

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 666 - A**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office**Only Impacts on Original or Engrossed  
Versions are Considered Official**Prepared by: Tim Walker  
Reviewed by: Doug Wilson  
Date: 05/16/2013**Measure Description:**

Allows virtual public charter school to receive funding for providing supplemental online courses.

**Government Unit(s) Affected:**

Department of Education, School Districts

**Summary of Expenditure Impact:**

	2013-15 Biennium	2015-17 Biennium
General Fund	\$1,538,026	\$3,779,834
Lottery Funds		
Other Funds		
Federal Funds		
<b>Total Funds</b>	<b>\$1,538,026</b>	<b>\$3,779,834</b>
Positions	1	1
FTE	0.20	0.20

**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:** This bill would allow a virtual public charter school to be reimbursed for each student that completes a supplemental online course. The reimbursement would be distributed from the Oregon Virtual School District Fund.

The Oregon Department of Education (ODE) would require resources to develop rules, review data for payment purposes, ongoing maintenance, and prepare payments to virtual school districts. Depending upon the number of reimbursements requested, ODE would use a paper system or develop an electronic system to track and verify reimbursements. The agency anticipates requiring staff resources equal to 0.2 FTE and related costs of just over \$38,000 for 2013-15. The bill also appropriates \$1.5 million General Fund in 2013-14 and \$3.75 million General Fund in 2014-15 to the Oregon Virtual School District Fund. The bill would also allow the school district to continue to claim full ADMw for a student taking supplemental online courses. The school district, in essence would receive two sources of funds. They would receive the weights associated with the student from the State School Fund formula, and they would also receive any reimbursements for courses that the student completes

School Districts did not report a fiscal impact due to the provisions of this bill. The bill could affect the ADMw of a district, but the total amount would depend upon participation rates for online supplemental courses. This analysis assumes that the State School Fund would not be increased for changes in ADMw, but the distribution among districts could be affected by this bill.

## STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Education &amp; Workforce Development

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Finance and Revenue and then Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Beyer, Knopp, Kruse, Roblan, Hass
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Richard Donovan, Administrator
<b>Meeting Dates:</b>	3/14, 4/4

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**WHAT THE MEASURE DOES:** Allows virtual public charter school to receive funding for providing supplemental online courses. Allows Department of Education to expend moneys from State School Fund to fund supplemental online courses. Declares emergency, effective July 1, 2013.

**ISSUES DISCUSSED:**

- Desire to add access to virtual public schools while simultaneously guaranteeing level of quality of courses and course participation at such schools
- Existing inconsistencies, lack of oversight regarding completion of courses in public virtual school system
- Historical success of virtual public charter schools, need for increased oversight and reform of funding mechanism
- Concerns with delivering funds to school districts rather than schools directly

**EFFECT OF COMMITTEE AMENDMENT:** Funds to operate the program shall emerge from the Oregon virtual school district fund instead of state school district fund. Total appropriation to the Oregon Department of Education (ODE) of \$5.25M for the biennium, rather than \$1.5M every fiscal year. Method of calculation of the amount received by school district for distribution of a supplemental course references the “Charter School Rate” rather than weighted Average Daily Membership (ADMw). Directs funds be delivered to school districts, not individual schools. Declares emergency, effective July 1, 2013.

**BACKGROUND:** Currently a wide variety of courses are available through virtual public charter schools, potentially of varying quality. This measure aims at reforming some of the funding mechanisms of virtual public charter schools so as to enable fund distribution to those schools only after students successfully complete courses.