

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

**LRB # 1999-3811/5**

**Introduction # SB 390**

**Admin. Rule #**

**Subject**

Creating a classroom book collections grant program, reading specialists grant program, rulemaking authority, appropriations

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

s. 20.255 (2) (ac)

**Assumptions Used in Arriving at Fiscal Estimate:**

This bill creates a grant program for classroom book collections administered by the department of public instruction (DPI). Under the bill, a school board may apply for a grant on behalf of a school in the school district if no more than 50% of the school's pupils scored at the proficient level or above on the third grade reading examination in the previous school year. Each grant applicant must specify on the grant application how it proposes to use the grant to change reading instruction and how these changes are designed to improve pupils' reading ability. The bill would require DPI to award each eligible school board a grant equal to \$500 multiplied by the number of kindergarten to grade three classrooms in the school.

Current law requires each school board to hire a DPI-certified reading specialist to develop and coordinate a comprehensive reading curriculum for grades kindergarten to 12. This bill creates a reading specialist grant program under which a school district may receive a grant equal to 50% of the cost in the prior school year of the average starting salary of a reading specialist if at least 10% of the pupils enrolled in a school in the school district failed in the previous school year to score at the basic level or above on the third grade reading examination and the school board either hires an additional reading specialist, or, if the school board already employs more than one reading specialist, the school board retains the same number of reading specialists during the 2000-01 school year. Finally, the bill requires a school board that receives a grant must ensure that at least one reading specialist serves only pupils enrolled in grades kindergarten to three.

**State Fiscal Effect**

Creation of new categorical aid appropriations permits the state to reduce the general equalization aid appropriation to maintain its commitment to fund two-thirds of partial school revenues statewide. The \$3,000,000 in GPR appropriations for these programs in 2000-01 could reduce the general equalization aid appropriation by \$1,000,000 in 2000-01 to maintain the state's two-thirds commitment. This assumes that the bill would be signed into law by May 15 so that the legislative fiscal bureau, state budget office and the department could include these changes in their estimate to the Joint Committee on Finance of two-thirds funding for the 2000-01 fiscal year. (continued)

**Long-Range Fiscal Implications:**

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2/22/00

**Local Fiscal Effect**

This bill would increase school district revenues by \$3 million in 2000-01. The net effect could be a \$1 million statewide increase in property tax levies, assuming that the bill would be signed into law by May 15 so that the legislative fiscal bureau, state budget office and the department could include these changes in their estimate to the Joint Committee on Finance of two-thirds funding for the 2000-01 fiscal year.