

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 651 is the Nebraska Reading Improvement Act. The bill provides requirements for school districts and the State Department of Education (NDE) as follows:

Reading Intervention Programs: The bill requires school districts to develop individual reading improvement plans for students in kindergarten through grade three no later than 30 days after a deficiency in reading is identified based upon state-approved local or statewide assessments. The plan is to be created by the teacher, principal, other pertinent school personnel and the parents of the student. Students with a plan are to receive intensive reading intervention services until the student no longer has a reading deficiency.

The state assessment program does not currently test children in grades kindergarten, one or two. State approved local or statewide reading proficiency tests would be needed for these grades. NDE indicates that most districts use a local formative assessment to determine reading proficiency. If all districts are administering these tests and they are adequate, then no additional local or state costs will need to be incurred for assessments.

If NDE is responsible for a statewide assessment for kindergarten, first and second graders, then the department will review available commercial tests for their quality and if they are not appropriate, then tests will be developed. It is estimated NDE will have a general fund cost of about \$900,000 if the state is required to develop assessments for three grades (\$300,000 per grade).

Beginning in FY2019-20, if a student’s reading deficiency is not remedied by the end of grade three, the student must be retained in that grade. Several exemptions for students meeting certain criteria are provided in the bill. Schools are required to provide summer reading camps for all grade three students scoring below grade level on the grade three statewide reading assessment. Camps are to be staffed by highly effective reading teachers and must have a minimum of 70 hours of instructional time.

Schools also must provide retained students with intensive reading intervention programs as outlined in the bill that are staffed by highly effective reading teachers. Intensive acceleration classes must also be provided for students who are retained in the third grade and who were also retained in an earlier grade. The intensive classes must be designed to increase a child’s reading level at least two grade levels in one year. School districts must provide prescribed data on the reading programs and participants to NDE after the first semester.

The bill will have an unknown fiscal impact for school districts to administer assessments, develop and implement individual reading improvement plans, provide summer reading camps and provide intensive acceleration classes for students with reading deficiencies.

Annual Report on Student Retentions and Promotions: The bill requires NDE to establish a uniform format for school districts to report information on student retention and promotion as required by LB 651. The department is to annually compile the information and provide a state-level summary on an annual basis. NDE is also required to provide technical assistance to school districts as needed to provide such information. These provisions will increase the workload of the department. NDE indicates that existing staff and resources will be used to handle the increased activities.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 651	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: James Van Bruggen	DATE: 1/27/17	PHONE: (402) 471-4179
COMMENTS: The Department of Education's estimate appears reasonable.		

Please complete ALL (5) blanks in the first three lines.

2017

LB⁽¹⁾ 651

**FISCAL
NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Cory Epler Date Prepared: ⁽⁴⁾ 1/26/2017 Phone: ⁽⁵⁾ 1-3240

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0		\$0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$0</u>		<u>\$0</u>	

Explanation of Estimate:

As written, the costs associated with this bill would mainly rest with local school districts (e.g. developing additional reading intervention resources, implementing summer reading camps, classrooms with reduced staffing, parent activities/communication, etc.).

The bill requires that “all students in kindergarten, first grade, second grade, and third grade who are identified as having a reading deficiency based upon **state-approved local** or **statewide assessments** administered within the first thirty days of the school year.” Most districts current utilized a local formative assessment to determine reading proficiency. However, if the state were to develop and implement a reliable and valid assessment to determine reading proficiency for students in grades K-3, the cost would be significant. Approximate cost to develop 3rd grade NeSA is \$1 million.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2017-18 EXPENDITURES	2018-19 EXPENDITURES
	17-18	18-19		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				