

# B-Engrossed Senate Bill 141

Ordered by the Senate June 3  
Including Senate Amendments dated April 18 and June 3

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Tina Kotek for Office of the Governor)

## 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. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** Creates framework for school districts to measure the outcomes of students and to improve the outcomes. (Flesch Readability Score: 63.6).

Requires specified entities that receive moneys from the State School Fund to measure the outcomes of the students of the entity. Directs entities to develop performance growth targets and prescribes requirements that will be imposed by the Department of Education if targets are not met.

Directs school districts and public charter schools to administer and review interim assessments in mathematics and language arts to measure student academic growth.

Authorizes the department to direct school districts and public charter schools to adopt specified instructional materials or to participate in training or improvement activities if the district or school does not meet the goals established in the early literacy success plan. Removes the requirement that publishers submit a fee for each instructional material proposed by the publisher to the State Board of Education.

Directs the department to study the reporting requirements imposed on school districts and to identify reporting requirements that can be decreased in frequency, eliminated or consolidated.

Directs the department to contract with an entity to review the administrative rule requirements for a school district or an education service district to be considered standard.

Directs the department to submit to the Legislative Assembly a report summarizing administrative and organizational changes.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

Relating to education; creating new provisions; amending ORS 326.051, 327.016, 327.180, 327.185, 327.190, 327.201, 327.208, 327.222, 327.224, 327.235, 327.254, 327.362, 327.837, 329.095, 329.485, 334.217 and 336.680; repealing ORS 327.214 and 337.065; and declaring an emergency.

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

## PERFORMANCE GROWTH METRICS

**SECTION 1.** Sections 2 to 6 of this 2025 Act are added to and made a part of ORS 327.006 to 327.133.

**SECTION 2.** As used in sections 2 to 6 of this 2025 Act:

(1) “Disaggregated” means separated based on student group.

(2) “Eighth-grade mathematics proficiency rate” means the percentage of students in the eighth grade who are determined to be proficient or above in mathematics, as determined under rules adopted by the State Board of Education.

(3) “Five-year completion rate” means the percentage of students who received a high school diploma, a modified diploma or an extended diploma or who received a certificate for

**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 passing an approved high school equivalency test such as the General Educational Develop-  
2 ment test (GED) within five years of the student beginning the ninth grade.

3 (4) “High school diploma” means a diploma that is awarded to a student upon satisfaction  
4 of the requirements prescribed by ORS 329.451 (2).

5 (5) “Local metric rate” means the percentage of students who meet or exceed an indi-  
6 cator of a measurable student performance outcome.

7 (6) “Ninth-grade on-track rate” means the percentage of students who, at the end of the  
8 summer following the year the students began ninth grade, completed one quarter of the  
9 credits required for high school graduation.

10 (7) “On-time graduation rate” means the percentage of students who received a high  
11 school diploma or a modified diploma within four years of the students beginning the ninth  
12 grade.

13 (8) “Regular attendance rate” means the percentage of students who are absent, as de-  
14 termined by Department of Education policy, for less than 10 percent of the school days for  
15 which the students are enrolled.

16 (9) “Regular early-grade attendance rate” means the percentage of students in  
17 kindergarten through grade two who are absent, as determined by Department of Education  
18 policy, for less than 10 percent of the school days for which the students are enrolled.

19 (10) “School district” means:

20 (a) A common school district or a union high school district;

21 (b) An education service district that has enrolled students in any grade from  
22 kindergarten through grade 12 for specialized services;

23 (c) A public charter school;

24 (d) An approved recovery school;

25 (e) The Youth Corrections Education Program;

26 (f) The Juvenile Detention Education Program;

27 (g) The Oregon School for the Deaf; or

28 (h) Eligible day treatment programs and eligible residential treatment programs for ed-  
29 ucation services to children who are in treatment programs as described in ORS 343.961.

30 (11) “Student group” means the following student groups:

31 (a) Economically disadvantaged students, as determined based on rules adopted by the  
32 State Board of Education;

33 (b) Students from racial or ethnic groups that have historically experienced academic  
34 disparities, as determined under rules adopted by the State Board of Education;

35 (c) Students with disabilities;

36 (d) Students who are English language learners;

37 (e) Students who are foster children, as defined in ORS 30.297;

38 (f) Students who are homeless, as determined under rules adopted by the State Board  
39 of Education; and

40 (g) Any other student groups that have historically experienced academic disparities, as  
41 determined by the State Board of Education by rule.

42 (12) “Third-grade reading proficiency rate” means the percentage of students in the third  
43 grade who are determined to be proficient or above in English language arts, as determined  
44 under rules adopted by the State Board of Education.

45 **SECTION 3.** (1) Each school district that receives moneys from the State School Fund

1 shall measure outcomes of the students of the school district as provided by this section.

2 (2)(a) The State Board of Education shall develop statewide targets for the following  
3 metrics:

- 4 (A) On-time graduation rate;
- 5 (B) Five-year completion rate;
- 6 (C) Ninth-grade on-track rate;
- 7 (D) Eighth-grade mathematics proficiency rate;
- 8 (E) Third-grade reading proficiency rate;
- 9 (F) Regular attendance rate;
- 10 (G) Regular early-grade attendance rate; and
- 11 (H) Local metric rates.

12 (b) For the purpose of this subsection:

13 (A) The board shall develop a list of no more than five local metrics; and

14 (B) Each school district shall select one local metric from the list developed under sub-  
15 paragraph (A) of this paragraph.

16 (3) Based on the statewide metric targets developed under subsection (2) of this section,  
17 the Department of Education shall establish metric targets for similar school districts, as  
18 determined by the department. The metric targets for similar school districts shall include:

19 (a) On-time graduation rates, including:

- 20 (A) The overall on-time graduation rate.
- 21 (B) Gaps in disaggregated on-time graduation rates.

22 (b) Five-year completion rates, including:

- 23 (A) The overall five-year completion rate.
- 24 (B) Gaps in disaggregated five-year completion rates.

25 (c) Ninth-grade on-track rates, including:

- 26 (A) The overall ninth-grade on-track rate.
- 27 (B) Gaps in disaggregated ninth-grade on-track rates.

28 (d) Eighth-grade mathematics proficiency rates, including:

- 29 (A) The overall eighth-grade mathematics proficiency rate.
- 30 (B) Gaps in disaggregated eighth-grade mathematics proficiency rates.

31 (e) Third-grade reading proficiency rates, including:

- 32 (A) The overall third-grade reading proficiency rate.
- 33 (B) Gaps in disaggregated third-grade reading proficiency rates.

34 (f) Regular attendance rates, including:

- 35 (A) The overall regular attendance rate.
- 36 (B) Gaps in disaggregated regular attendance rates.

37 (g) Regular early-grade attendance rates, including:

- 38 (A) The overall regular early-grade attendance rate.
- 39 (B) Gaps in disaggregated regular early-grade attendance rates.

40 (h) Local metric rates, including:

- 41 (A) The overall local metric rate.
- 42 (B) Gaps in disaggregated local metric rates.

43 (4)(a) The department shall collaborate with each school district to develop performance  
44 growth targets for the school district to make progress toward meeting the metric targets  
45 established under subsection (3) of this section. The board shall adopt by rule requirements

1 for a school district not identified in section 2 (10)(a) or (c) of this 2025 Act for the purpose  
2 of developing differentiated performance growth targets for the school district.

3 (b) The performance growth targets must:

4 (A) Be based on data available for longitudinal analysis; and

5 (B) Be developed based on guidance established by the department.

6 (5) When developing performance growth targets, the department and school district  
7 shall:

8 (a) Review disaggregated student data;

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

11 (c) Identify which student groups are most at risk of not meeting performance growth  
12 targets.

13 (6)(a) The department shall make available technical assistance to school districts to as-  
14 sist school districts in meeting performance growth targets. The technical assistance must  
15 include identifying and implementing best practices for meeting performance growth targets.

16 (b) For the purpose of providing technical assistance under this subsection, the depart-  
17 ment may enter into a contract with any entities the department determines are qualified  
18 to provide the technical assistance.

19 **SECTION 4.** For purposes of section 3 of this 2025 Act:

20 (1) Any performance growth targets developed prior to the effective date of this 2025 Act  
21 by a school district with the Department of Education for the purpose of making progress  
22 toward meeting the metric targets identified in section 3 (3)(a), (b), (c), (e) or (f) of this 2025  
23 Act shall be the performance growth targets for the school district for the 2025-2026 school  
24 year.

25 (2) For any metric target for which, on the effective date of this 2025 Act, the school  
26 district does not have a performance growth target developed with the department, the  
27 school district and the department must develop the performance growth target and first  
28 apply the performance growth target to the 2026-2027 school year.

29 **SECTION 5.** (1) Each year, each school district that receives moneys from the State  
30 School Fund shall review the school district's progress toward meeting the performance  
31 growth targets developed as provided by section 3 of this 2025 Act.

32 (2) Results of the school district's review of progress made toward meeting performance  
33 growth targets must be:

34 (a) Made available at the main office of the school district and on the school district's  
35 website.

36 (b) Presented to the governing body of the school district at an open meeting, following:

37 (A) Oral presentation of the results by an administrator of the school district to the  
38 governing body of the school district; and

39 (B) Opportunity for the public to comment on the results at an open meeting.

40 (c) Provided to the Department of Education.

41 (3)(a) Based on information received under subsection (2) of this section, the department  
42 shall determine each year whether the school district met the performance growth targets  
43 developed for the school district as provided by section 3 of this 2025 Act.

44 (b) In addition to determinations made under paragraph (a) of this subsection, the de-  
45 partment may establish a procedure for conducting performance audits on a random basis

1 or based on just cause as allowed under rules adopted by the State Board of Education and  
2 consistent with ORS 327.141.

3 (4) If a school district does not meet the performance growth targets developed as pro-  
4 vided by section 3 of this 2025 Act:

5 (a) After two years of the district's not meeting the performance growth targets, the  
6 department shall offer and the school district must accept coaching and support from the  
7 department. Through the coaching, the department shall advise and counsel a school district  
8 on how to meet performance growth targets and shall assist a school district with ongoing  
9 professional development and peer collaboration.

10 (b) After three or more years of the district's not meeting the performance growth tar-  
11 gets, the department shall provide and the school district must participate in intensive  
12 coaching as described in ORS 327.222. A school district that participates in intensive coaching  
13 shall receive additional funding based on rules adopted by the State Board of Education. The  
14 school district must use the additional funding as prescribed by the department based on rule  
15 of the board.

16 (c) After four or more years of the district's not meeting the performance growth tar-  
17 gets, the department shall require the school district to authorize the department to pre-  
18 scribe the uses of moneys available to the school district as provided by this paragraph. An  
19 authorization made under this paragraph is in addition to the requirement that the school  
20 district participate in intensive coaching as described in paragraph (b) of this subsection. A  
21 school district must authorize the department to prescribe the uses of up to 25 percent of  
22 the moneys available to the school district from:

23 (A) The State School Fund as follows:

24 (i) For a common school district or a union high school district, the amount received as  
25 a general purpose grant under ORS 327.013.

26 (ii) For an education service district, the amount received under ORS 327.019.

27 (iii) For a public charter school, the amount received under ORS 338.155.

28 (iv) For an approved recovery school, the amount received under ORS 327.029.

29 (v) For the Youth Corrections Education Program, the amount received under ORS  
30 327.026.

31 (vi) For the Juvenile Detention Education Program, the amount received under ORS  
32 327.026.

33 (vii) For the Oregon School for the Deaf, the amount received under ORS 343.243.

34 (viii) For eligible day treatment programs and eligible residential treatment programs,  
35 the amount received under ORS 343.243.

36 (B) Grants awarded from the Student Investment Account under ORS 327.195.

37 (5) For the purpose of providing coaching under this section, the department may enter  
38 into a contract with any entities the department determines are qualified to provide the  
39 coaching.

40 (6) For the purpose of prescribing the uses of the moneys identified in subsection (4)(c)  
41 of this section, the department shall:

42 (a) Present the proposed uses of the moneys to the governing body of the school district  
43 at an open meeting of the governing body that occurs no later than January 31 of the school  
44 year preceding the school year during which the department will be prescribing the uses of  
45 the moneys; and

1 (b) Enter into a partnership with an organization that specializes in budgets for public  
2 kindergarten through grade 12 schools to provide additional training and consultation ser-  
3 vices for a school district for which the uses of moneys will be prescribed.

4 (7) The State Board of Education shall adopt by rule timelines and criteria for reconsid-  
5 eration of whether a school district shall remain subject to the provisions of subsection (4)  
6 of this section. The criteria:

7 (a) Must take into consideration data from the statewide assessment system and interim  
8 assessments; and

9 (b) May allow the department to determine that a school district is making satisfactory  
10 progress, as defined by rule, toward meeting performance growth targets and is no longer  
11 subject to the provisions of subsection (4) of this section.

12 **SECTION 6.** (1) The review of a school district's progress toward meeting performance  
13 growth targets under section 5 (3) of this 2025 Act shall first be made based on the 2026-2027  
14 school year and a school district may first be required to accept coaching and support under  
15 section 5 (4)(a) of this 2025 Act for the 2028-2029 school year.

16 (2) Notwithstanding subsection (1) of this section, a school district that had agreed to  
17 participate in the intensive program under ORS 327.222 prior to the effective date of this 2025  
18 Act:

19 (a) May complete the terms of the school district's agreement for participation; and

20 (b) Is not subject to a review of the school district's progress toward meeting perform-  
21 ance growth targets under section 5 (3) of this 2025 Act until the school district completes  
22 the terms of the school district's agreement for participation.

23 **SECTION 7.** ORS 327.222, 327.224 and 327.235 are added to and made a part of sections 2  
24 to 6 of this 2025 Act.

25 **SECTION 8.** ORS 327.222 is amended to read:

26 327.222. (1) The Department of Education shall establish an intensive **coaching** program for  
27 school districts *[with the highest needs in this state.]* **that do not meet performance growth tar-**  
28 **gets for three or more years, as described in section 5 of this 2025 Act.**

29 *[(2)(a) The department shall identify and select school districts to participate in the intensive pro-*  
30 *gram. The department may not select a public charter school under this section.]*

31 *[(b) A school district that agrees to participate in the intensive program must participate in the*  
32 *program for at least four years.]*

33 *[(3) A school district that agrees to participate in the intensive program shall be eligible for addi-*  
34 *tional funding from the Statewide Education Initiatives Account. The additional funding shall be based*  
35 *on rules adopted by the State Board of Education and shall be calculated based on the ADMw of the*  
36 *school district, as calculated under ORS 327.195.]*

37 *[(4)]* (2) A school district that *[agrees to participate]* **participates** in the intensive **coaching**  
38 program shall:

39 (a) Commit to regular student success plan meetings to monitor practices;

40 (b) Use data to track student progress;

41 (c) Ensure school employees receive appropriate professional development and training;

42 (d) Create safe and inclusive learning environments;

43 (e) Improve school and school district practices and structures to support teaching and learning;

44 and

45 (f) Improve the skills of the members of the school board.

1        [(5)] (3)(a) For the purpose of assisting school districts participating in the intensive **coaching**  
2 program, the department shall establish student success teams. **To the greatest extent practicable,**  
3 **student success teams shall assist school districts in person and while on site at the school**  
4 **district.**

5        (b) Student success teams shall be *[composed of]*:

6        (A) **Led by a person who has at least seven years of relevant experience, as determined**  
7 **by the department, in systems change, curriculum and instruction, leadership, finance, hu-**  
8 **man resources, school district board governance, local district continuous improvement**  
9 **plans, labor and management relations or community engagement; and**

10        (B) **Supported by** personnel with expertise in school and school district improvement strategies,  
11 including the use of differentiated instruction and inclusionary practices.

12        (c) A student success team is not a government body and is not subject to any statute or rule  
13 applicable to a public body.

14        [(6)(a)] (4)(a) Under the intensive **coaching** program, student success teams shall:

15        (A) Advise and counsel school districts on how to improve performance outcomes; and

16        (B) Develop recommendations for meeting performance growth targets.

17        (b) School district boards and superintendents of school districts participating in an intensive  
18 **coaching** program must:

19        (A) Accept all recommendations of the student success teams related to the use of **State School**  
20 **Fund moneys**, Student Investment Account grant moneys and additional funding received under  
21 this section. A school district that does not accept the recommendations made under this subpara-  
22 graph is not eligible for additional funding under this section.

23        (B) Consider, and may accept, all recommendations of the student success teams not described  
24 in subparagraph (A) of this paragraph.

25        (c) A school district that receives recommendations under this subsection must issue a report  
26 that:

27        (A) Describes the recommendations;

28        (B) Identifies the recommendations that will be implemented and the timelines for implementing  
29 the recommendations; and

30        (C) Identifies the recommendations that will not be implemented and an explanation for why the  
31 recommendations will not be implemented.

32        (d) The report required under paragraph (c) of this subsection must be:

33        (A) Made available at the school district's main office and on the school district's website; and

34        (B) Distributed to the school district community, including employees of the school district and  
35 families of the students of the school district.

36        **SECTION 9.** ORS 327.224 is amended to read:

37        327.224. (1) The Student Success Teams Account is established in the State Treasury, separate  
38 and distinct from the General Fund.

39        (2) The Student Success Teams Account shall consist of:

40        (a) Moneys transferred to the account from the Statewide Education Initiatives Account;

41        (b) Moneys appropriated or otherwise transferred to the Student Success Teams Account by the  
42 Legislative Assembly; and

43        (c) Other amounts deposited into the account from any source.

44        (3) Moneys in the Student Success Teams Account are continuously appropriated to the De-  
45 partment of Education for the purpose of funding the intensive **coaching** program for school dis-

1 tricts [*with the highest needs*] established under ORS 327.222, including funding any costs incurred  
2 for student success teams under that program.

3 **SECTION 10.** ORS 327.235 is amended to read:

4 327.235. The Department of Education shall make a report to the committees of the Legislative  
5 Assembly related to education no later than February 1 of each year regarding the implementation  
6 of ORS 327.175 to 327.235 **and sections 2 to 5 of this 2025 Act.** The report must include an annual  
7 performance review of **each school district and, if applicable,** each eligible applicant, as defined  
8 in ORS 327.185. The report must:

9 (1) **For eligible applicants for a grant awarded from the Student Investment Account**  
10 **under ORS 327.195,** identify whether the eligible applicant received a grant under ORS 327.175 to  
11 327.235.

12 (2) For **school districts and** grant recipients, include a comparison of the **school district's or**  
13 grant recipient's progress toward meeting performance growth targets compared with the actual  
14 performance growth targets [*established*] **developed** by the department for the following:

15 (a) On-time graduation rates and five-year completion rates, including the overall rate and dis-  
16 aggregated student group rates;

17 (b) Ninth-grade on-track rates, including the overall rate and disaggregated student group rates;

18 (c) **Eighth-grade mathematics proficiency rates and** third-grade reading proficiency rates,  
19 including the overall rate and disaggregated student group rates;

20 (d) Regular attendance rates **and regular early-grade attendance rates,** including the overall  
21 rate and disaggregated student group rates; [*and*]

22 (e) **Local metrics rates, including the overall rate and the disaggregated student group**  
23 **rates; and**

24 [*e*] (f) Any optional local metrics or any targets related to student mental and behavioral  
25 health needs established by the State Board of Education **for purposes of ORS 327.175 to 327.235.**

26 **SECTION 11. (1) The amendments to ORS 327.235 by section 10 of this 2025 Act become**  
27 **operative on January 1, 2028.**

28 **(2) The Department of Education shall make the first report required under ORS 327.235,**  
29 **as amended by section 10 of this 2025 Act, no later than February 1, 2028, based on the**  
30 **2026-2027 school year.**

31  
32 **ALIGNMENT WITH OTHER PROGRAMS**

33  
34 **SECTION 12.** ORS 327.180 is amended to read:

35 327.180. (1) In addition to those moneys distributed through the State School Fund, the Depart-  
36 ment of Education shall award grants from the Student Investment Account. Grants shall be dis-  
37 tributed as provided under ORS 327.195.

38 (2) The purposes of grants distributed under ORS 327.195 shall be to:

39 (a) Meet students' mental or behavioral health needs; and

40 (b) Increase academic achievement for students, including reducing academic disparities for  
41 **each student group identified in section 2 (11) of this 2025 Act.**[.]

42 [(A) *Economically disadvantaged students, as determined based on rules adopted by the State*  
43 *Board of Education;*]

44 [(B) *Students from racial or ethnic groups that have historically experienced academic disparities,*  
45 *as determined under rules adopted by the State Board of Education;*]



1 [(C) *Students with disabilities;*]

2 [(D) *Students who are English language learners;*]

3 [(E) *Students who are foster children, as defined in ORS 30.297;*]

4 [(F) *Students who are homeless, as determined under rules adopted by the State Board of Educa-*  
5 *tion; and]*

6 [(G) *Any other student groups that have historically experienced academic disparities, as deter-*  
7 *mined by the State Board of Education by rule.*]

8 (3) Grant moneys received under ORS 327.195 may be used by a grant recipient only for:

9 (a) Increasing instructional time, which may include:

10 (A) More hours or days of instructional time;

11 (B) Summer programs;

12 (C) Before-school or after-school programs; or

13 (D) Technological investments that minimize class time used for assessments administered to  
14 students.

15 (b) Addressing students' health or safety needs, which may include:

16 (A) Social-emotional learning and development;

17 (B) Student mental and behavioral health;

18 (C) Improvements to teaching and learning practices or organizational structures that lead to  
19 better interpersonal relationships at the school;

20 (D) Student health and wellness;

21 (E) Trauma-informed practices;

22 (F) School health professionals and assistants; or

23 (G) Facility improvements directly related to improving student health or safety.

24 (c) Reducing class sizes, which may include increasing the use of instructional assistants, by  
25 using evidence-based criteria to ensure appropriate student-teacher ratios or staff caseloads.

26 (d) Expanding availability of and student participation in well-rounded learning experiences,  
27 which may include:

28 (A) Developmentally appropriate and culturally responsive early literacy practices and programs  
29 in prekindergarten through third grade;

30 (B) Culturally responsive practices and programs in grades six through eight, including learning,  
31 counseling and student support that is connected to colleges and careers;

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

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

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

35 (iii) Career and technical education, including career and technical student organization pro-  
36 grams and payment of student fees, costs and instructors of those programs;

37 (iv) Electives that are engaging to students;

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

40 (vi) Dropout prevention programs and transition supports;

41 (vii) Life skills classes; or

42 (viii) Talented and gifted programs; or

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

44 **SECTION 13.** ORS 327.185 is amended to read:

45 327.185. (1) As used in this section, "eligible applicant" means any of the following entities:

- 1 (a) Common school districts and union high school districts.
- 2 (b) The Youth Corrections Education Program or the Juvenile Detention Education Program.
- 3 (c) Public charter schools that are not virtual public charter schools, as defined in ORS 338.005,  
4 and that have a student population of which:
- 5 (A) At least 35 percent of the student population is composed of students from the following  
6 student groups:
- 7 (i) Economically disadvantaged, as described in [ORS 327.180 (2)(b)(A)] **section 2 (11)(a) of this**  
8 **2025 Act**;
- 9 (ii) Racial or ethnic groups that have historically experienced academic disparities, as described  
10 in [ORS 327.180 (2)(b)(B)] **section 2 (11)(b) of this 2025 Act**; or
- 11 (iii) Students with disabilities, as described in [ORS 327.180 (2)(b)(C)] **section 2 (11)(c) of this**  
12 **2025 Act**; and
- 13 (B) The percentage of the students from student groups identified under subparagraph (A) of this  
14 paragraph is greater than or equal to:
- 15 (i) The percentage of all students in the school district who are economically disadvantaged, if  
16 eligibility is determined based on the percentage of students who are economically disadvantaged;
- 17 (ii) The percentage of all students in the school district who are from racial or ethnic groups  
18 that have historically experienced academic disparities, if eligibility is determined based on the  
19 percentage of students who are from those racial or ethnic groups; or
- 20 (iii) The percentage of all students in the school district who are disabled, if eligibility is de-  
21 termined based on the percentage of students who are disabled.
- 22 (2)(a) Eligible applicants may apply for a grant from the Student Investment Account to receive  
23 a distribution under ORS 327.190.
- 24 (b) Notwithstanding ORS 338.155 (9), a public charter school that is not an eligible applicant  
25 may not apply for a grant under this section.
- 26 (3) Prior to preparing a grant application, an eligible applicant must:
- 27 (a) If the eligible applicant is a school district, determine whether the school district will allow  
28 public charter schools sponsored by, or located within, the school district to participate in the grant  
29 application and the grant agreement.
- 30 (b) If the eligible applicant is a public charter school, determine whether the public charter  
31 school intends to apply for a grant and provide notice of that intent to the school district in which  
32 the public charter school is located and to the Department of Education.
- 33 (4)(a) If an eligible applicant is a school district and decides to include public charter schools  
34 in the grant application and grant agreement, the school district must provide all public charter  
35 schools sponsored by, or located within, the school district the opportunity to participate in the  
36 grant application and grant agreement.
- 37 (b)(A) A public charter school is not required to participate in the grant application and grant  
38 agreement of a school district.
- 39 (B) If a public charter school does not participate in a grant application and grant agreement  
40 under this subsection:
- 41 (i) The ADMw of the public charter school may not be used in the calculation of the school  
42 district ADMw for grants distributed under ORS 327.195; and
- 43 (ii) The public charter school is not entitled to any grant moneys distributed under ORS 327.195.
- 44 (C) If a public charter school participates in a grant application and grant agreement under this  
45 subsection:

1 (i) The public charter school and school district shall enter into an agreement for the distrib-  
2 ution of moneys or the provision of services, including any accountability measures required of the  
3 public charter school by the school district;

4 (ii) The ADMw of the public charter school shall be used in the calculation of the school district  
5 ADMw for grants distributed under ORS 327.195; and

6 (iii) The public charter school is entitled to any grant moneys or services provided for in the  
7 agreement entered into under this subparagraph.

8 (5)(a) For the purpose of preparing a grant application, an eligible applicant must determine:

9 (A) Which of the allowed uses identified in ORS 327.180 (3) the eligible applicant will fund with  
10 grant moneys; and

11 (B) Which of the eligible uses identified under subparagraph (A) of this paragraph the eligible  
12 applicant will designate to meeting student mental and behavioral health needs.

13 (b) An eligible applicant shall make the determinations required under paragraph (a) of this  
14 subsection by:

15 (A) Engaging in strategic planning; and

16 (B) Considering the recommendations of the Quality Education Commission established under  
17 ORS 327.500 and recommendations from the advisory groups formed by the Department of Education  
18 for the purposes of the statewide education plans developed and implemented by the department.

19 (6)(a) The strategic planning required under subsection (5) of this section must include:

20 (A) A completed needs assessment, as described in ORS 329.095;

21 (B) An analysis of the potential academic impact, both for the students of the eligible applicant  
22 and for student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act**, from the  
23 allowed uses that would be funded by grant moneys; and

24 (C) The creation of budgets for the allowed uses that would be funded by grant moneys.

25 (b) The strategic planning required under subsection (5) of this section must take into consid-  
26 eration:

27 (A) Input from the community of the eligible applicant, including school employees, students  
28 from student groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act** and parents  
29 of those students; and

30 (B) Data collected by the eligible applicant to enable the eligible applicant to make equity-based  
31 decisions.

32 (7) Based on the strategic planning described in subsection (6) of this section, the eligible ap-  
33 plicant shall develop a four-year plan for the use of grant moneys. The plan must be updated every  
34 two years and must:

35 (a) Identify which allowed uses identified in ORS 327.180 (3) will be funded with grant moneys  
36 and which of those uses will be designated to meet student mental and behavioral health needs.

37 (b) Describe how the allowed uses identified under paragraph (a) of this subsection will be used  
38 to:

39 (A) Meet students' mental and behavioral health needs;

40 (B) Increase academic achievement for students of the eligible applicant; and

41 (C) Reduce academic disparities for student groups identified in [ORS 327.180 (2)(b)] **section 2**  
42 **(11) of this 2025 Act** who are served by the eligible applicant, and identify which of those student  
43 groups will benefit from the allowed uses that are being funded with grant moneys.

44 (c) Include the budgets for the allowed uses to be funded with grant moneys.

45 (d) Be approved by the governing body of the eligible applicant at an open meeting, following:

1 (A) Provision of the plan at the main office of the eligible applicant and on the eligible  
2 applicant's website;

3 (B) Oral presentation of the plan by an administrator of the eligible applicant to the governing  
4 body of the eligible applicant; and

5 (C) Opportunity for the public to comment on the plan at an open meeting.

6 (e) Be a part of the local district continuous improvement plan described in ORS 329.095, if the  
7 eligible applicant is a school district.

8 (8) To apply for a grant, an eligible applicant must submit an application every two years in a  
9 format and according to timelines prescribed by the Department of Education. The application must  
10 include:

11 (a) A completed needs assessment, as described in ORS 329.095;

12 (b) The plan developed under subsection (7) of this section; and

13 (c) Budget estimates for each of the allowed uses identified in the plan developed under sub-  
14 section (7) of this section that will be funded by grant moneys.

15 **SECTION 14.** ORS 327.190 is amended to read:

16 327.190. [(1) As used in this section:]

17 [(a) "Disaggregated" means separated based on the student groups identified in ORS 327.180  
18 (2)(b).]

19 [(b) "Five-year completion rate" means the percentage of students who received a high school di-  
20 ploma, a modified diploma or an extended diploma or who received a certificate for passing an ap-  
21 proved high school equivalency test such as the General Educational Development test (GED) within  
22 five years of the student beginning the ninth grade.]

23 [(c) "High school diploma" means a diploma that is awarded to a student upon satisfaction of the  
24 requirements prescribed by ORS 329.451 (2).]

25 [(d) "Ninth-grade on-track rates" means the percentage of students who, at the end of the summer  
26 following the year the students began ninth grade, completed one quarter of the credits required for  
27 high school graduation.]

28 [(e) "On-time graduation rate" means the percentage of students who received a high school di-  
29 ploma or a modified diploma within four years of the students beginning the ninth grade.]

30 [(f) "Regular attendance rates" means the percentage of students who are absent, as determined by  
31 Department of Education policy, for less than 10 percent of the school days for which the students are  
32 enrolled.]

33 [(g) "Third-grade reading proficiency rate" means the percentage of students in the third grade who  
34 are determined to be proficient or above in English language arts, as determined under rules adopted  
35 by the State Board of Education.]

36 [(2)] (1) The Department of Education shall review all applications for grants from the Student  
37 Investment Account that comply with the requirements prescribed by ORS 327.185.

38 [(3)] (2) If an application complies with the requirements of ORS 327.185, the department shall:

39 (a) **If the grant applicant has developed performance growth targets as provided by sec-**  
40 **tion 3 of this 2025 Act, confirm the applicable performance growth targets; or**

41 (b) **If the grant applicant has not developed performance growth targets under section 3**  
42 **of this 2025 Act,** collaborate with the grant [recipient] applicant to develop applicable  
43 [longitudinal] performance growth targets **that are in alignment with section 3 of this 2025 Act.**  
44 [The longitudinal performance growth targets must:]

45 [(a) Be based on data available for longitudinal analysis;]

- 1        *[(b) Be developed based on guidance established by the department; and]*  
2        *[(c) Use the following applicable metrics:]*  
3        *[(A) On-time graduation rates and five-year completion rates, including:]*  
4        *[(i) The overall on-time graduation rate and five-year completion rate.]*  
5        *[(ii) Gaps in disaggregated on-time graduation rates and five-year completion rates.]*  
6        *[(B) Ninth-grade on-track rates, including:]*  
7        *[(i) The overall ninth-grade on-track rate.]*  
8        *[(ii) Gaps in disaggregated ninth-grade on-track rates.]*  
9        *[(C) Third-grade reading proficiency rates, including:]*  
10       *[(i) The overall third-grade reading proficiency rate.]*  
11       *[(ii) Gaps in disaggregated third-grade reading proficiency rates.]*  
12       *[(D) Regular attendance rates, including:]*  
13       *[(i) The overall regular attendance rate.]*  
14       *[(ii) Gaps in disaggregated regular attendance rates.]*  
15       **[(4) (3)]** In addition to the metrics *[identified]* **confirmed or developed** in subsection **[(3) (2)]** of  
16 this section, the following may be used to develop applicable performance growth targets:  
17       (a) Local metrics; and  
18       (b) Targets related to student mental and behavioral health needs, as established by the State  
19 Board of Education by rule.  
20       *[(5) When developing performance growth targets, the department and grant recipient shall:]*  
21       *[(a) Review disaggregated student data;]*  
22       *[(b) Apply a process adopted by the department for the purpose of strategically developing equitable*  
23 *policies and programs; and]*  
24       *[(c) Identify which student groups identified in ORS 327.180 (2)(b) are most at risk of not meeting*  
25 *performance growth targets.]*  
26       **[(6)(a) (4)(a)]** After **confirming or** developing performance growth targets, the department and  
27 grant *[recipient]* **applicant** shall enter into a grant agreement. The grant agreement must include  
28 applicable performance growth targets for measuring the academic growth of the students of the  
29 grant recipient.  
30       (b) A grant agreement is not valid until approved by the governing body of the grant  
31 *[recipient]* **applicant** at an open meeting following:  
32       (A) Provision of the plan at the main office of the grant recipient and on the grant recipient's  
33 website;  
34       (B) Oral presentation of the plan by an administrator of the grant recipient to the governing  
35 body of the grant recipient; and  
36       (C) Opportunity for the public to comment on the plan at an open meeting.  
37       **[(7) (5)]** Any agreements between a public charter school and a grant recipient that is a school  
38 district shall become part of the grant agreement.  
39       **SECTION 15.** ORS 327.201 is amended to read:  
40       327.201. (1)(a) Each year, each recipient of a grant from the Student Investment Account  
41 shall[:]  
42       *[(A)]* conduct a financial audit of the use of grant moneys that is prepared in accordance with  
43 the Municipal Audit Law. *[: and]*  
44       *[(B) Review the grant recipient's progress toward meeting the performance growth targets in the*  
45 *grant agreement.]*

1 (b) Results of the financial audit *[and progress review]* must be:

2 (A) Made available at the main office of the grant recipient and on the grant recipient's website.

3 (B) Presented to the governing body of the grant recipient at an open meeting, following:

4 (i) Oral presentation of the results by an administrator of the grant recipient to the governing  
5 body of the grant recipient; and

6 (ii) Opportunity for the public to comment on the results at an open meeting.

7 (C) Forwarded to the Department of Education.

8 (2)(a) Based on information received under subsection (1) of this section, the department shall  
9 determine each year whether grant moneys received by a grant recipient were used as provided by  
10 the grant agreement.

11 (b) If a grant recipient did not use grant moneys as provided by the grant agreement, the de-  
12 partment shall:

13 (A) Collaborate with the grant recipient to identify and implement specific interventions;

14 (B) Provide technical assistance to the grant recipient as described in ORS 327.208; *[or]*

15 **(C) Direct amounts of future grant distributions for specific investments; or**

16 *[(C)]* **(D) Deduct amounts from future grant distributions.**

17 (c) If amounts are to be deducted from future grant distributions under paragraph *[(b)(C)]* **(b)(D)**  
18 of this subsection, the grant recipient may appeal to the State Board of Education for review as  
19 provided by the board by rule.

20 (d) If a grant recipient fails to commit to spending all available grant moneys, the department  
21 may deduct amounts not committed from future grant distributions.

22 *[(3)(a) The department shall determine each biennium if a grant recipient does not meet perform-*  
23 *ance growth targets identified in the grant agreement.]*

24 *[(b) If a grant recipient does not meet the performance growth targets:]*

25 *[(A) The grant recipient may submit an explanation for the reasons why the performance growth*  
26 *targets were not met; and]*

27 *[(B) The department may:]*

28 *[(i) Take into consideration the explanation submitted by the grant recipient;]*

29 *[(ii) Require the grant recipient to enter into a coaching program described in ORS 327.214; or]*

30 *[(iii) Direct the expenditure of grant moneys.]*

31 *[(4) Each grant recipient must conduct a performance review every four years, as required by*  
32 *standards adopted by the board by rule.]*

33 *[(5)(a)]* **(3)** Based on a review of the information received under subsection (1) of this section,  
34 the department may require a grant recipient to conduct a financial audit on a specific funding area  
35 or multiple funding areas.

36 *[(b) The department may establish a procedure for conducting performance audits on a random*  
37 *basis or based on just cause as allowed under rules adopted by the board.]*

38 **SECTION 16.** ORS 327.208 is amended to read:

39 327.208. (1) The Department of Education shall make available technical assistance to eligible  
40 applicants, as defined in ORS 327.185, and to recipients of a grant from the Student Investment Ac-  
41 count. The technical assistance shall include the provision of assistance with:

42 (a) Strategic planning for the use of grant moneys;

43 (b) Developing an application for a grant from the Student Investment Account; **and**

44 *[(c) Identifying and implementing best practices for meeting performance growth targets; and]*

45 *[(d)]* **(c)** Identifying and implementing promising practices related to a grant agreement.

1 (2) When providing technical assistance, the department shall:

2 (a) Apply a process adopted by the department to strategically develop equitable policies and  
3 programs; and

4 (b) Ensure that technical assistance is based on the eligible applicant's or grant recipient's  
5 specific needs and demographics.

6 (3) For the purpose of providing technical assistance under this section, the department may  
7 enter into contracts with entities the department determines are qualified to provide the technical  
8 assistance.

9 **SECTION 17.** ORS 327.254, as amended by section 25, chapter 95, Oregon Laws 2024, is  
10 amended to read:

11 327.254. (1) The Department of Education shall use moneys in the Statewide Education Initi-  
12 atives Account to provide funding for statewide education initiatives, including:

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

15 (b) Expanding school breakfast and lunch programs;

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

17 (d) Establishing and maintaining the Statewide School Safety and Prevention System under ORS  
18 339.341;

19 (e) Developing and providing statewide equity initiatives, including any statewide education plan  
20 developed and implemented by the department;

21 (f) Providing summer learning programs at schools that are considered high poverty under Title  
22 I of the federal Elementary and Secondary Education Act of 1965;

23 (g) Funding early warning systems to assist students in graduating from high school, as de-  
24 scribed in ORS 327.367;

25 (h) Developing and implementing professional development programs and training programs, in-  
26 cluding programs that increase educator diversity and retain diverse educators;

27 (i) Planning for increased transparency and accountability in the public education system of this  
28 state;

29 (j) Providing additional funding to school districts participating in the intensive **coaching** pro-  
30 gram under ORS 327.222;

31 (k) Providing technical assistance, including costs incurred for:

32 (A) The coaching [*program*] **and support** described in [*ORS 327.214*] **section 5 of this 2025**  
33 **Act**; and

34 (B) The intensive **coaching** program described in ORS 327.222, including costs for student suc-  
35 cess teams;

36 (L) Funding public charter schools, as described in ORS 327.362;

37 (m) Funding the Early Literacy Success School Grant program, as provided by ORS 327.833;

38 (n) Funding the Early Literacy Success Community Grant program, as established by ORS  
39 327.843;

40 (o) Funding any additional amounts for approved recovery schools, as provided by rules of the  
41 State Board of Education adopted under ORS 327.029;

42 (p) Funding education service districts, as described in subsection (2) of this section;

43 (q) Funding the Youth Corrections Education Program and the Juvenile Detention Education  
44 Program through the Juvenile Justice Education Fund established under section 22, chapter 95,  
45 Oregon Laws 2024, when necessary as provided by section 23, chapter 95, Oregon Laws 2024; and

1 (r) Funding costs incurred by the department in implementing this section and ORS 327.175 to  
2 327.235 and 327.274.

3 (2)(a) The amount of a distribution to an education service district under this section shall be  
4 made as provided by paragraph (b) of this subsection after calculating the following for each edu-  
5 cation service district:

6 (A) One percent of the total amount available for distribution to education service districts in  
7 each biennium.

8 (B) The education service district's  $ADMw \times$  (the total amount available for distribution to  
9 education service districts in each biennium  $\div$  the total ADMw of all education service districts  
10 that receive a distribution).

11 (b) The amount of the distribution to an education service district shall be the greater of the  
12 amounts calculated under paragraph (a) of this subsection, except that, for distributions made as  
13 provided by paragraph (a)(B) of this subsection, the total amount available for distribution to edu-  
14 cation service districts shall be the amount remaining after any distributions required under para-  
15 graph (a)(A) of this subsection have been made.

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

19 (d) An education service district shall use moneys received under this section as provided by a  
20 plan developed by the school districts located within the education service district. A school district  
21 that declines to participate in the development of the plan or that has withdrawn from an education  
22 service district as provided by ORS 334.015 is not entitled to any moneys distributed to the educa-  
23 tion service district under this subsection.

24 (e) A plan developed under this subsection must:

25 (A) Align with and support the meeting of performance growth targets established for recipients  
26 of moneys under ORS 327.195 that are located within the education service district;

27 (B) Include the provision, to recipients of moneys under ORS 327.195 that are located within the  
28 education service district, of technical assistance in developing, implementing and reviewing a plan  
29 for receiving a grant from the Student Investment Account;

30 (C) Provide for coordination with the department in administering and providing technical as-  
31 sistance to recipients of moneys under ORS 327.195 that are located within the education service  
32 district, including coordinating any coaching [*programs*] **and support** established under [*ORS*  
33 *327.214*] **section 5 of this 2025 Act**; and

34 (D) Be adopted and amended as provided for local service plans under ORS 334.175 and approved  
35 by the department.

36 (f) For the purposes of paragraph (e) of this subsection, recipients of moneys under ORS 327.195  
37 that are located within the education service district include, as applicable:

38 (A) Common school districts and union high school districts;

39 (B) Any charter school that is an eligible applicant, as defined in ORS 327.185; and

40 (C) The Youth Corrections Education Program or the Juvenile Detention Education Program.

41 (g) Each education service district must submit an annual report to the department that:

42 (A) Describes how the education service district spent moneys received under this subsection;  
43 and

44 (B) Includes an evaluation of the education service district's compliance with the plan from the  
45 superintendent of each school district that participated in the development of the plan.



1 (3) The State Board of Education shall adopt rules necessary for the distribution of moneys un-  
2 der this section.

3 **SECTION 18.** ORS 327.362 is amended to read:

4 327.362. (1) As used in this section:

5 (a) “ADMw” means weighted average daily membership, as calculated under ORS 327.013.

6 (b) “Eligible public charter school” means a public charter school that is not a virtual public  
7 charter school, as defined in ORS 338.005, and that has a student population of which at least 65  
8 percent of the total student population is composed of students from the following combined student  
9 groups:

10 (A) Racial or ethnic groups that have historically experienced academic disparities, as described  
11 in [ORS 327.180 (2)(b)(B)] **section 2 (11)(b) of this 2025 Act**; and

12 (B) Students with disabilities, as described in [ORS 327.180 (2)(b)(C)] **section 2 (11)(c) of this**  
13 **2025 Act.**

14 (2) In addition to those moneys distributed through the State School Fund, the Department of  
15 Education shall award grants under this section to eligible public charter schools from the State-  
16 wide Education Initiatives Account.

17 (3) The amount of a grant awarded to an eligible public charter school under this section = the  
18 public charter school’s ADMw × the difference between:

19 (a) The amount of the General Purpose Grant per ADMw for the school district that has  
20 contractually established payment for the provision of educational services to the public charter  
21 school’s students under ORS 338.155 (2) or (3); and

22 (b) The amount of the General Purpose Grant per ADMw that the public charter school receives  
23 under a contract for the provision of educational services to the public charter school’s students  
24 under ORS 338.155 (2) or (3).

25 (4) The purpose of grants distributed under this section shall be to increase academic achieve-  
26 ment, including reducing academic disparities, for:

27 (a) Students from racial or ethnic groups that have historically experienced academic disparities,  
28 as determined under rules adopted by the State Board of Education; and

29 (b) Students with disabilities.

30 (5) Any eligible public charter school may apply for and receive a grant as provided by this  
31 section. A grant application must:

32 (a) Describe how grant moneys will be used to advance the purpose described in subsection (4)  
33 of this section.

34 (b) Specify the supports that will be:

35 (A) Provided to students with a disability; or

36 (B) Used to enhance special education and related services that are provided by a school district  
37 under ORS 338.165 to the students of the public charter school.

38 (c) Identify any applicable longitudinal performance growth targets for the public charter school  
39 that have been established:

40 (A) Under contract between the public charter school and the sponsor of the public charter  
41 school; or

42 (B) By the public charter school or the school district in which the public charter school is lo-  
43 cated for purposes of grants from the Student Investment Account, as provided by ORS 327.190.

44 (d) Be submitted based on the timelines and forms prescribed by the department.

45 (6)(a) If the department determines that a grant application complies with the requirements

1 prescribed under this section, the department shall enter into a grant agreement with the eligible  
2 public charter school.

3 (b) A grant agreement must include longitudinal performance growth targets for the public  
4 charter school. If the grant application identified longitudinal performance growth targets, those  
5 targets shall be included in the grant agreement. If the grant application did not identify longitudi-  
6 nal performance growth targets, the public charter school shall collaborate with the department to  
7 develop longitudinal performance growth targets. Longitudinal performance growth targets must:

8 (A) Be based on data available for longitudinal analysis; and

9 (B) Use the following applicable metrics:

10 (i) Third-grade reading proficiency rates, as defined in [ORS 327.190] **section 2 of this 2025**  
11 **Act**;

12 (ii) Regular attendance rates, as defined in [ORS 327.190] **section 2 of this 2025 Act**; and

13 (iii) Any other metrics identified by the department in collaboration with the public charter  
14 school.

15 (7) After the department and the public charter school have entered into a grant agreement, the  
16 department shall award a grant to the public charter school in the amount calculated under sub-  
17 section (3) of this section. A grant recipient shall deposit grant moneys received under this section  
18 into a separate account and shall apply the amounts in that account as provided by the grant  
19 agreement.

20 (8)(a) Each year, each grant recipient must submit to the department a description of:

21 (A) How grant moneys received under this section were used to advance the purpose described  
22 in subsection (4) of this section and to meet performance growth targets in the grant agreement; and

23 (B) Progress made by the grant recipient toward meeting the performance growth targets in the  
24 grant agreement.

25 (b) A grant recipient shall provide the information required under this subsection based on the  
26 timelines and forms prescribed by the department. To the greatest extent practicable, the depart-  
27 ment shall accept the information described in this subsection in the manner that it is made avail-  
28 able by a public charter school to the sponsor of the public charter school.

29 (9) To the greatest extent practicable, any requirements prescribed by the department or the  
30 board under this section in relation to an application, a grant agreement or the submission of in-  
31 formation under subsection (8) of this section shall reduce any redundancies between a grant  
32 awarded under this section and a grant awarded from the Student Investment Account. Reduction  
33 in redundancies includes accepting for the purposes of grants awarded under this section any ap-  
34 plicable forms or information submitted by the public charter school to the department or a school  
35 district for the purposes of a grant awarded from the Student Investment Account.

36 (10) A public charter school and a school district may not consider moneys received by the  
37 public charter school under this section when establishing payment for the provision of educational  
38 services to the public charter school's students under ORS 338.155 (2) or (3).

39 (11) Prior to February 1 of each year, the department shall submit to the appropriate interim  
40 legislative committees a report related to the grants awarded under this section. The report must  
41 describe:

42 (a) The public charter schools that applied for the grants and the public charter schools that  
43 received the grants;

44 (b) The longitudinal performance growth targets included in grant agreements, as provided by  
45 subsection (6)(b) of this section; and

1 (c) Progress made toward meeting longitudinal performance growth targets, as reported under  
2 subsection (8)(a) of this section.

3 (12) The State Board of Education shall adopt any rules necessary for the distribution of grants  
4 under this section.

5 **SECTION 19.** ORS 329.095 is amended to read:

6 329.095. (1)(a) The Department of Education shall require school districts and schools to conduct  
7 self-evaluations and to periodically update their local district continuous improvement plans. Except  
8 as provided by paragraph (b)(C) of this subsection, the department may not require school districts  
9 or schools to conduct self-evaluations or to update their local district continuous improvement plans  
10 more frequently than biennially.

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

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

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

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

18 (c) The self-evaluation process conducted as provided by this subsection shall involve the public  
19 in the setting of local goals. The school districts shall ensure that representatives from the demo-  
20 graphic groups of their school population are invited to participate in the development of local dis-  
21 trict continuous improvement plans to achieve the goals.

22 (2) As part of setting local goals, school districts shall undertake a communications process that  
23 involves parents, students, teachers, school employees, the educational equity advisory committee  
24 and community representatives to explain and discuss the local goals and their relationship to pro-  
25 grams under this chapter.

26 (3) At the request of the school district, department staff shall provide ongoing technical as-  
27 sistance in the development and implementation of the local district continuous improvement plan.

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

29 (a) Goals to implement the following:

30 (A) A rigorous curriculum aligned with state standards;

31 (B) High-quality instructional programs;

32 (C) Short-term and long-term professional development plans;

33 (D) Programs and policies that achieve a safe educational environment;

34 (E) A plan for family and community engagement;

35 (F) Staff leadership development;

36 (G) High-quality data systems;

37 (H) Improvement planning that is data-driven;

38 (I) Education service plans for students who have or have not exceeded all of the academic  
39 content standards; and

40 (J) A strong school library program;

41 (b) A review of demographics, student performance, staff characteristics and student access to,  
42 and use of, educational opportunities;

43 (c) A description of district efforts to achieve local efficiencies and efforts to make better use  
44 of resources; and

45 (d) A needs assessment, which shall:

1 (A) Be conducted in a manner that is inclusive of school employees, students from student  
2 groups identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act** and parents of those stu-  
3 dents.

4 (B) Address the following priorities:

5 (i) Reducing academic disparities for students from student groups identified in [ORS 327.180  
6 (2)(b)] **section 2 (11) of this 2025 Act**;

7 (ii) Meeting students' mental or behavioral health needs;

8 (iii) Providing equitable access to academic courses across the school district or public charter  
9 school, with specific emphasis on access by students from student groups identified in [ORS 327.180  
10 (2)(b)] **section 2 (11) of this 2025 Act**;

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

12 (I) Collaborate with other teachers and staff;

13 (II) Review data on students' grades, absences and discipline, based on school and on grade level  
14 or course; and

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

16 (v) Possible partnerships with other organizations, federally recognized Indian tribes, school  
17 districts, education service districts, regional achievement collaboratives, post-secondary institutions  
18 of education, education partners or nonprofit programs and community-based programs that have  
19 demonstrated achievement of positive outcomes in work with students from student groups identified  
20 in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act**.

21 **SECTION 20.** ORS 336.680, as amended by section 45, chapter 95, Oregon Laws 2024, is  
22 amended to read:

23 336.680. (1) As used in this section, "approved recovery school" means a school that is under  
24 an agreement with the Department of Education to provide students enrolled in the school with a  
25 holistic approach to:

26 (a) Educational services for grades 9 through 12; and

27 (b) Health care services related to recovery from substance use disorders.

28 (2) The department shall provide or cause to be provided appropriate education for students  
29 enrolled in an approved recovery school. For the purpose of paying the costs of providing education  
30 to students enrolled in an approved recovery school, the Superintendent of Public Instruction shall  
31 make the following:

32 (a) Payments from amounts available from the State School Fund under ORS 327.029.

33 (b) Payments from the Statewide Education Initiatives Account, as provided by rule adopted by  
34 the State Board of Education in collaboration with the advisory committee convened under ORS  
35 336.685. The rules adopted as provided by this paragraph may include a minimum amount, a maxi-  
36 mum amount or both for approved recovery schools.

37 (3) The Superintendent of Public Instruction may contract with a school district, an education  
38 service district or a public charter school to provide or cause to be provided appropriate education  
39 to students enrolled in an approved recovery school. Unless otherwise specified, any educational  
40 services provided under a contract entered into under this subsection shall be paid as described in  
41 this section and not by any other state moneys distributed based on average daily membership that  
42 are available to the school district, education service district or public charter school for the pur-  
43 pose of providing educational services.

44 (4) The State Board of Education shall adopt by rule the standards for a recovery school to  
45 become and operate as an approved recovery school. The standards must provide that:

1 (a) The recovery school must align, to the extent identified by the board, with standards for  
2 accreditation established by a nonprofit accrediting organization composed of representatives of re-  
3 recovery schools and individuals who support the growth of recovery schools. The standards must in-  
4 clude requirements that:

5 (A) The recovery school, in compliance with timelines established by the department, be ac-  
6 credited by a nonprofit accrediting organization that establishes standards for recovery schools.  
7 Nothing in this subparagraph requires the recovery school to be accredited at the time the super-  
8 intendent first enters into a contract with the recovery school.

9 (B) Student enrollment in the recovery school is voluntary. No school district or state or local  
10 agency may compel or otherwise require a student to enroll in a recovery school. Students enrolled  
11 in an approved recovery school may not be counted in determining the number of pupils in average  
12 daily membership for purposes of ORS 334.175 (5).

13 (C) All students who reside in this state and who meet the eligibility criteria established under  
14 subsection (8) of this section may enroll in an approved recovery school if space is available. If  
15 space is not available, the approved recovery school may prioritize for enrollment student groups  
16 identified in [ORS 327.180 (2)(b)] **section 2 (11) of this 2025 Act.**

17 (D) The school district, education service district or public charter school with which the de-  
18 partment has entered into a contract for a recovery school must agree to award high school diplo-  
19 mas, modified diplomas, extended diplomas and alternative certificates as provided by ORS 329.451  
20 and 339.877. An entity that awards high school diplomas as provided by this subparagraph:

21 (i) May not impose requirements for a high school diploma that are in addition to the require-  
22 ments prescribed by ORS 329.451 (2)(a) or by rule of the State Board of Education; and

23 (ii) Must accept any credits previously earned by students in another school or educational  
24 program in this state and apply those credits toward the requirements prescribed by ORS 329.451  
25 (2)(a) or by rule of the State Board of Education.

26 (E) Except as provided by subparagraphs (F) and (G) of this paragraph, the recovery school must  
27 satisfy the same laws that apply to public charter schools under ORS 338.115.

28 (F) All administrators and teachers at the recovery school must be licensed by the Teacher  
29 Standards and Practices Commission.

30 (G) An approved recovery school is not required to comply with the enrollment requirements  
31 prescribed by ORS 338.115 (1)(bb) or (5).

32 (H) An approved recovery school must comply with the requirements of the uniform budget and  
33 accounting system adopted by rule of the State Board of Education under ORS 327.511.

34 (b) Recovery schools will be approved, to the greatest extent practicable, in a manner that:

35 (A) Represents a geographic distribution across this state; and

36 (B) Takes into consideration the needs for services by the community in which the recovery  
37 school would be located.

38 (5) Any school that provides the services of a recovery school may enter into a contract with  
39 the superintendent to become an approved recovery school, including schools already providing the  
40 services of a recovery school and schools that are proposing to provide the services of a recovery  
41 school.

42 (6) An approved recovery school may enter into agreements with other entities, including  
43 community-based organizations and federally recognized tribes of this state, for the purposes of  
44 providing educational and health care services to students enrolled in the approved recovery school.

45 (7)(a) The department shall be responsible for:

1 (A) Identifying, locating and evaluating students enrolled in an approved recovery school who  
2 may be in need of special education and related services; and

3 (B) Ensuring that eligible students receive special education and related services.

4 (b) For the purpose of this subsection, the department may enter into a contract with a school  
5 district or an education service district.

6 (8) The department shall establish eligibility criteria for students to enroll in an approved re-  
7covery school, based on input from the advisory committee convened under ORS 336.685 and based  
8on research from a nonprofit organization composed of representatives of recovery schools and in-  
9dividuals who support the growth of recovery schools and other relevant organizations.

10 (9) For the purposes of administering this section:

11 (a) The State Board of Education shall adopt any necessary rules.

12 (b) The department shall collaborate with the Oregon Health Authority, the Youth Development  
13 Division, the Alcohol and Drug Policy Commission, the Oregon Youth Authority, the Department  
14 of Human Services and local public health and mental health authorities or providers and shall co-  
15ordinate, to the greatest extent practicable, funding of services provided in relation to approved  
16 recovery schools.

17 (10) Each biennium, the Department of Education shall prepare a report on the progress, suc-  
18cesses and challenges of approved recovery schools and submit that report to:

19 (a) The interim committees of the Legislative Assembly related to education; and

20 (b) The advisory committee convened under ORS 336.685.

21 **NOTE:** Section 21 was deleted by amendment. Subsequent sections were not renumbered.

22 **SECTION 22.** ORS 327.016 is amended to read:

23 327.016. (1) The Department of Education shall prepare an annual report that:

24 (a) Identifies the total amounts that are:

25 (A) Allocated to each school district from the State School Fund for students eligible for and  
26 enrolled in an English language learner program as provided by ORS 327.013 (1)(c)(A)(ii);

27 (B) Expended from the amounts identified in subparagraph (A) of this paragraph for students in  
28 average daily membership who are eligible for and enrolled in an English language learner program;  
29 and

30 (C) Expended as described in subparagraph (B) of this paragraph by category of expenditure, as  
31 identified and defined by the State Board of Education by rule.

32 (b) Summarizes the progress for each school district on meeting objectives and the needs of  
33 students eligible for and enrolled in an English language learner program, **including progress of**  
34 **English language learners toward meeting performance growth targets developed as provided**  
35 **by section 3 of this 2025 Act.**

36 (c) Provides information on the demographics of students in English language learner programs  
37 in each school district, including:

38 (A) The average number of years students have been enrolled in an English language learner  
39 program;

40 (B) The average number of years the students have attended their current schools;

41 (C) The percentage of students who also receive special education and related services; and

42 (D) Any other information identified by the department.

43 (2) The report prepared under subsection (1) of this section must:

44 (a) Be made available on the department's website by June 30 of each year;

45 (b) Be provided to each school district board by September 1 of each year and made available

1 at the school district's main office and on the school district's website; and

2 (c) Cover the school year ending June 30 of the prior year.

3 (3) Prior to January 1 of each odd-numbered year, the department shall submit to the interim  
4 legislative committees on education a summary of the two most recent reports prepared under sub-  
5 section (1) of this section.

6 **SECTION 23. ORS 327.214 is repealed.**

7  
8 **INTERIM ASSESSMENTS**

9  
10 **SECTION 24.** ORS 329.485 is amended to read:

11 329.485. (1) As used in this section:

12 (a) "Content-based assessment" means testing of the understanding of a student of a predeter-  
13 mined body of knowledge.

14 (b) "Criterion-referenced assessment" means testing of the knowledge or ability of a student with  
15 respect to some standard.

16 (c) "Performance-based assessment" means testing of the ability of a student to use knowledge  
17 and skills to create a complex or multifaceted product or complete a complex task.

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

23 (b) The department shall develop the statewide assessment system in mathematics, science, lan-  
24 guage arts, history, geography, economics and civics.

25 (3) In addition to the assessment system implemented under subsection (2) of this section, the  
26 department may make available to school districts and public charter schools an assessment system  
27 that uses criterion-referenced assessments, including performance-based assessments and content-  
28 based assessments to:

29 (a) Measure a student's progress toward mastery of the knowledge and skills of the student's  
30 current grade level or course content level;

31 (b) Determine the student's level of mastery, which shall be determined regardless of the actual  
32 grade level of the student and may be determined by adapting the assessment during the assessment  
33 process as a result of the performance of the student;

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

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

38 (4)(a) School districts and public charter schools shall implement the statewide assessment sys-  
39 tem in mathematics, science and language arts. In addition, school districts and public charter  
40 schools may implement the statewide assessment system in history, geography, economics and civics.

41 (b) School districts and public charter schools may choose to implement the assessment system  
42 described in subsection (3) of this section.

43 **(5)(a) School districts and public charter schools shall administer interim assessments in**  
44 **mathematics and language arts to measure student academic growth during the school year.**

45 **(b) To comply with the provisions of this subsection, school districts and public charter**

1 **schools must:**

2 (A) **Select interim assessments that measure student performance growth from the list**  
3 **of interim assessments adopted by the State Board of Education;**

4 (B) **At least three times each school year, administer interim assessments selected under**  
5 **subparagraph (A) of this paragraph in mathematics and language arts; and**

6 (C) **For interim assessments in mathematics and language arts administered as provided**  
7 **by subparagraph (B) of this paragraph to students in any grade from kindergarten through**  
8 **grade eight, review the data collected from the interim assessments:**

9 (i) **At least three times each school year, for the administrators of each of the schools**  
10 **of the school district and for the administrators of each public charter school; and**

11 (ii) **At least three times each school year during a public meeting, for the superintendent**  
12 **of the school district, the school district board and, if applicable, the governing body of the**  
13 **public charter school.**

14 (c) **For the purpose of this subsection, the State Board of Education shall adopt a list of**  
15 **no more than four approved interim assessments.**

16 [(5)(a)] (6)(a) Each year the resident school district shall be accountable for determining the  
17 student's progress toward achieving the academic content standards. Progress toward the academic  
18 content standards:

19 (A) Shall clearly show the student and parents whether the student is making progress toward  
20 meeting or exceeding the academic content standards at the student's current grade level or course  
21 content level;

22 (B) Shall be based on the student's progress toward mastery of a continuum of academic  
23 knowledge and skills; and

24 (C) May be based on the student's progress in a continuum of knowledge and skills that are not  
25 academic and that may include student behaviors that are defined by the school district.

26 (b) School districts shall determine the method and format for showing student progress toward  
27 achieving the academic content standards. Communications on student progress shall include a  
28 reasonable number, as determined by the school district, of academic knowledge and skills in a  
29 content area to enable parents and students to understand a student's progress toward meeting or  
30 exceeding the academic content standards. No more than three indicators of academic knowledge  
31 and skills per content area reporting category shall be required as provided by this section. A  
32 school district may use more than three indicators of academic knowledge and skills per content  
33 area reporting category if the school district implements a proficiency education system as provided  
34 by ORS 329.119.

35 [(6)] (7) In addition to the requirements described in subsection [(5)] (6) of this section, the  
36 school district shall adopt and implement a reporting system based on the school district board  
37 adopted course content of the school district's curriculum. The reporting system:

38 (a) Shall clearly show the student and parents whether the student is achieving course require-  
39 ments at the student's current grade level or course content level;

40 (b) Shall be based on the student's progress toward mastery of a continuum of academic knowl-  
41 edge and skills; and

42 (c) May be based on the student's progress in a continuum of knowledge and skills that are not  
43 academic and that may include student behaviors that are defined by the school district.

44 [(7)] (8) If a student has not met or has exceeded all of the academic content standards, the  
45 school district shall make additional services or alternative educational or public school options



1 available to the student.

2 [(8)] (9) If the student to whom additional services or alternative educational options have been  
3 made available does not meet or exceed the academic content standards within one year, the school  
4 district, with the consent of the parents, shall make an appropriate placement, which may include  
5 an alternative education program or the transfer of the student to another public school in the  
6 school district or to a public school in another school district that agrees to accept the student. The  
7 school district that receives the student shall be entitled to payment. The payment shall consist of:

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

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

12 **SECTION 25. (1) The amendments to ORS 329.485 by section 24 of this 2025 Act become**  
13 **operative on July 1, 2026.**

14 **(2) Notwithstanding the operative date set forth in subsection (1) of this section, the**  
15 **State Board of Education shall adopt a list of approved interim assessments to measure**  
16 **student performance growth no later than January 31, 2026.**

17 **(3) The amendments to ORS 329.485 by section 24 of this 2025 Act first apply to the**  
18 **2026-2027 school year.**

19  
20 **CURRICULA STANDARDS**

21  
22 **SECTION 26.** ORS 327.837 is amended to read:

23 327.837. (1) Based on the reports submitted under ORS 327.835, the Department of Education  
24 shall monitor a school district's or a public charter school's progress toward achieving the goals  
25 established in the early literacy success plan, as described in ORS 327.831 (3).

26 (2) The department shall intervene when a school district or public charter school does not meet  
27 the goals established in the early literacy success plan.

28 (3) When the department intervenes, as provided by subsection (2) of this section, the depart-  
29 ment:

30 (a) Shall assist the school district or the public charter school in developing a corrective action  
31 plan; [and]

32 (b) May retain any or all of the amount the school district or public charter school would have  
33 received as a distribution under ORS 327.833 and may use a portion of the amount retained to pre-  
34 pare and assist the school district or the public charter school in implementing the corrective action  
35 plan[.];

36 **(c) May require the school district or public charter school to adopt textbooks or other**  
37 **instructional materials from the list of textbooks and other instructional materials adopted**  
38 **by the State Board of Education under ORS 337.050 for early literacy; and**

39 **(d) May require the school district or public charter school to participate in school or**  
40 **school district training or improvement activities, as identified by the department.**

41 (4) An intervention and corrective action plan shall continue until the school district or public  
42 charter school makes sufficient and sustained progress toward achieving the goals established in the  
43 early literacy success plan. The department shall determine when sufficient and sustained progress  
44 has been achieved.

45 (5) If a school district or public charter school continues to fail to make progress toward

1 achieving the goals established in the early literacy success plan, the department may take addi-  
2 tional action, including not allowing for the distribution to the school district or public charter  
3 school of any additional moneys under ORS 327.833.

4 **SECTION 27. ORS 337.065 is repealed.**

5  
6 **REDUCTION OF REDUNDANCIES**

7  
8 **SECTION 28. (1) The Department of Education shall study the reporting requirements**  
9 **imposed on school districts, as defined in section 2 of this 2025 Act.**

10 **(2) As part of the study conducted under this section, the department shall identify:**

11 **(a) Requirements for school districts to report to the department;**

12 **(b) State reporting requirements that can be decreased in frequency, eliminated or con-**  
13 **solidated;**

14 **(c) State reporting requirements that can be aligned with federal reporting requirements,**  
15 **including any necessary changes to state programs to align with federal programs; and**

16 **(d) Statutory changes that would provide for the alignment of grants, programs, plan-**  
17 **ning, reporting and monitoring processes.**

18 **(3) The department shall submit a report on the study conducted under this section in**  
19 **the manner provided by ORS 192.245, and may include recommendations for legislation, to**  
20 **the interim committees of the Legislative Assembly related to education no later than De-**  
21 **cember 15, 2026.**

22  
23 **DISTRICT STANDARDS**

24  
25 **SECTION 29. (1) The Department of Education shall contract with a public or private**  
26 **entity to review the administrative rule requirements that must be met for a school district**  
27 **to be considered standard under ORS 327.103 or an education service district to be considered**  
28 **standard under ORS 334.217.**

29 **(2) When conducting the review under subsection (1) of this section, the entity shall**  
30 **identify:**

31 **(a) Standards that best support student outcomes and that should be prioritized by the**  
32 **department and districts.**

33 **(b) Standards that make less significant contributions to the support of student outcomes**  
34 **and can be removed.**

35 **(c) Effective methods for enforcing whether a district is standard.**

36 **(d) A process for a person who resides in the district, or a parent or guardian of a stu-**  
37 **dent who attends school in the district, to submit a complaint about noncompliance with a**  
38 **standard, including timelines for investigating and resolving the complaint. The process may**  
39 **require the person, parent or guardian to first attempt to resolve the complaint with the**  
40 **district when the complaint involves specified types of standards.**

41 **(3) The department shall submit a report on the review required under this section in the**  
42 **manner provided by ORS 192.245, and may include recommendations for legislation, to the**  
43 **interim committees of the Legislative Assembly related to education no later than December**  
44 **15, 2026.**

45 **SECTION 30. Section 29 of this 2025 Act is repealed on January 2, 2027.**

1        **SECTION 31.** ORS 326.051 is amended to read:

2        326.051. Subject to ORS 417.300 and 417.305:

3        (1) In addition to such other duties as are prescribed by law and pursuant to the requirement  
4 of ORS chapter 183, the State Board of Education shall:

5        (a) Establish **and enforce** state standards for public kindergartens and public elementary and  
6 secondary schools consistent with the policies stated in ORS 326.011, **including providing a pro-**  
7 **cess for a person who resides in the district, or a parent or guardian of a student who at-**  
8 **tends school in the district, to file a complaint about noncompliance with a standard.**

9        (b) Adopt rules for the general governance of public kindergartens and public elementary and  
10 secondary schools.

11        (c) Prescribe required or minimum courses of study.

12        (d) Adopt rules for public kindergartens and public elementary and secondary schools consistent  
13 with the policy stated in ORS 342.437.

14        (e) Adopt rules regarding school and interscholastic activities.

15        (f) Adopt rules that provide that no public elementary or secondary school shall discriminate in  
16 determining participation in interscholastic activities. As used in this paragraph, “discrimination”  
17 has the meaning given that term in ORS 659.850.

18        (g) Adopt rules that will eliminate the use and purchase of elemental mercury, mercury com-  
19 pounds and mercury-added instructional materials by public elementary and secondary schools.

20        (2) The State Board of Education may:

21        (a) Consistent with the laws of this state, accept money or property not otherwise provided for  
22 under paragraph (b) of this subsection, which is donated for the use or benefit of the public  
23 kindergartens and public elementary and secondary schools and use such money or property for the  
24 purpose for which it was donated. Until it is used, the board shall deposit any money received under  
25 this paragraph in a special fund with the State Treasurer as provided in ORS 293.265 to 293.275.

26        (b) Apply for federal funds, accept and enter into any contracts or agreements on behalf of the  
27 state for the receipt of funds from the federal government or its agencies and disburse or expend  
28 the federal funds as provided by ORS 327.128. This paragraph applies to federal funds to be used for:

29        (A) Educational purposes, including but not limited to any funds available for the school lunch  
30 program;

31        (B) Career and technical education programs in public elementary and secondary schools; and

32        (C) Any grants available to the state or its political subdivisions for general federal aid for  
33 public kindergartens, public elementary schools and public secondary schools and their auxiliary  
34 services, improvement of teacher preparation, teacher salaries, construction of school buildings, ad-  
35 ministration of the Department of Education and any other educational activities under the juris-  
36 diction of the State Board of Education.

37        (c) Adopt rules to administer the United States Department of Agriculture’s National School  
38 Lunch Program and School Breakfast Program for public and private prekindergarten through grade  
39 12 schools and residential child care facilities.

40        **SECTION 32.** ORS 334.217 is amended to read:

41        334.217. (1) The State Board of Education by rule shall establish **and enforce** standards to de-  
42 termine the adequacy of services and facilities provided by the education service districts. In es-  
43 tablishing such standards, the state board shall:

44        (a) Consider the most economic method of providing services and facilities, the quality of the  
45 services and facilities according to the best educational standards, and the needs of the students[.];

1 **and**

2 **(b) Provide a process for a person who resides in the district, or a parent or guardian**  
3 **of a student who attends school in the district, to file a complaint about noncompliance with**  
4 **a standard.**

5 (2) When the Superintendent of Public Instruction determines pursuant to rule that an education  
6 service district is nonstandard, the district designated nonstandard shall file a plan to meet stan-  
7 dards over a specified period of time. The Superintendent of Public Instruction may accept, reject  
8 or modify the plan and order the nonstandard district to comply with the plan as approved by the  
9 superintendent. Once a plan is approved, the district shall be conditionally standard until all defi-  
10 ciencies are corrected. If a district corrects all deficiencies, the district shall be designated as  
11 standard. The district shall have 180 days from the date the plan is accepted to make all corrections.  
12 After that time, the Superintendent of Public Instruction may impose sanctions on the district if the  
13 district has not made the necessary corrections.

14 (3) The state board shall establish by rule appropriate sanctions for noncompliance. The sanc-  
15 tions may include:

16 (a) Mandatory merger of the nonstandard education service district with a contiguous education  
17 service district that is standard;

18 (b) The sanctions described in ORS 342.173, if applicable;

19 (c) The withholding of funds from the State School Fund;

20 (d) The removal of the superintendent of the education service district;

21 (e) The temporary governance of the education service district by the state board; or

22 (f) Dissolution of the education service district.

23 **SECTION 33. (1) The amendments to ORS 326.051 and 334.217 by sections 31 and 32 of this**  
24 **2025 Act become operative on December 31, 2026.**

25 **(2) When adopting rules for the purposes of determining how to enforce standards and**  
26 **of providing a complaint process for a person who resides in the district, or a parent or**  
27 **guardian of a student who attends school in the district, to file a complaint about noncom-**  
28 **pliance with a standard, including the timelines for the investigation and resolution of a**  
29 **complaint, the State Board of Education shall take into consideration the review conducted**  
30 **as provided by section 29 of this 2025 Act.**

31  
32 **DEPARTMENT OF EDUCATION REPORT**

33  
34 **SECTION 34. No later than December 15, 2025, the Department of Education shall submit**  
35 **a report in the manner provided by ORS 192.245 to the interim committees of the Legislative**  
36 **Assembly related to education. The report must provide a summary of:**

37 **(1) The administrative and organizational changes made to the department between**  
38 **January 1, 2025, and December 1, 2025, to:**

39 **(a) Improve grant consolidation, reporting, data collection and public transparency before**  
40 **the 2026-2027 school year;**

41 **(b) Improve and align internal operations across programs and offices in the department**  
42 **before the 2026-2027 school year; and**

43 **(c) Organize state and regional efforts to elevate best practices and responsive support**  
44 **for school districts before the 2026-2027 school year.**

45 **(2) The status on the implementation of the provisions of this 2025 Act.**

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**SECTION 35. Section 34 of this 2025 Act is repealed on January 2, 2026.**

**APPROPRIATION**

**SECTION 36. Notwithstanding any other law limiting expenditures, the amount of \$2,625,296 is established for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses by the Department of Education from the Statewide Education Initiatives Account established under ORS 327.250 for the purpose of increasing accountability and transparency in the public kindergarten through grade 12 system as provided by sections 3, 6, 28, 29 and 34 of this 2025 Act and the amendments to ORS 326.051, 327.222, 327.235, 329.485 and 334.217 by sections 8, 10, 24, 31 and 32 of this 2025 Act.**

**MISCELLANEOUS**

**SECTION 37. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.**

**SECTION 38. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.**

\_\_\_\_\_