

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass and Be Referred to the Committee on Ways & Means by prior reference

**Vote:** 8 - 2 - 0

**Yeas:** Dembrow, Harker, Komp, Maurer, Roblan, Sprenger, VanOrman, Gelser

**Nays:** Huffman, Thatcher

**Exc.:** 0

**Prepared By:** Dana Richardson, Administrator

**Meeting Dates:** 2/3

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**WHAT THE MEASURE DOES:** Directs State Board of Education to develop proposed governance model for virtual public schools and to conduct reviews of funding and participation rates of students with special needs. Directs appropriate legislative committees to determine whether provisions related to public charter schools should apply to virtual public charter schools. Imposes requirements on virtual public charter schools related to budget and accounting systems, tracking of student progress, administrator qualifications, and notification of student enrollment and withdrawal. Declares emergency; effective upon passage.

**ISSUES DISCUSSED:**

- Impact on 9<sup>th</sup> graders at Oregon Virtual Academy
- Cost to State Board
- Licensure requirements for administrators

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Senate Bill 767 (2009) established the Online Learning Task Force. House Bill 3660 is the legislation recommended by that Task Force. The Task Force indicates that the measure will address the issues of governance, funding, accountability, quality, and equitable access to online education in Oregon.

In Oregon, public school students attend the schools of the school district in which they reside. If students want to attend a school outside their district, they either pay tuition or obtain the permission of both the sending and receiving school districts through an inter-district transfer. Oregon charter school law, created in 1999, allows students from other districts to attend public charter schools, if space is available, without the consent of the sending district. Until the advent of online education, geography and school capacity generally limited the number of out-of-district students in public charter schools.

In 2005, the Legislative Assembly enacted Senate Bill 1071 that added a limitation to public charter school law requiring that at least 50 percent of students enrolled in a virtual charter school reside in the district in which the school is located. This was codified as ORS 338.125(2)(b). At the time, it was not contemplated that the 50 percent requirement could be waived; since that time, however, several charter schools and private vendors have applied to the State Board of Education for a waiver of the requirement. The Board has granted four such waivers, although guidelines for determining when to grant a waiver have not been standardized, nor have common waiver conditions been established.