

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:	SB 707
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Fiscal Analysis

SB 707 modifies the membership of the Commission for Educational Quality and Accountability effective July 1, 2021. It directs five members be appointed by the Governor, two members by the President Pro Tempore of the Senate and two members by the Speaker of the House of Representatives. It prohibits members from voting on any issue in which the member has a direct financial interest. It allows the Commission to renegotiate contracts with each statewide virtual charter school sponsored by the Statewide Virtual Charter School Board as of July 1, 2021. The measure abolishes the Statewide Virtual Charter School Board and transfers all duties, powers, liabilities and property to the Commission for Educational Quality and Accountability beginning on July 1, 2021, with the transfer to be complete by January 1, 2022. It states legislative intent that the Commission ensure that employees transferred to the Commission retain pay and benefits. The bill also directs that the Administrator of the Office of Educational Quality and Accountability be appointed by the Governor with the advice and consent of the Senate. It directs the Governor to fix compensation for the administrator, and it allows an administrator to be removed from office by a two-thirds vote of the members of each chamber of the Legislature. It removes certain duties of the Secretary of Education, including the authority over the Office of Educational Quality and Accountability. The bill also repeals sections of law creating the Statewide Virtual Charter School Board, providing for meetings of the Board and authorizing the Board to promulgate rules.

The Statewide Virtual Charter School Board receives funds from SDE via state aid (foundation and salary incentive aid only). The Board contracts with each charter school and is allowed to retain up to 3% of funds received. Currently, the Virtual Board has several million sitting in its revolving fund. Current law does not specify how these funds are to be used, other than to “support the mission of the board”. The bill also transfers all of the employees of the Virtual Board to OEQA. Should OEQA take over the administration of virtual charter schools they would have to enter into separate agreements with each school as to the percentage allowed to be retained by OEQA for administrative expenses (with a max of 3%). Potentially if OEQA were to begin collecting administrative fees they would no longer require state appropriations. Last year the agency was appropriated \$1.567 million. This would be a potential saving to the state.

FY’22 Impact: See notes

Full Year Impact: See notes

Prepared by: Senate Fiscal Staff