

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5237 SB	<b>Title:</b> Student performnce/3rd grade
-----------------------------	--

## Estimated Cash Receipts

NONE

## Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Superintendent of Public Instruction	Non-zero but indeterminate cost and/or savings. Please see discussion.								
School District Fiscal Note - SPI	Fiscal note not available								
<b>Total</b>	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

## Estimated Capital Budget Impact

NONE

The fiscal estimate for this bill requires assumptions on extended learning, class size and the type of staff providing services. Those values are not articulated in the bill. The Office of Financial Management requested the note be labeled indeterminate given the range of potential implementation assumptions and associated costs. The Office of the Superintendent of Public Instruction has provided a detailed analysis of potential costs in the text of the fiscal note.

This fiscal note is for state agency costs only. The school district note is being published in a separate document.

<b>Prepared by:</b> Paula Moore, OFM	<b>Phone:</b> (360) 902-0540	<b>Date Published:</b> Final 2/ 6/2013
--------------------------------------	---------------------------------	---

\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 33416

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5237 SB	<b>Title:</b> Student performnce/3rd grade	<b>Agency:</b> 350-Supt of Public Instruction
-----------------------------	--	---

## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Susan Mielke	Phone: (360)786-7422	Date: 01/31/2013
Agency Preparation: TJ Kelly	Phone: 360 725-6181	Date: 02/06/2013
Agency Approval: JoLynn Berge	Phone: 360 725-6292	Date: 02/06/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 02/06/2013

Request # SB 5237-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 2 (3) and section 4 (1) both stipulate that, beginning in the 2015-16 school year, a school district must provide remediation for any student who did not meet the state standard on the third grade statewide assessment in English language arts in the previous year.

Section 3 (2) mandates that school districts adopt a policy for mid-year promotion to 4th grade of any “retained” 3rd grade student(s) who demonstrate “sufficient progress to be likely to achieve at least a score of basic on the fourth grade statewide student assessment in English language arts.” The bill states that these services could be allowable under Title I or LAP so long as they are different from a school's core curriculum.

Section 4 (1) mandates that “retained” students must be provided remediation through:

- a. A minimum of ninety minutes of daily, research based instruction in English language arts;
- b. Small group instruction or reduced teacher to student ratios;
- c. Supplemental tutoring.

Section 4 (2) requires a school district to provide supplemental learning opportunities through an extended school day or school year or through a summer school program for any student who is retained in the third grade under section 2 of this act and for any student who was eligible to be retained but was promoted to fourth grade as a result of an exemption under section 3 of this act. Currently there are 6,509 FTE would have been retained under section 2 of this act, and an additional 761 FTE that are special education students who are eligible for the additional summertime instruction because they advanced based upon achievement goals within their IEP, but did not meet the traditional requirements for advancement. These students would be promoted as a result of the exemption under section 3 of this act.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

None.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 2 (3) and section 4 (1) both stipulate that, beginning in the 2015-16 school year, a school district must provide remediation for any student who did not meet the state standard on the third grade statewide assessment in English language arts in the previous year.

Section 3 (2) mandates that school districts adopt a policy for mid-year promotion to 4th grade of any “retained” 3rd grade student(s) who demonstrate “sufficient progress to be likely to achieve at least a score of basic on the fourth grade statewide student assessment in English language arts.” The bill states that these services could be allowable under Title I

or LAP so long as they are different from a school's core curriculum. Title I funds are limited to pay for services that are not required by the state. Given that changes in this bill would be state mandated, Title I funding could not be used. Federal regulations prohibit the use of federal funds for state required services. If LAP funds were used only for third grade, there would be a larger population of students who still need funding for remediation. Therefore OSPI assumes that an additional allocation would fund requirements of this bill.

Section 4 (1) mandates that “retained” students must be provided remediation through:

- a. A minimum of ninety minutes of daily, research based instruction in English language arts;
- b. Small group instruction or reduced teacher to student ratios;
- c. Supplemental tutoring.

Section 4 (2) requires a school district to provide supplemental learning opportunities through an extended school day or school year or through a summer school program for any student who is retained in the third grade under section 2 of this act and for any student who was eligible to be retained but was promoted to fourth grade as a result of an exemption under section 3 of this act. Currently there are 6,509 FTE would have been retained under section 2 of this act, and an additional 761 FTE that are special education students who are eligible for the additional summertime instruction because they advanced based upon achievement goals within their IEP, but did not meet the traditional requirements for advancement. These students would be promoted as a result of the exemption under section 3 of this act.

This fiscal note assumes that these services are at an additional cost above current basic education, Title I, and LAP allocations. Assessment data from the 2011-12 school year was used to identify the students who scoring at a level 1 or 2 level on the third grade student assessment tests in English language arts. The data reflected in this fiscal note does not match data on the OSPI report card website. This is because the fiscal note data was taken from an all-inclusive data pull, and the data shown on the report card website filters out certain schools such as tribal or alternative schools. That data showed that 18,525 students would qualify for the additional instructional hours, and included in that number is 6,509 students who be held back, thus qualifying them for additional after school or summer times tutoring.

To calculate the cost of a minimum of ninety minutes of daily, researched based instruction in English language arts, the following assumptions were used: Total student FTE was 18,525; Starting CIS salary allocation was the statewide amount from Jan 2013 apportionment, plus the 1.9% salary restoration, inflated by Seattle CPI to project the 2015-16 school year basis; Statewide staff mix was taken directly off of the January 2013 apportionment reports; The Seattle CPI using in inflation these costs was 2.71% after the 2013-14 school year; 2.3% after the 14-15 school year; 2.0% after the 15-16 school year, 1.83% after the 16-17 school year; and 1.81% after the 17-18 school year; Benefit rates starting in the 2015-16 school year were 18.68% for fringe benefits and \$777 for health benefits; A class size of 10 students, and the elementary school planning time of 15.5% were used to calculate total teachers.

The bill does not define what a small group is with respect to the additional instruction. This fiscal note assumes that a class size of 10 qualifies as small group instruction both in this paragraph and the subsequent one. For 18,525 students at a class size of 10, the funding formula generates 2,139.64 CIS FTE. The total annual cost of salary and benefits were divided by 180 days, further divided by 6 hours, and then that result was multiplied by 1.5 to estimate the cost of 90 minutes. To arrive at the estimate for 90 minutes daily for the entire school year, the previous result was then multiplied by 180 days. The total school year cost of the additional 90 minutes of instruction is: \$36,800,000 for 2015-16; \$37,500,000 for 2016-17; \$38,000,000 for 2017-18; \$38,700,000 for the 2018-19 school year.

OSPI assumes supplemental instruction as called for in Section 4 (2) of this act would occur through a summertime program offering of 3.5 hours per week for 6 weeks at a class size of 10 student FTE.

There are 6,509 FTE who did not meet the assessment requirements, and an additional 761 FTE who were eligible to be retained but were promoted due to the exemption under section of 3 of this act as described previously. Those 7,270 FTE which would need this additional 6 week period of instruction, the same methodology in the previous paragraph was followed to come up with an per hour cost. That per hour cost was multiplied by 3.5 and then further multiplied by 30 days to estimate 3.5 hours per day for 6 weeks. Those calculations show that the total school year cost for this part of the bill would be \$5,600,000 for 2015-16; \$5,700,000 for 2016-17; \$5,800,000 for 2017-18; and \$5,900,000 for the 2018-19 school year.

The additional cost in this estimate projects the cost of a diagnostic assessment to identify the specific skills gap. This cost is estimated at \$8 per student FTE, or \$150,000 starting in 2015-16, and is held constant through the out years of this estimate.

There is also a potential cost impact for students who are promoted mid-year from third grade to fourth grade due to the difference in assumed class sizes in the funding formula. This would not be a common occurrence to do issues with dealing with mixed classes, or having the necessary capacity to move kids from one grade to the next in mid year.

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

NONE

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*