

FISCAL ESTIMATE FORM

1999 Session

LRB # 1999-3599/1

Introduction # 1999 AB 660

Admin. Rule #

- ORIGINAL UPDATED
- CORRECTED SUPPLEMENTAL

Subject

Measuring a pupil's awareness of individual words in sounds and school district revenue limits

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
- Decrease Existing Appropriation Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive Mandatory
- 2. Decrease Costs
 - Permissive Mandatory

- 3. Increase Revenues
 - Permissive Mandatory
- 4. Decrease Revenues
 - Permissive Mandatory

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
 - Counties Others _____
 - School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

This bill requires a school board to administer to each pupil enrolled in a 5-year-old kindergarten program a standardized test that measures the pupil's awareness of individual sounds in words (phonological awareness test) and to report to the department of public instruction (DPI) the results on the third grade reading test (WRCT) and the reading portion of the fourth grade knowledge and concepts examination for those pupils whose score on the phonological awareness test shows that they are at risk for developing reading problems. The bill also requires DPI to report the results of the phonological awareness test by school district to the legislature and to make these results available to the public.

This bill also increases a school district's revenue limit by an amount equal to the administrative and reporting costs of the phonological awareness test.


State Fiscal Effect

The state could incur significant costs to develop and administer a test validated to determine phonological awareness or to act as a predictor of future literacy. The department estimates that costs associated with the development and administration of a customized test and a 5 year validity study would be approximately \$1.8 million over the biennium. An "off-the-shelf" test administered at the local level would reduce state costs, but could impose additional costs on local districts.

(continued)

Long-Range Fiscal Implications:

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 2/11/00

State Fiscal Effect (continued)

The tracking of at-risk students from the phonological awareness test to the third grade reading test and the reading portion of the 4th grade knowledge and concepts examination would require the development of a new database. Development of such a database would involve: 1) creation of a table of state unique identifiers; 2) creation of a database to hold the results of the phonological awareness tests; 3) reporting of 3rd grade reading results compared to the kindergarten test; and 4) reporting the 4th grade reading results compared to the kindergarten test. The total hours involved (2080) at the standard hourly development rate of \$65.00 produces a total of \$135,200. This cost would be in addition to the \$1.8 million identified for test development and administration.

The creation of a database that tracks individual students could also raise data privacy issues, resulting in potential liability for the state and local school districts.

The bill would increase the amount needed for the state to meet its commitment to fund 2/3rds of partial school revenues.

Local Fiscal Effect

This bill increases a school district's revenue limit in any school year by the amount spent by the school district in the previous school year for administrative and reporting costs associated with phonological awareness testing. School districts statewide would have to increase their school property tax levies by 1/3 of the additional costs.

The language of the bill suggests that tests would be administered locally. Using costs associated with the Wisconsin Reading Comprehension Test (WRCT) as a model, the test administration and local reporting could cost \$10 per student. Assuming 65,000 students in the state kindergarten cohort, the total cost would be \$650,000 per year, or \$1.3 million over the biennium.