

House Bill 2295

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Education)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Superintendent of Public Instruction to rate school performance based on letter grades. Directs State Board of Education to report to Legislative Assembly on methods of rewarding school districts with high or improving letter grades.

Offers parents in schools with letter grade of "F" opportunity to receive scholarship for private school. Creates Opportunity Scholarship Program Fund. Continuously appropriates moneys in fund for scholarships to private schools.

Allows parents of children with disabilities to enroll children in schools outside of child's resident school district. Transfers funds in State School Fund from resident school district to Special Needs Scholarship Program Fund established for purposes of scholarships. Continuously appropriates moneys in Special Needs Scholarship Program Fund to Department of Education for purposes of scholarship program.

Creates tax credit for contributions to qualified scholarship granting organization. Authorizes qualified scholarship organization to grant scholarships to eligible students for attendance at qualified schools. Sets forth standards for scholarship granting organizations and qualifying schools.

Allows initial and continuing teaching license issuance to persons with approved doctoral degrees, persons who have passed approved national subject area tests and persons with equivalent teaching licenses from another state.

Requires annual assessment of reading ability for students in grades one through three. Requires school district to retain student in grade three if student is reading at grade one level or lower, with certain exceptions. Requires school district to provide intensive reading program for students not meeting reading standards.

Allocates moneys from State School Fund to school districts whose students receive score of three or higher on advanced placement examinations. Requires school district to allocate at least 80 percent of these moneys to certain high schools with advanced placement students. Requires school districts to pay bonuses to certain teachers of advanced placement students.

A BILL FOR AN ACT

Relating to education; creating new provisions; amending ORS 327.013, 329.007, 329.085, 329.105, 329.485, 342.136 and 342.138; and appropriating money.

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

SCHOOL PERFORMANCE LETTER GRADES

SECTION 1. ORS 329.105 is amended to read:

329.105. (1) The Superintendent of Public Instruction shall collect data and produce annual school district and school performance reports containing information on student performance, student behavior and school characteristics. **The superintendent shall also produce an annual report for qualifying schools as defined in section 28 of this 2011 Act that are private schools.**

The purpose of the performance reports is to provide information to parents and to improve schools through greater parental involvement.

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

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 *student performance, improvement in student performance, the participation rate of students on the*
 2 *statewide assessments, student attendance rates and graduation rates. The Superintendent of Public*
 3 *Instruction, based on the criteria adopted by the State Board of Education, shall assign a rating to*
 4 *each school that identifies the school as outstanding, satisfactory or in need of improvement.]* **grading**
 5 **schools. The criteria shall:**

6 **(A) Be based on the following factors:**

7 **(i) For 50 percent of the school’s grade, scores on assessments administered under ORS**
 8 **329.485 and 329.488;**

9 **(ii) For 25 percent of the school’s grade, improvements over the previous year in student**
 10 **achievement scores on assessments administered under ORS 329.485 and 329.488; and**

11 **(iii) For 25 percent of the school’s grade, improvements over the previous year in student**
 12 **achievement scores for the lowest 25th percentile of students in the school on mathematics**
 13 **and English assessments administered under ORS 329.485 and 329.488.**

14 **(B) Allow the Superintendent of Public Instruction to assign a letter grade to each school**
 15 **so that:**

16 **(i) “A” means that a school is making excellent progress.**

17 **(ii) “B” means that a school is making above average progress.**

18 **(iii) “C” means that a school is making satisfactory progress.**

19 **(iv) “D” means that a school is making less than satisfactory progress.**

20 **(v) “F” means that a school is failing to make progress.**

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

23 **(c) A school shall not receive a letter grade if the number of the school’s students as-**
 24 **essed is fewer than the minimum sample size necessary, based on accepted professional**
 25 **practice, for statistical viability.**

26 **[(c)] (d) If a public school [is designated as in need of improvement] receives a “D” or “F”**
 27 **grade, the school shall file a school improvement plan with the superintendent [of Public**
 28 **Instruction] and with the school district board.**

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

32 **(f) The superintendent shall also publish annually an aggregated school district grade for**
 33 **all elementary schools, middle schools, high schools and charter schools within the district,**
 34 **based upon aggregation of information for each school within the district.**

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

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

39 **(b) Attendance rates;**

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

41 **(d) Disaggregated data on students who met or exceeded the academic content standards estab-**
 42 **lished by the board;**

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

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

45 **(g) The percentage of classes taught by a teacher identified as highly qualified under rules**

1 adopted by the United States Department of Education; and

2 (h) School staff, identified by category.

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

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

7 (b) Facilities used for distance learning;

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

9 (d) Expenditures;

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

11 (f) Administrators not assigned to a specific school;

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

13 (h) Students who are eligible for special education[.]; and

14 (i) **A comparison of the school's letter grade to changes in school funding over the same**
15 **period.**

16 (5) The Superintendent of Public Instruction shall notify the public and the media by January
17 30 of each year that school district and school performance reports are available at schools and
18 school districts and at the Department of Education website and offices. The superintendent shall
19 also include notice that copies of school improvement plans and district continuous improvement
20 plans can be obtained from school and school district offices. Each school district shall send a copy
21 of the school district and applicable school performance reports to each parent of a child enrolled
22 in a public school in the school district.

23 **SECTION 2. The State Board of Education shall study methods of rewarding a school**
24 **district with additional access to state school funding and greater authority over school**
25 **programs under state law when the district earns a letter grade of "A" under ORS 329.105**
26 **or the school district has improved at least two letter grades under ORS 329.105. The board**
27 **shall report the findings of the study, along with recommended legislation, to the interim**
28 **legislative committee with authority over education prior to July 1, 2012.**

29 **SECTION 3. Section 2 of this 2011 Act is repealed on January 2, 2013.**

30
31 **PRIVATE SCHOOL SCHOLARSHIPS**

32
33 **SECTION 4. As used in sections 4 to 11 of this 2011 Act:**

34 (1) "Parent" means a student's parent or guardian, or a person in a parental relationship
35 with the student.

36 (2) "Private school" has the meaning given that term in ORS 345.505.

37 (3) "Resident school district" means the school district in which the student's parent
38 resides pursuant to ORS 339.133 and 339.134.

39 **SECTION 5. A parent of a student qualifies for a scholarship from the state for the stu-**
40 **dent to enroll in and attend a private school if:**

41 (1) The parent has obtained acceptance for admission of the student to a private school
42 and has notified the Department of Education and the resident school district of the request
43 for a scholarship no later than July 1 prior to the school year in which the parent intends
44 to use the scholarship for the student; and

45 (2) Any of the following has occurred:

1 (a) The student has spent the prior school year in attendance at a public school or public
 2 charter school designated with a performance grade of “F” under ORS 329.105 for at least
 3 two of the previous four school years;

4 (b) During or after the previous school year, the student has changed residence and is
 5 now living within the attendance area of a public school designated with a performance grade
 6 of “F” under ORS 329.105 for at least two of the previous four years; or

7 (c) The student is entering kindergarten or first grade and lives within the attendance
 8 area of a public school designated with a performance grade of “F” under ORS 329.105 for
 9 at least two of the previous four years.

10 **SECTION 6.** If the Department of Education determines that a student qualifies for a
 11 scholarship under section 5 of this 2011 Act, the department shall:

12 (1) Reduce the amount of funds provided to the resident school district from the State
 13 School Fund under ORS 327.008 by the amount of the scholarship, which is the amount
 14 equivalent to the payment to the resident school district from all grants identified by ORS
 15 327.013, and transfer the amount of the reduction to the Opportunity Scholarship Program
 16 Fund established under section 7 of this 2011 Act; and

17 (2) Transfer the amount of the scholarship from the Opportunity Scholarship Program
 18 Fund to the private school. The transfer must occur in four equal payments no later than
 19 September 1, November 1, February 1 and April 1 of each school year. The department may
 20 require verification of continued enrollment by the student at the private school prior to
 21 making the payments to the school.

22 **SECTION 7.** The Opportunity Scholarship Program Fund is established, separate and
 23 distinct from the General Fund. Interest earned by the Opportunity Scholarship Program
 24 Fund shall be credited to the fund. Moneys received by the Department of Education under
 25 section 6 of this 2011 Act shall be deposited in the fund and are continuously appropriated
 26 to the department for the purposes of sections 4 to 11 of this 2011 Act.

27 **SECTION 8.** (1) A private school may, at the end of a school year, decline to allow re-
 28 newal of the scholarship of a student if the school determines that, for any reason, it cannot
 29 continue to provide appropriate educational services to the student.

30 (2) Unless the private school declines renewal of the scholarship under subsection (1) of
 31 this section, the parent of the student may annually renew the scholarship provided under
 32 section 6 of this 2011 Act upon informing the Department of Education, prior to July 1 pre-
 33 ceding the subsequent school year, of the parent’s intent to renew the scholarship.

34 (3) The Department of Education may adjust the amount of the scholarship renewed
 35 under subsection (2) of this section to account for changes in the amount of funds provided
 36 to the private school under section 6 of this 2011 Act.

37 (4) A private school educating a student who has received a scholarship under section 6
 38 of this 2011 Act may not refund, rebate or share the scholarship of the student with a parent
 39 or the student in any manner, and may use the student’s scholarship only for educational
 40 purposes.

41 **SECTION 9.** (1) A school district containing a public school or public charter school
 42 designated with a performance grade of “F” under ORS 329.105 for at least two of the pre-
 43 vious four school years must provide notification on an annual basis to each parent of a
 44 student attending the school of the scholarships available under section 5 of this 2011 Act.
 45 The Department of Education shall prescribe the form of this notice by rule.

1 (2) The resident school district must offer the parent of a student applying for a schol-
2 arship under section 5 of this 2011 Act the opportunity to transfer within the school district
3 to a school with a performance grade of “C” or better as determined under ORS 329.105. The
4 parent is not required to accept this offer instead of accepting a scholarship under section
5 5 of this 2011 Act, but may accept the offer of the resident school district prior to July 1 of
6 a subsequent year in which the resident school district’s school remains with a performance
7 grade of “F” as determined under ORS 329.105 for at least two of the previous four school
8 years.

9 **SECTION 10.** A private school receiving a scholarship under section 6 of this 2011 Act:

10 (1) Must satisfy all criteria for registration of private schools under ORS 345.505 to
11 345.575.

12 (2) Must accept scholarship students on a random and nonreligious basis without regard
13 to the student’s past academic history. However, the private school may give preference in
14 accepting applications to siblings of students who have already been accepted on a random
15 and nonreligious basis.

16 (3) Must accept as full tuition and fees the amount of the scholarship for each student.

17 (4) May not compel any student attending the school with a scholarship to profess a
18 specific ideological belief, to pray or to worship.

19 **SECTION 11.** (1) A student participating in the scholarship program under sections 4 to
20 11 of this 2011 Act must remain in attendance at the private school throughout the school
21 year, unless excused by the school for illness or other good cause, and must comply fully
22 with the school’s code of conduct.

23 (2) The parent of each student participating in the scholarship program must comply
24 with the private school’s parental involvement requirements, if any, unless excused by the
25 school for illness or other good cause.

26 **SECTION 12.** Sections 4 to 11 of this 2011 Act become operative on January 1, 2014.

27
28 **SCHOLARSHIPS FOR CHILDREN WITH DISABILITIES**

29
30 **SECTION 13.** Sections 14 to 22 of this 2011 Act are added to and made a part of ORS
31 chapter 343.

32 **SECTION 14.** As used in sections 14 to 22 of this 2011 Act:

33 (1) “Participating school” means:

34 (a) A public school outside of the school district in which the child with a disability re-
35 sides; or

36 (b) A private school that provides education to children with disabilities and that has
37 notified the Department of Education of its intention to participate in the program offered
38 by sections 14 to 22 of this 2011 Act and to comply with the program’s requirements.

39 (2) “Private school” has the meaning given that term in ORS 345.505.

40 (3) “Resident school district” means the school district in which the child with a disabil-
41 ity resides.

42 **SECTION 15.** A parent of a child with a disability qualifies for a scholarship from the
43 state for their child to enroll in and attend a participating school if:

44 (1) The child with a disability has an individualized education program written by the
45 resident school district;

1 (2) The child with a disability has been accepted for admission at a participating school;
2 and

3 (3) The parent has requested the scholarship from the Department of Education for a
4 school year on or before June 1 preceding the beginning of the school year.

5 **SECTION 16.** (1) Upon receipt of an application from a parent of a child with a disability
6 for a scholarship under section 15 of this 2011 Act, the Department of Education shall re-
7 quest:

8 (a) A copy of the most recent individualized education program for the child from the
9 resident school district; and

10 (b) An estimate from the resident school district of the district's estimated cost to edu-
11 cate the child of the parent requesting the scholarship under section 15 of this 2011 Act based
12 upon the most recent individualized education program prepared by the district for the stu-
13 dent.

14 (2) The resident school district shall provide the information requested by the Depart-
15 ment of Education under subsection (1) of this section within three business days of the
16 department's request.

17 **SECTION 17.** If the Department of Education determines that an application submitted
18 under section 15 of this 2011 Act meets the criteria set forth in section 15 of this 2011 Act,
19 the department shall:

20 (1) Reduce the amount of funds provided to the resident school district from the State
21 School Fund under ORS 327.008 by the amount of the scholarship, which shall be based on
22 the estimated cost of educating the child with a disability in the resident school district, and
23 transfer that amount to the Special Needs Scholarship Program Fund established under
24 section 18 of this 2011 Act.

25 (2) If the participating school is a public school, transfer the amount of the scholarship
26 calculated under subsection (1) of this section from the Special Needs Scholarship Program
27 Fund to the school district in which the participating school is located.

28 (3) If the participating school is a private school, transfer the amount of the scholarship,
29 minus the amount of the estimated cost of educating the child with a disability that is de-
30 rived from funds provided by the United States Government, from the Special Needs Schol-
31 arship Program Fund to the participating school.

32 (4) Transfer the amount of the estimated cost of educating the child with a disability that
33 is derived from funds provided by the United States Government to the United States Gov-
34 ernment or, if not required to be reimbursed to the United States Government, to the State
35 School Fund.

36 **SECTION 18.** The Special Needs Scholarship Program Fund is established, separate and
37 distinct from the General Fund. Interest earned by the Special Needs Scholarship Program
38 Fund shall be credited to the fund. Moneys received by the Department of Education under
39 section 17 of this 2011 Act shall be deposited in the fund and are continuously appropriated
40 to the department for the purposes of sections 14 to 22 of this 2011 Act.

41 **SECTION 19.** (1) The participating school is not required to implement the individualized
42 education program prepared by the resident school district, but may prepare a new individ-
43 ualized education program for the child with a disability.

44 (2) A participating school may, at the end of a school year, decline to allow renewal of
45 the scholarship of a child with a disability if the school determines that, for any reason, the

1 school cannot continue to provide appropriate educational services to the child.

2 (3) Unless the participating school declines renewal of the scholarship under subsection
 3 (2) of this section, the parent of the child with a disability may annually renew the scholar-
 4 ship provided under section 15 of this 2011 Act upon informing the Department of Education,
 5 prior to June 1 preceding the subsequent school year, of the parent’s intent to renew the
 6 scholarship.

7 (4) The department may adjust the amount of the scholarship renewed under subsection
 8 (3) of this section to account for changing costs to educate the child with a disability. The
 9 department by rule shall develop a methodology for making such adjustments.

10 (5) A participating school may not refund, rebate or share the scholarship funds of a
 11 student with a disability with a parent or the student in any manner. The participating
 12 school must use a student’s scholarship funds only for educational purposes.

13 **SECTION 20.** (1) A resident school district must provide notification on an annual basis
 14 to each parent of a student with a disability of the scholarships available under section 15
 15 of this 2011 Act. The Department of Education shall prescribe the form of this notice by rule.

16 (2) The resident school district shall provide a participating school that has admitted a
 17 student under sections 14 to 22 of this 2011 Act with a complete copy of the student’s school
 18 records held by the resident school district, subject to compliance with the federal Family
 19 Educational Rights and Privacy Act (20 U.S.C. 1232g).

20 **SECTION 21.** (1) A private school that is a participating school shall meet all criteria for
 21 registration of private schools under ORS 345.505 to 345.575.

22 (2) For the purpose of conducting criminal records checks under ORS 181.534, a private
 23 school that is a participating school shall send to the Department of Education the finger-
 24 prints of each person described in ORS 326.603 (1)(a), (b) or (c), and any other necessary in-
 25 formation, and shall use the information from the criminal records check to exclude from
 26 employment any person who might reasonably pose a threat to the safety of students with
 27 disabilities.

28 **SECTION 22.** (1) The Department of Education may contract with one or more qualified
 29 researchers who have previous experience evaluating school choice programs to conduct a
 30 study of the scholarship program authorized under sections 14 to 22 of this 2011 Act.

31 (2) The study must assess:

32 (a) The level of satisfaction with the program authorized under sections 14 to 22 of this
 33 2011 Act for the parents and the children with disabilities;

34 (b) The percentage of students with disabilities who were victimized because of their
 35 disability status at the school attended in their resident school district compared with the
 36 percentage victimized at the participating school;

37 (c) The percentage of students with disabilities who exhibited behavioral problems at the
 38 school attended in their resident school district compared with the percentage exhibiting
 39 behavioral problems at the participating school;

40 (d) The class size experienced by students with disabilities at the school attended in their
 41 resident school district and at the participating school; and

42 (e) The fiscal impact to the state and the resident school districts.

43 (3) The researchers conducting the study shall:

44 (a) Apply appropriate analytical and behavioral science methodologies to ensure public
 45 confidence in the study; and

1 (b) Protect the identities of participating schools and students by keeping the schools and
2 students anonymous in all disaggregated data other than the data provided for the categories
3 of grade level, gender, race and ethnicity.

4 SECTION 23. Scholarships awarded under sections 14 to 22 of this 2011 Act are first
5 available for the 2012-2013 school year.

6
7 **TAX CREDIT FOR CONTRIBUTIONS TO EDUCATION**

8
9 SECTION 24. Sections 25 to 27 of this 2011 Act are added to and made a part of ORS
10 chapter 315.

11 SECTION 25. As used in sections 25 to 27 of this 2011 Act:

12 (1) "Educational expenses" means expenses at a qualifying school for:

13 (a) Tuition and fees for educational services.

14 (b) Transportation related to educational activities.

15 (c) Educational materials, including books, school supplies, academic lessons, instruc-
16 tional software and academic curricula.

17 (d) Costs of participating in evaluation and performance reporting under ORS 329.085 and
18 329.105.

19 (2) "Educational scholarship" means a grant from a scholarship granting organization to
20 an eligible student or a low-income eligible student to cover part or all of the educational
21 expenses of the student.

22 (3) "Eligible student" means a student who:

23 (a)(A) Is a member of a household with total annual income, for the year preceding the
24 year in which a student would receive an educational scholarship, that does not exceed two
25 and one-half times the income standard used to qualify for a free or reduced-price lunch
26 under the United States Department of Agriculture's current Income Eligibility Guidelines;
27 or

28 (B) Received an educational scholarship for the previous school year;

29 (b) Is a resident of this state;

30 (c) Is five years of age or older but not more than 21 years of age;

31 (d) Has not graduated from high school; and

32 (e)(A) Was enrolled in the student's resident school district in the previous year; or

33 (B) Was not enrolled in the student's resident school district in the previous year, but
34 was eligible to attend a public school in this state in a preceding academic term or is starting
35 school in this state for the first time.

36 (4) "Low-income eligible student" means a student who:

37 (a) Is a member of a household with total annual income, for the year preceding the year
38 in which a student would receive an educational scholarship, that does not exceed the income
39 standard used to qualify for a free or reduced-price lunch under the United States Depart-
40 ment of Agriculture's current Income Eligibility Guidelines; and

41 (b) Satisfies the requirements of subsection (3)(b) to (e) of this section.

42 (5) "Parent" includes a legal guardian or custodian, or other person with legal authority
43 to act on behalf of the student.

44 (6) "Qualifying school" has the meaning given that term in section 28 of this 2011 Act.

45 (7) "Scholarship granting organization" means an organization that distributes scholar-

1 ship moneys pursuant to rules adopted by the Department of Revenue under section 27 of
 2 this 2011 Act and that:

3 (a) Distributes at least 90 percent of the taxpayer contributions on educational scholar-
 4 ships;

5 (b) Deposits all interest earnings and proceeds from investments in the educational
 6 scholarships;

7 (c) Qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue
 8 Code; and

9 (d) Submits a report to the department by June 1 of each year with information prepared
 10 by a certified public accountant regarding the scholarship grants awarded by the scholarship
 11 granting organization in the previous calendar year, under standards approved by the de-
 12 partment by rule.

13 **SECTION 26.** (1) A credit against the taxes otherwise due under ORS chapter 316, or
 14 under ORS chapter 317 or 318 if the taxpayer is a corporation, shall be allowed for contri-
 15 butions made to a scholarship granting organization during the tax year. The credit allowed
 16 under this section shall equal the amount of total contributions made to a scholarship
 17 granting organization for educational scholarships, up to 50 percent of the taxpayer's total
 18 state tax liability for the tax year.

19 (2) Any tax credit otherwise allowable under this section that is not used by the taxpayer
 20 in a tax year because the amount of the credit would exceed 50 percent of the taxpayer's
 21 state tax liability may be carried forward and offset against the taxpayer's tax liability for
 22 the next succeeding tax year. Any credit remaining unused in the next succeeding tax year
 23 may be carried forward and used in the second succeeding tax year, and likewise any credit
 24 not used in that second succeeding tax year may be carried forward and used in the third
 25 succeeding tax year, but may not be carried forward for any tax year thereafter.

26 (3) In the case of a credit allowed under this section for purposes of ORS chapter 316:

27 (a) A nonresident shall be allowed the credit under this section in the proportion provided
 28 in ORS 316.117.

29 (b) If a change in the status of a taxpayer from resident to nonresident or from nonres-
 30 ident to resident occurs, the credit allowed by this section shall be determined in a manner
 31 consistent with ORS 316.117.

32 (c) A husband and wife who file separate returns for a taxable year may each claim a
 33 share of the tax credit that would have been allowed on a joint return in proportion to the
 34 contribution of each.

35 (d) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or
 36 if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the
 37 credit allowed under this section shall be prorated or computed in a manner consistent with
 38 ORS 314.085.

39 (4) The Department of Revenue shall establish by rule policies and procedures for certi-
 40 fying taxpayers as eligible for the credits allowed under this section.

41 **SECTION 27.** (1) A scholarship granting organization shall:

42 (a) Distribute quarterly scholarship payments on or before September 1, December 1,
 43 March 1 and June 1 each school year, made out to the parent of an eligible student or low-
 44 income eligible student who is awarded a scholarship from taxpayer contributions received
 45 under section 26 of this 2011 Act and delivered to the qualifying school where the eligible

1 student or low-income eligible student is enrolled. The parent must endorse the payment
 2 check before the payment check can be deposited by the qualifying school.

3 (b) Provide a receipt in a form approved by the Department of Revenue to taxpayers for
 4 their contributions made to the scholarship granting organization.

5 (c) Ensure that the maximum amount of a scholarship is not more than 80 percent of the
 6 averaged total of all local and state moneys spent on a public school student in this state.

7 (d) Ensure that at least 25 percent of all scholarships are granted to the parents of low-
 8 income eligible students.

9 (e) Conduct background checks on prospective and current employees and board mem-
 10 bers to determine any conviction of a crime or issuance of a judgment or injunction that
 11 bears a demonstrable relationship to the appropriate use of contributed funds.

12 (f) Ensure that:

13 (A) Scholarships are portable during the school year and may be used at any qualifying
 14 school that accepts the eligible student or low-income eligible student for admission; and

15 (B) Scholarships are properly prorated among different qualifying schools if an eligible
 16 student or low-income eligible student transfers between qualifying schools during a school
 17 year.

18 (g) Ensure that a qualifying school accepting eligible students or low-income eligible
 19 students does not have paid staff or board members or family of paid staff or board members
 20 in common with the paid staff or board members or family of paid staff or board members
 21 of the scholarship granting organization. As used in this paragraph, "family" means a
 22 spouse, child, sibling or parent of the paid staff or board member.

23 (2) The Department of Revenue shall adopt rules necessary for the administration and
 24 enforcement of this section.

25 **SECTION 28.** (1) As used in this section, "qualifying school" means a public or private
 26 school that accepts scholarship payments distributed under section 27 of this 2011 Act for
 27 eligible students and low-income eligible students, as those terms are defined in section 25
 28 of this 2011 Act.

29 (2) If the qualifying school is a private school, the qualifying school shall:

30 (a) Meet all criteria for registration of private schools under ORS 345.505 to 345.575;

31 (b) For the purpose of conducting criminal records checks under ORS 181.534, send to the
 32 Department of Education the fingerprints of each person described in ORS 326.603 (1)(a) to
 33 (d), and any other necessary information, and use the information from the criminal records
 34 check to exclude from employment any person who might reasonably pose a threat to the
 35 safety of students at the qualifying school; and

36 (c) Participate in assessments of schools under ORS 329.085 and performance reports for
 37 schools under ORS 329.105.

38 **SECTION 29.** ORS 329.085 is amended to read:

39 329.085. (1) To facilitate the attainment and successful implementation of educational standards
 40 under ORS 326.051 (1)(a) and 329.025, the State Board of Education or its designee shall assess the
 41 effectiveness of each public school, public charter school, **qualifying school as defined in section**
 42 **28 of this 2011 Act that is a private school** and school district. The findings of the assessment
 43 shall be reported to the school or school district within six months.

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

1 (3) On a periodic basis, the board shall review school and school district standards and credit
2 and performance requirements. The board shall seek public input in this process.

3 **SECTION 30. Sections 25 to 27 of this 2011 Act apply to tax years beginning on or after**
4 **January 1, 2012.**

5 **SECTION 31. Scholarships awarded under sections 25 to 27 of this 2011 Act are first**
6 **available for the 2012-2013 school year.**

7
8 **ALTERNATIVE TEACHER CERTIFICATION**

9
10 **SECTION 32.** ORS 342.136 is amended to read:

11 342.136. (1) An initial teaching, personnel service or administrative license shall qualify its
12 holder to accept any assignment from preprimary through grade 12 for which the holder has com-
13 pleted the requirements established by the rules of the Teacher Standards and Practices Commis-
14 sion.

15 (2) An initial license shall be issued on application to an otherwise qualified person who has:

16 (a)(A) Completed an approved professional education program;

17 **(B) Received a valid doctoral degree from an institution of higher education accredited**
18 **by a regional accrediting association;**

19 **(C) Received, through a national or regional certification process approved by the com-**
20 **mission, certification for an area of teaching specialty by passing a national or regional ex-**
21 **amination designed to assess the person's skills in the area of teaching specialty; or**

22 **(D) Received a teaching license from another state under a process equivalent to the**
23 **standards set forth in this paragraph; and**

24 (b) Meets such other requirements as the commission may consider necessary to maintain and
25 improve the quality of instruction in the public schools of the state.

26 (3) An initial license may be renewed if the applicant meets the requirements established by the
27 commission by rule.

28 **(4) A license obtained under subsection (2)(a)(B), (C) or (D) of this section may be limited**
29 **by the commission to the subject areas in which the person has demonstrated proficiency.**

30 **SECTION 33.** ORS 342.138 is amended to read:

31 342.138. (1) A continuing teaching, personnel service or administrative license shall qualify the
32 holder to accept any assignments for preprimary through grade 12 for which the holder has com-
33 pleted the advanced requirements established by the rules of the Teacher Standards and Practices
34 Commission.

35 (2) A continuing license shall be issued on application for five years to an otherwise qualified
36 person who has:

37 (a)(A) Completed an advanced professional education program approved by the commission; **or**

38 **(B) For a person qualifying for an initial teaching license under ORS 342.136 (2)(a)(B) or**
39 **(C), or under ORS 342.136 (2)(a)(D) from another state by meeting requirements equivalent**
40 **to those of ORS 342.136 (2)(a)(B) or (C), completed a comprehensive mentoring program ap-**
41 **proved by the commission and received satisfactory recommendations from supervisory ad-**
42 **ministrators of the person as determined by the commission;**

43 (b) Been employed for a minimum period of time to be determined by the commission in:

44 (A) An Oregon public school;

45 (B) An Oregon private school that meets the standards adopted by the commission by rule or

1 is registered as a private school under ORS 345.505 to 345.575; or

2 (C) Another educational setting approved by the commission; and

3 (c) Demonstrated minimum competencies, knowledge and skills required for the continuing li-
 4 cense through an approved teacher education institution, school district, professional organization
 5 identified in ORS 342.121, or professional assessment approved by the commission.

6 (3) The holder of a continuing license may renew the continuing license in accordance with the
 7 rules of the commission.

8
 9 **PROMOTION AND RETENTION BASED UPON READING ABILITY**

10
 11 **SECTION 34. Section 35 of this 2011 Act is added to and made a part of ORS chapter 329.**

12 **SECTION 35. (1) Based upon the assessment of the reading portion of English conducted**
 13 **pursuant to ORS 329.485 (2)(c), and an individualized evaluation by a student’s reading**
 14 **teacher, each school district shall assign a reading grade level to each student in grades one**
 15 **through three. The Department of Education shall adopt by rule factors to be used in making**
 16 **individualized evaluations.**

17 (2) A school district shall notify in writing the parents of a student who is evaluated to
 18 be reading at a grade level below the grade of the student that:

19 (a) The student has been identified as having a deficiency in reading ability, based upon
 20 an individualized evaluation, and include a description of the factors used in making the in-
 21 dividualized evaluation;

22 (b) The school district will provide supplemental instructional services to the student,
 23 and include a description of the supplemental instructional services;

24 (c) If the student’s deficiency in reading ability is not remediated to at least a reading
 25 grade level of two by the end of the student’s year in grade three, the student must be re-
 26 tained in grade three unless the student is exempt from retention for any of the reasons set
 27 forth in subsection (4)(b) of this section; and

28 (d) The student’s parents may also use strategies to help the student attain a proficiency
 29 in reading ability, and shall include a description of those strategies.

30 (3) A school district shall establish a reading program designed to prevent the retention
 31 of grade three students because of deficiencies in reading ability. The program shall:

32 (a) Measure phonemic awareness, phonics, fluency, vocabulary and reading comprehen-
 33 sion;

34 (b) Be provided during regular school hours in addition to standard classroom reading
 35 instruction; and

36 (c) Provide a reading curriculum that:

37 (A) Assists students evaluated as having a deficiency in reading ability in developing the
 38 ability to read at grade level;

39 (B) Promotes skill development in phonemic awareness, phonics, fluency, vocabulary and
 40 reading comprehension;

41 (C) Requires initial and ongoing analysis of each student’s reading progress using scien-
 42 tificallly based and reliable assessment methods; and

43 (D) Includes instruction in core academic subjects to assist students in maintaining or
 44 meeting proficiency levels for the appropriate grade in all academic subjects.

45 (4)(a) A school district may not promote a student from grade three to grade four unless

1 the student is reading at a grade level of two or higher, as determined through the assess-
 2 ment and evaluation required by subsection (1) of this section conducted during the student's
 3 grade three school year.

4 (b) Notwithstanding paragraph (a) of this subsection, a school district may promote a
 5 student who is not reading at a grade two level or higher from grade three to grade four if
 6 the student:

7 (A) Has limited proficiency in the English language and has had less than two years of
 8 instruction in an English language program or courses under ORS 336.079;

9 (B) Is a child with a disability, as defined under ORS 343.035, and has an individualized
 10 education program developed under ORS 343.151 indicating that participation in a reading
 11 assessment is not appropriate;

12 (C) Has demonstrated an acceptable level of performance on an alternative standardized
 13 reading assessment approved by the Department of Education;

14 (D) Has demonstrated, through a student portfolio reviewed by the school district, that
 15 the student is reading at a grade level of two or higher;

16 (E) Is a child with a disability, as defined under ORS 343.035, has an individualized edu-
 17 cation program developed under ORS 343.151 indicating that the student has received inten-
 18 sive remedial instruction in reading for more than two years, and was previously retained
 19 for at least one year in kindergarten, grade one, grade two or grade three, but still demon-
 20 strates a deficiency in reading ability;

21 (F) Has received intensive remedial instruction in reading for at least two years and was
 22 previously retained in kindergarten, grade one, grade two or grade three for at least two
 23 years, but still is unable to read at grade level two; or

24 (G) Qualifies for a good cause exemption from the retention requirement, based upon:

25 (i) A recommendation submitted from the student's teacher to the school district indi-
 26 cating that promotion of the student is appropriate and is based upon the student's academic
 27 record; and

28 (ii) Review, discussion and written approval of the recommendation by the school district
 29 and the student's parents.

30 (5) A school district shall notify in writing the parents of a student who is retained in
 31 grade three that the student has not met the proficiency level required for promotion to
 32 grade four, and include the reasons the child is not eligible for an exemption pursuant to
 33 subsection (4)(b) of this section. The notification must also include a description of the pro-
 34 gram proposed to be provided to the student to remediate the deficiency in reading ability.

35 (6) A school district shall provide a program designed to remediate the deficiency in
 36 reading ability of students who are retained in grade three pursuant to subsection (4) of this
 37 section. The program must include:

38 (a) A detailed analysis of each student's deficiency in reading ability, the causes of the
 39 deficiency and recommended methods for remediating the deficiency; and

40 (b) Intensive instructional services and supports to remediate each student's identified
 41 areas of deficiency in reading ability, including a minimum of 90 minutes daily of uninter-
 42 rupted, research-based reading instruction and other instructional strategies as prescribed
 43 by the school district, which may include:

44 (A) Small group instruction;

45 (B) Reduced student-to-teacher ratios;

1 (C) Frequent progress monitoring;

2 (D) Tutoring or mentoring;

3 (E) Transition classes containing grade three and grade four students;

4 (F) Extended school days, weeks or years; and

5 (G) Summer reading camps.

6 (7) A school district shall assign a student who is retained in grade three pursuant to
7 subsection (4) of this section to the class of a grade three teacher at the student's school
8 that the school district has determined is best able to help the student achieve a reading
9 ability that will allow subsequent promotion of the student to grade four.

10 (8) A school district shall implement a policy of mid-year advancement to grade four of
11 any student retained in grade three who is able to demonstrate reading ability at grade three
12 or higher during a school year, based upon subsequent assessments, alternative assessments
13 or portfolio reviews, in accordance with rules adopted by the State Board of Education.

14 (9) A school district shall provide instructional assistance to parents of students who are
15 retained in grade three, consisting of development of a plan for increased parental instruc-
16 tion, supervision of students' reading outside of school and joint student-parent reading
17 workshops.

18 (10) A school district shall report annually to the parents of each student in grades one
19 through three who is evaluated as having a deficiency in reading ability in a uniform format
20 adopted by the school district board:

21 (a) The progress of the student toward achieving an at-grade or higher level of reading
22 proficiency;

23 (b) The student's results on statewide assessment tests, including reading assessment
24 tests; and

25 (c) The student's related progress in proficiency in writing, science and mathematics.

26 (11) Before September 1 of each year, each school district shall report to the Department
27 of Education, in a form established by the department by rule, the following information on
28 the previous school year:

29 (a) The school district's policies and procedures on student retention and promotion;

30 (b) The number and percentage of all students in grades 3 through 10 performing at grade
31 level one or two on reading assessments;

32 (c) The number and percentage of all students in grades 3 through 10 who are retained
33 in grade three;

34 (d) The number and percentage of all students in grades 3 through 10 of students who
35 were promoted pursuant to subsection (4)(b) of this section; and

36 (e) Any revisions to the school district's policy on student retention and promotion from
37 the previous school year.

38 **SECTION 36.** ORS 329.007 is amended to read:

39 329.007. As used in this chapter, unless the context requires otherwise:

40 (1) "Academic content standards" means expectations of student knowledge and skills adopted
41 by the State Board of Education under ORS 329.045.

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

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

44 (4) "Community learning center" means a school-based or school-linked program providing in-
45 formal meeting places and coordination for community activities, adult education, child care, infor-

1 mation and referral and other services as described in ORS 329.157. “Community learning center”
 2 includes, but is not limited to, a community school program as defined in ORS 336.505, family re-
 3 source centers as described in ORS 417.725, full service schools[, *lighted schools*] and 21st century
 4 community learning centers.

5 (5) “Department” means the Department of Education.

6 (6) “English” includes, but is not limited to, reading and writing.

7 (7) “History, geography, economics and civics” includes, but is not limited to, Oregon Studies.

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

11 (9) “Parents” means parents or guardians of students who are covered by this chapter.

12 (10) **“Promotion” means the advancement of a student from a grade level to the next**
 13 **grade level in a subsequent school year.**

14 [(10)] (11) “Public charter school” has the meaning given that term in ORS 338.005.

15 (12) **“Retention” means the keeping of a student at the same grade level in a subsequent**
 16 **school year that the student was enrolled in during the previous school year.**

17 [(11)] (13) “School district” means a school district as defined in ORS 332.002, a state-operated
 18 school or any legally constituted combination of such entities.

19 [(12)] (14) “Second languages” means any foreign language or American Sign Language.

20 [(13)] (15) “Teacher” means any licensed employee of a school district who has direct responsi-
 21 bility for instruction, coordination of educational programs or supervision of students and who is
 22 compensated for such services from public funds. “Teacher” does not include a school nurse, as
 23 defined in ORS 342.455, or a person whose duties require an administrative license.

24 [(14)] (16) “The arts” includes, but is not limited to, literary arts, performing arts and visual
 25 arts.

26 [(15)] (17) “21st Century Schools Council” means a council established pursuant to ORS 329.704.

27 **SECTION 37.** ORS 329.485 is amended to read:

28 329.485. (1) As used in this section:

29 (a) “Content-based assessment” means testing of the understanding of a student of a predeter-
 30 mined body of knowledge.

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

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

35 (2)(a) The Department of Education shall implement statewide a valid and reliable assessment
 36 system for all students that meets technical adequacy standards. The assessment system shall in-
 37 clude criterion-referenced assessments including performance-based assessments, content-based as-
 38 sessments, and other valid methods to measure the academic content standards and to identify
 39 students who meet or exceed the standards.

40 (b) The department shall develop the statewide assessment system in mathematics, science,
 41 English, history, geography, economics and civics.

42 (c) **The statewide assessment system must include assessment of all students in grades**
 43 **one through three in the reading portion of English, to be completed at least yearly.**

44 (3) In addition to the assessment system implemented under subsection (2) of this section, the
 45 department may make available to school districts and public charter schools an assessment system

1 that uses criterion-referenced assessments including performance-based assessments and content-
 2 based assessments to:

3 (a) Measure a student's progress in achieving the academic content standards for the student's
 4 current grade level;

5 (b) Determine the grade level of the understanding, knowledge or ability of a student, which
 6 shall be determined regardless of the actual grade level of the student and may be determined by
 7 adapting the assessment during the assessment process as a result of the performance of the student;

8 (c) Track and provide reports on the progress of a student based on the information provided
 9 under paragraphs (a) and (b) of this subsection; and

10 (d) Provide predictions of anticipated student progress that are based on the information pro-
 11 vided under this subsection and not on the current grade level of the student.

12 (4)(a) School districts and public charter schools shall implement the statewide assessment sys-
 13 tem in mathematics, science and English. In addition, school districts and public charter schools
 14 may implement the statewide assessment system in history, geography, economics and civics.

15 (b) School districts and public charter schools may implement the assessment system described
 16 in subsection (3) of this section.

17 (5) Each year the resident district shall be accountable for determining the student's progress
 18 toward achieving the academic content standards. Progress toward the academic content standards
 19 shall be measured in a manner that clearly enables the student and parents to know whether the
 20 student is making progress toward meeting or exceeding the academic content standards. In addi-
 21 tion, the district shall adopt a grading system based on the local school district board adopted
 22 course content of the district's curriculum. The grading system shall clearly enable the student and
 23 parents to know how well the student is achieving course requirements.

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

27 (7) If the student to whom additional services or alternative educational options have been made
 28 available does not meet or exceed the academic content standards within one year, the school dis-
 29 trict, with the consent of the parents, shall make an appropriate placement, which may include an
 30 alternative education program or the transfer of the student to another public school in the district
 31 or to a public school in another district that agrees to accept the student. The district that receives
 32 the student shall be entitled to payment. The payment shall consist of:

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

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

37 **SECTION 38. Section 35 of this 2011 Act and the amendments to ORS 329.007 and 329.485**
 38 **by sections 36 and 37 of this 2011 Act first apply to the 2012-2013 school year.**

39
 40 **AWARDS FOR ADVANCED PLACEMENT TEST SUCCESS**

41
 42 **SECTION 39. (1) A school district receiving additional moneys from the State School**
 43 **Fund because of an adjustment to the school's average daily membership pursuant to ORS**
 44 **327.013 (1)(c)(A)(vii) must:**

45 (a) **Allocate at least 80 percent of the funds provided to the school district as a result**

1 of the adjustment to high schools within the district where advanced placement students
 2 received, during the previous year, a score of three or higher on a College Board Advanced
 3 Placement Examination; and

4 (b) Allocate a bonus to the teacher of an advanced placement course in the amount of:

5 (A) \$50 per student who received, during the previous year, a score of three or higher
 6 on the course subject's College Board Advanced Placement Examination; and

7 (B) An additional \$500 if the teacher instructs an advanced placement course at a high
 8 school designated as in need of improvement under ORS 329.105 (2)(a), and at least one of the
 9 students enrolled in the course received, during the previous year, a score of three or higher
 10 on the College Board Advanced Placement Examination for the subject.

11 (2) A teacher may not receive a bonus pursuant to subsection (1)(b) of this section
 12 greater than \$2,000 per school year.

13 (3) If a school district has received funding pursuant to ORS 327.013 (1)(c)(A)(vii) that is
 14 insufficient to provide teacher bonuses required by subsection (1)(b) of this section, the dis-
 15 trict shall prorate and reduce the amount of the bonuses to equal the funding provided.

16 **SECTION 40.** ORS 327.013 is amended to read:

17 327.013. The State School Fund distributions for school districts include the following grants:

18 (1) General Purpose Grant = Funding Percentage × Target Grant × District extended ADMw.
 19 For the purpose of the calculation made under this subsection:

20 (a) The funding percentage shall be calculated by the Superintendent of Public Instruction to
 21 distribute as nearly as practicable the total sum of money available for distribution.

22 (b) Target Grant = Statewide Target per ADMw Grant + Teacher Experience Factor. For the
 23 purpose of the calculation made under this paragraph:

24 (A) Statewide Target per ADMw Grant = \$4,500.

25 (B) Teacher Experience Factor = \$25 × {District average teacher experience – statewide av-
 26 erage teacher experience}. As used in this subparagraph, "average teacher experience" means the
 27 average, in years, of teaching experience of licensed teachers as reported to the Department of Ed-
 28 ucation.

29 (c) District extended ADMw = ADMw or ADMw of the prior year, whichever is greater. For
 30 the purpose of this paragraph:

31 (A) Weighted average daily membership or ADMw = average daily membership + an additional
 32 amount computed as follows:

33 (i) 1.0 for each student in average daily membership eligible for special education as a child with
 34 a disability under ORS 343.035, which may not exceed 11 percent of the district's ADM without re-
 35 view and approval by the Department of Education. Children with disabilities eligible for special
 36 education in adult local correctional facilities, as defined in ORS 169.005, or adult regional
 37 correctional facilities, as defined in ORS 169.620, may not be included in the calculation made under
 38 this sub-subparagraph.

39 (ii) 0.5 for each student in average daily membership eligible for and enrolled in an English as
 40 a second language program under ORS 336.079.

41 (iii) 0.2 for each student in average daily membership enrolled in a union high school district
 42 or in an area of a unified school district where the district is only responsible for educating students
 43 in grades 9 through 12 in that area.

44 (iv) -0.1 for each student in average daily membership enrolled in an elementary district oper-
 45 ating kindergarten through grade six or kindergarten through grade eight or in an area of a unified

1 school district where the district is only responsible for educating students in kindergarten through
 2 grade eight.

3 (v) 0.25 times the sum of the following:

4 (I) The number of children 5 to 17 years of age in poverty families in the district, as determined
 5 by the Department of Education from a report of the United States Department of Education based
 6 on the most recent federal decennial census, as adjusted by the school district's proportion of stu-
 7 dents in the county receiving free or reduced price lunches under the United States Department of
 8 Agriculture's current Income Eligibility Guidelines if the number is higher than the number deter-
 9 mined from census data and only if the school district had an average daily membership of 2,500 or
 10 less for the 1995-1996 school year, and as further adjusted by the number of students in average
 11 daily membership in June of the year of distribution divided by number of students in average daily
 12 membership in the district, or its predecessors, in June of the year of the most recent federal
 13 decennial census;

14 (II) The number of children in foster homes in the district as determined by the report of the
 15 Department of Human Services to the United States Department of Education, "Annual Statistical
 16 Report on Children in Foster Homes and Children in Families Receiving AFDC Payments in Excess
 17 of the Poverty Income Level," or its successor, for October 31 of the year prior to the year of dis-
 18 tribution; and

19 (III) The number of children in the district in state-recognized facilities for neglected and de-
 20 linquent children, based on information from the Department of Human Services for October 31 of
 21 the year prior to the year of distribution.

22 (vi) The amount determined under ORS 327.077 for each remote small elementary school and for
 23 each small high school in the district.

24 **(vii) 0.2 for each student in average daily membership enrolled in an advanced placement**
 25 **course in the previous school year who received a score of three or higher on a College Board**
 26 **Advanced Placement Examination.**

27 (B) All numbers of children used for the computation in this paragraph must reflect any district
 28 consolidations that have occurred since the numbers were compiled.

29 (C) The total additional weight that shall be assigned to any student in average daily member-
 30 ship in a district, exclusive of students described in subparagraph (A)(v) and (vi) of this paragraph,
 31 may not exceed 2.0.

32 (2) High cost disabilities grant = the total amount received by a school district under ORS
 33 327.348 for providing special education and related services to resident pupils with disabilities.

34 (3)(a) Transportation grant equals:

35 (A) 70 percent of approved transportation costs for those school districts ranked below the 80th
 36 percentile under paragraph (b) of this subsection.

37 (B) 80 percent of approved transportation costs for those school districts ranked in or above the
 38 80th percentile but below the 90th percentile under paragraph (b) of this subsection.

39 (C) 90 percent of approved transportation costs for those school districts ranked in or above the
 40 90th percentile under paragraph (b) of this subsection.

41 (b) Each fiscal year, the Department of Education shall rank school districts based on the ap-
 42 proved transportation costs per ADM of each school district, ranking the school district with the
 43 highest approved transportation costs per ADM at the top of the order.

44 (4)(a) Facility Grant = 8 percent of total construction costs of new school buildings.

45 (b) A school district shall receive a Facility Grant in the distribution year that a new school

1 building is first used.

2 (c) As used in this subsection:

3 (A) "New school building" includes new school buildings, structures added onto existing school
4 buildings and premanufactured structures added to a school district if those buildings or structures
5 are to be used for instructing students.

6 (B) "Construction costs" does not include costs for land acquisition.

7 **SECTION 41. Section 39 of this 2011 Act and the amendments to ORS 327.013 by section**
8 **40 of this 2011 Act first apply to the 2012-2013 school year.**

9
