

**B-Engrossed**  
**House Bill 2506**

Ordered by the House June 4  
Including House Amendments dated May 16 and June 4

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

**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.

Establishes Task Force on School Funding.

Sunsets task force on date of convening of 2015 regular session of Legislative Assembly.

**Abolishes Office of Regional Educational Services and abolishes Regional Educational Services Account.**

**Establishes Network of Quality Teaching and Learning Fund. Appropriates moneys in fund to Department of Education.**

**Provides that, under specified conditions, amounts available for distribution from State School Fund for facility grants and for school districts and education service districts shall be reduced to allow for transfer of moneys to Network of Quality Teaching and Learning Fund.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to school funding; creating new provisions; amending ORS 294.383, 327.008, 327.019 and  
3 329.488; repealing ORS 327.009, 334.800 and 334.820; appropriating money; and declaring an  
4 emergency.

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

6 **SECTION 1. (1) The Task Force on School Funding is established.**

7 **(2) The task force consists of 13 members appointed as follows:**

8 **(a) The President of the Senate shall appoint two members from among members of the**  
9 **Senate.**

10 **(b) The Speaker of the House of Representatives shall appoint two members from among**  
11 **members of the House of Representatives.**

12 **(c) The Governor shall appoint nine members who represent:**

13 **(A) School teachers, school administrators, school district business managers, district**  
14 **school board members and personnel of education service districts;**

15 **(B) Geographically diverse urban and rural schools; and**

16 **(C) Schools of various sizes.**

17 **(3) The task force shall make recommendations regarding possible modifications to the**  
18 **funding formulas used to distribute State School Fund moneys to school districts and edu-**  
19 **cation service districts.**

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

22 **(5) Official action by the task force requires the approval of a majority of the voting**

**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 **members of the task force.**

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

3 **(7) If there is a vacancy for any cause, the appointing authority shall make an appoint-**  
4 **ment to become immediately effective.**

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

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

8 **(10) The task force shall submit a report in the manner provided by ORS 192.245, and**  
9 **may include recommendations for legislation, to the interim committees of the Legislative**  
10 **Assembly related to education no than October 1, 2014.**

11 **(11) The Department of Education shall provide staff support to the task force.**

12 **(12) Notwithstanding ORS 171.072, members of the task force who are members of the**  
13 **Legislative Assembly are not entitled to mileage expenses or a per diem and serve as volun-**  
14 **teers on the task force. Other members of the task force are not entitled to compensation**  
15 **or reimbursement for expenses and serve as volunteers on the task force.**

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

20 **SECTION 2. Section 1 of this 2013 Act is repealed on the date of the convening of the 2015**  
21 **regular session of the Legislative Assembly as specified in ORS 171.010.**

22 **SECTION 3. The Office of Regional Educational Services is abolished.**

23 **SECTION 4. (1) The Regional Educational Services Account is abolished.**

24 **(2) Any moneys remaining in the Regional Educational Services Account on the effective**  
25 **date of this 2013 Act that are unexpended, unobligated and not subject to any conditions shall**  
26 **revert to the General Fund.**

27 **SECTION 5. ORS 327.009, 334.800 and 334.820 are repealed.**

28 **SECTION 6. ORS 294.383 is amended to read:**

29 294.383. (1) As used in this section, "extended ADMw" means:

30 (a) For a school district, the district extended ADMw as calculated under ORS 327.013.

31 (b) For an education service district, the sum of the extended ADMw of the school districts lo-  
32 cated within the territory of the education service district.

33 (2) Notwithstanding ORS 294.333, a school district or education service district that uses the  
34 accrual basis method of accounting may include as accrued revenues in the budget and financial  
35 statement of the school district or education service district, for any fiscal year, an amount from the  
36 next fiscal year that is to be received in the next fiscal year. The amount accrued under this section  
37 may not be greater than the amount calculated under subsection (3)(b) or (c) of this section multi-  
38 plied by the extended ADMw of the school district or education service district.

39 (3)(a) For each fiscal year, the Department of Education shall calculate the amount available in  
40 the State School Fund for grants and distributions to school districts and the amount available for  
41 grants and distributions to education service districts under ORS 327.008, 327.013 and 327.019 based  
42 on the appropriations and allocations made to the State School Fund for that fiscal year by the  
43 Legislative Assembly in regular session. The department may not include in the amount calculated  
44 to be available for school districts and education service districts under this paragraph the amounts  
45 received by the Youth Corrections Education Program and the Juvenile Detention Education Pro-

1 gram under ORS 327.026 from the State School Fund [*or amounts transferred to the Regional Edu-*  
2 *cational Services Account as provided by ORS 327.009*].

3 (b) The department shall calculate for school districts an amount equal to (the amount calcu-  
4 lated under paragraph (a) of this subsection for school districts ÷ 12) ÷ the total statewide ex-  
5 tended ADMw of all school districts.

6 (c) The department shall calculate for education service districts an amount equal to (the  
7 amount calculated under paragraph (a) of this subsection for education service districts ÷ 12) ÷  
8 the total statewide extended ADMw of all education service districts.

9 (d) The department may adjust the calculations under this subsection based on current data for  
10 the factors used to calculate the State School Fund distribution to school districts and education  
11 service districts under ORS 327.008, 327.013 and 327.019.

12 (e) Notwithstanding paragraph (d) of this subsection, the department may not adjust the calcu-  
13 lation under paragraph (a) of this subsection based on changes made to the appropriations or allo-  
14 cations to the State School Fund by the Legislative Assembly in special session or by rule of the  
15 Oregon Department of Administrative Services relating to allotting funds.

16 (4) Notwithstanding ORS 294.333, a community college district or community college service  
17 district that uses the accrual basis method of accounting may include as accrued revenues in the  
18 budget and financial statement of the community college district or community college service dis-  
19 trict, for any fiscal year, an amount from the next fiscal year that is to be received in the next fiscal  
20 year. The amount accrued under this section may not be greater than 25 percent of the amount the  
21 community college district or community college service district received as a Community College  
22 Support Fund grant for the fiscal year for which the revenues are to be accrued.

23 **SECTION 7.** ORS 327.008, as amended by section 3, chapter 91, Oregon Laws 2012, is amended  
24 to read:

25 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist  
26 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education  
27 Stability Fund. The State School Fund is continuously appropriated to the Department of Education  
28 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,  
29 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

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

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

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

38 [(5)] (4) All figures used in the determination of the distribution of the State School Fund shall  
39 be estimates for the same year as the distribution occurs, unless otherwise specified.

40 [(6)] (5) Numbers of students in average daily membership used in the distribution formula shall  
41 be the numbers as of June of the year of distribution.

42 [(7)] (6) A school district may not use the portion of the State School Fund grant that is at-  
43 tributable to the facility grant for capital construction costs.

44 [(8)] (7) The total amount of the State School Fund that is distributed as facility grants may not  
45 exceed \$25 million in any biennium. If the total amount to be distributed as facility grants exceeds

1 this limitation, the Department of Education shall prorate the amount of funds available for facility  
2 grants among those school districts that qualified for a facility grant.

3 [(9)] (8) Each fiscal year, the Department of Education shall transfer the amount of \$18 million  
4 from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

5 [(10)] (9) Each fiscal year, the Department of Education may expend up to \$550,000 from the  
6 State School Fund for the contract described in ORS 329.488. The amount distributed to education  
7 service districts from the State School Fund under this section and ORS 327.019 shall be reduced  
8 by the amount expended by the department under this subsection.

9 [(11)] (10) Each biennium, the Department of Education may expend up to \$350,000 from the  
10 State School Fund to provide administration of and support for the development of talented and  
11 gifted education under ORS 343.404.

12 [(12)] (11) Each biennium, the Department of Education may expend up to \$150,000 from the  
13 State School Fund for the administration of a program to increase the number of speech-language  
14 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

15 **SECTION 8.** ORS 327.019 is amended to read:

16 327.019. (1) As used in this section:

17 (a) "Education service district extended ADMw" means the sum of the extended ADMw of the  
18 school districts located within the territory of the education service district as computed under ORS  
19 327.013.

20 (b) "Local revenues of an education service district" means the total of the following:

21 (A) The amount of revenue offset against local property taxes as determined by the Department  
22 of Revenue under ORS 311.175 (3)(a)(A);

23 (B) The amount of property taxes actually received by the district including penalties and in-  
24 terest on taxes;

25 (C) The amount of revenue received by the district from state-managed forestlands under ORS  
26 530.115 (1)(b) and (c); and

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

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

33 (3)(a) Each fiscal year, the superintendent shall calculate the total amount appropriated or al-  
34 located to the State School Fund and available for distribution to school districts, education service  
35 districts[,] **and** programs [*and the Office of Regional Educational Services*] + total amount of local  
36 revenues of all school districts, computed as provided in ORS 327.011, + total amount of local re-  
37 venues of all education service districts. The superintendent may not include in the calculation un-  
38 der this paragraph amounts received by the Department of Education from the State School Fund  
39 under ORS 343.243.

40 (b) The superintendent shall multiply the amount calculated under paragraph (a) of this sub-  
41 section by 95.5 percent.

42 (c) Based on the amount calculated under paragraph (b) of this subsection, the superintendent  
43 shall calculate a funding percentage to distribute as nearly as practicable under ORS 327.006 to  
44 327.133 and 327.348 the total amount calculated under paragraph (b) of this subsection as school  
45 district general purpose grants, facility grants, high cost disabilities grants and transportation

1 grants to school districts.

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

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

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

8 (B) \$1 million if the education service district received a general services grant of \$1 million for  
9 the 2010-2011 school year.

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

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

18 (B) A component education service district that received \$1 million as provided by paragraph  
19 (a)(B) of this subsection shall be entitled to receive \$1 million under the calculation provided by this  
20 paragraph.

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

23 (6)(a) After completing the calculations under subsections (2) to (5) of this section, the Super-  
24 intendent of Public Instruction shall apportion from the State School Fund to each education service  
25 district an amount = (funding percentage  $\times$  general services grant) – local revenues of the educa-  
26 tion service district.

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

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

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

32 (b) The State School Fund grant of an education service district shall be in an amount that,  
33 when combined with the local revenues of the education service district, equals \$1 million or more.

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

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

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

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

1 (B) Shall equal 90 percent of the school district's prorated share, as calculated under subpara-  
2 graph (A) of this paragraph; and

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

5 (i) The school district;

6 (ii) The education service district from which the school district withdrew;

7 (iii) An education service district that is not the education service district from which the  
8 school district withdrew; or

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

11 **SECTION 9. The amendments to ORS 294.383, 327.008 and 327.019 by sections 6 to 8 of this**  
12 **2013 Act and the repeal of ORS 327.009 by section 5 of this 2013 Act apply to State School**  
13 **Fund distributions commencing with the 2013-2014 distributions.**

14 **SECTION 10.** ORS 329.488 is amended to read:

15 329.488. (1) The Department of Education shall contract with a nonprofit entity to administer a  
16 nationally normed assessment, in collaboration with the department, to all students in grade 10 who  
17 are enrolled in a public school. The purpose of the assessment is to predict the success of students  
18 on, and provide practice for students taking, college entrance exams.

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

21 (a) The contractor must be able to provide to the department statewide data containing the re-  
22 sults of the assessment;

23 (b) The contractor shall provide an assessment that:

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

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

28 (C) Provides results that can be used by Oregon's higher education institutions to recruit stu-  
29 dents to attend college;

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

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

34 (3)(a) In lieu of using the contractor selected by the department under subsection (1) of this  
35 section, a school district may apply to the department for a waiver to allow the district to enter into  
36 a contract with a different nonprofit entity for the purpose of administering a nationally normed  
37 assessment to all students in grade 10 who are enrolled in the public schools operated by the dis-  
38 trict. The department shall grant the waiver if:

39 (A) The district had entered into a contract with the entity for the 2007-2008 school year to  
40 administer a grade 10 assessment;

41 (B) The entity, in coordination with the district, administered a grade 10 assessment during the  
42 2007-2008 school year;

43 (C) For the most recent school year in which the entity administered a grade 10 assessment, the  
44 entity met the criteria set forth in subsection (2) of this section as in effect for the school year in  
45 which the entity administered the assessment; and

1 (D) The entity plans to meet the criteria set forth in subsection (2) of this section as in effect  
2 for the school year for which the school district seeks a waiver.

3 (b) A waiver granted by the department under this subsection:

4 (A) Is valid for one school year; and

5 (B) May be renewed each school year.

6 (c) The department shall reimburse a school district for the cost of assessments allowed under  
7 this subsection from funds available to the department under ORS 327.008 [(10)] (9).

8 (4) Notwithstanding subsections (1) and (3) of this section:

9 (a) The department may, under rules adopted by the State Board of Education, waive the as-  
10 sessment for specific groups of students; and

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

14 **SECTION 11. (1) The Network of Quality Teaching and Learning Fund is established in**  
15 **the State Treasury, separate and distinct from the General Fund. Interest earned by the**  
16 **Network of Quality Teaching and Learning Fund shall be credited to the General Fund.**

17 **(2) Moneys in the Network of Quality Teaching and Learning Fund are continuously ap-**  
18 **propriated to the Department of Education for the Network of Quality Teaching and Learn-**  
19 **ing established by section 1, chapter \_\_\_\_\_, Oregon Laws 2013 (Enrolled House Bill 3233).**

20 **(3) The Department of Education, on behalf of the State of Oregon, may solicit and ac-**  
21 **cept gifts, grants or donations from public and private sources for the Network of Quality**  
22 **Teaching and Learning. Moneys received under this subsection shall be deposited into the**  
23 **Network of Quality Teaching and Learning Fund.**

24 **SECTION 12. If House Bill 3233 does not become law, section 11 of this 2013 Act is re-**  
25 **pealed.**

26 **SECTION 13. If House Bill 3233 becomes law, ORS 327.008, as amended by section 3, chapter**  
27 **91, Oregon Laws 2012, and section 7 of this 2013 Act, is amended to read:**

28 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist  
29 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education  
30 Stability Fund. The State School Fund is continuously appropriated to the Department of Education  
31 for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348,  
32 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

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

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

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

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

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

45 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-

1 ceed [~~25~~] **\$20** million in any biennium. If the total amount to be distributed as facility grants ex-  
2 ceeds this limitation, the Department of Education shall prorate the amount of funds available for  
3 facility grants among those school districts that qualified for a facility grant.

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

6 **(9)(a) Each biennium, the Department of Education shall transfer \$33 million from the**  
7 **State School Fund to the Network of Quality Teaching and Learning Fund established under**  
8 **section 11 of this 2013 Act.**

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

10 **(A) The total amount available for all distributions from the State School Fund shall be**  
11 **reduced by \$5 million;**

12 **(B) The amount distributed to school districts from the State School Fund under this**  
13 **section and ORS 327.013 shall be reduced by \$14 million; and**

14 **(C) The amount distributed to education service districts from the State School Fund**  
15 **under this section and ORS 327.019 shall be reduced by \$14 million.**

16 **(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this sub-**  
17 **section shall be adjusted by the same percentage by which the amount appropriated to the**  
18 **State School Fund for that biennium is increased or decreased compared to the preceding**  
19 **biennium, as determined by the Department of Education after consultation with the Legis-**  
20 **lative Fiscal Officer.**

21 [~~9~~] **(10)** Each fiscal year, the Department of Education may expend up to \$550,000 from the  
22 State School Fund for the contract described in ORS 329.488. The amount distributed to education  
23 service districts from the State School Fund under this section and ORS 327.019 shall be reduced  
24 by the amount expended by the department under this subsection.

25 [~~10~~] **(11)** Each biennium, the Department of Education may expend up to \$350,000 from the  
26 State School Fund to provide administration of and support for the development of talented and  
27 gifted education under ORS 343.404.

28 [~~11~~] **(12)** Each biennium, the Department of Education may expend up to \$150,000 from the  
29 State School Fund for the administration of a program to increase the number of speech-language  
30 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

31 **SECTION 14. If House Bill 3233 becomes law:**

32 **(1) The amendments to ORS 327.008 by section 13 of this 2013 Act apply to State School**  
33 **Fund distributions commencing with the 2013-2014 distributions.**

34 **(2) Notwithstanding ORS 327.008 (9)(c), the amounts identified in ORS 327.008 (9)(b)(B)**  
35 **and (C) shall first be adjusted beginning in the 2015-2017 biennium.**

36 **SECTION 15. If House Bill 3233 becomes law, ORS 329.488, as amended by section 10 of this**  
37 **2013 Act, is amended to read:**

38 329.488. (1) The Department of Education shall contract with a nonprofit entity to administer a  
39 nationally normed assessment, in collaboration with the department, to all students in grade 10 who  
40 are enrolled in a public school. The purpose of the assessment is to predict the success of students  
41 on, and provide practice for students taking, college entrance exams.

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

44 (a) The contractor must be able to provide to the department statewide data containing the re-  
45 sults of the assessment;

1 (b) The contractor shall provide an assessment that:

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

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

6 (C) Provides results that can be used by Oregon's higher education institutions to recruit stu-  
7 dents to attend college;

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

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

12 (3)(a) In lieu of using the contractor selected by the department under subsection (1) of this  
13 section, a school district may apply to the department for a waiver to allow the district to enter into  
14 a contract with a different nonprofit entity for the purpose of administering a nationally normed  
15 assessment to all students in grade 10 who are enrolled in the public schools operated by the dis-  
16 trict. The department shall grant the waiver if:

17 (A) The district had entered into a contract with the entity for the 2007-2008 school year to  
18 administer a grade 10 assessment;

19 (B) The entity, in coordination with the district, administered a grade 10 assessment during the  
20 2007-2008 school year;

21 (C) For the most recent school year in which the entity administered a grade 10 assessment, the  
22 entity met the criteria set forth in subsection (2) of this section as in effect for the school year in  
23 which the entity administered the assessment; and

24 (D) The entity plans to meet the criteria set forth in subsection (2) of this section as in effect  
25 for the school year for which the school district seeks a waiver.

26 (b) A waiver granted by the department under this subsection:

27 (A) Is valid for one school year; and

28 (B) May be renewed each school year.

29 (c) The department shall reimburse a school district for the cost of assessments allowed under  
30 this subsection from funds available to the department under ORS 327.008 [(9)] (10).

31 (4) Notwithstanding subsections (1) and (3) of this section:

32 (a) The department may, under rules adopted by the State Board of Education, waive the as-  
33 sessment for specific groups of students; and

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

37 **SECTION 16. This 2013 Act being necessary for the immediate preservation of the public**  
38 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
39 **on its passage.**

40