

Department of Planning and Budget

2023 Fiscal Impact Statement

1. **Bill Number:** SB1175

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. **Patron:** Lucas

3. **Committee:** Passed both houses

4. **Title:** Student literacy measures; scope, students in grades four through eight.

5. **Summary:** Expands several provisions of the Virginia Literacy Act, enacted during the 2022 Regular Session of the General Assembly, effective with the 2024–2025 school year, and currently applicable to students in kindergarten through grade three, to students in grades four through eight, including (i) requiring each local school board to provide a program of literacy instruction to such students that is aligned with science-based reading research and provides evidenced-based literacy instruction; (ii) requiring each local school board to provide reading intervention services to such students who demonstrate substantial deficiencies based on their individual performance on the Standards of Learning reading assessment or a literacy screener provided or approved by the Department of Education; (iii) permitting the reading plan required for certain students in grades six through eight to include a literacy course, in addition to the course required by the Standards of Learning in English, that provides the specific evidence-based literacy instruction identified in such plan; (iv) requiring the Department to develop a list of core literacy curricula, supplemental instruction practices and programs, and intervention programs that consist of evidence-based literacy instruction aligned with science-based reading research for such students; (v) requiring each local school board to employ one reading specialist for each 550 students in kindergarten through grade five and one reading specialist for each 1100 students in grade six through grade eight; (vi) requiring the Board of Education to provide guidance on and each local school board to provide high-quality professional development and training in science-based reading research and evidence-based literacy instruction for certain middle school personnel; and (vii) requiring each division wide comprehensive plan to include a division wide literacy plan for such students.

6. **Budget Amendment Necessary:** Yes, Item 129.

7. **Fiscal Impact Estimates:** Final, see Item 8.

8. **Fiscal Implications:** The bill requires the Department of Education (DOE) to provide high-quality professional development and training in science-based reading research and evidence-based literacy instruction to school divisions. Assuming these materials would cost

\$50,000 per school division, DOE estimates that it would need \$6,550,000 in additional one-time state general fund support in FY 2024 to support this requirement. House and Senate amendments to the Governor's introduced budget, HB1400/SB800, provide \$6,700,000 in additional one-time funding to DOE related to implementation of this bill.

Additionally, this bill expands a staffing standard for reading specialists within the Standards of Quality (SOQ); however, this change would not have a fiscal impact on the state Basic Aid payments to local school divisions until FY 2025 unless a budget language amendment also changes the staffing standard prescribed in Item 137. Section 22.1-253.13:2 of the Code currently requires each local school board to employ one reading specialist for each 550 students in kindergarten through grade three beginning in school year 2024-2025 (FY 2025); however, budget language in the Governor's proposed amendments to the 2022-2024 biennial budget, HB1400/SB800, 2023 General Assembly Session, requires the 1:550 staffing standard for grades kindergarten through five beginning in school year 2023-2024 (FY 2024), notwithstanding § 22.1-253.13:2 of the Code. Additionally, HB1400/SB800 includes \$16.9 million general fund in FY 2024 to support that expansion.

Without an accompanying budget language amendment, this bill would expand the reading specialist staffing standard through grade eight at a ratio of 1:1100 beginning in school year 2024-2025 (FY 2025). If an accompanying budget language amendment was passed implementing this legislation in FY 2024, based on FY 2024 funding as identified in HB1400/SB800, DOE estimates there would be an additional state cost of \$13.9 million each year to fund the 1:1100 standard for sixth through eighth grades. A House amendment to the Governor's introduced budget, HB1400/SB800, adds language implementing this standard in FY2024 and provides \$13.9 million to fund this standard. A Senate amendment to the Governor's introduced budget, HB1400/SB800, adds language implementing a staffing standard of 1:550 for grades six through eight in FY 2024 and provides \$27.5 million to fund the staffing standard. Any actual impact in future biennia is indeterminate at this time and dependent on future rebenchmarkings of the Direct Aid to Public Education budget. Local school divisions would have to provide the local share required to match any additional state funds based on each division's local composite index. The actual fiscal impact to local school divisions is indeterminate at this time.

9. Specific Agency or Political Subdivisions Affected: Local school divisions, Department of Education, Board of Education

10. Technical Amendment Necessary: No

11. Other Comments: This bill is in conflict with HB1526, as passed both houses. HB1526 requires one reading specialist for each 550 students in grades six through eight.