

March 2, 2000

Senate Bill 390 (Shibilski/Olsen)

Creation of a classroom book collections program and reading specialists grant program.

Summary of Bill -

The bill creates two categorical aids at DPI (classroom book collections and reading specialists) for which eligibility is based on prior 3rd grade reading comprehension test results.

Under the classroom book collections program, qualifying schools could apply for grant amounts equal to \$500 for each kindergarten to third grade classrooms in the school. (Up to a total of \$1,000,000 GPR in 2000-01.)

Under the reading specialists grant program, qualifying schools could apply for grant amounts equal to 50% of the prior year average statewide starting salary with benefits of a reading specialists. (Up to a total of \$2,000,000 GPR in 2000-01).

Staff Comments -

Another good bill, but one that will unlikely gain the support of Republican members because it is funded solely with GPR.

Standing Committee Action -

The Senate Education Committee recommended passage of SB 390 on a 6 to 5 vote.

Recommended JFC Action -

Passage of SB 390.

Prepared by: Julie



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March 2, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 390: Classroom Book Collections Grant and Reading Specialists Grant Programs

Senate Bill 390 was introduced on February 16, 2000, and referred to the Senate Committee on Education, which recommended the bill for passage on a vote of 6 to 5 on February 23, 2000.

BACKGROUND

Public school districts receive state funding through income earned on the common school fund for public school libraries. Under the state Constitution, revenues from certain fines and forfeitures and sales of public lands are deposited in the fund and the income from that fund is distributed among common school districts in proportion to the number of residents between the ages of four and 20 years old. The Constitution stipulates that the income must be distributed to school districts for the support and maintenance of schools in the district and the purchase of suitable library materials. Wisconsin statutes provide that all of the income earned on the fund must be expended for the purchase of library books and other instructional materials for school libraries, according to rules promulgated by the State Superintendent. Under 1999 Act 9, available income from the common school fund for school libraries is estimated to be \$28.2 million SEG in 1999-00 and \$21.7 million SEG in 2000-01.

In addition under current law, each school district is required to employ a state certified reading specialist to develop and coordinate a comprehensive reading curriculum in grades kindergarten to 12. School districts may contract with each other or cooperative educational service agencies (CESAs), at the discretion of the State Superintendent, to employ the required reading specialist. Statutorily, reading specialists are required to: (a) develop and implement a reading curriculum; (b) act as a resource to classroom teachers to assist in the implementation of the

curriculum; (c) work with administrators to support and implement the curriculum; (d) conduct an annual evaluation of the curriculum; and (e) coordinate the curriculum with other reading programs and support services within the district.

Current law also requires all districts to annually administer a standardized reading test, developed by DPI, to 3rd grade pupils. The test, given in the spring of each year, is intended to: (a) identify marginal readers who may need remediation; (b) provide comparative performance data by school and school district; (c) allow school districts to evaluate their reading programs; and (d) provide data for meeting federal and state requirements regarding student assessments. Test score reporting categories are defined as four proficiency levels: (a) advanced, defined as distinguished in the content area; (b) proficient, meaning competent in the content area; (c) basic, defined as somewhat competent in the content area; and (d) minimal, meaning limited achievement in the content area. Students who score in the minimal proficiency level must be evaluated further to determine if they are in need of remedial reading or other services. DPI indicates that students who score above the minimal level are said to meet the minimum performance standard, while the proficient and advanced levels are long-term educational goals for all students. These levels are based on what, DPI, in conjunction with teachers across the state, determined a pupil should know in order to meet the state's academic standards.

SUMMARY OF BILL

Senate Bill 390 would create two categorical aid programs under the Department of Public Instruction (DPI), the classroom book collections grant program and the reading specialists grant program. Eligibility for both programs would be based on prior year 3rd grade reading comprehension test results.

Under the first program, the classroom book collections grant program, a school board could apply to DPI for a grant on behalf of a school in district if 50% or more of the pupils enrolled in the school who took the 3rd grade reading test in the previous school year, received a score of basic or minimal. The grant amount would be equal to \$500 for each kindergarten to grade three classroom in that school. Grants would be prorated among eligible school districts, if funding would be insufficient to fund all eligible applicants. A school district would be required to describe in its application how it proposes to use the grant to change reading instruction and how such changes are designed to improve pupils' reading ability. DPI would be required to promulgate rules to implement and administer this program. The bill would appropriate \$1,000,000 GPR in 2000-01 for this program.

Under the reading specialists grant program, a school board could apply to DPI for a grant to fund part of the salary and fringe benefits costs of an additional kindergarten to grade three reading specialist. A school board would be eligible for grant under this program if more than 10% of the pupils, enrolled in a school in the district who took the 3rd grade reading examination in the previous school year, received a score of minimal. The grant amount would be equal to 50% of the

prior year average statewide starting salary, including benefits, of a reading specialist, as determined by DPI. A school board would be required, in order to receive a grant, to enter into an employment contract of at least one year with an additional reading specialist and ensure that at least one reading specialist serves only pupils enrolled in grades kindergarten to grade three. If state funding provided for the program would be insufficient to fund all eligible school districts, DPI would be required to prorate payments. In addition, DPI would be required to promulgate rules to implement and administer the program. The bill would appropriate \$2,000,000 GPR in 2000-01 for this program.

Under the bill, in the 2000-01 school year only, a school district would be eligible for a grant if the district employed more than one reading specialist before the effective date of the bill, July 1, 2000, and if the term of the employment contract of each reading specialist extends at least until June 30, 2001. This nonstatutory provision would create an exception to the requirement that a school district must, in order to receive a grant under the program in 2000-01, hire an additional reading specialist for at least one year. The bill specifies that a school district is not eligible for a grant to fund the salary and fringe benefits of an existing specialist, if the district receives a grant to fund salary and fringe benefits of a new reading specialist.

It may be desirable to amend the bill to clarify that a school district would have to meet the test score criteria under the program in order to be eligible for a grant in 2000-01 for an existing reading specialist.

FISCAL EFFECT

Senate Bill 390 would require DPI to award grants to school districts, with certain 3rd grade reading test results, for classroom book collections and for funding part of the costs of hiring additional reading specialists. The bill provides \$1,000,000 GPR in 2000-01 for classroom book collection grants and \$2,000,000 GPR in 2000-01 for the reading specialist grant program. Because both of those programs would be created as categorical aids and therefore would be included in the calculation of the state's goal of funding two-third of partial school revenues, \$1,000,000 GPR in 2000-01 would be deleted from general school aids to adjust overall state funding provided for two-thirds funding of partial school revenues. As a result, the net cost of SB 390 would be \$2,000,000 GPR in 2000-01. Under revenue limits, school districts could increase their local property tax levies to cover any reduction in aids due to the \$1,000,000 decrease in general school aids.

Actual costs for each program based on participation is difficult to determine. However, using the 1999 reading comprehension test results it is possible to estimate the number of schools and school districts that would have qualified under each program if the programs had been in existence in 1999-00.

Under the classroom book collection grant program, a school district could apply to DPI for a grant on behalf of a school in district if 50% or more of the pupils, enrolled in the school who took

the 3rd grade reading test in the previous school year, received a score of basic or minimal. Based on the 1999 reading test results, an estimated 81 schools from 26 school districts meet these criteria. Because data is not available on the number of kindergarten to grade three classrooms in each of those school buildings it is not possible to estimate the total amount of grants that would have been paid to these schools if the program were in effect in 1999-00. If the appropriation would be insufficient to fund all eligible classrooms, DPI would be required to prorate payments; if funding would exceed demand, the unexpended monies would lapse to the general fund.

Under the reading specialist grant program, a school board would be eligible for a grant under this program if more than 10% of the pupils, enrolled in a school in the district who took the 3rd grade reading examination in the previous school year, received a receive a score of minimal. It is estimated that 219 schools in 89 school districts would meet the test result criteria based on 1999 test results. Based on 1998-99 data from DPI on reading specialist salaries, the estimated average starting salary and fringe benefits for five new reading specialists in that year was approximately \$41,800. Using this data, it is estimated that if this program had been in effect in 1999-00, approximately \$1,860,100 GPR would have been expended, assuming that all of these school districts chose to participate in the program. Under the program, DPI would determine the prior year average statewide starting salary including benefits. If the appropriation was insufficient to fund all eligible applicants, payments would be prorated; if funding would exceed demand, unexpended monies would lapse to the general fund.

Prepared by: Tricia Collins