

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-4650/1</b>	<b>Introduction Number</b> <b>AB-0971</b>
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**Description**  
 promotion of pupils from the third grade to the fourth grade based on passage of the standardized reading test; reading readiness assessments in public schools; grants to increase licensure of reading teachers; sunsetting the Achievement Gap Reduction program; programs to identify and address pupils with dyslexia; parental opt-out of pupils in grades kindergarten to three from statewide examinations; and making an appropriation

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DPI/ Erin Fath (608) 266-2804	Erin Fath (608) 266-2804	2/15/2022

## Fiscal Estimate Narratives

DPI 2/15/2022

LRB Number	21-4650/1	Introduction Number	AB-0971	Estimate Type	Original
<b>Description</b> promotion of pupils from the third grade to the fourth grade based on passage of the standardized reading test; reading readiness assessments in public schools; grants to increase licensure of reading teachers; sunseting the Achievement Gap Reduction program; programs to identify and address pupils with dyslexia; parental opt-out of pupils in grades kindergarten to three from statewide examinations; and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill makes several changes to current law:

- 1) limits the authority of certain schools to promote a pupil from the third grade to the fourth grade based on passage of the standardized reading assessment;
- 2) makes various changes to the current reading readiness assessment program for public school pupils enrolled in four-year-old kindergarten (4K) to second grade;
- 3) creates a grant program for the 2023-24 school year to increase licensure of reading teachers;
- 4) sunsets the Achievement Gap Reduction program;
- 5) requires certain schools to develop or adopt programs to identify and address pupils with dyslexia; and
- 6) prohibits parents of pupils in grades kindergarten to three from excusing their pupils from taking standardized tests.

The potential fiscal impact of each provision is considered (separately) below.

#### 1) Promotion of pupils from the third grade to the fourth grade:

The withholding of promotion from third to fourth grade as described in the bill could have several impacts on the pupil (academic and social/emotional) and the pupil's district/school, not all of which are considered in this fiscal estimate. In terms of the fiscal impact on the district/school, the bill could have the impact of creating third grade classes that are larger than otherwise expected (and classes in the fourth and higher grades that are smaller than otherwise expected) - a potential bubble in third grade enrollments. This would necessitate different classroom staffing patterns.

Local impact: The costs to districts and schools of adjusting staffing for this purpose is indeterminate.

State impact: no direct impact to appropriations, but the bill could impact the amount of time DPI staff would dedicate to consulting with districts/schools.

#### 2) Reading readiness assessment program:

The bill provides that, beginning in the 2023-24 school year, school districts and independent charter schools (ICS) must, in addition to the reading readiness assessment required under current law, annually assess, using a diagnostic assessment, a pupil enrolled in 4K to second grade if certain conditions apply (parent request, the current law reading assessment indicates pupil is at risk of reading difficulty, or the pupil has been identified as having characteristics of dyslexia).

The bill also requires the district/ICS to report (annually) to DPI the results of pupil newly required diagnostic assessments and the interventions and remedial reading services the provided to pupils in the previous school year; and requires DPI to compile and submit that information (annually) to the appropriate standing committees of the legislature.

Under the bill school districts and ICS could claim reimbursement for costs of conducting the diagnostic

assessment, from the existing GPR appropriation for assessments of reading readiness, under s. 20.255(1)(f). This appropriation provides \$2,151,000 annually to reimburse school districts and ICS for costs of conducting the early reading assessment required under current law. Total expenditures from this appropriation have ranged from \$1,609,176 to \$1,905,807. Thus, it is likely that some funding would be available to reimburse districts and ICS for costs of conducting the diagnostic assessment required under the bill.

Local impact: school districts and ICS could claim reimbursement for costs associated with the diagnostic assessment required under the bill, from the existing appropriation for reading readiness assessments, but total claims for both assessments is not known (reimbursements could be prorated). Additional staff time would be required to comply with reporting requirements (indeterminate).

State impact: no direct impact to appropriations; the bill could impact the amount of time DPI staff dedicate to consulting with districts/schools. Additional staff time would be required to comply with reporting requirements (indeterminate).

### 3) Grants to increase licensure of reading teachers

The bill allows DPI to award grants in the 2023-24 school year, in amounts determined by DPI, to school boards to provide support and financial assistance to their licensed teachers for the purpose of obtaining additional licensure as reading teachers. In awarding grants under the bill, DPI must give priority to school districts with high numbers of pupils whose scores on the most recent standardized third grade reading test were lower than proficient, as determined by DPI. A school board that receives a grant under the bill must use the grant moneys to pay costs (to the teachers) associated with obtaining licensure as reading teachers and must pay to a teacher who successfully obtains a reading teacher license a bonus payment of \$1,000. The bill provides for the grants to be paid from moneys that become available as a result of the sunset of the Achievement Gap Reduction program (described below).

Local impact: the per-pupil payment beginning in FY24 will be equal to the FY23 per-pupil dollar amount, rather than the AGR appropriation divided by all eligible pupils (as under current law); those amounts are unknown (indeterminate).

State impact: the bill does not change the total appropriation from which these grants would be paid, thus, no net impact on state appropriations.

### 4) Sunset of Achievement Gap Reduction program

The bill sunsets the Achievement Gap Reduction (AGR) program by prohibiting DPI from entering into any new contracts, or renewing any existing contracts with school boards on or after the effective date of the bill. Under current law, the program provides funding to a participating school for low-income pupils enrolled in certain grades if the school complies with the five-year contract; a contract may be renewed for one or more terms of five school years.

DPI makes payments to a school board under an AGR contract a per-pupil amount determined by 1) subtracting \$125,000 from the total amount appropriated (used for an external evaluation of the AGR program); 2) adding the total number of low-income pupils enrolled in grades kindergarten to three in all schools participating in the program; and 3) dividing the difference calculated under item 1 by the sum calculated under item 2. That calculation results in the entire amount appropriated for the program being paid in each school year.

The bill changes the per pupil payment amount by fixing that amount at the per pupil amount calculated for the 2022-23 school year – i.e., beginning with the 2023-24 school year, DPI would make per pupil payments equal to the dollar amount paid in the 2022-23 school year (prorated if aid eligibility exceeds the appropriation). The bill provides that any grants DPI awards in the 2023-24 school year to increase licensure of reading teachers (described above) will be paid from the Achievement Gap Reduction program appropriation if funds are available after payments to schools under the AGR contracts. Of the 404 AGR contracts, three will expire in June 2022, nine will expire in 2023, and 89 will expire in June 2024; the majority (303) were renewed in 2021 and will therefore not expire until June 2026.

If the bill were to become law, there would be 401 AGR contracts still in effect during 2022-23 (the year to which future contract payments would be linked). When the per-pupil payment amount becomes frozen beginning in the 2023-24 school year, just 392 contracts would be in place. With fewer contracts in place as of 2023-24, and the per-pupil payment frozen at the 2022-23 per-pupil payment, there is likely to be some funding remaining in the appropriation, although the amount available would depend on the number of eligible children for whom per-pupil payments are made.

Local impact: potential for increased revenue for school districts to provide as financial support to licensed teachers seeking licensure as reading specialists (indeterminate).

State impact: the bill does not change the total appropriation for the AGR program; however, to the extent that the appropriation is not fully expended when the bill's provisions take effect, the uncommitted monies would lapse back to the state's general fund at the end of the fiscal year, beginning in FY24 (indeterminate).

5) Programs to identify and address pupils with dyslexia

The bill requires school districts, ICS, and private choice schools to develop or adopt a program to identify and address pupils with dyslexia.

Local impact: staff time to develop a program or research a program to adopt (indeterminate).

State impact: no fiscal impact.

6) Parental opt-out of pupils from statewide examinations

The bill prohibits school districts, ICS, and private choice schools from allowing the parent of a pupil in any grade from kindergarten to three to excuse the pupil from taking a standardized test.

Local impact: indeterminate.

State impact: no direct fiscal impact on appropriations.

### **Long-Range Fiscal Implications**