

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 15, 2019**

**TO:** Honorable Dan Huberty, Chair, House Committee on Public Education

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB429** by Shaheen (Relating to the state virtual school network and a study on digital learning.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB429, As Introduced: a negative impact of (\$429,216) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$218,608)
2021	(\$210,608)
2022	(\$210,608)
2023	(\$210,608)
2024	(\$210,608)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>	<b>Change in Number of State Employees from FY 2019</b>
	<b>1</b>	
2020	(\$218,608)	2.0
2021	(\$210,608)	2.0
2022	(\$210,608)	2.0
2023	(\$210,608)	2.0
2024	(\$210,608)	2.0

## **Fiscal Analysis**

The bill would amend the Education Code to allow school districts to receive Foundation School Program (FSP) funding for students enrolled in more than three courses through the Texas Virtual School Network (TXVSN). The bill would eliminate the authority for school districts and charter schools to deny the request of a student to enroll in a TXVSN course because the district or school offers a substantially similar course or to decline to pay for more than three TXVSN courses per student per year.

The bill would require the Texas Education Agency (TEA) to conduct a study and submit a report to the Legislature that would include the methods of digital learning in public schools and recommendations regarding partnerships between public schools and institutions of higher education, public entities, and private entities, to provide digital learning.

## **Methodology**

TEA assumes the provisions of the bill allowing districts to receive FSP funding for more than three courses per student per year would result in approximately 10.0 percent of the 7,861 current students taking one or more additional courses through TXVSN. TEA states that it does not have the capacity to serve the additional students using its current resources, which include 1.0 FTE for the TXVSN. Additionally, TEA would incur some costs related to conducting a study of digital learning.

This analysis assumes TEA would require 2.0 FTEs and \$429,216 in the 2020-21 biennium to implement the provisions of the bill. This analysis assumes TEA would require 1.0 Program Specialist VI to provide additional support to schools, perform additional accounting and invoicing, and to conduct the required study. Salary, benefits, and other operating costs for the Program Specialist VI are assumed to total \$102,214 in fiscal year 2020 and \$98,214 per year thereafter. To facilitate additional student course enrollments and withdrawals and provide additional support to districts, this analysis assumes TEA would require 1.0 Programmer V, for a cost of \$116,394 in fiscal year 2020 and \$112,394 per year thereafter for salary, benefits, and other operating costs.

## **Local Government Impact**

TEA assumes districts and charters would incur costs associated with paying the cost of additional TXVSN statewide course catalog courses for students if they are currently declining to pay the cost of certain courses for students. According to TEA, the typical cost of a TXVSN course is \$400 per semester course, per student.

**Source Agencies:** 701 Texas Education Agency

**LBB Staff:** WP, CPa, AM, THo, HL, ASa, RC