

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5272-01
Bill No.: SB 966
Subject: Boards, Commissions, Committees and Councils; Children and Minors;
 Education, Elementary and Secondary; Department of Elementary and Secondary
 Education; Teachers
Type: Original
Date: March 10, 2020

Bill Summary: Requires each local school district and charter school to have a policy for reading success plans for certain pupils in grades kindergarten through four.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	(Unknown - potentially significant)	(Unknown - potentially significant)	(Unknown - potentially significant)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, State Technical College of Missouri, and University of Missouri System** assume this proposal has no direct fiscal impact on their agencies.

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

Officials from the **Office of the Secretary of State** say many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

In response to the very similar HB 2470 (2020), the **Park Hills School District** anticipated a fiscal impact to hire additional staff to implement and monitor the extended requirements. Estimated cost would exceed \$100,000 annually.

In response to the very similar HB 2470 (2020), the **Shell Knob School District** assumed that bill would have a negative fiscal impact.

In response to the very similar HB 2470 (2020), the **Wellsville -Middletown School District** estimated needing at least one possibly two additional elementary teachers, at a cost of \$92,000 per year.

Oversight notes that according to DESE information, Park Hill School District elementary schools have 440 elementary teachers, and Wellsville-Middletown elementary school has 24 teachers. Oversight assumes they are respectively hiring three teachers, and two teachers.

ASSUMPTION (continued)

Oversight extrapolated from these two data points that this proposal requires a certified staff percentage increase between .7% and 8.3% .

Information from DESE shows there are 33,112 elementary classroom teachers in the state’s public schools. School districts may have to hire between 231 (33,112 staff X .007) and 2,748 (33,112 staff X .083) teachers to fulfill the requirements of this bill. Missouri’s average teacher salary is \$48,293.

Assuming teachers are paid average wages, and districts collectively hire between 231 and 2,748 teachers, **Oversight** assumes there could be a cost of \$11,155,683 (231 x \$48,293) to \$132,709,164(2,748 x \$48,293) to local governments, and no direct fiscal impact to state government. However, **Oversight** has received a very limited number of responses from school districts related to the fiscal impact of this proposal. Oversight is unsure of the ability of other (non-responding) school districts to implement the provisions of this bill. However, Oversight assumes additional resources, namely additional teacher time and instruction, will be required to implement these changes. Therefore, until we get a more reflective number of fiscal impact estimates, Oversight will reflect an unknown - potentially significant fiscal impact (cost) to local school districts.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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SCHOOL DISTRICTS

<u>Cost</u> - Reading success plans for individual students.	(Unknown - potentially <u>significant</u>)	((Unknown - potentially <u>significant</u>)	(Unknown - potentially <u>significant</u>)
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NET DIRECT FISCAL IMPACT TO SCHOOL DISTRICTS	(Unknown - potentially <u>significant</u>)	(Unknown - potentially <u>significant</u>)	(Unknown - potentially <u>significant</u>)
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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 act modifies current law regarding reading success plans, formerly known as reading intervention programs. Each local school district and charter school shall have on file a policy for reading success plans for any pupils of the district in grades kindergarten through four, rather than through grade three. Each policy shall be aligned with the guidelines developed by the Department of Elementary and Secondary Education for reading intervention plans. Authority to develop guidelines to assist school districts and charter schools in formulating policies for reading intervention plans is transferred from the State Board of Education to the Department. Any guidelines for instruction shall meet the needs of the student by ensuring that instruction is explicit and systematic and diagnostic, and based on certain elements set forth in the act. The guidelines shall emphasize that frequent assessments are necessary to measure student progress.

Each local school district and charter school is required to include individual and small group reading development activities in an individual pupil's reading success plan. The plan shall be developed after consultation with the pupil's parent or legal guardian. Under current law, such provisions are not mandatory.

Under current law, each school district and charter school shall administer a reading assessment to each student within 45 days of the end of the third-grade year, unless a student has been determined in the current school year to be reading at grade level or above. Under this act, each school district and charter school shall administer a reading assessment or set of assessments to

FISCAL DESCRIPTION (continued)

each student within the first 30 days of school for grades one through four, and by January 31 for kindergarten, unless a student has been determined in the previous school year to be reading at grade level or above. School districts and charter schools shall provide reading success plans to students with an individualized education plan (IEP) that have a reading deficiency, and to students receiving services under the Rehabilitation Act of 1973 whose services plan includes an element addressing reading.

This act repeals the requirement that school districts and charter schools design a reading success plan for the student's fourth-grade year if the student's third-grade reading assessment determines the student is reading below second-grade level. The provision is replaced with a requirement that school districts and charter schools offer a reading success plan to each K-4 student who exhibits a reading deficiency that has been identified as being at risk for dyslexia in the statewide dyslexia screening requirement, or has a formal diagnosis of dyslexia. The reading success plan shall be provided in addition to the core reading instruction provided to all students, and shall meet criteria set forth in the act.

Any K-4 student who exhibits a deficiency in reading at any time, based upon local or statewide screening assessments, shall receive an individual reading success plan no later than 45 days after the identification of the deficiency. Such plan shall be created by the teacher and other pertinent school personnel, along with the parent or legal guardian, and shall describe the evidence-based reading improvement services the student shall receive. The reading success plan shall specify if a student was found to be at risk for dyslexia in the statewide dyslexia screening requirement or if the student has a formal diagnosis of dyslexia.

Under this act, beginning with the 2021-2022 school year, students who are not reading at grade level by the end of the second grade shall receive appropriate reading intervention to remedy the student's specific reading deficiency. Each school district and charter school shall conduct a review of student reading success plans for all students who are not reading at grade level by the end of the second grade, and shall address additional support services needed to remedy the areas of deficiency. School districts and charter schools shall provide improvement and support services set forth in the act.

School districts and charter schools are required, under this act, to provide reading intervention for any student not reading proficient or above on a local or statewide third-grade reading assessment in the child's third-grade year, or at proficient or above in the child's subsequent grade level starting in the fourth grade, and who has a reading success plan, and shall meet certain criteria set forth in the act. Under current law, each student for whom a reading success plan has been designed shall be given another reading assessment to be administered within 45 days of the

FISCAL DESCRIPTION (continued)

end of the student's fourth-grade year. If such student is determined to be reading below third-grade level, the student shall be required to attend summer school. This act repeals such requirement, and instead requires such student to be referred for an evaluation for an IEP plan and the district shall provide appropriate intensive structured literacy instruction on an individualized basis. If the student does not qualify for an IEP, the student shall continue to receive appropriate, intensive structured literacy instruction on an individualized basis until the student is reading at grade level.

The mandatory process of additional reading intervention for reading support outside the regular school day and school year shall cease at the end of the sixth grade. If the student is still not reading at grade level upon completion of the sixth grade, the school district and charter school shall continue to provide a reading success plan to be implemented during the regular school day until such time as the student is reading at grade level, or upon graduation from high school. Appropriate documentation of a student's reading success plan shall be provided to an enrolling district within 10 school days of a student's transfer to a public or charter school.

This act repeals the provision requiring the permanent record of students determined to be reading below the fifth-grade level at the end of sixth grade to carry a notation that the student has not met minimal reading standards, and the requirement that such notation shall stay on the record until such standards are met.

Each school district and charter school is required to offer summer school reading instruction to any student with a reading success plan. Districts may fulfill the requirement through cooperative arrangements with neighboring districts.

The parent or legal guardian of any student who exhibits a deficiency in reading shall be notified in writing no later than 30 school days after identification of the deficiency. The written notification shall meet certain requirements set forth in the act.

This act requires the board of each school district and charter school to post, by September 1 of each year, by building, the number and percentage of all students in grades 3-8 scoring at each proficiency level on the English language arts statewide assessment; by building, the number and percentage of all students in grades 3-8 in each demographic category scoring proficiency level on the English language arts statewide assessment; by district, the number and percentage of all students in grades 3-8 scoring at each proficiency level on the English language arts statewide assessment; and by district, the number and percentage of all students in grades 3-8 in each demographic category scoring at each proficiency level on the English language arts statewide assessment.

FISCAL DESCRIPTION (continued)

The Department is also required to report the information in a state-level summary to the State Board of Education, the public, the Governor, and the Joint Committee on Education by October 1 of each year.

This act permits the State Board of Education to recommend that institutions of higher education and the Department align with literacy and reading instruction course work with knowledge and practice standards from the Center for Effective Reading Instruction.


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 and Workforce Development
Joint Committee on Administrative Rules
Office of the Secretary of State
Park Hills School District
Shell Knob School District
State Technical College of Missouri
University of Missouri System
Wellsville-Middletown School District



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March 10, 2020



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March 10, 2020