



Legislative Fiscal Bureau

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June 27, 2025

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Public Instruction: Section 13.10 Request for Release of Funding for Office of Early Literacy and Literacy Programs -- Agenda Item I

REQUEST

On March 7, 2024, the Department of Public Instruction (DPI) submitted a request to the Joint Committee on Finance for \$49,672,600 GPR from the Committee's GPR supplemental appropriation to the DPI appropriation for early literacy [s. 20.255(1)(fc)] to support the Office of Literacy and to implement the literacy programs created under 2023 Act 20.

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 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. On March 11, 2024, the Joint

Committee on Finance met to approve a list of four literacy curricula selected by the Council for the 2024-25 school year.

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 Literacy 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.

Under Act 20, pupils in 4K must be evaluated on phonemic awareness and letter sound knowledge twice per year using a fundamental skills screening assessment selected by DPI. Pupils in K through 3rd grade must be evaluated on phonemic awareness, decoding skills, alphabet knowledge, letter sound knowledge, and oral vocabulary, using a universal screening selected by DPI to be administered three times a year, as well as diagnostic assessments for pupils who are determined to be at risk based on the universal screening or if requested by a parent or teacher. Universal screening assessments will be provided to schools at no cost, and reimbursement will be provided for diagnostic assessments up to the per pupil cost of the assessment, if certain requirements are met. (The reimbursement for diagnostic assessments will be funded from an existing appropriation for assessments of reading readiness totaling \$2,151,000 GPR annually.)

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.

Under 2023 Senate Bill 971, two new GPR appropriations were created for the Office of Literacy and the literacy programs required under Act 20 (s. 255(1)(fc) and s. 255(2)(fc)). The first was intended to be an appropriation for the operations of the Office of Literacy, to be used for administration of the program and the literacy coaches program. The second was a biennial appropriation for aid to school districts. When the Governor signed the bill, enacting Act 100, he partially vetoed the bill, leaving one of the two literacy appropriations remaining in DPI (s. 255(1)(fc)). A court case was filed arguing that SB 971 was not an appropriations bill, and therefore the partial veto was unconstitutional. A Supreme Court case, decided on June 25, 2025, ruled in favor of the Legislature, meaning that the two appropriations are created.

ANALYSIS

In accordance with Acts 19 and 20, DPI is requesting the release of \$49,672,600 GPR (the remainder of the \$50 million set aside in the Committee's GPR supplemental appropriation for literacy, after \$327,400 GPR was released in December, 2023) to the DPI appropriation for early literacy [s. 20.255(1)(fc)] to support the Office of Literacy and to implement the literacy programs created under 2023 Act 20.

The Department indicates that this funding would support the following: (a) the personnel costs associated with the Director of the Office of Literacy in 2025-26, 2026-27, 2027-28, and 2028-29, including salary, fringe benefits, fixed costs, IT/desktop support, and travel or other events required to carry out the duty of the position (\$135,200 salary, \$56,700 fringe, and \$29,000 supplies and services annually); (b) grants for school districts, independent charter schools, and private choice schools that adopt a literacy curriculum from the recommendations of the Council on Early Literacy; (c) a fundamental skills screening assessment and a universal screening assessment that meet specifications in Act 20 and, under the act, must be provided to schools at no cost; (d) professional development training in literacy to be provided under the criteria established in Act 20; and (e) literacy coaches to provide support to school administrators, principals, and teachers, and other school staff. The table below shows the initial allocations for each of these purposes. DPI indicates that the allocations could be modified as needed in the future (for example, depending on the number of schools that apply for funding for a new literacy curriculum and the cost of the vendor contract for screening assessments).

Allocations Proposed in DPI's Literacy Request

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Director, Office of Literacy	\$106,500	\$220,900	\$220,900	\$220,900	\$220,900	\$990,100
Grants to schools	25,000,000	0	0	0	0	25,000,000
Professional development and pupil assessments	15,000,000	0	0	0	0	15,000,000
Literacy coaches	<u>9,009,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,009,900</u>
Total	\$49,116,400	\$220,900	\$220,900	\$220,900	\$220,900	\$50,000,000

Given the Supreme Court decision, the Legislature could choose to allocate a portion of the funds to the s. 255(2)(fc) appropriation. However, any funds placed in that appropriation would lapse at the end of the current fiscal year on June 30. Funds placed in the s. 255(1)(fc) appropriation would be available into the next biennium because the appropriation is continuing.

DPI also included in its request the transfer of \$327,400 GPR and 1.0 FTE GPR unclassified position that were released by the Committee previously for the Director of the Office of Literacy from the department's general program operations appropriation to the literacy appropriation. Given that the fiscal year is nearly over and the funds for that position have already been expended, it is not feasible to transfer those funds to another appropriation in the current biennium.

ALTERNATIVES

1. Approve DPI's request to transfer \$49,672,600 GPR from the Committee's GPR supplemental appropriation to the DPI appropriation for early literacy [s. 20.255(1)(fc)] to support the Office of Literacy and to implement the literacy programs created under 2023 Act 20.

2. Modify the request by transferring \$24,672,600 GPR from the Committee's supplemental appropriation to s. 20.255(1)(fc), a continuing appropriation, and transferring the remaining \$25,000,000 GPR for grants to school districts to the s. 20.255(2)(fc), a biennial appropriation. Funds placed in the biennial appropriation will lapse on June 30.

3. Deny the request.

Prepared by: Christa Pugh