECTION 21. ORS 327.019, as amended by section 9, chapter 735, Oregon
Laws 2013, and section 2, chapter 437, Oregon Laws 2015, is amended to read:

“327.019. (1) As used in this section:

“(a) ‘Education service district extended ADMw’ means the sum of the
extended ADMw of the school districts located within the territory of the
education service district as computed under ORS 327.013.

“(b) ‘Local revenues of an education service district’ means the total of
the following:

“(A) The amount of revenue offset against local property taxes as deter-
mined by the Department of Revenue under ORS 311.175 (3)(a)(A);

“(B) The amount of property taxes actually received by the district in-
cluding penalties and interest on taxes;

“(C) The amount of revenue received by the district from state-managed
forestlands under ORS 530.115 (1)(b) and (c); and

“(D) Any positive amount obtained by subtracting the operating property
taxes actually imposed by the district based on the rate certified pursuant to ORS 310.060 from the amount that would have been imposed by the district if the district had certified the maximum rate of operating property taxes allowed by law.

“(2) Each fiscal year, the Superintendent of Public Instruction shall calculate a State School Fund grant for each education service district as provided in this section.

“(3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or allocated to the State School Fund and available for distribution to school districts, education service districts and programs + total amount of local revenues of all school districts, computed as provided in ORS 327.011, + total amount of local revenues of all education service districts. The superintendent may not include in the calculation under this paragraph amounts received by the Department of Education from the State School Fund under ORS 343.243.

“(b) The superintendent shall multiply the amount calculated under paragraph (a) of this subsection by 95.5 percent.

“(c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school district general purpose grants, facility grants, high cost disabilities grants and transportation grants to school districts.

“(d) Based on the funding percentage calculated under paragraph (c) of this subsection, the superintendent shall calculate the general purpose grant, facility grant, transportation grant and high cost disabilities grant amounts for each school district.

“(4)(a) The general services grant for an education service district shall equal the higher of:

“(A) The total amount calculated under subsection (3)(d) of this section
for the school districts located within the territory of the education service
district $\times (4.5 \div 95.5)$; or

“(B) $1,165,000$, as adjusted each school year based on the same percentage
by which the amount appropriated to the State School Fund for distribution
to education service districts is increased or decreased as compared with the
amount appropriated for the 2015-2016 school year, if the education service
district received a general services grant of $1 million for the 2010-2011
school year.

“(b) Notwithstanding paragraph (a) of this subsection and only for State
School Fund distributions made for the first school year after two or more
education service districts join together, if an education service district re-
ceived a general services grant as provided by paragraph (a)(B) of this sub-
section prior to the education service district joining together with one or
more other education service districts to form a new education service dis-

“(A) The general services grant for the new education service district
shall be calculated for each component education service district as though
the component education service districts had not joined together to form a
new education service district; and

“(B) A component education service district that received an amount as
provided by paragraph (a)(B) of this subsection shall be entitled to receive
that amount under the calculation provided by this paragraph.

“(5) Subject to subsection (6) of this section, the State School Fund grant
for an education service district $=$ general services grant $-$ local revenues
of the education service district.

“(6)(a) After completing the calculations under subsections (2) to (5) of
this section, the Superintendent of Public Instruction shall apportion from
the State School Fund to each education service district an amount $=$
(funding percentage $\times$ general services grant) $-$ local revenues of the edu-
cation service district.
“(b) The funding percentage used in paragraph (a) of this subsection shall be calculated by the superintendent to distribute as nearly as practicable the total amount available for distribution to education service districts from the State School Fund for each fiscal year.

“(7) Notwithstanding subsections (5) and (6) of this section:

“(a) The State School Fund grant of an education service district may not be less than zero; and

“(b) The State School Fund grant of an education service district shall be in an amount that, when combined with the local revenues of the education service district, equals $1,165,000, as adjusted each school year based on the same percentage by which the amount appropriated to the State School Fund for distribution to education service districts is increased or decreased as compared with the amount appropriated for the 2015-2016 school year.

“(8) An education service district shall distribute to school districts located within the territory of the education service district any amount of local revenues of the education service district that is greater than the general services grant. The amount that each school district receives under this subsection shall be prorated based on the district extended ADMw of the school district as calculated under ORS 327.013.

“(9)(a) An education service district shall distribute to a school district that is located within the territory of the education service district but that has withdrawn from the education service district as provided in ORS 334.015 the amounts received by the education service district as a general services grant [and from the School Improvement Fund].

“(b) The amounts that a school district receives under this subsection:

“(A) Shall be prorated based on the district extended ADMw of the school district as calculated under ORS 327.013;

“(B) Shall equal 90 percent of the school district’s prorated share, as calculated under subparagraph (A) of this paragraph; and

“(C) May be used to pay for any expenses incurred in providing services
described in ORS 334.175 (2) to the students of the school district by:

“(i) The school district;
“(ii) The education service district from which the school district withdrew;
“(iii) An education service district that is not the education service district from which the school district withdrew; or
“(iv) Any other public entity with which the school district has entered into a contract to provide the services.

“SECTION 22. ORS 334.177 is amended to read:

“334.177. (1) As used in this section, ‘local revenues of an education service district’ has the meaning given that term in ORS 327.019 but does not include any local revenues distributed under ORS 327.019 (8).
“(2) An education service district board shall expend at least 90 percent of all amounts received from the State School Fund and at least 90 percent of all amounts considered to be local revenues of an education service district on services or programs that have been approved by the component school districts of the education service district through the resolution process described in ORS 334.175.
“(3)(a) Notwithstanding subsection (2) of this section, the school district board of a school district that is located in a region described in ORS 334.013 (1)(a), (e) or (i) may request in writing that a percentage of the amounts identified in subsection (2) of this section be distributed to the school district for any purpose identified by the school district board.
“(b) A school district board that makes a request under paragraph (a) of this subsection:
“(A) Must make the request to the education service district board by November 1 of the year prior to the school year for which the request is being made; and
“(B) Must designate the percentage of the amounts identified in subsection (2) of this section that will be distributed to the school district.
“(c) The education service district board:

“(A) Shall approve a request submitted as provided by this subsection; and

“(B) Shall determine the amounts attributable to the school district and eligible for distribution based on the weighted average daily membership (ADMw) of the school district for which the request was made.

“(d) For each school year for which a school district receives a distribution as provided by this subsection:

“(A) The school district may act only in an advisory capacity for decisions made in relation to the governance of the education service district if the school district board designates a percentage under paragraph (a) of this subsection that is greater than 50 percent but less than 100 percent; and

“(B) Notwithstanding ORS 334.015 and 334.019, the school district shall be considered to have withdrawn from the education service district in the manner provided by ORS 334.015 if the school district board designates a percentage under paragraph (a) of this subsection that is 100 percent.

“[(4) An education service district board shall expend 100 percent of all amounts received from the School Improvement Fund on services or programs that have been approved by the component school districts of the education service district through the resolution process described in ORS 334.175.]

“[(5)] (4) The expenditure requirements of this section apply only to amounts retained by the education service district after making any distributions required under ORS 327.019 (9).

“SECTION 23. ORS 327.290, 327.294 and 327.297 are repealed.

“SECTION 24. The amendments to ORS 327.019, 327.137, 329.095 and 334.177 by sections 17 to 22 of this 2019 Act and the repeal of ORS 327.290, 327.294 and 327.297 by section 23 of this 2019 Act become operative on July 1, 2020.

“STATEWIDE INITIATIVE ACCOUNT
“SECTION 25. Sections 26 and 27 of this 2019 Act are added to and made a part of ORS chapter 327.

“SECTION 26. Statewide Initiative Account. (1) The Statewide Initiative Account is established in the State Treasury, separate and distinct from the General Fund.

“(2) The Statewide Initiative Account shall consist of:

“(a) Moneys transferred to the account from the Fund for Student Success;

“(b) Moneys appropriated or otherwise transferred to the account by the Legislative Assembly;

“(c) Amounts donated to the account; and

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

“(3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the Statewide Initiative Account. Moneys received as provided in this subsection shall be deposited into the Statewide Initiative Account.

“(4) Moneys in the Statewide Initiative Account are continuously appropriated to the Department of Education for use as described in section 27 of this 2019 Act.

“SECTION 27. Statewide Initiative Account uses. (1) The Department of Education shall use moneys in the Statewide Initiative Account for the following purposes:

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

“(b) Expanding school breakfast and lunch programs;

“(c) Operating youth reengagement programs or providing youth reengagement services;

“(d) Funding high cost disabilities grants under ORS 327.348;

“(e) Establishing and maintaining the Statewide School Safety and
Prevention System under section 31 of this 2019 Act;
“(f) Developing and providing statewide equity initiatives, as identified by the Department of Education;
“(g) Planning for increased transparency and accountability in the public education system of the state;
“(h) Funding student success teams established under section 13 of this 2019 Act; and
“(i) Funding administrative costs incurred by the Department of Education and the Early Learning Division in implementing this section and sections 9 to 16 and 30 of this 2019 Act.
“(2) The State Board of Education shall adopt any rules necessary for the administration of this section.

“EARLY LEARNING ACCOUNT

“SECTION 28. Sections 29 and 30 of this 2019 Act are added to and made a part of ORS chapter 327.
“SECTION 29. Early Learning Account. (1) The Early Learning Account is established in the State Treasury, separate and distinct from the General Fund.
“(2) The Early Learning Account shall consist of:
“(a) Moneys transferred from the Fund for Student Success under section 2 of this 2019 Act;
“(b) Moneys appropriated or otherwise transferred to the account by the Legislative Assembly;
“(c) Amounts donated to the account; and
“(d) Other amounts deposited into the account from any source.
“(3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the Early Learning Account. Moneys
received as provided in this subsection shall be deposited into the Early Learning Account.

“(4) Moneys in the Early Learning Account are continuously appropriated to the Department of Education for use by the Early Learning Division as described in section 30 of this 2019 Act.

“SECTION 30. Early Learning Account uses. (1) The Early Learning Division shall use moneys in the Early Learning Account to provide funding for:

“(a) Early childhood special education or early intervention services;

“(b) Relief nurseries;

“(c) The Early Childhood Equity Fund established by section 37 of this 2019 Act;

“(d) The Oregon prekindergarten program and other public preschool programs established under ORS 329.170 to 329.200;

“(e) Professional development for early childhood educators; and

“(f) Early Head Start programs.

“(2) The State Board of Education, in consultation with the Early Learning Council, shall adopt any rules necessary for the administration of this section.

“STATEWIDE SCHOOL SAFETY AND PREVENTION SYSTEM

“SECTION 31. Statewide School Safety and Prevention System. (1) As used in this section:

“(a) ‘Cyberbullying’ has the meaning given that term in ORS 339.351.

“(b) ‘Harassment, intimidation or bullying’ has the meaning given that term in ORS 339.351.

“(c) ‘Suicidal behavior’ includes:
“(A) Self-directed, injurious behavior with an intent to die as a result of the behavior;

“(B) Nonfatal, self-directed, potentially injurious behavior with an intent to die as a result of the behavior that may not result in injury; or

“(C) Thinking about, considering or planning suicide.

“(d) ‘Violence’ means aggressive behavior with the intention, or an outcome that poses a risk, of serious or lethal injury.

“(2) The Department of Education shall establish and maintain the Statewide School Safety and Prevention System.

“(3) The system required under this section shall consist of the following:

“(a) Assistance to school districts and education service districts in decreasing acts of harassment, intimidation or bullying and acts of cyberbullying through the implementation of effective prevention programs that:

“(A) Incorporate evidenced-based, multitiered practices; and

“(B) Support resiliency building and trauma-informed care practices.

“(b) Assistance to school districts and education service districts in decreasing youth suicidal behavior through the implementation of effective prevention programs and student wellness programs that focus on early identification and intervention by school safety and prevention specialists, as described in subsection (4) of this section, who:

“(A) Provide training, outreach and technical assistance related to youth suicidal behavior prevention and wellness;

“(B) Support coordination between schools and health agencies, including public and private behavioral health providers; and

“(C) Support school districts and education service districts in the establishment of suicidal behavior prevention programs.
“(c) Assistance to school districts and education service districts in implementing a multidisciplinary student safety assessment system to identify, assess and support students who present a potential risk for violence to others. Multidisciplinary school safety assessment teams shall be made available to assist each school district and education service district in assessing students who are engaged in violence or who are posing a threat of violence to others. The teams shall:

“(A) Assess potential danger and identify circumstances and risk factors that may increase risk for potential violence;

“(B) Develop management and intervention plans in collaboration with community partners; and

“(C) Connect students and families to community resources and supports.

“(d) Promotion and use of the statewide school safety tip line established by ORS 339.329. School safety and prevention specialists, as described in subsection (4) of this section, shall work collaboratively with the Oregon State Police to support school districts and education service districts in accessing and implementing the school safety tip line.

“(4) The system required under this section shall be supported by school safety and prevention specialists who:

“(a) Serve regions of this state;

“(b) Are cross-trained in safety assessments and in the prevention of youth suicide, of acts of bullying, intimidation or harassment and of acts of cyberbullying; and

“(c) Provide or facilitate training, the development of programs and plans, the coordination of local teams and the provision of ongoing consultation to regional partners, school districts and education service districts.

“(5) The State Board of Education, in consultation with the Oregon
Health Authority and other representatives of school districts, education service districts, school employees, human services, mental health professionals and law enforcement agencies, shall adopt rules related to the system required under this section.

“STATEWIDE YOUTH REENGAGEMENT SYSTEM

“SECTION 32. Youth reengagement program. (1) As used in this section, ‘eligible youth’ means a person who:

“(a) Is at least 16 years of age but younger than 21 years of age at the beginning of the school year; and

“(b)(A) Is a school dropout, as defined in ORS 339.505;

“(B) Is not making sufficient progress toward meeting state and local requirements for a high school diploma, a modified diploma or an extended diploma before reaching 21 years of age, as determined based on standards adopted by the Youth Development Council by rule; or

“(C) Is recommended to participate in a youth reengagement program by the Department of Human Services, a juvenile court, the Oregon Youth Authority or any other entity identified by the Youth Development Council by rule.

“(2) The Youth Development Division shall develop and administer a statewide youth reengagement system to provide appropriate educational opportunities and access to services for eligible youths.

“(3) Under the statewide youth reengagement system, a school district may choose to provide a youth reengagement program. A youth reengagement program:

“(a) Must be offered in collaboration with the Youth Development Division; and

“(b) May include a partnership with an education service district,
a community college district or another public entity or with a community-based organization.

“(4) A youth reengagement program must offer, at a minimum, the following:
(a) Academic instruction that enables an eligible youth to receive credit that can be:
(A) Applied toward a high school diploma, a modified diploma or an extended diploma; or
(B) Used to improve college or career readiness, including courses that assist the student in preparing for an approved high school equivalency test such as the General Educational Development (GED) test; and
(b) Services for monitoring and supporting eligible youths, including:
(A) Academic and career counseling and coaching services; and
(B) Assistance with accessing services and resources that support at-risk youth and reduce barriers to educational success.

“(5) If a school district chooses to provide a youth reengagement program, the school district may enter into an agreement to provide academic instruction or services as described in subsection (4) of this section. The agreement:
(a) May be with an education service district, a community college district or another public entity or with a community-based organization; and
(b) Must comply with any other requirements prescribed by the State Board of Education or the Youth Development Division by rule.

“(6)(a) The State Board of Education, in collaboration with the Youth Development Council, shall establish by rule criteria for a school district to receive funding under ORS 327.013 for eligible youths participating in a youth reengagement program.
“(b) The criteria to receive funding may prescribe:

“(A) Enrollment and attendance standards for eligible youths that are different from the standards for other students of the school district, but that consider the eligible youths to be enrolled full time.

“(B) Performance measures that establish targets that must be met for purposes of accountability. The performance measure targets shall be based on standards adopted by the Youth Development Council and may take into account the specific purpose of the program offered by the school district, the population served by the program and any other factors identified by the council.

“(c) The criteria to receive funding must require a school district to provide to the Department of Education and the Youth Development Division information that, at a minimum, describes:

“(A) How the school district will identify, refer and enroll eligible youths;

“(B) How academic instruction and services will be provided through the youth reengagement program and what academic instruction and services will be provided;

“(C) How student records will be maintained and how data will be collected and reported;

“(D) How any applicable assessments under ORS 329.485 or 329.488 will be administered;

“(E) How the school district will provide special education and related services for eligible youths with disabilities who have an individualized education program or will provide necessary accommodations and plans for eligible youths who qualify under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

“(F) How the school district will ensure that eligible youths receive appropriate in-person guidance or support; and

“(G) How the school district will record and report performance
measures for purposes of accountability, including longitudinal monitoring of student progress and post-secondary education and employment readiness.

“(7) The Department of Education and Youth Development Division shall provide technical assistance to school districts choosing to provide youth reengagement programs.

“(8)(a) The State Board of Education and the Youth Development Council shall coordinate to adopt rules under this section.

“(b) When adopting rules under this section, the board and the division shall consult with the Education and Workforce Policy Advisor, post-secondary institutions of education and community-based organizations that have previously offered youth reengagement programs, providers of online courses and programs and education service districts.

“(c) The rules must provide a method for an eligible youth to participate in a youth reengagement program if a program is not provided by the school district in which the eligible youth is a resident.

“(9) Nothing in this section affects the authority of a school district to directly offer youth reengagement programs or other educational services for eligible youths.

“SECTION 33. ORS 417.847, as amended by section 63, chapter 774, Oregon Laws 2015, and section 36, chapter 17, Oregon Laws 2017, is amended to read:

“417.847. (1) The Youth Development Council is established.

“(2) The council is established for the purpose of overseeing a unified system that provides services to school-age children through youth 24 years of age in a manner that supports educational success, focuses on crime prevention, reduces high risk behaviors and is integrated, measurable and accountable. The council shall provide direction to the Youth Development Division.
“(3) The council consists of no fewer than 15 members who are appointed by the Governor. The Governor shall ensure that membership of the council satisfies any federal requirements for membership of a state advisory committee on juvenile justice, and shall include tribal representation in the membership of the council.

“(4) The council shall:

“(a) Determine the availability of funding to support community-based youth development programs, services and initiatives with demonstrated outcomes and strategic objectives established by the council by rule.

“(b) Prioritize funding for services related to:

“(A) The prevention of and intervention in the risk factors that lead to juvenile delinquency and the promotion of protective factors that improve the health and well-being of children and youth, as supported by evidence-based program models and other research-based models; and

“(B) The prevention of and intervention in gang violence and gang involvement.

“(c) Administer and coordinate the statewide youth reengagement system described in section 32 of this 2019 Act.

“(5) The council may:

“(a) Enter into performance-based intergovernmental agreements with regional and county entities, and tribal governments, to contract for the provision of youth development programs, services and initiatives that will achieve demonstrated outcomes and strategic objectives established by the council by rule.

“(b) Determine the means by which services to children and youth may be provided effectively and efficiently across multiple programs to improve the academic and social outcomes of children and youth.

“(c) Assess state programs and services related to youth development and training, and identify methods by which programs and services may be coordinated or consolidated.
“(d) Establish common academic and social indicators to support attainment of goals established by the council.

“(e) Establish common program outcome measurements and coordinate data collection across multiple programs and services.

“(f) Ensure implementation of best practices that:

“(A) Are evidence based;

“(B) Are culturally, gender and age appropriate;

“(C) Address individual risk factors;

“(D) Build upon factors that improve the health and well-being of children and youth; and

“(E) Include tribal best practices.

“(6) The Governor may designate one member of the council to serve as the chairperson or, if the Governor chooses not to designate a chairperson, the council may elect one of its members to serve as chairperson.

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

“SECTION 34. ORS 341.481 is amended to read:

“341.481. (1) A district shall admit high school graduates who are residents of Oregon or who are participating in a youth reengagement program under section 32 of this 2019 Act and may admit other residents who, in the judgment of the administration of the district, are capable of profiting from the instruction offered in a specific course or program without regard to age. In the case of a student younger than 16 years of age, the college administration shall make the final determination.

“(2) Districts may also admit persons who are not residents of the district or of the state, including persons who are not citizens of the United States, if such admission is considered suitable.

“(3) Upon application of a qualified high school student residing in this state and upon agreement between the district and the school district in
which the student resides, the student may be admitted to the community college.

“(4) Any district may contract with another district to admit students of either college to the college of the other.

“SECTION 35. ORS 339.515 is amended to read:

“339.515. (1) In order to meet the goals described in ORS 339.510, the Department of Education shall develop a system of uniform reporting and shall assist school districts in establishing such systems, with appropriate allowances being made for the size of districts and their existing reporting systems. The system shall take into account youths participating in a youth reengagement program, as described by section 32 of this 2019 Act or as otherwise described by standards prescribed by the State Board of Education by rule, and shall ensure to the extent practicable that the system does not provide a disincentive to school districts to reengage youths.

“(2) The department shall provide training and technical assistance to school district personnel so that, statewide, the student accounting system produces uniform and accurate reports.

“SECTION 36. Section 32 of this 2019 Act and the amendments to ORS 339.515, 341.481 and 417.847 by sections 33 to 35 of this 2019 Act become operative on July 1, 2020.

“EARLY CHILDHOOD EQUITY FUND

“SECTION 37. Early Childhood Equity Fund. (1) The Early Childhood Equity Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Early Childhood Equity Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Education for the Early Learning Division to make grants under section 38 of this 2019
Act to culturally specific early learning, early childhood and parent support programs and to promote the capacity of culturally specific organizations to deliver these programs.

“(2) The fund shall consist of:

“(a) Moneys appropriated or otherwise transferred to the fund from the Legislative Assembly;

“(b) Earnings received on moneys in the fund; and

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

“SECTION 38. Early childhood support grant program. (1) The Early Learning Division may make grants from the Early Childhood Equity Fund established under section 37 of this 2019 Act to culturally specific early learning, early childhood and parent support programs in this state that build capacity in communities, ensure children start kindergarten ready to succeed and support families to be stable, healthy and attached. For the purposes of this subsection, a program is in this state if the program serves communities within the geographic boundaries of this state, including communities within Indian country of a federally recognized Oregon Indian tribe that is within the geographic boundaries of this state.

“(2) To receive a grant under this section, a program must:

“(a) Provide outreach, support and resources to children and families who are at risk because of any combination of two or more factors, including their race, ethnicity, English language proficiency, socioeconomic status and geographic location; and

“(b) Demonstrate a proven ability to provide outreach, support and resources to children and families described in paragraph (a) of this subsection.

“(3) The division shall monitor capacity needs and provide technical assistance to grantees.

“(4) The division shall conduct a biennial evaluation of programs
that receive grants under this section. The evaluation shall include measurement of outcomes that align with:

“(a) Current research regarding positive child and family indicators, including family stability and early childhood school readiness; and

“(b) Culturally specific approaches.

“(5) The Early Learning Council, in consultation with the division, shall adopt rules necessary to carry out the provisions of this section. The rules shall include requirements for eligibility for grants under this section.

“(6) On or before September 15 of each odd-numbered year, the division shall submit to the interim committees of the Legislative Assembly related to early childhood and child welfare a report on the status and impact of grants made to programs under this section. The report shall include changes in the capacity of culturally specific organizations and the results of any biennial evaluations conducted in accordance with subsection (4) of this section.

“SECTION 39. ORS 417.790 is amended to read:

“417.790. The Early Learning Division shall:

“(1) Make grants to fund research-based services and initiatives to improve outcomes for children, youth or families.

“(2) Make Great Start grants to fund community-based programs for children zero through six years of age. A recipient shall use Great Start grant funds to provide research-based early childhood programs in community settings and to provide services that have proven to be successful and that meet the needs of the community. These services shall be provided in accordance with ORS 417.728.

“(3) Make grants under section 38 of this 2019 Act to fund culturally specific early learning, early childhood and parent support programs that build capacity in communities to provide culturally appropriate services to ensure children start kindergarten ready to succeed and to
support family stability.

“STATEWIDE EQUITY INITIATIVES

“SECTION 40. (1) As used in this section, ‘plan student’ means a student enrolled in early childhood through post-secondary education who:

“(a) Is an American Indian or Alaskan Native; and

“(b) Has experienced disproportionate results in education due to historical practices, as identified by the State Board of Education by rule.

“(2)(a) The Department of Education shall develop and implement a statewide education plan for plan students.

“(b) When developing the plan, the department shall consult with representatives from tribal governments and from executive branch agencies who have formed government-to-government relations to focus on education. Additionally, the department may receive input from an advisory group consisting of community members, education stakeholders and representatives of the Early Learning Division, the Youth Development Division and the Higher Education Coordinating Commission.

“(c) The department shall be responsible for:

“(A) Implementing the plan developed under this subsection;

“(B) Developing eligibility criteria, the applicant selection process and expectations for recipients of grant awards described in this section; and

“(C) Advising the State Board of Education on the adoption of rules under this section.

“(3) The plan developed under this section must address:

“(a) The disparities experienced by plan students in every indicator
of academic success, as documented by the department’s statewide report card and other relevant reports related to plan students;

“(b) The historical practices leading to disproportionate outcomes for plan students; and

“(c) The educational needs of plan students from early childhood through post-secondary education as determined by examining culturally appropriate best practices in this state and across the nation.

“(4) The plan developed and implemented under this section must provide strategies to:

“(a) Address the disproportionate rate of disciplinary incidents involving plan students as compared to all students in the education system;

“(b) Increase parental engagement in the education of plan students;

“(c) Increase the engagement of plan students in educational activities before and after regular school hours;

“(d) Increase early childhood education and kindergarten readiness for plan students;

“(e) Improve literacy and numeracy levels among plan students between kindergarten and grade three;

“(f) Support plan student transitions to middle school and through the middle school and high school grades to maintain and improve academic performance;

“(g) Support culturally responsive pedagogy and practices from early childhood through post-secondary education;

“(h) Support the development of culturally responsive curricula from early childhood through post-secondary education;

“(i) Increase attendance of plan students in early childhood programs through post-secondary and professional certification programs; and

and
“(j) Increase attendance of plan students in four-year post-secondary institutions of education.

“(5) The department shall submit a biennial report concerning the progress of the plan developed and implemented under this section to a committee of the Legislative Assembly related to education at each even-numbered year regular session of the Legislative Assembly.

“(6) The department, in consultation with the advisory group, shall award grants to early learning hubs, providers of early learning services, school districts, education service districts, post-secondary institutions of education, tribal governments and community-based organizations to implement the strategies provided in the plan developed and implemented under this section.

“(7) To qualify for and receive grants described in this section, an applicant must identify and demonstrate that the applicant meets the eligibility criteria adopted by the State Board of Education by rule.

“SECTION 41. (1) As used in this section, ‘plan student’ means a student enrolled in early childhood through post-secondary education who:

“(a) Is Latino or Hispanic, including individuals of Mexican, Cuban, Puerto Rican, South American, Central American or Spanish descent; and

“(b) Has experienced disproportionate results in education due to historical practices, as identified by the State Board of Education by rule.

“(2)(a) The Department of Education shall develop and implement a statewide education plan for plan students.

“(b) The department shall form an advisory group consisting of individuals representing:

“(A) Urban and rural communities;

“(B) Indigenous and immigrant populations;
“(C) English language learners;
“(D) Individuals with disabilities;
“(E) Parents and students;
“(F) Youth who are lesbian, gay, bisexual, transgender, queer or another minority gender or sexual orientation;
“(G) Community-based organizations serving Latino or Hispanic youth and families; and
“(H) Education stakeholders, including representatives of the Early Learning Division, the Youth Development Division and the Higher Education Coordinating Commission.

“(c) The advisory group formed as provided in paragraph (b) of this subsection shall advise the department regarding:
“(A) Development and implementation of the plan;
“(B) Eligibility criteria, applicant selection processes and expectations for recipients of grant awards described in this section; and
“(C) Adoption of rules by the State Board of Education for the implementation of the plan.

“(3) The plan developed under this section must address:
“(a) The disparities experienced by plan students in every indicator of academic success, as documented by the department’s statewide report card and other relevant reports related to plan students;
“(b) The historical practices leading to disproportionate outcomes for plan students; and
“(c) The educational needs of plan students from early childhood through post-secondary education as determined by examining culturally appropriate best practices in this state and across the nation.

“(4) The plan developed and implemented under this section must provide strategies to:
“(a) Address the disproportionate rate of disciplinary incidents involving plan students compared to all students in the education sys-
tem;

“(b) Increase parental engagement in the education of plan students;

“(c) Increase the engagement of plan students in educational activities before and after regular school hours;

“(d) Increase early childhood education and kindergarten readiness for plan students;

“(e) Improve literacy and numeracy levels among plan students between kindergarten and grade three;

“(f) Support plan student transitions to middle school and through the middle school and high school grades to maintain and improve academic performance;

“(g) Support culturally responsive pedagogy and practices from early childhood through post-secondary education;

“(h) Support the development of culturally responsive curricula from early childhood through post-secondary education;

“(i) Increase attendance of plan students in community colleges and professional certification programs; and

“(j) Increase attendance of plan students in four-year post-secondary institutions of education.

“(5) The department shall submit a biennial report concerning the progress of the plan developed and implemented under this section to a committee of the Legislative Assembly related to education at each even-numbered year regular session of the Legislative Assembly.

“(6) The department, in consultation with the advisory group, shall award grants to early learning hubs, providers of early learning services, school districts, post-secondary institutions of education and community-based organizations to implement the strategies provided in the plan developed and implemented under this section.

“(7) To qualify for and receive a grant described in this section, an
applicant must identify and demonstrate that the applicant meets the eligibility criteria established by the State Board of Education by rule.

“SECTION 42. The Department of Education shall submit a report, in the manner provided by ORS 192.245, concerning the development of the statewide education plans under sections 40 and 41 of this 2019 Act to an interim committee of the Legislative Assembly related to education no later than January 1, 2020.

“SECTION 43. Notwithstanding sections 40 and 41 of this 2019 Act, the Department of Education may not do any of the following prior to July 1, 2020:

“(1) Implement the statewide education plans developed under sections 40 and 41 of this 2019 Act, including awarding any grants to implement the plans; or

“(2) Make any expenditures from any appropriations made to the department for the implementation of the plans developed under sections 40 and 41 of this 2019 Act.

“CAPTIONS

“SECTION 44. The unit and section captions used in this 2019 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2019 Act.

“EFFECTIVE DATE

“SECTION 45. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.”.