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Final Fiscal Note

Drafting Number: LLS 21-0574
Prime Sponsors: Rep. Geitner

Date: June 15, 2021
Bill Status: Postponed Indefinitely
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Bill Topic: USE OF READ ACT PER-PUPIL INTERVENTION MONEY

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- School District

The bill would have allowed a local education provider to use early literacy per pupil intervention funding to purchase a core reading instructional program that is not on the current list of approved programs. The bill would have increased state expenditures beginning in FY 2022-23, and modified how a district may use per pupil intervention money on an ongoing basis.

Appropriation Summary: No appropriation would have been required.

Fiscal Note Status: This fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this fiscal note do not take effect.

Table 1
State Fiscal Impacts Under HB 21-1029

Table with 4 columns: Category, Budget Year FY 2021-22, Out Year FY 2022-23, FY 2023-24. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and TABOR Refund.

Summary of Legislation

Under current law, a local education provider (LEP) may use early literacy per pupil intervention funding for specific purposes, including the purchase of core reading instructional programs approved by the Colorado Department of Education (CDE). This bill allows LEPs to use this funding to purchase reading programs that have not been approved, if the LEP determines that the instructional program meets the statutory criteria for approval used by the department.

Before purchasing a non-approved reading instructional program, the LEP must notify CDE. After the program has been used for two years, CDE must review the program and determine its effectiveness in teaching reading. If the program is effective, it must be included in the list of approved programs. If the program is not effective, the LEP may no longer use early literacy per pupil intervention funding for the program.

Background

Early literacy funding, including per pupil intervention funding, is allocated through the Reading to Ensure Academic Development (READ) Act. Per pupil intervention funding is distributed to LEPs based on the number of students in kindergarten through third grade who were identified with significant reading deficiencies and received instructional services in the prior year. The READ Act specifies allowable uses for the money, and requires that LEPs submit a proposed budget for the money to the State Board of Education. In FY 2020-21, \$26.3 million, or about \$641 per student, in per pupil intervention funding was allocated to LEPs.

State Expenditures

The bill increases state expenditures by \$71,575 in FY 2022-23, and by \$405,700 in FY 2023-24. Since the actual number of instructional programs to be reviewed is currently unknown, the actual resources for FY 2023-24 will be requested through the annual budget process. A preliminary estimate of state expenditures is displayed in Table 2 and discussed below.

Table 2
Expenditures Under HB21-1029

	FY 2021-22	FY 2022-23	FY 2023-24
Department of Education			
Personal Services	-	\$47,773	\$267,529
Operating Expenses	-	\$1,080	\$4,725
Capital Outlay Costs	-	\$12,400	\$12,400
External Review Costs	-	-	up to \$61,840
Centrally Appropriated Costs ¹	-	\$10,322	\$59,206
Total Cost	-	\$71,575	\$405,700
Total FTE	-	0.6 FTE	3.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Assumptions. The fiscal note assumes that approximately 7 percent of elementary schools, or 100 schools, will use an instructional program not currently approved by CDE beginning in FY 2021-22, and that CDE's review and analysis of instructional programs will occur in FY 2023-24. CDE start-up costs will begin in January of the prior FY 2022-23.

Colorado Department of Education. Reviewing reading instructional programs includes two parts, a statistical analysis of effectiveness and a group review of instructional materials by staff and volunteers. If a program is not statistically effective in improving reading competency, the review group does not convene. The fiscal note costs assume that programs are effective; however, if review groups are unnecessary, actual costs will be less than those identified in this analysis.

Staffing. CDE requires 3.5 FTE in FY 2023-24 to conduct a review and statistical analysis of reading instructional materials and programs. This estimate is based on an assumed 32 hours to review 40 frequently used programs each, and 60 hours per school to complete the statistical analysis. In FY 2022-23, CDE requires 0.6 FTE to establish procedures for the program review and begin coordinating with LEPs.

Small group review. CDE requires up to \$61,840 in FY 2022-23 to convene small groups of five volunteers to review instructional programs, four of whom are educators. Costs are estimated at \$1,546 per review, including substitute teacher costs and reimbursements for travel and per diem.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$10,322 in FY 2022-23 and \$59,206 in FY 2023-24.

School District

The bill modifies how a school district may choose to spend its per pupil intervention money, but it does not change the amount of funding received by a district.

Effective Date

The bill was postponed indefinitely by the House Education Committee on April 15, 2021.

State and Local Government Contacts

Education School Districts