

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2638-01  
Bill No.: HB 1255  
Subject: Education, Elementary and Secondary  
Type: Original  
Date: April 3, 2015

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Bill Summary: This proposal specifies that public schools shall screen students for dyslexia and related disorders.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0	(\$12,218 to \$15,099,473)	(\$2,437 to \$1,163,001)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(\$12,218 to \$15,099,473)</b>	<b>(\$2,437 to \$1,163,001)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Federal Funds*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenue and costs net to zero.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>(Unknown greater than \$227,920)</b>	<b>(Unknown greater than \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume DESE is unable to estimate the fiscal impact. The extent of any costs will depend upon the number of children requiring instruction and accommodation. DESE assumes school districts and charter schools will incur costs however, DESE defers to them regarding the extent of the cost.

**Oversight** notes this proposal requires DESE to promulgate rules for the testing of each public school student. Oversight assumes that DESE would be able to promulgate the rules using existing resources and this portion of the proposal would not have a fiscal impact on DESE.

Officials at the **Department of Social Services (DSS)** assume the Division of Youth Services (DYS) operates accredited schools at each of its sites.

Screening Costs: -Provided by existing DYS education personnel

One Time Costs

DYS operates 80 educational groups statewide.

1 Dyslexia Screening Instrument (DSI) Complete Kit through Pearson PsychCorps = \$123

123 x 80 groups = \$9,840 Initial Cost

On-Going Costs:

Additional DSI Teacher Rating Forms (package of 25) = \$28.50/pkg.

\$28.50 x 80 groups = \$2,280 annual with a 1.025% inflation factor used to calculate SFY 17 (\$2,378) and SFY 18 (\$2,437).

DYS has special education resources in place to provide services to youth in care with learning disabilities. The division currently provides service to 35 youth with reading-related learning disabilities. Categories include Reading Fluency, Reading Comprehension, and Basic Reading Skills.

DYS provides several trainings for education staff annually. DYS may choose to focus training efforts on screening /testing /treatment of dyslexia and related disorders. These related training costs can be absorbed in the existing budget.

The MOHealthNet Division (MHD) assumes in December of 2014 there were 375,713 children ages 5-18, in the Missouri Medicaid population. Out of those children, there were 5,956 with an individualized educational program (IEP). The total number of screenings for FY 2016 is

ASSUMPTION (continued)

369,757 (375,713 - 5,956). It is assumed that for the following years that only children in kindergarten will need to be screened because the other children will have already been screened.

MHD estimates 18,488 (369,757 \* 5%) children will require testing. The cost to test these children will be \$13,033,934 (18,488 \* \$705).

MHD estimates it will cost \$1,520 for annual treatment per child. The total estimated cost for treatment is \$28,101,532 (18,488 \* \$1,520). The total costs for testing and treatment is \$41,135,466 (\$13,033,934 + \$28,101,532).

The proposed legislation states that the rules are to be promulgated by the state board of education. How the rules are written will determine if the services will be included in the IEP and therefore the federal match.

The total costs for the new cases are:

FY 16: \$41,135,466 (General Revenue \$0 - \$15,087,255 and Federal \$0 - \$26,048,211)

FY 17: \$3,164,284 (General Revenue \$0 - \$1,160,564 and Federal \$0 - \$2,003,720)

FY 18: \$3,164,284 (General Revenue \$0 - \$1,160,564 and Federal \$0 - \$2,003,720).

In response to similar legislation, SB 1, DSS found that through a quick look at the research of the prevalence of dyslexia and related disorders, it is common to find that 5-10% of the population is impacted. It is important to note that symptoms of dyslexia and their effects range from mild to severe. DYS contacted three qualified providers of testing for dyslexia.

Their costs were reported as follows:

Columbia, MO \$100/hr for 7 hrs = \$700

Kansas City, MO = \$711

St. Louis, MO = \$703

Testing Costs - Provided by contracted specialist

Average cost of dyslexia test = \$705

Officials at the **Kansas City Public Schools (KCPS)** assume they can not estimate the impact until such time as DESE identifies how it would promulgate rules to implement the testing. KCPS anticipates there will be a negative fiscal impact possibly in the hundreds of thousands of dollars each year.

ASSUMPTION (continued)

Officials at the **Special School District of St. Louis** assume a negative fiscal impact. However, they are not able to determine the exact impact at this time.

**Oversight** notes that according to the Yale Center for Dyslexia and Creativity, Dyslexia Research Institute, and DyslexiaHelp at the University of Michigan approximately 20% of people have dyslexia or a related disorder. DESE notes there are 618,594 kids in grades K-8 and 269,047 kids in grades 9-12 or 887,641 in Missouri public schools. Therefore, as many as 177,528 (887,641 X 20%) could have dyslexia or a related disorder and need treatment.

**Oversight** notes that unless a school district already has a Dyslexia Specialist on staff that does screenings, a school district would need to purchase the Dyslexia Screening Instrument for \$123 and additional Teacher Rating Forms. Oversight, for fiscal note purposes, will show a one-time impact to schools for purchase of the Dyslexia Screening Instrument of \$63,960 (\$123 x 520 school districts). Oversight notes due to the size of school districts, most would need to purchase more than one Dyslexia Screening Instrument. Oversight will show the impact as Unknown greater than two Dyslexia Screening Instruments per district \$127,920 (\$123 x 2 X 520). Oversight is not able to predict how many Teacher Rating Forms school districts will need annually. Oversight will show the impact as Unknown.

**Oversight** notes that this proposal requires school districts to provide instruction and accommodation of any student determined to have dyslexia or related disorders. Due to the numerous types of dyslexia and the severity at which a person may have it, it is impossible to determine at this time what kind of instruction or accommodations school districts would be required to provide. Oversight will show the impact to schools as Unknown over \$100,000 for the instruction and accommodation.

**Oversight** notes that this proposal would require DESE to promulgate rules for the implementation of this program. If adopted this proposal would become effective August 28, 2015. Therefore, DESE could begin the rule-making process. Oversight confirmed with Joint Committee on Administrative Rules that the rule-making process generally takes 6 to 9 months to complete. Therefore, FY 2017 is the first year in which children would be screened for dyslexia or its related diseases.

Officials at the **Joint Committee on Administrative Rules** and **Office of the State Courts Administrator** each assume there is no fiscal impact to their respective organization from this proposal.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Columbia Public Schools, Everton R-III School District, Fair Grove Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Costs - DSS - Youth Services</u>			
Purchase of Screening Instrument	\$0	(\$9,840)	\$0
Additional Teacher Rating Forms	<u>\$0</u>	<u>(\$2,378)</u>	<u>(\$2,437)</u>
<u>Total Costs - DSS</u>	<u>\$0</u>	<u>(\$12,218)</u>	<u>(\$2,437)</u>
<u>Costs - DSS - MoHealthNet Division</u>			
Testing and treatment of the kids on medicaid	<u>\$0</u>	(\$0 to <u>\$15,087,255)</u>	(\$0 to <u>\$1,160,564)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>(\$12,218 to \$15,099,473)</u></b>	<b><u>(\$2,437 to \$1,163,001)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Revenue - program reimbursement</u>	\$0	\$0 to \$26,048,211	\$0 to \$2,003,720
<u>Costs - testing and treatment of the kids on medicaid</u>	<u>\$0</u>	(\$0 to <u>\$26,048,211)</u>	(\$0 to <u>\$2,003,720)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2016	FY 2017	FY 2018
	(10 Mo.)		
<b>LOCAL SCHOOL DISTRICT FUNDS</b>			
<u>Cost - School Districts-</u>			
		(Unknown greater than	
Purchase of Screening Instrument	\$0	\$127,920)	\$0
Teacher Ratings Forms	\$0	(Unknown)	(Unknown)
		(Unknown over	(Unknown over
Treatment	<u>\$0</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
		(Unknown over	(Unknown over
Total Costs - School Districts	\$0	<u>\$227,920)</u>	<u>\$100,000)</u>
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b>\$0</b>	<b>(Unknown over <u>\$227,920)</u></b>	<b>(Unknown over <u>\$100,000)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

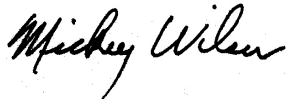
This bill requires each public school to screen students for dyslexia and related disorders at appropriate times in accordance with rules established by the State Board of Education. The school board of each district and governing board of each charter school must provide for the instruction and accommodation of any student determined to have dyslexia or a related disorder. "Related disorders" are defined as disorders similar to or related to dyslexia, such as developmental auditory imperception, dysphasia, specific developmental dysgraphia, and developmental spelling disability.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.



SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Social Services  
Joint Committee on Administrative Rules  
Kansas City Public Schools  
Office of the State Courts Administrator  
Office of the Secretary of State  
Special School District of St. Louis



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