



June 24, 2011

Legislature releases ed bill torrent; returns for more next week

After six weeks of public lull but feverish behind-the-scenes negotiation, the Legislature this week released a torrent of education bills that has the potential to remake the state's educational system. Termed a "package" by some, a "deal" by others, the 14 bills approved this week feature disparate policy bills, each included to win support from a particular legislative caucus. When the deal legislators cut fell into place, votes on the education bills occurred rapidly, as the House and Senate attempt to finish their work before their June 30 adjournment deadline.

After the education bill action on Monday and Tuesday, it appeared the Legislature was poised to adjourn this week. However, lawmakers reached an impasse yesterday on the public

safety budget, and so are scheduled to return next week. The impact on education is that they still must pass **Senate Bill 994** (details on page 2), which will make amendments to several bills which were promised in order to gain votes for passage of other bills this week. Legislators also will pass the traditional "Christmas Tree Bill," a measure that ties up loose budget ends from all previous negotiations.

After the Legislature adjourns, OSBA and COSA will produce a quick summary of all education legislation passed this session, followed later by a longer report. **However, we wanted to give our members an update on bills passed this week so they are informed about key provisions and effective dates of the measures.**

be distributed to a school district upon its withdrawal from an education service district. It directs that a withdrawing school district receive 90 percent of the district's prorated share of specified funds available to an education service district.

SB 250 also creates the Office of Regional Educational Services (ORES), under the direction and control of the State Board of Education, with a director of the ORES selected by the Superintendent of Public Instruction. The ORES is directed to establish best practice policies and benchmarks, provide training and support to ESD superintendents, and make recommendations. The measure provides that the ORES may expend no more than \$500,000 per biennium from its new account and that excess monies in the account must be transferred back to the State School Fund on June 30 of each odd-numbered year for distribution to school districts.

The bill declares an emergency, and is effective upon its passage.

SENATE BILLS

Aids full-day kindergarten in 2015-16; adds no new money

Senate Bill 248 allows school districts to offer full-day kindergarten and receive a full 1.0 ADMw for kindergarten students beginning in the 2015-16 school year. It also allows school districts to continue charging tuition for extended day kindergarten programs through the 2014-15 school year. The bill does not mandate that school districts offer full-day kindergarten and does not include a funding source to pay for the additional cost of offering full-day kindergarten.

Allows school districts to withdraw from specified ESDs and reduces ESD funding

Senate Bill 250 allows specified school districts to withdraw from education service districts. School districts may withdraw if they are in any of the following: Northwest Regional ESD, Multnomah ESD, Willamette ESD, or Baker County. SB 250 requires the education service district to distribute to withdrawing school districts, the school district's prorated amount of specified funds available to the education service district. The measure reduces the amount of distribution to ESDs in 2011-12 and again in 2012-13, from 4.75 percent to 4.5 percent. It clarifies the scope of prorated funds to

Establishes School District Collaboration Grant Program

Senate Bill 252 establishes the School District Collaboration Grant Program, administered by the Oregon Department of Education, to allow school districts to apply for funds to help improve student achievement. The bill, which is based on the Chalkboard Project's CLASS program, allows for voluntary collaboration of teachers and administrators to design and implement new approaches to evaluation, professional development, compensation and career paths.

The Legislature will appropriate \$5 million dollars from the Education Stability Fund to finance the program during the 2011-13 biennium.

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Sets goal for percentage of Oregonians with post secondary degrees by 2025

Senate Bill 253 replaces the current mission and purpose of higher education with statutory language that includes achievement of the following numerical goals by 2025:

- At least 40 percent of adult Oregonians earn a bachelor's degree or higher;
- At least 40 percent of adult Oregonians earn an associate's degree or post-secondary credential; and
- The remaining 20 percent or less of adult Oregonians earn a high school diploma, extended or modified diploma or equivalent as their highest level of educational attainment.

The bill is effective upon the Governor's signature.

Redefines remote small elementary schools

Senate Bill 453 changes the criteria that allow a small elementary school to qualify as a remote small elementary school and receive additional ADMw weighting from the State School Fund. The new criteria allow a school to qualify if it is not within eight miles of another elementary in the same school district and has been operating from the same location since January 1, 1995. According to data from the Oregon Department of Education and the Legislative Revenue Office, 22 more elementary schools will qualify for an additional \$8.6 million dollars under the formula change. The change is effective with SSF payments beginning in the 2011-12 school year. The Legislature will appropriate the \$8.6 million dollars to pay for the additional weights to the State School Fund from the Education Stability Fund.

Governor will appoint Superintendent of Public Instruction

Senate Bill 552 designates the Governor as the Superintendent of Public Instruction upon the expiration of the term of the currently-elected Superintendent of Public Instruction or if a vacancy occurs. The bill requires the Governor to appoint the Deputy Superintendent of Public Instruction. SB 552 specifies that the Deputy Superintendent must have at least five years of experience in the administration of an elementary or secondary school.

The bill declares an emergency, and is effective on passage.

Establishes Oregon Education Investment Board, Early Learning Council, etc.

Senate Bill 909 establishes the Oregon Education Investment Board (OEIB) to oversee a unified public education system. It defines OEIB membership, governance and duties. It establishes the Early Learning Council (ELC) and ELC purposes; and establishes the Oregon Education Investment Fund in the State Treasury. The bill requires the ELC to conduct an analysis of plans to merge, redesign or improve coordination of early childhood services and to align childhood services with child-centered outcomes. SB 909 requires the ELC to submit information gathered to the OEIB for its report to the interim legislative committees on education before December 15, 2011.

The bill allows the OEIB to file proposed legislative measures to carry out duties, merge or redesign state programs and services. It directs the OEIB to provide, modify and maintain an integrated, statewide student-based data system before June 30, 2012.

SB 909 declares an emergency, and is effective on passage.

Housekeeping bill to resolve conflicts in several education bills (Not yet passed)

Senate Bill 994 – Legislators continue work on amendments to newly introduced Senate Bill 994, which aims to resolve conflicts in a number of education bills they passed earlier in the week. SB 994 will modify HB 2301, the virtual charter school bill, by creating a Task Force on Virtual School Governance. The bill also modifies HB 3681, the open enrollment bill, and others.

The bill is effective July 1, 2011.

HOUSE BILLS

PERS "technical" modifications (Not yet passed)

House Bill 2113, requested by the PERS board, is referred to as a "technical bill." The bill modifies the retirement plan options of persons elected or appointed as members of the Legislative Assembly. The bill also provides that an inactive member of a pension program of the Oregon Public Service Retirement Plan who withdrew amounts from his/her individual account program will become a member of an individual account program immediately upon re-employment in a qualifying position.

Modifies virtual charter school regulations; expands virtual access to 3 percent of district resident students

House Bill 2301 modifies the provisions related to virtual charter schools, board structure, instructional hours, and enrollment requirements. The measure requires that students receive approval from their resident school district to enroll in a virtual charter school that is not sponsored by the district if more than 3 percent of the resident students are already enrolled, and removes the current 50 percent residency rule.

The bill has an emergency clause and becomes effective July 1, 2011.*

* Bills marked with an asterisk are likely to be amended by Senate Bill 994 (not yet passed), a housekeeping bill which aims to resolve conflicts in a number of education bills.

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Prohibits PERS paying increased benefits if recipient not paying Oregon income tax (Not yet passed)

[House Bill 2456](#) prohibits the Public Employees Retirement Board from paying increased benefits by reason of state income taxation of payments made by the board if the person receiving payments does not pay Oregon income tax on their retirement benefits.

This is a prospective measure; this does not apply to retirees whose retirement date is on or before January 1, 2012.

Supports career and technical education and establishes grant program

[House Bill 3362](#) directs the Oregon Department of Education (ODE), Department of Community Colleges and Workforce Development, and Bureau of Labor and Industries to collaborate on issues relating to career and technical education (CTE). The bill establishes the Career and Technical Education Revitalization Grant Program for the purpose of awarding grants to enhance collaboration between education providers and employers. The bill allows public charter schools and sponsors to enter into cooperative agreements with other school districts to form partnerships to provide educational services. The bill requires the Bureau of Labor and Industries and ODE to create an advisory committee to review grant applications and recommend recipients.

Revises requirements on charter school financial management and ADMw calculations

[House Bill 3417](#) requires charter school financial management systems to be compatible with those of the sponsoring district and to comply with the uniform budget and accounting system adopted by the state Board of Education to facilitate audit and reporting requirements.

Additionally, the measure requires the separate calculation of ADMw for charter schools to address the potential shortfall that would occur should district average daily membership (ADM) decline while charter ADM increases. Finally, the measure clarifies that districts are not required to transfer funds to the districts of its non-resident charter school students, except for students receiving special education services.

Effective July 1, 2011.

Creates Educator Professional Development System

[House Bill 3474](#) – In 2010 the Legislature created the Task Force on Education Career Preparation and Development and charged them with “develop(ing) a proposal for a seamless system of professional development that begins with career preparation and continues through employment as an education professional.” House Bill 3474 implements the recommendations of the Task Force, including requiring Teacher Standards and Practices Commission and ODE to create a comprehensive leadership development system for administrators and prepare guidelines for a uniform set of performance evaluation methods for teachers.

Allows community colleges and universities to sponsor charter schools

[House Bill 3645](#) allows for community colleges, public institutions of higher education within the Oregon University System or the Oregon Health and Sciences University to sponsor a public charter school. The measure provides that public charter schools must initially apply to the school district in which the school is located and may apply with the State Board of Education or an institution of higher education for sponsorship. The measure outlines the sponsorship requirements of a higher education institution and provides a similar funding mechanism as current school district sponsorship of charter schools.

The process outlined in the bill is effective beginning with the 2012-13 school year. *

The “open enrollment bill” – creates new interdistrict transfer process

[House Bill 3681](#) – Under current statute, students may attend school in a school district they do not reside in through the interdistrict transfer process. House Bill 3681 allows districts to continue to enter into voluntary interdistrict transfers but creates a new transfer process that does not require the consent of the school district in which the student lives.

Beginning with the 2012-13 school year, school districts may choose to enroll non-resident students through a new process which includes:

1. By March 1, the school board must decide whether or not they will allow non-resident students to enroll and how many. If they choose to enroll non-resident students, they must first allow any resident student who wishes to transfer to another school in the district with space;
2. By April 1, non-resident students must make their request to enroll in the district. If there are more non-resident students requesting a transfer than slots available, the district must enter the students into a lottery for transfer; and
3. By May 1, the school district accepting the transfers must notify the district in which the student resides that the student is enrolling in their district.

The district in which the student resides has no ability to deny the transfer under this new law. Students who transfer under this policy become resident students of the district in which they attend school for all purposes.

This new open enrollment process sunsets on July 1, 2017. This new process only applies to transfers that occur beginning with the 2012-13 school year; any previous transfer arrangements remain valid.

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Appropriates additional money from the Education Stability Fund

House Bill 5055 appropriates money from the Education Stability Fund for several purposes, including:

1. **\$13.8 million** to address the federal Maintenance of Effort (MOE) shortfall for special education during the 2009-11 biennium;
2. **\$5 million** to fund SB 252 (see description on page one);
3. **\$8.6 million** to fund SB 453 (see description on page one); and
4. **\$25 million** for the 2011-13 State School Fund appropriation.

This brings the 2011-13 SSF total to **\$5.725 billion**.

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OSBA's Howatt attends mandate relief bill signing

Governor John Kitzhaber signed Senate Bills 560 and 800 into law on June 14. **Kris Howatt**, Gresham-Barlow School District board member and OSBA president-elect, was invited to attend the ceremony.

These bills reduce reporting requirements for schools, and eliminate redundant or obsolete laws affecting school districts and the Oregon Department of Education. They are the culmination of months of work by a coalition of Oregon education groups. Mirroring the consensus process used to bring these bills before lawmakers, these bills cleared both chambers of the Legislature with only one negative vote.

Tricia Yates, head of OSBA's legislative team, said passing these bills is an important step for Oregon's schools. "Schools have been overwhelmed by bureaucratic requirements that divert time and resources from the classroom," Yates said. "These bills are a



OSBA President-elect Kris Howatt shakes hands with Governor Kitzhaber before bill signing ceremony.

great example of Oregonians at all levels working together to make things better for students and teachers. The support from legislators and the governor has been tremendous."