This 2014 OSBA/COSA Legislative Report describes the bills enacted by the 2014 Oregon Legislative Assembly that affect public schools. It was prepared jointly by the Oregon School Boards Association and the Confederation of Oregon School Administrators, whose continuing collaboration ensure that the interests of board members and school administrators are at the forefront when state laws affecting public education are enacted.

Oregon public schools are represented full-time in Salem by Chuck Bennett from COSA and Jim Green, Lori Sattenspiel and Morgan Allen from OSBA.

We thank all those from school districts, education service districts and community colleges around the state who work with our Salem team to represent the interests of Oregon public school students. Our special thanks go to the school district, ESD and community college board members and administrators who contacted their legislators in person and by letter, phone, fax, e-mail and text message. Their response to our calls to action and their effective delivery of messages from home kept the pressure on at the Capitol and made success possible for OSBA and COSA on several important issues.

We look forward to a successful session in 2015.

Sincerely,

Betsy Miller-Jones
Executive Director
Oregon School Boards Association

Craig Hawkins
Executive Director
Confederation of Oregon School Administrators
### TABLE OF CONTENTS

OREGON 2014 LEGISLATIVE SESSION .......................................................... 1

BILLS ............................................................................................................. 2

### BILL INDEX

<table>
<thead>
<tr>
<th>HOUSE BILLS</th>
<th>SENATE BILLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB 4007</td>
<td>SB 1506</td>
</tr>
<tr>
<td>HB 4008</td>
<td>SB 1509</td>
</tr>
<tr>
<td>HB 4009</td>
<td>SB 1525</td>
</tr>
<tr>
<td>HB 4058</td>
<td>SB 1535</td>
</tr>
<tr>
<td>HB 4063</td>
<td>SB 1574</td>
</tr>
<tr>
<td>HB 4087</td>
<td></td>
</tr>
<tr>
<td>HB 4090</td>
<td></td>
</tr>
<tr>
<td>HB 4117</td>
<td></td>
</tr>
<tr>
<td>HB 4150</td>
<td></td>
</tr>
<tr>
<td>HB 4155</td>
<td></td>
</tr>
<tr>
<td>HB 4157</td>
<td></td>
</tr>
<tr>
<td>HB 5201</td>
<td></td>
</tr>
</tbody>
</table>
The voter-approved “Short Session” of the Legislature is generally confined to correcting mistakes made in legislation passed in the longer, regular session of the Legislature and dealing with state financial matters.

This session proved the exception to the rule, as legislators took on several hot topics including a new I-5 bridge across the Columbia River, marijuana, guns, distribution of proceeds from class action lawsuits and the aftermath of Cover Oregon’s unsuccessful roll out. But, for K-12 education, the short session stayed mainly focused on minor issues, with the biggest issue of the session centered on making technical changes to clarify the state’s interdistrict transfer law.

Missing from this session was what has seemed like an annual adjustment in K-12 funding brought on by the protracted recession. The message coming into the meeting was that Oregon’s economy is growing slowly and steadily. This was particularly good news, even though the state economic forecast moved closer to hitting growth figures that would trigger the state’s kicker for either individuals or corporations. It now appears very unlikely the unique kicker law, that returns tax revenues if economic growth beats certain predictions made by the state economist in advance of biennial budgeting, will be triggered under the latest budget projections.

COSA and OSBA began work during the legislative session concentrating on positions we will take during the regular 2015 Session. Mainly the work focused on positioning legislators on rolling up the State School Fund and adding additional dollars to it to pay for the anticipated addition of a full weight for kindergartners. Other issues on the horizon include proposals to change the state school funding formula to a hybrid of distribution and mandatory spending on specific student groups. Also on the docket is the sunset facing the Oregon Education Investment Board that will have to be addressed in 2015 if the board is to continue in operation.

Between now and the 2015 Session are the primary and general elections, where half the Senate and all of the House of Representatives could change. Most likely in play is control of the state Senate where at least two seats are predicted to be major contests. One is in the Corvallis/Albany district where appointed Sen. Betsy Close (R) is facing a major challenge from Rep. Sara Gelser (D), Chair of the House Education Committee for the past several sessions. The other closely watched contest is in the Ashland/Medford district held by Sen. Alan Bates (D), where he is facing a rematch with Republican Dave Dotterer. On the House side there are a number of interesting contests but a change in party control appears unlikely.
HB 4007: Interdistrict Transfer

Chapter 5, 2014, effective March 3, 2014

House Bill 4007 amends ORS 339.127 and section 2, chapter 655, Oregon Laws 2013, to make technical changes to address three areas of confusion raised by school districts regarding changes to interdistrict transfer law revisions passed during the 2013 Session.

Issue #1 – Students who have interdistrict transfers that expire after the 2013-14 school year. Districts are concerned about the ability of students to “maintain” transfer status going forward under the new provisions and want to ensure receiving districts have the ability to continue providing an education for their current interdistrict transfer students.

Change in HB 4007: Students who request an interdistrict transfer that begins in the 2014-15 school year may be given preference in a lottery process if they had a previous transfer with the same receiving district that was valid for the 2013-14 school year. In addition, if the sending district granted a transfer to that student during the 2013-14 school year, it cannot deny a request from the student to transfer to that same district in 2014-15.

The practical impact of this language is that receiving districts will have the ability to continue providing interdistrict transfers, and if necessary, give preference in lotteries to a student whose transfer expires at the end of the 2013-14 school year.

Issue #2 – Student mobility and mid-year moves: In many areas of the state there are significant numbers of students who are moving several times during the school year, which is considered disruptive to their education. Districts want to be able to allow students to finish a school year in their original school even if the residency of the family is now in a nearby or neighboring district.

Change in HB 4007: If a student’s district of residency changes during the school year, he or she may request an interdistrict transfer that is valid only to complete the remainder of the school year at his or her original district. Both the new resident district and the previous resident district are required to grant this type of transfer. The student also retains the option to seek a regular interdistrict transfer, attend school in his or her new district or pursue other avenues for transfer such as open enrollment.

Issue #3 – Who determines the length of the interdistrict transfer agreement? Currently, many transfers are valid for only one year.

Change in HB 4007: Beginning with transfers for the 2014-15 school year, the receiving district will determine the length of the interdistrict transfer. The sending district will only provide consent for, or denial of, the transfer. Additionally, once District A has granted consent for a student to attend District B, District A cannot deny a future renewal or extension of the transfer to the student in the same District B.

HB 4008: Extended Average Daily Membership Weighted (ADMw)

Chapter 6, 2014, effective July 1, 2014

House Bill 4008 amends ORS 327.026 and 327.297 to allow the Oregon Department of Education to receive extended average daily membership weighted (ADMw) funding for the educational programs the department operates for the youth corrections and juvenile detention programs. These programs are often referred to as YCPE for “Youth Corrections Education Program” and JDEP for “Juvenile Detention Education Program.”

HB 4009: Providence Child Center

Chapter 81, 2016, effective April 1, 2014

House Bill 4009 amends ORS 327.008, and 327.023 to establish the Pediatric Nursing Facility Account in the State School Fund. The bill continuously appropriates moneys in the account for the costs of educational services to students in pediatric nursing facilities. The bill provides that the Oregon Department of Education (ODE) is responsible for provision of educational services to students admitted to pediatric nursing facilities and for payment of costs for those services. The bill further allows ODE to pay for these education programs through the funds in the Pediatric Nursing Facility Account.

The bill defines a pediatric nursing facility as a skilled nursing facility that is licensed by the Department of Human Services and serves pediatric residents, of which 50 percent or more were admitted when they were 13 years of age or younger and 100 percent are 22 years of age or younger.

The Providence Child Center is currently the only program qualified as a residential pediatric nursing facility that offers educational services. It is located in Portland and can accommodate a maximum of 58 residents.

HB 4058: “40-40-20” Goals

Chapter 6, 2014, effective January 1, 2015

House Bill 4058 amends ORS 351.009 to make changes to “40-40-20.” Oregon has established an aggressive “40-40-20” goal: 40 percent of Oregonians will have a bachelor’s degree or higher, 40 percent will have a post-secondary credential or associate’s degree and 20 percent will earn a high school diploma. Concern has been raised that the definition
HB 4063: Common School Fund

Chapter 91, 2014, effective April 1, 2014

House Bill 4063 creates the Task Force on Statutory Common School Fund Loans to identify opportunities for making loans from the Common School Fund for financing projects that provide significant in-state economic benefits.

HB 4087: Task Force on School Safety

Chapter 93, 2014, effective April 1, 2014

House Bill 4087 creates the 14-member Task Force on School Safety charged with: (1) developing a request for proposals for hiring a vendor to create an Internet accessible database of floor plans for all schools within the state; and (2) examining models of existing school safety and incident response education and training programs for first responders and school administration officials. The task force is required to submit a report regarding the floor plan database to the Legislature by September 1, 2014.

HB 4090: Afterschool Meal and Snack Programs

Chapter 10, 2014, effective March 3, 2014

House Bill 4090 amends ORS 327.527 and 327.540 to make changes to Afterschool Meal and Snack program grants.

The Oregon Department of Education (ODE) is responsible for distributing funds related to the United States Department of Agriculture (USDA) School Lunch Program and the USDA Afterschool Meal and Snack Program. During the 2013 Session, ODE was given funding for grants related to the Afterschool Meal and Snack Program that could be used for programs to expand or help start a new program; grants were capped at $10,000. HB 4090 allows for grants up to $20,000 and gives the programs more flexibility for the use of these funds, including equipment upgrades, sanitation improvements and outreach materials or activities.

HB 4117: Grants for High-poverty Schools

Chapter 98, 2014, effective April 1, 2014

House Bill 4117 appropriates $500,000 from the General Fund to the Oregon Department of Education to provide grants to high-poverty schools with low student performance. Oregon’s No Child Left Behind waiver requires the state to identify “focus” and “priority” schools. In 2013, the state provided grants to these schools to help close academic achievement gaps. HB 4117 identifies an additional 19 schools that the waiver requires ODE to designate as “Other Title I and Targeted Other Title I Schools.” Each school will receive a grant of approximately $26,000 to provide summer learning programs.

HB 4150: Proficiency-based Education

Chapter 42, 2014, effective March 16, 2014

House Bill 4150 amends ORS 329.451 and 329.485 to clarify state law related to proficiency-based education. The 2011 Legislature passed House Bill 2220, which created confusion in school districts regarding grading and report cards. Misinterpretations about not being able to use attendance, homework or participation when calculating grades were a few of the problems.

Ultimately, the Oregon Department of Education concluded that HB 2220 required districts to create a separate yearly report to parents that could only be based on a student’s academic progress in relation to state standards. House Bill 4150 eliminates this requirement and clarifies that school districts may — but are not required to — use proficiency-based grading or education models. It also clarifies that each school district may decide the components of its grading system and report card.

HB 4150 includes a provision requiring districts that have made or are considering making the switch to proficiency education/grading to convene an advisory committee of teachers and staff to make recommendations to the superintendent related to the proficiency system (best practices, professional development, etc.) It is important to note these recommendations are advisory and do not bind the school board or superintendent. The bill also specifies the advisory committee does not need to be newly created. Any existing committee that includes teachers can be revised and repurposed for this work.

HB 4155: GASB 68

Chapter 105, 2014, effective April 1, 2014

House Bill 4155 amends ORS 238.610 to authorize the Public Employees Retirement System Board to establish procedures for recovering administrative costs from participating public employers for providing information or services needed for compliance with generally accepted accounting principles.
The Governmental Accounting Standards Board (GASB) has released new standards for how governments should report pensions on their books or income statements. The new reporting standards, GASB 68, should improve the transparency, consistency and comparability of pension information reported by state and local governments and pension plans.

HB 4157: Loans to School Districts

Chapter 107, 2014, effective April 1, 2014

House Bill 4157 authorizes the Superintendent of Public Instruction to provide interest free loans of up to $400,000 to financially troubled school districts that do not have sufficient reserve funds to bring the district’s general fund to a positive balance. Loans are made with State School Fund resources and the district’s future state school formula payments are reduced to repay the loan. The loan must be repaid within four years.

HB 5201: State Budget Reconciliation

Chapter 118, 2014, effective April 1, 2014

House Bill 5201 served as the omnibus budget reconciliation bill, often referred to as the “Christmas tree” bill, during the 2014 Session. It included several significant investments in the K-12 budget, including: an additional $2 million for the Career and Technical Education (CTE) Revitalization Grant; an additional $4.4 million for student assessments, with $2 million of this total to be paid directly to school districts for formative and interim assessment tools; $1 million in additional funding for Long-term Care and Treatment programs; and an increase of $3.5 million for Local Option Equalization Grants.

SB 1506: Interstate Military Compact

Chapter 110, 2014, effective January 1, 2015

Senate Bill 1506 authorizes Oregon to join the Interstate Compact on Educational Opportunity for Military Children and establishes the Oregon State Council for Educational Opportunity for Military Children.

SB 1509: Native American Mascots

Chapter 43, 2014, effective March 6, 2014

Senate Bill 1509 amends ORS 332.075 to allow district school boards to enter into a written agreement with federally recognized Native American tribes in Oregon to identify acceptable names, symbols or images of school mascots that represent or are associated with a Native American tribe, to identify behavior expectations at athletic events and to identify required training on cultural diversity. The bill requires an agreement be reached between one of the nine federally recognized Native American tribes and a district school board to describe acceptable use for a mascot or images that are closely associated with a tribe. The bill also requires the State Board of Education to approve any agreement with nine federally recognized Native American tribes no later than January 1, 2017.

SB 1535: Investment Pools

Chapter 18, 2014, effective March 3, 2014

Senate Bill 1535 amends ORS 294.035 and 294.810 to clarify the language that limits the investment of local funds to a statutory investment pool. The bill also authorizes the State Treasurer to require local or tribal governments to enter into an investment agreement as condition of placing funds in an investment pool.

SB 1574: Dual Credit Programs

Chapter 23, 2014, effective January 1, 2015

Senate Bill 1574 amends ORS 340.310 to clarify legislation passed in 2013 that requires the Higher Education Coordinating Commission to develop statewide standards for dual credit programs. The original legislation did not specify the grade level for which the standards were to be designed. The bill specifies that the standards are to be created for students in grades 9-12.
For more information on these bills, go to OSBA’s Legislative and Advocacy Resources at www.osba.org/legnan

Some laws enacted by the legislature require changes to policy. OSBA has created sample policies to help you make these changes.

Contact Policy Services, 800-578-6722 or 503-588-2800 or go to www.osba.org/policyservices.