

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6119-01  
Bill No.: HB 2379  
Subject: Education, Elementary and Secondary; Disabilities  
Type: Original  
Date: February 15, 2016

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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 2017	FY 2018	FY 2019
General Revenue	\$0	(\$12,218 to \$16,801,578)	(\$2,437 to \$1,313,051)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(\$12,218 to \$16,801,578)</b>	<b>(\$2,437 to \$1,313,051)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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 10 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>(Unknown greater than \$1,237,953)</b>	<b>(Unknown greater than \$177,732)</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

**Oversight** notes this proposal requires each school district to screen each student for dyslexia and related disorders at an appropriate time established by DESE. Additionally, each school district must provide for the instruction and accommodation for any student determined to have dyslexia or a related disorder.

**Oversight** notes that according to the Yale Center for Dyslexia and Creativity, the Dyslexia Research Institute, and DyslexiaHelp at the University of Michigan approximately 20% of people have dyslexia or a related disorder. DESE notes there are 617,727 kids in grades K-8 and 268,696 kids in grades 9-12 or 886,423 in Missouri public schools. Therefore, as many as 177,285 (886,423 X 20%) could have dyslexia or a related disorder and would need accommodation by the school districts.

Officials at the **Department of Elementary and Secondary Education** assume the extent of the cost will depend upon the number of children requiring instruction and accommodation. The Department assumes school districts and charter schools will incur costs, however, the Department defers to the districts for those costs.

In response to similar legislation filed last year, HB 1255, officials at the **Department of Social Services (DSS)** assumed 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

ASSUMPTION (continued)

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

MHD estimated 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).

ASSUMPTION (continued)

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

In response to legislation filed this year, SB 809 the **MHD** provided that in October 2015 there were 414,016 children ages 5-18, in the Missouri Medicaid population. Out of those children, there were 6,130 with an individualized educational program. **Oversight** has recalculated the MHD costs based on these new numbers.

**Oversight** estimates 20,394 ( $407,886 * 5\%$ ) MHD children will require testing. The cost to test these children will be \$14,377,770 ( $20,394 * \$705$ ).

**Oversight** estimates it will cost \$1,520 for annual treatment per child. The total estimated cost for treatment is \$30,998,880 ( $20,394 * \$1,520$ ). The total costs for testing and treatment is \$45,376,650 ( $\$14,377,770 + \$30,998,880$ ).

The total costs for the new cases are:  
FY 16: \$45,376,650 (General Revenue \$0 - \$16,789,360 and Federal \$0 - \$28,587,290)  
FY 17: \$3,542,200 (General Revenue \$0 - \$1,310,614 and Federal \$0 - \$2,231,586)  
FY 18: \$3,542,200 (General Revenue \$0 - \$1,310,614 and Federal \$0 - \$2,231,586).

In response to similar legislation filed last year, HB 1255, officials at the **Office of the State Courts Administrator** assumed there was no fiscal impact from this proposal.

Officials at the **Chilhowee School District** assume the screening could cost \$50-\$100 per student.

Officials at the **East Newton School District** assume a cost of \$25,000.

ASSUMPTION (continued)

Officials at the **Kansas City Public Schools (KCPS)** assume it is difficult to estimate the impact prior to DESE promulgating the rules. KCPS believes this may have an impact greater than \$100,000 to the district.

Officials at the **Kingston 42 School District** and the **Pettis County R-XII School District** each assume \$50,000 for new staff and supplies.

Officials at the **Macon County R-IV School District** assume the cost for this is hard to determine. The district is unsure if testing could be done by an instructor, in which undetermined costs would include training for testing, or would require a certified evaluator (such as with IQ testing) where costs could/would include the actual test as well as costs associated with the individual giving the test. The only costs the district can estimate at this time are what an IQ evaluation for special education would be. That figure for the district is around \$175 plus mileage for administration, grading, and reporting per test. If that figure is used for the average class size of eight for only kindergartners it would be in the neighborhood of \$1,400 for one class in our district.

Officials at the **Milan C-2 School District** assume the evaluations students currently receive if/when necessary can cost \$150 - \$750 depending on the scope and depth of the evaluation. If all students are to be screened, without referrals (currently students are only evaluated for disabilities if certain criterion are met or multiple referrals have been made) - the costs would be over \$100,000. Our school has approximately 625 students in grades K-12; at \$175 per exam - the total would be \$109,375.

Officials at the **New Haven School District** assume \$20 cost per student screened.

Officials at the **Webster Groves School District** assume this would require a reading specialist for \$65,000.

Officials at the **West Plains School District** assume \$10,000 to \$20,000 annually.

Officials at the **Malta Bend School District** assume there is no fiscal impact from this proposal.

**Oversight** notes that unless a school district already has a Dyslexia Specialist on staff that could do the testing and treatment a school district would need to purchase the Dyslexia Screening Instrument for \$123 and additional Teacher Rating Forms (\$28.50 for 25 forms). Oversight, for fiscal note purposes, will show a one-time impact to schools for purchase of the Dyslexia Screening Instrument of \$63,714 (\$123 x 518 school districts). Oversight notes due to the size of

ASSUMPTION (continued)

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 \$127,428 ( $\$123 \times 2 \times 518$ ).

**Oversight** notes that one Teacher Rating Form will need to be completed per student annually. Oversight assumes it will cost \$1,010,525 (886,423 students/25 forms in a pack x \$28.50 per pack) for the Teacher Rating Forms in FY 2017. After the initial screening of all existing students only new students would need screening. Therefore only 68,186 (886,423/13) would need to be screened annually. The Teacher Ratings Forms expenses for future fiscal years would be \$77,732 ( $68,186/25 \times \$28.50$ ).

**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 the screening would determine which students would need additional testing to identify if they have one of the types of dyslexia and the appropriate treatment. Oversight notes the school districts would notify parents of the findings and parents would be responsible for the testing. Those students on Medicaid would be tested and treated by the MHD. Oversight will show the impact of the Medicaid students receiving testing and treatment.

**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, 2016. 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 2018 is the first year in which children would be screened for dyslexia or its related diseases.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

**Oversight** notes this proposal allows DESE to promulgate rules. When promulgating rules language has appeared in other proposals, officials at the Office of the Secretary of State have responded:

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** stated 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.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<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 - MoHealtNet Division</u>			
Testing and treatment of the kids on medicaid	<u>\$0</u>	(\$0 to <u>\$16,789,360</u> )	(\$0 to <u>\$1,310,614</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>(\$12,218 to \$16,801,578)</u></b>	<b><u>(\$2,437 to \$1,313,051)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Revenue - program reimbursement</u>	\$0	\$0 to \$28,587,290	\$0 to \$2,231,586
<u>Costs - testing and treatment of the kids on medicaid</u>	<u>\$0</u>	(\$0 to <u>\$28,587,290)</u>	(\$0 to <u>\$2,231,586)</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 2017 (10 Mo.)	FY 2018	FY 2019
<b>LOCAL SCHOOL DISTRICTS</b>			
<u>Cost - School Districts-</u>			
Purchase of Screening Instrument	\$0	(Unknown greater than \$127,428)	\$0
Teacher Ratings Forms	\$0	(Unknown greater than \$1,010,525)	(Unknown greater than \$77,732)
Treatment	<u>\$0</u>	(Unknown over \$100,000)	(Unknown over \$100,000)
<u>Total Costs - School Districts</u>	\$0	<u>\$1,237,953</u>	<u>\$177,732</u>
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b>\$0</b>	<b>(Unknown over <u>\$1,237,953</u>)</b>	<b>(Unknown over <u>\$177,732</u>)</b>

FISCAL IMPACT - Small Business

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

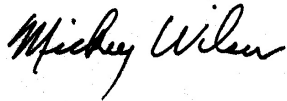
FISCAL DESCRIPTION

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

Chilhowee R-IV School District  
Department of Elementary and Secondary Education  
Department of Social Services  
East Newton School District  
Joint Committee on Administrative Rules  
Kansas City Public Schools  
Kingston 42 School District  
Macon County R-IV School District  
Malta Bend School District  
Milan C-2 School District  
New Haven School District  
Office of the Secretary of State  
Office of the State Courts Administrator  
Pettis County R-XII School District  
Webster Groves School District  
West Plains School District



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