

FISCAL NOTE

Requested by Legislative Council
01/14/2005

Bill/Resolution No.: HB 1378

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$2,005,872	\$0	\$2,005,872	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1378 proposes the administration of a basic reading literacy test, the annual administration of which will identify those students for whom an individualized learning plan will need to be developed. As prescribed in HB 1378, the basic reading literacy test has specific criteria, including:

- Measurement of reading fluency, comprehension, vocabulary, phonemic awareness, and phonics
- Appropriate for use in screening, progress monitoring, diagnostics, and outcome results
- Coverage for grades 1 through 8, and grade 10
- Reliable, valid, and uniform
- Demonstrates grade level achievement

In addition, it assumed that such an instrument could be administered in a relatively short amount of time (i.e., one hour or less), and have a quick turn-around time for scoring (i.e., within one month). An initial survey of currently available instruments revealed that each met some, but not all, of the criteria established in HB 1378.

The state assumes the full fiscal impact from HB 1378. The appropriation amount indicated includes estimates provided by Riverside Publishing for the Gates-MacGinitie test, although this test only covers four of the five measurement criteria specified. The total cost includes amounts for the test booklet, answer sheet, and scoring sheet. The amount was calculated for all public school students in grades one through eight and ten. If the test would be made available to private school and BIA students, those figures would need to be added.

Riverside Publishing indicated that a discount could be available for a large purchase. State procurement procedures require that a Request for Proposal procedure be followed. Additional costs or savings may result from that process.

There will also be other miscellaneous costs associated with the bill including data management, RFP process, reporting, and distribution costs. These miscellaneous costs have been included in the total appropriation. The department has referenced current contracts with other assessment vendors to reach estimations of these ancillary costs.

3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Not Applicable.

B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Non-consumable test booklets - 67,867 students* X \$3.00 = \$203,601

Consumable answer sheet - 67,867 students* X \$1.00 = 67,867

Scoring/Student sheet - 67,867 students* X \$4.00 = 271,468

Sub Total Per Year = \$542,936

*The number of students indicated does not include BIA and private school students.

Based on existing contracts, the department anticipates annual biennium costs in the following product and service line items:

1. distribution costs for test administration and reporting -\$270,000

2. data management, including vendor to state data exchanges and research and technology development costs - \$150,000

3. technical assistance and training - \$100,000

4. development, including costs to meet all five criteria identified in HB 1378 - \$400,000

Sub Total for the biennium - \$920,000

Total Cost Per Biennium	2005-2007	2007-2009
	2,005,872	2,005,872

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

HB 1378 will require an appropriation of state funds. An estimated amount of \$2,005,872 for the 2005-2007 biennium and \$2,005,872 for the 2007-2009 biennium will be needed.

Name: Laurie Matzke

Agency: Public Instruction

Phone Number: 328-2284

Date Prepared: 01/21/2005