FISCAL NOTE

June 9, 2014

Bill No:	HB 679	Printer's No:	730	Sponsor:	Ortitay (R)

COST / (SAVINGS)

Fund (s)	2016-17	2017-18
General Fund	$ 0	See "Fiscal Impact"

SUMMARY: The bill would require the Department of Education (PDE) to establish a central repository of online courses.

ANALYSIS: The bill would require that PDE establish a central online repository of online courses available to for students enrolled in grades six through twelve. The clearinghouse would be available to all public and nonpublic schools, home education programs, and the general public. The clearinghouse would be established by the beginning of the 2018-19 school year to offer content tested on the Keystone Exams. Content relating to other subjects would be offered by the beginning of the 2019-20 school year.

PDE would be required to develop an application and application process to approve course to be included in the repository. There would be two approval processes. One would be for content tested on the Keystone Exams and the other would be for content not assessed on the exams. The Department would be able to establish an application fee not to exceed $750 for courses containing content tested on the Keystone Exams and a fee not to exceed $75 for courses on other materials. Further, PDE may assess a fine of $1,000 for any application containing intentional false or misleading information.

School districts would establish the policies and procedures for student eligibility and participation in online courses.

The Secretary of Education would be required to submit a report to the Governor and the majority and minority caucus chairs of the Senate and House Education Committees. The contents of the report are outlined in the bill. The report would need to be submitted by June 30, 2022 and be posted on PDE's website.

The bill would create the Online Course Clearinghouse Restricted Account for the deposit of fees, fines, and interest received in administration of the initiative.

FISCAL IMPACT: PDE would have a cost of $823,900 for website vendor costs to develop and house the clearinghouse. PDE estimates that it would receive 200 applications for the Keystone Exam course materials, which would be assessed a fee of $750. As such, the revenue generated from the fees would be $150,000. It should be noted that the revenue would be significantly less if there are more applications for non-Keystone Exam course that would be required to pay the $75 fee. The revenue from fines for false or misleading application is not determinable at this

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time. Based on these estimates, the cost of developing and populating the repository would be $673,900.

Cost/Revenue Source	Amount
Webste Vendor Costs	$ 823,900
Application Fees	($ 150,000)
TOTAL COST	**$ 673,900**

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