

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5339-01
Bill No.: SB 949
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Teachers
Type: Original
Date: February 19, 2018

Bill Summary: This proposal establishes a reading intervention program for students in kindergarten to third grade.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Less than \$91,840)		
Total Estimated Net Effect on General Revenue	(Less than \$91,840)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	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 2019	FY 2020	FY 2021
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 167.450

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate \$41,840 in costs for establishing criteria for passing and defining mastery in FY 2019.

Section 167.450.14 & 15

DESE assumes this will require costs to update Core Data so that DESE can collect the required information in the unified format. Costs are not expected to exceed \$50,000 in FY 2019.

Officials from the **Macon County R-IV School District** assume this proposal, effectively, is already in place either by law or in practice. Currently, a vast majority of schools identify students in PK or Kindergarten and utilize federal Title I funds to remediate in addition to regular classroom instruction. Many district go above and beyond even those minimal standards. State law already requires retention of third graders. Statistics have clearly shown that at-risk students, as students addressed in this proposal are, who are retained after Kindergarten become even more at-risk of not graduating.

Officials from the **East Carter County R-2 School District** assume this proposal may necessitate an additional FTE which would be in the \$35,000 to \$45,000 range, depending on experience, plus materials and supplies.

Officials from the **Wellsville-Middletown R-1 School District** assume this proposal has the potential to pose a substantial negative fiscal impact on the district.

Officials from the **Summersville R2 School District** assume little fiscal impact, may be required to replace current program.

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** state 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.

ASSUMPTION (continued)

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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight notes 17.6% of students who took the state assessment scored Below Basic on the Missouri Assessment Program in 2017. Oversight notes, per DESE’s website, current statute §167.645 requires:

- an assessment of students in grades 3-6 (with some exceptions) to determine their reading level
- individualized “Reading Improvement Plans” for students in grades 4-6 who are substantially below grade level in reading
- additional reading instruction for students with Reading Improvement Plans
- retention of students in grade 4 if they are reading below the 3rd grade level

Oversight assumes this proposal repeals current sections of law relating to reading intervention and establishes a reading intervention program for students in kindergarten to third grade. Oversight notes some school districts indicated additional costs to implement this proposal. Oversight will show a fiscal impact of \$0 (replaces an existing program) to an unknown cost.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE			
<u>Cost - DESE - core data changes</u>	(Less than \$50,000)	\$0	\$0
<u>Cost - DESE - meeting costs</u>	<u>(\$41,840)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than <u>\$91,840</u>)	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL SCHOOL DISTRICTS			
<u>Cost</u> - implementation of K-3 reading intervention program	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act establishes a reading intervention program for students in kindergarten to third grade. The program shall be provided to those students identified with a reading deficiency and contain certain characteristics, as described in the act.

A child who is identified as having a reading deficiency shall receive an individual reading intervention plan no later than 30 days after the identification of the reading deficiency, and the child's parent shall be notified no later than 15 days after the identification of the reading deficiency.

Beginning in the 2020-2021 school year, third grade students shall demonstrate sufficient reading skills before they are promoted to the fourth grade. A student may be exempted from mandatory retention in the third grade for a good-cause exemption. The list of good-cause exemptions is set forth in the act. If a student cannot demonstrate sufficient reading skills and does not qualify for a good-cause exemption, the student shall be retained in the third grade.

Summer reading camps shall be provided to all third grade students scoring at the lowest achievement level on the third grade statewide English language arts assessment. If a student is promoted to the fourth grade due to a good-cause exemption, he or she shall continue to receive intensive reading intervention.

Beginning in the 2020-2021 school year, students retained in the third grade shall receive intensive reading intervention to remedy the student's reading deficiency.

FISCAL DESCRIPTION (continued)

An intensive acceleration class shall be established for any student retained in the third grade who was previously retained in kindergarten, first grade, or second grade.

The board of each school district shall annually report to the Department of Elementary and Secondary Education certain information, as outlined in the act, regarding student retention and promotion from the prior school year. The Department shall establish a uniform format for school districts to report such information. The information shall be compiled each year and reported to the State Board of Education, the public, the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives.

Current sections of law relating to reading intervention programs are repealed under the act.

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
Office of the Secretary of State
Joint Committee on Administrative Rules

Ross Strobe



Acting Director
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