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Fiscal Note

Drafting Number:	LLS 23-0800	Date:	March 17, 2023
Prime Sponsors:	Sen. Winter F.; Mullica	Bill Status:	Senate Education
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Bill Topic: **DYSLEXIA SCREENING IN SCHOOLS**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> School Districts
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires students in all schools to be screened for reading disabilities and establishes an independent ombudsman's office to handle parental complaints. The bill will increase state expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$15.1 million to the Department of Education

Fiscal Note Status: The fiscal note reflects the introduced bill. Due to time constraints, this analysis is preliminary and will be updated later to reflect new information.

Table 1
State Fiscal Impacts Under SB 23-181

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$15,107,579	\$1,046,346
	Centrally Appropriated	\$169,366	\$220,009
	Total Expenditures	\$15,276,945	\$1,266,355
	Total FTE	8.6 FTE	11.2 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$2,266,137	\$156,952

Summary of Legislation

The bill requires students across all grade levels to receive regular screening for dyslexia and other reading disabilities. The bill specifies the requirements for screening instruments and requires that all schools and school districts inform parents on the method and results of screening for students, and provide supplemental instruction and intervention for children with dyslexia.

The Colorado Department of Education (CDE) must publish screening methods, best practices and strategies to improve reading comprehension for students on its website. CDE must also offer training to educators in best practices for supplemental reading instruction and interpreting screening results to teachers across all grades. Finally, the bill establishes an ombudsman’s office separate from CDE which will receive and resolve parental complaints regarding supplemental reading instruction.

Assumptions

This fiscal note assumes that the training required in the bill will be offered to teachers, staff members and administrators in all school levels, including secondary grades. This fiscal note assumes that the ombudsman’s office will receive approximately 500 complaints, based on approximately one percent of parents whose students have a reading plan will file a complaint. These complaints are expected to range between 20 and 40 hours of work to come to a resolution.

State Expenditures

The bill increases state expenditures in the Department of Education by \$15.3 million in FY 2023-24 and \$1.3 million in FY 2024-25, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-181

	FY 2023-24	FY 2024-25
Department of Education		
Personal Services	\$796,434	\$1,031,226
Operating Expenses	\$12,825	\$15,120
Capital Outlay Costs	\$73,370	-
Programming Costs	\$74,950	-
Stakeholder Engagement Meetings	\$150,000	-
Training Costs for Teachers and Staff	\$14,000,000	-
Centrally Appropriated Costs ¹	\$169,366	\$220,009
Total Cost	\$15,276,945	\$1,266,355
Total FTE	8.6 FTE	11.2 FTE

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

Staff. The new office of the Literary Ombudsman will hire 6.0 FTE to address complaints from parents. These staff include one director and five senior consultants who will process and respond to approximately 500 complaints annually. Additionally, the CDE will hire 0.5 Consultant to implement the new database upgrades in the Department's Information Management System. Additionally, CDE will require 1.5 FTE to conduct stakeholder engagement required by Section 11 of the bill, 2.5 FTE to conduct trainings required by Section 12 of the bill and 1.0 FTE to develop the online dyslexia course required by Section 13 of the bill. In total, 11.2 FTE will implement the provisions of the bill between the CDE and the new Literary Ombudsman's office. Costs are prorated for the General Fund Pay date shift and an assumed August 2023 start date. Standard operating expenses and capital outlay are included for this new staff.

Programming costs. CDE's Information Management System will be upgraded to handle the additional data intake of dyslexia screenings, the number of students identified as requiring supplemental reading instruction and additional data for supplemental reading instruction, requiring approximately 600 hours of testing and development.

Stakeholder engagement meetings. Each activity identified in Section 11 of the bill will require between four and eight stakeholder meetings for approximately 15 stakeholders per meetings. Costs include lodging, mileage reimbursement, food and substitute teacher coverage where appropriate, totaling \$150,000.

Training costs for teachers and staff. Approximately 70,000 employees across all school districts in Colorado will receive training, including 4,500 Pre-K teachers, 45,000 elementary school teachers, 15,000 secondary school teachers, 4,000 administrators and 500 other school staff members. Based on training costs for similar programs such as the READ act, this training is estimated to cost between \$200 and \$600 per participant, resulting in costs of approximately \$14 million.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

School District

Teachers in local education providers that complete the training and screenings will have additional workload to provide additional services to students. Substitute teachers will be called up to cover for staff members that participate in the trainings offered by CDE. Costs will vary by district. Additional detail on school district impacts will be added in a subsequent fiscal note after further review of the bill.

Technical Note

Screenings for students are specified by grade level, with “second grade and above” described as the highest level of screening. This fiscal note assumes that teachers, staff and students in both elementary and secondary grades are required to comply with the provisions of the bill. However, additional clarification is needed as to the number of screenings that are expected to be given to students, annual training required, and grades and staff impacted. This fiscal note may be revised as additional information is collected.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires a General Fund Appropriation of \$15,107,579 to the Department of Education, and 8.6 FTE.

State and Local Government Contacts

Education

Human Services

School Districts