

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: SB325

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

2. Patron: Miller

3. Committee: Education

4. Title: Standards of Quality; waivers from third grade Standards of Learning assessments in certain cases

5. Summary: The proposed legislation would allow a public elementary school that had an adjusted pass rate of less than 75 percent on the third grade Standards of Learning (SOL) reading assessment administered during the previous school year to apply to the Board of Education for a two-year waiver from the science or history and social science SOL assessment requirement, or both, for third grade students. Elementary schools that apply for a two-year waiver must satisfy certain conditions to be granted the waiver. In order to be granted the waiver, public elementary schools that had an adjusted pass rate of less than 50 percent on the third grade SOL reading assessment administered during the previous school year must hire a full-time reading specialist or fund other initiatives to work with the third grade students and teachers in the school to improve reading scores. The bill contains an expiration date of July 1, 2016.

6. Budget Amendment Necessary: None.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications: The proposed legislation would allow public elementary schools with low reading SOL scores to apply for two-year waivers from science or history and social science SOL assessments in order to focus attention on reading instruction. Because this bill may result in a reduction in the number of SOL assessments administered, there may be a potential savings to the localities and the state resulting from a decrease in administered tests. The current state cost to administer the SOL science and history/social science tests is \$1.22 per test. The total state savings cannot be determined at this time and would depend on the number of schools granted the waiver and the size of their third grade classes. The Department of Education utilizes funding in its testing budget to develop technological enhancements for the SOL assessments, such as Computer Adaptive Testing. Reductions to the testing budget may reduce the resources available for the development of such enhancements.

Some of the conditions that a school must satisfy to be granted a waiver could result in a cost to the locality. These include (i) developing a system to monitor the academic progress of third grade students; (ii) providing at least 30 minutes of instruction per day to third grade students in the subject area in which the assessment waiver is sought; and (iii) hiring a full-time reading specialist or funding other initiatives to work with the third grade students and teachers in the school to improve reading scores. The potential costs to the locality to satisfy these conditions cannot be determined at this time. Any costs associated with meeting the provisions dictated by the waiver would be borne by the local school division. The proposed legislation does not provide additional state funding to the applying school divisions.

The proposed legislation is similar to a Reading Specialist Initiative begun in FY2014 through the 2013 Appropriation Act in which the localities with reading SOL passing rates less than 75 percent were eligible to apply for a similar two-year waiver and receive the state share of a reading specialist position. The localities were required to provide the local share of the specialist position. The introduced budget includes \$1.5 million in both FY2015 and FY2016 for the state share of the reading specialists, a portion of which is reserved for localities which applied for the funding in FY2014. Depending on the participation rates of the FY2014 eligible schools, some of the initiative's funding in the introduced budget will be available to new schools. It is not clear how the budget bill initiative will interact with the requirements of the proposed legislation.

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

10. Technical Amendment Necessary: None.

11. Other Comments: None.

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