

**C-Engrossed**  
**Senate Bill 1071**

Ordered by the House August 4  
Including Senate Amendments dated June 28 and House Amendments  
dated August 2 and August 4

Sponsored by Senator DEVLIN

**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.

Creates Oregon Virtual School District within Department of Education to provide online courses to public school students. Allows Superintendent of Public Instruction to contract with **public** entities to provide online courses.

Establishes Oregon Virtual School District Fund. Appropriates fund continuously to department.

Transfers moneys from State School Fund to Oregon Virtual School District Fund.

**Requires public charter school that offers online courses to have 50 percent or more of students reside in school district where public charter school is located.**

Declares emergency, effective July 1, 2005.

**A BILL FOR AN ACT**

1  
2 Relating to education; creating new provisions; amending ORS 338.125; appropriating money; and  
3 declaring an emergency.

4 Whereas meeting the educational needs of children in our state's schools is of the greatest im-  
5 portance to the future welfare of Oregon; and

6 Whereas closing the achievement gap between minority and nonminority students, and between  
7 economically disadvantaged students and their more advantaged peers, is a significant and present  
8 challenge; and

9 Whereas providing a broader range of educational options through technology may help students  
10 in our state improve and accelerate their academic achievement; and

11 Whereas many of our school districts currently lack the capacity to provide a wide variety of  
12 course choices and experience teacher shortages in several subject areas; and

13 Whereas online courses may better meet students' needs for specific courses with additional  
14 flexibility; and

15 Whereas offering courses online has a potential impact on students throughout the state and  
16 requires a state plan and infrastructure; now, therefore,

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

18 **SECTION 1. (1) There is created the Oregon Virtual School District within the Depart-**  
19 **ment of Education. The purpose of the Oregon Virtual School District is to provide online**  
20 **courses to kindergarten through grade 12 public school students.**

21 **(2) The Oregon Virtual School District shall provide online courses that meet academic**  
22 **content standards as defined in ORS 329.007 and meet other criteria adopted by the State**  
23 **Board of Education. Any person who teaches an online course must be properly licensed or**  
24 **registered as required by ORS 338.135 and 342.173 for a person employed by a school district**

**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 or public charter school. All school districts and public charter schools may allow students  
2 to access the online courses offered by the Oregon Virtual School District.

3 (3) The Superintendent of Public Instruction may contract with education service dis-  
4 tricts, school districts, public charter schools, community colleges, state institutions of  
5 higher education or any other public entity to provide online courses through the Oregon  
6 Virtual School District.

7 (4) Statutes and rules that apply to other school districts do not apply to the Oregon  
8 Virtual School District except as provided under this section or by rule of the State Board  
9 of Education. The Oregon Virtual School District is not considered a school district for  
10 purposes of apportionment of the State School Fund and the department may not receive a  
11 direct apportionment under ORS 327.008 from the State School Fund for the Oregon Virtual  
12 School District.

13 (5) The board may adopt the rules necessary for the administration of the Oregon Virtual  
14 School District and shall adopt rules to establish:

15 (a) The procedure and criteria to be used for the selection of online courses to be offered  
16 through the Oregon Virtual School District;

17 (b) The qualifications of students who may access online courses through the Oregon  
18 Virtual School District;

19 (c) The number of credits for which students may access online courses through the  
20 Oregon Virtual School District; and

21 (d) The student-to-teacher ratio for online courses offered through the Oregon Virtual  
22 School District.

23 **SECTION 2.** (1) Prior to September 1, 2006, the Department of Education shall submit a  
24 progress report on the implementation of the Oregon Virtual School District to the interim  
25 legislative committees on education.

26 (2) Prior to March 1, 2007, the department shall submit a progress report on the imple-  
27 mentation of the Oregon Virtual School District to the Seventy-fourth Legislative Assembly.

28 **SECTION 3.** (1) The Oregon Virtual School District Fund is established in the State  
29 Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Vir-  
30 tual School District Fund shall be credited to the fund. All moneys in the fund are contin-  
31 uously appropriated to the Department of Education for the administration of the Oregon  
32 Virtual School District created under section 1 of this 2005 Act.

33 (2) Any moneys received by the department for the purpose of the Oregon Virtual School  
34 District shall be deposited in the fund.

35 **SECTION 4.** There is transferred to the Oregon Virtual School District Fund from the  
36 State School Fund, for the biennium beginning July 1, 2005, the amount of \$2 million.

37 **SECTION 5.** ORS 338.125 is amended to read:

38 338.125. (1) Student enrollment in a public charter school shall be voluntary. All students who  
39 reside within the school district where the public charter school is located are eligible for enroll-  
40 ment at a public charter school. If the number of applications from students who reside within the  
41 school district exceeds the capacity of a program, class, grade level or building, the public charter  
42 school shall select students through an equitable lottery selection process. However, after a public  
43 charter school has been in operation for one or more years, the public charter school may give  
44 priority for admission to students:

45 (a) Who were enrolled in the school in the prior year; or

1 (b) Who have siblings who are presently enrolled in the school and who were enrolled in the  
2 school in the prior year.

3 (2)(a) If space is available a public charter school may admit students who do not reside in the  
4 school district in which the public charter school is located.

5 **(b) Notwithstanding paragraph (a) of this subsection, if a public charter school offers any**  
6 **online courses as part of the curriculum of the school, then 50 percent or more of the stu-**  
7 **dents who attend the public charter school must reside in the school district in which the**  
8 **public charter school is located.**

9 (3) A public charter school may not limit student admission based on ethnicity, national origin,  
10 race, religion, disability, gender, income level, proficiency in the English language or athletic ability,  
11 but may limit admission to students within a given age group or grade level.

12 (4) A public charter school may conduct fund-raising activities. However, a public charter school  
13 shall not require a student to participate in fund-raising activities as a condition of admission to the  
14 public charter school.

15 **SECTION 6. This 2005 Act being necessary for the immediate preservation of the public**  
16 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**  
17 **July 1, 2005.**

18