

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6119-04
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HCS for HB 2379
Subject: Education, Elementary and Secondary; Disabilities
Type: Original
Date: June 7, 2016

Bill Summary: This proposal modifies provisions relating to school safety.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	(\$30,000)	(\$30,000)	(\$453,951 to \$5,639,554)	(\$305,275 to \$3,941,899)
Total Estimated Net Effect on General Revenue	(\$30,000)	(\$30,000)	(\$453,951 to \$5,639,554)	(\$305,275 to \$3,941,899)

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 13 pages.

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

* Revenue and expense net to zero.

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

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

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Local Government	\$0	\$0	(Unknown over \$305,160 to over \$1,237,950)	(Unknown over \$177,732)

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 diagnosed 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.

Oversight notes that unless a school district already has a Dyslexia Specialist on staff that could do the screening and diagnosing 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).

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.

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.

ASSUMPTION (continued)

Oversight notes the screening would determine which students would need additional testing and diagnosing 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 **Office of the State Courts Administrator** assume there is no fiscal impact from this proposal.

Officials at the **Department of Social Services' MoHealthNet Division (MHD)** assume 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). Per the Michigan Dyslexia Institute, Inc., the prevalence of dyslexia is estimated to range from five to 17 percent among school children. MHD estimates that 20,395 (407,886 * 5%) children will require testing. MHD reimburses up to four hours of annual psychological testing per child. DESE also estimates a full diagnostic assessment to last about four hours. While MHD authorizes reimbursement for psychologists (\$60/hr) and psychiatrists (\$66/hr) for this testing, MHD assumes psychologists would provide 90% of the testing with psychiatrists providing only 10% of testing services. The one-time cost to test these children is estimated at \$4,943,748 (20,395 x \$60.60 x 4 hours). MHD acknowledges that the most frequently utilized intervention for a child with dyslexia would be educational supports which cannot be reimbursed by MHD. However, MHD estimates 6,798 children testing positive for dyslexia (20,395 x 1/3) will require additional supports such as speech therapy. MHD reimburses speech therapist at \$40/hour. MHD estimates it will cost \$1,520 for annual speech therapy (\$40/hour for 1 hour per week for 38 weeks). The total annual cost for treatment is \$10,333,467(6,798 x \$1,520). The total estimated cost for FY 2019 is \$15,277,215 (\$4.9 million diagnosing + \$10.3 million treatment); (\$5.6 million GR and \$9.6 million Federal)

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 2020. MHD estimates that 1,569 (31,376 * 5%) children will require testing. The cost to test these children will be \$380,326 (1,569 * \$60.60 x 4 hours). The total estimated cost for

ASSUMPTION (continued)

treatment is \$10,713,792 (\$380,326 diagnosing + \$10,333,467 in annual treatment); (\$3.9 million GR and \$6.7 million Federal).

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.

The total costs for the new cases are:

FY 17: \$0 (General Revenue {GR}\$0)
FY 18: \$0 (GR \$0)
FY 19: \$9,659,477 - \$15,277,215 (GR \$0 - \$5,617,737; Federal \$0 to \$9,659,477)
FY 20: \$6,774,117 - \$10,713,792 (GR \$0 - \$3,939,676; Federal \$0 to \$6,774,117)

Officials at the **Department of Social Services (DSS)** assumed 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 their 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)

Oversight notes that one Teacher Rating Form will need to be completed per student annually. Oversight notes this proposal allows DESE to determine the year in which students be screened and to start with only that grade or grades (such as 1ST or 2nd graders). This would limit the number of students that would be screened, tested and provided treatment for yearly. Therefore the number of students to be screened yearly would be 68,186 (886,423/13). Oversight assumes it will cost \$77,732 (68,186 students/25 forms in a packet x \$28.50 per packet.)

Oversight notes that MHD assumed DESE would require in FY 2019 that all students be screened for dyslexia. Since the proposal requires the screening “in the appropriate year”, only one grade’s students may be screened in FY 2019.

Oversight will range the screening impact from one year’s worth of students (\$77,732) to all thirteen grades (K-12) being screened in the first year at a cost of \$1,010,522 (886,423 students/25 forms in a packet x \$28.50 per packet). Oversight will show just one grade being screened in future years. Oversight notes the school districts would be responsible for the purchase of the Teacher Rating Forms.

Oversight in FY 2019, will range the diagnosis and treatment cost from one year’s worth of students \$1,175,171 to \$15,277,215 estimated by MHD (and based on all students being screened in first year). Oversight will continue to range the diagnosis and treatment costs for all future fiscal years. Oversight notes the diagnosis and treatment costs are split between General Revenue (37%) and Federal Funds (63%).

Officials at the **Kansas City Public Schools (KCPS)** assume they can not estimate the impact of this section until the dyslexia task force publishes its reports, findings, and recommendations and DESE subsequent to this action promulgates rules for implementation as outlined in statute. KCPS foresee these sections potentially having a negative fiscal impact to the district of several million dollars annually for testing, training and certification, support systems and vendor services.

Officials at the **Macon County R-IV School District** assume this will have an unknown negative impact on the district. The exact impact can not be determined until such time as DESE establishes procedures. The district estimates \$250 per student for the medical diagnosis of dyslexia and \$75 per hour for physical or occupational therapy. The district does not have staff certified to do this work and therefore, would need to contract out.

Officials at the **Parkway School District** assume a cost of \$218,025 annually.

ASSUMPTION (continued)

§170.047 Training and Guidelines for Youth Suicide Awareness and Prevention Training

Oversight notes this proposal, in §170.047, would allow a licensed educator to complete up to two hours of training or professional development in youth suicide awareness and prevention. These hours would count toward the required professional development hours for certification. The Department of Elementary and Secondary Education is to develop guidelines for the training.

Officials at the **DESE** assume that §170.047 requires DESE to develop guidelines for training in youth suicide awareness and prevention. To develop youth suicide awareness and prevention training materials that schools may use, the department will collaborate with organizations having expertise in this field. DESE estimates this would have insignificant costs.

Oversight assumes that DESE could create the guidelines and training materials using existing resources.

Oversight assumes that since this new training would be in place of other professional training required of licensed educators there would be no additional costs to school districts for the training.

§170.048 School District Policies on Youth Suicide Awareness and Prevention

Oversight notes this proposal, in §170.048, would require each school district to adopt a policy on youth suicide awareness and prevention. DESE shall develop a model policy that the school districts may adopt. Every three years DESE must seek input on district's experiences with the model policy and DESE is to make changes to the model policy as needed.

DESE assumes that to develop a model policy for youth suicide awareness and prevention, there would be insignificant costs.

Beginning in 2021, DESE will be required to collect feedback from districts on their experience with the policy for youth suicide awareness and prevention. This will require the department to develop an instrument, in consultation with experts in the field, to collect valid and reliable data to inform revision decisions in order to make positive changes to the department's model policy. DESE estimates insignificant costs.

Beginning in 2021, DESE will need to convene the policy committee to review findings from the feedback instrument to make revision decisions to the department's model policy. DESE estimates insignificant costs.

ASSUMPTION (continued)

Oversight assumes that DESE could create the model policy and do the follow-up required using existing resources. Since school districts are allowed to adopt this model policy they would not have fiscal impact from the creation of their own policy.

§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.

Officials at the **Missouri House of Representatives** assume they can absorb the costs for members to serve on the Task Force.

Officials at the **Missouri Senate** assume there is no fiscal impact from this proposal.

Bill as a Whole

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

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

In response to similar legislation granting rule-making authority, 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)
GENERAL REVENUE				
<u>Costs - DSS - Youth Services (\$167.950)</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 (\$167.950) Diagnosis & treatment of the kids on medicaid	 \$0	 \$0	 (\$432,134 to \$5,617,737)	 (\$303,052 to \$3,939,676)
 Cost - DESE - Task Force Expenses (\$633.420)	 <u>(\$30,000)</u>	 <u>(\$30,000)</u>	 <u>(\$10,000)</u>	 <u>\$0</u>
 ESTIMATED NET EFFECT ON GENERAL REVENUE	 <u>(\$30,000)</u>	 <u>(\$30,000)</u>	 <u>(\$453,951 to \$5,639,554)</u>	 <u>(\$305,275 to \$3,941,899)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
FEDERAL FUNDS				
<u>Revenue - program reimbursement (\$167.950)</u>	\$0	\$0	\$743,037 to \$9,659,477	\$521,086 to \$6,774,117
<u>Costs - testing and treatment of the kids on Medicaid (\$167.950)</u>	<u>\$0</u>	<u>\$0</u>	(<u>\$743,037 to \$9,659,477</u>)	(<u>\$521,086 to \$6,774,117</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2017</u> <u>(10 Mo.)</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Fully Implemented</u> <u>(FY 2020)</u>
LOCAL SCHOOL DISTRICT FUNDS				
<u>Cost - School Districts- (\$167.950)</u>				
Purchase of Screening Instrument	\$0	\$0	(Unknown greater than \$127,428)	\$0
Teacher Ratings Forms	\$0	\$0	(\$77,732 to \$1,010,522)	(\$77,732)
Diagnosis & Treatment	<u>\$0</u>	<u>\$0</u>	(Unknown over <u>\$100,000</u>)	(Unknown over <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>\$0</u>	<u>\$0</u>	(Unknown over \$305,160 to over <u>\$1,237,950</u>)	(Unknown over <u>\$177,732</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Dyslexia Screening in Schools (\$167.950 and \$633.420) - 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 Department of Elementary and Secondary Education (DESE) must develop guidelines for the appropriate screening of students and the necessary classroom supports. The requirements and guidelines must be consistent with the findings and recommendations of the Legislative Task Force on Dyslexia, which is also created by this bill. The school board of each district and governing board of each charter school must provide reasonable support consistent with the guidelines developed by DESE. "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.

FISCAL DESCRIPTION (continued)

Beginning in the 2018-19 school year, practicing teacher assistance programs will include two hours of in-service training regarding dyslexia and related disorders.

This bill establishes the Legislative Task Force on Dyslexia. The task force consists of 21 specified members including two members appointed by the Speaker of the House of Representatives and two members appointed by the President Pro Tem of the Senate. The task force must meet quarterly and make recommendations to the Governor, the Joint Committee on Education, and specified state agencies. The task force will make recommendations for a statewide system for identification, intervention, and delivery of supports for students with dyslexia including the development of resource materials, professional development activities, and proposed legislation. The task force authorized under these provisions will expire on August 31, 2018.

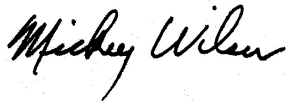
Youth Suicide Awareness and Prevention (§170.047) - This bill allows, beginning in the 2017-18 school year, any licensed educator to annually complete up to two hours of training or professional development in youth suicide awareness and prevention as part of the professional development hours required for State Board of Education certification. The bill requires DESE to develop guidelines suitable for this training. By July 1, 2018, each district must adopt a policy, which must address strategies that can help identify students who are at possible risk of suicide.

Model Policy (§170.048) - By July 1, 2017, DESE must develop a model policy that districts may adopt. By July 1, 2021, and at least every three years after, DESE must request information and seek feedback from districts on their experience with the policy for youth suicide awareness and prevention and review this information.

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

Department of Elementary and Secondary Education
Joint Committee on Administrative Rules
Kansas City Public Schools
Macon County R-IV School District
Malta Bend School District
Missouri House of Representatives
Missouri Senate
Office of the State Courts Administrator
Parkway School District



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