

- SUBJECT:** Creating a state virtual school network
- COMMITTEE:** Public Education — favorable, without amendment
- VOTE:** 6 ayes — Eissler, Zedler, Branch, Hochberg, Olivo, Patrick  
0 nays  
3 absent — Delisi, Dutton, Mowery
- SENATE VOTE:** On final passage, May 1 — 31-0
- WITNESSES:** (*On House companion, HB 277 by Madden:*)  
For — Abraham Salem, Canadian ISD; D.L. Bearden, Texas Virtual School Project; Jim Schul, Harris County Department of Education; and seven others; (*Registered, but did not testify:* Ross E. Linn)  
  
Against — Jo-Hannah Whitsett, Texas Freedom Network  
  
On — Amy Beneski, Texas Association of School Administrators; Brock Gregg, Association of Texas Professional Educators; Lindsay Gustafson, Texas Classroom Teachers Association; Richard Kouri, Texas State Teachers Association; Jackie Lain, Texas Association of School Boards; Ted Melina Raab, Texas Federation of Teachers; Brooke Dollens Terry, Texas Public Policy Foundation
- BACKGROUND:** Education Code, sec. 29.909, requires the Texas Education Agency (TEA) to implement a program under which a school district may offer electronic courses to another school district or to students enrolled in another district, as provided by an agreement between the districts. The district may offer the electronic courses through a designated campus or through a full-time program serving students throughout the district.  
  
TEA must select school districts to participate in the program based on applications submitted by the districts. The agency must maintain links on its website to district reports, including information about electronic courses offered by the district. The reports contain information about courses of instruction, required materials, the process used to ensure that

each course meets state standards, the process used to place students in appropriate academic levels, the method used to report attendance and to authenticate student coursework and attendance; the location and content of each scheduled meeting between parents and teachers; program policies related to computer security and privacy, truancy, discipline, and expulsion of students; extracurricular activities; teaching methods; and assessment instruments.

DIGEST:

CSHB 1445 would establish a state virtual school network to provide electronic courses or programs for Texas students as well as equitable access to these courses.

**Administration and course content.** The state virtual school network would be administered by TEA, which would employ a limited administrative staff and contract with a regional education service center to operate the program. The State Board of Education (SBOE) would establish criteria for course and program content based on Texas essential knowledge and skills (TEKS) requirements. The courses would have to be in specific subjects that are part of the required state curriculum and would have to be equivalent in instructional rigor and scope to a course provided in a traditional classroom setting.

Electronic courses, as defined by the bill, would be those in which instruction and content were delivered primarily over the Internet, a student and teacher were in different locations for most of the student's instructional period, most instructional activities took place in an online environment, online instructional activities were integral to the academic program, extensive communication between a teacher and students was emphasized, and the student was not required to be on the physical premises of the school.

An electronic course offered through the state virtual school network would have to provide for at least the same number of instructional hours as required for a course offered in a program that met the state's required minimum number of instructional days and required length of school days.

TEA would evaluate and approve electronic courses or programs, place courses or programs on an approved list, and provide public access to the list of approved course or programs, including advanced placement courses and those required for high school graduation. The agency would have to establish a schedule for the annual submission and approval of

electronic courses, which would have to be approved by August 1 of each year.

Online courses could be offered by institutions of higher education or “provider school districts,” which would have to be rated academically acceptable or higher under the state accountability system. Charter schools rated recognized or higher could serve as provider schools only to students in the school district in which the charter school was located or within its service area, whichever was smaller, or to any other student in the state through an agreement with TEA. TEA by rule could allow regional education service centers to participate in the state virtual school network in the same manner as provider school districts and schools.

TEA would establish the cost of providing an electronic course, which could not exceed \$400 per student per course or \$4,800 per full-time student. School districts or charter schools that submitted courses for approval would have to pay a fee sufficient to cover the cost of evaluating the electronic courses and programs. The fee could be waived if the course was developed under the TEA electronic course pilot program or another pilot program or if it was developed independently by the district or school.

**Funding.** The state would pay the cost of operating the state virtual school network. These costs could not be charged to a school district or charter school.

School districts or charter schools in which a student was enrolled in an electronic course would be entitled to state and local funding equal to the cost of providing the course, as established by TEA, plus 20 percent. Payments could be based on contact hours or on the student's successful completion of a course. Provider districts and districts in which a student was enrolled could enter into agreements on the payment for the student's enrollment in an electronic course. TEA would have to develop a standard agreement governing the payment of funds and other matters related to student enrollment. Each school district or charter school participating in the virtual school network would have to use these agreements.

School districts could apply for additional funding for accelerated students enrolled in more than the course load taken by equivalent students in the equivalent grade level. Districts would charge a fee to students who do not

qualify for accelerated funding, but are taking a course load greater than that normally taken by students in the equivalent grade level.

Home-schooled students would have to pay a fee that could not exceed the lesser of the cost of providing the course or \$400.

TEA would have to submit budget requests to the Legislature for funding of the state virtual school network and submit annual fiscal reports to the governor, the lieutenant governor, and the speaker of the House that included an evaluation of the performance of provider school districts and schools under the state accountability system and assessment test results of students enrolled in electronic courses. To the extent permitted under federal privacy laws, TEA would have to make information about student performance available to school districts, charter schools, and the public.

TEA would have to investigate alternative funding models and, by December 1, 2008, report to the Legislature about alternative funding models that ensured the quality of electronic courses, increased access to more courses, enabled more students to take courses, sustained the network's operations, and increased the network's ability to accommodate greater numbers of students and offer more courses. The report also would have to recommend a system of indicators that would allow a comparison of courses, student performance in these courses, and other indicators.

**Teacher qualifications.** Teachers of on-line courses would have to be certified under state certification requirements to teach that course and grade level and would have to complete the appropriate professional development courses, which would have to be provided through the virtual school network. The network also could provide other teacher development courses.

**Student eligibility.** Electronic courses could be offered to state residents who were younger than 21 years of age and eligible to enroll in a public high school. Students could enroll full-time in the virtual school network only if they were enrolled in a public school the previous year or they were a dependent of a member of the military, were previously enrolled in high school in Texas, and did not reside in Texas because of a military deployment or transfer.

Full-time public or charter school students could enroll in one or more classes through the state virtual school network. At the time and in the

manner that a school district informed students and parents about traditional courses, the district or school would have to notify them about the option of enrolling in online courses. School districts could not require students to enroll in an on-line course, but also could not unreasonably deny the request of a student or parent to enroll in an online course.

To deny this option, the district or school would have to demonstrate that the course did not meet state or district standards, the course load was inconsistent with the student's graduation plan or could be expected to negatively affect the student's performance on the TAKS test, or the student requested permission to enroll in an online course at a time that was not consistent with district or school enrollment periods. Districts or schools would have to make all reasonable efforts to accommodate a student's enrollment under special circumstances.

Home-schooled students could take up to two on-line classes per semester, but would not be considered to be public school students and would have to gain access to the courses through the district or charter school in which the student resided.

**Attendance and accountability.** TEA would have to adopt rules for verifying the attendance of students enrolled in electronic courses or programs. Students enrolled in on-line courses would have to take the same assessment tests required of students in traditional classrooms. School districts or charter schools would have to report results of assessment tests to TEA through the Public Education Information Management System (PEIMS).

The bill would take effect September 1, 2007. The virtual charter school network would have to begin operations beginning with the 2008-09 school year by providing electronic courses for grades nine, ten, eleven, and twelve only, with grades six, seven, and eight added in the 2009-10 school year, and all grades covered starting in the 2010-11 school year.

**SUPPORTERS  
SAY:**

SB 1788 would move education in Texas into the 21st century by expanding opportunities for students to use technology as an alternative method of gaining access to a high-quality education through a statewide virtual school network. A virtual school network would increase equity in our educational system by providing access to courses for all students.

The network would be firmly established in the state's existing educational framework and would build on recent pilot projects that tested the use of electronic courses and programs at individual school districts. The bill is significantly different from the virtual charter school bill that the Legislature has considered over the past two sessions, particularly one that would have been offered by a private company that provided equipment directly to participating students, because the virtual school network would be administered by TEA and operated through participating public school districts, charter schools, and higher education institutions.

The bill would include safeguards to ensure that students enrolled in electronic courses or programs received an education that was equal to or better than traditional courses. The programs would be developed by school districts and charter schools and based on state content standards. Students would be subject to testing and attendance requirements, and courses would be taught by certified teachers.

While the bill would not prevent private companies from contracting with districts or charter schools, the cap of no more than \$400 per student per course would limit the amount of money a company could make. The company would have to meet the same standards for content as the school district or charter school.

While home-school students would be eligible to participate in a limited number of courses, these programs would benefit many other kinds of students, including students in rural areas who may not have access to advanced courses, children with disabilities such as autism, gifted and talented students, and students from families who must travel a great deal. Home-school families actually might not wish to participate because of the assessment and attendance requirements.

SB 1788 simply would offer another educational option for Texas students and their families, in the same way that charter schools offer such alternatives. The bill would not divert a significant amount of funding from traditional programs, but rather would provide public schools with an important supplement to their existing programs.

**OPPONENTS  
SAY:**

SB 1788 would divert money from public schools at a time when the state is having trouble meeting basic educational needs for public school students. According to the bill's fiscal note, the cost of the program would

increase from \$13.4 million in fiscal 2008-09 to \$38 million in fiscal 2010-11. While electronic courses may benefit many students, the cost of these courses should be borne by individual students, families, and, in many cases, individual school districts.

The bill would not prohibit a private company from contracting with a district or charter school to develop on-line courses. This could be a windfall for some online vendors.

It would be premature to adopt SB 1788 before the state has had time to evaluate the results of studies of virtual school pilot programs. The initial findings about the benefits of these programs are inconclusive. While online education may offer promising opportunities, the state should not authorize resources to fund these programs until more information is available about their costs and benefits.

NOTES:

The companion bill, HB 277 by Madden, was heard on February 20 by the Public Education Committee and reported favorably, as substituted, on April 19.