

FISCAL NOTE

Bill #: SB 430

Title: K-12 Reading Accountability

**Primary
Sponsor:** Alvin Ellis

Status: Senate Third Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
General Fund	94,467	64,467
Net Impact on General Fund Balance:	(94,467)	(64,467)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. SB 430 requires each school district to use classroom-based assessments annually to evaluate the reading levels of its kindergarten, first-grade and second-grade students. The bill also requires that a criterion-referenced test be given to all 3rd grade students and that the results be reported to the public. Statewide 44,000 students will be tested annually in grades K-3.
2. The State of Idaho has a similar classroom-based assessment requirement. According to the Assessment Director in Idaho, the cost of developing a classroom-based assessment for grades K-3 was \$30,000. The \$30,000 cost included costs for bringing groups of educators together to determine the test items for the assessment. This fiscal note is based on equivalent cost for Montana for K-3 assessments and does not include any staffing costs.
3. The State of Idaho purchases test items from the Utah-based Waterford Institute. The annual cost of purchasing these test items is \$1.00/student. In Montana, the annual testing requirement will cost school districts \$44,000 (44,000 x \$1.00 per student). SB 430 provides funding in the amount of \$1 for each child enrolled in a Montana public elementary school for the purpose of reimbursing school districts that

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purchase the criterion-referenced test required for testing each 3rd-grade student. Schools will receive \$11,000 to cover the cost of the 3rd grade testing.

4. Teachers will need to be trained to administer and score the tests. This training can be provided through a METNET videoconference at a cost of \$5,000 annually.
5. SB 430 requires an assessment of the reading level of all 3rd grade students using a criterion-referenced test for the purpose of system accountability. It is assumed that the development and selection of test items for the 3rd grade test will be done in conjunction with the development and selection of the K-2 assessments. The Office of Public Instruction and each elementary school must report the number of 3rd graders taking the test, the actual percentage, and the adjusted percentage of 3rd grade students reading at or above 3rd grade level and the distribution and range of all reading scores in grade-level equivalents.
6. To meet the requirements of Section 6, subsections (2) and (4), the Office of Public Instruction will need a reading specialist. (Grade 16 @ \$48,467 for salary and benefits). The role of the reading specialist will be to meet the requirements to provide progress reports on the 4th grade reading assessment, encourage schools to develop a repertoire of instructional approaches tailored to the different learning styles of students, provide information to schools regarding organizational and instructional practices that improve reading, and reporting the efforts of professional associations to support the achievement of the reading goal.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
FTE	1.0	1.0

Expenditures:

Personal Services	48,467	48,467
Operating Expenses	35,000	5,000
Transfers	<u>11,000</u>	<u>11,000</u>
TOTAL	94,467	64,467

Funding:

General Fund (01)	94,467	64,467
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(94,467)	(64,467)
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local districts will need to administer and score the K-3 assessments and report to the parents, the community, and the Office of Public Instruction on the results of the 3rd grade reading assessment. It is unknown how much it will cost districts in terms of administration and reporting. The test purchase will cost districts \$44,000 annually for which they will be reimbursed in the amount of \$11,000 from the State of Montana.