

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5339-04
Bill No.: SCS for SB 949
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Teachers
Type: Original
Date: March 30, 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	(\$7,060)		
Total Estimated Net Effect on General Revenue	(\$7,060)	\$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 7 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 \$7,060 in meeting costs for establishing a uniform format for schools to report information. The format is to be developed with input from school boards. DESE defers to local school districts.

Officials from the **Raytown C-2 School District** assume this proposal would require at minimum an additional \$3.75 million dollars of expenditures for the district with only \$450,000 in state assistance.

Officials from the **Lafayette Preparatory Academy** assume this proposal would have significant financial implications.

Officials from the **Kirksville R-III School District** assume this proposal would not have any fiscal impact on the district. Schools already do this.

Officials from the **Wellsville-Middletown R-1 School District** assume the negative fiscal impact of this proposal will be significant in terms of needed additional staff, training, resources and facilities.

Officials from the **Summersville R2 School District** assume little to no fiscal impact.

Officials from **KIPP St. Louis** assume the cost of remediation programs and evaluation tests will be significant for the school. Given we target students who are behind grade level, we have a significant portion of our student body that is 2-3 grade levels behind grade level. We do not have a formal dyslexia program or testing regiment, so to add all of those in will be a significant expense. The estimate of cost is unknown, but if you imagine a \$75 assessment and \$100 intervention program (that feels low) that would be given to each child, the cost could run upwards of \$175,000 (assuming 50% of our students need the assessment and intervention).

In response to a previous version, SB 949 (LR 5339-01), officials from the **Macon County R-IV School District** assumed 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.

ASSUMPTION (continued)

In response to a previous version, SB 949 (LR 5339-01), officials from the **East Carter County R-2 School District** assumed 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 **Department of Higher Education, University of Missouri System, Missouri State University, Missouri Western State University** and **State Technical College of Missouri** assume the proposal will have no fiscal impact on their organizations.

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. 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

ASSUMPTION (continued)

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</u> - DESE - meeting costs	<u>(\$7,060)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$7,060)</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	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (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 requires school districts and charter schools to establish a reading intervention program for students in kindergarten to third grade. The program shall be provided to those students who exhibit a reading deficiency or have a formal diagnosis of dyslexia. The program shall contain certain characteristics, as described in the act.

A student who exhibits a reading deficiency shall receive an individual reading improvement plan no later than 30 days after the identification of the reading deficiency for students in first

FISCAL DESCRIPTION (continued)

through third grade and by January 31st for kindergarten students. The student's parent shall be notified no later than 15 days after the identification of the reading deficiency.

Beginning in the 2020-2021 school year, students who are not reading at grade level by the end of the second grade shall receive intensive reading intervention.

Each school district and charter school shall review student reading improvement plans and shall provide services as outlined in the act. Each school district and charter school shall also establish an intensive acceleration class for any student not reading proficient or above on the third grade state assessment.

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. School districts and charter schools shall annually report certain information relating to student reading proficiency, as set forth in the act, to the Department of Elementary and Secondary Education by September 1st of each year. The Department shall establish a uniform format for the reporting of such information. The information shall be compiled each year and reported to the State Board of Education, the Governor, and the Joint Committee on Education.

The State Board of Education shall strongly recommend that institutions of higher education and the Department of Elementary and Secondary Education align literacy and reading instruction coursework with knowledge and practice standards from the Center for Effective Reading Instruction (CERI).

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
Department of Higher Education
Office of the Secretary of State
Joint Committee on Administrative Rules
Wellsville-Middletown R-1 School District
Summersville R2 School District
KIPP St. Louis

SOURCES OF INFORMATION (continued)

Macon County R-IV School District
East Carter County R-2 School District
Raytown C-2 School District
Lafayette Preparatory Academy
Kirksville R-III School District
University of Missouri System
Missouri State University
State Technical College of Missouri
Missouri Western State University

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director
March 30, 2018