



Legislative Fiscal Bureau

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February 7, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 1017/Senate Bill 971: Literacy Appropriations Bills

Assembly Bill 1017 was introduced on January 26, 2024, and referred to the Assembly Committee on Education. A public hearing was held on the bill on February 1, 2024.

The Senate companion bill, Senate Bill 971, was introduced on January 26, 2024, and referred to the Senate Committee on Education.

BACKGROUND

Under 2023 Act 19 (the 2023-25 budget act), \$50 million GPR was reserved in the Joint Finance Committee's supplemental appropriation [s. 20.865(4)(a)] for a literacy program under the Department of Public Instruction (DPI). Subsequent legislation was passed as 2023 Act 20 to implement the literacy program.

Act 20 creates an Office of Literacy within DPI, with a director nominated by the State Superintendent and confirmed by the Senate. On December 5, 2023, the Joint Finance Committee released \$327,400 of the \$50 million set aside for the literacy program to support costs related to the director position for the Office of Literacy in 2023-24 and 2024-25. Under the Act, the Office of Literacy ceases to exist on July 1, 2028.

Act 20 also creates a Council on Early Literacy Curricula. The Council is required to annually recommend to DPI a science-based literacy curriculum and instructional materials for use in the following school year in grades kindergarten through three. Act 20 creates a grant program to reimburse school districts, independent charter schools, and private choice schools that adopt a literacy curriculum from the recommendations of the Council after January 1, 2024. Grants will equal 50% of the costs of purchasing the curriculum and instructional materials, and will be prorated if funding is insufficient to pay the full amount to all recipients.

Act 20 requires DPI to contract with up to 64 literacy coaches, under the supervision of the Office of Literacy, to work with school districts, independent charter schools, and private schools participating in a choice program. Under the Act, half of the statewide early literacy coaches will be placed in the following schools: (a) the 50 schools with the lowest percentage of pupils scoring proficient in literacy on the statewide reading assessment administered in the prior school year; and (b) the 50 schools whose pupils have the greatest gaps in literacy according to the statewide reading assessment administered in the prior school year. The other half of the coaches will be placed in schools that request early literacy coaching support and that have the greatest need for early literacy instructional supports, as determined by the Director of the Office of Reading in consultation with cooperative education service agencies (CESAs).

The Act requires each school board and independent charter school to ensure that by July 1, 2025, each individual teaching a grade from kindergarten through third grade, each principal of a school offering kindergarten through third grade, and each reading specialist employed by the district or school receives professional development training related to early literacy. The training must meet the following criteria: (a) Lexia Learning Systems, LLC, Language Essentials for Teachers of Reading and Spelling training or another program endorsed by the Center for Effective Reading Instruction as an accredited independent teacher training program; and (b) offered by the Leadership in Literacy Institute or a provider that meets all of the following requirements: (1) the provider provides evidence of at least five years of experience conducting evidence-aligned, systematic, structured literacy trainings specifically for school principals, administrators, and literacy teams; (2) the provider demonstrates that the training content is aligned with the National Reading Panel Report and subsequent updates of the research by the Institute of Education Sciences; (3) the provider requires that training include a substantial focus and understanding on direct instruction; (4) the provider delivers the training over at least six days during the 2023–24 or 2024–25 school year; (5) the provider provides participants with activities to implement evidence-aligned systems and structures that effectuate change in the school or school district; and (6) the provider delivers training that allows for a minimum of 30 participants.

Act 20 also includes other provisions related to reading and literacy instruction, training, and professional development for educator preparation programs and educator licensure, and expanded requirements for reading readiness assessments and interventions.

BILL SUMMARY

The bill would create two new appropriations under DPI. The first would be a continuing GPR appropriation for the literacy coaching program. This appropriation would be repealed on July 1, 2028.

The second would be a biennial GPR appropriation for grants to school boards and independent charter schools under the literacy program.

Under the bill, the first of the two appropriations would be used to pay for costs related to the 64 literacy coaches required under Act 20. This appropriation is continuing, meaning that funds transferred in this biennium would be available in future years until the appropriation is repealed on

July 1, 2028. In the fiscal estimate for Act 20, DPI estimated that the cost of the literacy coaches would be \$125,000 per coach annually, or \$4 million in 2023-24 and \$8 million in each of 2024-25, 2025-26, 2026-27, and 2027-28, for a total of \$36 million over five years.

The second appropriation, for grants to school boards and independent charter schools, would be used for the following: (a) grants to reimburse school boards, independent charter schools, and private choice schools that adopt a literacy curriculum from the recommendations made by the Council on Early Literacy Curricula; and (b) financial assistance paid to school boards and charter schools for compliance with the Act 20 professional development requirement. This appropriation is biennial, meaning that any funds transferred this this appropriation would lapse to the general fund at the end of the 2024-25 fiscal year. DPI estimated that the professional development could cost approximately \$2.3 million if offered by the literacy coaches. After funding for the Director of the Office of Literacy, \$10.9 million would remain for the grants for literacy curricula.

DPI will need to request that the remaining literacy funds in the JFC supplemental appropriation are released and transferred to these new appropriations once the bill is signed into law.

FISCAL EFFECT

The bill creates appropriations, but does not provide funding in the appropriations. Funding would be transferred from the Joint Finance Committee's supplemental appropriation once requested by DPI and approved by the Committee. The bill itself has no fiscal effect.

Prepared by: Christa Pugh