

2012 OSBA/COSA

LEGISLATIVE REPORT



 OREGON
SCHOOL
BOARDS
ASSOCIATION

COSA

CONFEDERATION
OF OREGON SCHOOL
ADMINISTRATORS

April 2012



P.O. Box 1068
Salem, OR 97308
1201 Court St. NE
Salem, OR 97301
503-588-2800
800-578-OSBA
www.osba.org

This *2012 OSBA/COSA Legislative Report* describes the bills enacted by the 2012 Oregon Legislative Assembly that affect public schools. The Oregon School Boards Association and the Confederation of Oregon School Administrators prepared the report jointly as part of a continuing collaboration to ensure that the interests of board members and school administrators come to the forefront when the legislature contemplates laws that affect public education.

Chuck Bennett from COSA, and Lori Sattenspiel and Morgan Allen from OSBA, represent Oregon public schools in Salem full-time.

We thank all the representatives of school districts, education service districts and community colleges around the state who worked with our Salem team to press the interests of Oregon's public school students. Our special thanks go to the hundreds of administrators and board members from school districts, ESDs and community colleges who contacted their legislators in person, by letter, phone, fax and e-mail. Their response to our calls to action and their effective delivery of messages maintained the pressure on legislators and made success possible for OSBA and COSA on several important issues.

We look forward to a successful legislative session in 2013.



CONFEDERATION
OF OREGON SCHOOL
ADMINISTRATORS

Sincerely,

A handwritten signature in black ink that reads "Betsy Miller-Jones".

Betsy Miller-Jones
Interim Executive Director
Oregon School Boards Association

A handwritten signature in black ink that reads "Craig Hawkins".

Craig Hawkins
Executive Director
Confederation of Oregon School
Administrators

Suite 100
707 13th St. S.E.
Salem, OR 97301
503-581-3141
www.cosa.k12.or.us

TABLE OF CONTENTS

BILL INDEX iii

OREGON 2012 LEGISLATIVE SESSION 1

FINANCE BILLS 3

PROGRAM BILLS..... 4

PERSONNEL BILLS 5

OPERATIONS BILLS 6

COMMUNITY COLLEGE BILLS 8

Note:

At the time of this printing, the governor has not yet signed all the bills that the legislature enacted or issued all the applicable Chapter Laws.

BILL INDEX

SENATE BILLS

SB 1504	Page 5
SB 1533	6
SB 1538	8
SB 1548	5
SB 1555.....	4
SB 1566.....	6
SB 1579	3
SB 1580.....	5
SB 1581.....	7
SB 5701	3
SB 5702.....	3

HOUSE BILLS

HB 4013	Page 4
HB 4014	6
HB 4015	6
HB 4016	4
HB 4056.....	4
HB 4058	8
HB 4059	8
HB 4063	5
HB 4077	4
HB 4091	5
HB 4164	5
HB 4165	6
HB 5201	3
HB 5202	3

Oregon's first official Annual Session adjourns; schools spared cuts

On Monday, March 5, the 2012 Legislative Session adjourned with a bipartisan budget agreement that includes no cuts to K-12 funding. This is a great victory for board members, school administrators and public education advocates. Their lobbying efforts convinced legislative leaders to hold schools harmless, even while state revenues continue to decline.

The state budget and education funding

Education funding took center stage throughout the recently completed, first-ever annual session of the state legislature. The session began, as most meetings of the legislature do, with uncertainty over the Oregon economy and how it would affect state revenues. Rumors had the tax proceeds up, down and flat. Flat won. Generally, lawmakers were able to avoid dealing with what some expected to be additional deep cuts in every aspect of state spending. The 2011 state budget cut 3.5 percent for most state programs; some people hoped the legislature would restore this funding for community colleges in February. While K-12 suffered no cuts at all, the legislature affirmed the 3.5-percent hold-back for community colleges, and their final budget came in at \$395 million dollars.

In more positive budget news, the legislature also created the Oregon Local Disaster Assistance Loan and Grant Account. This change opens the door for loans and grants to school districts in federally-declared disaster areas to help rebuild. The expectation is that the Vernonia School District will be the first to apply for help through this process. And before the

legislature adjourned 34 days after the opening gavel, it added another \$2.5 million for the School District Collaboration Grant to the state school fund amount for the 2012-13 school year. Despite no more cuts to schools, the harsh reality remained that K-12 funding stayed flat for this biennium, despite substantial inflation in district costs.

Education reform and achievement compacts

While legislators worked out the plan to rebalance the state budget, the big news was Governor John Kitzhaber's more detailed plan for K-12 education reform found in SB 1581. It more clearly outlined the new Chief Education Officer's job description and set the stage for local adoption of the new "achievement compacts" with school districts, ESDs and community colleges. The compacts, which serve as the centerpiece to Oregon's request for a federal waiver of the No Child Left Behind Act, enable local districts to set achievement targets.

Health insurance for employees

Passage of the governor's education bill became part of larger end-of-session negotiations that led in part to passage of HB 4164, which creates the opportunity for districts currently under OEBC to opt out beginning in October 2015. They may then be able to purchase insurance from the Oregon Health Insurance Exchange Corporation, created in another of the governor's successful pieces of transformative legislation.

Continued

Bi-partisan legislative politics

Overall, the politics of the House, divided evenly with 30 Republicans and 30 Democrats, and the Senate with its 16-14 Democratic majority, were muted. This is especially meaningful in light of the fact that the 2012 legislature passed all the governor's major pieces of legislation on health care and education legislation, and produced a rebalanced state budget. Coming so soon before a November general election that promises to be one of the most hotly contested in memory, the legislature deserves praise for truly bi-partisan efforts. Special credit for the political success of the session goes to Senate President Peter Courtney, House Co-Speakers Arnie Roblan and Bruce Hanna and budget-writing Ways and Means Co-chairs Sen. Richard Devlin, Rep. Dennis Richardson and Rep. Peter Buckley.

Mandate relief and a potpourri of education bills

A modest list of bills passed during the session. The details appear in this report. One bill that deserves special mention is HB 4014, a catch-all bill that dealt with a range of topics from

the next phase of COSA- and OSBA-championed mandate-relief issues to changes needed to allow ESD board members to remain on the board even if their school district withdraws from the ESD. The bill also sets attendance requirements for five- and six-year-olds enrolled in public school.

A batch of other new laws also gained approval—guidance on lead paint, opposition to teen dating violence and requirements that employees of institutions of higher education, public and private organizations providing services to kids, and coaches and trainers become mandatory reporters of child abuse. Proposals to ban concealed weapons in public schools, put detailed teacher and administrator evaluations into statute, and provide additional relief to districts struggling to cover increased PERS costs received intense debate but ultimately failed.

All in all, the session was a good one for K-12. Legislation needed to meet requirements for the NCLB waiver passed, no school support was cut, and no new major cost burdens were added.

FINANCE BILLS

HB 5201: State bonding

House Bill 5201 will provide close to \$10 million dollars in funding for capital construction projects at all 17 of Oregon's community colleges. The bond proceeds can be used to pay for projects related to STEM and career/technical/vocational programs. The bill contains a caveat: the bonds are not to be issued until a report from the State Debt Policy Advisory Council Commission (due by Feb. 1, 2013) confirms that the bonds will not exceed the debt capacity of the state. The bill also contains bonding provisions for higher education and other sectors in state government.

HB 5202: Capital construction

House Bill 5202 details the specific construction projects approved at Oregon's community college campuses related to STEM and career/technical/vocational programs; funding for the projects will be provided by bonding approved in HB 5201.

SB 1579: Program change bill

House Bill 1579 implements the statutory changes necessary to balance the budget and implement the bi-partisan budget agreement reached during the 2012 Session.

The bill contains two notable items for schools. First, it contains the statutory language necessary to extend the Small School District Supplement Fund through the 2012-13 school year. Second, it establishes the Oregon Local Disaster Assistance Loan and Grant Account and makes it part of the Oregon Disaster Response Fund. This change opens the door for loans and grants to be made to school districts to help rebuild in federally-declared disaster areas. The expectation is that the Vernonia School District will be the first to apply for help through this process.

SB 5701: State budget reconciliation

Senate Bill 5701 is an omnibus budget bill that contains the necessary provisions to reconcile and rebalance the state budget; it implements the bi-partisan budget agreement reached by the legislature. Community college advocates entered the session hoping the legislature would release approximately \$14.5 million dollars "held back" in their budget (3.5 percent of many state budgets were not allowed to be spent). The legislature did not release any of this money for community colleges, and the bill finalizes a total of \$395.5 million in funding for community colleges during the biennium.

Several programs administered through the Oregon Department of Education had not been subject to the 3.5-percent hold-back; the bill extended the hold-back to six programs (notably \$175,000 was cut from the School District Collaboration Grant passed as part of SB 252 during the 2011 session).

For K-12 education, the legislation included a \$2.5-million increase to the State School Fund (SSF) to cover the cost of extending the Small School District Supplement Fund through the 2012-13 school year. The Employment Relations Board (ERB) was also funded for the 2012-13 fiscal year from the General Fund.

SB 5702: Lottery proceeds

Senate Bill 5702 adjusts payments of lottery funds to mandated and discretionary programs and functions. State lottery proceeds have fallen off from revenue projections, resulting in approximately \$2.8 million less in funds available for K-12 schools. House Bill 5701 adds \$2.8 million from the General Fund back to the State School Fund to offset this loss. This results in no net impact to K-12 funding.

PROGRAM BILLS

HB 4013: Accelerated learning

*Chapter 10, (2012 Laws):
Effective on July 1, 2012.*

House Bill 4013 is intended to help school districts access information on accelerated learning options (college level courses) at the high school level. The bill directs the Superintendent of Public Instruction to make accelerated option information available on the Oregon Department of Education's website and to send available information about these options to high schools that offer these courses in three or fewer subjects.

HB 4016: Mandatory reporting

Oregon state law requires all public school employees (and members of many other professions) to make reports to law enforcement or the Department of Human Services if they have reasonable cause to suspect abuse or neglect of a child. House Bill 4016 expands the categories of employees that are considered "mandatory reporters" of child abuse by adding:

- Employees of higher education institutions (OUS, community colleges, et al.)
- Employees of public or private organizations providing child-related services or activities to youth groups or centers, scout groups or camps, summer or day camps, survival camps or groups
- Employees of centers or camps that are operated under the guidance, supervision or auspices of religious, public or private educational systems or community service organizations
- Coaches, assistant coaches or trainers of amateur, semiprofessional or professional athletes, if compensated and if the athlete is a child

The bill *does not* make school volunteers mandatory reporters.

HB 4056: STEM Task Force (Science, Technology, Engineering and Mathematics)

Increased student participation in STEM education (Science, Technology, Engineering and Mathematics) has become a recurring topic of discussion in the legislature. House Bill 4056 creates a 16-member "Task Force on STEM Access and Success." The task force is required to develop strategies to encourage students to participate in STEM-related courses and issue a report, with recommendations, to the interim legislative committees on education by October 1, 2012.

HB 4077: Teen dating violence

Teen dating violence is on the rise and was heavily discussed during the 2011 Session, but ultimately no bill was passed. House Bill 4077 attempts to address teens in a dating relationship and issues of violence in that dating relationship. The bill directs each school district to adopt a teen dating violence policy that must: state teen dating violence is unacceptable and prohibited; incorporate age-appropriate education for students in grades seven through 12; establish response procedures for school employees; identify by job title school officials who are responsible for receiving reports; and notify students and parents of the district's teen dating policy. Currently, districts are required to put a harassment policy in place, along with procedures for investigating reports of violence. An adjustment to the current policy will need to take place, as well as a review of the existing curriculum, to ensure it includes education tools related to prevention of violence in dating relationships.

SB 1555: Cyberbullying

*Chapter 57, (2012 Laws):
Effective on July 1, 2012*

Senate Bill 1555 *requires* school employees to report to the appropriate school official acts of "harassment, intimidation or bullying," including cyberbullying. The bill requires a district to adopt a policy and have procedures in place for reporting and investigating such acts. *Current* bullying and harassment policies that districts have in place will need some minor adjustments to comply with the changes in this bill.

PERSONNEL BILLS

HB 4063: Military training

*Chapter 43, (2012 Laws):
Effective date March 16, 2012*

Increasing job opportunities for returning veterans is a high priority for the legislature. House Bill 4063 will help veterans of military service utilize their military training toward various professional licenses. Under this bill, several state licensing agencies will have the discretion to substitute military training or experience for current prerequisites or requirements for purposes of registration, licensure or certification to practice a number of professions and trades. Specific to K-12 education, HB 4063 allows the Teacher Standards and Practices Commission to substitute military training and experience for current teaching requirements (bachelor's degree, teacher training program, etc.)

HB 4091: Background checks

House Bill 4091 requires the Department of Administrative Services (DAS) to convene a workgroup to look at the processes and procedures that state agencies use to conduct background checks (including the Department of Education). The workgroup will make recommendations regarding a *centralized* system for performing criminal records checks, rather than allow agencies to do their own various levels of background checks. The bill requires DAS to report to the legislature on the workgroup's recommendations by November 2012.

HB 4164: Health Insurance Exchange

*Chapter 38, (2012 Laws):
Effective on March 8, 2012*

As any public employer knows, providing high-quality and affordable health insurance coverage for their employees is difficult in the face of constantly rising premium costs. The state estimates that 636,000 Oregonians

are uninsured, further exacerbating the challenges of our health care system.

In 2011, the legislature enacted Senate Bill 99, which established a public corporation to administer the Oregon Health Insurance Exchange (ORHIX).

House Bill 4164 will allow individuals and small businesses to shop for health insurance through ORHIX, pending federal waivers and approval. In the final days of the 2012 session, the bill was amended to allow school districts, ESDs and community colleges to purchase their insurance plans from the Oregon Health Insurance Exchange Corporation (ORHIX) or OEBC, beginning in October 2015.

SB 1504: Cancellation of insurance notices

*Chapter 24, (2012 Laws):
Effective on March 5, 2012*

This bill may apply to districts that self-insure. Senate Bill 1504 will add clarification to state law due to federal laws dealing with the Patient Protection and Affordable Care Act (PPACA). The bill exempts the insurer from providing a second requirement to send notice of cancellation of a health benefit plan if the cancellation is due to continued nonpayment of premiums. It modifies the definition of grievance and filing procedures, and includes some additional law modifications. The bill makes changes *retroactive* to June 23, 2011.

SB 1548: Job vacancy posting

*Chapter 85, (2012 Laws):
Effective date, March 27, 2012*

Chronic unemployment is a very real problem across Oregon. Senate Bill 1548 prohibits an employer and employment agencies from publishing a job vacancy announcement that requires the applicant to be "currently employed" in order to be considered for the job. The measure applies to both print and web-based advertisements for

Oregon-based job vacancies. Violation of this law would be considered an unlawful practice and carries a civil penalty of up to \$1,000 per violation (ORS 659A.855).

Employers may still list the qualifications for a vacancy in a job posting (e.g., education, training, licenses, permits, etc.); employers may still limit applicants to current employees.

SB 1580: Healthcare transformation

*Chapter 8, (2012 Laws):
Effective on March 2, 2012*

This bill is a part of Governor Kitzhaber's Healthcare Transformation package. The new structure, called Coordinated Care Organizations (CCO), will replace Medicaid by 2017. CCOs will be designed to care for a patient's physical, mental and dental care via patient-centered programs.

Why the need for a change? Medicaid expenditures are outpacing revenues. The Medicaid population has grown by 200,000 in the past five years due to the federal Medicaid reforms. The transformation is designed to improve the patient experience and improve overall health. Oregon is counting on saving \$239 million in the first year of operation. Discussions will continue to determine if OEBC and PEBC will also be swept into this design in the coming years.

OPERATIONS BILLS

HB 4014: Mandate relief and education omnibus

This is a combination of two bills; the “mandate relief bill” and the “education omnibus bill.” House Bill 4014 is part of COSA’s and OSBA’s efforts to provide “mandate relief” to school districts and ESDs; the bill gets rid of 10 more mandates. It also contains several technical fixes to education bills passed in 2011 and adds a provision that five- and six-year-olds in kindergarten and first grade must maintain regular attendance while enrolled in school.

The bill does the following:

- Abolishes the District Best Business Practices Advisory Committee and best business practice audits
- Removes the requirement for the State Board of Education (SBE) to mediate resolution between a school district board and an applicant for a public charter school
- Eliminates mandatory observations of Arbor Week, History of Oregon Statehood Week and Women in History Week
- Allows school districts to adopt or use textbooks or other instructional materials in place of or in addition to those adopted by SBE without giving prior notice to SBE
- Allows a school board to adopt a class schedule that operates throughout the year
- Removes the requirement specifying how school districts implement academic excellence recognition programs
- Allows education service district (ESD) board members to complete their term when a member district withdraws from the ESD

- Requires five- and six-year-olds in public school to maintain regular attendance (truancy statutes apply to students enrolled under the age of seven)
- Requires the State Board of Education to encourage increased learning time
- Resolves implementation date conflict for new teacher evaluation standards (SB 290, 2011 session)
- Removes sunset on Teacher Standards and Practices Commission (TSPC) “Letter of Reapproval” program
- Reestablishes Task Force on Accountable Schools
- Delays implementation of proficiency-based legislation (HB 2220, 2011 session) until July 1, 2013.

HB 4015: Lead-based paint

*Chapter 11, (2012 Laws):
Effective on January 1, 2013*

House Bill 4015 seeks to provide information about the dangers of exposure to lead-based paint in public schools by requiring the Oregon Health Authority (OHA) to develop a lead poisoning prevention clearinghouse on its website to provide information about the health risks associated with lead-based paint. The clearinghouse must include the following information: common sources of exposure to lead, adverse health effects from exposure, tips on preventing exposure to lead, and a list of the state’s laws and rules relating to lead-based paint.

HB 4165: Early Learning Council

*Chapter 37, (2012 Laws):
Effective on March 6, 2012*

Another piece of Governor Kitzhaber’s attempt to create a seamless “PreK-20”

education system, House Bill 4165, will require the Early Learning Council (ELC) to develop a plan to restructure early childhood programs for young children and at-risk kids.

The bill would require the new council (ELC) to come up with a plan by the fall of 2012 to restructure programs and change the way the state funds programs for young children and their families, particularly low-income children and those otherwise at-risk.

SB 1533: Public contracting

*Chapter 83, (2012 Laws):
Effective date, January 1, 2013*

Senate Bill 1533 expands what is considered “green technology” for public construction purposes. Currently, the law requires some public monies spent on renovations of public buildings to be used for green technology (at least 1.5 percent). This bill expands the list of projects that could be counted toward the 1.5-percent green technology expenditure to include geothermal electricity generation or the direct use of geothermal energy.

SB 1566: Seismic risk in public school buildings

*Chapter 61, (2012 Laws):
Effective date, July 1, 2012*

Senate Bill 1566 requires the Department of Geology and Mineral Industries (DOGAMI) to make available to the public a website with data and information related to the seismic risk each public school faces. Information about how to access this website will also appear on the school and district report cards.

If a school district builds a new school, or conducts seismic upgrades for school buildings, the district must notify DOGAMI of the changes so they can be added to the statewide

Continued

database. Districts and ESDs may also provide information related to seismic assessments and risks to parents at their discretion.

SB 1581: Achievement compacts

Chapter 36, (2012 Laws):

Effective date, March 6, 2012

During the 2012 session, the Oregon legislature passed Senate Bill 1581, which authorizes the Oregon Education Investment Board (OEIB) to require school districts, education service districts, community colleges and other institutions of higher education to enter into “achievement compacts” with the state. The bill was the centerpiece of Governor Kitzhaber’s continuing efforts to create a seamless “PreK-20” education system in Oregon.

The OEIB unanimously approved the achievement compacts at its March meetings. Beginning with the 2012-13 school year, districts and ESDs must enter into compacts with the state.

The compacts include several key outcomes and measures of student progress:

- Four- and five-year cohort graduation rates
- Five-year completion rates (all diplomas, GEDs)
- Post-secondary enrollment
- Third-grade reading and math proficiency, as measured by OAKS
- Sixth-grade attendance (90 percent or better)
- Ninth-grade on track (entering 10th grade with six credits and 90-percent attendance)
- Students graduating from high school with nine or more college credits (or equivalent)

For more detailed information about the achievement compacts, visit:

www.osba.org/oeib

COMMUNITY COLLEGE BILLS

HB 4058: Higher education textbook costs

The high cost of textbooks can often make or break a student's ability to pay for higher education. House Bill 4058 directs the Higher Education Coordinating Commission (HECC) to study and recommend cost-saving strategies to help students in Oregon's community colleges and universities afford textbooks. Recommendations are due back to the legislature by November 1, 2012.

SB 1538: Higher Education Coordinating Commission

Senate Bill 1538 is a technical fix bill to implement the recommendations of an interim work group to clarify the role of the Higher Education Coordinating Commission in relation to the Oregon Education Investment Board (OEIB). The Commission serves under the OEIB and will have authority over dual credits, transfer credits and, beginning in 2013, licensing of private career schools.

HB 4059: Credit for prior learning

The legislature has expressed a desire to increase opportunities for Oregonians to receive academic credit for previous learning, military service and life experiences. House Bill 4059 requires the Higher Education Coordinating Commission to work with Oregon's post-secondary system (public and private) to identify opportunities for students to be granted academic credits for prior learning experiences. The bill also requires the commission to investigate and report to the legislature about expanding online post-secondary learning opportunities through Western Governors University. Recommendations are due by November 2012.

**For more information on these bills,
go to OSBA's Legislative Bill Tracker at
www.osba.org/legnan**

**OSBA HELPS IDENTIFY AND IMPLEMENT
POLICY CHANGES REQUIRED BY NEW LEGISLATION.**

Some of the laws enacted by the 2012 Legislature require school districts, education service districts and community colleges to make policy changes. The Oregon School Boards Association has created sample policies to help you make these changes. For more information, contact OSBA Policy Services, 800-578-6722 or 503-588-2800.



P.O. Box 1068
Salem, OR 97308
1201 Court St. NE
Salem, OR 97301
503-588-2800
800-578-OSBA
www.osba.org



Suite 100
707 13th St. S.E.
Salem, OR 97301
503-581-3141
www.cosa.k12.or.us

CONFEDERATION
OF OREGON SCHOOL
ADMINISTRATORS