

Enrolled Senate Bill 259

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with presession filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Superintendent of Public Instruction Stan Bunn for the Legislative Task Force of Education Service Districts)

CHAPTER

AN ACT

Relating to education service districts; amending ORS 334.003, 334.005, 334.025, 334.032, 334.125, 334.145, 334.710, 334.720, 334.730 and 334.740; repealing ORS 334.725; and declaring an emergency.

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

SECTION 1. ORS 334.003 is amended to read:

334.003. For purposes of this chapter:

(1) "Component school district" means a common school district or a union high school district located within the territory of an education service district.

(2) "Education service district" means a district created under ORS 334.010 that provides regional educational services to component school districts.

[(2)] **(3)** "Joint school district" means a common school district or a union high school district located within the territory of more than one education service district.

SECTION 2. ORS 334.005 is amended to read:

334.005. [(1) *An equitable and excellent education must be provided to all children in the state. Assuring an opportunity for such an education has been and will continue to be a major purpose of education service districts.*]

[(2) *Education service districts are needed to assist the State Board of Education in providing state level services, to deliver essential support services to school districts so that the districts meet state standards and comply with state laws and to respond to district needs. Education service districts offer expertise and specialized resources that few school districts can provide on their own.*]

[(3) *All child- and youth-serving organizations must work closely together for the mutual benefit of those they serve. Education service districts shall play an important role in achieving such inter-organizational cooperation and coordination in their regions with school districts and working with county governments, among health care agencies, social service agencies and employment training agencies. Private agencies should be enabled to participate in the regional service delivery system through contractual agreements.*]

[(4) *As client-centered organizations, education service districts must respect the differences in needs of school districts by using varied and flexible service delivery modes and by giving school districts the opportunity to participate in decisions about what services will be offered.*]

(1) The mission of education service districts is to assist school districts and the Department of Education in achieving Oregon's educational goals by providing equitable, high quality, cost-effective and locally responsive educational services at a regional level.

(2) An education service district plays a key role in:

(a) Ensuring an equitable and excellent education for all children in the state;

(b) Implementing the Oregon Educational Act for the 21st Century;

(c) Fostering the attainment of high standards of performance by all students in Oregon's public schools; and

(d) Facilitating interorganizational coordination and cooperation among educational, social service, health care and employment training agencies.

(3) An education service district's role is one of leadership and service. Education service districts shall maintain the distinction between their role as service organizations and the regulatory role of the Department of Education and other state agencies.

(4) To ensure that an education service district is locally responsive, an education service district shall provide:

(a) Opportunities for component school districts to participate in decisions about the services that are offered by the education service district; and

(b) A variety of flexible service delivery models.

(5) An education service district shall remain accountable to:

(a) The public at large;

(b) The component school districts; and

(c) The State Board of Education.

SECTION 3. ORS 334.025 is amended to read:

334.025. (1) The board of directors of an education service district shall consist of seven, nine or 11 members.

(2) In education service districts, not [*less*] **fewer** than five of the directors shall be elected, one from each of the zones established under ORS 334.032. At the discretion of the board of directors, one or two board members may be elected from the district at large.

[*(3) The board shall appoint two additional members as nonvoting advisory members, one to represent employment training agencies and the other to represent social service agencies in the area served by the district. The advisory members shall be appointed to two-year terms and may be reappointed.*]

[*(4)*] **(3)** On the petition of two component school districts, the board shall establish local advisory committees to represent the interests of areas within the petitioning districts. The local advisory committees shall advise the board on matters of concern within the advisory committee's area. Local advisory committees shall represent two or more component school districts.

[*(5)*] **(4)** The board of directors may by resolution increase or decrease the number of members of the board. The board's resolution shall be entered with sufficient time for the board to give the required information to the elections officer under ORS 255.069, and the board's resolution shall have no effect on the terms of any current board members.

SECTION 4. ORS 334.032 is amended to read:

334.032. (1) The board of directors of [*the*] **an** education service district shall divide [*each*] **the** education service district into not more than 11 zones as nearly equal in census population as may be practicable, measured along common school district boundary lines except that zones may be established using voting precinct boundaries in order to achieve greater equality of population. **If possible, the board shall establish the zones so that each county within the education service district, the majority of the land area of which lies within the boundaries of the education service district, has at least one member on the board.**

(2) Each county within the education service district, the majority of the land area of which lies within the boundaries of the education service district, shall have at least one member on the board or shall have at least one member on the budget committee of the education service district.

[(2)] **(3)** The board may readjust the boundaries of [such] **the** zones once each year and shall readjust the boundaries of the zones immediately upon any change of the boundaries of the education service district.

SECTION 5. ORS 334.125 is amended to read:

334.125. (1) The education service district is a body corporate.

(2) The education service district board is authorized to transact all business coming within the jurisdiction of the education service district and may sue and be sued.

(3) The education service district board shall perform all duties required by law, including but not limited to:

(a) Distribution of such school funds as it is empowered to apportion;

(b) Conduct of audits;

(c) Duties as district boundary board;

(d) Budget and tax levying duties, including the levying of taxes under ORS 280.060;

[(e) Curriculum improvement;]

[(f) Special education programs;]

[(g)] **(e)** Contracting a bonded indebtedness and levying direct ad valorem taxes on all taxable property within the education service district in the manner that component school districts are authorized to issue bonds and levy taxes under ORS 328.205 to 328.304 and other laws applicable to the issuance of bonds and levying of taxes by school districts; and

[(h)] **(f)** Creating a county education bond district under ORS 328.304 from a county within the district.

(4) In addition to its duties under subsection (3) of this section and duties arising under ORS 334.175, [in cooperation] with **the approval of the component school districts through the resolution process described in ORS 334.175**, the board may:

(a) Plan for the provision and delivery of education, **including curriculum improvement and special education programs**;

(b) Provide staff development;

(c) Conduct assessment, evaluation and research;

(d) Plan and provide for new learning environments;

(e) Plan and provide for educational communication and distribution services, including telecommunications systems; [and]

(f) Collaborate in jointly planning for the delivery of health care, employment training and social services in the region; **and**

(g) Provide funds to component school districts to provide services in lieu of those school districts receiving services from the education service district.

(5) The education service district board may employ and fix the compensation of such personnel as it considers necessary for carrying out duties of the board.

(6) In carrying out its duties, the education service district board:

(a) May locate, buy, accept by gift or lease such land, buildings and facilities as may be required for district purposes. Leases authorized by this section may be for a term of up to 30 years and include lease-purchase agreements whereunder the district may acquire ownership of the leased property.

(b) May acquire personal property by a lease-purchase agreement or contract of purchase for a term exceeding one year. A lease-purchase agreement is one in which the rent payable by the district is expressly agreed to have been established to reflect the savings resulting from the exemption from taxation, and the district is entitled to ownership of the property at a nominal or other price which is stated or determinable by the terms of the agreement and was not intended to reflect the true value of the property.

(c) May lease property or sell and convey property of the district as the board considers unnecessary to its purposes.

(d) May purchase relocatable structures in installment transactions in which deferred installments of the purchase price are payable over not more than 10 years from the date of delivery of

the property to the district and are secured by a security interest in the property. The transactions may take the form of, but are not limited to, lease-purchase agreements.

(e) May accept money or property donated for the use or benefit of the district and use the money or property for the purpose for which it was donated.

(7) The education service district board may adopt rules it considers necessary to carry out the duties of the board.

(8) The education service district may contract with public and private entities for service delivery.

(9)(a) The education service district shall work cooperatively with component school districts and review periodically with component school districts the operations of component school districts and shall submit to the component school districts plans for operations that achieve economies and efficiencies through consolidation of various operations of all or some of the districts. The education service district and its component school districts shall submit an annual report on the effectiveness of the consolidation of operations to the State Board of Education.

(b) As used in this subsection, "operations" means services involving transportation, payroll, student records, auditing, legal services, insurance, printing, investment and other similar services.

SECTION 6. ORS 334.145 is amended to read:

334.145. (1) At the discretion of the county court or board of county commissioners of any county within the education service district, the county may provide space for the board, superintendent and staff of the education service district and may charge the district a reasonable sum as rent for this space.

(2) The board of an education service district may rent such space as may be required when the space offered by the county, if any, is considered to be inadequate. Subject to ORS 334.125 **and the funding allocation of the education service district**, the board may purchase such required space.

(3) The education service district may provide space for the offices of other education, employment training and human service providers.

SECTION 7. ORS 334.710 is amended to read:

334.710. (1) [*Whenever*] **If** two or more education service districts desire to join together for the purpose of forming one education service district, a petition from each such district shall be presented to the State Board of Education[. *The petition shall contain the signatures of at least 100 electors of the district or a number of electors of the district equal to at least five percent of the electors of each proposing district, whichever is less.*] **when:**

(a) Resolutions are presented to each of the education service district boards by the boards of the component school districts that represent two-thirds of the component school districts that are a part of each of the education service districts and that have at least a majority of the pupils included in the average daily membership of the education service district, as determined by the reports of such school districts for the preceding school year, enrolled in the schools of the districts; or

(b) The education service district boards mutually consent to the merger and a majority vote of each board has approved a petition.

(2) The State Board of Education shall review the [*petition*] **petitions** and within 15 days after the board meeting at which the [*petition is*] **petitions are** reviewed, shall notify the education service district boards of each district designated by the [*petition*] **petitions**, fix the date of and be responsible for supervising the giving of notices as provided in ORS 330.400 and conducting the public hearings in each proposing district to discuss the proposal contained in the [*petition*] **petitions**.

SECTION 8. ORS 334.720 is amended to read:

334.720. (1) At the public hearings **conducted pursuant to ORS 334.710**, the State Board of Education shall cause to have discussed the effect of the proposed district and any resident of the affected districts may be heard with reference to the proposal.

(2) If, after the hearings, the State Board of Education determines that the proposal is feasible, [*the question of the proposed district shall be submitted to the electors of each education service district*]

at the next regular district election after the board's determination.] **the board shall order the proposed merger of the districts based on the proposal.**

[(3) The votes cast in each education service district shall be counted separately and if a majority of the votes cast by the electors of each district within the boundaries of the proposed district is in favor of the formation of the proposed district, the new education service district shall be organized in the manner provided in ORS 334.730 to 334.770. If the majority of the votes cast in any education service district is opposed to the formation of the new district, the districts shall remain as they were prior to the election.]

[(4)] **(3)** When two or more education service districts join together in the manner provided in this section, the new district shall come into existence effective May 31 of the year following the *[election]* **order of the State Board of Education issued under subsection (2) of this section.**

SECTION 9. ORS 334.730 is amended to read:

334.730. (1) Immediately after the *[election]* **order** to join two or more education service districts together, *[if the election supported such action,]* the boards of directors of all education service districts within the boundaries of the new district shall meet together upon the call of the chairperson of the board of the most populous district. *[Except as provided in ORS 334.725, and]* Notwithstanding ORS 334.025 or ORS chapter 255, the joint board of directors shall divide the new district into as many zones as the board considers necessary, but not fewer than seven nor more than 11. The zones shall be as nearly equal in population as may be practicable. **If possible, the joint board shall establish the zones so that each county within the new education service district, the majority of the land area of which lies within the boundaries of the education service district, has at least one member on the board.**

(2) Within 90 days after the zones required in subsection (1) of this section are established, the joint board of directors shall call a special election in the new district for the purpose of electing directors, one of whom shall be elected from each zone established under subsection (1) of this section by the electors of the zone.

SECTION 10. ORS 334.740 is amended to read:

334.740. *[Except as provided in ORS 334.725,]* The nomination of a candidate to serve as a director of the new education service district from a zone, when made by a petition, shall be signed by electors registered in the zone in which the candidate is a resident. The nomination of a candidate to serve as a director of the new education service district at large, when made by a petition, shall be signed by electors of the district. A candidate must be qualified to vote in the election in which the individual is a candidate and must be qualified to hold office as a director of an education service district.

SECTION 11. ORS 334.725 is repealed.

SECTION 12. This 2001 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2001 Act takes effect July 1, 2001.

Passed by Senate April 16, 2001

Repassed by Senate June 5, 2001

.....
Secretary of Senate

.....
President of Senate

Passed by House May 31, 2001

.....
Speaker of House

Received by Governor:

.....M.,....., 2001

Approved:

.....M.,....., 2001

.....
Governor

Filed in Office of Secretary of State:

.....M.,....., 2001

.....
Secretary of State