

FISCAL NOTE

S.B. 65

SHORT TITLE: Statewide Online Education Program

SPONSOR: Stephenson, H.

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill will save \$185,100 ongoing from the Education Fund but cost \$910,000 one-time from the Education Fund. The bill will cost the State Office of Education \$1,546,900 ongoing and \$910,000 one-time from the Education Fund for implementation of the online education program outlined in the bill. Conversely, the bill may reduce the state's cost for the Electronic High School by an estimated \$1,732,000 ongoing from the Education Fund. That amount may be replaced through online course fees as established in the bill.

The State Board of Education is authorized to assess a fee to Online Course Providers to cover the costs associated with provider certification. Revenue from this fee is estimated at \$131,500 in dedicated credits to the State Board of Education.

Bill provisions allow Online Course Providers to receive an online course fee equal to the average charter high school per pupil revenues as detailed in the bill. Estimates indicate that this fee amount at approximately \$904 per course. For each one percent of the total statewide population that opts to participate in an online course, approximately \$2,961,000 may be deducted from the Minimum School Program allocation to a local education agency as outlined in the bill.

STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue:			
Dedicated Credits	\$0	\$131,500	\$131,500
Total Revenue	\$0	\$131,500	\$131,500
Expenditure:			
Education Fund	\$0	(\$185,100)	(\$185,100)
Education Fund, One-Time	\$0	\$910,000	\$0
Dedicated Credits	\$0	\$131,500	\$131,500
Total Expenditure	\$0	\$856,400	(\$53,600)
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$724,900)	\$185,100
Net Impact, General/Education Funds	\$0	(\$724,900)	\$185,100

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LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Depending on the number of qualifying online courses taken by students, the Minimum School Program allocation to a school district or charter school may be reduced by the total cost of online course fees.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Online course providers would pay certification fees that are estimated to generate \$131,500 per year.