

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1066 - 1

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes Task Force on For-Profit Providers of Educational Services in Virtual Public Charter Schools.

Government Unit(s) Affected:

Department of Education, Department of Justice, Legislative Assembly, Legislative Policy and Research Office, School Districts, Task Force/Committee/Workgroup

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 1066 - 1 creates the 11-member Task Force on For-Profit Providers of Educational Services in Virtual Public Charter Schools which is to:

- Examine whether services provided to for-profit virtual public charter school students with special needs meet state expectations for equity, access, inclusiveness and quality.
- Identify quality standards applicable to for-profit virtual public charter schools.
- Identify ways to strengthen the accountability of for-profit virtual public charter schools.
- Determine the cost of providing online educational services by a for-profit virtual public charter school on a per-student basis.
- Determine whether school districts or the State Board of Education should have regulatory authority over for-profit virtual public charter schools.
- Review state findings and opinions related to this topic.
- Determine whether appropriate safeguards are in place to discourage fraud around for-profit virtual public charter schools.
- Examine research on the use of algorithm-based programming and its impact on students' data privacy, learning and equity.

The task force is to hold its first meeting by September 30, 2023, and meet at least 10 times by August 31, 2024. The task force is to submit a report by August 31, 2024 to the Joint Interim Committee on Ways and Means, the interim committees of the Legislative Assembly related to education, and the interim committees of the Legislative Assembly related to revenue.

Members of the task force who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the task force. The bill directs the Legislative Policy and Research Office to provide staff support for the task force, and the task force sunsets on December 31, 2024.

This measure additionally prohibits school districts and education service districts from contracting for the provision of online educational services through a sole-source procurement method.

The measure declares an emergency and takes effect on passage.

Legislative Policy and Research Office

The bill requires the Legislative Policy and Research Office (LPRO) to provide staff support to the task force. LPRO assumes a minimal fiscal impact with existing staff to provide support to this Task Force. Assuming monthly meetings over 12 months, this will require one Senior Legislative Analyst assigned full-time to the task force (0.58 FTE), one Research Analyst assigned part-time to the task force (0.29 FTE), and one Committee Assistant assigned part-time to the task force (0.29 FTE), at a total cost of \$423,147 using existing General Fund resources. Although LPRO's current service level budget supports interim committees and task forces, if the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2023-25 budget, additional General Fund resources may be required.

Legislative Assembly

The bill is expected to have a minimal impact on the Legislative Assembly. Two members of the task force will be legislative members who are entitled to per diem and travel reimbursement. Meetings are set by the chairperson and it is unknown how often the task force would meet. However, assuming that the task force meets 12 times during the approximate 12-month period until its report is due August 31, 2024, the estimated per diem and travel reimbursement costs will total \$6,700. This amount includes the Federal Insurance Contribution Act (FICA) tax, assumes the per diem remains at \$157 per day, and estimates an average mileage of 171 miles at the current rate of \$0.655 per mile. This estimate could change based on the number of meetings held. The task force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during the Legislative Session, or Task Force or Legislative Days.

Although the 2023-25 Legislative Assembly budget contains funds allocated for interim committees and task forces, if the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2023-25 budget, additional General Fund resources may be required.

Other entities

There is minimal impact for Department of Education and Department of Justice, and no fiscal impact for School Districts.