

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

---

**MEASURE NUMBER:** SB 767 Conference Committee Report      **STATUS:** C-Engrossed \*  
**SUBJECT:** Online learning through virtual charter schools  
**GOVERNMENT UNIT AFFECTED:** Department of Education, Legislative Administration  
**PREPARED BY:** Erica Kleiner  
**REVIEWED BY:** Monica Brown, Daron Hill  
**DATE:** June 26, 2009

---

	<u>2009-2011</u>	<u>2011-2013</u>
<b>EXPENDITURES:</b> See analysis		

**EFFECTIVE DATE:** On passage

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**ANALYSIS:** The measure prohibits a virtual public charter school from increasing the number of students that it provides online instruction to unless 50% or more of the students reside in the sponsoring school district or the school is in compliance with the terms of a waiver granted by the State Board of Education. The measure allows a virtual public charter school to enroll the sibling of a student enrolled on May 1, 2009 for the next academic term during which a student may begin receiving online education. The measure allows a virtual public charter school that did not provide online instruction to students on May 1, 2009 to increase its student enrollment up to 50 percent of students who do not reside in the sponsoring school district. The measure allows a virtual public charter school to increase the number of students receiving online education (up to 120 students) if the school had students enrolled on May 1, 2009, the enrollment included 120 students or fewer, and the State Board provides a waiver of the 50 percent requirement. Finally, a moratorium is placed on waivers approved by the State Board of Education for a virtual public charter school.

The measure establishes a seventeen-member Online Learning Task Force for the purpose of ensuring that this state provides appropriate access to online learning through public charter schools. The task force is charged with preparing a report that addresses several issues related to public online instruction through public charter schools. The task force shall submit a work plan that describes the activities of the task force not later than September 1, 2009. The Legislative Administrator is allowed to employ staff that is necessary to support the task force; however the task force is directed to utilize the services of permanent legislative staff to the greatest extent possible. The task force shall submit its report to the legislative education committees not later than December 15, 2009. The task force is repealed on the date of the convening of the next regular biennial legislative session.

There is an indeterminate fiscal impact to virtual public charter schools. Currently there are two virtual public charter schools that operate statewide in Oregon: the Connections Academy (ORCA) and the Oregon Virtual Academy (ORVA). One virtual public charter school, the West Lane Technology Learning Center is not operated on a statewide basis. The two schools that are operated on a statewide basis have a combined enrollment of approximately 2,200 students for the 2008-09 school year. Currently, these schools do not meet the requirement that 50 percent or more of the students who attend

the school reside in the sponsoring school district. The measure would impact the two statewide virtual public charter schools currently in existence. The 50% residency waiver was approved for ORVA in June 2008 and it sunsets on July 1, 2010. ORCA recently received a waiver from the State Board of Education until July 1, 2011, however this measure would nullify that waiver. Under this measure the 50% requirement would not apply to ORCA and ORVA because these schools could continue to operate in violation of the 50% requirement as long as they are in compliance with the provisions of section 17. The schools could not increase student numbers beyond the May 1, 2009 levels, with the exception of the enrollment of siblings of students who were enrolled on May 1, 2009. The costs to virtual public charter schools to comply with the requirements of this measure are unknown.

ODE anticipates a minimal fiscal impact as a result of providing the task force with information and implementing new rules that will be applicable to online charter schools. ODE reports that information sharing and rule-writing can be accomplished within its existing resources.

Legislative Administration anticipates a fiscal impact as a result of providing staff support to the task force. Legislators who participate in the task force are eligible to receive per diem and mileage reimbursement for attending meetings of the task force. The Legislative Assembly budget contains funding for the participation of legislators in interim meetings. Legislative Administration reports that the average cost per member to attend a meeting is \$167 per day. If the task force meets four times the cost to the Legislative Assembly will be \$4,008. Legislative Administration will use current staff to provide support to the task force, however if additional staff are necessary, the cost would be \$37,746 for one Committee Administrator (0.13 FTE) and one Committee Assistant (0.13 FTE). This estimate is based on one-half of a Committee Administrator and Committee Assistant's time for a six-month period. If the cumulative effect of the enactment of other bills exceeds expenditure levels assumed in Legislative Administration's budget, Legislative Administration may need to seek additional resources.