

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2229 - SB 2160

February 23, 2020

SUMMARY OF BILL: Establishes the following:

Literacy Instruction: Requires a local education agency (LEA) that enrolls students in any of the grades kindergarten through two (K-2) to provide students in grades (K-2) the instruction necessary for the students to develop the reading skills required to meet the Tennessee academic standards and the developmental expectations for the student's respective grade level. Requires the Department of Education (DOE) to approve the instructional programming and services that must be used to provide evidence-based and scientifically-based systematic phonics instruction. Requires an LEA to provide students in K-2 knowledge-based English language arts elementary curricula. Requires DOE to administer a common reading diagnostic to benchmark literacy skills and growth. Requires an LEA to administer the diagnostic to any student in the third-grade who is reading below grade level. Requires DOE to establish three administration windows each school year for the administration of the diagnostics. Requires LEAs to submit the results of the common reading diagnostic to DOE. Requires DOE to provide additional instructional support to a student reading below grade level.

Educator Preparation Programs: Establishes requirements for educator preparation programs. Requires DOE to develop additional guidance on requirements for educator preparation programs. Requires DOE and the State Board of Education (SBE) to develop a policy for approving educator preparation programs. Requires DOE, in partnership with SBE and the Tennessee Higher Education Commission (THEC), to provide a report to the Chairs of the Education Committees of the Senate and the House of Representatives on the implementation of this section by July 1, 2023. Requires DOE to complete a study of literacy in Tennessee, including current practices, student achievement, and instructional programming by December 31, 2020. Requires DOE and THEC to provide a report on the findings of the study to the Chairs of the Education Committees of the Senate and the House of Representatives by March 1, 2021.

State Accountability Model: Requires DOE to convene an advisory group of stakeholders to advise the Department on the integration of third-grade reading proficiency into the performance goals and measures by June 30, 2020. Requires DOE, in consultation with the advisory group, to review changes to the accountability performance designations for students in grades K-3 regarding the weight attributed to the third-grade reading proficiency levels demonstrated by student performance on TCAP tests. Requires DOE to submit any revisions to the SBE for approval and to the United States Department of Education, if required.

Professional Development and Support: Establishes criteria for literacy training for educators. Requires DOE to provide two separate literacy-related trainings that are required for all

educators serving students in grades kindergarten through five (K-5) by June 30, 2022. Authorizes an LEA to apply for and receive literacy-related implementation and coaching support from service providers approved by DOE. Requires implementation and coaching support to be awarded through a competitive grant process established by DOE. Limits the term of the grant award to three years.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$48,633,900/FY20-21
\$11,133,900/FY21-22 and Subsequent Years**

The Governor’s proposed budget for FY20-21, on page B-88, recognizes a one-time increase in state expenditures to the General Fund of \$37,500,000, and a recurring increase in state expenditures to the General Fund in the amount of \$11,250,000, for a total of \$48,750,000 in FY20-21.

Assumptions:

- It is estimated that the following elements of the proposed legislation will have one-time costs in FY20-21:
 - \$31,400,000 for initial literacy training;
 - \$10,000,000 for initial implementation support;
 - \$3,950,000 for literacy diagnostic and online support, teacher professional development modules, and foundational skill curriculum;
 - \$2,000,000 for an educator certification test; and
 - \$1,000,000 for initial development of family resources guide.
- DOE will require three additional positions to handle the additional workload created by the proposed legislation.
- One Education Consultant 4 position at a starting salary point will have a recurring cost of \$76,630 (\$60,084 salary + \$16,546 benefits) in FY20-21 and subsequent years.
- Two Education Consultant 3 position at a starting salary point will have a recurring cost of \$152,308 [(\$59,676 salary + \$16,478 benefits) x 2] in FY20-21 and subsequent years.
- Travel costs for the two additional positions are estimated to have a recurring cost of \$55,000; the total recurring increase in state expenditures for positions and travel is estimated to be \$283,938 (\$76,630 + \$152,308 + \$55,000) in FY20-21 and subsequent years.
- It is estimated that the following elements of the proposed legislation will have recurring costs beginning in FY21-22 and subsequent years:
 - \$6,750,000 for ongoing implementation support;
 - \$2,000,000 for ongoing professional development trainings and educator stipends;
 - \$850,000 for updates to online resources available to all educators;
 - \$750,000 for ongoing support of the literacy diagnostic;
 - \$200,000 for annual updates to the foundational skills curriculum;
 - \$200,000 for annual updates to family resource guides; and

- \$100,000 for annual program evaluation.
- The total one time increase in state expenditures is estimated to be \$48,633,938 (\$31,400,000 + \$10,000,000 + \$3,950,000 + \$2,000,000 + \$1,000,000 + \$283,938) in FY20-21.
- The total recurring increase in state expenditures is estimated to be \$11,133,938 (\$6,750,000 + \$2,000,000 + \$850,000 + \$750,000 + \$200,000 + \$200,000 + \$100,000 + \$283,938) in FY21-22 and subsequent years.
- The Governor's proposed budget for FY20-21 includes \$48,750,000 in funding for FY20-21 and \$11,250,000 in FY21-22 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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