

## FISCAL NOTE

May 23, 2017

<b>Bill No:</b>	HB 857	<b>Printer's No:</b>	939	<b>Sponsor:</b>	Zimmerman (R)
-----------------	--------	----------------------	-----	-----------------	---------------

### COST / (SAVINGS)

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

**SUMMARY:** The bill would permit the Board of Private Academic Schools (Board) to authorize and license online schools as a Private Academic School.

**ANALYSIS:** Current law does not expressly address the licensure of online private schools by the commonwealth. The bill would permit the Board to license online educational institutions with oversight by the Office of Elementary and Secondary Education (OESE) within the Pennsylvania Department of Education (PDE).

The bill specifies that the licensing of all private academic schools would be overseen by the OESE. Currently, the statute broadly grants that oversight to PDE.

The bill would require the Board to promulgate rules and regulations and set policies, principles and standards for the licensing of online schools. The rules, regulations, policies, principles, and standards would take effect within 18 months of the effective date of the act and no online school may be licensed until they become effective.

The act would take effect in 60 days.

**FISCAL IMPACT:** Although the demand for licenses by private online schools is unclear, based on an analysis of an analogous program, PDE expects that the Board would need to review 16 online school applications annually. To license each online school, the Board would process the applications for the school licensure as well as approve the educational director of each new licensee. To meet this workload the Board would need to hire an additional Education Administration Specialist with salary and benefits costing \$118,000. The Board would also have operating costs of \$18,568 annually to process these applications.

In addition to the staff and operating costs, PDE would incur one-time consulting costs of \$30,000 to assist the Board in developing the rules and regulations required under the bill.

Cost	Amount
Personnel	\$ 118,000
Operating	\$ 18,568
Consulting Costs	\$ 30,000
<b>TOTAL</b>	<b>\$ 166, 568</b>

## FISCAL NOTE

May 23, 2017

---

Currently, applicants must pay a licensing fee, but the fees only cover 23% of the actual costs of licensing by PDE. As such, PDE would need to update and increase the licensing fees to cover these costs.