

BILL ANALYSIS

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S.B. 27
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Today's world is rapidly changing, especially in the areas of technology and digital innovation. This was extremely evident during the COVID-19 global pandemic that disrupted the predominant in-person instructional school model.

Numerous reports indicated the majority of schools struggled in the first half of the year—referring to such struggles as "crisis learning." However, it has become clear that some students have thrived in a virtual environment.

S.B. 27 establishes a modern, high-quality virtual learning framework and system to provide students and their families with an additional public school education option.

S.B. 27 Key Points:

- All current public school students and those entering the public school system are eligible for the first time.
- Public schools, education service centers, higher education institutions, non-profits, and others are eligible, subject to Texas Education Agency (TEA) approval, to be providers.
- Students can choose from two virtual options:
 - Part-time with up to three courses per semester;
 - Full-time by taking four or more courses per semester;
- Schools have the option to serve in-district and/or outside-district students.
- Funding is awarded based on successful completion and encourages high student outcomes.
- Transparency and oversight provided by TEA:
 - Requires an orientation course to help with virtual transition; access to resources and help for families of virtual students;
 - Has students take STAAR;
 - Must be an A, B, or C rated brick-and-mortar school;
 - Have prior success in delivering virtual education;
 - Must be given a specific virtual A-F rating identical to brick-and-mortar schools;
 - Permitted a three to five-year pilot; renewal is based on pilot's results;
 - Revokes virtual license if D or F rated after three years or if not meeting the students' best interest.
- To ensure a thoughtful, high-performing virtual system, enrollment will be managed and grow steadily over time. If demand exceeds supply for virtual "seats," a waitlist-and-lottery system will be set up similar to other current public school option models.
- Repeals Chapter 30A of the Texas Education Code (State Virtual School Network).

As proposed, S.B. 27 amends current law relating to the state virtual school network and changes a fee.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of education is modified in SECTION 10 (Section 30B.051, Education Code) and SECTION 12 (Sections 30B.113, 30B.115, 30B.119, 30B.120, and 30B.122 Education Code) of this bill.

Rulemaking authority previously granted to the State Board of Education is transferred to the commissioner of education in SECTION 12 (Section 30B.104, Education Code) of this bill.

Rulemaking authority is expressly granted to the commissioner of education in SECTION 13 (Sections 30B.202, 30B.205, 30B.208, 30B.212, and 30B.213, Education Code) of this bill.

Rulemaking authority previously granted to commissioner of education is rescinded in SECTION 16 (Section 30A.006, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1.001(b), Education Code, to provide that Chapter 30B is among the chapters that are exceptions to the provision that this code does not apply to students, facilities, or programs under the jurisdiction of certain state agencies and entities. Deletes existing text providing that except as provided by Chapter 30A, among other chapters, this code does not apply to students, facilities, or programs under the jurisdiction of the Department of Aging and Disability Services.

SECTION 2. Amends Section 7.0561(f), Education Code, as follows:

(f) Requires the commissioner of education (commissioner), in consultation with interested school districts, charter schools, rather than open-enrollment charter schools, and other appropriate interested persons, to adopt rules applicable to the consortium, according to the following principles for a next generation of higher performing public schools:

(1) engagement of students in digital learning, including engagement through the use of electronic textbooks and instructional materials adopted under Subchapters B (State Funding, Adoption, and Purchase) and B-1 (State-Developed Open Education Resource Instructional Materials), Chapter 31 (Instructional Materials), and courses offered through the state virtual school network under Chapter 30B (State Virtual School Network Statewide Course Catalog and Full-Time Virtual Schools), rather than Subchapter 30A;

(2) - (4) makes no changes to these subdivisions.

SECTION 3. Amends Section 25.007(b), Education Code, as follows:

(b) Requires the Texas Education Agency (TEA), in recognition of the challenges faced by students who are homeless or in substitute care, to assist the transition of students who are homeless or in substitute care from one school to another by:

(1) - (4) makes no changes to these subdivisions;

(5) promoting practices that facilitate access by a student who is homeless or in substitute care to extracurricular programs, summer programs, credit transfer services, electronic courses provided under Chapter 30B, rather than Chapter 30A, and after-school tutoring programs at nominal or no cost;

(6) - (15) makes no changes to these subdivisions.

SECTION 4. Amends Section 26.0031, Education Code, as follows:

Sec. 26.0031. New heading: RIGHTS CONCERNING STATE VIRTUAL SCHOOL NETWORK STATEWIDE COURSE CATALOG. (a) Requires that the district or school, at the time and in the manner that a school district or charter school, rather than open-enrollment charter school, informs students and parents about courses that are offered in the district's or school's traditional classroom setting, notify parents and students of the option to enroll in an electronic course offered through the state virtual school network statewide course catalog under Chapter 30B, rather than Chapter 30A.

(b) Makes conforming changes.

(c) Makes a conforming change. Authorizes a school district or charter school, rather than an open-enrollment charter school, to deny a request to enroll a student in an electronic course if:

(1) a high school student, rather than a student, attempts to enroll in a course load that is inconsistent with the student's high school graduation plan or requirements for college admission or earning an industry certification; or

(2) Makes a conforming change.

Deletes existing text authorizing a school district or open-enrollment charter school to deny a request to enroll a student in an electronic course if the district or school offers a substantially similar course.

Deletes existing Subsection (c-1) authorizing a school district or open-enrollment charter school to decline to pay the cost for a student of more than three yearlong electronic courses, or the equivalent, during any school year with certain restrictions.

(d) and (e) Makes conforming changes.

(f) Provides that a school district or charter school from which a parent of a student requests permission to enroll the student in an electronic course offered through the state virtual school network statewide course catalog under Chapter 30B has discretion to select a course provider approved by TEA, rather than the network's administering authority, for the course in which the student will enroll based on factors including the informed choice report in Section 30B.112(b). Makes conforming changes.

SECTION 5. Amends Subtitle F, Title 2, Education Code, by adding Chapter 30B, and adding a heading to Chapter 30B, as follows:

CHAPTER 30B. STATE VIRTUAL SCHOOL NETWORK STATEWIDE COURSE CATALOG AND FULL-TIME VIRTUAL SCHOOLS

SECTION 6. Amends Chapter 30B, Education Code, as added by this Act, by adding Subchapter A, and adding a heading to Subchapter A, as follows:

SUBCHAPTER A. GENERAL PROVISIONS

SECTION 7. Transfers Sections 30A.001, 30A.002, 30A.003, 30A.004, 30A.005, and 30A.007, Education Code, to Subchapter A, Chapter 30B, Education Code, as added by this Act, redesignates them as Sections 30B.001, 30B.002, 30B.003, 30B.004, 30B.005, and 30B.006, Education Code, and amends them, as follows:

Sec. 30B.001. DEFINITIONS. Defines "board," "course," "electronic professional development course," "full-time virtual school," and "statewide course catalog," redefines

"electronic course," "course provider," and "public or private institution of higher education," and deletes the definitions of "administering authority" and "electronic diagnostic assessment."

Sec. 30B.002. STUDENT ELIGIBILITY. (a) Provides that a student is eligible to enroll in a course provided through the statewide course catalog or in a full-time virtual school only if :

- (1) the student is eligible to enroll in a public school in this state, or
- (2) the student does not qualify under Subdivision (1), including a student who is an adult or who resides in another state or country, and the student pays fees in accordance with Chapter 30B.

Deletes existing text providing that a student is eligible to enroll in a course provided through the state virtual school network only if the student on September 1 of the school year is younger than 21 years of age; or is younger than 26 years of age and entitled to the benefits of the Foundation School Program under Section 48.003 (Student Eligibility), has not graduated from high school, and is otherwise eligible to enroll in a public school in Texas.

(b) Authorizes a student who enrolled in a course provided through the statewide course catalog or in a full-time virtual school, notwithstanding Subsection (a)(1), to remain enrolled in that course or school for the duration of the course or school year, as applicable, if, during the course or school year, the student becomes ineligible to enroll in a course or school under Subsection (a)(1) because the student is a dependent of a member of the United States military, and no longer resides in this state due to a military deployment or transfer. Deletes existing text providing that a student is eligible to enroll full-time in courses provided through the state virtual school network only if the student meets certain conditions. Deletes existing text providing that a student is eligible to enroll in one or more courses provided through the state virtual school network or full-time in courses provided through the network if the student is a dependent of a member of the United States military, was previously enrolled in high school in this state, and does not reside in this state due to a military deployment or transfer.

Sec. 30B.003. PROVISION OF COMPUTER EQUIPMENT OR INTERNET SERVICE. Provides that Chapter 30B does not require a school district, a charter school, a course provider, a full-time virtual school, or the state to provide a student with home computer equipment or Internet access for a course provided through the state virtual school network; or prohibit a school district or charter school from providing a student with home computer equipment or Internet access for a course provided through the state virtual school network. Makes conforming changes.

Sec. 30B.004. APPLICABILITY OF CHAPTER. (a) Provides that, except as provided by Subsection (c), Chapter 30B does not affect the provision of a course to a student while the student is located on the physical premises of a school district or charter school and makes conforming changes.

(b) Makes a nonsubstantive change. Deletes existing text providing that Chapter 30A does not affect the provision of distance learning courses offered under other law.

(c) Makes a conforming change.

Sec. 30B.005. TELECOMMUNICATIONS OR INFORMATION SERVICES NETWORK NOT CREATED. Creates this section from existing text and makes no changes.

Sec. 30B.006. LOCAL POLICY ON ELECTRONIC COURSES. (a) Makes conforming changes to this subsection.

(b) Redesignates Subsection (a-1) as Subsection (b) and makes conforming changes.

(c) Redesignates Subsection (b) as Subsection (c) and makes no changes.

SECTION 8. Amends Subchapter A, Chapter 30B, Education Code, as added by this Act, by adding Section 30B.007, as follows:

Sec. 30B.007. GRANTS AND FEDERAL FUNDS. (a) Authorizes the commissioner to solicit and accept a gift, grant, or donation from any source for the implementation of the statewide course catalog and full-time virtual schools.

(b) Authorizes the commissioner to accept federal funds for purposes of Chapter 30B and requires the commissioner to use those funds in compliance with applicable federal law, regulations, and guidelines.

SECTION 9. Amends Chapter 30B, Education Code, as added by this Act, by adding Subchapter B, and adding a heading to Subchapter B, as follows:

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

SECTION 10. Transfers Sections 30A.051, 30A.052, and 30A.054, Education Code, to Subchapter B, Chapter 30B, Education Code, as added by this Act, redesignates them as Sections 30B.051, 30B.052, and 30B.053, Education Code, and amends them, as follows:

Sec. 30B.051. New heading: GOVERNANCE. (a) Requires the commissioner to:

(1) administer the state virtual school network statewide course catalog and full-time virtual schools, rather than administer the state virtual school network; and

(2) ensure high-quality education for students in this state who are being educated through electronic courses provided through the statewide course catalog or a full-time virtual school, rather than the state virtual school network, and ensure equitable access by students to those courses and schools.

(b) Makes no changes to this subsection. Deletes existing Subsection (c) requiring the commissioner, to the extent practicable, to solicit advice from school districts concerning administration of the state virtual school network, and adoption of rules under Subsection (b).

Sec. 30B.052. GENERAL POWERS AND DUTIES OF COMMISSIONER. (a) Requires the commissioner to prepare or provide for preparation of a biennial budget request for the state virtual school network statewide course catalog and full-time virtual schools for presentation to the legislature.

(b) Provides that the commissioner has exclusive jurisdiction over the assets of the network and is required to administer and spend appropriations made for the benefit of the network.

Deletes existing Subsection (c) requiring the commissioner to employ a limited number of administrative employees in connection with the network.

Sec. 30B.053. STUDENT PERFORMANCE INFORMATION. Requires to commissioner, to the extent permitted under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g), to make information relating to the performance of students enrolled in electronic courses through the statewide course catalog or a full-

time virtual school under this chapter available to school districts, charter schools, and the public. Makes a conforming change.

SECTION 11. Amends Chapter 30B, Education Code, as added by this Act, by adding Subchapter C, and adding a heading to Subchapter C, as follows:

SUBCHAPTER C. STATEWIDE COURSE CATALOG

SECTION 12. Transfers Sections 30A.101, 30A.102, 30A.1021, 30A.103, 30A.104, 30A.1041, 30A.105, 30A.1051, 30A.1052, 30A.106, 30A.107, 30A.108, 30A.109, 30A.110, 30A.111, 30A.112, 30A.1121, 30A.113, 30A.114, 30A.115, 30A.151, 30A.153, and 30A.155, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates them as Sections 30B.101, 30B.102, 30B.103, 30B.104, 30B.105, 30B.106, 30B.107, 30B.108, 30B.109, 30B.110, 30B.111, 30B.112, 30B.113, 30B.114, 30B.115, 30B.116, 30B.117, 30B.118, 30B.119, 30B.120, 30B.121, 30B.122, and 30B.123, Education Code, and amends them, as follows:

Sec. 30B.101. ELIGIBILITY TO ACT AS COURSE PROVIDER. (a) Provides that a school district or charter school is eligible to act as a course provider through the statewide course catalog only if the district or school receives an overall performance rating of C or higher, rather than is rated acceptable, under Section 39.054 (Methods and Standards for Evaluating Performance).

(b) Provides that a public or private institution of higher education, nonprofit entity, private entity, or corporation is eligible to act as a course provider through the statewide course catalog only if the institution, entity, or corporation, rather than the nonprofit entity, private entity, or corporation:

- (1) complies with all applicable federal and state laws prohibiting discrimination;
- (2) demonstrates financial solvency;
- (3) provides evidence of prior successful experience offering online education, rather than online courses, to students, rather than to middle or high school students, with demonstrated student success in course completion and performance, as determined by the commissioner; and
- (4) complies with any other criteria established by the commissioner.

Deletes existing text authorizing an open-enrollment charter school to serve as a course provider only to a student within its service area; or to another student in the state through an agreement with the school district in which the student resides, or if the student receives educational services under the supervision of a juvenile probation department, the Texas Juvenile Justice Department, or the Texas Department of Criminal Justice, through an agreement with the applicable agency. Makes nonsubstantive changes.

(c) Redesignates existing Subsection (d) as Subsection (c).

Sec. 30B.102. LISTING OF ELECTRONIC COURSES. (a) Requires TEA, rather than the administering authority, to:

- (1) publish the criteria required by Section 30B.104 for electronic courses that are authorized to be offered through the statewide course catalog, rather than the state virtual school network; makes a conforming change;
- (2) and (3) makes conforming changes; and
- (4) publish in a prominent location on the state virtual school network's Internet website the list of approved electronic courses offered through the

statewide course catalog and a detailed description of the courses that complies with Section 30B.112. Makes conforming changes.

(b) Provides that, to ensure that a full range of electronic courses, including advanced placement courses, are offered to students in this state, TEA:

(1) make no changes to this subdivision;

(2) and (3) makes conforming changes; and

(4) is authorized to develop or to authorize the development of an orientation course. Makes conforming changes.

(c) Makes conforming changes.

Sec. 30B.103. PUBLIC ACCESS TO USER COMMENTS REGARDING ELECTRONIC COURSES. (a) Makes conforming changes to this subsection.

(b) Makes no changes to this subsection.

(c) Makes conforming changes to this subsection.

Sec. 30B.104. CRITERIA FOR ELECTRONIC COURSES. (a) Requires the commissioner, rather than SBOE, by rule to establish objective standard criteria for an electronic course to ensure alignment with the essential knowledge and skills requirements identified or content requirements established under Subchapter A (Essential Knowledge and Skills; Curriculum), Chapter 28 (Courses of Study; Advancement). Prohibits the criteria from permitting TEA to prohibit a course provider from applying for approval for an electronic course for a course for which essential knowledge and skills have been identified. Makes a conforming change.

(b) Makes a conforming change.

(c) Makes no changes to this subdivision.

(d) Makes conforming changes.

Sec. 30B.105. COURSE ELIGIBILITY IN GENERAL. (a) Requires that a course offered through the statewide course catalog, rather than the state virtual school network:

(1) makes no changes to this subdivision;

(2) be aligned with the essential knowledge and skills identified under Section 28.002(c) (relating to the requirement that SBOE by rule identify the essential knowledge and skills for certain subjects) for the grade level, rather than for a grade level at or above grade level three; and

(3) makes no changes to this subdivision.

(b) Requires the course provider, if the essential knowledge and skills with which an approved course is aligned in accordance with Subsection (a)(2) are modified, to be provided the same period, rather than the same time period, to revise the course to achieve alignment with the modified essential knowledge and skills as is provided for the modification of a course provided in a traditional classroom setting.

Sec. 30B.106. DRIVER EDUCATION COURSES. (a) Makes conforming changes to this subsection.

(b) Makes conforming changes to this subsection.

(c) Makes no changes to this subsection.

Sec. 30B.107. APPROVAL OF ELECTRONIC COURSES. (a) Requires TEA, rather than the administering authority, to:

(1) Makes no changes to this subdivision; and

(2) evaluate or provide for the evaluation by one or more organizations designated by TEA of electronic courses to be offered through the statewide course catalog or a full-time virtual school. Makes conforming changes.

(b) Redesignates existing Subsection (a-1) as Subsection (b) and makes conforming changes.

(c) Redesignates existing Subsection (a-2) as Subsection (c). Requires that the evaluation required by Subsection (a)(2) include review of each electronic course component, including off-line material proposed to be used in the course.

(d) Redesignates Subsection (b) as Subsection (d) and makes conforming changes. Deletes existing text prohibiting the cost of providing the approved course from exceeding \$400 per student per course or \$4,800 per full-time student.

(e) Creates this subsection from existing text and makes conforming changes. Requires, rather than authorizes, the school district, charter school, public or private institution of higher education, or other eligible entity that submits a course for evaluation and approval to pay a fee equal to the amount of the costs of evaluating and approving the course in order to ensure that evaluation of the course occurs. Deletes existing text requiring TEA to pay the reasonable costs of evaluating and approving an electronic course and to give priority to certain types of course if the funds are insufficient to evaluate all electronic courses.

(f) Redesignates Subsection (e) as Subsection (f) and makes conforming changes.

Sec. 30B.108. ELECTRONIC COURSE PORTABILITY. Makes no changes to this section.

Sec. 30B.109. INDUCEMENTS FOR ENROLLMENT PROHIBITED. (a) Makes conforming changes to this subsection.

(b) and (c) Makes no changes to these subsections.

Sec. 30B.110. APPEAL TO COMMISSIONER. (a) and (b) Makes conforming changes to these subsections.

Sec. 30B.111. OPTIONS FOR PROVIDERS AND STUDENTS. (a) Authorizes a student who does not qualify under Section 30B.002(a)(1) to take one or more electronic courses through the statewide course catalog if the student pays the fees for the course in accordance with Section 30B.123. Deletes existing text authorizing a course provider to offer electronic courses to students and adults who reside in this state; and students who reside outside this state and who meet the eligibility requirements under Section 30A.002(c).

(b) Prohibits a student who is enrolled in a school district or charter school in Texas from taking more than three electronic courses in any semester through the state virtual school network. Deletes existing text authorizing students enrolled as full-time students to take one or more electronic courses through the state virtual school network.

(c) Authorizes a student who resides in Texas but who is not enrolled in a school district or charter school in Texas, to, subject to Section 30B.123, enroll in electronic courses through the statewide course catalog. Provides that a student to whom this subsection applies:

(1) is prohibited from, in any semester, enrolling in more than three, rather than two, electronic courses offered through the state virtual school network;

(2) is not considered enrolled at the public school campus but shall be considered for purposes of state funding as provided by Section 30B.122;

(3) is required to obtain access to a course provided through the statewide course catalog, either through a school district or charter school. Deletes existing text requiring the student to obtain access to a course through the school district or open-enrollment charter school attendance zone in which the student resides;

(4) is not entitled to enroll in a course offered by a school district or charter school other than an electronic course provided through the statewide course catalog; and

(5) makes no changes to this subdivision.

Makes conforming changes.

(d) Makes a conforming change.

(e) Requires that a school district or charter school require students to take a student orientation course to access the statewide course catalog.

Sec. 30B.112. INFORMED CHOICE REPORTS. (a) and (b) Makes conforming changes to these subsections.

Sec. 30B.113. COMPULSORY ATTENDANCE. Makes conforming changes.

Sec. 30B.114. APPLICABILITY OF ACCOUNTABILITY REQUIREMENTS. (a) Makes a conforming change.

(b) Prohibits the performance of a student described by Section 30B.111(c) from being considered for purposes of accountability for a school district or charter school.

(c) Creates this subsection from existing text and makes a conforming change.

(d) Redesignates Subsection (c) as Subsection (d) and makes conforming changes.

Sec. 30B.115. TEACHER AND INSTRUCTOR QUALIFICATIONS. (a) Makes conforming changes to this subsection.

(b) Makes no changes to this subsection.

(c) Makes conforming changes to this subsection.

Sec. 30B.116. EDUCATOR PROFESSIONAL DEVELOPMENT. (a) Makes a conforming change to this subsection.

(b) Makes no changes to this subsection.

Sec. 30B.117. ALTERNATIVE EDUCATOR PROFESSIONAL DEVELOPMENT. (a) and (b) Makes conforming changes.

Sec. 30B.118. CRITERIA FOR ELECTRONIC PROFESSIONAL DEVELOPMENT COURSES. Makes conforming changes.

Sec. 30B.119. REGIONAL EDUCATION SERVICE CENTERS. Makes conforming changes.

Sec. 30B.120. ADDITIONAL RESOURCES. Makes conforming changes.

Sec. 30B.121. COSTS TO BE BORNE BY STATE. (a) Requires that the state, except as authorized by Section 30B.007 or 30B.107, rather than Section 30A.152, or this section, pay the cost of operating the state virtual school network.

(b) Prohibits the operating costs of the state virtual school network, except as provided by Section 30B.107, from being charged to a school district or charter school. Makes a conforming change.

(c) Makes no changes to this subsection.

(d) Redesignates Subsection (c) as Subsection (d) and makes a nonsubstantive change.

Deletes existing text of Subsection (f) providing that for a full-time electronic course program offered through the state virtual school network for a grade level at or above grade level three but not above grade level eight, a school district or open-enrollment charter school is entitled to receive federal, state, and local funding for a student enrolled in the program in an amount equal to the funding the district or school would otherwise receive for a student enrolled in the district or school. Deletes existing text authorizing the district or school to calculate the average daily attendance of a student enrolled in the program based on hours of contact with the student, the student's successful completion of a course, or a method approved by the commissioner.

Sec. 30B.122. FOUNDATION SCHOOL PROGRAM FUNDING. (a) Provides that, subject to the limitation imposed under Subsection (b), a school district or open-enrollment charter school in which a student is enrolled is entitled to funding under Chapter 48 (Foundation School Program) or in accordance with the terms of a charter granted under Section 12.101 (Authorization) for the student's enrollment in an electronic course offered through the statewide course catalog in the same manner that the district or school is entitled to funding for the student's enrollment in courses provided in a traditional classroom setting, provided that the student successfully completes the electronic course. Makes a conforming change and a nonsubstantive change.

(b) Redesignates Subsection (a-1) as Subsection (b). Provides that for purposes of Subsection (a), a school district or open-enrollment charter school is limited to the funding described by that subsection for a student's enrollment in not more than three electronic courses during any school year. Deletes existing text specifying that the limit applies unless the student is enrolled in a full-time online program that was operating on January 1, 2013.

(c) Requires TEA, for purposes of funding a school district or charter school that provides access to an electronic course to a student described by Section 30B.111(c) who would be entitled to the benefits of the Foundation School Program under Section 48.003 if enrolled in a school district, to aggregate up to three courses offered during the year to such students at the district or school and divide by five to establish the number of possible students in average daily attendance, rounding up to the half-day average daily attendance.

(d) Redesignates Subsection (b) as Subsection (d). Requires the commissioner to adopt a standard agreement that governs the costs, payment of funds, and other matters relating to a student's enrollment in an electronic course offered through the statewide course catalog. Prohibits the agreement from requiring a school district or charter school to pay the provider the full amount until the student has successfully completed the electronic course. Deletes existing text relating to the commissioner considering comments from school district and open-enrollment charter school representatives prior to adopting certain agreements. Deletes existing text relating to a limit on the funds specified by Section 30A.105(b). Makes conforming changes.

(e) Redesignates Subsection (c) as Subsection (e). Requires that a school district or charter school use the standard agreement adopted under Subsection (d) unless certain actions are taken. Makes a conforming change.

(f) Redesignates Subsection (d) as Subsection (f) and makes no changes.

Sec. 30B.123. FEES. (a) Authorizes a school district or charter school to charge a fee for enrollment in an electronic course provided through the statewide course catalog, rather than the state virtual school network, to a student who resides in this state and is enrolled in a school district or charter school as a full-time student with a course load greater than that normally taken by students in the equivalent grade level in other school districts or charter school. Deletes existing text authorizing a school district or open enrollment charter school to charge a fee to a student who elects to enroll in an electronic course provided through the network for which the school district or open-enrollment charter school in which the student is enrolled as a full-time student declines to pay the cost, as authorized by Section 26.0031(c-1) (relating to authorizing school district or open-enrollment charter school to decline to pay the cost for certain electronic courses).

(b) Redesignates Subsection (a-1) as Subsection (b) and makes conforming changes.

(c) Redesignates Subsection (b) as Subsection (c). Requires a school district or charter school to charge a fee for enrollment in an electronic course provided through the statewide course catalog to a student who does not satisfy the criteria of Section 30B.002(a)(1), rather than to a student who resides in this state and is not enrolled in a school district or open-enrollment charter school as a full-time student. Makes conforming changes.

(d) Redesignates Subsection (c) as Subsection (d). Prohibits the amount of a fee charged a student under Subsection (a), (b), or (c) for each electronic course in which the student enrolls through the statewide course catalog from exceeding the lesser of:

(1) the cost of providing the course; or

(2) an amount set by the commissioner, rather than \$400.

(e) - (f) Redesignates Subsections (c-1) and (d) as Subsections (e) and (f) and makes conforming changes. Deletes existing text providing that Chapter 30B does not entitle a student who is not enrolled on a full-time basis in a school district or open-enrollment charter school to the benefits of the Foundation School Program.

SECTION 13. Amends Chapter 30B, Education Code, as added by this Act, by adding Subchapter D, as follows:

SUBCHAPTER D. FULL-TIME VIRTUAL SCHOOL

Sec. 30B.201. ELIGIBILITY TO OPERATE FULL-TIME VIRTUAL SCHOOL. (a) Authorizes the commissioner to establish criteria for, authorize the operation of, and approve an expansion of a full-time virtual school under Subchapter D.

(b) Provides that a school district or charter school is eligible to operate a full-time virtual school under Subchapter D only if the district or school receives an overall performance rating of C or higher under Section 39.054.

(c) Provides that a public or private institution of higher education is eligible to operate a full-time virtual school under Subchapter D only if the institution:

(1) complies with all applicable federal and state laws prohibiting discrimination;

(2) demonstrates financial solvency;

(3) provides evidence of prior successful experience offering online education to students, with demonstrated student success in course completion and performance, as determined by the commissioner;

(4) has a charter granted under Subchapter D (Open-Enrollment Charter School) or E (College or University or Junior College Charter School), Chapter 12, authorized to provide a full-time virtual school; and

(5) has not been subject to contract revocation under Section 30B.212.

(d) Prohibits the commissioner from authorizing an entity to operate more than one full-time virtual school under this subchapter unless the additional full-time virtual school will be designated as a dropout recovery school under Section 39.0548 (Evaluating Dropout Recovery Schools).

(e) Requires that an entity that operates a full-time virtual school offer:

(1) at least one grade level in which an assessment instrument is required to be administered under Section 39.023(a) (relating to TEA adopting assessment instruments for certain school subjects), including each subject for which an assessment instrument is required; or

(2) a complete high school program, including each course for which an end-of-course assessment instrument is required to be administered under Section 39.023(c) (relating to TEA adopting end-of-course assessment instruments for certain secondary-level subjects).

(f) Authorizes a school district or charter school that operated a full-time online program during the 2020-2021 school year under former Chapter 30A, notwithstanding any other provision of this chapter, to continue to operate the program as a full-time virtual school under Subchapter D for a term of three years. Requires that the district or charter school, at end of that term, submit a petition for renewal under Section 30B.213(c) to continue operating the full-time virtual school. Provides that this subsection expires September 1, 2024.

Sec. 30B.202. FULL-TIME VIRTUAL SCHOOL ENROLLMENT AND ADMISSION.

(a) Prohibits the total number of students enrolled in full-time virtual schools, subject to Subsection (b), from exceeding:

(1) for the 2021-2022 school year, 120 percent of the total number of students enrolled in full-time online programs offered through the state virtual school network under former Chapter 30A for the 2020-2021 school year; or

(2) for each school year after the 2021-2022 school year, 102 percent of the total number of students enrolled in full-time virtual schools for the preceding school year.

(b) Provides that the limit under Subsection (a) does not apply to students who:

(1) are enrolled in a full-time virtual school to which admission is restricted under Subsection (f); or

(2) were enrolled in a school district or charter school in the state during the preceding school year.

(c) Requires the commissioner by rule, to ensure compliance with the maximum number of enrolled students under Subsection (a), to establish a method for determining the total number of students that each full-time virtual school may enroll for a school year.

(d) Requires the commissioner to adopt rules requiring full-time virtual schools to prioritize the admission of students who were enrolled in a school district or charter school during the preceding school year.

(e) Requires the school, if a full-time virtual school receives more acceptable applications for admission than available positions in the school for a school year, to:

(1) fill the available positions by lottery;

(2) create a waitlist for any students not admitted under Subdivision (1); and

(3) provide to TEA in accordance with commissioner rule the number of students on the school's waitlist under Subdivision (2), if applicable.

(f) Authorizes a school district or charter school operating a full-time virtual school to elect to offer admission to the school only to students who reside in the district or the geographic area served by the charter school.

Sec. 30B.203. FULL-TIME VIRTUAL SCHOOL LIST. (a) Requires that TEA:

(1) create a list of full-time virtual schools;

(2) publish in a prominent location on the state virtual school network's Internet website a list of and contact and waitlist information for all full-time virtual schools and include a statement for each listed school indicating whether the school restricts admission under Section 30B.202(f);

(3) provide access to the accountability ratings of each full-time virtual school;

(4) provide notice to each student enrolled in a full-time virtual school and the student's parent of the name and contact information of the operator of the full-time virtual school in which the student is enrolled; and

(5) include any other information the commissioner determines necessary to inform student choice.

(b) Requires TEA to provide students who have completed or withdrawn from a full-time virtual school and their parents with a method for providing comments regarding the school. Requires that the comment method include a quantitative

rating system and a list of verbal descriptors that a student or parent may select as appropriate.

(c) Requires TEA to provide public access to the comments submitted by students and parents under this section.

Sec. 30B.204. **INDUCEMENTS FOR ENROLLMENT PROHIBITED.** (a) Prohibits an entity that operates a full-time virtual school from promising or providing equipment or any other thing of value to a student or a student's parent as an inducement for the student to enroll in the full-time virtual school.

(b) Requires the commissioner to revoke an entity's authorization to operate a full-time virtual school if the entity violates this section.

(c) Provides that the commissioner's action under this section is final and is prohibited from being appealed.

Sec. 30B.205. **COMPULSORY ATTENDANCE.** Requires the commissioner by rule to adopt procedures for reporting and verifying the attendance of a student enrolled in a full-time virtual school. Authorizes the rules to modify the application of Sections 25.085, 25.086, and 25.087 for a student enrolled in a full-time virtual school but requires that the rules require participation in an educational program equivalent to the requirements prescribed by those sections.

Sec. 30B.206. **COURSE ELIGIBILITY.** (a) Requires that a course offered by a full-time virtual school be aligned with the essential knowledge and skills identified under Section 28.002(c) (relating to the identification of essential knowledge and skills for curriculum subjects by certain entities) for the grade level.

(b) Requires that the entity operating the full-time virtual school, if the essential knowledge and skills with which a course is aligned in accordance with Subsection (a) are modified, be provided the same period to revise the course to achieve alignment with the modified essential knowledge and skills as is provided for the modification of a course provided in a traditional classroom setting.

Sec. 30B.207. **APPLICABILITY OF ACCOUNTABILITY REQUIREMENTS.** (a) Provides that Chapter 39 (Public School System Accountability) applies to a full-time virtual school in the same manner that the chapter applies to a school district or open-enrollment charter school.

(b) Requires that each student enrolled in a subject or course in a full-time virtual school take each assessment instrument under Section 39.023 that is administered to students who are provided instruction in the subject or course material in the traditional classroom setting. Requires that the administration of the assessment instrument to the student enrolled in the full-time virtual school be supervised by a proctor.

(c) Requires that an entity that operates multiple full-time virtual schools under contracts described by Section 30B.212 receive an accountability rating for:

(1) each full-time virtual school as if the school were a campus; and

(2) the entity as if the entity were a school district or open-enrollment charter school and each full-time virtual school were a campus of the district or school.

Sec. 30B.208. **TEACHER AND INSTRUCTOR QUALIFICATIONS.** (a) Requires that each teacher at a full-time virtual school:

(1) be certified under Subchapter B (Certification of Educators), Chapter 21, to teach that course and grade level; and

(2) successfully complete the appropriate professional development course provided under Section 30B.116(a) or 30B.117 before teaching at a full-time virtual school.

(b) Requires the commissioner by rule to establish procedures for verifying successful completion by a teacher of the appropriate professional development course required by Subsection (a)(2).

(c) Requires the commissioner by rule to establish qualifications and professional development requirements applicable to college instructors providing instruction in dual credit courses through a full-time virtual school that allow a student to earn high school credit and college credit or other credit.

Sec. 30B.209. FUNDING. (a) Provides that a full-time virtual school in which a student described by Section 30B.002(a)(1) is enrolled is entitled to funding under Chapter 48 or in accordance with the terms of a charter granted under Chapter 12 (Charters) for the student's enrollment in electronic courses in a full-time virtual school in the same manner that a school district or charter school would be entitled to funding for the student's enrollment in courses provided in a traditional classroom setting, provided that the student successfully completes the electronic course.

(b) Authorizes a full-time virtual school to charge a fee for a student who does not qualify under Section 30B.002(a)(1).

Sec. 30B.210. ORIENTATION COURSE. Requires that each full-time virtual school require a student to take an orientation course before enrolling in the school. Requires TEA to provide guidance regarding the development and delivery of an orientation course.

Sec. 30B.211. PARENT-TEACHER CONFERENCE. (a) Requires that each full-time virtual school, on a periodic basis throughout each school year, communicate with each parent of or person standing in parental relation to an enrolled student regarding the performance and progress of the student. Requires that the school:

(1) provide opportunities for parent-teacher conferences;

(2) document any requests for parent-teacher conferences; and

(3) permit students to participate in the parent-teacher conferences.

(b) Authorizes parent-teacher conferences to be conducted in person or through electronic means.

Sec. 30B.212. CONTRACTING FOR FULL-TIME VIRTUAL SCHOOL SERVICES. (a) Requires that a school district or charter school authorized to operate a full-time virtual school under Section 30B.201 that contracts with an entity to operate the full-time virtual school report to TEA:

(1) the identity of the contracted entity each year the contracted entity operates the full-time virtual school; and

(2) information required to be reported under Section 48.008 (Public Education Information Management System (PEIMS)) regarding staff and finances as if the full-time virtual school were a campus.

(b) Requires that a school district or charter school revoke a contract with an entity to operate a full-time virtual school for the district or school if the entity has

received for the three most recent school years a campus or district accountability rating of D or F under Subchapter C (Accreditation), Chapter 39. Requires that a school district or charter school include a contract revocation provision in each contract entered into with an entity to operate a full-time virtual school for the district or school under this section.

(c) Requires TEA to notify a school district or charter school that the district or school is subject to Subsection (b) if its full-time virtual school campus has received for the three most recent school years accountability ratings described by Subsection (b). Provides that failure to receive notice under this subsection does not affect the requirement imposed on the district or school under Subsection (b).

(d) Prohibits a school district or charter school from contracting with an entity to operate a full-time virtual school for the district or school if the contracted entity operated a full-time virtual school for a district or school and the contracting entity was subject to a contract revocation under Subsection (b) within the preceding 10 years.

(e) Requires TEA to include a list of entities subject to a contract revocation under Subsection (b) on the state virtual school network Internet website.

(f) Provides that an entity under this section includes a corporate affiliate or an entity that is substantially related to the entity.

(g) Authorizes the commissioner to adopt rules to implement this section.

Sec. 30B.213. INITIAL TERM OF OPERATION; PROCEDURE FOR RENEWAL, DENIAL OF RENEWAL, AND EXPIRATION. (a) Provides that the initial term of operation for a full-time virtual school is five years.

(a-1) Provides that, notwithstanding Subsection (a), the initial term of operation for a full-time virtual school is three years for a school district or charter school that receives initial authorization to operate the full-time virtual school for the 2021-2022 or 2022-2023 school year. Provides that this subsection expires September 1, 2025.

(b) Requires the commissioner by rule to develop a procedure for the renewal, denial of renewal, and expiration of an authorization to operate a full-time virtual school at the end of the authorization's term. Requires that the procedure include consideration of the accountability rating under Chapter 39 (Public School System Accountability) of the full-time virtual school.

(c) Requires that the entity operating the full-time virtual school, to renew an authorization to operate a full-time virtual school at the end of a term of operation, submit a petition for renewal to the commissioner in the time and manner developed under Subsection (b).

(d) Provides that if an entity authorized to operate a full-time virtual school under Section 30B.201 has received for the three most recent school years an accountability rating for the school of B or higher under Subchapter C, Chapter 39, and submits a petition for renewal under Subsection (c), the entity's authorization to operate the school automatically renews unless, not later than the 60th day after the date the entity submits the petition, the commissioner provides written notice to the entity that automatic renewal is denied.

(e) Authorizes the commissioner, if an entity authorized to operate a full-time virtual school under Section 30B.201 has received for the three most recent school years an accountability rating for the school of C under Subchapter C, Chapter 39, to deny renewal of authorization for the entity to operate the school.

(f) Requires the commissioner, if an entity authorized to operate a full-time virtual school under Section 30B.201 has received a campus or district accountability rating of D or F under Subchapter C, Chapter 39, to deny renewal of authorization for the entity to operate a school.

(g) Provides that the renewal term for a full-time virtual school under this section is 10 years.

(h) Provides that, notwithstanding any other law, a determination by the commissioner under this section is final and is prohibited from being appealed.

Sec. 30B.214. BASIS FOR REVOCATION OF FULL-TIME VIRTUAL SCHOOL AUTHORIZATION. (a) Authorizes the commissioner to revoke authorization for an entity to operate a full-time virtual school under this subchapter if the commissioner determines that:

(1) the school is not meeting the best interests of its students; or

(2) the revocation is necessary to ensure that full-time virtual schools are high quality.

(b) Requires the commissioner to revoke the authorization for an entity to operate a full-time virtual school under this subchapter if the entity has received for the three most recent years a campus or district accountability rating of D or F under Subchapter C, Chapter 39.

Sec. 30B.215. PROCEDURE FOR REVOCATION OR DENIAL OF RENEWAL. (a) Requires that the procedure developed by the commissioner under Section 30B.213(b) include an informal procedure for:

(1) revoking an authorization to operate a full-time virtual school; and

(2) denying the renewal of an authorization to operate a full-time virtual school.

(b) Requires that the procedure developed under Subsection (a) allow representatives of the full-time virtual school to meet with the commissioner to discuss the decision and allow the full-time virtual school to submit additional information to the commissioner. Requires the commissioner, in a final decision issued by the commissioner, to provide a written response to any information the full-time virtual school submits under this subsection.

(c) Provides that a decision by the commissioner under this section is final and may not be appealed.

Sec. 30B.216. EFFECT OF REVOCATION OR DENIAL OF RENEWAL OF AUTHORIZATION TO OPERATE FULL-TIME VIRTUAL SCHOOL. Prohibits the school, if the commissioner revokes or denies the renewal of an entity's authorization to operate a full-time virtual school under this subchapter, from continuing to operate or receive state funds under Subchapter D.

SECTION 14. Amends Section 33.009(d), Education Code, to make conforming changes.

SECTION 15. Amends Section 48.104(f), Education Code, to make conforming changes.

SECTION 16. Repealer: the heading to Chapter 30A (State Virtual School Network), Education Code.

Repealer: the heading to Subchapter A (General Provisions), Chapter 30A, Education Code.

Repealer: Section 30A.006 (Authorization for Certain Electronic Courses and Programs), Education Code.

Repealer: the heading to Subchapter B (Administrative Provisions), Chapter 30A, Education Code.

Repealer: Section 30A.053 (Designation of Administering Authority), Education Code.

Repealer: Section 30A.055 (Limitations on Administering Authority Powers), Education Code.

Repealer: Section 30A.056 (Contracts with Virtual School Service Providers), Education Code.

Repealer: the heading to Subchapter C (Provision of Electronic Courses), Chapter 30A, Education Code.

Repealer: Section 30A.1042 (Reciprocity Agreements with Other States), Education Code

Repealer: the heading to Subchapter D (Funding), Chapter 30A, Education Code.

Repealer: Section 30A.152 (Grants and Federal Funds), Education Code.

SECTION 17. Provides that this Act applies beginning with the 2021-2022 school year.

SECTION 18. Effective date: upon passage or September 1, 2021.