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FISCAL NOTE

Drafting Number: LLS 18-0061 Date: April 23, 2018
Prime Sponsors: Rep. Hamner Bill Status: House Education
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Bill Topic: EFFECTIVE IMPLEMENTATION OF READ ACT

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, School District (potential), Statutory Public Entity

The bill modifies the implementation of the READ Act. The bill increases state workload and potentially impacts school district workload and revenue on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

The bill makes changes to state law regarding implementation of the Reading to Ensure Academic Development (READ) Act.

Reading assessments and advisory lists. Under current law, the Colorado Department of Education (CDE) must adopt advisory lists of instructional programming and professional development for reading. In addition, the State Board of Education (SBE) is required to adopt:

- minimum reading competency skill levels for kindergarten through third grade;
a list of approved reading assessments; and
an appeals process for publishers who submit materials for inclusion on the lists.

This bill specifies that reading assessments and instructional programming must be evidence- or scientifically-based, and must be aligned with each other, and with the preschool through elementary and secondary education standards for reading. CDE must also work with assessment publishers to better align the minimum reading competency levels for third grade with the education standards for third grade.

The SBE must review the skill levels and reading assessments and the CDE must update the list of approved reading assessments by July 1, 2019 and every four years after that. CDE must also review the advisory lists at least every two years and consult with local education providers (LEPs) and third-party experts in designing and updating the criteria to include materials on the assessment and advisory lists.

The bill allows LEPs to appeal for the inclusion of materials on the list of instructional programming, professional development, and reading assessments. During an appeal, the CDE and SBE must consider any findings that the appellant may submit from a nationally recognized, evidence-based information clearinghouse that demonstrates that the program has been successful for a similar population of students.

Per pupil intervention funding. Under current law, per-pupil intervention funding must be divided among LEPs based on the number of students in kindergarten through third grade with a significant reading deficiency. This bill specifies that 75 percent of the funds must be allocated as under current law. The remaining 25 percent must be allocated based on the number of students who were identified with a significant reading deficiency and received instructional services, but did not meet grade level expectations in reading in the prior year. The bill adds additional uses for the per-pupil intervention funding, including:

- purchasing tutoring or intervention services in reading for students who receive instructional support;
- providing certain professional development programming, not to exceed 15 percent of per-pupil intervention money received by an LEP; and
- purchasing core instructional programming in reading, which must be on the CDE's advisory list.

The bill specifies that, upon request of CDE, an LEP must provide information on how the per-pupil intervention funds were spent.

Early literacy grant program. The early literacy grant program provides funding to LEPs to assist with the inclusion of reading instruction in kindergarten through third grade and to assist all students in achieving reading competency. The bill requires the SBE to allow a rural school district to submit a simplified grant application, and clarifies that at least \$4 million from the early literacy fund must be spent on grants. The money allocated for the grant program must be awarded:

- at least 75 percent to applicants requesting funding for evidence and scientifically based literacy support and intervention instruction programs for reading competency in grades K-3;
- up to 15 percent to fund professional development initiatives for LEPs that are already implementing universal instruction and interventions; and
- up to 10 percent to applicants that have previously received a grant to fund literacy initiatives and are requesting an additional year of funding

Working group. By September 1, 2018, CDE must convene a working group to review the creation and use of READ plans and recommend changes. The membership of the working group must be determined by CDE, including experts who are willing to participate without compensation. The working group must neither consider nor recommend repealing the requirement for individual READ plans. CDE must submit a report on the group's findings and recommendations to the education committees of the General Assembly by February 1, 2020.

Background

READ Act. The READ Act, enacted in House Bill 12-1238, aims to provide early literacy education for students enrolled in kindergarten, first, second, and third grades. It requires that teachers administer reading assessments to kindergartners near the beginning of the school year and to students in grades one, two, and three throughout the year. When a student is identified as having a significant reading deficiency, teachers, parents, and other personnel are required to develop an individualized approach to instruction, called a READ plan. CDE has oversight of the READ Act, which also includes the early literacy grant program, per-pupil intervention funding, and an early literacy assessment tool, among other elements.

State Expenditures

The bill increases the workload for CDE beginning in FY 2018-19, as discussed below.

CDE workload. The bill increases workload for CDE and the SBE to review and update lists of reading assessments, professional development, and instructional programming, and to ensure that materials are evidence- and scientifically- based and align with educational standards. In addition, CDE must convene a working group by September 1, 2018 to review the creation and use of READ plans and recommend implementation changes. The working group members are not compensated or reimbursed for expenses, and the associated workload will be spread out over two years. The workload increase can be accomplished within existing appropriations.

Legal services. The bill may increase the legal services hours required by CDE to conduct rulemaking, modify the appeals process, and to handle any additional appeals as a result of the bill. Legal services are provided by the Department of Law, and will be covered by CDE's regular allotment of legal services hours.

Per pupil intervention funding. The bill changes the distribution of the per-pupil intervention funding, but does not change the total amount of funding, which is \$33.2 million for FY 2018-19. The bill specifies that 75 percent of the funds (\$24.9 million in FY 2018-19) must be allocated based on the number of students with a significant reading deficiency and 25 percent (\$8.3 million in FY 2018-19) must be allocated based on the number of students who were identified with a significant deficiency, were receiving instructional services, but did not meet grade level expectations in reading in the prior year.

Early literacy grant program. The bill modifies how early literacy grant program funds are awarded, but does not change the amount of funding available. For FY 2018-19, \$5.2 million has been appropriated. The bill results in the following approximate distributions:

- \$3.9 million to applicants that request funding for literacy support and intervention instruction programs in grades K-3;
- \$783,000 to fund professional development initiatives for LEPs that are already implementing universal instruction and interventions; and
- \$522,000 to applicants that have previously received a grant to fund school-wide literacy initiatives and are requesting an additional year of funding.

School District

Workload. The bill increases workload for districts that appeal the inclusion or non-inclusion of materials on CDE advisory lists, or for districts that participate on the working group convened by CDE.

Revenue. The bill impacts the level of funding that individual districts will receive from the distribution of per-pupil intervention and early literacy grant funds. For informational purposes, in 2016, 39,014 students were identified as having a significant reading deficiency and the \$33 million designated for per-pupil intervention funding was distributed to 181 LEAs at \$847 per pupil. Whether districts receive an increase or decrease in funding depends on several factors, including a district's needs and current resources and the number of students with significant reading deficiencies, or who are receiving instructional services but did not meet grade level expectations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Education Law School Districts