

Department of Legislative Services
 Maryland General Assembly
 2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 674 (Senator Rosapepe)
 Education, Health, and Environmental Affairs

Ways and Means

**Primary and Secondary Education - Online Courses and Services - Development
 or Review and Approval**

This emergency bill authorizes a local board of education to request that the Maryland State Department of Education (MSDE) develop or review and approve online courses and services. MSDE may delegate this responsibility to a local board of education. If MSDE delegates this authority to a local board, the local board must request approval of the online course from MSDE once it has completed the development or the review and approval.

A local board may impose reasonable fees to be paid by the vendor to cover the cost of reviewing and approving online courses and services and must remit 15% of the fees collected to MSDE. The State Board of Education may set reasonable fees for developing or reviewing online courses and services and for processing approvals for online courses and services.

Fiscal Summary

State Effect: Special fund expenditures increase by \$11,200 in FY 2012 to hire an education specialist to process and approve online courses. If development, review, and approval of online courses is not delegated to local boards, special fund expenditures may also increase to pay content and review specialists to review online courses. Special fund revenues increase in proportion to the expenditure increase from fees charged to online course vendors for processing approvals for online courses and services and from fees remitted from local boards of education. Future years reflect annualization and inflation.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
SF Revenue	\$11,200	\$84,600	\$90,400	\$94,700	\$99,100
SF Expenditure	\$11,200	\$84,600	\$90,400	\$94,700	\$99,100
Net Effect	\$0	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: If MSDE delegates the responsibility to develop or review and approve online courses and services, local school system revenues and expenditures will increase.

Small Business Effect: None.

Analysis

Bill Summary: Within 15 days after the receipt of a request from a local board of education to develop or review and approve online courses and services, MSDE must determine whether the development or review and approval of the online courses and services must be delegated to a local board of education. If MSDE does not delegate the development or review and approval of the online courses and services to a local board of education, MSDE must develop or review and approve online courses and services within 120 days after the receipt of a request from a local board.

Within 45 days after a request by a local board of education to approve an online course the local board developed or approved, MSDE must approve or disapprove the online course based on criteria and guidelines developed by MSDE.

MSDE must ensure that online courses and services developed or reviewed and approved include specifications that allow for access by students with disabilities including blindness, in accordance with the technical standards for electronic and information technology issued under subsection (A)(2) of Section 508 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794(A)(2) or any other appropriate accessibility standard. MSDE must also establish a means for ensuring that online courses and services that fail to meet the accessibility requirements are prohibited from use.

Current Law: MSDE must provide Maryland virtual learning opportunities that include: (1) offering a distance-learning program to provide Maryland public school students with equal opportunities to develop a strong academic foundation; (2) offering expanded educational choices not otherwise available to students through online courses and services; and (3) expanding the professional development opportunities available to educational staff in Maryland public schools through online courses and services.

With the approval of the State Board of Education and the State Superintendent of Schools, MSDE must:

- develop online courses and services;
- procure online courses and services;

- develop standards for teachers and other school system employees for the offering of courses or services on the Internet or through other developing technologies; and
- review courses and courseware to assure quality and alignment with the Maryland content standards and other appropriate standards.

There is a Maryland Virtual Learning Opportunities Fund. The State Board of Education may set reasonable fees for online courses and services. The fees charged must be set so as to produce funds to support maintenance of Maryland virtual learning opportunities.

According to the Code of Maryland Regulations (COMAR), consistent with local school system policy and procedure, credit may be given for correspondence courses and for MSDE-approved online courses. If credit is to be applied toward minimum graduation requirements, the correspondence course or the MSDE-approved online course must be provided by the local school system.

Background: In Maryland, supplemental online courses are offered through the Maryland Virtual Learning Opportunities Program (MVLO). MVLO is managed by MSDE and is designed to expand the access of Maryland public school students to challenging curricula aligned to the Maryland Content Standards and other appropriate standards through the delivery of high quality online courses. MVLO offers approximately 62 online courses through the Maryland Virtual School (MVS) in collaboration with the local school systems. While MVS offers online courses, it is not authorized to grant high school diplomas and does not offer a full high school curriculum. Students may only take a course through MVS with the permission of the local school system and their school principal, and credit can only be awarded for MSDE-approved courses. MVLO is designed for use by high school students; Maryland does not offer online learning opportunities designed for elementary and middle school students.

However, MSDE does not have the staff or funding to approve any new online courses for MVS and currently has a backlog of 17 courses that need to be reviewed. MSDE anticipates that the number and variety of online courses will continue to grow and local school systems and online course vendors will continue to ask MSDE to review online courses for approval.

MSDE reports it costs approximately \$850 to review each online course. This includes paying three content specialists and one online course review specialist a set fee to review the course. From their review MSDE determines if the course meets the Maryland content standards and if the course meets other quality standards.

State Fiscal Effect: Special fund revenues increase from fees charged to online course vendors for processing approvals for online courses and services and from fees remitted

from local boards of education. Special fund expenditures increase by an equal amount to pay content and review specialists a set fee to review each course or to process and approve courses approved by a local board of education.

MSDE indicates that the volume of requests made by local boards of education to review and approve online course and services will necessitate hiring an education specialist. Therefore, special fund expenditures increase by \$11,187 in fiscal 2012 which reflects a June 1, 2012 start date. It is assumed that special fund revenues from fees charged to online course vendors for processing approvals for online courses and services and from fees remitted from local boards of education will cover all expenses related to this position.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Salary and Fringe Benefits	\$6,658	\$84,071	\$89,878
Operating Expenses	44	556	561
Start-up Costs	<u>4,485</u>	<u>0</u>	<u>0</u>
Total	\$11,187	\$84,627	\$90,439

Future year expenditures reflect a full-time salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

If MSDE chooses not to delegate the responsibility to review and approve some online courses and services, special fund revenues and expenditures will increase by greater amounts. MSDE reports it costs approximately \$850 to review each online course. This includes payments to three content specialists and one online course review specialist to review the course. From their review, the education specialist will determine if the course meets the Maryland Content Standards and other quality standards.

Local Fiscal Effect: If MSDE delegates the responsibility to develop or review and approve online courses and services, local school system revenues and expenditures will increase.

The bill authorizes a local board of education to impose reasonable fees to be paid by the vendor to cover the cost of reviewing and approving online courses and services, of which 15% must be remitted to MSDE. It is assumed that local boards will charge vendors fees equal to the expense of reviewing the course and the remittance that must be paid to MSDE.

Additional Information

Prior Introductions: None.

Cross File: HB 1219 (Delegate Boteler, *et al.*) - Ways and Means.

Information Source(s): Maryland State Department of Education, Maryland Association of Boards of Education, Department of Legislative Services

Fiscal Note History: First Reader - February 29, 2012
mlm/mwc Revised - Senate Third Reader - April 3, 2012

Analysis by: Caroline L. Boice

Direct Inquiries to:
(410) 946-5510
(301) 970-5510