LEGISLATIVE FISCAL OFFICE
Fiscal Note

Date: April 5, 2021	2:23 PM	**Author:** MCKNIGHT
Dept./Agy.: Education		
Subject: Literacy Program		**Analyst:** Garrett Ordner

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Creates a literacy program for certain public school students

Proposed legislation establishes the Steve Carter Literacy Program for eligible students defined as students in grades K-3 who are determined to read below grade level or be at risk for reading difficulties according to the results of a literacy screener; students in grades 4 and 5 who scored below mastery in English Language Arts (ELA) on the prior year state assessment; and students whose eligibility could not be determined due to the lack of literacy screener or state assessment results but are recommended by the students' ELA teacher due to the students' reading difficulties. Directs Department of Education (LDE) to evaluate student eligibility, administer an application process, and evaluate service providers. Provides payments of up to $500 per student per year to approved supplemental educational service providers for expenses including materials, instruction, tutoring services, summer education programs, after-school education programs, and mentorship programs. Requires the LDE to submit an annual report to the legislature regarding program implementation. Provides that implementation of the program is subject to appropriation of funds for such purpose.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	$0	$0	$0	$0	$0	$0
Ded./Other	$0	$0	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0	$0	$0
Local Funds	$0	$0	$0	$0	$0	$0
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	$0
Agy. Self-Gen.	$0	$0	$0	$0	$0	$0
Ded./Other	$0	$0	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0	$0	$0
Local Funds	$0	$0	$0	$0	$0	$0
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

There will be an increase in expenditures to award proposed payments and for the Department of Education (LDE) to administer the program. Based on the number of eligible students, an estimated $80.3 M including $79.7 M in program payments and $564,380 in administrative costs would be required to fully fund the program in the first year of implementation. Future costs would be higher or lower depending upon student performance and program participation.

Program payments are a maximum of $500 per student, per year, subject to appropriation. Priority for payments will be given to the lowest-performing economically disadvantaged students. See below for a one-year estimate utilizing the number of students reading below grade level from the 2019 Fall Reading Report and the number of students scoring below mastery on the 2019 LEAP English Language Arts assessment at $500 per student.

Grade	Number of Eligible Students	Program Payments
K	30,221	$15,110,500
1st	24,776	$12,388,000
2nd	22,976	$11,488,000
3rd	22,683	$11,341,500
4th	28,655	$14,327,500
5th	30,134	$15,067,000
Total	**159,445**	**$79,722,500**

In addition to program payments, LDE reports additional funding is needed for staffing increases to administer the program. LDE estimates this cost to be $564,380 per year, comprised of $132,320 for one Education Program Consultant 5A position ($88,213 in salary and $44,107 in benefits) and $432,060 for four Education Program Consultant 3 positions (averaging $72,010 in salary and $36,005 in benefits per position).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
[x]	13.5.1 >= $100,000 Annual Fiscal Cost {S & H}	[x]	6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
[ ]	13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}	[ ]	6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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