

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 14, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1068 by Middleton (Relating to the removal of restrictions on funding and payment of costs for certain full-time online educational programs; authorizing a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1068, As Introduced : a negative impact of (\$558,318) through the biennium ending August 31, 2025.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$247,873)
2025	(\$310,445)
2026	(\$217,038)
2027	(\$217,038)
2028	(\$217,038)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$247,873)	2.0
2025	(\$310,445)	2.0
2026	(\$217,038)	2.0
2027	(\$217,038)	2.0
2028	(\$217,038)	2.0

Fiscal Analysis

The bill would allow new full-time online programs to be offered by school districts and open-enrollment charter schools through the Texas Virtual School Network (TXVSN) and for full-time foundation school program (FSP) funding to be earned.

The bill would allow districts that intend to operate a full-time online program to pay the Texas Education Agency (TEA) a one-time fee to establish a program if TEA determines that the cost of supporting the program, including the cost of evaluating and approving electronic courses, is not available.

Once a district establishes a new virtual program, students attending TXVSN would generate attendance based funding for the district.

Methodology

This analysis assumes that the potential changes to student enrollment would not have a significant impact on district entitlements under the FSP.

The agency estimates that 2 new FTEs would be required in the 2024-25 biennium and subsequent years to ensure new course alignment with TEKS, meet existing online course requirements and accessibility guidelines, data submissions, informed choice reports, and enrollment and invoicing. These positions would be Education Specialists IV, with a total cost, including salaries and wages, benefits, payroll contributions and operating expenses of \$216,737 in fiscal year 2024, \$217,038 in fiscal year 2025 and subsequent years.

Technology

The agency estimates the costs to develop and implement changes to the IT systems for the TXVSN are \$31,135 FY 24 and \$93,406 in FY 25.

Local Government Impact

Local participation in the TXVSN program is voluntary.

Schools choosing to operate a TXVSN full-time online program would incur initial startup costs related to additional administrators, teachers, and technology staff; the development or purchase of online courses and a learning management system; and costs to administer statewide assessments and provide special education and related services. However, once the program was established, students attending the TXVSN program would generate attendance based funding.

Source Agencies: 701 Texas Education Agency

LBB Staff: JMc, KSk, ASA, SL