

## Enrolled House Bill 3141

Sponsored by Representative FLORES; Representatives CAMERON, DALLUM, THATCHER,  
WHISNANT, Senators MORRISETTE, WESTLUND

CHAPTER .....

### AN ACT

Relating to education; creating new provisions; amending ORS 297.210, 327.008, 327.026, 336.631, 338.025 and 338.115 and section 2, chapter \_\_\_, Oregon Laws 2007 (Enrolled Senate Bill 462); appropriating money; and declaring an emergency.

Whereas in Oregon 28 percent of eighth graders and 21 percent of eleventh graders are currently overweight; and

Whereas between 1994 and 2001, obesity among Oregon adults had increased by 59 percent, with Oregon's current adult obesity rate estimated at 22 percent - the highest in any state west of the Rockies; and

Whereas physical inactivity and a poor diet together account for at least 400,000 deaths among adults in the United States each year, which is second only to tobacco use as the leading cause of preventable death in the United States; and

Whereas inadequate participation in physical activity is the major contributor to the "epidemic of obesity" that has plagued the nation's young people during the past two decades; and

Whereas the Centers for Disease Control and Prevention, in their Guide to Community Preventive Services, have given their highest level of evidence-based endorsement to increasing children's physical activity and aerobic capacity through physical education; and

Whereas physical activity offers young people many health benefits, including controlling weight, building lean muscle and reducing fat, improving aerobic endurance and muscular strength, building greater bone mass to prevent osteoporosis in adulthood, reducing the risk of diabetes, preventing or reducing high blood pressure, and developing healthy habits that will last a lifetime; now, therefore,

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

**SECTION 1. The Department of Education shall collect data from school districts on:**

**(1) The number of minutes of physical education that are provided to students in kindergarten through grade 8 each school week in each public school within the district;**

**(2) The physical capacity of public schools to provide students in kindergarten through grade 5 with at least 150 minutes of physical education during each school week and to provide students in grades 6 through 8 with at least 225 minutes of physical education during each school week; and**

**(3) The additional facilities required by public schools to provide physical education to students as described in subsection (2) of this section.**

**SECTION 2.** Prior to February 1 of each odd-numbered year, the Department of Education shall report to the Legislative Assembly on the data collected under section 1 of this 2007 Act for the prior two school years.

**SECTION 3.** Notwithstanding section 2 of this 2007 Act, the Department of Education is required to include only the data collected from the 2007-2008 school year under section 1 of this 2007 Act in the first report to the Legislative Assembly under section 2 of this 2007 Act.

**SECTION 4.** Section 5 of this 2007 Act is added to and made a part of ORS chapter 329.

**SECTION 5.** (1) Every public school student in kindergarten through grade 8 shall participate in physical education for the entire school year. Students in kindergarten through grade 5 shall participate in physical education for at least 150 minutes during each school week. Students in grades 6 through 8 shall participate in physical education for at least 225 minutes during each school week.

(2) School districts and public charter schools shall offer instruction in physical education that meets the academic content standards for physical education adopted by the State Board of Education under ORS 329.045. The instruction shall be a sequential, developmentally appropriate curriculum that is designed, implemented and evaluated to help students develop the knowledge, motor skills, self-management skills, attitudes and confidence needed to adopt and maintain physical activity throughout their lives.

(3) School districts and public charter schools shall devote at least 50 percent of physical education class time to actual physical activity in each school week, with as much class time as possible spent in moderate physical activity.

(4)(a) Notwithstanding subsections (1) and (3) of this section, a student with disabilities shall have suitably adapted physical education incorporated as part of the individualized education program developed for the student under ORS 343.151.

(b) Notwithstanding subsections (1) and (3) of this section, a student who does not have an individualized education program but has chronic health problems, other disabling conditions or other special needs that preclude the student from participating in regular physical education instruction shall have suitably adapted physical education incorporated as part of an individualized health plan developed for the student by the school district or public charter school.

(5) School districts and public charter schools shall assess school curricula at regular intervals to measure the attainment of the minimum number of minutes that students are required to participate in physical education under this section.

(6) All teachers of physical education for public school students in kindergarten through grade 8 shall be adequately prepared and shall regularly participate in professional development activities to effectively deliver the physical education program.

**SECTION 6.** ORS 336.631 is amended to read:

336.631. (1) Prior to contracting with or distributing any public funds to a private alternative education program, a district school board shall:

(a) Annually approve the private alternative education program;

(b) Determine that the private alternative education program is registered with the Department of Education; and

(c) Determine that the private alternative education program complies with the requirements of subsection (2) of this section and ORS 336.625 (3)(c).

(2) The following laws apply to private alternative education programs that are registered with the Department of Education under ORS 336.635 in the same manner as the laws apply to school districts and public schools:

(a) Federal law;

(b) ORS 181.534, 181.539, 326.603, 326.607 and 342.232 (criminal records checks);

(c) **Section 5 of this 2007 Act (physical education);**

[(c)] (d) ORS 337.150, 339.141, 339.147 and 339.155 (tuition and fees);

[(d)] (e) ORS 659.850 and 659.855 (discrimination);

[*e*] (f) Health and safety statutes and rules; and  
[*f*] (g) Any statute, rule or school district policy that is specified in a contract between the school district board and the private alternative education program.

(3) Prior to placement of a student in a private alternative education program, the resident district shall determine whether the proposed placement best serves the student's educational needs and interests and assists the student in achieving the district and state academic standards.

(4) Contracts between a school district and a private alternative education program shall be included in the assessment of effectiveness provided for in ORS 329.085.

**SECTION 7.** ORS 338.115 is amended to read:

338.115. (1) Statutes and rules that apply to school district boards, school districts or other public schools do not apply to public charter schools. However, the following laws do apply to public charter schools:

- (a) Federal law;
- (b) ORS 192.410 to 192.505 (public records law);
- (c) ORS 192.610 to 192.690 (public meetings law);
- (d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- (e) ORS 181.534, 181.539, 326.603, 326.607 and 342.232 (criminal records checks);
- (f) ORS 337.150 (textbooks);
- (g) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- (h) ORS 659.850 and 659.855 (discrimination);
- (i) ORS 30.260 to 30.300 (tort claims);
- (j) Health and safety statutes and rules;
- (k) Any statute or rule that is listed in the charter;
- (L) The statewide assessment system developed by the Department of Education for mathematics, science and English under ORS 329.485 (1);
- (m) ORS 329.045 (academic content standards and instruction);
- (n) **Section 5 of this 2007 Act (physical education);**
- [*n*] (o) Any statute or rule that establishes requirements for instructional time provided by a school during each day or during a year;
- [*o*] (p) ORS 339.250 (12) (prohibition on infliction of corporal punishment);
- [*p*] (q) ORS 339.370, 339.372 and 339.375 (reporting of child abuse); and
- [*q*] (r) This chapter.

(2) Notwithstanding subsection (1) of this section, a charter may specify that statutes and rules that apply to school district boards, school districts and other public schools may apply to a public charter school.

(3) If a statute or rule applies to a public charter school, then the terms "school district" and "public school" include public charter school as those terms are used in that statute or rule.

(4) A public charter school may not violate the Establishment Clause of the First Amendment to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion based.

(5) A public charter school shall maintain an active enrollment of at least 25 students.

(6) A public charter school may sue or be sued as a separate legal entity.

(7) The sponsor, members of the governing board of the sponsor acting in their official capacities and employees of a sponsor acting in their official capacities are immune from civil liability with respect to all activities related to a public charter school within the scope of their duties or employment.

(8) A public charter school may enter into contracts and may lease facilities and services from a school district, education service district, state institution of higher education, other governmental unit or any person or legal entity.

(9) A public charter school may not levy taxes or issue bonds under which the public incurs liability.

(10) A public charter school may receive and accept gifts, grants and donations from any source for expenditure to carry out the lawful functions of the school.

(11) The school district in which the public charter school is located shall offer a high school diploma, certificate, Certificate of Initial Mastery or Certificate of Advanced Mastery to any public charter school student who meets the district's and state's standards for a high school diploma, certificate, Certificate of Initial Mastery or Certificate of Advanced Mastery. If the school district offers a Certificate of Initial Mastery subject area endorsement to students who attend school in the district, then the school district shall offer the endorsement to any public charter school student who meets the district's and state's standards for the endorsement.

(12) A high school diploma, certificate, Certificate of Initial Mastery, Certificate of Initial Mastery subject area endorsement or Certificate of Advanced Mastery issued by a public charter school grants to the holder the same rights and privileges as a high school diploma, certificate, Certificate of Initial Mastery, Certificate of Initial Mastery subject area endorsement or Certificate of Advanced Mastery issued by a nonchartered public school.

(13) Prior to beginning operation, the public charter school shall show proof of insurance to the sponsor as specified in the charter.

(14) A public charter school may receive services from an education service district in the same manner as a nonchartered public school in the school district in which the public charter school is located.

**SECTION 8.** ORS 338.025 is amended to read:

338.025. (1) The State Board of Education may adopt any rules necessary for the implementation of this chapter. The rules shall follow the intent of this chapter.

(2) Upon application by a public charter school, the State Board of Education may grant a waiver of any provision of this chapter if the waiver promotes the development of programs by providers, enhances the equitable access by underserved families to the public education of their choice, extends the equitable access to public support by all students or permits high quality programs of unusual cost. The State Board of Education may not waive any appeal provision in this chapter or any provision under ORS 338.115 (1)(a) to [(p)] (q).

**SECTION 9.** (1) **Section 5 of this 2007 Act and the amendments to ORS 336.631, 338.025 and 338.115 by sections 6 to 8 of this 2007 Act become operative on July 1, 2017.**

(2) **Section 5 of this 2007 Act and the amendments to ORS 336.631, 338.025 and 338.115 by sections 6 to 8 of this 2007 Act first apply to the 2017-2018 school year.**

**SECTION 10.** (1) **The Department of Education shall award grants to school districts and public charter schools for the purpose of meeting the physical education requirements of section 5 of this 2007 Act.**

(2) **A district or school that receives a grant may use the grant to:**

(a) **Hire teachers who specialize in physical education; and**

(b) **Provide in-service training to teachers on the academic content standards for physical education and the requirements of section 5 of this 2007 Act.**

(3) **The department shall determine:**

(a) **The amount of a grant;**

(b) **The criteria for awarding a grant; and**

(c) **The process for awarding grants.**

(4) **The State Board of Education may adopt any rules necessary to administer this section.**

**SECTION 11.** **As used in sections 12 and 13 of this 2007 Act:**

(1) **"Business practices" means:**

(a) **The process of providing transportation, food service, grounds maintenance, building and systems maintenance, new construction, purchasing and contracting; or**

(b) **Financial practices.**

(2) **"District" means a school district as defined in ORS 332.002 and an education service district as defined in ORS 334.003.**

**SECTION 12.** (1) The Department of Education, in consultation with the District Best Business Practices Advisory Committee, shall establish a system for auditing the business practices of districts. The department shall develop a list of best business practices to use for the district audits.

(2) Only those districts that volunteer for the audit will be audited under this section.

(3) The department shall contract with the Secretary of State to audit districts based on the list of best business practices.

(4) The secretary shall report the results of the audit first to the Governor, the State Board of Education and the district that was the subject of the audit. Then the secretary may post the results of the audit on the Internet.

(5) The department shall monitor district responses to the recommendations made in the audit. The department shall report to the board on the district responses and make further recommendations if necessary.

**SECTION 13.** (1) There is established the District Best Business Practices Advisory Committee. The advisory committee shall consist of:

(a) One member appointed by the President of the Senate from among the members of the Senate;

(b) One member appointed by the Speaker of the House of Representatives from among the members of the House of Representatives; and

(c) The following members appointed by the Superintendent of Public Instruction:

(A) One member who is a representative of district school boards;

(B) One member who is a representative of district administrators;

(C) One member who is a representative of district teachers;

(D) One member who is employed by a district as a business manager;

(E) One member who is a member of a board of directors of an education service district; and

(F) One member who is a representative of district classified employees.

(2) In addition to the members appointed under subsection (1) of this section, the superintendent may appoint additional members who have special expertise in district business practices.

(3) The advisory committee shall advise the Department of Education on the development of a system for auditing the business practices of districts under section 12 of this 2007 Act, including:

(a) The designation of best business practices of districts;

(b) The method of selecting districts that volunteer for an audit;

(c) The interpretation and understanding of audit results; and

(d) Monitoring and reporting the district responses to the results of the audits.

(4) A majority of the members of the advisory committee constitutes a quorum for the transaction of business.

(5) The advisory committee shall meet at times and places specified by the call of the chairperson or of a majority of the members of the advisory committee.

(6) Official action by the advisory committee requires the approval of a majority of the members of the advisory committee.

(7) The advisory committee shall elect one of its members to serve as chairperson.

(8) The term of office of each member is two years, but a member serves at the pleasure of the appointing authority. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(9) The department shall provide staff support to the advisory committee.

(10) Members of the advisory committee who are not members of the Legislative Assembly are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in perform-

ing functions of the advisory committee shall be paid out of funds appropriated to the department for that purpose.

(11) All agencies of state government, as defined in ORS 174.111, and all districts are directed to assist the advisory committee in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the advisory committee consider necessary to perform their duties.

**SECTION 14.** ORS 297.210 is amended to read:

297.210. (1)(a) The Secretary of State, as State Auditor, shall have the accounts and financial affairs of state departments, boards, commissions, institutions and state-aided institutions and agencies of the state reviewed or audited as the Secretary of State considers advisable or necessary.

(b) **The Secretary of State, as State Auditor, may conduct audits of the business practices of school districts and education service districts pursuant to a contract with the Department of Education authorized by section 12 of this 2007 Act.**

(c) The Secretary of State may subpoena witnesses, require the production of books and papers and rendering of reports in such manner and form as the Secretary of State requires and may do all things necessary to secure a full and thorough investigation. The Secretary of State shall report, in writing, to the Governor. The report shall include a copy of the report on each audit.

(2) An audit or review shall be made of any institution or department of the state government at any time the executive head of the institution or department, for any reason, retires from the head's office or position.

(3) The Secretary of State shall employ auditors upon such terms and for such compensation as the Secretary of State determines are advantageous and advisable.

(4) If a person fails to comply with any subpoena issued under subsection (1) of this section, a judge of the circuit court of any county, on application of the Secretary of State, shall compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from the circuit court.

**SECTION 15.** (1) **There is created an Education System Design Team, consisting of the following members:**

(a) **The President of the Senate shall appoint five members from among members of the Senate. The members appointed under this paragraph may not all be from the same political party.**

(b) **The Speaker of the House of Representatives shall appoint five members from among members of the House of Representatives. The members appointed under this paragraph may not all be from the same political party.**

(c) **The Governor shall appoint one member to represent the office of the Governor.**

(2) **The purpose of the design team is to design a new legislative process for review of and decision-making regarding state agency budgets relating to prekindergarten through higher education. The process shall use a holistic or enterprise approach to prekindergarten through higher education. The design team shall:**

(a) **Work with the Quality Education Commission, with the Post-Secondary Quality Education Commission established by the Governor and with workgroups created by the Joint Boards of Education;**

(b) **Design a legislative system to review a comprehensive prekindergarten through higher education budget and policy presentation; and**

(c) **In collaboration with the office of the Governor and workgroups created by the Joint Boards of Education, design and recommend methods of financially supporting an education system that has the following goals:**

(A) **All students graduate from high school;**

(B) **Forty percent of high school graduates each year go on to earn an associate degree or acquire equivalent level work skills;**

(C) **Forty percent of high school graduates each year go on to earn a bachelor's degree; and**

- (D) Ensure that Oregon has world-class education institutions.
- (3) A majority of the members of the design team constitutes a quorum for the transaction of business.
- (4) Official action by the design team requires the approval of a majority of the members of the design team.
- (5) The design team shall elect one of its members to serve as chairperson.
- (6) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.
- (7) The design team shall meet at times and places specified by the call of the chairperson or of a majority of the members of the design team.
- (8) The design team may adopt rules necessary for the operation of the design team.
- (9) The design team shall submit a report, and may include recommendations for legislation, to the interim legislative committees on education on or before February 1, 2008.
- (10) The design team may pre-session file legislation in the manner provided in ORS 171.130 for interim committees. All legislation recommended by official action of the design team must indicate that it is introduced at the request of the design team.
- (11) The office of the Governor shall provide staff support to the design team. The office of the Governor may also contract for staff support for the design team.
- (12) Members of the design team who are not members of the Legislative Assembly are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for expenses shall be paid out of funds appropriated to the office of the Governor for that purpose.
- (13) All agencies of state government, as defined in ORS 174.111, and all school districts are directed to assist the design team in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the design team consider necessary to perform their duties.

**SECTION 16.** Section 15 of this 2007 Act is repealed on the date of the convening of the next regular biennial legislative session.

**SECTION 17.** ORS 327.026 is amended to read:

327.026. (1) In order to accomplish the purpose described in ORS 326.700, the State Board of Education shall adopt by rule definitions and procedures to be applied to the computation of the State School Fund allocations where necessary to make students enrolled in the Youth Corrections Education Program, as defined in ORS 326.695, and the Juvenile Detention Education Program, as defined in ORS 326.695, equivalent to students enrolled in common and union high school districts for purposes of distribution of the fund.

(2)(a) The Youth Corrections Education Program shall be entitled to receive from the State School Fund for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the Youth Corrections Education Program ADM multiplied by 2.0 multiplied by the additional per student weight, as defined in ORS 327.013 (7)(a)(A), multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant.

**(b) Notwithstanding paragraph (a) of this subsection, the Youth Corrections Education Program may not receive moneys under this section from the State School Fund for any youth in the program who:**

- (A) Has received a high school diploma; or**
- (B) Is 21 years of age or older.**

(3) The Juvenile Detention Education Program shall be entitled to receive from the State School Fund for each school year a special State School Fund grant, consisting of a general purpose grant that is equal to the Juvenile Detention Education Program ADM multiplied by 1.5 multiplied by Funding Percentage and further multiplied by Statewide Target per ADMw Grant.

(4) Funds allocated to the Youth Corrections Education Program and the Juvenile Detention Education Program from the State School Fund shall remain with the Department of Education and

shall be adjusted in the year following the distribution to reflect the actual ADMw of students in the Youth Corrections Education Program and the Juvenile Detention Education Program in the same manner as for the school districts under ORS 327.101.

**SECTION 18.** If Senate Bill 462 becomes law, section 2, chapter \_\_\_, Oregon Laws 2007 (Enrolled Senate Bill 462), is amended to read:

**Sec. 2.** (1) On or before October 31, 2007, the Superintendent of Public Instruction shall issue a fact-finding report on the division of the South Umpqua School District No. 19 into two districts. The two districts shall be the South Umpqua School District No. 19 and a district designated as the Canyonville School District. Each district shall offer educational programs in kindergarten through grade 12.

(2) The superintendent shall designate a fact finder to gather information and make recommendations about the division of the South Umpqua School District No. 19. The South Umpqua School District No. 19 Board and the Canyonville School Committee shall jointly submit a list of fact finder candidates to the superintendent. The list shall have no more than six names. The superintendent shall select the fact finder from the list.

(3) The fact finder shall consult with the South Umpqua School District No. 19 Board and the Canyonville School Committee. The fact finder shall:

(a) Consider whether the question of dividing the South Umpqua School District No. 19 should be submitted to the electors of the school district;

(b) Consider converting the Canyonville School to a public charter school; and

(c) Consider other alternatives for the operation of the Canyonville School.

(4) In considering the division of the South Umpqua School District No. 19, the fact finder shall review:

(a) The impact of the division on the South Umpqua School District No. 19;

(b) The plan for the division of the assets and liabilities of the South Umpqua School District No. 19;

(c) The school facilities of the proposed Canyonville School District;

(d) The expected income and expenditures of the proposed Canyonville School District;

(e) The business management plan for the proposed Canyonville School District;

(f) The education program and the ability of the proposed Canyonville School District to meet state and federal education standards; and

(g) Any other relevant issues relating to the division of the South Umpqua School District No. 19.

(5) Based on the findings and recommendations of the fact finder, the superintendent shall issue a fact-finding report that shall include:

(a) An order for the district boundary board of the South Umpqua School District No. 19 to submit the question of dividing the South Umpqua School District No. 19 to the electors of the school district. The order of the superintendent shall specify the new boundaries of the South Umpqua School District No. 19 and shall specify the distribution of the assets and liabilities of the former district;

(b) A recommendation to convert the Canyonville School to a public charter school; or

(c) A recommendation for another alternative for the operation of the Canyonville School.

(6) If the superintendent orders the district boundary board to send the question of dividing the South Umpqua School District No. 19 to the electors of the school district, the district boundary board, acting as the district elections authority on behalf of the South Umpqua School District No. 19, shall submit the question of dividing the South Umpqua School District No. 19 to the electors of the school district prior to April 1, 2008.

(7) If a majority of votes cast approve the division of the South Umpqua School District No. 19, the district boundary board shall proceed to divide the South Umpqua School District No. 19 based on the order of the superintendent. The district boundary board shall appoint by order five electors of the Canyonville School District as the initial board of directors of the district. Three of the members shall be appointed to serve until June 30 following the election of their successors at the



next district election. Two of the members shall be appointed to serve until June 30 following the election of their successors at the next succeeding district election.

(8) A remonstrance petition or election under ORS 330.101 is not allowed on the division of the South Umpqua School District No. 19.

(9) The employees of the former school district who have been employed at a school that is within the new Canyonville School District may elect to transfer to the Canyonville School District upon the creation of the school district. A school district employee of the former school district may not be deprived of seniority or accumulated sick leave solely because the duties of the employee have been assumed or acquired by the new school district.

(10)(a) Notwithstanding ORS 330.103 (1), if prior to July 1, 2008, the district boundary board files with the county assessor and the Department of Revenue the legal description of the division of the South Umpqua School District No. 19 pursuant to ORS 308.225, the division of the school district shall become effective on July 1, 2009.

(b) Notwithstanding paragraph (a) of this subsection, for purposes of levying taxes, the division of the South Umpqua School District No. 19 shall become effective on May 31, 2008, and the South Umpqua School District No. 19 shall continue to levy taxes for both school districts for the 2008-2009 fiscal year.

(11)(a) The South Umpqua School District No. 19 [*and the Canyonville School Committee*] shall [*each*] pay to the Department of Education 50 percent of the costs of the superintendent and the department of administering this section.

**(b) For the purpose of paying the costs of the superintendent and the department of administering this section, the department may accept contributions of moneys and assistance from any public or private source and agree to conditions placed on the moneys not inconsistent with the duties of the department or superintendent under this section.**

**(c) Any moneys received by the department under this subsection shall be placed in the Department of Education Account.**

**(d) Notwithstanding subsections (1) to (10) of this section, the superintendent may not take any action under this section until the department determines that sufficient moneys or assistance have been received by the department to pay for the costs of the superintendent and the department of administering this section.**

**SECTION 19.** ORS 327.008, as amended by section 6a, chapter 803, Oregon Laws 2005, is amended to read:

327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist of moneys appropriated by the Legislative Assembly and moneys transferred from the Education Stability Fund. The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 327.355, 327.357, 327.360, 336.575, 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961.

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.013.

(3) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

(4) All figures used in the determination of the distribution of the State School Fund shall be estimates for the same year as the distribution occurs, unless otherwise specified.

(5) Numbers of students in average daily membership used in the distribution formula shall be the numbers as of June of the year of distribution.

(6) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(7) The total amount of the State School Fund that is distributed as facility grants may not exceed \$25 million in any biennium. If the total amount to be distributed as facility grants exceeds this

limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant.

(8) Each fiscal year, the Department of Education shall transfer the amount of \$12 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(9) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from the State School Fund to the Small School District Supplement Fund established in ORS 327.360.

**(10) Each biennium, the Department of Education may expend up to \$800,000 from the State School Fund for the administration of sections 12 and 13 of this 2007 Act.**

**(11) Each biennium, the Department of Education may expend up to \$350,000 from the State School Fund for the talented and gifted program under ORS 343.391 to 343.413.**

**(12) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under sections 21 to 25 of this 2007 Act.**

**SECTION 20. Notwithstanding ORS 327.008, for the biennium beginning July 1, 2007:**

**(1) The Department of Education may:**

**(a) Expend up to \$140,000 from the State School Fund for the collection of data from school districts on physical education under section 1 of this 2007 Act.**

**(b) Expend up to \$860,000 from the State School Fund for the purpose of awarding grants to school districts and public charter schools for physical education under section 10 of this 2007 Act.**

**(c) Transfer \$200,000 from the State School Fund to the Office of the Governor for the purpose of providing staff support to the Education System Design Team under section 15 of this 2007 Act.**

**(d) Expend up to \$150,000 from the State School Fund for the provision of staff support to the Quality Education Commission under ORS 327.500.**

**(e) Expend up to \$5,205,456 from the State School Fund for youth in the Youth Corrections Education Program who:**

**(A) Have received their high school diplomas; or**

**(B) Are 21 years of age or older.**

**(2) There is transferred to the Oregon Virtual School District Fund from the State School Fund the amount of \$1,800,598.**

**SECTION 21. As used in sections 21 to 25 of this 2007 Act:**

**(1) "Eligible post-secondary institution" means:**

**(a) A state institution under the direction of the State Board of Higher Education listed in ORS 352.002;**

**(b) A community college as defined in ORS 341.005; or**

**(c) A generally accredited, not-for-profit institution of higher education.**

**(2) "Participant" means a student who receives a grant under section 23 of this 2007 Act.**

**SECTION 22. (1) The Department of Education shall establish a program to increase the number of speech-language pathologists and speech-language pathology assistants in Oregon.**

**(2) Through the program the department may award:**

**(a) Grants to students studying to become licensed speech-language pathologists or certified speech-language pathology assistants as provided in section 23 of this 2007 Act; and**

**(b) Stipends to licensed speech-language pathologists who are employed by education service districts or school districts and provide training to participants.**

**(3) The State Board of Education may adopt any rules necessary for the administration of sections 21 to 25 of this 2007 Act.**

**SECTION 23. (1) To be eligible for participation in the program under sections 21 to 25 of this 2007 Act, a student must:**

**(a) Be registered as a student in an eligible post-secondary institution;**

(b) Agree to receive training as a student under the supervision of a staff person employed by an education service district or a school district;

(c) Agree to be employed in Oregon for a minimum of two years as a speech-language pathologist or speech-language pathology assistant within the education service district where the participant received training as a student;

(d) Agree to pay back any amount received by the participant as a grant if the participant does not meet the employment requirement of the program; and

(e) Meet other requirements placed on the participant by the Department of Education.

(2) The Department of Education shall award to each participant selected by the department for participation in the program:

(a) A grant in an amount that is up to \$2,000 per academic year for participants who are registered in programs to become speech-language pathology assistants; and

(b) A grant in an amount that is up to \$9,000 per academic year for participants who are registered in programs to become speech-language pathologists.

(3) Notwithstanding subsection (2) of this section, a participant may not receive a grant under this section that is in an amount that is greater than the tuition costs of the participant.

(4) A participant shall complete the employment requirement specified under subsection (1) of this section not later than three years after the date the participant graduates from the program. The department may grant a participant additional time to complete the employment requirement as follows:

(a) For the period of enrollment if a participant returns to school on a full-time basis in any course of study at an eligible post-secondary institution; and

(b) For a period determined by the State Board of Education for other reasons allowed by the board.

(5) If a participant does not meet the employment requirement, the participant must pay back any amount received by the participant as a grant under the program. The department shall deposit any moneys received under this subsection in the Speech-Language Pathologist Training Fund.

**SECTION 24.** (1) The Department of Education may award stipends to licensed speech-language pathologists who are employed by education service districts or school districts and who provide training to participants.

(2) The department may award to a licensed speech-language pathologist:

(a) A stipend in an amount that may be up to \$400 per participant for providing training to the participant to become a licensed speech-language pathologist.

(b) A stipend in an amount that may be up to \$200 per participant for providing training to the participant to become a certified speech-language pathology assistant.

**SECTION 25.** (1) The Speech-Language Pathologist Training Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Speech-Language Pathologist Training Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Education for the purpose of awarding grants and stipends under sections 21 to 25 of this 2007 Act.

(2) The department may seek grants and donations to provide funding for the program. The department shall deposit any moneys received under this subsection in the fund.

**SECTION 26.** Sections 21 to 25 of this 2007 Act first apply to participants who attend an eligible post-secondary institution during the 2007-2008 academic year.

**SECTION 27.** This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on July 1, 2007.

**Passed by House June 25, 2007**

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Chief Clerk of House

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Speaker of House

**Passed by Senate June 26, 2007**

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President of Senate

**Received by Governor:**

.....M,....., 2007

**Approved:**

.....M,....., 2007

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Governor

**Filed in Office of Secretary of State:**

.....M,....., 2007

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Secretary of State