

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:** **HB3141** by Guillen (Relating to providing by contract for a public or private entity to act as the administering authority for the state virtual school network and to the duties of the administering authority.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3141, As Introduced: a negative impact of (\$4,231,604) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$2,117,802)
2021	(\$2,113,802)
2022	(\$2,113,802)
2023	(\$2,113,802)
2024	(\$2,113,802)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2019
2020	(\$2,117,802)	1.0
2021	(\$2,113,802)	1.0
2022	(\$2,113,802)	1.0
2023	(\$2,113,802)	1.0
2024	(\$2,113,802)	1.0

## **Fiscal Analysis**

The bill would require the Texas Education Agency (TEA) to contract with a public or private third-party to administer the Virtual School Network. This entity would also be responsible for evaluating and approving electronic courses. This entity would be authorized to assess fees to support the function of course evaluation and approval. TEA would be required to provide information on student performance to the administering entity for inclusion in the informed choice reports for electronic courses offered under the Virtual School Network that are required under existing law.

The bill would take effect September 1, 2019.

## **Methodology**

TEA estimates that a contract with an external entity for the administration of the Virtual School Network would cost \$2.0 million per fiscal year, which is the approximate cost of the contract that the agency maintained with an education service center to administer the Virtual School Network prior to the 2018-19 biennium. In addition, the agency reports that additional work would be required to collect and report student performance data to the external entity for the informed choice reports. This analysis assumes that 1.0 FTE would be required to accomplish this task. Costs associated with this FTE, including salary and benefits, would total \$231,603 in the 2020-2021 biennium.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 701 Texas Education Agency

**LBB Staff:** WP, CPa, AM, THo