

**CHAPTER 1****High School Graduation and  
College and Career Readiness Act****PREAMBLE**

**Oregon's high schools have become a dead end for too many students. For others, they are a poor launching pad for college and career success. Targeted use of state funds can update and expand career-technical education programs, expand access to college-level courses, prevent students from dropping out and keep them on track to graduate in all Oregon high schools.**

WHEREAS, Oregon has one of the worst high school graduation rates in the nation. More than 10,000 Oregon students fail to graduate each year. As a result, they face a future of lower earnings, higher unemployment and greater reliance on public assistance. This problem persists for white students, African-American students, Hispanic students and Native American students—all of whom are less likely to graduate than their peers in other states.

WHEREAS, too many students who graduate from high school find themselves unprepared for college and work. Career-technical courses that connect students to the world of work have been scaled back or eliminated in most school districts or are badly out of date. And, nearly 75% of the Oregon high school graduates who enroll in our community colleges need remedial education.

WHEREAS, states with similar student populations have substantially higher graduation rates and show better results for students who move on to college and careers after high school.

WHEREAS, some school districts in Oregon have been able to update and expand their career-technical education programs in areas like health care and information technologies. Other districts have been able to offer more college-level courses that give students an opportunity to earn college credits, save on tuition and improve their chances of earning certificates and degrees in our community colleges and universities. Still other districts have used dropout-prevention strategies to identify and intervene with students at risk of not graduating, keeping them in school and getting them back on track to earn a high school diploma.

WHEREAS, by dedicating a portion of future state funding to implement the most effective strategies of other states and bring to scale the most successful high school programs demonstrated by Oregon school districts, we can significantly increase high school graduation rates and improve college and career readiness in all of our high schools.

THEREFORE, BE IT RESOLVED, that we establish a state fund for career-technical education programs, access to college-level courses and proven dropout-prevention strategies in all Oregon high schools to improve graduation rates and college and career readiness.

**The Citizens of Oregon Establish the High School Graduation and College and Career Readiness Fund**

**SECTION 1.** Sections 2 to 16 of this 2016 Act shall be known as the High School Graduation and College and Career Readiness Act.

**SECTION 2.** The High School Graduation and College and Career Readiness Fund is established in the General Fund for the purposes of improving the graduation rates and college and career readiness of all high school students in Oregon. The Legislative Assembly shall appropriate, allocate or otherwise make available to the fund an amount not less than \$800 per high school student per school year. The fund is continuously appropriated to the Department of Education for the purposes of sections 2 to 16 of this 2016 Act.

**SECTION 3.** (1)(a) Subject to sections 10 and 14 of this 2016 Act, for school years beginning on or after July 1, 2017, the High School Graduation and College and Career Readiness Fund shall be apportioned to each school district based on the extended weighted average daily membership of high school students computed as provided in ORS 327.013 (1)(c).

(b) In the event the Department of Education is unable to determine the extended weighted average daily membership of high school students for a school district, the department may determine the average extended weighted average daily membership for all students in the school district and apply the average extended weighted average daily membership to the number of high school students in the school district.

(2)(a) For school years beginning on or after July 1, 2018, the amount appropriated, allocated or otherwise made available to the fund under section 2 of this 2016 Act shall be increased each school year in a biennium by the amount derived from the application of the process in Executive Order 14-14 used to calculate the cost to maintain the current level of service.

(b) The intent of paragraph (a) of this subsection is to apply the process in Executive Order 14-14 in the event Executive Order 14-14 is canceled, superseded or otherwise made ineffective.

**SECTION 4.** The amounts appropriated, allocated or otherwise made available under section 2 of this 2016 Act and apportioned under section 3 of this 2016 Act shall be in addition to the total amount the Legislative Assembly would otherwise

appropriate, allocate or make available for a biennium for funding kindergarten through grade 12 public education.

### **Establishment of Career-Technical Education Programs in High Schools**

**SECTION 5.** A school district shall use a portion of the funds apportioned under section 3 of this 2016 Act to establish and expand career-technical education programs in high schools that are relevant to the job market in the community or region the school district serves. Establishment and expansion of a career-technical education program includes the purchase of equipment, the construction of facilities and the recruitment, licensing, employment and training of personnel to provide career-technical education.

### **Access to College-Level Courses in High Schools**

**SECTION 6.** (1) A school district shall use a portion of the amount apportioned under section 3 of this 2016 Act to establish and expand college-level educational opportunities for students in high schools.

(2) The college-level educational opportunities must include:

(a)(A) Advanced placement, International Baccalaureate or comparable college-level courses; or

(B) Dual credit, co-enrollment programs or extended co-enrollment programs offered in conjunction with an Oregon community college, public university or other accredited institutions of higher learning or post-high school career schools;

(b) Assisting students with the selection and successful completion of college-level educational opportunities; and

(c) The recruitment, licensing, employment and training of personnel to provide college-level educational opportunities for students in all high schools.

### **Implementation of Dropout-Prevention Strategies in All High Schools**

**SECTION 7.** (1) A school district shall use a portion of the amount apportioned under section 3 of this 2016 Act to establish and expand dropout-prevention strategies in all high schools.

(2) The dropout-prevention strategies must include:

(a) Implementing activities designed to reduce chronic absenteeism;

(b) Establishing and maintaining data management systems that provide timely reports on students' grades, absences and discipline by school and by course;

(c) Beginning with grade 8, using attendance, course grades, credits earned and disciplinary referrals to identify students at risk of not graduating;

(d) Beginning in the summer after grade 8, providing academic and social supports for students at risk of not graduating to ensure that the students are on track to graduate by the time the students enter grade 10 and stay on track to graduate after entering grade 10, including such supports as summer programs, additional instructional time before and after school hours, tutoring or small-group instruction during the school day or counseling services; and

(e) Providing counseling and coaching to provide early exposure for students to employment opportunities and requirements and options for post-secondary education.

**SECTION 8.** (1) A school district must use the amount apportioned under section 3 of this 2016 Act to establish and expand programs, opportunities and strategies under sections 5, 6 and 7 of this 2016 Act and may not use the amount apportioned to maintain programs, opportunities and strategies established prior to the effective date of this 2016 Act, except when a use is necessary to replace the loss or expiration of time-limited grants, federal funds and funds that support extended co-enrollment programs in effect prior to the effective date of this 2016 Act.

(2) School districts may, and are encouraged to:

(a) Cooperate, coordinate or act jointly with other school districts and with education service districts, including through the use of professional learning communities, to achieve the purposes of the High School Graduation and College and Career Readiness Fund and to maximize benefits from apportionments under section 3 of this 2016 Act;

(b) Cooperate, coordinate or act jointly with nonprofit programs and community-based organizations that have demonstrated achievement of positive outcomes in work with underserved student populations; and

(c) Use evidence-based criteria to determine appropriate staffing ratios and class sizes to achieve the purposes of the fund and to maximize benefits from apportionments under section 3 of this 2016 Act.

(3) When establishing and expanding career-technical education programs and college-level educational opportunities, school districts may, and are encouraged to, give preference to programs and opportunities in science, technology, engineering and mathematics.

### **Oversight and Accountability of and Technical Assistance for School Districts**

**SECTION 9.** To ensure the High School Graduation and College and Career Readiness Fund improves students' progress toward graduation beginning with grade 9, graduation rates and college and career readiness, the Department of Education shall:

(1) Monitor the performance of school districts that receive apportionments under section 3 of this

2016 Act, including students' progress toward graduation beginning with grade 9, graduation rates, rates of college attendance and need for remedial classes in college;

(2) Intervene where necessary to ensure appropriate and effective use of amounts apportioned under section 3 of this 2016 Act; and

(3) Facilitate continuous improvement of use of amounts apportioned under section 3 of this 2016 Act by implementing strategies for school districts to share best practices for improving students' progress toward graduation beginning with grade 9, graduation rates and college and career readiness.

**SECTION 10.** (1) For the biennium beginning July 1, 2017, the Department of Education may retain up to one and one-half percent of the High School Graduation and College and Career Readiness Fund for purposes of administering sections 2 to 16 of this 2016 Act.

(2) For biennia beginning on or after July 1, 2019, the department may retain up to one and one-quarter percent of the fund for purposes of administering sections 2 to 16 of this 2016 Act.

**SECTION 11.** (1) Not later than December 31, 2020, and every two years thereafter, the Secretary of State shall conduct financial and program audits of the uses of the High School Graduation and College and Career Readiness Fund and the effectiveness of the fund in achieving the purposes of the fund.

(2) The Secretary of State shall submit the audit reports to the Legislative Assembly and the Governor.

### Requirements for District Participation

**SECTION 12.** (1) By March 1, 2017, the State Board of Education shall by rule adopt eligibility requirements, biennial plan guidelines, biennial plan submission deadlines, reporting criteria and audit processes to ensure that amounts apportioned under section 3 of this 2016 Act improve students' progress toward graduation beginning with grade 9, increase the graduation rates of high schools and improve high school graduates' readiness for college or career.

(2) The requirements for eligibility adopted under subsection (2) of this section must include:

(a) A school district's providing sufficient time for teachers and staff of students in grade 9 to review data on students' grades, absences and discipline by school and by course and to develop strategies to ensure at-risk students stay on track to graduate;

(b) A school district's implementing district-wide evidence-based practices for reducing chronic absenteeism in grades 9 through 12;

(c) A school district's assignment of high school students to advanced and dual-credit courses based

on academic qualifications in order to avoid bias in course assignments; and

(d) A school district's implementing systems to ensure that high school students, including English Language Learners, are taking courses required for on-time graduation.

**SECTION 13.** To qualify for an apportionment under section 3 of this 2016 Act, a school district must:

(1) Meet the requirements for eligibility adopted by the State Board of Education under section 12 of this 2016 Act; and

(2) Obtain approval of a biennial plan for the proposed use of the amount apportioned under section 3 of this 2016 Act.

**SECTION 14.** (1) If a school district applies, but does not qualify for, an apportionment under sections 3 and 13 of this 2016 Act, the Department of Education shall:

(a) Retain the amount of the apportionment the school district would have received if the school district had qualified for the apportionment; and

(b) Prepare a corrective action plan for the school district;

(2) The department may use a portion of an amount retained under subsection (1)(a) of this section to prepare and assist a school district to implement a corrective action plan;

(3) If a school district that does not qualify for an apportionment qualifies for an apportionment in the next year, the department shall apportion to the school district the amount of the retained apportionment that the department did not use under section (2) of this 2016 Act; and

(4) If a school district that does not qualify for an apportionment in one year does not qualify for an apportionment in the next year, or if a school district does not apply for an apportionment in any year, the department shall, using the process described in section 3 of this 2016 Act, apportion the amount of the retained apportionment to school districts that have qualified for apportionments.

### Controls on Uses of Funds

**SECTION 15.** (1) For the biennium beginning July 1, 2017, a school district may not use more than five percent of an apportionment under section 3 of this 2016 Act for administrative costs.

(2) For biennia beginning on or after July 1, 2019, a school district may not use more than four percent of an apportionment for administrative costs.

(3) A school district may not use an apportionment to administer activities not directly related to the programs, opportunities and strategies described in sections 5, 6 and 7 of this 2016 Act.

(4) From the portion of the apportionment used for administrative costs, a school district must conduct an annual analysis of:

- (a) Student attendance in grades 9 through 12; and
- (b) Disciplinary referrals, suspensions and expulsions in grades 9 through 12 disaggregated by race and ethnicity.

### Definitions

**SECTION 16.** (1) As used in sections 7 and 12 of this 2016 Act, “chronic absenteeism” means a student’s missing two weeks or more in a school year.

(2) As used in section 12 of this 2016 Act, “English Language Learner” means a child whose native language is other than English or who speaks a language other than English in the child’s home.

(3) As used in this section and sections 6 and 8 of this 2016 Act, “extended co-enrollment program” means a program in which a student who has satisfied the requirements for a diploma established by the State Board of Education under ORS 329.451:

- (a) Does not receive a diploma;
- (b) Remains enrolled at a school district;
- (c) Attends a community college for at least half of the student’s coursework; and
- (d) Has some or all of the student’s tuition, fees and books for coursework at the community college paid by the school district where the student is enrolled.

(4) As used in sections 3 and 12 of this 2016 Act, “high school student” means a student enrolled in grades 9 through 12 or age level equivalent.

(5) As used in section 11 of this 2016 Act, “program audit” means determining:

- (a) The extent to which the desired results or benefits of a program are being achieved;
- (b) The extent to which the need for or objectives of an ongoing program are necessary or relevant;
- (c) Whether the program complements, duplicates, overlaps or conflicts with other related programs;
- (d) The effectiveness of organizations, programs, activities or functions; and
- (e) Whether the entity that is the subject of the audit has complied with laws and regulations applicable to the program.

- (6) As used in sections 2 to 16 of this 2016 Act, “school district” means a common or union high school district.

### Contingencies

**SECTION 17.** (1) In the event that the Office of Economic Analysis in the May 2017 quarterly economic and revenue forecast estimates that the increase in General Fund revenues for the biennium beginning July 1, 2017, will be less than \$1.5 billion above General Fund revenues estimated for the biennium beginning July 1, 2015, in the August 26, 2015, quarterly economic and revenue forecast, the amounts appropriated, allocated or otherwise made available under section 2 of this 2016 Act and apportioned under section 3 of this 2016 Act for the biennium beginning July 1, 2017, shall be prorated as set forth in subsection (2) of this section.

(2) The proportion for making a proration required by subsection (1) of this section is the amount of General Fund revenues estimated by the Office of Economic Analysis for the biennium beginning July 1, 2017, in the May 2017 quarterly economic and revenue forecast, divided by an amount equal to \$1.5 billion above the General Fund revenues estimated for the biennium beginning July 1, 2015, in the August 26, 2015, quarterly economic and revenue forecast.

**SECTION 18.** Sections 13 and 14 of this 2016 Act apply to school years beginning on or after July 1, 2018.

**SECTION 19.** Section 17 of this 2016 Act is repealed January 2, 2022.

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The Act set forth above (Ballot Measure No. 98) was proposed by initiative petition and was approved by the voters at the regular general election on November 8, 2016. By proclamation of the Governor dated December 8, 2016, the Act was declared to have received an affirmative majority of the total number of votes cast thereon and to be in full force and effect as provided in Article IV, section 1, Oregon Constitution (i.e., on December 8, 2016).

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**NOTE:** Legislative Counsel has standardized the paragraph indents but has not otherwise adjusted the format of the text that was proposed by initiative petition and approved by the voters.

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