

Senate Bill 601

Sponsored by Senator BAERTSCHIGER JR (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Limits percentage of general purpose grants that school districts and education service districts may expend on administrative expenses.

Removes enrollment limitations for virtual public charter schools.

Directs Department of Education to develop plan to allow students to attend any public school in state regardless of school district in which student resides.

Directs Department of Education to develop plan to allow qualified high school students to enroll in post-secondary institutions of education and to have any costs incurred from enrollment paid from State School Fund.

Directs Teacher Standards and Practices Commission to conduct study related to coteaching training models.

Establishes minimum number of days in school year and prohibits inclusion of days on which students do not receive any instruction in calculation of number of days.

Redirects certain employee contributions to Public Employees Retirement System to School Districts Unfunded Liability Fund to be applied against system liabilities of school district employers.

Prohibits education providers from entering into certain agreements or contracts with former or current employees to remove specified information from documents maintained by education providers.

Repeals Student Assessment Bill of Rights.

Appropriates to Department of Education for deposit in High School Graduation and College and Career Readiness Fund amount prescribed to be deposited under High School Graduation and College and Career Readiness Act (Ballot Measure 98 (2016)).

Declares emergency, effective July 1, 2019.

A BILL FOR AN ACT

Relating to education; creating new provisions; amending ORS 238A.320, 238A.330, 238A.350, 238A.375, 238A.410, 243.800, 336.010, 338.025, 338.125, 339.392 and 341.551; repealing ORS 329.479; and declaring an emergency.

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

LIMITS PERCENTAGE OF MONEYS SCHOOLS MAY USE ON ADMINISTRATIVE EXPENSES

SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 327.

SECTION 2. A school district or an education service district may not expend more than 10 percent of the amounts received by the district as a general purpose grant, as calculated under ORS 327.013 or 327.019, on the administrative expenses of the district.

SECTION 3. Section 2 of this 2019 Act becomes operative on July 1, 2020.

REMOVAL OF ENROLLMENT LIMITATION FOR VIRTUAL PUBLIC CHARTER SCHOOLS

SECTION 4. ORS 338.125 is amended to read:

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 338.125. (1) Student enrollment in a public charter school is voluntary.

2 (2)(a) All students who reside in the school district in which the public charter school is located
3 are eligible for enrollment in the public charter school if space is available.

4 (b) Students who do not reside in the school district in which the public charter school is lo-
5 cated are eligible for enrollment in the public charter school if space is available [*and subject to*
6 *subsection (4) of this section*].

7 (c) A public charter school may not limit student enrollment based on race, religion, sex, sexual
8 orientation, ethnicity, national origin, disability, the terms of an individualized education program,
9 income level, proficiency in the English language or athletic ability but may implement a weighted
10 lottery for historically underserved students as provided by subsection (3)(d) of this section.

11 (3)(a) Except as provided by paragraphs (b) and (c) of this subsection, if the number of applica-
12 tions from students who reside in the school district exceeds the capacity of a program, class, grade
13 level or building, the public charter school shall select students through an equitable lottery se-
14 lection process. An equitable lottery selection process may incorporate the provisions described in
15 paragraph (d) of this subsection.

16 (b)(A) A public charter school may give priority for admission to students who reside within the
17 attendance boundaries that were in effect at the time a school district closed a nonchartered public
18 school if:

19 (i) The public charter school began to operate not more than two years after the nonchartered
20 public school was closed;

21 (ii) The school district that closed the nonchartered public school is the sponsor of the public
22 charter school;

23 (iii) The public charter school is physically located within the attendance boundaries of the
24 closed nonchartered public school; and

25 (iv) The school district board, through board action, approved the public charter school giving
26 priority as described in this paragraph.

27 (B) Nothing in this paragraph requires an amendment to a charter. A school district board may
28 take an action described in subparagraph (A)(iv) of this paragraph at any time during the term of
29 a charter.

30 (c) After a public charter school has been in operation for one or more years, the public charter
31 school may give priority for admission to students who:

32 (A) Were enrolled in the school in the prior year;

33 (B) Have siblings who are presently enrolled in the school and who were enrolled in the school
34 in the prior year; or

35 (C) If the public charter school is a party to a cooperative agreement described in ORS 338.080,
36 reside in the school district that is the sponsor of the public charter school or in a school district
37 that is a party to the cooperative agreement.

38 (d) For the purpose of ameliorating the impact of discrimination against historically underserved
39 students, a public charter school may select students through a weighted lottery that favors histor-
40 ically underserved students. As used in this paragraph, "historically underserved students" are at
41 risk because of any combination of two or more factors including their race, ethnicity, English lan-
42 guage proficiency, socioeconomic status, gender, sexual orientation, disability and geographic lo-
43 cation.

44 [~~(4)(a)~~] (4) A student who wishes to enroll in a virtual public charter school does not need the
45 approval of the school district where the student is a resident before the student enrolls in the

1 virtual public charter school. If a student wishes to enroll in a virtual public charter school, the
 2 parent, legal guardian or person in parental relationship with the student must provide the following
 3 notices to the school district where the student is a resident:

4 [(A)] (a) Intent to enroll the student in a virtual public charter school; and

5 [(B)] (b) Enrollment of the student in a virtual public charter school.

6 *[(b)(A) Notwithstanding paragraph (a) of this subsection and ORS 339.133, if more than three*
 7 *percent of the students who reside in a school district are enrolled in virtual public charter schools that*
 8 *are not sponsored by the school district, a student who is a resident of the school district must receive*
 9 *approval from the school district before enrolling in a virtual public charter school. A school district*
 10 *is not required to give approval if more than three percent of the students who reside in the school*
 11 *district are enrolled in virtual public charter schools that are not sponsored by the school district.]*

12 *[(B) For the purpose of determining whether more than three percent of the students who reside in*
 13 *the school district are enrolled in virtual public charter schools that are not sponsored by the school*
 14 *district, the school district board shall include any students who:]*

15 *[(i) Reside in the school district, regardless of whether the students are considered residents of*
 16 *different school districts as provided by ORS 339.133 (5); and]*

17 *[(ii) Are enrolled in virtual public charter schools that are not sponsored by the school district.]*

18 *[(C) Students who reside in the school district, regardless of whether the students are considered*
 19 *residents of different school districts as provided by ORS 339.133 (5), must receive approval from the*
 20 *school district before enrolling in a virtual public charter school if the limit described in subparagraph*
 21 *(A) of this paragraph has been met.]*

22 *[(c) If the school district does not give approval under paragraph (b) of this subsection, the school*
 23 *district must provide information to the parent, legal guardian or person in parental relationship with*
 24 *the student about the right to appeal the decision to the State Board of Education and other online*
 25 *options available to the student. If an appeal is made to the State Board of Education, the board must*
 26 *issue a decision within 30 days of the submission of the appeal.]*

27 (5) Within 10 days of a student's enrollment in a public charter school, the public charter school
 28 shall provide written notice of the student's enrollment to the school district in which the public
 29 charter school is located if the student does not reside in the school district where the public
 30 charter school is located.

31 (6) Within 10 days of receiving the notice described in subsection (5) of this section, the school
 32 district in which the public charter school is located shall provide to the student's parent, legal
 33 guardian or person in parental relationship written information about:

34 (a) The school district's responsibility to identify, locate and evaluate students enrolled in the
 35 public charter school to determine which students may be in need of special education and related
 36 services as provided by ORS 338.165; and

37 (b) The methods by which the school district may be contacted to answer questions or provide
 38 information related to special education and related services.

39 (7) When a student described in subsection (5) of this section withdraws from a public charter
 40 school for a reason other than graduation from high school, the school district in which the public
 41 charter school is located shall:

42 (a) Provide to the school district in which the student resides written notice that the student
 43 has withdrawn.

44 (b) Provide to the student's parent, legal guardian or person in parental relationship written
 45 information about:

1 (A) The responsibility of the school district in which the student resides to identify, locate and
 2 evaluate students who reside in the school district to determine which students may be in need of
 3 special education and related services as provided by ORS 338.165; and

4 (B) The methods by which the school district in which the student resides may be contacted to
 5 answer questions or provide information related to special education and related services.

6 (8)(a) If a student described in subsection (5) of this section enrolls in a public charter school
 7 and has an individualized education program, the school district in which the public charter school
 8 is located must implement the individualized education program and follow the terms of the indi-
 9 vidualized education program until a new individualized education program is developed.

10 (b) If a student described in subsection (5) of this section withdraws from a public charter school
 11 and has an individualized education program, the school district in which the student resides must
 12 implement the individualized education program and follow the terms of the individualized education
 13 program until a new individualized education program is developed.

14 (9) When a virtual public charter school enrolls a student or a student no longer is enrolled in
 15 a virtual public charter school, the virtual public charter school shall provide the written notices
 16 described in ORS 338.120 (1)(m) and (n) to the school district where the student is a resident.

17 (10) A public charter school may conduct fund-raising activities but may not require a student
 18 to participate in fund-raising activities as a condition of admission to the public charter school.

19 **SECTION 5.** ORS 338.125, as amended by section 2, chapter 585, Oregon Laws 2015, and section
 20 2, chapter 218, Oregon Laws 2017, is amended to read:

21 338.125. (1) Student enrollment in a public charter school is voluntary.

22 (2)(a) All students who reside in the school district in which the public charter school is located
 23 are eligible for enrollment in the public charter school if space is available.

24 (b) Students who do not reside in the school district in which the public charter school is lo-
 25 cated are eligible for enrollment in the public charter school if space is available [*and subject to*
 26 *subsection (4) of this section*].

27 (c) A public charter school may not limit student enrollment based on race, religion, sex, sexual
 28 orientation, ethnicity, national origin, disability, the terms of an individualized education program,
 29 income level, proficiency in the English language or athletic ability.

30 (3)(a) Except as provided by paragraphs (b) and (c) of this subsection, if the number of applica-
 31 tions from students who reside in the school district exceeds the capacity of a program, class, grade
 32 level or building, the public charter school shall select students through an equitable lottery se-
 33 lection process.

34 (b)(A) A public charter school may give priority for admission to students who reside within the
 35 attendance boundaries that were in effect at the time a school district closed a nonchartered public
 36 school if:

37 (i) The public charter school began to operate not more than two years after the nonchartered
 38 public school was closed;

39 (ii) The school district that closed the nonchartered public school is the sponsor of the public
 40 charter school;

41 (iii) The public charter school is physically located within the attendance boundaries of the
 42 closed nonchartered public school; and

43 (iv) The school district board, through board action, approved the public charter school giving
 44 priority as described in this paragraph.

45 (B) Nothing in this paragraph requires an amendment to a charter. A school district board may

1 take an action described in subparagraph (A)(iv) of this paragraph at any time during the term of
2 a charter.

3 (c) After a public charter school has been in operation for one or more years, the public charter
4 school may give priority for admission to students who:

5 (A) Were enrolled in the school in the prior year;

6 (B) Have siblings who are presently enrolled in the school and who were enrolled in the school
7 in the prior year; or

8 (C) If the public charter school is a party to a cooperative agreement described in ORS 338.080,
9 reside in the school district that is the sponsor of the public charter school or in a school district
10 that is a party to the cooperative agreement.

11 [(4)(a)] (4) A student who wishes to enroll in a virtual public charter school does not need the
12 approval of the school district where the student is a resident before the student enrolls in the
13 virtual public charter school. If a student wishes to enroll in a virtual public charter school, the
14 parent, legal guardian or person in parental relationship with the student must provide the following
15 notices to the school district where the student is a resident:

16 [(A)] (a) Intent to enroll the student in a virtual public charter school; and

17 [(B)] (b) Enrollment of the student in a virtual public charter school.

18 [(b)(A) *Notwithstanding paragraph (a) of this subsection and ORS 339.133, if more than three*
19 *percent of the students who reside in a school district are enrolled in virtual public charter schools that*
20 *are not sponsored by the school district, a student who is a resident of the school district must receive*
21 *approval from the school district before enrolling in a virtual public charter school. A school district*
22 *is not required to give approval if more than three percent of the students who reside in the school*
23 *district are enrolled in virtual public charter schools that are not sponsored by the school district.*]

24 [(B) *For the purpose of determining whether more than three percent of the students who reside in*
25 *the school district are enrolled in virtual public charter schools that are not sponsored by the school*
26 *district, the school district board shall include any students who:*]

27 [(i) *Reside in the school district, regardless of whether the students are considered residents of*
28 *different school districts as provided by ORS 339.133 (5); and]*

29 [(ii) *Are enrolled in virtual public charter schools that are not sponsored by the school district.*]

30 [(C) *Students who reside in the school district, regardless of whether the students are considered*
31 *residents of different school districts as provided by ORS 339.133 (5), must receive approval from the*
32 *school district before enrolling in a virtual public charter school if the limit described in subparagraph*
33 *(A) of this paragraph has been met.*]

34 [(c) *If the school district does not give approval under paragraph (b) of this subsection, the school*
35 *district must provide information to the parent, legal guardian or person in parental relationship with*
36 *the student about the right to appeal the decision to the State Board of Education and other online*
37 *options available to the student. If an appeal is made to the State Board of Education, the board must*
38 *issue a decision within 30 days of the submission of the appeal.*]

39 (5) Within 10 days of a student's enrollment in a public charter school, the public charter school
40 shall provide written notice of the student's enrollment to the school district in which the public
41 charter school is located if the student does not reside in the school district where the public
42 charter school is located.

43 (6) Within 10 days of receiving the notice described in subsection (5) of this section, the school
44 district in which the public charter school is located shall provide to the student's parent, legal
45 guardian or person in parental relationship written information about:

1 (a) The school district’s responsibility to identify, locate and evaluate students enrolled in the
2 public charter school to determine which students may be in need of special education and related
3 services as provided by ORS 338.165; and

4 (b) The methods by which the school district may be contacted to answer questions or provide
5 information related to special education and related services.

6 (7) When a student described in subsection (5) of this section withdraws from a public charter
7 school for a reason other than graduation from high school, the school district in which the public
8 charter school is located shall:

9 (a) Provide to the school district in which the student resides written notice that the student
10 has withdrawn.

11 (b) Provide to the student’s parent, legal guardian or person in parental relationship written
12 information about:

13 (A) The responsibility of the school district in which the student resides to identify, locate and
14 evaluate students who reside in the school district to determine which students may be in need of
15 special education and related services as provided by ORS 338.165; and

16 (B) The methods by which the school district in which the student resides may be contacted to
17 answer questions or provide information related to special education and related services.

18 (8)(a) If a student described in subsection (5) of this section enrolls in a public charter school
19 and has an individualized education program, the school district in which the public charter school
20 is located must implement the individualized education program and follow the terms of the indi-
21 vidualized education program until a new individualized education program is developed.

22 (b) If a student described in subsection (5) of this section withdraws from a public charter school
23 and has an individualized education program, the school district in which the student resides must
24 implement the individualized education program and follow the terms of the individualized education
25 program until a new individualized education program is developed.

26 (9) When a virtual public charter school enrolls a student or a student no longer is enrolled in
27 a virtual public charter school, the virtual public charter school shall provide the written notices
28 described in ORS 338.120 (1)(m) and (n) to the school district where the student is a resident.

29 (10) A public charter school may conduct fund-raising activities but may not require a student
30 to participate in fund-raising activities as a condition of admission to the public charter school.

31 **SECTION 6.** ORS 338.025 is amended to read:

32 338.025. (1) The State Board of Education may adopt any rules necessary for the implementation
33 of this chapter. The rules shall follow the intent of this chapter.

34 (2) Upon application by a public charter school, the State Board of Education may grant a
35 waiver of any provision of this chapter if the waiver promotes the development of programs by
36 providers, enhances the equitable access by underserved families to the public education of their
37 choice, extends the equitable access to public support by all students or permits high quality pro-
38 grams of unusual cost. The State Board of Education may not waive any appeal provision in this
39 chapter or any provision under ORS 338.115 (1)(a) to (aa), 338.120, [338.125 (4),] 338.135 (2)(b) or
40 339.122.

41
42 **DEVELOPMENT OF PLAN TO OPEN ENROLLMENT**
43 **FOR ALL PUBLIC SCHOOL STUDENTS**
44

45 **SECTION 7. (1) The Department of Education shall develop a plan to allow students to**

1 attend any public school in this state regardless of the school district in which the student
2 resides.

3 (2) The department shall report a summary of the plan in the manner provided by ORS
4 192.245, and may include recommendations for legislation, to an interim committee of the
5 Legislative Assembly related to education no later than September 15, 2020.

6 SECTION 8. Section 7 of this 2019 Act is repealed on December 31, 2020.

7
8 **DEVELOPMENT OF PLAN TO ALLOW HIGH SCHOOL STUDENTS**
9 **TO ENROLL IN POST-SECONDARY INSTITUTIONS**
10 **OF EDUCATION AND PAY WITH**
11 **MONEYS FROM STATE SCHOOL FUND**

12
13 SECTION 9. (1) The Department of Education shall develop a plan to allow qualified high
14 school students to enroll in post-secondary institutions of education and to have any costs
15 incurred from the enrollment be paid from the State School Fund.

16 (2) The department shall report a summary of the plan in the manner provided by ORS
17 192.245, and may include recommendations for legislation, to an interim committee of the
18 Legislative Assembly related to education no later than September 15, 2020.

19 SECTION 10. Section 9 of this 2019 Act is repealed on December 31, 2020.

20
21 **STUDY RELATED TO COTEACHING TRAINING MODELS**

22
23 SECTION 11. (1) The Teacher Standards and Practices Commission shall conduct a study
24 to identify methods for:

25 (a) Implementing coteaching training models that allow workforce experts to assist in
26 teaching without changing their employment status; and

27 (b) Encouraging workforce experts to participate in models identified under paragraph
28 (a) of this subsection.

29 (2) The commission shall report the results of the study in the manner provided by ORS
30 192.245, and may include recommendations for legislation, to an interim committee of the
31 Legislative Assembly related to education no later than September 15, 2020.

32 SECTION 12. Section 11 of this 2019 Act is repealed on December 31, 2020.

33
34 **ESTABLISHMENT OF MINIMUM NUMBER OF**
35 **SCHOOL DAYS**

36
37 SECTION 13. ORS 336.010 is amended to read:

38 336.010. (1) The common school month consists of 20 days[.] and the common school year
39 consists of at least 180 days. For purposes of calculating the number of days in the common
40 school year, days in which students do not receive any instruction may not be included in
41 the calculation.

42 (2) No pupil shall be required to attend school on any Saturday or on any legal school holiday.
43 Except as otherwise specifically provided in this section, a legal school holiday is any holiday
44 specified in ORS 187.010.

45 (3) Days on which an election is held throughout the state shall be school holidays only for such

1 schools in which the sole schoolroom is used for election purposes.

2 (4) The following days are not school holidays, but a portion of the days shall be set apart and
3 observed in the public schools by appropriate activities:

4 (a) Lincoln’s Birthday on February 12.

5 (b) Admission of Oregon into the Union on February 14.

6 (c) Washington’s Birthday on February 22.

7 (d) Columbus Day on October 12.

8 (5) On January 15, Martin Luther King, Jr.’s actual date of birth, a portion of the day shall be
9 set apart and observed in the public schools by appropriate activities.

10 (6) Martin Luther King, Jr.’s Birthday, designated in ORS 187.010 as the third Monday in Jan-
11 uary, shall be a legal school holiday. However, notwithstanding subsection (8) of this section,
12 whether or not there shall be compensation of school employees shall be at the discretion of the
13 school board or covered by a collective bargaining agreement.

14 (7) Presidents Day, designated in ORS 187.010 as the third Monday in February, is not a legal
15 school holiday.

16 (8) No teacher shall be required to teach on any Saturday, except as provided in the terms of
17 the teacher’s employment, or on any legal school holiday. When a holiday occurs on what would
18 otherwise be a school day, teachers shall be allowed full pay for the holiday.

19 (9) No subject required for graduation shall be taught on Saturday only.

20 **SECTION 14. (1) The amendments to ORS 336.010 by section 13 of this 2019 Act become**
21 **operative on July 1, 2020.**

22 **(2) The amendments to ORS 336.010 by section 13 of this 2019 Act first apply to the**
23 **2020-2021 school year.**

24
25 **REDIRECTION OF EMPLOYEE CONTRIBUTIONS**
26 **FOR PUBLIC EMPLOYEES RETIREMENT SYSTEM**
27

28 **SECTION 15.** ORS 238A.330 is amended to read:

29 238A.330. (1) A member of the individual account program must make employee contributions
30 to the individual account program of six percent of the member’s salary.

31 **(2)(a) For a member who establishes membership in the Public Employees Retirement**
32 **System before August 29, 2003,** employee contributions made [*by a member of the individual ac-*
33 *count program*] under this section shall be credited by the board to the [*employee*] **contributions**
34 account established for the member under ORS 238A.350 [(2)] **(3).**

35 **(b) For a member who establishes membership in the Public Employees Retirement Sys-**
36 **tem on or after August 29, 2003, of the employee contributions made under this section:**

37 **(A) Three percent of the member’s salary shall be credited to the employee account es-**
38 **tablished for the member under ORS 238A.350 (2); and**

39 **(B) Three percent of the member’s salary shall be credited by the board to the contri-**
40 **butions account established for the member under ORS 238A.350 (3).**

41 (3) A new member of the individual account program shall first make contributions under this
42 section for those wages that are attributable to services performed by the employee during the first
43 full pay period following the six-month probationary period required under ORS 238A.300, without
44 regard to when those wages are considered earned for other purposes under this chapter.

45 **SECTION 16.** ORS 238A.350 is amended to read:

1 238A.350. (1) Upon any contributions being made to the individual account program by or on
 2 behalf of a member of the program, the Public Employees Retirement Board shall create the account
 3 or accounts described in this section. Each account shall be adjusted at least annually in accordance
 4 with rules adopted by the board to reflect any net earnings or losses on those contributions and to
 5 pay the reasonable administrative costs of maintaining the program to the extent the earnings on
 6 the assets of the program are insufficient to pay those costs. The adjustments described in this
 7 subsection shall continue until the account is distributed to the member [or], forfeited **or trans-**
 8 **ferred to the School Districts Unfunded Liability Fund established in section 24, chapter 105,**
 9 **Oregon Laws 2018, as provided in subsection (3) of this section.**

10 (2)(a) The board shall establish an employee account, which shall consist of the employee con-
 11 tributions made by or on behalf of the member **and credited to the employee account**, as adjusted
 12 under subsection (1) of this section.

13 (b) The board shall create a separate employee account for a member who becomes an active
 14 member for the purpose of service in the Legislative Assembly under ORS 237.650, which shall
 15 consist of the employee contributions made by or on behalf of the member that are attributable to
 16 the member's legislative service, as adjusted under subsection (1) of this section.

17 (3)(a) **The board shall establish a contributions account, which shall consist of the em-**
 18 **ployee contributions made by or on behalf of the member under ORS 238A.330 and credited**
 19 **to the contributions account, as adjusted under subsection (1) of this section.**

20 (b) **Unless the amounts in a contributions account established under this subsection are**
 21 **withdrawn under ORS 238A.375, upon the member's retirement the amounts in the account**
 22 **shall be transferred to the School Districts Unfunded Liability Fund established in section**
 23 **24, chapter 105, Oregon Laws 2018.**

24 [(3)] (4) If the public employer agrees to make employer contributions under ORS 238A.340, the
 25 board shall establish an employer account, which shall consist of the employer contributions made
 26 on behalf of the member as adjusted under subsection (1) of this section.

27 [(4)] (5) If the board accepts rollover contributions on behalf of the member, the board shall
 28 establish a rollover account, which shall consist of the rollover contributions made by the member
 29 as adjusted under subsection (1) of this section. Contributions and the earnings attributable to the
 30 contributions must be accounted for separately.

31 [(5)] (6) The board shall provide an annual statement to each active and inactive member of the
 32 program that reflects the amount credited to the accounts established under this section. The
 33 statement shall reflect whether the member is vested in the employer account under the provisions
 34 of ORS 238A.320.

35 **SECTION 17.** ORS 238A.320 is amended to read:

36 238A.320. (1) A member of the individual account program becomes vested in the employee ac-
 37 count established for the member under ORS 238A.350 (2) on the date the employee account is es-
 38 tablished.

39 (2) A member who makes rollover contributions becomes vested in the rollover account estab-
 40 lished for the member under ORS 238A.350 [(4)] (5) on the date the rollover account is established.

41 (3) Except as provided in subsection (4) of this section, if an employer makes employer contri-
 42 butions for a member under ORS 238A.340, the member becomes vested in the employer account
 43 established under ORS 238A.350 [(3)] (4) on the earliest of the following dates:

44 (a) The date on which the member completes at least 600 hours of service in each of five cal-
 45 endar years. The five calendar years need not be consecutive, but are subject to the provisions of

1 subsection (5) of this section.

2 (b) The date on which an active member reaches the normal retirement age for the member
3 under ORS 238A.160.

4 (c) If the individual account program is terminated, the date on which termination becomes ef-
5 fective, but only to the extent the account is then funded.

6 (d) The date on which an active member becomes disabled, as described in ORS 238A.155 (5).

7 (e) The date on which an active member dies.

8 (4) If on the date that a person becomes an active member the person has already reached the
9 normal retirement age for the person under ORS 238A.160, and the employer makes employer con-
10 tributions for the member under ORS 238A.340, the person is vested in the employer account es-
11 tablished under ORS 238A.350 [(3)] (4) on that date.

12 (5) If a member of the individual account program who is not vested in the employer account
13 performs fewer than 600 hours of service in each of five consecutive calendar years, hours of service
14 performed before the first calendar year of the period of five consecutive calendar years shall be
15 disregarded for purposes of determining whether the member is vested under subsection (3)(a) of this
16 section.

17 (6) Solely for purposes of determining whether a member is vested under subsection (3)(a) of this
18 section, hours of service include creditable service, as defined in ORS 238.005, performed by the
19 person before the person became an eligible employee, as long as the membership of the person
20 under ORS chapter 238 has not been terminated under the provisions of ORS 238.095 on the date
21 the person becomes an eligible employee.

22 **(7) A member becomes vested in the contributions account established for the member**
23 **under ORS 238A.350 (3) on the date the account is established.**

24 **SECTION 18.** ORS 238A.375 is amended to read:

25 238A.375. (1)(a) An inactive member of the individual account program may elect to receive a
26 distribution of the amounts in the member's employee account, rollover account and employer ac-
27 count to the extent the member is vested in those accounts under ORS 238A.320 if the inactive
28 member has separated from all service with participating public employers and with employers who
29 are treated as part of a participating public employer's controlled group under the federal laws and
30 rules governing the status of the system and the fund as a qualified governmental retirement plan
31 and trust.

32 **(b)(A) An inactive member of the individual account program may elect to receive a dis-**
33 **tribution of the amounts in the member's contributions account established for the member**
34 **under ORS 238A.350 (3) if:**

35 **(i) The inactive member has separated from all service with participating public employ-**
36 **ers and with employers who are treated as part of a participating public employer's con-**
37 **trolled group under the federal laws and rules governing the status of the system and the**
38 **fund as a qualified governmental retirement plan and trust; and**

39 **(ii) The member is eligible to withdraw and withdraws from the pension program under**
40 **ORS 238A.120.**

41 **(B) The withdrawal of the member's accounts under this paragraph cancels all member-**
42 **ship rights in the Public Employees Retirement System.**

43 (2) If an inactive member of the individual account program who is not vested in the employer
44 account receives a distribution under subsection (1) of this section, the employer account of the
45 member is permanently forfeited as of the date of the distribution.

1 (3) A member may not make an election under this section for less than all of the member's in-
 2 dividual accounts described in ORS 238A.350 in which the member is vested.

3 (4) A member who is vested in the pension program established under this chapter and who is
 4 eligible to withdraw from the pension program under ORS 238A.120 may make an election under this
 5 section only if the member also withdraws from the pension program.

6 (5) A member who has a member account established under ORS chapter 238 may make an
 7 election under this section only if the member also withdraws that member account in the manner
 8 provided by ORS 238.265. A member who has an account established under ORS 238.440 may make
 9 an election under this section only if the member also withdraws the account established under ORS
 10 238.440.

11 [(5)] (6) If an inactive member receives a distribution under subsection (1) of this section and is
 12 subsequently reemployed by a participating public employer, any service performed before the date
 13 the member became an inactive member may not be used toward the period of service required for
 14 vesting in the employer account under ORS 238A.320.

15 **SECTION 19.** ORS 238A.410, as amended by section 9, chapter 101, Oregon Laws 2018, is
 16 amended to read:

17 238A.410. (1)(a) If a member of the individual account program dies before retirement, the
 18 amounts in the member's employee account, rollover account and employer account, to the extent
 19 the member is vested in those accounts under ORS 238A.320, shall be paid in a lump sum to the
 20 beneficiary or beneficiaries designated by the member for the purposes of this section.

21 **(b) If a member of the individual account program dies before retirement, the amounts**
 22 **in the contributions account established for the member under ORS 238A.350 (3) shall be**
 23 **transferred to the School Districts Unfunded Liability Fund established in section 24, chapter**
 24 **105, Oregon Laws 2018.**

25 (2) If a member of the individual account program is married at the time of death, or there exists
 26 at the time of death any other person who is constitutionally required to be treated in the same
 27 manner as a spouse for the purpose of retirement benefits, the spouse or other person shall be the
 28 beneficiary for purposes of the death benefit payable under this section unless the spouse or other
 29 person consents to the designation of a different beneficiary or beneficiaries before the designation
 30 has been made and the consent has not been revoked by the spouse or other person as of the time
 31 of the member's death. Consent and revocation of consent must be in writing, acknowledged by a
 32 notary public, and submitted to the Public Employees Retirement Board in accordance with rules
 33 adopted by the board. If the member's spouse is designated as the member's beneficiary and the
 34 marriage of the member and spouse is subsequently dissolved, the former spouse shall be treated as
 35 predeceasing the member for purposes of this section, unless the member expressly designates the
 36 former spouse as beneficiary after the effective date of the dissolution or the former spouse is re-
 37 quired to be designated as a beneficiary under the provisions of ORS 238.465.

38 (3) For purposes of this section and ORS 238A.400 (3), if a member fails to designate a benefi-
 39 ciary, or if the person or persons designated do not survive the member, the death benefit provided
 40 for in this section shall be paid to the following person or persons, in the following order of priority:

41 (a) The member's surviving spouse or other person who is constitutionally required to be treated
 42 in the same manner as a spouse;

43 (b) The member's surviving children, in equal shares; or

44 (c) The member's estate.

45 (4) The entire amount of a deceased member's vested accounts must be distributed by December

1 31 of the fifth calendar year after the year in which the member died. Notwithstanding any other
 2 provision of this chapter, distributions of death benefits under the individual account program must
 3 comply with the minimum distribution requirements of 26 U.S.C. 401(a)(9) and the regulations im-
 4 plementing that section, as in effect on December 31, 2017. The [*Public Employees Retirement*] board
 5 shall adopt rules implementing those minimum distribution requirements.

6 **SECTION 20.** ORS 243.800 is amended to read:

7 243.800. (1) Notwithstanding any provision of ORS chapter 238 or 238A or ORS 243.910 to
 8 243.945, the governing board of a public university listed in ORS 352.002 shall establish and admin-
 9 ister an Optional Retirement Plan for administrative and academic employees of the public univer-
 10 sity. The Optional Retirement Plan must be a qualified plan under the Internal Revenue Code,
 11 capable of accepting funds transferred under subsection (7) of this section without the transfer being
 12 treated as a taxable event under the Internal Revenue Code, and willing to accept those funds.
 13 Retirement and death benefits shall be provided under the plan by the purchase of annuity contracts,
 14 fixed or variable or a combination thereof, or by contracts for investments in mutual funds.

15 (2) An administrative or academic employee who is eligible to remain or become a member of
 16 the Public Employees Retirement System may elect to participate in the Optional Retirement Plan
 17 upon completion of:

18 (a) Six hundred hours of employment, or the equivalent as determined by the governing board;
 19 and

20 (b) Six months of employment that is not interrupted by more than 30 consecutive working days.

21 (3) An administrative or academic employee who is eligible to remain or become a member of
 22 the Public Employees Retirement System, including an administrative or academic employee who
 23 previously participated in the Optional Retirement Plan because of employment in a position clas-
 24 sified as a post-doctoral scholar position under ORS 350.370, may make an irrevocable election to
 25 participate in the Optional Retirement Plan within six months after being employed. An election
 26 under this subsection is effective on the first day of the month following the completion of the re-
 27 quirements of subsection (2) of this section.

28 (4) An administrative or academic employee who is eligible to remain or become a member of
 29 the Public Employees Retirement System and who does not elect to participate in the Optional Re-
 30 tirement Plan:

31 (a) Remains or becomes a member of the Public Employees Retirement System in accordance
 32 with ORS chapters 238 and 238A; or

33 (b) Continues to be assisted by the governing board under ORS 243.920 if the employee is being
 34 so assisted.

35 (5) Except as provided in subsection (6) of this section, employees who elect to participate in the
 36 Optional Retirement Plan are ineligible for active membership in the Public Employees Retirement
 37 System or for any assistance by the governing board under ORS 243.920 as long as those employees
 38 are employed in the public university and the plan is in effect.

39 (6)(a) An administrative or academic employee who elects to participate in the Optional Retirement
 40 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who
 41 is not vested shall be considered by the Public Employees Retirement Board to be a terminated
 42 member under the provisions of ORS 238.095 as of the effective date of the election, and the
 43 [*amount*] **amounts** credited to the member [*account*] **accounts** of the member **established under**
 44 **ORS 238.250 and 238.260** shall be transferred directly to the Optional Retirement Plan by the Public
 45 Employees Retirement Board in the manner provided by subsection (7) of this section.

1 (b) An administrative or academic employee who elects to participate in the Optional Retirement
2 Plan, who has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is
3 vested shall be considered to be an inactive member by the Public Employees Retirement Board and
4 shall retain all the rights, privileges and options under ORS chapter 238 unless the employee makes
5 a written request to the Public Employees Retirement Board for a transfer of the amounts credited
6 to the member *[account]* **accounts** of the member **established under ORS 238.250 and 238.260** to
7 the Optional Retirement Plan. A request for a transfer must be made at the time the member elects
8 to participate in the Optional Retirement Plan. Upon receiving the request, the Public Employees
9 Retirement Board shall transfer all amounts credited to the member *[account]* **accounts** of the
10 member **established under ORS 238.250 and 238.260** directly to the Optional Retirement Plan, and
11 shall terminate all rights, privileges and options of the employee *[under ORS chapter 238]* **as pro-**
12 **vided in ORS 238.095.**

13 (c) *[An administrative or academic employee who elects to participate in the Optional Retirement*
14 *Plan, and who is not a vested member of the pension program of the Oregon Public Service Retirement*
15 *Plan as described in ORS 238A.115]* **An administrative or academic employee who elects to**
16 **participate in the Optional Retirement Plan and who is a member of the pension program**
17 **of the Oregon Public Service Retirement Plan as described in ORS 238A.100 on the date that**
18 **the election becomes effective, but who has not vested in the program under ORS 238A.115**
19 on the date that the election becomes effective, shall be considered to be a terminated member of
20 the pension program by the Public Employees Retirement Board as of the effective date of the
21 election. **The Public Employees Retirement Board shall transfer the amounts credited to the**
22 **member accounts of the member directly to the Optional Retirement Plan in the manner**
23 **provided by subsection (7) of this section.**

24 (d) An administrative or academic employee who elects to participate in the Optional Retirement
25 Plan, and who is a vested member of the pension program of the Oregon Public Service Retirement
26 Plan as described in ORS 238A.115 on the date that the election becomes effective, shall be consid-
27 ered an inactive member of the pension program by the Public Employees Retirement Board as of
28 the effective date of the election. An employee who is subject to the provisions of this paragraph
29 retains all the rights, privileges and options of an inactive member of the pension program. If the
30 actuarial equivalent of the employee's benefit under the pension program at the time that the
31 election becomes effective is \$5,000 or less, the employee may make a written request to the Public
32 Employees Retirement Board for a transfer of the employee's interest under the pension program to
33 the Optional Retirement Plan. The request must be made at the time the member elects to partic-
34 ipate in the Optional Retirement Plan. Upon receiving the request, the Public Employees Retirement
35 Board shall transfer the amount determined to be the actuarial equivalent of the employee's benefit
36 under the pension program directly to the Optional Retirement Plan, and shall terminate the mem-
37 bership of the employee in the pension program.

38 (e) An administrative or academic employee who elects to participate in the Optional Retirement
39 Plan, and who is a vested member of the individual account program of the Oregon Public Service
40 Retirement Plan as described in ORS 238A.320 on the date that the election becomes effective, shall
41 be considered an inactive member of the individual account program by the Public Employees Re-
42 tirement Board as of the effective date of the election. An employee who is subject to the provisions
43 of this paragraph retains all the rights, privileges and options of an inactive member of the indi-
44 vidual account program. An administrative or academic employee who elects to participate in the
45 Optional Retirement Plan, and who is a member of the individual account program of the Oregon

1 Public Service Retirement Plan, may make a written request to the Public Employees Retirement
2 Board that all amounts [*in the member's employee account, rollover account and employer account*]
3 **credited to the member accounts of the member established under ORS 238A.350**, to the extent
4 the member is vested in those accounts under ORS 238A.320, be transferred to the Optional Retirement
5 Plan. The request must be made at the time the member elects to participate in the Optional
6 Retirement Plan. Upon receiving the request, the Public Employees Retirement Board shall transfer
7 the amounts directly to the Optional Retirement Plan, and shall terminate the membership of the
8 employee in the individual account program upon making the transfer.

9 (f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retirement
10 Board may not treat any employee as an inactive member under the provisions of this sub-
11 section for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that
12 the employee be separated from all service with participating public employers and with employers
13 who are treated as part of a participating public employer's controlled group under the federal laws
14 and rules governing the status of the Public Employees Retirement System and the Public Employees
15 Retirement Fund as a qualified governmental retirement plan and trust.

16 (7) Any amounts transferred from the Public Employees Retirement Fund under subsection (6)
17 of this section shall be transferred directly to the Optional Retirement Plan by the Public Employees
18 Retirement Board and may not be made available to the employee.

19 (8) An employee participating in the Optional Retirement Plan who was hired before July 1,
20 2014, shall contribute monthly an amount equal to the percentage of the employee's salary that the
21 employee would otherwise have contributed as an employee contribution to the Public Employees
22 Retirement System if the employee had not elected to participate in the Optional Retirement Plan.

23 (9) For an employee participating in the Optional Retirement Plan who was hired before July
24 1, 2014, the governing board shall contribute monthly to the Optional Retirement Plan the percent-
25 age of salary of the employee equal to the percentage of salary that would otherwise have been
26 contributed as an employer contribution on behalf of the employee to the Public Employees Retirement
27 System, before any offset under ORS 238.229 (2), if the employee had not elected to participate
28 in the Optional Retirement Plan.

29 (10) For an employee participating in the Optional Retirement Plan who was hired on or after
30 July 1, 2014, the governing board shall contribute monthly to the Optional Retirement Plan:

31 (a) Eight percent of the employee's salary; and

32 (b) A percentage of the employee's salary equal to the percentage of salary contributed by the
33 employee to the public university's Tax-Deferred Investment 403(b) Plan under ORS 243.820, up to
34 four percent of the employee's salary in each pay period.

35 (11)(a) Unless otherwise prohibited by law, a person employed in a position classified as a
36 post-doctoral scholar position under ORS 350.370 is an academic employee under subsection (1) of
37 this section and becomes a participant in the Optional Retirement Plan when the person participates
38 in the public university's Tax-Deferred Investment 403(b) Plan under ORS 243.820.

39 (b) Participation in the Optional Retirement Plan under this subsection becomes effective on the
40 first day of the month following the later of:

41 (A) Enrollment in the public university's Tax-Deferred Investment 403(b) Plan under ORS
42 243.820; or

43 (B) Completion of:

44 (i) Six hundred hours of employment, or the equivalent as determined by the governing board;
45 and

1 (ii) Six months of employment that is not interrupted by more than 30 consecutive working days.

2 (c) For a post-doctoral scholar participating in the Optional Retirement Plan, the governing
3 board shall contribute monthly to the Optional Retirement Plan a percentage of the post-doctoral
4 scholar's salary equal to the percentage of salary contributed by the post-doctoral scholar to the
5 public university's Tax-Deferred Investment 403(b) Plan under ORS 243.820, up to four percent of the
6 post-doctoral scholar's salary in each pay period.

7 (d) A post-doctoral scholar is an academic employee who elects to participate in the Optional
8 Retirement Plan for purposes of subsection (6) of this section.

9 (e) Subsections (8) to (10) of this section do not apply to a post-doctoral scholar participating in
10 the Optional Retirement Plan.

11 (12) Both employee and employer contributions to an Optional Retirement Plan shall be remitted
12 directly to the companies that have issued annuity contracts to the participating employees or di-
13 rectly to the mutual funds.

14 (13) Benefits under the Optional Retirement Plan are payable to employees who elect to partic-
15 ipate in the plan and their beneficiaries by the selected annuity provider or mutual fund in accord-
16 ance with the terms of the annuity contracts or the terms of the contract with the mutual fund.
17 Employees electing to participate in the Optional Retirement Plan agree that benefits payable under
18 the plan are not obligations of the State of Oregon or of the Public Employees Retirement System.

19 **SECTION 21.** ORS 341.551 is amended to read:

20 341.551. (1) Notwithstanding any provision of ORS chapter 238 or 238A, the Office of Community
21 Colleges and Workforce Development may establish and administer an optional retirement plan for
22 administrative employees of community college districts who are eligible for membership in the
23 Public Employees Retirement System. Any community college district may participate in the plan
24 by giving written notice to the office.

25 (2) An administrative employee may make an election to participate in the optional retirement
26 plan if the community college district that employs the employee is participating in the plan. The
27 election must be made in the following manner:

28 (a) An administrative employee who is an active member of the Public Employees Retirement
29 System may make an election to participate in the plan within 180 days after the community college
30 district commences participation in the plan, effective on the first day of the month following the
31 election.

32 (b) An administrative employee who is hired after the community college district commences
33 participation in the plan may make an election to participate in the plan within the first six months
34 of employment, effective on the first day of the month following six full months of employment.

35 (3) An administrative employee who does not elect to participate in the optional retirement plan
36 remains or becomes a member of the Public Employees Retirement System in accordance with ORS
37 chapters 238 and 238A.

38 (4) An administrative employee may elect to participate in the optional retirement plan only if
39 at the time the election becomes effective the employee is not concurrently employed in a position
40 with any participating public employer other than the community college district in a position that
41 entitles the employee to membership in the Public Employees Retirement System. Except as pro-
42 vided in subsection (9) of this section, employees who elect to participate in the optional retirement
43 plan are ineligible for active membership in the Public Employees Retirement System for as long as
44 those employees are employed by a community college district that participates in the plan, whether
45 by reason of employment by the district or any other participating public employer.

1 (5)(a) An administrative employee who elects to participate in the optional retirement plan, who
2 has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is not vested shall
3 be considered by the Public Employees Retirement Board to be a terminated member under the
4 provisions of ORS 238.095 as of the effective date of the election, and the [amount] **amounts** credited
5 to the member [account] **accounts** of the member **established under ORS 238.250 and 238.260** shall
6 be transferred directly to the optional retirement plan by the Public Employees Retirement Board
7 in the manner provided by subsection (6) of this section.

8 (b) An administrative employee who elects to participate in the optional retirement plan, who
9 has creditable service under ORS chapter 238 as defined by ORS 238.005 and who is vested shall
10 be considered to be an inactive member by the Public Employees Retirement Board and shall retain
11 all the rights, privileges and options under ORS chapter 238 unless the employee makes a written
12 request to the Public Employees Retirement Board for a transfer of the amounts credited to the
13 member [account] **accounts** of the member **established under ORS 238.250 and 238.260** to the op-
14 tional retirement plan. A request for a transfer must be made at the time the member elects to
15 participate in the optional retirement plan. Upon receiving the request, the Public Employees Re-
16 tirement Board shall transfer all amounts credited to the member [account] **accounts** of the member
17 **established under ORS 238.250 and 238.260** directly to the optional retirement plan and shall ter-
18 minate all rights, privileges and options of the employee [under ORS chapter 238] **as provided in**
19 **ORS 238.095.**

20 (c) *[An administrative employee who elects to participate in the optional retirement plan and who*
21 *is not a vested member of the pension program of the Oregon Public Service Retirement Plan as de-*
22 *scribed in ORS 238A.115]* **An administrative employee who elects to participate in the optional**
23 **retirement plan and who is a member of the pension program of the Oregon Public Service**
24 **Retirement Plan as described in ORS 238A.100 on the date that the election becomes effec-**
25 **tive, but who has not vested in the program under ORS 238A.115** on the date that the election
26 becomes effective, shall be considered to be a terminated member of the pension program by the
27 Public Employees Retirement Board as of the effective date of the election. **The Public Employees**
28 **Retirement Board shall transfer the amounts credited to the member accounts of the mem-**
29 **ber directly to the optional retirement plan in the manner provided by subsection (6) of this**
30 **section.**

31 (d) An administrative employee who elects to participate in the optional retirement plan and
32 who is a vested member of the pension program of the Oregon Public Service Retirement Plan as
33 described in ORS 238A.115 on the date that the election becomes effective shall be considered an
34 inactive member of the pension program by the Public Employees Retirement Board as of the ef-
35 fective date of the election. An employee who is subject to the provisions of this paragraph retains
36 all the rights, privileges and options of an inactive member of the pension program. If the actuarial
37 equivalent of the employee's benefit under the pension program at the time that the election be-
38 comes effective is \$5,000 or less, the employee may make a written request to the Public Employees
39 Retirement Board for a transfer of the employee's interest under the pension program to the optional
40 retirement plan. The request must be made at the time the member elects to participate in the op-
41 tional retirement plan. Upon receiving the request, the Public Employees Retirement Board shall
42 transfer the amount determined to be the actuarial equivalent of the employee's benefit under the
43 pension program directly to the optional retirement plan and shall terminate the membership of the
44 employee in the pension program.

45 (e) An administrative employee who elects to participate in the optional retirement plan and

1 who is a vested member of the individual account program of the Oregon Public Service Retirement
2 Plan as described in ORS 238A.320 on the date that the election becomes effective shall be consid-
3 ered an inactive member of the individual account program by the Public Employees Retirement
4 Board as of the effective date of the election. An employee who is subject to the provisions of this
5 paragraph retains all the rights, privileges and options of an inactive member of the individual ac-
6 count program. An administrative employee who elects to participate in the optional retirement plan
7 and who is a member of the individual account program of the Oregon Public Service Retirement
8 Plan may make a written request to the Public Employees Retirement Board that all amounts [*in the*
9 *member's employee account, rollover account and employer account*] **credited to the member ac-**
10 **counts of the member established under ORS 238A.350**, to the extent the member is vested in
11 those accounts under ORS 238A.320, be transferred to the optional retirement plan. The request
12 must be made at the time the member elects to participate in the optional retirement plan. Upon
13 receiving the request, the Public Employees Retirement Board shall transfer the amounts directly
14 to the optional retirement plan and shall terminate the membership of the employee in the individual
15 account program.

16 (f) Notwithstanding paragraphs (b), (d) and (e) of this subsection, the Public Employees Retire-
17 ment Board shall not treat any employee as an inactive member under the provisions of this sub-
18 section for the purpose of receiving any benefit under ORS chapter 238 or 238A that requires that
19 the employee be separated from all service with participating public employers and with employers
20 who are treated as part of a participating public employer's controlled group under the federal laws
21 and rules governing the status of the Public Employees Retirement System and the Public Employees
22 Retirement Fund as a qualified governmental retirement plan and trust.

23 (6) Any amounts transferred from the Public Employees Retirement Fund under subsection (5)
24 of this section shall be transferred directly to the optional retirement plan by the Public Employees
25 Retirement Board and shall not be made available to the employee.

26 (7) An employee participating in the optional retirement plan shall contribute monthly an
27 amount equal to the percentage of the employee's salary that the employee would otherwise have
28 contributed as an employee contribution to the Public Employees Retirement System if the employee
29 had not elected to participate in the optional retirement plan.

30 (8) A participating community college district shall contribute monthly to the optional retire-
31 ment plan the percentage of salary for each employee participating in the plan that is equal to the
32 percentage of salary that is required to be made as the employer contribution under ORS 238A.220,
33 less any contributions made by reason of unfunded liabilities. The district may make contributions
34 under this subsection only during periods of time in which the employee would be eligible for
35 membership in the Public Employees Retirement System if the employee had not elected to partic-
36 ipate in the optional retirement plan.

37 (9) An administrative employee who elects to participate in the optional retirement plan may
38 make an election to withdraw from the plan. An employee may make an election under this sub-
39 section only once. Upon withdrawing from the plan:

40 (a) All contributions made to the plan before the effective date of the withdrawal remain cred-
41 ited to the employee;

42 (b) The employee becomes a member of the Public Employees Retirement System under ORS
43 chapter 238A if the member meets all requirements for membership under ORS chapter 238A; and

44 (c) The employee is barred from ever again electing to participate in the optional retirement
45 plan.

1 (10) For the purposes of this section, “administrative employee” means a president, vice presi-
2 dent or dean, or a person holding a position that is the equivalent of a president, vice president or
3 dean.

4 **SECTION 22.** (1) The amendments to ORS 238A.320, 238A.330, 238A.350, 238A.375, 238A.410,
5 243.800 and 341.551 by sections 15 to 21 of this 2019 Act become operative on January 1, 2020.

6 (2) The Public Employees Retirement Board may take any action before the operative
7 date specified in subsection (1) of this section that is necessary for the board to exercise, on
8 and after the operative date specified in subsection (1) of this section, all of the duties,
9 functions and powers conferred on the board by the amendments to ORS 238A.320, 238A.330,
10 238A.350, 238A.375, 238A.410, 243.800 and 341.551 by sections 15 to 21 of this 2019 Act.

11 **SECTION 23.** (1) As soon as practicable after the effective date of this 2019 Act, the
12 Public Employees Retirement Board shall:

13 (a) Determine the amount of savings in employer contributions that are attributable to
14 the amendments to ORS 238A.320, 238A.330, 238A.350, 238A.375, 238A.410, 243.800 and 341.551
15 by sections 15 to 21 of this 2019 Act; and

16 (b) Recalculate the contribution rates of all employers, pursuant to ORS 238.225, to re-
17 flect the amendments to ORS 238A.320, 238A.330, 238A.350, 238A.375, 238A.410, 243.800 and
18 341.551 by sections 15 to 21 of this 2019 Act; and

19 (2) The board shall issue corrected contribution rate orders to employers affected by
20 rates recalculated under this section as soon as is practicable after the effective date of this
21 2019 Act. The corrected rates are effective July 1, 2019.

22 **SECTION 24.** (1) Jurisdiction is conferred upon the Supreme Court to determine in the
23 manner provided by this section whether the amendments to ORS 238A.320, 238A.330,
24 238A.350, 238A.375, 238A.410, 243.800 and 341.551 by sections 15 to 21 of this 2019 Act breach
25 any contract between members of the Public Employees Retirement System and their em-
26 ployers or violate any provision of the Oregon Constitution or of the United States Consti-
27 tution, including but not limited to impairment of contract rights of members of the Public
28 Employees Retirement System under Article I, section 21, of the Oregon Constitution, or
29 Article I, section 10, clause 1, of the United States Constitution.

30 (2) A person who is adversely affected by the amendments to ORS 238A.320, 238A.330,
31 238A.350, 238A.375, 238A.410, 243.800 and 341.551 by sections 15 to 21 of this 2019 Act or who
32 will be adversely affected by the amendments to ORS 238A.320, 238A.330, 238A.350, 238A.375,
33 238A.410, 243.800 and 341.551 by sections 15 to 21 of this 2019 Act may institute a proceeding
34 for review by filing with the Supreme Court a petition that meets the following requirements:

35 (a) The petition must be filed within 60 days after the effective date of this 2019 Act.

36 (b) The petition must include the following:

37 (A) A statement of the basis of the challenge; and

38 (B) A statement and supporting affidavit showing how the petitioner is adversely af-
39 fected.

40 (3) The petitioner shall serve a copy of the petition by registered or certified mail upon
41 the Public Employees Retirement Board, the Attorney General and the Governor.

42 (4) Proceedings for review under this section shall be given priority over all other mat-
43 ters before the Supreme Court.

44 (5) The Supreme Court shall allow public employers participating in the Public Employees
45 Retirement System to intervene in any proceeding under this section.

1 (6)(a) The Supreme Court shall allow members of the Legislative Assembly to intervene
 2 in any proceeding relating to the amendments to ORS 238A.320, 238A.330, 238A.350, 238A.375,
 3 238A.410, 243.800 and 341.551 by sections 15 to 21 of this 2019 Act. After a member intervenes
 4 in a proceeding relating to the amendments to ORS 238A.320, 238A.330, 238A.350, 238A.375,
 5 238A.410, 243.800 and 341.551 by sections 15 to 21 of this 2019 Act, the member has standing
 6 to participate in the proceeding even if the member ceases to be a member of the Legislative
 7 Assembly.

8 (b) A member of the Senate or the House of Representatives who intervenes in a pro-
 9 ceeding under this subsection may not use public funds to pay legal expenses incurred in
 10 intervening in or participating in the proceeding.

11 (7) In the event the Supreme Court determines that there are factual issues in the peti-
 12 tion, the Supreme Court may appoint a special master to hear evidence and to prepare re-
 13 commended findings of fact.

14 (8) The Supreme Court may not award attorney fees to a petitioner in a proceeding under
 15 this section.

16
 17 **PROHIBITION OF CERTAIN AGREEMENTS**

18
 19 **SECTION 25.** ORS 339.392 is amended to read:

20 339.392. (1) An education provider may not enter into a collective bargaining agreement, an
 21 employment contract, an agreement for resignation or termination, a severance agreement or any
 22 other contract or agreement that:

23 (a) Has the effect of suppressing information relating to an ongoing investigation related to a
 24 report of suspected abuse or sexual conduct or relating to a substantiated report of abuse or sexual
 25 conduct by a current or former employee;

26 (b) Affects the duties of the education provider to report suspected abuse or sexual conduct or
 27 to discipline a current or former employee for a substantiated report of abuse or sexual conduct;

28 (c) Impairs the ability of the education provider to discipline an employee for a substantiated
 29 report of abuse or sexual conduct; or

30 (d) Requires the education provider to expunge **from documents maintained by the education**
 31 **provider:**

32 (A) Substantiated information about abuse or sexual conduct [*from any documents maintained*
 33 *by an education provider.*];

34 (B) **Substantiated information about behavior that did not constitute abuse or sexual**
 35 **conduct but that may indicate a pattern of behavior for which an employee may be disci-**
 36 **plined; or**

37 (C) **Unsubstantiated information that may indicate a pattern of behavior and to which**
 38 **the current or former employee was able to respond, including any response of the employee**
 39 **to the information.**

40 (2) Any provision of an employment contract or agreement that is contrary to this section is
 41 void and unenforceable.

42 (3) Nothing in this section prevents an education provider from entering into a collective bar-
 43 gaining agreement that includes:

44 (a) Standards for investigation of a report of abuse or sexual conduct; or

45 (b) An appeal process from the determination by an education provider that a report of abuse

1 or sexual conduct has been substantiated as provided in ORS 339.388 (5).

2 **SECTION 26.** The amendments to ORS 339.392 by section 25 of this 2019 Act apply to
3 agreements and contracts entered into on or after the effective date of this 2019 Act.

4
5 **REPEAL OF STUDENT ASSESSMENT**
6 **BILL OF RIGHTS**

7
8 **SECTION 27.** ORS 329.479 is repealed.

9
10 **APPROPRIATION FOR HIGH SCHOOL GRADUATION AND**
11 **COLLEGE AND CAREER READINESS FUND**

12
13 **SECTION 28.** There is appropriated to the Department of Education, for the biennium
14 beginning July 1, 2019, out of the General Fund, the amount of \$306,000,000 for deposit in the
15 High School Graduation and College and Career Readiness Fund established by ORS 327.856.

16
17 **CAPTIONS**

18
19 **SECTION 29.** The unit captions used in this 2019 Act are provided only for the conven-
20 ience of the reader and do not become part of the statutory law of this state or express any
21 legislative intent in the enactment of this 2019 Act.

22
23 **EMERGENCY CLAUSE**

24
25 **SECTION 30.** This 2019 Act being necessary for the immediate preservation of the public
26 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
27 July 1, 2019.

28 _____