

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3210-01
Bill No.: SB 783
Subject: Elementary and Secondary Education Dept; Children and Minors; Teachers
Type: Original
Date: January 9, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	(\$903,050)	(\$33,472,277)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$903,050)	(\$33,472,277)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts*	(Unknown)	(Unknown)	(Unknown)

* **Expected to be in excess of \$100,000**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume in-service materials development would begin in FY 2004, and in-service costs for currently certified teachers would begin in FY 2005. They also assume they would need a Director and a Program Specialist II (\$29,136) beginning in FY 2004.

The Department would amend certification standards to include requirements included in this proposal. Costs for new test development are estimated at \$250,000 per test for two new tests (grammar and phonics) and \$250,000 for developing a constructive response test. (They also note that they will need to develop new tests again in three to five years.)

In service costs were estimated as follows:

67,000 x 33% Kindergarten - Third Grade staff = 22,110 teachers requiring training
22,110 teachers x \$75 per day x 5 days of training = \$8,291,250
22,110 teachers x \$100 training materials = \$2,210,000
22,110 teachers x \$50 food costs = \$1,105,000
22,110 substitute teachers x \$50 per day x 5 days = \$5,527,500
Travel for teachers and trainers (mileage, room) = \$8,840,000
Trainer fees (cluster of 24 at \$5,000 per week) = \$4,604,200

Total costs \$30,577,950 x 3%/yr inflation = \$33,329,966 estimated costs for FY 2005.

DESE assumes fiscal impact to public school districts would be for notifying parents of methods used to teach reading in Kindergarten through Third Grade. However, testing fees would be assessed to teachers. Costs of competency tests are calculated at \$65 each x 3,200 in-state applicants and 1,500 out-of-state applicants = \$305,500, beginning in FY 2005, when all teachers who teach reading as a specialist or in a classroom must pass competency tests in phonics instruction.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Cost</u> - Department of Elementary and Secondary Education (DES)			
Personnel (2 FTE)	\$0	(\$102,081)	(\$104,633)
Fringe Benefits	\$0	(\$36,759)	(\$37,678)
Expense and Equipment	\$0	(\$14,210)	\$0
Test Development	\$0	(\$750,000)	\$0
In-Service Training Program	<u>\$0</u>	<u>\$0</u>	<u>(\$33,329,966)</u>
Total Costs to DES	\$0	(\$903,050)	(\$33,472,277)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$903,050)</u>	<u>(\$33,472,277)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL DISTRICTS			
<u>Cost</u> - Informing Parents of Reading Instruction Methods and Materials*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

***Expected to be in excess of \$100,000**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal, known as the "Reading Instruction Act" requires that all public schools provide developmentally appropriate phonics instruction in grades K-3 as a significant component of a program of balanced reading instruction and that all teachers who teach reading in grades K-3 receive adequate training in teaching developmentally appropriate phonics.

By July 1, 2004, the State Board of Education would establish a teacher competency test or tests in grammar and developmentally appropriate phonics instruction. The State Board would provide in-service training programs for teachers on the use of developmentally appropriate

phonics.

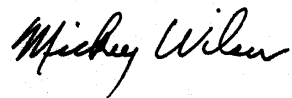
DESCRIPTION (Continued)

On and after July 1, 2005, no teacher would be certified to teach reading in the public schools in grades K-3 unless the teacher has passed a competency test established by the State Board on grammar and developmentally appropriate phonics.

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



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January 9, 2002