

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 23, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB1926** by King, Ken (Relating to the operation of the state virtual school network and courses provided through other distance learning arrangements.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would expand the list of eligible course providers through the state virtual school network (VSN) to include nonprofit entities, private entities, and entities that provide an electronic professional development course. The bill would would prohibit an entity other than a school district or open-enrollment charter school from awarding course credit or a diploma for courses taken through the VSN.

The bill would authorize the state virtual school network to enter into a reciprocity agreement with one or more states to facilitate expedited course approval.

The bill would authorize a charter to receive funding for the student's enrollment in a state virtual school network course in accordance with the terms of its charter. The bill would require require the standard VSN agreement adopted by the commissioner to address course costs. The full amount for courses could not exceed \$400 per course or \$4,800 for a full-time student.

The bill would allow a school district or open-enrollment charter school to decline to pay for more than three yearlong electronic courses for a student or the equivalent during a school year, unless the students is enrolled in a full-time online program. Students could enroll in additional electronic courses at their own cost. The bill would allow a district or charter school to charge a fee to an enrolled full-time student who elected to enroll in the VSN and the district declined to pay the cost for the course.

The bill would require the Texas Education Agency (TEA) to make district distance learning courses available on the TEA website.

The bill would require course providers to apply for renewal of previously approved courses coinciding with revisions to the required curriculum or the 10th anniversary of the previous approval.

The bill would limit FSP funding for a student's enrollment to a maximum of three electronic courses during a school year, unless the students is enrolled in a full-time online program.

The bill would prohibit course providers from promising or providing equipment or other items of value to a student or their parent as an inducement to enroll in courses in the virtual school

network. The commissioner of education would be required to revoke approval of courses offered by the course provider that violated these provisions.

The bill would require the Informed Choice Report on the VSN website to include the following information: the entity that developed the course, the entity that provided the course, the course completion rate, the aggregate student performance on state-required assessment instruments administered to students enrolled in the course, the aggregate student performance on all state-required assessment instruments administered to students who completed the provider's courses, and any other information determined by the commissioner of education.

The bill would require the commissioner of education to conduct a study of school district network capabilities to determine whether district and campus network connections met certain targets. The commissioner could solicit and accept gifts and grants from any public or private source to conduct the study and could cooperate or collaborate with any national organizations conducting similar studies. The study would have to be completed by December 1, 2015.

Based on information provided by the Texas Education Agency, this analysis assumes that any costs associated with implementing the provisions of this bill could be absorbed within existing resources.

### **Local Government Impact**

A school district or open-enrollment charter school would be required to pay course providers for a student's enrollment in an electronic course offered through the state virtual school network under the terms negotiated by the Commissioner of Education. The district or charter could decline payment for more than three yearlong electronic courses, or the equivalent, during a school year.

A school district or open-enrollment charter school would be required to annually send its VSN policy to parents.

**Source Agencies:** 701 Central Education Agency

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