

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1483  
By: Shapiro  
Education  
4/19/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, school districts do not have a policy bridge between their bricks and mortar schools and virtual course options. Traditional and virtual coursework are taken in silos. Furthermore, there are significant barriers to entry for electronic providers, including an unclear and inefficient course review process. Texas currently provides limited opportunities for a student to take an entirely virtual course option, which could reclaim students for whom the traditional school setting does not work.

C.S.S.B. 1483 amends current law relating to the state virtual school network and virtual high schools.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of education in SECTION 5 (Section 30A.153, Education Code), SECTION 6 (Sections 30B.001 and 30B.008, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner of education is rescinded in SECTION 9 (Section 42.159, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 30A, Education Code, by adding Section 30A.007, as follows:

Sec. 30A.007. LOCAL POLICY ON ELECTRONIC COURSES. Requires a school district or open-enrollment charter school to adopt a policy that provides district or school students with the opportunity to enroll in electronic courses provided through the state virtual school network. Requires that the policy be consistent with the requirements imposed by Section 26.0031 (Rights Concerning State Virtual School Network).

SECTION 2. Amends Subchapter C, Chapter 30A, Education Code, by adding Section 30A.1021, as follows:

Section 30A.1021. PUBLIC ACCESS TO USER COMMENTS REGARDING ELECTRONIC COURSES. (a) Requires the administering authority to provide students who have completed or withdrawn from electronic courses offered through the virtual school network and their parents with a mechanism for providing comments regarding the courses.

(b) Requires that the mechanism required by Subsection (a) include a quantitative rating system and a list of verbal descriptors that a student or parent may select as appropriate.

(c) Requires the administering authority to provide public access to the comments submitted by students and parents under this section. Requires that the comments be in a format that permits a person to sort that comments by teacher, electronic course, and provider school district or school.

SECTION 3. Amends Section 30A.104, Education Code, as follows:

Sec. 30A.104. COURSE ELIGIBILITY IN GENERAL. (a) Creates this subsection from existing text. Makes no further changes.

(b) Provides that for purposes of Subsection (a)(2) (relating to requiring a course offered through the state virtual school network to be aligned with the essential knowledge and skills), a course is considered in compliance with the requirement imposed under that subdivision if the course contains at least 80 percent of the applicable essential knowledge and skills, and the provider school district or school provides written documentation that the remaining 20 percent of the applicable essential knowledge and skills will be provided by the teacher of the course.

(c) Requires the provider school district or school, 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 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.

SECTION 4. Amends Section 30A.105, Education Code, by adding Subsections (a-1) and (a-2) and amending Subsection (d), as follows:

(a-1) Requires the administering authority to publish the schedule established under Subsection (a)(1) (relating to establishing a schedule for an annual submission and approval process for electronic courses), including any deadlines specified in that schedule, and any guidelines applicable to the submission and approval process for electronic courses.

(a-2) Requires that the evaluation required by Subsection (a)(2) (relating to requiring the administrative authority to evaluate electronic courses) include review of each electronic course component, including off-line material proposed to be used in the course.

(d) Authorizes the school district, open-enrollment charter school, or public or private institution of higher education that submitted the course for evaluation and approval, if the Texas Education Agency (TEA) determines that the costs of evaluating and approving a submitted electronic course will not be paid by TEA due to a shortage of funds available for that purpose, to pay a fee equal to the amount of the costs in order to ensure that evaluation of the course occurs. Requires TEA to establish and publish a fee schedule for purposes of this subsection.

SECTION 5. Amends Subchapter D, Chapter 30A, Education Code, by adding Section 30A.153, as follows:

Sec. 30A.153. FOUNDATION SCHOOL PROGRAM FUNDING. (a) Entitles a school district or open-enrollment charter school in which a student is enrolled to funding under Chapter 42 (Foundation School Program) for the student's enrollment in an electronic course offered through the state virtual school network 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.

(b) Requires the commissioner, after considering comments from school district and open-enrollment charter school representatives, to adopt a standard agreement that governs payment of funds and other matters relating to a student's enrollment in an electronic course offered through the state virtual school network. Prohibits the agreement from requiring a school district or open-enrollment charter school to pay the provider the full amount until the student has successfully completed the electronic course.

(c) Requires a school district or open-enrollment charter school to use the standard agreement adopted under Subsection (b) unless the district or school requests from the commissioner permission to modify the standard agreement, and the commissioner authorizes the modification.

(d) Requires the commissioner to adopt rules necessary to implement this section, including rules regarding attendance accounting.

SECTION 6. Amends Subtitle F, Title 2, Education Code, by adding Chapter 30B, as follows:

#### CHAPTER 30B. VIRTUAL HIGH SCHOOLS

Sec. 30B.001. CREATION OF VIRTUAL HIGH SCHOOLS. (a) Requires the commissioner by rule to establish a process under which an eligible entity that seeks to operate a virtual high school to submit an application to the commissioner for authorization.

(b) Authorizes the commissioner to authorize not more than 10 virtual high schools.

(c) Requires a virtual high school to be accredited in a manner comparable to the manner in which a school district is accredited under Subchapter C (Accreditation), Chapter 39 (Public School System Accountability).

(d) Authorizes a virtual high school authorized by the commissioner and accredited as required by Subsection (c) to grant high school diplomas to students who meet the requirements for a diploma imposed under this title, including requirements imposed by rules adopted under this title, and act as a provider school district or school under Chapter 30A (State Virtual School Network), notwithstanding Section 30A.001(7) (defining "provider school district or school").

(e) Authorizes the eligible entity that submitted the application, if the commissioner determines that the costs of evaluating an application for authorization to operate a virtual high school cannot be paid by TEA due to a shortage of funds available for that purpose, to pay a fee equal to the amount of the costs in order to ensure that evaluation of the application occurs. Requires TEA to establish and publish a fee schedule for purposes of this subsection.

Sec. 30B.002. ELIGIBLE ENTITIES. Provides that the following entities are eligible to apply for authorization to operate a virtual high school:

- (1) a school district;
- (2) an open-enrollment charter school;
- (3) a public junior college, as defined by Section 61.003 (Definitions); and
- (4) a public senior college or university, as defined by Section 61.003.

Sec. 30B.003. ELIGIBLE STUDENTS. (a) Authorizes a student, subject to Subsection (b), to enroll in a virtual high school if the student resides in this state, is under 26 years of age, and is not enrolled in another public school.

(b) Provides at the time of initial enrollment in a virtual high school, a student described by Subsection (a) is eligible to enroll only if the student was enrolled in a public school in this state in the preceding school year.

(c) Authorizes a virtual high school to also elect to admit a student who resides in this state and is 26 years of age or older.

Sec. 30B.004. CURRICULUM. (a) Requires a virtual high school to permit students to enroll in courses provided through the state virtual school network under Chapter 30A in addition to courses offered directly by the virtual high school.

(b) Requires that a course or program offered by a virtual high school include the essential knowledge and skills and any other content required under Subchapter A (Essential Knowledge and Skills; Curriculum), Chapter 28 (Course of Study; Advancement). Authorizes the commissioner, if the commissioner finds that a course or program does not comply with this subsection, to prohibit the virtual high school from offering the course or program.

(c) Authorizes a virtual high school to develop a community-based course in physical education or fine arts. Requires that a course developed under this subsection be approved by TEA before the virtual high school may offer the class to a student for academic credit.

Sec. 30B.005. ACCOUNTABILITY. (a) Provides that a virtual high school is subject to Subchapter B (Assessment of Academic Skills), Chapter 39, and the eligible entity authorized to operate the virtual high school is required to comply with the procedures established under Section 39.0301 (Security in Administration of Assessment Instruments) in addition to all other applicable requirements. Authorizes the commissioner, for purposes of assessment instruments administered by a virtual high school, to modify the procedures established under Section 39.0301 if necessary.

(b) Requires the commissioner to assign a virtual high school a performance rating under Section 39.054 (Methods and Standards for Evaluating Performance) on the basis of the performance of students enrolled in the virtual high school under Section 30B.003(a). Prohibits the commissioner from using the alternative performance criteria under Section 39.054(d-1) (relating to authorizing the commissioner to consider alternative performance criteria) for purposes of this subsection.

Sec. 30B.006. SANCTIONS. (a) Requires the commissioner, if a virtual high school fails to satisfy accreditation criteria under Section 39.052 (Determination of Accreditation Status or Performance Rating), academic performance standards under Section 39.053 (Performance Indicators: Student Achievement) or 39.054, or any financial accountability standard, as determined by the commissioner, to take any of the following actions to the extent the commissioner determines necessary:

(1) order the virtual high school to issue public notice of the deficiency to a parent of or person standing in parental relationship to each student enrolled in the virtual high school;

(2) order the preparation of a student achievement improvement plan that addresses each student achievement indicator under Section 39.053(c) (relating to requiring indicators of student achievement to include certain information) for which the virtual high school's performance is insufficient, the submission of the plan to the commissioner for approval, and implementation of the plan;

(3) order a hearing to be held before the commissioner or the commissioner's designee at which the chief executive officer of the eligible entity authorized to operate the virtual high school, or that officer's designee, is required to appear and explain the virtual high school's low performance, lack of improvement, and plans for improvement; or

(4) appoint TEA monitor to participate in and report to TEA on the activities of the eligible entity authorized to operate the virtual high school.

(b) Requires the commissioner, if the virtual high school fails for three consecutive years to satisfy accreditation criteria under Section 39.052, academic performance standards under Section 39.053 or 39.054, or any financial accountability standard, as determined by the commissioner, to revoke the authorization to operate the virtual high school.

Sec. 30B.007. FUNDING. (a) Entitles a virtual high school, subject to Subsection (c), to funding under Chapter 42 (Foundation School Program) for each student in weighted average daily attendance, excluding enrichment funding under Section 42.302 (Allotment), as if the school were a school district without a tier one local share for purposes of Section 42.253 (Distribution of Foundation School Fund) and without any local revenue for purposes of Section 42.2516 (Additional State Aid for Tax Reduction). Provides that in determining funding under this subsection, adjustments under Sections 42.102 (Cost of Education Adjustment), 42.103 (Small and Mid-Sized District Adjustment), 42.104 (Use of Small or Mid-Sized District Adjustment in Calculating Special Allotments), and 42.105 (Sparsity Adjustment), are based on the average adjustment for the state.

(b) Entitles a virtual high school, subject to Subsection (c), in addition to the funding provided under Subsection (a), to receive enrichment funding under Section 42.302 based on the state average tax effort.

(c) Prohibits a virtual high school from receiving funding under this section for students described by Section 30B.003(c), or on the basis of a student's enrollment in a course that the student does not successfully complete.

(d) Authorizes a virtual high school to charge a fee for enrollment to students described by Section 30B.003(c), or uses adult basic education funds to pay the costs of enrollment of students described by Section 30B.003(c), if those funds are available for that purpose.

(e) Requires the commissioner, if the commissioner revokes a virtual high school's authorization under Section 30B.006(b), to immediately discontinue funding to the virtual high school under this section.

Sec. 30B.008. RULES. Authorizes the commissioner to adopt rules necessary to implement this chapter, including rules governing student admission, verification of the participation of a student enrolled in a course or program of a virtual high school, course completion criteria, assessment administration, attendance accounting, funding, financial accountability, and intervention and sanctions for virtual high schools.

SECTION 7. Amends Section 42.003(a), Education Code, as follows:

(a) Entitles a student to the benefits of the Foundation School Program if, on September 1 of the school year, the student is five years of age or older and under 21 years of age and has not graduated from high school, or is at least 21 years of age and under 26 years of age and has been admitted by a virtual high school under Chapter 30B or a school district to complete the requirements for a high school diploma.

SECTION 8. Amends Section 42.302(a), Education Code, to redefine "WADA."

(a) Provides that the amount of state support, subject only to the maximum amount under Section 42.303, is determined by a certain formula. Redefines "WADA" as used in the formula.

SECTION 9. Repealer: Section 42.159 (State Virtual School Network Allotments), Education Code.

SECTION 10. Effective date: September 1, 2011.