

BILL ANALYSIS

Senate Research Center
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S.B. 1455
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Virtual School Network (TXVSN) provides Texas students and schools with equitable access to quality online courses and instructors. It is a valuable resource for interactive, collaborative, instructor-led online courses taught by state-certified and appropriately credentialed teachers trained in effective online instruction.

TXVSN was authorized as an electronic course pilot in 2007 and expanded in 2009 to a statewide program that included both individual courses and virtual schools. Since the expansion, policymakers have severally restricted student access with the implementation of enrollment barrier in 2013 and a reduction in funding by 90 percent in 2017.

S.B. 1455 increases access and participation for interested students and strengthens the accountability and oversight by emulating the successful 2013 reforms of the state's public charter school laws.

S.B. 1455:

- Expands access to any Texas student who is otherwise eligible to enroll in a public school; permits any others to enroll for a fee
- Directs TEA to create a virtual course and school orientation for students
- Clarifies the following providers may offer either individual courses, be authorized by the commissioner to be a full-time virtual school, or both:
 - local educational agencies: traditional ISDs or public charters
 - institutions of higher education
 - non-profits (501(c)(3))
 - private or corporate entity
- Instructs TEA to provide for an individual course submission, review, and approval process; authorizing a fee-for-review structure
- Maintains successful completion funding model and permits cost agreements for individual courses to be approved by the commissioner
- Creates a TEA authorization process similar to charters to operate online virtual schools:
 - Existing entities: must be a rated "C or higher" in A-F
 - New entities: must go through vigorous TEA charter authorization process.

Mandates TEA to revoke "D or F" virtual schools after 3 years and creates a "do-not-hire" list of poor-performing educational services subcontractors.

As proposed, S.B. 1455 amends current law relating to the state virtual school network and changes a fee.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education (commissioner) in SECTION 31 (Sections 30B.204 and 30B.206, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner is modified in SECTION 17 (Section 30B.051, Education Code) of this bill.

Rulemaking authority previously granted to the State Board of Education is transferred to the commissioner in SECTION 22 (Section 30B.104, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner is modified in SECTION 27 (Sections 30B.118 and 30B.119, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner is rescinded in SECTION 34 (Section 30A.006, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1.001(b), Education Code, to change a reference from Chapter 30A (State Virtual School Network) to Chapter 30B.

SECTION 2. Amends Section 7.0561(f), Education Code, to make a conforming change.

SECTION 3. Amends Section 12.101(a), Education Code, as follows:

(a) Redefines "eligible entity" to include a private entity or corporation for the purposes of operating a full-time virtual school. Makes nonsubstantive changes.

SECTION 4. Amends Subchapter D, Chapter 12, Education Code, by adding Section 12.1016, as follows:

Sec. 12.1016. CHARTER AUTHORIZATION FOR FULL-TIME VIRTUAL SCHOOL.

(a) Authorizes the commissioner of education (commissioner), except as provided by Subsection (b), to grant under Section 12.101 (Authorization) a charter on the application of a private entity or corporation to provide a full-time virtual school.

(b) Prohibits the commissioner from granting a charter as authorized under this section to a private entity or corporation that has been subject to a contract revocation under Section 30B.210.

(c) Prohibits a charter granted under this section from providing for operating a school in any manner other than a full-time virtual school.

(d) Authorizes the commissioner, in granting a charter under this section, to modify any provision of this subchapter (Open-Enrollment Charter School) to accommodate lack of geographical placement and impose additional requirements to ensure accountability, access to information, and security of funding.

SECTION 5. Amends Section 25.007(b), Education Code, to make a conforming change.

SECTION 6. Amends Section 26.0031, Education Code, as follows:

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

(b) Makes conforming changes.

(c) Deletes existing text authorizing a school district to deny a request to enroll a student in an electronic course if the district or school offers a substantially similar course. Makes a nonsubstantive change.

Deletes Subsection (c-1) and existing text 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. Deletes existing text providing that Subsection (c-1) does not limit the ability of the student to enroll in additional electronic courses at the student's cost or apply to a student enrolled in a full-time online program that was operating on January 1, 2013.

(d) Makes conforming changes.

(e) Makes a conforming change.

(f) Provides that a school district or open-enrollment 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, rather than Chapter 30A, has discretion to select a course provider approved by 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), rather than Section 30A.108(b) (relating to requiring each report to describe each electronic course offered through the state virtual school network).

SECTION 7. Amends Subtitle F, Title 2, Education Code, by adding Chapter 30B, and adding a heading to that chapter to read as follows:

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

SECTION 8. Amends Chapter 30B, Education Code, as added by this Act, by adding Subchapter A and adding a heading to that subchapter to read as follows:

SUBCHAPTER A. GENERAL PROVISIONS

SECTION 9. Transfers Section 30A.001, Education Code, to Subchapter A, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.001, Education Code, and amends it, as follows:

Sec. 30B.001. DEFINITIONS.

(1) Redefines "administering authority" to mean the Texas Education Agency (TEA), rather than the entity designated under Section 30A.053 (Designation of Administering Authority) to administer the state virtual school network.

(2) Makes no changes to this subdivision.

(3) Redefines "course" to mean a course of study that meets the requirements of Section 30B.105, rather Section 30A.104 (Course Eligibility in General).

(4) Makes no changes to this subdivision.

(5) Deletes existing text defining "electronic diagnostic assessment." Redesignates existing text of previously existing Subdivision (6) as Subdivision (5).

(6) Defines "full-time virtual school."

(7) Redefines "course provider" to mean:

(A) a school district or open-enrollment charter school that provides an electronic course through the statewide course catalog, rather than through the state virtual school network, to certain students;

(B) makes a conforming change;

(C) makes no changes to this paragraph.

(8) Redefines "public or private institution of higher education" to mean a private or independent institution of higher education as defined by Section 61.003 (Definitions), rather than an institution of higher education, as defined by 20 U.S.C. Section 1001.

(9) Defines "statewide course catalog."

SECTION 10. Transfers Section 30A.002, Education Code, to Subchapter A, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.002, Education Code, and amends it, as follows:

Sec. 30B.002. STUDENT ELIGIBILITY. 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 this subchapter. 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 42.003 (Student Eligibility) and has not graduated from high school.

Deletes text of previously existing Subsection (b) 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 criteria. Deletes text of previously existing Subsection (c) providing that, notwithstanding Subsection (a)(3) or (b), a student is eligible to enroll in one or more courses provided through the state virtual school network or enroll full-time in courses provided through the network if the student meets certain criteria.

SECTION 11. Transfers Section 30A.003, Education Code, to Subchapter A, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.003, Education Code, and amends it, as follows:

Sec. 30B.003. PROVISION OF COMPUTER EQUIPMENT OR INTERNET SERVICE. Provides that this chapter does not require a school district, an open-enrollment 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.

SECTION 12. Transfers Section 30A.004, Education Code, to Subchapter A, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.004, Education Code, and amends it as follows:

Sec. 30B.004. **APPLICABILITY OF CHAPTER.** Redesignates text of previously existing Subsection (b-1) as Subsection (b). Deletes existing text providing that this chapter does not affect the provision of distance learning courses offered under other law.

SECTION 13. Transfers Section 30A.005, Education Code, to Subchapter A, Chapter 30B, Education Code, as added by this Act, and redesignates it as Section 30B.005, Education Code, as follows:

Sec. 30B.005. **TELECOMMUNICATIONS OR INFORMATION SERVICES NETWORK NOT CREATED.**

SECTION 14. Transfers Section 30A.007, Education Code, to Subchapter A, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.006, Education Code, and amends it, as follows:

Sec. 30B.006. **LOCAL POLICY ON ELECTRONIC COURSES.** (a) Makes a conforming change.

(b) Redesignates existing text of Subsection (a-1) as Subsection (b).

(c) Redesignates existing text of Subsection (b) as Subsection (c).

SECTION 15. 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 this chapter and requires the commissioner to use those funds in compliance with applicable federal law, regulations, and guidelines.

SECTION 16. Amends Chapter 30B, Education Code, as added by this Act, by adding Subchapter B, and a heading is added to that subchapter to read as follows:

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

SECTION 17. Transfers Section 30A.051, Education Code, to Subchapter B, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.051, Education Code, and amends it, as follows:

Sec. 30B.051. New heading: **GOVERNANCE.** (a) Requires the commissioner to administer the state virtual school network statewide course catalog and full-time virtual schools and 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 through the state virtual school network and equitable access by students to those courses and schools.

(b) Makes no changes to this subsection. Deletes existing text of 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).

SECTION 18. Transfers Section 30A.052, Education Code, to Subchapter B, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.052, Education Code, and amends it, as follows:

Sec. 30B.052. **GENERAL POWERS AND DUTIES OF COMMISSIONER.** (a) Makes a conforming change.

(b) Makes no changes to this subsection.

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

SECTION 19. Transfers Section 30A.054, Education Code, to Subchapter B, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.053, Education Code, and amends it, as follows:

Sec. 30B.053. STUDENT PERFORMANCE INFORMATION. Makes a conforming change.

SECTION 20. Amends Chapter 30B, Education Code, as added by this Act, by adding Subchapter C, and adding a heading to that subchapter to read as follows:

SUBCHAPTER C. STATEWIDE COURSE CATALOG

SECTION 21. Transfers Section 30A.101, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.101, Education Code, and amends it, as follows:

Sec. 30B.101. ELIGIBILITY TO ACT AS COURSE PROVIDER. (a) Provides that a school district or open-enrollment 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 eligible to act as a course provider under this chapter only if the district or school is rated acceptable under Section 39.054 (Methods and Standards For Evaluating Performance).

(b) Deletes existing Subsection (b) and 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. Redesignates Subsection (c) and Subsection (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, rather than nonprofit entity and private entity, or corporation:

(1) makes no changes to this subdivision;

(2) makes a nonsubstantive change;

(3) provides evidence of prior successful experience offering 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.

(c) Provides that the entity where the student is enrolled has sole authority to award course credit or a diploma for courses taken through the statewide course catalog. Deletes existing text of Subsection (d) providing an entity other than a school district or open-enrollment charter school is not authorized to award course credit or a diploma for courses taken through the state virtual school network.

(d) Prohibits this section from being waived by the commissioner.

SECTION 22. Transfers Sections 30A.102, 30A.1021, 30A.103, 30A.104, and 30A.1041, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates them as Sections 30B.102, 30B.103, 30B.104, 30B.105, and 30B.106, Education Code, and amends them, as follows:

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

(1) publish the criteria required by Section 30B.104, rather than Section 30A.103 (Criteria For Electronic Courses), for electronic courses that may be offered through the statewide course catalog, rather than through the state virtual school network;

(2) using the criteria required by Section 30B.104, rather than Section 30A.103, evaluate electronic courses submitted by a course provider to be offered through the statewide course catalog, rather than through the network;

(3) makes no changes to this subdivision;

(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, rather than in the network's Internet website the list of approved electronic courses offered through the network and a detailed description of the courses that complies with Section 30A.108 (Informed Choice Reports).

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

(1) makes no changes to this subdivision;

(2) makes conforming changes and a nonsubstantive change;

(3) makes a conforming change;

(4) may develop or may authorize the development of an orientation course.

(c) Makes a conforming change.

Sec. 30B.103. PUBLIC ACCESS TO USER COMMENTS REGARDING ELECTRONIC COURSES. Makes a conforming change.

Sec. 30B.104. CRITERIA FOR ELECTRONIC COURSES. (a) Requires the commissioner, rather than the State Board of Education (SBOE), by rule to establish an 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.

(b) Requires the criteria to be consistent with Section 30B.105, rather than Section 30A.104 (Course Eligibility in General) and prohibits the criteria from including any requirements that are developmentally inappropriate for students.

(c) Makes no changes to this subdivision.

(d) Requires the criteria to be in place at least six months before the administering authority uses the criteria in evaluating an electronic course under Section 30B.107, rather than Section 30A.105 (Approval of Electronic Courses).

Sec. 30B.105. COURSE ELIGIBILITY IN GENERAL. (a) Requires a course offered through the statewide course catalog, rather than through 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 requiring SBOE, with other certain entities, by rule to identify the essential knowledge and skills of each subject of the required curriculum) 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) Makes a nonsubstantive change.

Sec. 30B.106. DRIVER EDUCATION COURSES. (a) Makes a conforming change.

(b) Makes a conforming change.

(c) Makes no changes to this subdivision.

SECTION 23. Transfers Section 30A.105, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.107, Education Code, and amends it, as follows:

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

(1) makes no changes to this subdivision;

(2) provide for the evaluation of electronic courses to be offered through the statewide course catalog, rather than evaluate electronic courses to be offered through the state virtual school network.

(b) Redesignates text of existing Subsection (a-1) as Subsection (b).

(c) Redesignates text of existing Subsection (a-2) as Subsection (c).

(d) Redesignates text of existing Subsection (b) as Subsection (d). Requires the administering authority to establish the cost of providing an electronic course approved under Subsection (a), rather than requiring the administering authority to establish the cost of providing an electronic course approved under Subsection (a), which may not exceed \$400 per student per course or \$4,800 per full-time student.

(e) Redesignates existing text of Subsection (d) as Subsection (e). Requires, rather than authorizes, a school district, open-enrollment 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 text requiring TEA to pay the reasonable costs of evaluating and approving electronic courses. Deletes existing text requiring TEA, if funds available to TEA for that purpose are insufficient to pay the costs of evaluating and approving all electronic courses submitted for evaluation and approval, to give priority to paying the costs of evaluating and approving certain courses.

(f) Redesignates text of existing Subsection (c) as Subsection (f).

SECTION 24. Transfers Section 30A.1051, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, and redesignates it as Section 30B.108, Education Code, as follows:

Sec. 30B.108. ELECTRONIC COURSE PORTABILITY.

SECTION 25. Transfers Sections 30A.1052, 30A.106, 30A.107, 30A.108, 30A.109, 30A.110, and 30A.111, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates them as Sections 30B.109, 30B.110, 30B.111, 30B.112, 30B.113, 30B.114, and 30B.115, Education Code, and amends them, as follows:

Sec. 30B.109. INDUCEMENTS FOR ENROLLMENT PROHIBITED. Makes a conforming change.

Sec. 30B.110. APPEAL TO COMMISSIONER. Authorizes a course provider to appeal to the commissioner the administering authority's refusal to approve an electronic course under Section 30B.107, rather than under Section 30A.105.

Sec. 30B.111. OPTIONS FOR PROVIDERS AND STUDENTS. (a) Authorizes a student who does not qualify under Section 30B.002(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) (relating to student eligibility to enroll in one or more courses through the state virtual school network).

(b) Deletes existing text authorizing a student who is enrolled in a school district or open-enrollment charter school in this state as a full-time student to take certain courses.

(c) Authorizes a student who resides in this state but who is not enrolled in a school district or open-enrollment charter school in this state to, subject to Section 30B.123, rather than Section 30A.155 (Fees), enroll in electronic courses through the statewide course catalog, rather than the state virtual school network. Provides that a student to whom this subsection applies:

(1) is not considered enrolled at the public school campus but is required to be considered for the purposes of accountability in accordance with Section 30B.114 and state funding as provided by Section 30B.122. Deletes existing text prohibiting a student to whom this subsection applies from in any semester enrolling in more than two electronic courses offered through the state virtual school network;

(2) redesignates existing text of Subdivision (3) as Subdivision (2). Requires a student to whom this section applies to obtain access to a course provided through the statewide course catalog, rather than network, through the school district or open-enrollment charter school, rather than through the school district or open-enrollment charter school attendance zone in which the student resides;

(3) redesignates existing text of Subdivision (4) as Subdivision (3). Provides that student is not entitled to enroll in a course offered by a school district or open-enrollment charter school other than an electronic course provided through the statewide course catalog, rather than network; and

(4) redesignates existing text of Subdivision (5) as Subdivision (4) and makes no further changes to this subdivision.

(d) Makes no changes to this subsection.

(e) Requires a school district or open-enrollment charter school to require students to take a student orientation course to access the state virtual school network.

Sec. 30B.112. INFORMED CHOICE REPORTS. (a) Makes no changes to this subsection.

(b) Makes a conforming change.

Sec. 30B.113. COMPULSORY ATTENDANCE. Makes a conforming change.

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

(b) Requires the performance of a student described by Section 30B.111(c) to be considered for purposes of accountability for a school district or open-enrollment charter school if the student takes more than three statewide course catalog courses through the school district or open-enrollment charter school in a school year.

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

(d) Resignates previously existing Subsection (c) as Subsection (d) and makes a conforming change.

Sec. 30B.115. TEACHER AND INSTRUCTOR QUALIFICATIONS. (a) Requires each teacher of an electronic course offered by a school district or open-enrollment charter school through the statewide course catalog, rather than through the state virtual school network, to:

(1) makes no changes to this subdivision;

(2) successfully complete the appropriate professional development course provided under Section 30B.116(a) or 30B.117, rather than Section 30A.112(a) (relating to requiring the state virtual school network to provide or authorize providers of electronic professional development courses) or 30A.1121 (Alternative Educator Professional Development), before teaching an electronic course offered through the state virtual school network.

(b) Makes no changes to this subsection.

(c) Makes a conforming change.

SECTION 26. Transfers Section 30A.112, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, and redesignates it as Section 30B.116, Education Code, as follows:

Sec. 30B.116. EDUCATOR PROFESSIONAL DEVELOPMENT.

SECTION 27. Transfers Sections 30A.1121, 30A.113, 30A.114, and 30A.115, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates them as Sections 30B.117, 30B.118, 30B.119, and 30B.120, Education Code, and amends them, as follows:

Sec. 30B.117. ALTERNATIVE EDUCATOR PROFESSIONAL DEVELOPMENT. (a) Makes a conforming change.

(b) Requires TEA to review each professional development course sought to be provided by a course provider under Subsection (a) to determine if the course meets the quality standards established under Section 30B.118, rather than Section 30A.113 (Criteria For Electronic Professional Development Courses). Authorizes the course provider, if a course meets those standards, to provide the course for purposes of enabling a teacher to comply with Section 30B.115(a)(2), rather than Section 30A.111(a)(2) (relating to requiring a teacher to complete a certain professional development course before teaching an electronic course offered through the network).

Sec. 30B.118. CRITERIA FOR ELECTRONIC PROFESSIONAL DEVELOPMENT COURSES. Requires the commissioner by rule to establish objective standard criteria for quality of an electronic professional development course provided under Section 30B.116, rather than under Section 30A.112 (Educator Professional Development).

Sec. 30B.119. REGIONAL EDUCATION SERVICE CENTERS. Makes a conforming change.

Sec. 30B.120. ADDITIONAL RESOURCES. Makes a conforming change.

SECTION 28. Transfers Section 30A.151, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.121, Education Code, and amends it, as follows:

Sec. 30B.121. COSTS TO BE BORNE BY STATE. (a) Requires the state, except as authorized by Sections 30B.007, 30B.107, rather than by Section 30A.152 (Grants and Federal Funds), or this section, to 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 open-enrollment charter school.

(c) Makes no changes to this subsection.

(d) Redesignates existing text of Subsection (c) as Subsection (d). Deletes existing text entitling a school district or open-enrollment charter school, 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, 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.

SECTION 29. Transfers Section 30A.153, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.122, Education Code, and amends it, as follows:

Sec. 30B.122. FOUNDATION SCHOOL PROGRAM FUNDING. (a) Deletes existing text removing the limitation imposed under Subsection (a-1). Makes a conforming change.

(b) Requires TEA, for purposes of funding to a school district or open-enrollment charter school that provides access to an electronic course provided to a student described by Section 30B.111(c) who would be entitled to the benefits of the Foundation School Program under Section 42.003 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.

(c) 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, rather than requires the commissioner, after considering comments from school district and open-enrollment charter school representatives, 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 virtual school network. Authorizes the agreement to not require a school district or open-enrollment charter school to pay the provider the full amount until the student has successfully completed the electronic course. Deletes existing text prohibiting the full amount from exceeding the limits specified by Section 30A.105(b) (relating to requiring the administering authority to establish the cost of providing an electronic course component).

(d) Requires a school district or open-enrollment charter school to use the standard agreement adopted under Subsection (c), rather than Subsection (b) unless certain criteria is met.

(e) Redesignates existing text of Subsection (d) as Subsection (e). Deletes text of previously existing Subsection (a-1) providing 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, unless the student is enrolled in a full-time online program that was operating on January 1, 2013.

SECTION 30. Transfers Section 30A.155, Education Code, to Subchapter C, Chapter 30B, Education Code, as added by this Act, redesignates it as Section 30B.123, Education Code, and amends it, as follows:

Sec. 30B.123. FEES. (a) Makes conforming changes. Redesignates existing text of Subdivision (1) as Subsection (a). Deletes text of previously existing Subdivision (2) authorizing a school district or open-enrollment charter school to charge a fee for enrollment in an electronic course provided through the state virtual school network to a student who resides in this state and 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 a school district or open-enrollment charter school to decline to pay the cost for a student enrolled in a certain electronic course).

(b) Redesignates existing text of Subsection (a-1) as Subsection (b). Makes conforming changes.

(c) Redesignates existing text of Subsection (b) as Subsection (c). Requires a school district or open-enrollment 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(1), rather than requires a school district or open-enrollment charter school to charge a fee for enrollment in an electronic course provided through a state virtual school network 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.

(d) Redesignates existing text of 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, rather than prohibits the amount of a fee charged a student under Subsection (a), (a-1), or (b), for each electronic course in which the student enrolls through the state virtual school network from exceeding the lesser of:

(1) makes no changes to this subdivision;

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

(e) Redesignates existing text of Subsection (c-1) as Section (e). Makes conforming changes.

(f) Redesignates existing text of Subsection (d) as Section (f). Makes a conforming change. Deletes text of previously existing Subsection (e) providing that this chapter 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 31. 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 and authorize the operation of a full-time virtual school under this chapter.

(b) Provides that a school district or open-enrollment charter school is eligible to operate as a full-time virtual school under this chapter 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, nonprofit entity, or private entity or corporation is eligible to operate a full-time virtual school under this chapter only if the institution, 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 courses to middle or high school students, with demonstrated student success in course completion and performance, as determined by the commissioner;

(4) has either 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 if the entity is a public or private institution of higher education or a nonprofit entity or a charter granted under Subchapter D, Chapter 12, authorized to provide a full-time virtual school if the entity is a private entity or corporation; and

(5) has not been subject to contract revocation under Section 30B.210.

Sec. 30B.202. FULL-TIME VIRTUAL SCHOOL LIST. (a) Requires the administering authority to create a list of full-time virtual schools authorized by the administering authority, publish in a prominent location on the state virtual school network's Internet website a list of and contact information for all authorized full-time virtual schools, provide access to the accountability ratings of each full-time virtual school and include any other information the commissioner determines necessary to inform student choice.

(b) Requires the administering authority 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 the comment method to 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.

Sec. 30B.203. INDUCEMENTS FOR ENROLLMENT PROHIBITED. (a) Prohibits 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 approval of a full-time virtual school that violates this section.

(c) Provides that the commissioner's action under this section is final and may not be appealed.

Sec. 30B.204. 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. Provides that the rules may modify the application of Sections 25.085 (Compulsory School Attendance), 25.086 (Exemptions), and 25.087 (Excused Absences) for a student enrolled in a full-time virtual school but must require participation in an educational program equivalent to the requirements prescribed by those sections.

Sec. 30B.205. APPLICABILITY OF ACCOUNTABILITY REQUIREMENTS. (a) Provides that Chapter 39 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 each student enrolled in a full-time virtual school to take each assessment instrument under Section 39.023 (Adoption and Administration of Instruments) that is administered to students who are provided instruction in the course material in the traditional classroom setting. Requires the administration of the assessment instrument to the student enrolled in the full-time virtual school to be supervised by a proctor.

Sec. 30B.206. TEACHER AND INSTRUCTOR QUALIFICATIONS. (a) Requires each teacher at a full-time virtual school:

- (1) to 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.207. FUNDING. (a) Entitles a full-time virtual school in which a student described by Section 30B.002(1) is enrolled to funding under Chapter 42 (Foundation School Program) or in accordance with the terms of a charter granted under Section 12.101 for the student's enrollment in electronic courses in a full-time virtual school 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) Authorizes a full-time virtual school to charge a fee for a student who does not qualify under Section 30B.002(1).

Sec. 30B.208. ORIENTATION COURSE. Requires each full-time virtual school to offer a student orientation course and notify each student of the opportunity to participate in the orientation course. Requires TEA to provide guidance regarding the development and delivery of an orientation course.

Sec. 30B.209. PARENT-TEACHER CONFERENCE. (a) Requires each full-time virtual school, on a periodic basis throughout each school year, to communicate with each parent of or person standing in parental relation to an enrolled student regarding the performance and progress of the student. Requires the school to provide opportunities for parent-teacher conferences, document any requests for parent-teacher conferences and 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.210. CONTRACTING FOR FULL-TIME VIRTUAL SCHOOL SERVICES. (a) Requires a school district or open-enrollment charter school that contracts with an entity to operate a full-time virtual school for the district or school to report to the agency the identity of the contracted entity each year the contracted entity operates the full-time virtual school.

(b) Requires a school district or open-enrollment charter school to revoke a contract with an entity to operate a full-time virtual school for the district or school if the accountability rating for its full-time virtual school campus has three years of consecutive overall ratings of D or F under Section 39.054. Requires a school district or open-enrollment charter school to 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 district or school that the district or school is subject to Subsection (b) if its full-time virtual school campus has three years of consecutive overall ratings of D or F under Section 39.054. 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 open-enrollment 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.

SECTION 32. Amends Section 33.009(d), Education Code, to make a conforming change.

SECTION 33. Amends Section 42.152(b-1), Education Code, as follows:

(b-1) Authorizes a student receiving a full-time virtual education, rather than a full-time virtual education through the state virtual school network, to be included in determining the number of educationally disadvantaged students under Subsection (b) if the school district or full-time virtual school submits to the commissioner a plan detailing the enhanced services that will be provided to the student and the commissioner approves the plan.

SECTION 34. Repealer: Section 30A.006 (Authorization For Certain Electronic Courses and Programs), 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: Section 30A.1042 (Reciprocity Agreements With Other States), Education Code.

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

SECTION 35. Provides that this Act applies beginning with 2019–2020 school year.

SECTION 36. Effective date: upon passage or September 1, 2019.