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Fiscal Note

2023-2024 Legislative Session

HF629 - 2A - The Read Act

Chief Author: **Heather Edelson**
 Committee: **Education Finance**
 Date Completed:
 Agency: Education Department

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	72,282	32,282	637	572
Total	-	72,282	32,282	637	572
Biennial Total			104,564		1,209

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	5.5	5.5	3	3
Total	-	5.5	5.5	3	3

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	72,282	32,282	637	572	
Total	-	72,282	32,282	637	572	
Biennial Total			104,564			1,209
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	72,282	32,282	637	572	
Total	-	72,282	32,282	637	572	
Biennial Total			104,564			1,209
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-			-

Bill Description

Section 1 strikes reference to “having all third grade students achieve grade level literacy” from the definition of World’s Best Workforce.

Section 2 states that districts are not required to include information regarding literacy in their World’s Best Workforce plans or reports except as it relates to the academic achievement of English learners.

Section 3 establishes 120B.1119, providing the title “the Read Act,” for 120B.12-120B.123. States that the Act may also be cited as the Reading to Ensure Academic Development Act.

Section 4 modifies the purpose of literacy goals in part to include “evidence-based literacy” instruction.

Section 5 specifies that districts efforts to screen and identify students must be included in their literacy plan and updated by August 1 each year.

Section 6 changes the reading intervention directives for students identified as needing additional supports, including required components of personal learning plans like targeted instruction, ongoing monitoring of progress and group intervention. Also requires MDE to post a model personal learning plan that meets the requirements of the bill by July 15, 2023.

Section 7 states that local literacy plans must be updated annually by August 1 and must meet the requirements set forth in in Section 9. It also requires MDE to develop and post a model local literacy plan by January 1, 2024. And starting December 1, 2024, MDE must annually submit a report summarizing the local literacy plans submitted to the agency.

Section 8 requires the commissioner to identify multiple assessment tools for identifying students and measuring reading proficiency that are evidence based.

Section 9 establishes 120B.123 [Literacy Screeners, Curriculum, and Staffing].

Subd 1 provides definitions for terms within the Read Act.

margin-left:.5in>Subd. 2 requires MDE to partner with the Center on Applied Research and Educational Improvement (CAREI) at the University of Minnesota to provide literacy curricula and professional development programs. Districts are not required to use the curricula identified unless they receive state grant funds that require a curriculum to be selected from an approved list. margin-left:.5in>Requires MDE to make a list of approved evidence-based assessment tools available by July 1, 2023. MDE must also regularly provide information on profession development opportunities, identify

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training needed for district literacy specialist positions, and employ a “lead literacy specialist” to provide support to districts in implementing this act. Subd. 3 requires districts to administer a reading screener to K-3 students within the first six weeks of school and again within the last six weeks of school. The screeners must be one approved by MDE. Subd. 4 requires districts to development of an intervention plan for students not reading at grade level.

Subd.5 encourages districts to use evidence-based curriculum.

Subd. 6 requires districts to provide training that is evidence-based to all reading intervention teachers and literacy specialists by July 1, 2025; and to all other teachers, prioritizing elementary classroom teachers, teachers that work with students with disabilities, English learnings and students who qualify for graduation incentives, by June 15, 2027. Subd. 7 requires district to employ or contract with a lead literacy specialist by August 20, 2025. Subd. 8 requires MDE to partner with CAREI for two years, beginning June 1, 2023, until August 30, 2025 to support implementation of the Read Act.

Section 10 amends 122A.06 to specify the use of “evidence-based literacy” instruction.

Section 11 outlines the allowed uses of literacy incentive aid, including training for kindergarten through third grade classroom teachers, early childhood teachers, special education teachers, and reading intervention teachers, employing or contracting for a lead literacy specialist and materials and coaching to ensure intervention are based on the science of reading. Under current law, there are no specified uses of the aid.

Section 12 establishes an advisory council for implementation of the Read Act with appointments of the 16 council members by the Governor. MDE is required to provide administrative support and meeting space for all council activities.

Section 13 provides appropriations of \$40 million in FY2024 for literacy grants to school districts, charter and cooperatives. It also provides \$30 million in FY2024 and in FY2025 professional development revenue and unspecified amounts for use by MDE to administer the requirements of the bill.

Assumptions

Section 6c requires MDE to post a model personal learning plan by July 15, 2023. It is assumed MDE will use existing resources to post an initial model personal learning plan. Future model plans and resources will be posted by the lead literacy specialist hired as required in Section 9, Subd. 2e of the bill.

Section 7c requires MDE develop and post a model local literacy plan by January 1, 2024. This work will be done by existing MDE Literacy Team staff or by the new lead literacy specialist.

Section 7d requires MDE to submit an extensive legislative report annually, beginning on December 1, 2024, on local literacy plans and the following detailed data:

- 1.) The number teachers who completed literacy and professional development training as required by this bill;
- 2.) Data on screeners used at the beginning and end of the school year and reading curriculum used *by school site and grade level*, and
- 3.) MDE/CAREI tools used to measuring foundational literacy skills, by both aggregated data and disaggregated data using student categories.

The annual reporting requirements of this bill will require significant updates to the existing Reading Well by Third Grade data collection system, requiring upfront MNIT programming and a dedicated data analytics person.

MNIT programming will include developing a new application to allow districts to upload individual student literacy data, creating a new data collection system to collect, store and validate data, developing a reporting Datamart for reporting purposes and developing reports based on reporting requirements. MNIT estimates upfront work will require 2,970 hours of developer/project manager time. At a blended rate of \$110 per hour, costs in FY2024 will be \$326,600 and \$326,600 in FY2025. In FY26 and FY27, maintenance and operations costs will be approximately \$160,640 each year.

A State Program Administrator Coordinator (1.0 FTE) on the data analytics team will be needed ongoing for coordination with MNIT, data analysis and reporting and to provide technical assistance to school districts.

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MDE's literacy unit and new lead literacy specialist will work extensively on these annual reports.

Section 9

The costs for partnering with CAREI as outlined in Section 9 are for MDE's role only.

MDE will hire a "lead literacy specialist" as specified in Subd. 2e. MDE will fill this role with a manager/director level position, a State Program Administrator Manager, Principal (1.0 FTE) early in FY2024. This person will serve as project manager on all MDE literacy efforts and point of contact for the two year MDE/CAREI partnership. The lead literacy specialist will provide ongoing technical assistance, training and support to local school districts.

For the MDE/CAREI partnership, MDE will need to hire a minimum of 2 FTE (or professional technical contract equivalent) for the duration of the partnership. If the positions are temporary MDE employees, they will be brought on as Education Specialist 2 positions (2.0 FTE). These staff will work closely with MDE's existing literacy unit, the newly hired "lead literacy specialist," staff at CAREI and any interim staff hired by CAREI. They will manage MDE's role in research and development of recommended literacy curriculums, including evidence-based screening tools, professional development, progress monitoring methods, best practices, etc.

Intensive training and technical support will be required within the MDE/CAREI partnership in order to support school districts and charter schools in using the recommended screeners, intervention tools, curriculums, etc. It is estimated that at least 10 joint training contracts will be required at an estimated cost of \$75,000 each, for a total of \$750,000 each year. It is assumed some of these trainings can be web-based and low/no cost to districts and charter schools.

One specific training that MDE is required to develop is for district/charter "lead literacy specialists." It is assumed that a brand new set of training modules will need to be created and that this work will be developed through an RFP process, at an estimated cost of \$200,000 per year in FY2024 and FY2025.

An IT contract of approximately \$100,000 per year for two years will be required for building out of web information on MDE/CAREI recommended programs, screening tools, best practices, etc.

MDE travel and training supplies for the 2.0 MDE/CAREI partnership staff will be required at \$50,000 per year in FY2024 and FY25.

MDE will need to hire a Grants Specialist Senior to administer and report out on the \$40 million in Literacy grants and \$60 million in Professional Development (PD) grants. The Literacy grant is one-time for FY2024 but the districts can expend the grant funds through June 30, 2028. The PD grant is \$30 million in FY2024 and \$30 million in FY2025, but the funds can be spent through June 30, 2027. This position will work closely with the literacy and data analytics team on annual legislative reporting on literacy efforts.

Section 12 requires MDE to take on administrative and operational responsibility of the Read Act Implementation Advisory Council work. This includes organizing, hosting at least 4 meetings, and providing for reimbursement of travel expenses for council members. It is assumed 8 of the 16 council members will be from Greater Minnesota and require lodging, mileage and meal reimbursement. A meeting facilitator will be hired at \$750 per meeting. MDE will also incur costs for hosting meetings at an off-site venue, estimated at \$5,000 per meeting for catering, supplies, AV/Tech, etc.

Expenditure and/or Revenue Formula

1	MDE Staffing	FY24	FY25	FY26	FY27
2	Lead Literacy Specialist - State Prog Admin Mgr, Principal (1 FTE)	187,342	187,342	187,342	187,342
3	Data Analytics Lead - State Prog Admin, Coord (1.0 FTE)	155,000	155,000	155,000	155,000
4	Grants Specialist Senior (1.0, 1.0, 0.5, 0.5 FTE)	125,000	125,000	62,500	62,500
5	Office and Admin Spec, Intermediate (0.5 FTE)	46,948	46,948	46,948	46,948
6	Total Salary Costs	\$514,291	\$514,291	\$451,791	\$451,791
7					
8	Lead Literacy Specialist Travel and Training Costs	\$25,000	\$25,000	\$25,000	\$25,000

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9					
10	MNIT @ MDE Costs	326,600	326,600	160,640	95,320
11					
12	CAREI Partership Costs	FY24	FY25	FY26	FY27
13	Professional Techical (PT) contracts or temporary MDE staff (2.0 FTE) to conduct CAREI partnership activities	300,000	300,000		
14	Contracts for training on partnership approved screeners, interventions, curriculum, etc. (\$75,000 x 10 contracts)	750,000	750,000		
15	Contract to develop "lead literacy specialist" training program for districts; web-based	200,000	200,000		
16	IT Contract for partnership work, website enhancements	100,000	100,000		
17	Travel, Supplies, Technical	50,000	50,000		
18	Total Contract Costs	\$1,400,000	\$1,400,000		
19					
20	Grants to School Districts and Charter Schools	FY24	FY25	FY26	FY27
21	Literacy Grants	40,000,000			
22	Professional Development Grants	30,000,000	30,000,000		
23	Total Grants to School Districts and Charter Schools	\$70,000,000	\$30,000,000	-	-
24					
25	Read Act Implementation Advisory Council Costs	FY24	FY25	FY26	FY27
26	Travel for 8 Greater MN members x 2 meetings/yr				
27	Lodging - 2 nights @ \$175/room	2,800	2,800		
28	Mileage - (0.28 x 200 miles)	896	896		
29	Meals, misc. (\$30/day)	480	480		
30	Meeting facilitators 2 @ \$750, annually	1,500	1,500		
31	MDE hosted - venue, supplies, catering, AV/tech, 2 @ \$5k annually	10,000	10,000		
32	Implementation Council Meeting Costs	\$15,676	\$15,676		
33					
34	Summary	FY24	FY25	FY26	FY27
35	MDE Staffing Total	514,291	514,291	451,791	451,791
36	MDE Travel and Training Costs	25,000	25,000	25,000	25,000
37	MNIT @ MDE Costs	326,600	326,600	160,640	95,320
38	CAREI Partnership Costs	1,400,000	1,400,000		
39	Grants to School Districts and Charter Schools	70,000,000	30,000,000		
40	Advisory Council Costs	15,676	15,676		
41	Grand Total	\$72,281,567	\$32,281,567	\$637,431	\$572,111

Long-Term Fiscal Considerations

The lead literacy specialist, data analytics coordinator and half time Office Admin Specialist staffing costs will be ongoing. Travel and training expenses for the lead literacy specialist will be ongoing.

The Grants Specialist Senior FTE will be 0.5 FTE through June 30, 2028.

Local Fiscal Impact

Districts and charters will incur additional professional development and curriculum revision costs. They may also incur data collection and IT costs for submitting detail data for annual legislative reports. They will be able to apply for literacy and professional development grant funding to offset some of the initial costs.

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Also, due to changes to literacy incentive aid set forth in this bill, districts will have less flexibility with this previously unrestricted source of state aid.

References/Sources

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