

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB319

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Coyner

3. Committee: Appropriations

4. Title: Virginia Literacy Act; early student literacy; evidence-based literacy instruction; science-based.

5. Summary: Makes several changes relating to early student literacy, including requiring (i) each education preparation program offered by a public institution of higher education or private institution of higher education or alternative certification program that provides training for any individual seeking initial licensure with an endorsement in a certain area, including as a reading specialist, to demonstrate mastery of science-based reading research and evidence-based literacy instruction, as such terms are defined in the bill; (ii) the literacy assessment required of individuals seeking initial teacher licensure with endorsements in certain areas to include a rigorous test of science-based reading research and evidence-based literacy instruction; (iii) each school board to establish a division wide literacy plan; and (iv) each local school board to provide a program of literacy instruction whereby, among other things, (a) the program provides reading intervention services to students in kindergarten through grade three who demonstrate deficiencies based on their individual performance on the Standards of Learning reading assessment or an early literacy screener provided or approved by the Department of Education; (b) a reading specialist, in collaboration with the teacher of any student who receives such reading intervention services, develops, oversees implementation of, and monitors student progress on a student reading plan; and (c) each student who receives such reading intervention services is assessed utilizing either the early literacy screener provided or approved by the Department or the grade-level reading Standards of Learning assessment again at the end of that school year. The provisions of the bill become effective beginning with the 2024-2025 school year.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary, see Item 8.

8. Fiscal Implications: This bill creates a new staffing standard for reading specialists within the Standards of Quality (SOQ) to be included in Basic Aid payments to local school divisions. This would not become effective until the 2024-2025 school year so there is no anticipated state fiscal impact in the 2022-2024 biennium. The Department of Education estimates, though, that if this staffing standard were to apply to next biennium, there would be a state fiscal impact of \$31.0 million in the first year and \$31.8 million in the second year to fund the standard of one reading specialist to 550 students in kindergarten through third

grade. Any actual impact in future biennium is indeterminate at this time and dependent of future rebenchmarkings of the Direct Aid to Public Education budget. Local school divisions would have to provide the local share required to match any additional state funds based on each division's local composite index. The actual fiscal impact to local school divisions is indeterminate at this time.

This bill also imparts a number of new responsibilities on the Department of Education (DOE) beginning in the 2024-2025 school year. This includes the development of a list of curricula, supplemental instruction practices, and intervention programs that consist of evidence-based literacy and science based reading research, development of a template for student reading plans, and development of a microcredential for reading specialists. According to DOE, one additional full time employee would be required in fiscal year 2025 at a present annual state cost of \$132,932 for salary, benefits and technology costs. DOE would also require \$300,000 in one-time state funding in fiscal year 2025 to develop resources for the microcredential.

DOE would also be required to provide curriculum to local school divisions. Based on a methodology of \$3,000 per SOQ funded teacher in grades kindergarten through five, DOE assumes the state share of this cost would be a one-time state cost of \$36.8 million in fiscal year 2025. The actual cost per SOQ funded teacher is indeterminate and would be dependent in future rebenchmarkings of the Direct Aid to Public Education budget.

DOE would also be required to provide free online evidence-based literacy instruction resources that can be used to support learning at home. DOE estimates there would be a one-time state cost of \$250,000 to develop this content in fiscal year 2025.

DOE would also be required to provide technical assistance and professional development in science based reading research and evidence-based literacy to school divisions. According to DOE, based on similar methodology to the work based learning model proposed by the Board of Education, this would require nine additional full time employees. An estimated \$1.2 million in state funding would be necessary annually beginning in fiscal year 2025 to support salary, benefits, and technology for these positions. Additionally, DOE would require one-time state funding of \$300,000 in fiscal year 2025 to develop resources for professional development.

DOE would also be required to provide training of all impacted teachers in local school divisions. Assuming a cost of \$50,000 per school division, DOE estimates this would cost \$6.6 million in one-time state funding in fiscal year 2025. Alternatively, the department could pursue a 'train the trainer' approach, which could be adopted at a lower cost of \$300,000 in fiscal year 2025.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Education, local school divisions, public institutions of higher education with teacher education programs.

- 10. Technical Amendment Necessary:** No

11. Other Comments: This bill is identical to SB616S1