

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6119-02  
Bill No.: Perfected HCS for HB 2379  
Subject: Education, Elementary and Secondary; Disabilities  
Type: Original  
Date: April 13, 2016

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Bill Summary: This proposal specifies that public schools shall screen students for dyslexia and related disorders and establishes a task force on dyslexia.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	(\$30,000)	(\$30,000)	(\$1,305,537)	(\$1,285,943)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$30,000)</b>	<b>(\$30,000)</b>	<b>(\$1,305,537)</b>	<b>(\$1,285,943)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 12 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2020)</b>
Federal Funds*	\$0	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenue and expense net to zero.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2020)</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Fully Implemented (FY 2020)</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>(Unknown greater than \$305,160)</b>	<b>(Unknown greater than \$177,732)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §167.950 Dyslexia Screening

**Oversight** notes this proposal would require the Department of Elementary and Secondary Education (DESE) to develop guidelines for the screening of students for dyslexia and related disorders. Oversight assumes that DESE can create the guidelines using their existing resources.

**Oversight** notes this proposal requires each school district, during the 2018-2019 (FY 2019) school year, to screen each student for dyslexia and related disorders at an appropriate time established by DESE. Additionally, each school district must provide for reasonable support for any student determined to have dyslexia or a related disorder.

**Oversight** notes that according to the Yale Center for Dyslexia and Creativity, the Dyslexia Research Institute, and DyslexiaHelp at the University of Michigan approximately 20% of people have dyslexia or a related disorder. DESE notes there are 617,727 kids in grades K-8 and 268,696 kids in grades 9-12 or 886,423 in Missouri public schools. Therefore, as many as 177,285 (886,423 X 20%) could have dyslexia or a related disorder and would need support by the school districts.

Officials at the **DESE** assume the extent of the cost will depend upon the number of children requiring instruction and accommodation. The Department assumes school districts and charter schools will incur costs, however, the Department defers to the districts for those costs.

Officials at the **Office of the State Courts Administrator** assume there is no fiscal impact from this proposal.

**Oversight** notes that unless a school district already has a Dyslexia Specialist on staff that could do the testing and treatment a school district would need to purchase the Dyslexia Screening Instrument for \$123 and additional Teacher Rating Forms (\$28.50 for 25 forms). Oversight, for fiscal note purposes, will show a one-time impact to schools for purchase of the Dyslexia Screening Instrument of \$63,714 (\$123 x 518 school districts). Oversight notes due to the size of school districts, most would need to purchase more than one Dyslexia Screening Instrument. Oversight will show the impact as Unknown greater than two Dyslexia Screening Instruments per district \$127,428 (\$123 x 2 X 518).

**Oversight** notes that one Teacher Rating Form will need to be completed per student annually. Oversight assumes it will cost \$1,010,525 (886,423 students/25 forms in a pack x \$28.50 per pack) for the Teacher Rating Forms in FY 2019. After the initial screening of all existing

ASSUMPTION (continued)

students only new students would need screening. Therefore only 68,186 (886,423/13) would need to be screened annually. The Teacher Ratings Forms expenses for future fiscal years would be \$77,732 (68,186/25 x \$28.50).

**Oversight** notes that this proposal requires school districts to provide support to any student determined to have dyslexia or related disorders. Due to the numerous types of dyslexia and the severity at which a person may have it, it is impossible to determine at this time what kind of support school districts would be required to provide. Oversight will show the impact to schools as Unknown over \$100,000 for the support.

**Oversight** notes the screening would determine which students would need additional testing to identify if they have one of the types of dyslexia and the appropriate treatment. Oversight assumes that the school districts would notify parents of the findings and parents would be responsible for any additional testing. Oversight will not show a fiscal impact from notifying parents as the school districts could chose which method of notification is best.

Officials at the **Department of Social Services (DSS)** assume the Division of Youth Services (DYS) operates accredited schools at each of its sites.

Screening Costs: -Provided by existing DYS education personnel

One Time Costs

DYS operates 78 educational groups statewide.

1 Dyslexia Screening Instrument (DSI) Complete Kit through Pearson PsychCorps = \$123

123 x 78 groups = \$9,594 Initial Cost

On-Going Costs:

Additional DSI Teacher Rating Forms (package of 25) = \$28.50/pkg.

\$28.50 x 78 groups = \$2,223 annually starting in FY 2018

Because the rules and regulations surrounding the “appropriate times” for screening remain undefined the range of fiscal impact to DYS is \$0 to \$9,594.

DYS has special education resources in place to provide services to youth in care with learning disabilities. The division currently provides service to 33 youth with reading-related learning disabilities. Categories include Reading Fluency, Reading Comprehension, and Basic Reading Skills.

ASSUMPTION (continued)

Officials at the **MoHealthNet Division (MHD)** assume that §167.950.1 states that by December 31, 2017, DESE shall develop guidelines for appropriate screening for dyslexia and related disorders and the necessary classroom support for students with dyslexia and related disorders. For the 2018-2019 school year and subsequent years, each public school shall conduct dyslexia screenings for students. The school board of each district and the governing board of each charter school shall provide reasonable support for any student determined to have dyslexia or a related disorder.

MHD assumes each public school will bear the cost for each screening. In October of 2015, there were 414,016 children ages 5-18 receiving MOHealthNet benefits. Out of those children, there were 6,130 with an IEP. MHD assumes that every child will need to be screened the first year. The total number of screenings the first year is 407,886 (414,016 - 6,130). MHD estimates that 20,395 (407,886 \* 5%) children will require testing. Per the Michigan Dyslexia Institute, Inc., the prevalence of dyslexia is estimated to range from five to 17 percent among school children. The cost to test these children will be \$14,378,475 (20,395 \* \$705). MHD estimates it will cost \$1,520 for annual treatment per child (\$40/hour for 1 hour per week for 38 weeks). The total estimated cost for treatment is \$31,000,400 (20,395 \* \$1,520). The total cost for SFY 2019 is \$45,378,875.

It is assumed that for the following years that only children in kindergarten will need to be screened because the children in the other grades have already been screened. To calculate the number of children who will receive screenings the following years, an average was calculated per grade. The average number of children per grade is 31,848 (414,016 / 13). The same methodology was used to calculate the number of children with an IEP. The average number of children with an IEP is 472 (6,130 / 13). The total number of screenings is 31,376 (31,848 - 472) for FY 20. MHD estimates that 1,569 (31,376 \* 5%) children will require testing. The cost to test these children will be \$1,106,145 (1,569 \* \$705). The total estimated cost for treatment is \$2,384,880 (1,569 \* \$1,520). The total cost for SFY 2020 is \$3,491,025

The proposed legislation states that the rules are to be promulgated by the state board of education. How the rules are written will determine if the services will be included in the IEP and therefore the amount of federal match. The rules will also impact whether the General Revenue portion will be covered by DESE or DSS; therefore, the General Revenue impact has been stated as a range. Furthermore, the estimated impact from the federal portion is presented as a range depending on the type of federal match received.

ASSUMPTION (continued)

The total costs for the new cases are:

FY 17:	\$0 (GR \$0)
FY 18:	\$0 (GR \$0)
FY 19:	\$28,692,155 - \$45,378,875 (GR \$0 - \$16,686,720; Federal \$0 to \$28,392,155)
FY 20:	\$2,207,305 - \$3,491,025 (GR \$0 - \$1,283,720; Federal \$0 to \$2,207,305)

Officials at the **Chilhowee School District** assume this would cost the services of a qualified professional. Estimated to be \$50 - \$100 per student.

Officials at the **East Newton School District** assume \$6,000 annually.

Officials at the **Fair Play School District** assume this would cost \$20,000.

Officials at the **Forsyth R-III School District** assume the cost of training staff and the cost of testing would be \$5,000 annually.

Officials at the **Kansas City Public Schools** assume it is difficult to know the impact until DESE promulgates the rules for the screening. The District estimates the cost could exceed \$200,000.

Officials at the **Macon County R-IV School District** assume this would have a potentially expensive impact on the district however, the impact is unknown. The District would need to contract for the testing of the students. Based on the needs of the students and type of treatment would determine the impact.

Officials at the **Pettis County R-XII School District** assume a cost of \$50,000.

Officials at the **Seymour R-II School District** assume \$3,500 for annual training costs.

Officials at the **St. Elizabeth School District** assume \$250 for professional development and \$400 for screening materials.

Officials at the **Webster Groves School District** assume the professional development cost would be \$6,000 for training. Additionally they would need a reading specialist to perform assessments at \$70,000 annually.

Officials at the **West Plains School District** assume an estimated \$15,000 to \$30,000 annually depending on the support needed.

ASSUMPTION (continued)

Officials at the **Special School District of St. Louis** assume costs of \$49,949,648 annually for screenings and treatment of students in St. Louis County. They assume estimated treatment costs:

2015 St Louis county K-12 enrollment	139,159
estimated 20% students with dyslexia characteristics	<u>0.20</u>
# of students	27,832
Assume group size of 7	<u>7</u>
# of groups	3,976
Assume 7 groups a day	<u>7</u>
FTE needed to provide Tier II Interventions	568
Average SSD Teacher salary w/ benefits	<u>69,094</u>
Estimated cost to fund the instructional costs	\$39,245,110

Additionally they assume estimated screening costs:

2015 St Louis county K-12 enrollment	139,159
divide by 13 grade	<u>13</u>
# of students in each grade	10,705
# of tests each year (1 before K and 1 before 3rd)	<u>2</u>
# of students to be tested each year	21,409
Estimated cost of test	<u>\$500</u>
Estimated cost of tests each year	\$10,704,538.46

Estimated cost to SSD \$49,949,648.45

Officials at the **Malta Bend School District** assume there is no fiscal impact from this proposal.

HA 1

**Oversight** notes that HA 1 would no longer require that in the 2018-2019 all twelve grades of students be tested. It allows DESE to determine the year in which students be tested and to start with only that grade or grades (such as 1<sup>ST</sup> or 2<sup>nd</sup> graders). This would reduce the number that would be screened, tested and provided treatment in the first year. Therefore the number of students to be screened yearly would be 68,186 (886,423/13).

This would reduce the cost of the teacher rating forms to \$77,732 (68,186/25 x \$28.50) annually. Additionally, this would change the amount MHD would pay for testing and treatment.

**Oversight** will show only one grade being tested and treated per year.

ASSUMPTION (continued)

§633.420 Legislative Task Force on Dyslexia

**Oversight** notes this portion of the proposal creates the Legislative Task Force on Dyslexia. The task force shall make recommendations on matters concerning dyslexia and education. The task force shall terminate on August 31, 2018. Oversight will show partial costs in FY 2019 as the Task Force wraps up its work.

Officials at the **DESE** assume the task force expenses would be approximately \$5,000. Cost estimate for the task force contract would be approximately \$25,000.

Bill as a Whole

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.



<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
<b>GENERAL REVENUE</b>				
<u>Costs - DSS - Youth Services</u>				
Purchase of Screening Instrument	\$0	\$0	(\$9,594)	\$0
Additional Teacher Rating Forms	<u>\$0</u>	<u>\$0</u>	<u>(\$2,223)</u>	<u>(\$2,223)</u>
<u>Total Costs - DSS</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$11,817)</u>	<u>(\$2,223)</u>
 Costs - DSS - MoHealthNet Division Testing and treatment of the kids on medicaid	 \$0	 \$0	 (\$0 to \$1,283,720)	 (\$0 to \$1,283,720)
 <u>Cost - DESE - Task Force Expenses</u>	 <u>(\$30,000)</u>	 <u>(\$30,000)</u>	 <u>(\$10,000)</u>	 <u>\$0</u>
 <b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	 <b><u>(\$30,000)</u></b>	 <b><u>(\$30,000)</u></b>	 <b><u>(\$1,305,537)</u></b>	 <b><u>(\$1,285,943)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
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**FEDERAL FUNDS**

<u>Revenue</u> - program reimbursement	\$0	\$0	\$0 to \$2,207,305	\$0 to \$2,207,305
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<u>Costs</u> - testing and treatment of the kids on medicaid	<u>\$0</u>	<u>\$0</u>	(\$0 to <u>\$2,207,305</u> )	(\$0 to <u>\$2,207,305</u> )
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<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2017 (10 Mo.)</u>	<u>FY 2018</u>	<u>FY 2019</u>	Fully Implemented (FY 2020)
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**LOCAL SCHOOL DISTRICT FUNDS**

<u>Cost</u> - School Districts- Purchase of Screening Instrument	\$0	\$0	(Unknown greater than \$127,428)	\$0
Teacher Ratings Forms	\$0	\$0	(Unknown greater than \$77,732)	(Unknown greater than \$77,732)
Treatment	<u>\$0</u>	<u>\$0</u>	(Unknown over <u>\$100,000</u> )	(Unknown over <u>\$100,000</u> )

<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b>(Unknown greater than <u>\$305,160</u>)</b>	<b>(Unknown greater than <u>\$177,732</u>)</b>
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### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This bill requires each public school to screen students for dyslexia and related disorders at appropriate times in accordance with rules established by the State Board of Education. The school board of each district and governing board of each charter school must provide for the support of any student determined to have dyslexia or a related disorder. "Related disorders" are defined as disorders similar to or related to dyslexia, such as developmental auditory imperception, dysphasia, specific developmental dysgraphia, and developmental spelling disability.

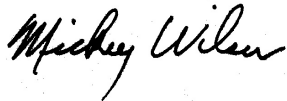
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Chilhowee R-IV School District  
Department of Elementary and Secondary Education  
Department of Social Services  
East Newton School District  
Fair Play School District  
Forsyth R-III School District  
Joint Committee on Administrative Rules  
Kansas City Public Schools  
Macon County R-IV School District  
Malta Bend School District  
Office of the State Courts Administrator  
Office of the Secretary of State  
Pettis County R-XII School District  
Seymour R-II School District

SOURCES OF INFORMATION (continued)

Special School District of St. Louis  
St. Elizabeth School District  
Webster Groves School District  
West Plains School District



Mickey Wilson, CPA  
Director  
April 13, 2016

Ross Strobe  
Assistant Director  
April 13, 2016