

Enrolled
House Bill 2246

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Joint Interim Committee on Judiciary for Office of Legislative Counsel)

CHAPTER

AN ACT

Relating to correction of erroneous material in Oregon education law; creating new provisions; amending ORS 12.270, 291.228, 326.111, 327.101, 327.109, 327.137, 327.485, 327.500, 328.351, 329.170, 329.200, 329.228, 329.765, 329.905, 329.930, 330.095, 330.101, 330.425, 332.030, 334.293, 336.035, 336.067, 336.145, 336.179, 337.288, 338.035, 338.055, 338.075, 339.115, 339.254, 339.327, 339.353, 339.520, 342.135, 342.165 and 342.360 and section 154, chapter 45, Oregon Laws 1993; repealing ORS 334.270, 339.325 and 343.149; and declaring an emergency.

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

SECTION 1. ORS 12.270 is amended to read:

12.270. On September 13, 1975, any proceeding that establishes or alters the boundaries of a governmental subdivision previously or hereafter initiated and purported to be effected in accordance with applicable legal requirements shall be conclusively presumed valid for all purposes one year after the purported effective date of the action. No direct or collateral attack on the action may thereafter be commenced. This statute of limitations includes but is not limited to the following proceedings:

- (1) Formations and change of organizations under ORS 198.705 to 198.955.
- (2) Boundary changes under ORS 199.410 to 199.519.
- (3) Consolidations under ORS 199.705 to 199.795.
- (4) Incorporations under ORS 221.010 to 221.090.
- (5) Annexations under ORS 222.111 to 222.180, 222.750 and 222.840 to 222.915.
- (6) Consolidations under ORS 222.210 to 222.310.
- (7) Withdrawals and transfers of territory under ORS 222.510 to 222.580.
- (8) Mergers under ORS 222.610 to 222.710.
- (9) Formations and changes under ORS chapter 261.
- (10) Alterations, changes, mergers and consolidations under ORS 330.080 to 330.123, 330.505 to 330.780 (1989 Edition)[,] **and** 335.490 to 335.505 [*and ORS chapter 333 (2001 Edition)*].
- (11) Alterations, changes, mergers and consolidations under ORS chapter 333 commenced before July 1, 2003.**

[(11)] (12) Formations and boundary changes under ORS 341.025 to 341.125 and 341.565 to 341.575.

[(12)] (13) Organizations and boundary changes under ORS 545.002 and 545.025 to 545.043, 545.051 to 545.105, 545.109, 545.123, 545.126 and 545.131.

[(13)] (14) Formations and boundary alterations under ORS 547.005 to 547.060 and 547.250 to 547.260.

[(14)] (15) Formations and organizations under ORS chapter 551.

SECTION 2. ORS 291.228 is amended to read:

291.228. (1) The Governor shall publish a report that:

(a) Demonstrates that the amount [*within*] **in** the Governor's budget [*appropriated*] **recommended** for the state's system of kindergarten through grade 12 public education is the amount of moneys as determined by the Quality Education Commission established by ORS 327.500 that is sufficient to meet the quality goals; or

(b) Identifies the reasons that the amount [*appropriated*] **recommended** for the state's system of kindergarten through grade 12 public education is not sufficient, the extent of the insufficiency and the impact of the insufficiency on the ability of the state's system of kindergarten through grade 12 public education to meet the quality goals. In identifying the impact of the insufficiency, the Governor shall include in the report how the amount [*appropriated*] **recommended** in the Governor's budget may affect both the current practices and student performance identified by the commission under ORS 327.506 (4)(a) and the best practices and student performance identified by the commission under ORS 327.506 (4)(b).

(2) The Governor shall [*identify in the report*] **determine** whether the state's system of post-secondary public education has quality goals established by law. If there are quality goals, the Governor shall include in the report a determination that the amount [*appropriated*] **recommended** in the Governor's budget is sufficient to meet those goals or an identification of the reasons the amount [*appropriated*] **recommended** is not sufficient, the extent of the insufficiency and the impact of the insufficiency on the ability of the state's system of post-secondary public education to meet the quality goals.

(3) The report shall be issued at the same time as the Governor's budget report required under ORS 291.202.

(4) The Governor shall provide public notice of the report's issuance, including posting the report on the Internet and providing a print version of the report upon request.

SECTION 3. ORS 326.111 is amended to read:

326.111. (1) The Department of Education **is created and** shall function under the direction and control of the State Board of Education with the Superintendent of Public Instruction serving as an administrative officer for public school matters.

(2) The Department of Education shall consist of:

(a) Agencies and officers that are added by law to the Department of Education; and

(b) The administrative organizations and staffs required for the performance of the department's functions.

(3) All administrative functions of the State Board of Education shall be exercised through the Department of Education, and the department shall exercise all administrative functions of the state relating to supervision, management and control of schools not conferred by law on some other agency.

SECTION 4. ORS 327.101 is amended to read:

327.101. (1) [*For*] **Each** fiscal [*years beginning on or after July 1, 1993*] **year**, the distribution to a school district under ORS 327.008 and 327.013 shall be adjusted to fully reflect the difference between the apportionment due to the district for the prior fiscal year under ORS 327.008 and 327.013, and the amounts actually distributed to the district in the prior fiscal year under ORS 327.008, 327.013 and 327.099. The adjustment shall be made to the May 15 apportionment to the district.

(2) No consideration shall be made in the adjustment made under subsection (1) of this section for any penalties, forfeitures or additional receipts of State School Fund moneys, except when expressly directed by law.

(3) An amount of funds equal to the sum of all negative adjustments made to the May 15 apportionment under subsection (1) of this section shall be appropriated to the Department of Education for purposes of funding positive adjustments required under subsection (1) of this section in the same fiscal year.

(4) If the amounts available under subsection (3) of this section are either not sufficient or exceed the adjustments to districts required under subsection (1) of this section, the Superintendent of Public Instruction shall recalculate the funding percentage in ORS 327.013 (2) to distribute as nearly as practicable the total sum available for distribution.

SECTION 5. ORS 327.109 is amended to read:

327.109. (1) Upon receipt from a citizen of Oregon of a complaint that on its face is colorable that a school district or public charter school [*is a district or public charter school that*] sponsors, financially supports or is actively involved with religious activity, the Superintendent of Public Instruction or the superintendent's designated representative shall undertake promptly a preliminary investigation of the facts alleged in the complaint.

(2) If, after the preliminary investigation, the superintendent finds that there is a substantial basis to believe that the school district or public charter school [*is a district or public charter school that*] sponsors, financially supports or is actively involved with religious activity, the superintendent shall:

(a) In the case of a school district:

(A) Notify the complainant and the school district;

(B) Withhold immediately all funds due the school district under ORS 327.095; and

(C) Schedule a contested case hearing to be conducted in accordance with ORS 183.413 to 183.470.

(b) In the case of a public charter school:

(A) Notify the complainant, the public charter school, the school district in which the public charter school is located and the sponsor of the public charter school;

(B) Withhold immediately all funds for the public charter school that, pursuant to ORS 338.155, are due under ORS 327.095 to the school district in which the public charter school is located;

(C) Order the school district in which the public charter school is located to withhold immediately all funds due the public charter school under ORS 338.155; and

(D) Schedule a contested case hearing to be conducted in accordance with ORS 183.413 to 183.470.

(3)(a) In the case of a school district if, after the preliminary investigation, the superintendent finds that there is no substantial basis to believe that the school district [*is a district that*] sponsors, financially supports or is actively involved with religious activity, the superintendent shall notify the complainant and the district of that finding and shall not withhold funds due the district under ORS 327.095 or schedule a hearing.

(b) In the case of a public charter school if, after the preliminary investigation, the superintendent finds that there is no substantial basis to believe that the public charter school [*is a school that*] sponsors, financially supports or is actively involved with religious activity, the superintendent shall notify the complainant, the public charter school, the school district in which the public charter school is located and the sponsor of the public charter school of that finding and shall not schedule a hearing or withhold funds for the public charter school that, pursuant to ORS 338.155, are due under ORS 327.095 to the school district in which the public charter school is located. The superintendent shall also order the school district in which the public charter school is located not to withhold funds due the public charter school under ORS 338.155.

(4) During the preliminary investigation, the school district or public charter school shall cooperate to a reasonable degree with the superintendent and provide any [*and all*] evidence that the superintendent considers necessary for the investigation. If the school district or public charter school fails or refuses to cooperate to a reasonable degree with the superintendent during the investigation, the superintendent shall presume that there is a substantial basis to believe that the school district or public charter school [*is a school district or public charter school that*] sponsors, financially supports or is actively involved with religious activity and shall proceed as provided in subsection (2) of this section.

(5) If the superintendent makes a finding under subsection (2) or (4) of this section, the school district or public charter school shall receive no funds under ORS 327.095 or 338.155 from the date

of the superintendent's finding until the superintendent finds that the school district or public charter school is no longer sponsoring, financially supporting or actively involved with religious activity.

(6) The funds withheld under this section shall be held in an escrow account and shall be removed from that account only as follows:

(a) If the superintendent determines, after a contested case hearing, or a court on appeal rules, that the school district or public charter school never sponsored, financially supported or was actively involved with religious activity, the entire amount, including interest thereon, in the escrow account shall be released to the school district or public charter school.

(b) If the superintendent determines, after a contested case hearing, or a court on appeal rules, that the school district or public charter school sponsored, financially supported or was actively involved with religious activity in the past but has ceased to do so, that portion of the amount, including interest thereon, in the escrow account that accrued to the school district or public charter school after the school district or public charter school ceased the proscribed conduct shall be paid to the school district or public charter school. Any amount, including interest thereon, permanently withheld from the school district or public charter school shall revert to the State School Fund or to the General Fund, if the biennium has ended.

(c) If the school district or public charter school does not cease the proscribed conduct by the beginning of the next school year, the superintendent shall notify the State Treasurer who shall cause the amount in the escrow account, including interest thereon, to revert to the State School Fund or to the General Fund, if the biennium has ended.

(7) If the superintendent schedules a contested case hearing, as provided in subsection (2) of this section, the superintendent may conduct such further investigation of the facts relevant to the complaint as the superintendent considers necessary. In conducting the investigation, the superintendent shall have the power of subpoena to compel production of documents and attendance of witnesses at depositions and may do all things necessary to secure a full and thorough investigation.

(8) If a person or school district or public charter school fails to comply with any subpoena issued under subsection (7) of this section, a judge of the circuit court of any county, on application of the superintendent, shall compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from circuit court.

SECTION 6. ORS 327.137 is amended to read:

327.137. Every common or union high school district shall file a copy of its audit statement with the Department of Education within six months of the end of the fiscal year for which the audit is required. If the audit report, as submitted to the district, fails to provide the detail necessary for the computation required in the administration of ORS 327.006 to 327.133, 327.731, 328.542[, 334.270,] **and** 530.115 and this section, the district shall submit the necessary information on forms provided by the department within the time prescribed for filing the audit in this section. Any district failing to file a copy of its report under this section or ORS 327.133 shall not receive any payments from the State School Fund until such reports are filed.

SECTION 7. ORS 327.485 is amended to read:

327.485. (1) The Education Cash Account of the General Fund consists of all moneys made available to the Department of Education by:

(a) Charitable and philanthropic foundations, organizations and agencies[, *which*] **if the moneys** have not been dedicated for specific use by requirements of other sections of Oregon Revised Statutes;

(b) Miscellaneous receipts;

(c) Collection of fees from sale of supplies and publications compiled and furnished by the Department of Education and distributed or sold to other persons or groups;

(d) Funds received as gifts, contributions and bequests for professional technical education and moneys received as reimbursements for funds theretofore expended;

[(e) Moneys received through issuance fees from graduate equivalency certificates;]

~~[(f)]~~ (e) Moneys received through charges to grants, contracts and other funds for indirect costs; and

~~[(g)]~~ (f) Any other nondedicated moneys received by the Department of Education for which the Legislative Assembly has established an administrative funds limitation.

(2) The provisions of this section do not relieve the department of its responsibilities to separately account for moneys received as trust funds.

(3) Disbursements from the Education Cash Account shall be made as directed by the Department of Education. The department shall keep a record of all moneys deposited in such account. The record shall indicate by separate cumulative accounts the source from which the moneys are derived and the individual activity against which each withdrawal is charged.

SECTION 8. ORS 327.500 is amended to read:

327.500. (1) There is established a Quality Education Commission consisting of 11 members appointed by the Governor. ~~[No]~~ **The Governor may not appoint** more than five ~~[of the]~~ members of the commission ~~[shall be persons]~~ who are employed by a school district at the time of appointment.

(2) The term of office of each member is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on August 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the remainder of the unexpired term.

(3) The appointment of members of the commission is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(4) A member of the commission is entitled to compensation and expenses as provided in ORS 292.495.

(5) The Department of Education shall provide staff to the commission.

SECTION 9. ORS 328.351 is amended to read:

328.351. (1) If, at the time the state is required to make a debt service payment under the state guaranty on behalf of a school district, sufficient moneys of the state are not on hand and available for that purpose, the State Treasurer may, singly or in any combination:

(a) Obtain from the Common School Fund or from any other state funds that qualify to make a loan under ORS 293.205 to 293.225, if the loan would satisfy the requirements of ORS 293.205 to 293.225, a loan sufficient to make the required payment.

(b) Borrow money, if economical and convenient, as authorized by ORS 288.165.

(c) Issue state bonds as provided in subsection (2) of this section.

(d) With the approval of the Legislative Assembly, or the Emergency Board if emergency funds are lawfully available for making the required payment in the interim between sessions of the Legislative Assembly, pay moneys from the General Fund or any other funds lawfully available for the purpose or from emergency funds amounts sufficient to make the required payment.

(2) The State Treasurer may issue state bonds to meet the state guaranty obligations under ORS 328.321 to 328.356 ~~[and 328.361]~~, pursuant to Article XI-K of the Oregon Constitution. The issuance of such state bonds shall be at the determination of the State Treasurer and is exempt from ORS 286.505 to 286.545.

(3) Before issuing or selling any state bonds, the State Treasurer shall prepare a written plan of financing that shall provide for:

(a) The terms and conditions under which the state bonds will be issued, sold and delivered, in accordance with any applicable provisions of ORS chapters 286 and 288;

(b) The taxes or revenues to be anticipated;

(c) The maximum amount of such state bonds that may be outstanding at any one time under the plan of financing;

(d) The sources of payment of the state bonds;

(e) The rate or rates of interest, if any, on the state bonds or a method, formula or index under which the interest rate or rates on the state bonds may be determined during the time the state bonds are outstanding; and

(f) Any other details relating to the issuance, sale and delivery of the state bonds, as may be required by the applicable provisions of ORS chapters 286 and 288. For purposes of ORS chapters 286 and 288, the office of the State Treasurer shall be deemed the relevant state agency authorizing the issuance of bonds and for whose benefit the bonds are issued.

(4) In identifying the taxes or revenues to be anticipated and the sources of payment of the state bonds in the financing plan, the State Treasurer may include:

(a) The intercepted revenues authorized by ORS 328.346; or

(b) Any other source of repayment or lawfully available funds and any combination of this paragraph and paragraph (a) of this subsection.

(5) The State Treasurer may include in the plan of financing the terms and conditions of arrangements entered into by the State Treasurer on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements and remarketing, indexing and tender agent agreements to secure the state bonds, including payment from any legally available source of fees, charges or other amounts coming due under the agreements entered into by the State Treasurer.

(6)(a) When issuing the state bonds, the State Treasurer shall establish the interest, form, manner of execution, payment, manner of sale, prices at, above or below the face value and all details of issuance of the state bonds in accordance with any applicable provisions of ORS chapters 286 and 288.

(b) Each state bond shall recite that it is a valid obligation of the state and that the full faith, credit and resources of the state are pledged for the payment of the principal of and interest on the state bond from the taxes or revenues identified in accordance with its terms and the Oregon Constitution and other laws of this state.

(7) Upon the completion of any sale of the state bonds, the State Treasurer shall credit the proceeds of the sale, other than accrued interest and amounts required to pay costs of issuance of the state bonds, to the fund or account established by the State Treasurer to be applied to the purpose for which the state bonds were issued.

SECTION 10. ORS 329.170 is amended to read:

329.170. (1) As used in ORS 329.170 to 329.200:

[(1)] (a) "Advisory committee" means the advisory committee established specifically for the Oregon prekindergarten program established by ORS 329.170 to 329.200.

[(2)] (b) "Oregon prekindergartens" means [those] programs [which] **that** are recognized by the department as meeting the minimum program rules to be adopted by the State Board of Education and **that** provide comprehensive health, education and social services in order to maximize the potential of children three and four years of age.

[(3)] (c) "Oregon prekindergarten program" means the statewide administrative activities carried on within the Department of Education to allocate, award and monitor state funds appropriated to create or assist local Oregon prekindergartens.

[(4)] (2) For purposes of ORS 329.175, "eligible child" means an at-risk child who is not a participant in a federal, state or local program providing like comprehensive services and may include children who are eligible under rules adopted by the State Board of Education. As used in this subsection, "at-risk child" means a child at least three years of age and not eligible for kindergarten whose family circumstances would qualify that child for eligibility under the federal Head Start program.

[(5)] "*Department*" means the *Department of Education*.]

SECTION 11. ORS 329.200 is amended to read:

329.200. (1) The Superintendent of Public Instruction shall report to the Legislative Assembly on the merits of continuing and expanding the Oregon prekindergarten program or instituting other means of providing early childhood development assistance.

(2) The superintendent's report shall include specific recommendations on at least the following issues:

(a) The relationship of the state-funded Oregon prekindergarten program with the common school system;

(b) The types of children and their needs that the program should serve;

(c) The appropriate level of state support for implementing the program for all eligible children, including related projects to prepare instructors and provide facilities, equipment and transportation;

(d) The state administrative structure necessary to implement the program; and

(e) Licensing or [*indorsement*] **endorsement** of early childhood teachers.

(3) The Department of Education, in consultation with the Department of Community Colleges and Workforce Development, shall examine, monitor and assess the effectiveness of the Oregon prekindergarten program. The superintendent shall make biennial reports to the Legislative Assembly on the effectiveness of the program.

SECTION 12. ORS 329.228 is amended to read:

329.228. (1) The Early Childhood Education Trust Fund is established as a fund in the State Treasury, separate and distinct from the General Fund. Interest earned by the trust fund shall be credited to the trust fund. The primary purpose of the trust fund is to assist public school districts in providing programs designed to improve educational services for children enrolled in kindergarten through grade three. For this purpose, the trust fund is continuously appropriated [*for and shall be expended only*] **to the Department of Education** for programs described in ORS 329.215 to 329.235.

(2) The State Board of Education may solicit and accept money in the form of gifts, contributions and grants to be deposited in the trust fund. The acceptance of federal grants for purposes of ORS 329.215 to 329.235 does not commit state funds nor place an obligation upon the Legislative Assembly to continue the purposes for which the federal funds are made available.

(3) The trust fund may be listed, if otherwise qualified, on the Oregon income tax return for checkoff pursuant to application made to the Oregon Charitable Checkoff Commission under ORS 305.690 to 305.753 by the State Board of Education.

SECTION 13. ORS 329.765 is amended to read:

329.765. (1) The Oregon Student Assistance Commission shall administer the Oregon Teacher Corps program insofar as practicable in the same manner as the loan program under ORS 348.050 is administered and make rules for the selection of qualified applicants.

(2) Eligibility for the Oregon Teacher Corps is limited to those prospective teachers whom the Oregon Student Assistance Commission determines to have graduated, or currently rank, in the top 20 percent of their high school or college class. The commission shall assess each applicant's potential for teaching through such means as essays written by the applicant, letters of recommendations from teachers and others, descriptions of relevant teaching experiences, and other appropriate measures. Allowance shall be given for those applicants whom the commission determines to be in at least one of the following categories:

(a) Minority individuals as defined in ORS 200.005;

(b) Prospective teachers in scarce [*indorsement*] **endorsement** areas, as defined by the Teacher Standards and Practices Commission; or

(c) Prospective teachers who agree to teach in remote and difficult to serve school districts in this state.

(3) Recipients of loans under ORS 329.757 to 329.780 shall be enrolled at least half-time in an approved teacher education program at an Oregon institution of higher education.

SECTION 14. ORS 329.905 is amended to read:

329.905. (1) The Legislative Assembly finds that a highly skilled, well-educated workforce is critical to the present and future competitiveness of Oregon's economy. Curricular and institutional change throughout the educational process is imperative to achieve Oregon's economic and education reform goals. To accomplish fully education reform at the elementary and secondary levels, it

is essential that Oregon's citizens gain a thorough understanding of the significant value of professional technical education and the vital role it plays in preparing Oregon's citizens for entry into the workforce, further training or entry into higher education. The Legislative Assembly, therefore, declares that it is the economic development policy of the state to support and promote literacy, education and professional technical job training for Oregon's citizens. Further, the Legislative Assembly declares that it is the goal of the state to achieve the following [by the year 2000]:

- (a) Measurably increase the knowledge and improve the skills of Oregon workers;
- (b) Promote and sponsor effective and responsive training programs for employed and unemployed Oregonians who need literacy and other job-related training;
- (c) Promote and increase youth enrollment in secondary, post-secondary and apprenticeship programs that lead to family wage jobs;
- (d) Secure the active participation and full cooperation of Oregon industry leaders and business owners in developing programs to increase and improve worker education and performance;
- (e) Promote and increase the coordination of Oregon's education and job training systems to more fully respond to the increasingly complex training needs of workers; and
- (f) Promote and increase access to education and job training programs for all Oregonians regardless of their economic status or geographic location within the state.

(2) The Legislative Assembly declares that it is the policy of this state to integrate employment, training and development programs into its economic development efforts.

(3) The Legislative Assembly further declares that the employment development and training activities provided for in ORS 329.905 to 329.975 are job creation and economic development activities within the meaning of subsection (3), section 4, Article XV of the Oregon Constitution.

(4) The Legislative Assembly further declares that the State of Oregon must dedicate the talents, resources and energies of its people to having the best trained workforce in the United States [by the year 2000] and a workforce equal to any in the world [by 2010]. When this workforce exists, Oregon will have a highly skilled workforce that is:

- (a) Engaged by competitive, diversified industries;
- (b) Supported by education and training;
- (c) Supported by employment systems that are responsive to the needs of people and the labor market; and
- (d) Reflective of the diversity of Oregon's population.

(5) The Legislative Assembly further declares that the role of business and industry is critical to the implementation of education reform and that the goals of ORS 329.905 to 329.975 are:

- (a) Coordinated and complementary education, training and employment programs.
- (b) A high performance workforce characterized by diversity, technical competence and economic self-sufficiency.
- (c) Educational performance standards that match the highest in the world.
- (d) Assurance of educational attention necessary for attainment of high academic standards for all students.

(e) An education and employment training system that has the capacity to meet the training needs of individuals and employers.

(f) Assurance of workforce preparedness for all students through covenants between business and education.

SECTION 15. ORS 329.930 is amended to read:

329.930. (1) Pursuant to rules adopted by the Economic and Community Development Department, a program is established to organize business, industry and education partnerships to develop the most competent workforce in America [by the year 2000,] **and** specifically:

- (a) To provide targeted training grants for customized training programs for new or expanding firms;
- (b) To provide industry training grants to community colleges or others for training programs addressing the common needs of two or more businesses within an industry, with special emphasis on Key Industries as designated by "Oregon Shines" and the Legislative Assembly; and

(c) To provide capacity building grants to trade associations and business and labor organizations to build capacity for addressing long-term workforce and workplace training and education needs.

(2) Pursuant to rules adopted by the Economic and Community Development Department, an Industrial Extension Service is established, using public and private expertise, to assist Oregon firms in traded sectors in adopting the appropriate technology, management techniques, work organization and workforce development strategies to remain competitive in a global economy.

(3) The Department of Community Colleges and Workforce Development shall support the Oregon Advanced Technology Center, for the purpose of enhancing Oregon's economic competitiveness by assisting Oregon manufacturers with the adoption and implementation of modern manufacturing technologies and processes.

SECTION 16. ORS 330.095 is amended to read:

330.095. (1) Subject to ORS 332.118, the request or petition for proposed change or merger in school districts shall:

(a) Be directed to the district boundary board of the county or counties having jurisdiction over the affected school districts;

(b) Contain the names and numbers of districts affected by the change;

(c) Contain a concise statement of the type of change requested and, if only a portion of the school district is involved, contain a legal description thereof; and

(d) If a petition of electors from affected districts is involved, contain the signatures and [*resident*] **residence addresses or mailing addresses** of the petitioners and the names of the school districts in which they reside.

(2) If a merger is requested or petitioned, the request or petition shall also contain proposals for distribution of debt.

(3) When any proposed boundary change or merger affects school districts under the jurisdiction of different district boundary boards, the proposed change or merger shall first be acted upon by the district boundary board of the county in which lies the most populous district, and must be submitted to the district boundary board of the other affected county or counties.

(4) Any proposed merger may contain a recommendation that the new district retain the same name and number as the most populous school district in the merger or a recommendation for a new name for the district, a request for the formation of school committees as described in ORS 330.425 and a request that the number of members of the district school board be increased to seven members.

SECTION 17. ORS 330.101 is amended to read:

330.101. (1) Before the proposed change or merger is [*considered*] **ordered**, the district boundary board shall give notice in the manner provided in ORS 330.400 of the proposed change or merger and the session of the board at which it will be [*considered*] **ordered**. If no remonstrance petition on the change or merger is submitted requiring an election as provided in subsection (2) of this section, the board shall issue an order that the change or merger shall become effective as provided in ORS 330.103. The remonstrance petition is subject to ORS 332.118. However, the boundary board shall not issue an order until all affected boundary boards have had opportunity to consider the proposed change or merger.

(2) If a remonstrance petition on a proposed change or merger signed by at least five percent or at least 500, whichever is less, of the electors of a school district affected by the proposed change or merger is filed with the district boundary board within 20 days after the date of the order to effect the proposed change or merger, and when all district boundary boards have acted on the change or merger as provided in ORS 330.095 (3), the board shall submit the question of the proposed change or merger to the electors of each affected school district from which a remonstrance petition was filed, with the district boundary board acting as the district elections authority on behalf of the school districts. Separate elections shall be held in sequence in the districts from which remonstrance petitions have been filed, commencing with the least populous district and progressing in order of population to the most populous district. If the majority of votes in each election favor

the change or merger, an election shall be held in the next most populous district. The cost of an election on a proposed boundary change or merger shall be prorated between or among the district school boards involved in accordance with ORS 255.305.

(3) If the majority of votes cast in any affected district oppose the change or merger, the change or merger shall be defeated, and the same or a substantially similar change or merger shall not be [considered] **ordered** until 12 months have elapsed from the date of the election at which the change or merger was defeated, unless otherwise required by law. If the vote is favorable in all remonstrating districts, the district boundary board shall declare the change or merger effective as provided in ORS 330.103 **and issue an order** without further elections.

[(4) Notwithstanding subsection (3) of this section, the same or substantially similar change or merger that is in response to chapter 393, Oregon Laws 1991, may be considered even though 12 months have not elapsed from the date of the election at which the change or merger was defeated.]

[(5) For any school district merger or boundary change before September 1, 1996, initiated at the request of the district school boards of the affected districts, that is in response to chapter 393, Oregon Laws 1991, no remonstrance petition or election shall be allowed.]

[(6) Subsection (5) of this section applies only to a proposed change or merger brought before the district boundary board after July 13, 1993.]

[(7)] (4) For any school district merger that is initiated under ORS 327.106 (3), no remonstrance petition or election shall be allowed.

[(8)] (5) When a unified elementary district with an average daily membership of greater than 50 that has, prior to the merger, paid tuition for the majority of its high school students to attend an out-of-state high school merges with a district that provides education in kindergarten and grades 1 through 12, the following shall apply after the merger:

(a) The students who reside in the former unified elementary district shall be authorized to attend the out-of-state high school that the majority of the high school students of the unified elementary district were attending during the 1992-1993 school year;

(b) The merged district shall pay tuition for the students described in paragraph (a) of this subsection but not in an amount greater than the district's average expenditure for high school students; and

(c) The parents of a student who wish the student to attend the out-of-state high school must agree to pay the difference, if any, between what the district is authorized to pay as tuition under paragraph (b) of this subsection and the amount of tuition charged by the out-of-state high school.

SECTION 18. ORS 330.425 is amended to read:

330.425. (1) Each local school committee provided for in the reorganization plan under ORS 330.530 (1989 Edition) [or pursuant to ORS 330.092] shall consist of three members elected by the electors of the school district pursuant to ORS chapter 255. At the first regular district election following the merger of the school district, there shall be elected three members of each local school committee. Each person elected shall serve a term of two years. Members of the local school committee may be nominated and elected from the attendance area determined by the district school board or may be nominated from such areas but elected from the district or may be nominated and elected from the district, the manner to be determined by the district school board.

(2) A person shall be nominated as a candidate for member of a local school committee by filing a petition for nomination or a declaration of candidacy under ORS 255.235. If a candidate is nominated by petition and members are nominated from attendance areas, the petition must be signed by at least 10 electors residing in the attendance area from which the candidate seeks nomination.

(3) Each office of local school committee member shall be designated by number as Position No. 1, Position No. 2 or Position No. 3 and so forth. The school district shall assign a position number to each office on the local school committee and shall certify to the filing officer the name of the committee member in office holding that position. A copy of the certification shall be filed in the office of the filing officer. As used in this section, "filing officer" means the:

(a) County clerk or county official in charge of elections of the county in which the administrative office of the district is located regarding a district located in more than one county; or

(b) County clerk or county official in charge of elections in a district situated wholly within the county.

SECTION 19. ORS 332.030 is amended to read:

332.030. (1) The district school board shall declare the office of a director vacant upon the happening of any of the following:

(a) The death or resignation of the incumbent.

(b) When an incumbent is removed from office or the election of the incumbent thereto has been declared void by the judgment of any court.

(c) Subject to the provisions of subsections (2) and (3) of this section, when an incumbent ceases to be a resident of the district or zone from which nominated.

(d) When an incumbent ceases to discharge the duties of office for two consecutive months unless prevented therefrom by sickness or other unavoidable cause.

(e) When an incumbent ceases to discharge the duties of office for four consecutive months for any reason.

(f) When an incumbent is recalled.

(2) A director of a union high school board who changes the director's permanent residence from one component common school district to another component common school district in which another director resides shall continue to serve as director to June 30 next following the next regular district election. At that election, a successor shall be elected to serve the remainder, if any, of the unexpired term to which the director was elected. If the term to which the director was elected expires June 30 next following the election of the successor, the successor shall be elected to a full term. In either case, the successor shall take office July 1 next following the election.

(3) A director of a common school district nominated from a zone who changes the director's permanent residence from one zone to another zone in which another director resides shall continue to serve as director to June 30 next following the next regular district election. At that election, a successor shall be elected to serve the remainder, if any, of the unexpired term to which the director was elected. If the term to which the director was elected expires June 30 next following the election of the successor, the successor shall be elected to a full term. In either case, the successor shall take office July 1 next following the election.

(4) When a vacancy is declared under subsection (1)(a), (b) or (d) to (f) of this section, the remaining member or members of the board shall meet and appoint a person to fill the vacancy. The person must satisfy the eligibility requirements under ORS 332.018 and, if the district is zoned, reside in the zone in which the vacancy occurs. A director appointed under this subsection shall serve to June 30 next following the next regular district election. At that election, a successor shall be elected to serve the remainder, if any, of the unexpired term to which the director was appointed. If the term to which the director was appointed expires June 30 next following the election of the successor, the successor shall be elected to a full term. In any case, the successor shall take office July 1 next following the election.

(5) If the offices of a majority of the directors of any district are vacant at the same time, the education service district board, or if there is none, the governing body of the county shall appoint persons to fill the vacancies. The persons must satisfy the eligibility requirements under ORS 332.018 and, if the district is zoned, reside in the zones in which the vacancies occur. If the vacancies occur in a joint district that is not included in an education service district, the governing body of the county containing the greater portion of the pupils in average daily membership shall appoint the directors. Each director appointed under this subsection shall serve to June 30 next following the next regular district election. At that election, a successor shall be elected to serve the remainder, if any, of the unexpired term to which the director was appointed. If the term to which the director was appointed expires June 30 next following the election of the successor, the successor shall be elected to a full term. In any case, the successor shall take office July 1 next following the election.

SECTION 20. ORS 334.293 is amended to read:

334.293. Notwithstanding ORS 334.240[, 334.270] and 334.285, each education service district shall ascertain and levy annually, in addition to all other taxes, a direct ad valorem tax on all taxable property in the education service district sufficient to pay the maturing interest and principal of all education service district bonds promptly when and as the payments become due. The board in each year shall include the taxes in the education service district budget for that year.

SECTION 21. ORS 336.035 is amended to read:

336.035. (1) The district school board shall see that the courses of study prescribed by law and by the rules of the State Board of Education are carried out. The board may establish supplemental courses [*which*] **that** are not inconsistent with the prescribed courses and may adopt courses of study in lieu of state courses of study upon approval by the Superintendent of Public Instruction.

(2) Any district school board may establish a course of education concerning sexually transmitted diseases including recognition of causes, sources and symptoms, and the availability of diagnostic and treatment centers. Any such course established may be taught to adults from the community served by the individual schools as well as to [*student enrollment*] **students enrolled in the school**. The board shall cause the parents or guardians of minor students to be notified in advance that the course is to be taught. Any such parent or guardian may direct in writing that the minor child in the care of the parent or guardian be excused from [*the*] **any class within the course**. Any parent or guardian may inspect the instructional materials to be used before or during the time the [*class*] **course** is taught.

(3) The district school board shall coordinate the course provided in subsection (2) of this section with the officials of the local health department and the Superintendent of Public Instruction. Teachers holding [*indorsements*] **endorsements** for health education shall be used where available. No teacher shall be subject to discipline or removal for teaching or refusing to teach courses concerning sexually transmitted diseases.

SECTION 22. ORS 336.067 is amended to read:

336.067. (1) In public schools special emphasis shall be given to instruction in:

(a) Honesty, morality, courtesy, obedience to law, respect for the national flag, the Constitution of the United States and the Constitution of the State of Oregon, respect for parents and the home, the dignity and necessity of honest labor and other lessons [*which*] **that** tend to promote and develop an upright and desirable citizenry.

(b) Respect for all humans, regardless of race, color, creed, national origin, religion, age, sex or disability.

(c) Acknowledgment of the dignity and worth of individuals and groups and their participative roles in society.

[*c*] (d) Humane treatment of animals.

[*d*] (e) The effects of tobacco, alcohol, drugs and controlled substances upon the human system.

(2) The Superintendent of Public Instruction shall prepare an outline with suggestions [*which*] **that** will best accomplish the purpose of this section, and shall incorporate the outline in the courses of study for all public schools.

SECTION 23. ORS 336.145 is amended to read:

336.145. (1) Any district school board may provide for the establishment of classes for adult education. The board may employ personnel for the purpose of establishing and maintaining classes for adults on the fundamental principles of democratic government, English language, citizenship, public affairs, [*forums,*] arts and crafts, general cultural subjects, adult recreation and [*such*] other subjects [*as*] **that** the State Board of Education may authorize. [*Such*] **The** classes shall be conducted in the English language, except as the needs for teaching a foreign language may require otherwise.

(2) The district school board may establish a fee schedule for [*such*] **the** classes and collect fees from persons enrolled in the adult education program of the district. The fees shall be used for the support or encouragement of adult education.

(3) The classes shall be subject to the rules of the district school board, shall be organized to meet the needs of the adults in the district and, as far as practicable, shall be held at [*such*] times and places [*as*] **that** are most convenient and accessible to the members of the [*class*] **classes**.

SECTION 24. ORS 336.179 is amended to read:

336.179. (1) It is state policy for all school districts to foster an atmosphere of student commitment to excellence in education, recognizing excellence in academics and excellence in citizenship.

(2) Each school district shall determine the activities necessary to qualify for special recognition of student achievement.

(3) In implementing the state policy, and after consultation with the student body, an elementary or secondary school shall offer special recognition as appropriate [which]. **Special recognition** may include [activities such as], **but need not be limited to:**

- (a) Reduced admission to athletic events;
- (b) Discount on school yearbook;
- (c) Discount on student store merchandise;
- (d) Free or discounted school parking permits;
- (e) Free or discounted tickets to student events;
- (f) Exemption from a limited number of semester finals;
- (g) Academic "Pride" insignia;
- (h) Early registration privileges;
- (i) Local merchant discounts where available to the district; and
- (j) Free membership in school organizations.

SECTION 25. ORS 337.288 is amended to read:

337.288. (1) There is created the Spread the Word Program in the Department of Education. The purpose of the program is to provide books to elementary school children in kindergarten through grade five who have few books at home. Under the program, participating schools, individuals and civic groups may collect children's books that shall be donated to recipient schools for distribution to eligible children.

(2) The department shall:

(a) Establish assessment criteria to identify children eligible to receive books under the program; and

(b) Develop an informational brochure on the program and distribute the brochure to public schools and public charter schools in this state.

(3) Participating schools that are not private schools shall:

(a) Conduct book drives;

(b) Review donated books to ensure that they are appropriate for [young] **elementary school** children and in satisfactory condition for distribution;

(c) Count, sort and pack the books; and

(d) Contact the school district to report the approximate number of books to be collected by the school district for distribution to [needy] **elementary school** children who have few books at home.

(4) Participating schools that are private schools and individuals and civic groups may deliver donated books to a participating school that is a public school or public charter school for review and collection as provided in subsection (3) of this section.

(5) School districts shall:

(a) Collect donated books from participating schools within the district; and

(b) Arrange for the donated books to be transported to the recipient school.

(6) A recipient school shall distribute books to those children identified as eligible under criteria developed by the department under subsection (2) of this section.

(7) Records of children who receive books pursuant to this section are not public records.

SECTION 26. ORS 338.035 is amended to read:

338.035. (1) A public charter school may be established:

(a) As a new public school;

(b) From an existing public school or a portion of the school; or

(c) From an existing alternative education program, as defined in ORS 336.615.

(2)(a) Before a public charter school may operate as a public charter school, it must:

(A) Be approved by a sponsor;

(B) Be established as a nonprofit organization under the laws of Oregon; and
(C) Have applied to qualify as an exempt organization under section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding paragraph (a) of this subsection, the requirements of paragraph (a)(B) and (C) of this subsection do not apply to a public charter school that is operated by a school district.

(3) An applicant seeking to establish a public charter school shall submit a proposal pursuant to ORS 338.045 to the school district board of the school district within which the public charter school will be located at least 120 days prior to the date upon which the public charter school would begin operating. However, it is recommended that an applicant consult with the school district board prior to submitting a proposal.

(4) An applicant seeking to establish a public charter school shall provide to the State Board of Education a copy of any proposal submitted to a school district board under ORS 338.045 and a copy of any subsequent approval by the school district board.

(5)(a) **One or more, but not** all, schools in a school district *[shall not]* **may** become public charter schools.

(b) *[However,]* **Notwithstanding paragraph (a) of this subsection**, a school in a school district that is composed of only one school may become a public charter school.

(6)(a) A school district board or the State Board of Education may not approve a public charter school proposal that authorizes the conversion of any private school that is tuition based to a public charter school.

(b) Notwithstanding paragraph (a) of this subsection, a school district board or the State Board of Education may authorize the conversion of an existing alternative education program, as defined in ORS 336.615, to a public charter school.

(7) A school district board or the State Board of Education may not approve a public charter school proposal that is affiliated with a nonpublic sectarian school or a religious institution.

SECTION 27. ORS 338.055 is amended to read:

338.055. (1) Within 60 days of receipt of a proposal submitted under ORS 338.045, the school district board shall hold a public hearing on the provisions of the proposal.

(2) The school district board shall evaluate a proposal in good faith using the following criteria:

(a) The demonstrated, sustainable support for the public charter school by teachers, parents, students and other community members, including comments received at the public hearing held under subsection (1) of this section;

(b) The demonstrated financial stability of the public charter school;

(c) The capability of the applicant, in terms of support and planning, to provide comprehensive instructional programs to students pursuant to an approved proposal;

(d) The capability of the applicant, in terms of support and planning, to specifically provide, pursuant to an approved proposal, comprehensive instructional programs to students identified by the applicant as academically low achieving;

(e) The extent to which the proposal addresses the information required in ORS 338.045;

(f) Whether the value of the public charter school is outweighed by any directly identifiable, significant and adverse impact on the quality of the public education of students residing in the school district in which the public charter school will be located;

(g) Whether there are arrangements for any necessary special education and related services for children with disabilities pursuant to ORS 338.165; and

(h) Whether there are alternative arrangements for students and for teachers and other school employees who choose not to attend or who choose not to be employed by the public charter school.

(3) The school district board must approve a proposal or state in writing the reasons for disapproving a proposal within 30 days after the public hearing held under subsection (1) of this section.

(4) Written notice of the school district board's action shall be sent to the applicant. If the proposal is not approved, the reasons for the denial and suggested remedial measures, if any, shall be clearly stated in the notice sent by the school district board to the applicant. If the proposal is not approved, the applicant may amend the proposal to address objections and any suggested reme-

dial measures and resubmit the proposal to the school district board. The school district board shall approve or disapprove the resubmitted proposal within 20 days after receiving it. If the proposal is not approved, the applicant may appeal the decision of the school district board to the State Board of Education.

(5) Individual elements in a public charter school proposal may be changed through the [application] **proposal** and chartering process.

(6) A proposal to convert an existing public school to a public charter school must be approved by the school district board of the public school.

(7) The school district board or the State Board of Education shall not charge any fee to applicants for the [application] **proposal** process.

(8) Upon request by a school district, the State Board of Education may grant an extension of any timeline required by this section if the district has good cause for requesting the extension.

SECTION 28. ORS 338.075 is amended to read:

338.075. (1) If a school district board does not approve a proposal to start a public charter school pursuant to ORS 338.055, the applicant may request that the State Board of Education review the decision of the school district board.

(2) Upon receipt of a request for review, the State Board of Education:

(a) Shall attempt to mediate a resolution between the applicant and the school district board.

(b) May recommend to the applicant and school district board revisions to the [application] **proposal**.

(c) If the school district board does not accept the revisions to the [application] **proposal** and the applicant agrees to the sponsorship, may become the sponsor of the public charter school.

(3) Upon receipt of a request for review, in addition to actions described in subsection (2) of this section and at any time during the review process, the State Board of Education may reject a proposal to start a public charter school if the school fails to meet the requirements of this chapter.

(4) An applicant may seek judicial review of an order of the State Board of Education pursuant to ORS 183.484. If the court finds that the decision of the State Board of Education is not supported by substantial evidence in the record, the court shall enter a judgment directing the State Board of Education to sponsor the public charter school.

SECTION 29. ORS 339.115 is amended to read:

339.115. (1) Except as provided in ORS 339.141, authorizing tuition for courses not part of the regular school program, the district school board shall admit free of charge to the schools of the district all persons between the ages of 5 and 19 [residing therein] **who reside within the school district**. [The] **A** person whose 19th birthday occurs during the school year shall continue to be eligible for a free and appropriate public education for the remainder of the school year. However, a district school board may admit [other] nonresident persons, determine who is not a resident of the district and [may] fix rates of tuition for nonresidents.

(2) A district must admit an otherwise eligible person who has not yet attained 21 years of age prior to the beginning of the current school year if the person is:

(a) Receiving special education and has not yet received a regular high school diploma; or

(b) Shown to be in need of additional education in order to receive a diploma.

(3) The obligation to make a free appropriate public education available to individuals with disabilities 18 through 21 years of age who are incarcerated in an adult correctional facility applies only to those individuals who, in their last educational placement prior to their incarceration in the adult correctional facility:

(a) Were identified as being a child with a disability as defined in ORS 343.035; or

(b) Had an individualized education program as described in ORS [343.149] **343.151**.

(4) For purposes of subsection (3) of this section, "adult correctional facility" means:

(a) A local correctional facility as defined in ORS 169.005;

(b) A regional correctional facility as defined in ORS 169.620; or

(c) A Department of Corrections institution as defined in ORS 421.005.

(5) An otherwise eligible person under subsection (2) of this section whose 21st birthday occurs during the school year shall continue to be eligible for a free appropriate public education for the remainder of the school year.

(6) The person may apply to the board of directors of the school district of residence for admission after the 19th birthday as provided in subsection (1) of this section. A person aggrieved by a decision of the local board may appeal to the State Board of Education. The decision of the state board is final and not subject to appeal.

(7) Notwithstanding ORS 339.133 (1), a school district shall not exclude from admission a child located in the district solely because the child does not have a fixed place of residence or solely because the child is not under the supervision of a parent, guardian or person in a parental relationship.

(8) Notwithstanding subsection (1) of this section, a school district:

(a) May for the remaining period of an expulsion deny admission to the regular school to a resident student who is expelled from another school district; and

(b) Shall for at least one calendar year from the date of the expulsion and if the expulsion is for more than one calendar year, may for the remaining period of time deny admission to the regular school program to a student who is under expulsion from another school district for an offense that constitutes a violation of a school district policy adopted pursuant to ORS 339.250 (6).

(9) A child entering the first grade during the fall term shall be considered to be six years of age if the sixth birthday of the child occurs on or before September 1. A child entering kindergarten during the fall term shall be considered to be five years of age if the fifth birthday of the child occurs on or before September 1. However, nothing in this section prevents a district school board from admitting free of charge a child whose needs for cognitive, social and physical development would best be met in the school program, as defined by policies of the district school board, to enter school even though the child has not attained the minimum age requirement but is a resident of the district.

SECTION 30. ORS 339.254 is amended to read:

339.254. (1) A school district board may establish a policy regarding when a school superintendent or the board may file with the Department of Transportation a written request to suspend the driving privileges of a student or the right to apply for driving privileges. Such policy shall include:

(a) A *[requirement that a]* **provision authorizing the** superintendent or the school district board *[may]* **to** file with the Department of Transportation a written request to suspend the driving privileges of a student or the right to apply for driving privileges only if the student is at least 15 years of age and:

(A) The student has been expelled for bringing a weapon to school;

(B) The student has been suspended or expelled at least twice for assaulting or menacing a school employee or another student, for willful damage or injury to school property or for use of threats, intimidation, harassment or coercion against a school employee or another student; or

(C) The student has been suspended or expelled at least twice for possessing, using or delivering any controlled substance or for being under the influence of any controlled substance at a school or on school property or at a school sponsored activity, function or event.

(b) A *[requirement that]* **provision requiring** the school superintendent **to** meet with the parent or guardian of the student before submitting a written request to the Department of Transportation.

(c) A *[requirement that]* **provision authorizing** the school superintendent or board *[may]* **to** request that the driving privileges of the student or the right to apply for driving privileges be suspended for no more than one year.

(d) Notwithstanding paragraph (c) of this subsection, a *[requirement]* **provision stating** that, if a school superintendent or the school district board files a second written request with the Department of Transportation to suspend the driving privileges of a student *[or the right to apply for driving privileges]*, **the request is that** those privileges *[shall]* be suspended until the student is 21 years of age.

(e) A provision that a student may appeal the decision of a school superintendent regarding driving privileges of a student under the due process procedures of the school district for suspensions and expulsions.

(2) If the driving privileges of a student are suspended, the student may apply to the Department of Transportation for a hardship driver permit under ORS 807.240.

SECTION 31. ORS 339.327 is amended to read:

339.327. (1) A superintendent of a school district **or a superintendent's designee** who has reasonable cause to believe that a person, while in a school, is or has been [*in possession of a weapon while also being*] in possession of a list that threatens harm to other persons, shall notify:

(a) The parent or guardian of any student whose name appears on the list as a target of the harm; and

(b) Any teacher or school employee whose name appears on the list as a target of the harm.

(2) A superintendent or superintendent's designee who has reasonable cause to believe that a student, while in a school, has made threats of violence or harm to another student shall notify the parent or guardian of the threatened student.

[2] (3) The superintendent **or superintendent's designee** shall attempt to notify the persons specified in [*subsection (1)*] **subsections (1) and (2)** of this section by telephone or in person promptly but not later than 12 hours after discovering the list or learning of the threat. The superintendent **or superintendent's designee** shall follow up the notice with a written notification sent within 24 hours after discovering the list or learning of the threat.

[3] (4) [*Anyone*] **Any school district or person** participating in good faith in making the notification required by this section is immune from any liability, civil or criminal, that might otherwise be incurred or imposed with respect to the making or content of the notification.

[4] (5) As used in this section, "school" has the meaning given that term in ORS 339.315.

SECTION 32. ORS 339.353 is amended to read:

339.353. (1) The Legislative Assembly finds that:

[1] (a) A safe and civil environment is necessary for students to learn and achieve high academic standards.

[2] (b) Harassment, intimidation or bullying, like other disruptive or violent behavior, is conduct that disrupts a student's ability to learn and a school's ability to educate its students in a safe environment.

[3] (c) Students learn by example.

(2) The legislature commends school administrators, faculty, staff and volunteers for demonstrating appropriate behavior, treating others with civility and respect and refusing to tolerate harassment, intimidation or bullying.

SECTION 33. ORS 339.520 is amended to read:

339.520. The minimum information to be reported on students who withdraw from school **prior to becoming graduates** and **who** do not transfer to another educational system [*prior to becoming graduates shall be*] **is:**

(1) Age, sex and racial-ethnic designation of the student;

(2) Date of withdrawal;

(3) Reason for withdrawal, including but not limited to expulsion, work or death;

(4) Number of credits earned toward meeting graduation requirements, if applicable, or grade level, of the reporting district;

(5) Length of time the student was enrolled in the reporting district;

(6) Information relating to the disposition of the student after withdrawing, including but not limited to General Educational Development (GED) participation, alternative certificate of participation, transfer to mental health or youth correction facility or participation in a substance abuse program or other dispositions listed in ORS 339.505 (1)(b) and (c); and

(7) Information on why the student withdrew as such information relates to academics, conduct standards, interpersonal relationships, relation with school personnel, personal characteristics such

as illness, lack of motivation, home and family characteristics, alternative education participation and employment information.

NOTE: Section 34 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 35. Section 154, chapter 45, Oregon Laws 1993, is amended to read:

Sec. 154. Notwithstanding ORS 342.125 (2) and 342.135, a teacher shall be granted a subject matter [*indorsement*] **endorsement** if the teacher held a basic license and a subject matter [*indorsement*] **endorsement** on or before January 1, 1981.

SECTION 36. ORS 342.135 is amended to read:

342.135. (1) A teaching license provided for in this section shall qualify its holder to accept any instructional assignment from preprimary through grade 12 for which the holder has completed the professional requirements established by the rules of the Teacher Standards and Practices Commission.

(2)(a) A basic teaching license shall be issued on application to an otherwise qualified person who has completed an approved teacher education program and meets [*such*] **the** other requirements [*as*] **that** the Teacher Standards and Practices Commission may consider necessary to maintain and improve quality of instruction in the public schools of the state.

[(a)] (b) Holders of the basic teaching license who meet the requirements of the Teacher Standards and Practices Commission to teach in the regular classroom program of the public schools[,] **in** kindergarten through grade nine[,] may renew the basic license to qualify them to continue in such teaching by verification of successful teaching experience and of continuing professional development in keeping with Teacher Standards and Practices Commission rules.

[(b)] (c) A holder of the basic teaching license with an [*indorsement*] **endorsement** in art, educational media, foreign language, health, home economics, industrial arts, music, physical education and reading may renew the initial basic license by verification of successful teaching experience and of continuing professional development in keeping with Teacher Standards and Practices Commission rules. This [*subsection*] **paragraph** applies to licenses for preprimary programs and grades 1 through 8 and shall include grade 9 if the teacher is teaching in a middle school or a junior high.

[(c)] (d) Secondary teachers may teach in the public schools, grades 5 through 12, in those subject fields in which they have met the requirements of the Teacher Standards and Practices Commission.

[(d)] (e) [*The*] **A** holder of [*the*] **a** standard teaching license who meets the requirements of the Teacher Standards and Practices Commission to teach in the regular classroom program of the public schools in kindergarten through grade 12 is eligible to renew the standard license to qualify to continue in such teaching by verification of successful teaching experience and of continuing professional development consistent with rules of the Teacher Standards and Practices Commission.

(3)(a) A standard teaching license shall be issued on application to an otherwise qualified person who has completed an approved teacher education program, has taught on a basic teaching license for a minimum period of time to be determined by the Teacher Standards and Practices Commission, and is recommended for licensing by the approved teacher education institution or the school district, whichever offered the program.

(b) Preparation shall be a planned education program consisting of courses taken in an approved teacher education institution or in an in-service training program offered by a school district for which credit is given by an approved teacher education institution or some combination of both, in accordance with rules of the Teacher Standards and Practices Commission.

(4) Notwithstanding subsection (2) of this section, the Teacher Standards and Practices Commission shall by rule adopt dates by which continuing professional development is required for renewal of a basic or standard teaching license.

SECTION 37. ORS 342.165 is amended to read:

342.165. (1) Pursuant to ORS chapter 183, the Teacher Standards and Practices Commission shall adopt rules necessary for the issuance, denial, continuation, renewal, lapse, revocation, suspension or reinstatement of licenses or registrations issued under ORS 342.120 to 342.430. The commission

shall also adopt rules establishing means in addition to those prescribed by law whereby teachers are able to add additional [*indorsements*] **endorsements** to their teaching licenses.

(2) In establishing rules the commission shall consider:

- (a) Its responsibilities to represent the public interest in the development of educational policies;
- (b) The capabilities of Oregon teacher education institutions to prepare teachers;
- (c) The norms required for the teaching assignments;
- (d) The improvement of teaching;
- (e) The adequacy of the teacher supply;
- (f) The value of experience or nonacademic learning;
- (g) The responsibilities imposed upon school districts by geographic and demographic conditions;
- (h) The recommendations of the State Board of Education and Superintendent of Public Instruction; and
- (i) [*Such*] Other matters [*as*] **that** tend to improve education.

SECTION 38. ORS 342.360 is amended to read:

342.360. (1) The membership of the Teacher Standards and Practices Commission shall consist of:

- (a) Four elementary teachers;
- (b) Four junior or senior high school teachers;
- (c) One elementary school administrator;
- (d) One junior or senior high school administrator;
- (e) One superintendent of city schools;
- (f) One county superintendent or a superintendent employed by an education service district board;
- (g) One member from the faculty of an approved private teacher education institution in Oregon;
- (h) One member from the faculty of a state institution of higher education;
- (i) One member who is also a member of a district school board; and
- (j) Two members of the general public.

(2) Except for those members appointed under subsection (1)(i) and (j) of this section, members must have been actively engaged in teaching, supervising or administering in the public schools or in approved teacher education institutions in Oregon for the period of five years immediately preceding appointment. Acting as an elected representative of teachers, supervisors or administrators shall be considered teaching, supervising or administering for the purposes of the five-year experience requirement. In addition, members appointed under subsection (1)(a) to (f) of this section must hold valid Oregon teaching or administrative licenses other than restricted teaching or administrative licenses.

(3)(a) Throughout the term for which appointed, one of the members appointed under subsection (1)(a) to (j) of this section must hold a teaching license with an [*indorsement*] **endorsement** in some aspect of special education or have demonstrated knowledge or experience in special education.

(b) As used in this subsection, "special education" means specially designed education to meet the goals of the individual education program of a child with disabilities including regular classroom instruction, instruction in physical education, home instruction, related services and instruction in hospitals, institutions and special schools.

SECTION 39. ORS 334.270 is repealed.

SECTION 40. ORS 339.325 is repealed.

SECTION 41. ORS 343.149 is repealed.

SECTION 42. The amendments to statutes and the repeal of statutes by sections 1 to 41 of this 2005 Act first apply to the 2005-2006 school year.

SECTION 43. This 2005 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect July 1, 2005.

Passed by House April 25, 2005

Repassed by House May 25, 2005

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Chief Clerk of House

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Speaker of House

Passed by Senate May 23, 2005

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President of Senate

Received by Governor:

.....M,....., 2005

Approved:

.....M,....., 2005

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Governor

Filed in Office of Secretary of State:

.....M,....., 2005

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Secretary of State