



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1330

PRINTERS NO. 2896

PRIME SPONSOR: Ortitay

AS AMENDED BY: A03927

COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 1330, as amended by A03927, amends the Public School Code concerning the establishment of an "Educational and Professional Development Online Course Initiative" by the PA Department of Education (PDE). It would take effect in 60 days.

ANALYSIS:

Under this legislation, the PDE must establish a central online clearinghouse, including an online database of online courses for students enrolled in grades kindergarten through twelve. This clearinghouse must be accessible to school entities, nonpublic schools, home education programs, and the general public. "School entities" include school districts, charter schools, regional charter schools, cyber charter schools, intermediate units, and career and technical schools. The clearinghouse must also include a database of online professional development courses for school employees. Additional requirements for the clearinghouse, including an implementation schedule, are specified in the bill.

The PDE must also develop an application and an application process specifying the time, form, and manner by which providers may submit their online course or professional development course offerings to the Department for inclusion in the clearinghouse. The Department may establish a reasonable, nonrefundable administrative fee for the purpose of reviewing each application submitted by an online course provider or a professional development provider. If the Department determines that a provider intentionally submitted false or misleading information on an application, that provider must be prohibited from participating in the clearinghouse for five years.

The Department must begin implementing the clearinghouse by the start of the 2024-25 school year, when it must contain online courses for grades nine through twelve. Courses for additional grades will be added every year until all grades are covered in the 2026-27 school year. Beginning in the 2027-28 school year, the clearinghouse must offer professional development courses from providers approved through the application process described in the bill. The purchase price and other payment and contract terms of an online course or professional development course

cataloged in the clearinghouse, will be determined by direct negotiations between a school entity, nonpublic school, or home education program and the course provider.

School entities may offer students the opportunity to participate in online courses. In providing this opportunity, a school entity may utilize any online course made available through a school entity, through the clearinghouse, or through any other source. The school must also establish policies and procedures for student eligibility and participation, including a policy on the selection of online courses made available to students by the school entity. The policies and procedures must be made accessible to parents and students and posted on the school's publicly accessible website. School entities must also ensure that parents and students are made aware of this opportunity by making information about available online courses easily accessible.

A report on the operation of the clearinghouse must be submitted by the Secretary of Education to the Governor and the majority and minority chairs of the House and Senate Education Committees. The minimum contents of the report are detailed in the legislation. The first such report must be submitted by June 30, 2027, and then every five years thereafter. The report must also be posted on the Department's website.

FISCAL IMPACT:

Any fees authorized by House Bill 1330 will be placed in a General Fund restricted revenue account to be known as the Online Course Clearinghouse Restricted Account established by the bill, which will also retain any interest generated by funds in the account and can accept funding appropriated by the General Assembly. The Department may establish a reasonable, nonrefundable administrative fee for the purpose of reviewing each application submitted by an online course provider or a professional development provider.

The implementation schedule in the bill requires the initial phase of the clearinghouse be operational by the beginning of the 2024-25 school year. The Department estimates the upfront development costs of the clearinghouse at approximately \$1.5 million, and recurring annual support of \$350,000. For informational purposes, the General Government Operating appropriation for 2021-22 is \$29,981,000.

Enactment of this legislation will only have a fiscal impact on local school entities to the extent that those entities choose to offer online course options to their students from the clearinghouse, and negotiate payment terms with providers.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: April 11, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.