

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0873-03
Bill No.: SCS for SB 239
Subject: Education, Elementary and Secondary: Promotion of Elementary School Pupils
Type: Original
Date: February 16, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(Greater Than \$100,000)	(Greater Than \$100,000)	(Greater Than \$100,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	(\$500,000)	(\$500,000)	(\$500,000)

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 the proposal would create reading level assessments for public school students beginning in the 3rd grade. Remediation would be required if the pupil is determined to be deficient in reading skills. Additional costs would be incurred for development of a plan, remediation, and assessments that would continue until acceptable reading standards would be achieved. Assuming that districts would bear this cost, the fiscal impact to local districts of this provision would be expected to be in the area of \$500,000.

DESE officials assume there could be some additional state aid going to districts due to a potential increase in summer school enrollments. On a statewide basis, the amount would be estimated to be in excess of \$100,000 per year, but DESE officials indicated the precise amount could not be estimated. (For example 400 additional students would cause about \$108,000 in additional aid.)

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
---	---------	---------	---------

GENERAL REVENUE FUND

Cost - Increased Transfers to State School Moneys Fund	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
--	--------------------------	--------------------------	--------------------------

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>
---	--	--	--

STATE SCHOOL MONEYS FUND

Income - Transfers from General Revenue Fund	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
Cost - Increased Distributions to School Districts	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)

ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
---	-------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
---	---------	---------	---------

SCHOOL DISTRICTS

Income - Increased State Aid for Summer School	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
--	------------------------	------------------------	------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
<u>Cost</u> - Reading Improvement Plan Development, Remediation, Assessments	(\$500,000)	(\$500,000)	(\$500,000)
<u>Cost</u> - Summer School	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(\$500,000)</u>	<u>(\$500,000)</u>	<u>(\$500,000)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would replace section 167.645, RSMo, which forbids promoting any public school student reading at more than one grade level below the student's grade level, with a reading assessment and remediation program.

Methods of reading assessment would be determined by each school district. Each school district would administer a reading assessment to each student within 45 days of the end of each school year. Assessments would be required first to students seeking promotion to the third grade and repeated as necessary through the end of the eighth grade, with the process ending at the end of the ninth grade.

School districts would notify, in writing, any person having custodial care of a pupil for whom reading improvement plans would be established that the district had established a plan and that the parent or custodian of the pupil could participate in the implementation of the plan.

A student scoring proficient on the statewide assessment in communication arts would be considered meeting the reading standard.

Each school district would be required to offer summer school reading instruction to any student with a reading improvement plan. Districts may fulfill the requirement with neighboring districts.

The proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total

DESCRIPTION (continued)

State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 16, 2001