# FISCAL IMPACT REPORT

| | **ORIGINAL DATE** | 01/29/15 | **HB** | |
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| **SPONSOR** Stewart | **LAST UPDATED** | 03/17/15 | | |
| **SHORT TITLE** Early Literacy Act | | | **SB** | 149 |
| | | | **ANALYST** | Gudgel |

### APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---|---|---|---|
| **FY15** | **FY16** | | |
| | NFI | | |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

**SOURCES OF INFORMATION**
LFC Files

Responses Received From
Public Education Department (PED)

**SUMMARY**

  Synopsis of Bill

Senate Bill 149 enacts a new section of the Public School Code to create the "Early Literacy Act" to provide support to school districts and charter schools that deliver multiple opportunities for acquisition of literacy skills, early literacy intervention, targeted intensive instruction, and focused remediation to students who experience difficulties learning language in kindergarten through third grade. The Act also establishes a framework for funding early literacy programs. Currently, $14.5 million in general fund revenues appropriated in the General Appropriation Act does not have any statutory guidelines for distribution.

**FISCAL IMPLICATIONS**

The bill does not make an appropriation.

House Bill 2 currently includes $15 million for PED's early literacy initiative, Reads to Lead. The funding supports administration of the DIBELS Next and IDEL (Spanish reading assessment tool) to 106 thousand students at an estimated cost of $12 per student. During the 2014-2015 school year, approximately 100 thousand students participated, a significant increase over the previous school year as additional school districts participated. PED proposes to use the

remaining funds support school districts, charter schools, school administrators, teachers, reading coaches, and parents with professional development on evidence-based reading instruction and intervention aligned with new content standards, using formative assessment data to drive instruction, and strategies for parents to support students' reading acquisition at home; and to allocate to school districts, charter schools, and regional education to provide reading coaches, professional development and reading intervention materials.

To be eligible for state funding, an early literacy program must provide for the educational needs of students deficient in language and early literacy skills, integrate early literacy interventions into the curriculum, use licensed school employees who receive annual professional development in the science of teaching reading, and require background checks for instructors in accordance with the School Personnel Act. The Legislature may wish to consider other criteria for making awards for qualifying early literacy programs based on the relative proficiency and at-risk status of each applicant school district or charter school.

## SIGNIFICANT ISSUES

The Early Literacy Act created by this bill establishes requirements that must be met by school districts and charter schools to be eligible to apply for and receive state appropriations made for early literacy programs, as noted under Fiscal Implications. There is no requirement that school districts and charter schools submit an early literacy program plan to PED to be eligible for funding. However, the Act specifies that PED is to assist school districts and charter schools in developing and evaluating early literacy programs and establishes a review process for school districts and charter schools who wish to prepare and submit one to the PED.

The bill defines an early literacy program as including programs of education through which students receive language and early literacy skills intervention, targeted intensive instruction, or remediation from kindergarten through third grade. For school districts and charter schools who wish to submit an early literacy plan to PED, the plan must include the following:
- Three-year implementation plan;
- Educational Plan for Student Success (EPSS) for each school in the district with a focus on reading for elementary schools;
- The screening assessment that will be used to identify students who are deficient in reading with an assurance that the assessment will be administered in the first nine weeks of school in kindergarten through third grades;
- The process the school will use to notify parents of reading deficiencies, to create a reading improvement plan for a deficient student, and if a parent refuses intervention;
- The early literacy programs offered to deficient kindergarten through third grade students; and
- A professional development plan for licensed school employees in the science of teaching reading.

The bill includes definitions of "deficient in reading", "early literacy program," "intensive targeted instruction," "intervention," "reading improvement plan," "screening assessment," and "student assistance team."

PED's analysis indicates the bill does not provide a consistent research-driven plan for students deficient in reading and the bill is disruptive to the department's Reads to Lead initiative (early

literacy initiative). PED also notes concerns that the bill does not require the use of a uniform screening assessment; though the department notes 85 of the 89 school districts in the state currently use a uniform screening assessment. The department's analysis notes the bill does not address social promotion; however, retention and intervention policies are enumerated in Section 22-2C-6 NMSA 1978 and this bill does not interfere with provisions currently in law.

The department's analysis also notes concerns related to determining funding eligibility for programs because early literacy program plans are not required to be submitted. However, as with most grant programs and the current Reads to Lead program, PED would be required to review early literacy programs when they considered funding to ensure provisions of Section 4 are met.

## ADMINISTRATIVE IMPLICATIONS

PED will be required to issue guidelines for the develop and implementation of early literacy programs pursuant to the Act, administer and reinforce the provisions of the Act, and assist school districts and charter schools in developing and evaluating early literacy programs. The department indicates reviewing individual screening assessments, literacy plans, and approach to intervention support will be timely; however, the department already does much of this through the existing early literacy initiative.

Local school boards and governing bodies of charter schools will be required to review the early literacy plan created by the school, monitor progress of implementation, and make appropriate recommendations to improve the early literacy program by August 1 annually. PED will also be required to review the early literacy programs and provide recommendations for improvement by August 1 annually.

## DUPLICATION, RELATIONSHIP

HB 41, SB 66, and SB 724 are school grade promotion and retention bills that have provisions related to third grade literacy. Provisions of these these bills do not conflict with provisions of this bill.

## TECHNICAL ISSUES

Paragraph D of Section 5 requires the Secretary of PED to provide recommendation for improvements to programs but it does not specify to whom the recommendations should be made.

Section 6 refers to "early literacy programs" being eligible for state funding. Technically, it would be a school district or charter school that is eligible for funding for their early literacy program. The introduction would be better stated if it read, "to be eligible for state funding, a school district or charter school's early literacy program shall:"

RSG/je/bb