

# Enrolled House Bill 4014

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Education)

CHAPTER .....

AN ACT

Relating to education; creating new provisions; amending ORS 297.210, 327.008, 329.025, 329.045, 334.095, 336.012, 336.179, 337.120, 337.141, 338.005, 338.075, 339.010 and 339.020 and section 12, chapter 828, Oregon Laws 2005, section 5, chapter 59, Oregon Laws 2010, section 2, chapter 139, Oregon Laws 2011, and sections 9 and 11, chapter 609, Oregon Laws 2011; repealing ORS 326.131, 326.133, 326.136, 336.015, 336.023, 336.025, 336.475 and 337.275 and sections 6 and 7, chapter 706, Oregon Laws 2009; and declaring an emergency.

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

**SECTION 1.** ORS 297.210 is amended to read:

297.210. (1)(a) The Secretary of State, as State Auditor, shall have the accounts and financial affairs of state departments, boards, commissions, institutions and state-aided institutions and agencies of the state reviewed or audited as the Secretary of State considers advisable or necessary.

(b) The Secretary of State, as State Auditor, may conduct performance audits of school districts and education service districts. For audits conducted under this paragraph:

(A) The Secretary of State shall identify by rule factors and standards by which the secretary will determine whether to initiate an audit as authorized under this paragraph or to enter into a contract with the Department of Education to conduct an audit as provided by ORS 327.141.

(B) Prior to initiating an audit, the Secretary of State shall:

(i) Give notice to the school district or the education service district of the secretary's intent to initiate the audit; and

(ii) Provide the school district or the education service district with the opportunity to provide to the secretary any information related to the subject of the audit.

(C) Following the review of any information provided under subparagraph (B) of this paragraph, the Secretary of State may:

(i) Decline to proceed with the audit; or

(ii) Cause the audit to be conducted.

(D) The Secretary of State may charge a school district or an education service district for a portion of the costs incurred for an audit authorized by this paragraph. Amounts charged as provided by this subparagraph shall be in lieu of any amounts that may be charged as provided by ORS 297.230.

*[(c) The Secretary of State, as State Auditor, may conduct audits of the business practices of school districts and education service districts pursuant to a contract with the Department of Education authorized by ORS 326.133.]*

[(d)] (c) The Secretary of State, as State Auditor, may conduct audits of the use of fund transfers from the state to counties, including but not limited to transfers of video lottery revenues, state highway funds, cigarette tax revenues and Oregon Liquor Control Commission funds.

[(e)] (d) The Secretary of State may subpoena witnesses, require the production of books and papers and rendering of reports in such manner and form as the Secretary of State requires and may do all things necessary to secure a full and thorough investigation.

[(f)] (e) The Secretary of State shall report, in writing, to the Governor. The report shall include a copy of the report on each audit.

[(g)] (f) In addition to the report described in paragraph [(f)] (e) of this subsection, the Secretary of State shall provide a report to a school district board or the board of directors of an education service district following an audit conducted as provided by paragraph (b) of this subsection.

(2) The Secretary of State may audit or review any institution or department of the state government at any time the executive head of the institution or department, for any reason, retires from the head's office or position. The secretary need not conduct an audit or review under this subsection if:

(a) The institution or department has been the subject of an audit or review of financial controls within the six months immediately preceding the retirement of the executive head of the institution or department; or

(b) The secretary has not received a report within the 12 months immediately preceding the retirement of the executive head of the institution or department indicating that the executive head of the institution or department was unable or unwilling to follow state law, rules, policies or procedures.

(3) The Secretary of State shall employ auditors upon such terms and for such compensation as the Secretary of State determines are advantageous and advisable.

(4) If a person fails to comply with any subpoena issued under subsection (1) of this section, a judge of the circuit court of any county, on application of the Secretary of State, shall compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from the circuit court.

**SECTION 2.** ORS 327.008, as operative until June 30, 2012, is amended to read:

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

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011 and 327.013.

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

(4) There shall be apportioned from the State School Fund the amount to be transferred to the Regional Educational Services Account as calculated under ORS 327.009.

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

(9) Each fiscal year, the Department of Education shall transfer the amount of \$18 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

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

(11) 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.

*[(12) Each biennium, the Department of Education may expend up to \$800,000 from the State School Fund for the administration of ORS 326.133 and 326.136.]*

*[(13)] (12)* 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.

*[(14)] (13)* 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.

**SECTION 3.** ORS 327.008 is amended to read:

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

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011 and 327.013.

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

(4) There shall be apportioned from the State School Fund the amount to be transferred to the Regional Educational Services Account as calculated under ORS 327.009.

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

(9) Each fiscal year, the Department of Education shall transfer the amount of \$18 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(10) 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.

*[(11) Each biennium, the Department of Education may expend up to \$800,000 from the State School Fund for the administration of ORS 326.133 and 326.136.]*

*[(12)] (11)* 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.

[(13)] (12) 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.

**SECTION 4.** ORS 338.075 is amended to read:

338.075. (1) If a school district board does not approve a proposal to start a public charter school pursuant to ORS 338.055, the applicant may:

(a) Request that the State Board of Education review the decision of the school district board;  
or

(b) Submit a proposal to an institution of higher education.

(2) Upon receipt of a request for review, the State Board of Education:

*[(a) Shall attempt to mediate a resolution between the applicant and the school district board.]*

*[(b)]* (a) May recommend to the applicant and school district board revisions to the proposal.

*[(c)]* (b) If the school district board does not accept the revisions to the proposal and the applicant agrees to the sponsorship, may become the sponsor of the public charter school.

(3) Upon receipt of a request for review, in addition to actions described in subsection (2) of this section and at any time during the review process, the State Board of Education may reject a proposal to start a public charter school if the school fails to meet the requirements of this chapter.

(4) An applicant may seek judicial review of an order of the State Board of Education pursuant to ORS 183.484. If the court finds that the decision of the State Board of Education is not supported by substantial evidence in the record, the court shall enter a judgment directing the State Board of Education to sponsor the public charter school.

(5)(a) An applicant seeking sponsorship by an institution of higher education may submit to the institution of higher education the same proposal that was submitted to the school district board under ORS 338.045 or a proposal that is modified to take into consideration the characteristics of the institution of higher education evaluating the proposal under this subsection.

(b) Upon receipt of a proposal, an institution of higher education may evaluate the proposal. The institution of higher education shall:

(A) Approve or disapprove the proposal using the criteria described in ORS 338.055 (2)(b) to (h) and approve the proposal only if the institution of higher education may become a sponsor as provided by paragraphs (e) and (f) of this subsection; or

(B) Disapprove the proposal based on the institution's determination that the proposal does not align with the mission of the institution of higher education.

(c)(A) The following decisions by an institution of higher education are final and not subject to appeal:

(i) Whether to evaluate a proposal for a public charter school; and

(ii) The approval or disapproval of a proposal for a public charter school.

(B) The process by which an institution of higher education makes a decision described in subparagraph (A) of this paragraph is not subject to appeal.

(d) Within 60 days after receiving a proposal, the institution of higher education must approve the proposal or, if disapproving the proposal, state in writing the reasons for disapproving the proposal.

(e) An institution of higher education may approve a proposal evaluated under this subsection only if the main campus of the institution of higher education is located within 25 miles of the proposed public charter school, based on the nearest traveled road.

(f) An institution of higher education may become a sponsor of only one public charter school in this state, regardless of the number of campuses or locations of the institution of higher education.

(g) If a public charter school has a sponsor that is an institution of higher education and the public charter school enters into a contract with a third-party entity to provide educational services for the public charter school:

(A) A member of the governing body of the public charter school or the governing body of the sponsor may not be an employee of the third-party entity, be a member of the governing board of the third-party entity or be any other representative of the third-party entity;

(B) An employee or a member of the governing board of the third-party entity may not attend an executive session of the sponsor;

(C) An employee of the public charter school may not promote the sale or benefits of private supplemental services or classes offered by the third-party entity; and

(D) The educational services provided by the third-party entity must comply with state standards and requirements, and any provision of the contract with the third-party entity that does not allow for the provision of educational services that comply with state standards and requirements is void.

**SECTION 5.** ORS 338.075, as amended by section 29, chapter 718, Oregon Laws 2011, is amended to read:

338.075. (1) If a school district board does not approve a proposal to start a public charter school pursuant to ORS 338.055, the applicant may request that the State Board of Education review the decision of the school district board.

(2) Upon receipt of a request for review, the State Board of Education:

[*a*] *Shall attempt to mediate a resolution between the applicant and the school district board.*]

[*b*] (a) May recommend to the applicant and school district board revisions to the proposal.

[*c*] (b) If the school district board does not accept the revisions to the proposal and the applicant agrees to the sponsorship, may become the sponsor of the public charter school.

(3) Upon receipt of a request for review, in addition to actions described in subsection (2) of this section and at any time during the review process, the State Board of Education may reject a proposal to start a public charter school if the school fails to meet the requirements of this chapter.

(4) An applicant may seek judicial review of an order of the State Board of Education pursuant to ORS 183.484. If the court finds that the decision of the State Board of Education is not supported by substantial evidence in the record, the court shall enter a judgment directing the State Board of Education to sponsor the public charter school.

(5)(a) An institution of higher education may sponsor a public charter school only if:

(A) The main campus of the institution of higher education is located within 25 miles of the proposed public charter school, based on the nearest traveled road; and

(B) The institution of higher education first became a sponsor of the public charter school prior to July 1, 2017.

(b) An institution of higher education may sponsor only one public charter school in this state, regardless of the number of campuses or locations of the institution of higher education.

(c) If a public charter school has a sponsor that is an institution of higher education and the public charter school enters into a contract with a third-party entity to provide educational services for the public charter school:

(A) A member of the governing body of the public charter school or the governing body of the sponsor may not be an employee of the third-party entity, be a member of the governing board of the third-party entity or be any other representative of the third-party entity;

(B) An employee or a member of the governing board of the third-party entity may not attend an executive session of the sponsor;

(C) An employee of the public charter school may not promote the sale or benefits of private supplemental services or classes offered by the third-party entity; and

(D) The educational services provided by the third-party entity must comply with state standards and requirements, and any provision of the contract with the third-party entity that does not allow for the provision of educational services that comply with state standards and requirements is void.

**SECTION 6.** ORS 337.141 is amended to read:

337.141. [*Upon prior notice to the State Board of Education, the district school board of any school district may adopt and use textbooks or other instructional materials in place of or in addition to those adopted by the State Board of Education provided they meet the guidelines and criteria established by the State Board of Education.*] **The State Board of Education shall adopt:**

(1) **A list of textbooks and other instructional materials that may be used by a school district; and**

(2) **Guidelines and criteria for a district school board to select textbooks and other instructional materials that are not on the list adopted under subsection (1) of this section.**

**SECTION 7.** ORS 337.120 is amended to read:

337.120. (1) *[Except as otherwise provided by ORS 337.141, the]* **A** district school board, with the assistance of teachers and administrators of the district, shall adopt **a list of** textbooks and other instructional materials for each grade and subject *[field]* for which instruction is provided by the *[district school board from the approved list]* **school district**. The district school board shall **adopt the list in compliance with ORS 337.141 and shall** involve parents and citizens in the process.

(2) The district school board shall cause the books or **other instructional** materials, according to titles, *[so adopted]* **that are included on the list adopted under subsection (1) of this section** to be used in its schools at the beginning of the next school year following the state adoption **under ORS 337.141**, except when, pursuant to rules of the State Board of Education, the district school board is authorized by the Superintendent of Public Instruction to postpone *[such]* use for a reasonable period of time.

**SECTION 8.** ORS 336.012 is amended to read:

336.012. A district school board may adopt a class schedule that operates throughout the year for all or any schools in the district *[but may not require a student to attend the entire year]*.

**SECTION 9.** ORS 336.179 is amended to read:

336.179. (1) It is state policy for all school districts to foster an atmosphere of student commitment to excellence in education, recognizing excellence in academics and excellence in citizenship.

(2) Each school district shall determine the activities necessary to qualify for special recognition of student achievement.

*[(3) In implementing the state policy, and after consultation with the student body, an elementary or secondary school shall offer special recognition as appropriate. Special recognition may include, but need not be limited to:]*

*[(a) Reduced admission to athletic events;]*

*[(b) Discount on school yearbook;]*

*[(c) Discount on student store merchandise;]*

*[(d) Free or discounted school parking permits;]*

*[(e) Free or discounted tickets to student events;]*

*[(f) Exemption from a limited number of semester finals;]*

*[(g) Academic "Pride" insignia;]*

*[(h) Early registration privileges;]*

*[(i) Local merchant discounts where available to the district; and]*

*[(j) Free membership in school organizations.]*

**SECTION 10.** ORS 334.095 is amended to read:

334.095. (1) The education service district board shall declare the office of **a** director vacant *[upon the happening of any of the following]* **when the incumbent:**

(a) *[When an incumbent]* Dies or resigns;

(b) *[When an incumbent]* Is removed from office or **a court declares** the election *[thereto has been declared void by the judgment of any court]* **for the office void;**

(c) *[When an incumbent]* Ceases to be a resident of a school district that is *[a component school district]* **located within the territory** of the education service district;

(d) *[Subject to the provision of subsection (2) of this section, when an incumbent]* **Subject to subsection (3) of this section,** ceases to be a resident of the zone from which nominated;

(e) *[When an incumbent]* Ceases to discharge the duties of office for two consecutive months unless prevented *[therefrom]* **from discharging the duties** by sickness or other unavoidable cause; or

(f) *[When an incumbent]* Is recalled.

**(2) The education service district board may not declare the office of a director vacant if the director is a resident of a school district that withdraws from the education service district as provided by ORS 334.015 unless:**

**(a) The director's term expires; or**

**(b) The education service district board declares the office vacant for a reason described in subsection (1) of this section.**

[2] **(3)** A director nominated from a zone who changes permanent residence from one zone to another zone in which another director resides shall continue to serve as director until the next regular election when a successor shall be elected to serve for the remainder of the unexpired term.

[3] **(4)** A director guilty of misfeasance or malfeasance in office, by the appropriate proceeding, may be removed from office by a court of competent jurisdiction.

[4] **(5)** Members may be recalled in the manner provided in ORS 249.865 to 249.877. If the member was elected by a zone, the recall petition shall be signed by electors from that zone and electors from the zone are the only electors eligible to vote in the recall election. If the member was elected at large, the recall petition shall be signed by electors from the district and electors from the district are eligible to vote in the recall election.

**SECTION 11.** Section 12, chapter 828, Oregon Laws 2005, is amended to read:

**Sec. 12.** (1) ORS 334.095 does not apply to a pilot education service district. However, the board of directors of a pilot education service district shall declare the office of a director vacant *[upon the occurrence of any of the following]* **when the incumbent:**

(a) *[When an incumbent]* Dies or resigns;

(b) *[When an incumbent]* Is removed from office or **a court declares** the election or appointment *[thereto has been declared void by the judgment of any court]* **for the office void;**

(c) *[When an incumbent]* Ceases to be a resident of **a school district that is located within the territory of** the pilot education service district;

(d) *[When an incumbent]* Ceases to be a resident of the zone from which elected; or

(e) *[When an incumbent]* Ceases to discharge the duties of office for two consecutive months unless prevented *[therefrom]* **from discharging the duties** by sickness or other unavoidable cause.

**(2) Except for a reason described in subsection (1) of this section, the board of directors of a pilot education service district may not declare vacant prior to June 30, 2013, the office of a director who is a resident of a school district that withdraws from the pilot education service district as provided by ORS 334.015.**

[2] **(3)** A director guilty of misfeasance or malfeasance in office, by the appropriate proceeding, may be removed from office by a court of competent jurisdiction.

**SECTION 12.** Section 5, chapter 59, Oregon Laws 2010, is amended to read:

**Sec. 5.** (1) The term of office of a director who serves on the board of directors of the Northwest Regional Education Service District terminates on June 30, 2013, if:

(a) The director was elected or appointed under section 11, chapter 828, Oregon Laws 2005; and

(b) The director's term of office has not been completed by June 30, 2013.

*[(2)(a) The term of office of a director who serves on the board of directors of the Willamette Education Service District or the High Desert Education Service District and who was elected or appointed under section 11, chapter 828, Oregon Laws 2005, for a term beginning prior to or on June 30, 2010, terminates on June 30, 2010. Vacancies on the board of directors shall be filled following the process described in section 11, chapter 828, Oregon Laws 2005.]*

*[(b) The term of office of a director who serves on the board of directors of the Willamette Education Service District or the High Desert Education Service District and who was elected or appointed under section 11, chapter 828, Oregon Laws 2005, for a term beginning after June 30, 2010, shall be determined by lot. The boards of directors of the Willamette Education Service District and the High Desert Education Service District shall draw lots to ensure that the term of office of:]*

*[(A) Two of the directors who were elected under section 11, chapter 828, Oregon Laws 2005, terminate on June 30, 2012;]*

*[(B) Two of the directors who were appointed under section 11, chapter 828, Oregon Laws 2005, terminate on June 30, 2012;]*

*[(C) Three of the directors who were elected under section 11, chapter 828, Oregon Laws 2005, terminate on June 30, 2013; and]*

*[(D) Two of the directors who were appointed under section 11, chapter 828, Oregon Laws 2005, terminate on June 30, 2013.]*

*[(c)]* **(2) [Except as provided in paragraph (b) of this subsection,] The term of office of a director who serves on the board of directors of the Willamette Education Service District or the High Desert Education Service District terminates on June 30, 2013, if the director was elected or appointed under section 11, chapter 828, Oregon Laws 2005.**

**SECTION 13.** ORS 339.010 is amended to read:

339.010. Except as provided in ORS 339.030[,]:

**(1) All children between the ages of 7 and 18 years who have not completed the 12th grade are required to attend regularly a public full-time school [of the school district in which the child resides] during the entire school term.**

**(2) All children five or six years of age who have been enrolled in a public school are required to attend regularly the public school while enrolled in the public school.**

**SECTION 14.** ORS 339.020 is amended to read:

339.020. Except as provided in ORS 339.030[,]:

**(1) Every person having control of [any] a child between the ages of 7 and 18 years who has not completed the 12th grade is required to send [such] the child to, and maintain [such] the child in, regular attendance at a public full-time school during the entire school term.**

**(2) If a person has control of a child five or six years of age and has enrolled the child in a public school, the person is required to send the child to, and maintain the child in, regular attendance at the public school while the child is enrolled in the public school.**

**SECTION 15. (1) The amendments to ORS 339.010 and 339.020 by sections 13 and 14 of this 2012 Act become operative on July 1, 2012.**

**(2) The amendments to ORS 339.010 and 339.020 by sections 13 and 14 of this 2012 Act first apply to the 2012-2013 school year.**

**SECTION 16.** ORS 329.025 is amended to read:

329.025. It is the intent of the Legislative Assembly to maintain a system of public elementary and secondary schools that allows students, parents, teachers, administrators, school district boards and the State Board of Education to be accountable for the development and improvement of the public school system. The public school system shall have the following characteristics:

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

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

**(3) Provides each student an education experience that supports academic growth beyond proficiency in established academic content standards and encourages students to attain aspirational goals that are individually challenging;**

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

**(5) Supports the physical and cognitive growth and development of students;**

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

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

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

**(9) Provides increased learning time;**



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

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

[(11)] (12) Provides students with the knowledge and skills that lead to an active, healthy lifestyle;

[(12)] (13) Provides students with the knowledge and skills to take responsibility for their decisions and choices;

[(13)] (14) Provides opportunities for students to learn through a variety of teaching strategies;

[(14)] (15) Emphasizes involvement of parents and the community in the total education of students;

[(15)] (16) Transports children safely to and from school;

[(16)] (17) Ensures that the funds allocated to schools reflect the uncontrollable differences in costs facing each district;

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

[(18)] (19) Provides for a safe, educational environment.

**SECTION 17.** ORS 329.045 is amended to read:

329.045. (1)(a) In order to achieve the goals contained in ORS 329.025, the State Board of Education shall regularly and periodically review and revise its Common Curriculum Goals, performance indicators and diploma requirements.

(b) *[This includes]* **The review and revision conducted under this section shall:**

(A) **Include** Essential Learning Skills and rigorous academic content standards in mathematics, science, English, history, geography, economics, civics, physical education, health, the arts and second languages. *[School districts and public charter schools shall maintain control over course content, format, materials and teaching methods. The regular review shall]*

(B) Involve teachers and other educators, parents of students and other citizens and shall provide ample opportunity for public comment.

(C) **Encourage increased learning time. As used in this subparagraph, “increased learning time” means a schedule that encompasses a longer school day, week or year for the purpose of increasing the total number of school hours available to provide:**

(i) **Students with instruction in core academic subjects, including mathematics, science, English, history, geography, economics, civics, the arts and second languages;**

(ii) **Students with instruction in subjects other than the subjects identified in subparagraph (i) of this subparagraph, including health and physical education;**

(iii) **Students with the opportunity to participate in enrichment activities that contribute to a well-rounded education, including learning opportunities that may be based on service, experience or work and that may be provided through partnerships with other organizations; and**

(iv) **Teachers with the opportunity to collaborate, plan and engage in professional development within and across grades and subjects.**

(c) **Nothing in this subsection prevents a school district or public charter school from maintaining control over course content, format, materials and teaching methods.**

(2) The State Board of Education shall continually review and revise all adopted academic content standards necessary for students to successfully transition to the next phase of their education.

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

**SECTION 18.** The amendments to ORS 329.025 and 329.045 by sections 16 and 17 of this 2012 Act become operative on July 1, 2012.

**SECTION 19.** ORS 338.005 is amended to read:

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

(1) "Applicant" means any person or group that develops and submits a written proposal for a public charter school to a sponsor.

(2) "Institution of higher education" means a community college operated under ORS chapter 341, [*an institution of higher education*] a **public university** listed in ORS 352.002 or the Oregon Health and Science University.

(3) "Public charter school" means an elementary or secondary school offering a comprehensive instructional program operating under a written agreement entered into between a sponsor and an applicant and operating pursuant to this chapter.

(4) "Remote and necessary school district" means a school district that offers kindergarten through grade 12 and has:

(a) An average daily membership (ADM), as defined in ORS 327.006, in the prior fiscal year of less than 110; and

(b) A school that is located, by the nearest traveled road, more than 20 miles from the nearest school or from a city with a population of more than 5,000.

(5) "Sponsor" means:

(a) The board of the common school district or the union high school district in which the public charter school is located that has developed a written charter with an applicant to create a public charter school.

(b) The State Board of Education pursuant to ORS 338.075.

(c) An institution of higher education pursuant to ORS 338.075.

(6)(a) "Virtual public charter school" means a public charter school that provides online courses.

(b) "Virtual public charter school" does not include a public charter school that primarily serves students in a physical location.

**SECTION 20.** Section 9, chapter 609, Oregon Laws 2011, is amended to read:

**Sec. 9.** (1) As used in this section, "Oregon Coalition for Quality Teaching and Learning" means the collaborative group of state, school district, educator, administrator, community and higher education representatives operating as a unit organized under the National Commission on Teaching and America's Future.

(2) The Teacher Standards and Practices Commission and the Department of Education, working with the Oregon Coalition for Quality Teaching and Learning, shall propose guidelines to adopt a uniform set of model core teaching standards for teaching preparation, new teachers and experienced teachers that align with updated national teaching standards. The guidelines must allow the standards to be customized based on the collaborative efforts of the teachers and administrators of the school district and the exclusive bargaining representative of the employees of the school district.

(3) The guidelines must propose model core teaching standards that:

(a) Are research-based;

(b) Distinguish different levels of proficiency; and

(c) Include multiple measures of student growth and achievement using student, school and school district data.

(4) The commission and the department shall report to the Legislative Assembly prior to January 1, 2012, on the proposed guidelines for model core teaching standards.

(5) The commission shall adopt and distribute the model core teaching standards to school districts on or before March 1, 2012.

(6) All school districts shall begin using the model core teaching standards in annual evaluations of teachers [*beginning in the 2012-2013 school year*] **occurring on or after July 1, 2013.**

**SECTION 21.** Section 11, chapter 609, Oregon Laws 2011, is amended to read:

**Sec. 11.** Sections 8, 9 and 10 [of this 2011 Act], chapter 609, Oregon Laws 2011, are repealed on [March 2, 2013] July 2, 2013.

**SECTION 22.** (1) The Task Force on Accountable Schools is established, consisting of 14 members appointed as follows:

(a) The President of the Senate shall appoint two members from among members of the Senate;

(b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives; and

(c) The President of the Senate and the Speaker of the House of Representatives shall jointly appoint:

(A) Two members who are school district superintendents;

(B) Two members who are school administrators;

(C) Two members who are teachers;

(D) One member from a professional education organization;

(E) One member representing the Department of Education; and

(F) Two members from education advocacy groups.

(2) The task force shall develop a plan to improve accountability practices for schools.

(3) The task force shall recommend:

(a) A new student summative assessment to be used in Oregon schools that:

(A) Is based on a national standard; and

(B) Occurs as required by federal law.

(b) Measures of college and career readiness to be used in Oregon schools that evaluate:

(A) Advanced course and dual enrollment completion;

(B) National and state assessment results;

(C) Dropout and graduation rates;

(D) Post-secondary educational participation; and

(E) Programs to close any achievement gaps.

(c) A statewide standardized simple performance report and rating system based on letter grades that includes:

(A) Absolute student achievement and growth;

(B) School trends over time; and

(C) Comparisons to similar schools.

(d) Implementation of formative testing and instructionally useful student performance data systems for student achievement.

(e) Tools, resources and targeted assistance for schools needing assistance to meet state standards.

(4) A majority of the voting members of the task force constitutes a quorum for the transaction of business.

(5) Official action by the task force requires the approval of a majority of the voting members of the task force.

(6) The task force shall elect one of its members to serve as chairperson.

(7) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(8) The task force shall meet at times and places specified by the call of the chairperson or of a majority of the voting members of the task force.

(9) The task force may adopt rules necessary for the operation of the task force.

(10) The task force shall submit a report that includes recommendations for legislation to an interim committee of the Legislative Assembly related to education as appropriate no later than November 1, 2012.

(11) The Legislative Administration Committee shall provide staff support to the task force.

(12) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the task force.

(13) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the task force consider necessary to perform their duties.

**SECTION 23.** Section 22 of this 2012 Act is repealed on the date of the convening of the 2013 regular session of the Legislative Assembly as specified in ORS 171.010.

**SECTION 24.** Section 2, chapter 139, Oregon Laws 2011, is amended to read:

**Sec. 2.** [This 2011 Act] Chapter 139, Oregon Laws 2011, takes effect July 1, [2012] 2013.

**SECTION 25.** ORS 326.131, 326.133, 326.136, 336.015, 336.023, 336.025, 336.475 and 337.275 and sections 6 and 7, chapter 706, Oregon Laws 2009, are repealed.

**SECTION 26.** This 2012 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect on its passage.

Passed by House February 15, 2012

Received by Governor:

Repassed by House February 29, 2012

.....M.,....., 2012

Approved:

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Ramona Kenady Line, Chief Clerk of House

.....M.,....., 2012

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Bruce Hanna, Speaker of House

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John Kitzhaber, Governor

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Arnie Roblan, Speaker of House

Filed in Office of Secretary of State:

Passed by Senate February 29, 2012

.....M.,....., 2012

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Peter Courtney, President of Senate

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Kate Brown, Secretary of State