

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** SB1718

|                 |                                     |              |                                     |            |                                     |           |
|-----------------|-------------------------------------|--------------|-------------------------------------|------------|-------------------------------------|-----------|
| House of Origin | <input type="checkbox"/>            | Introduced   | <input checked="" 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:** Black

**3. Committee:** Education

**4. Title:** Standards of Quality; reading diagnostic tests.

**5. Summary:** Requires the first diagnostic test administered to a student in the school year to include age-normed and evidence-based phonological processing measures, and that such measure shall include phonemic awareness and rapid automatized naming. The bill requires local school divisions to report the results of the diagnostic tests, including subset scores, to parents. In addition, the Department of Education shall provide the results of reading diagnostic tests to the University of Virginia Phonological Awareness Literacy Screening (PALS) Office to conduct a three-year longitudinal review. The University of Virginia PALS Office shall conduct such review to explore trends in early detection of the risk of reading failure and subsequent reading outcomes. The University of Virginia PALS Office shall report the results of its longitudinal review to the Governor and the Chairmen of the Senate Committee on Education and Health and the House Committee on Education by November 1, 2022.

**6. Budget Amendment Necessary:** Yes, Item 128.

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

**8. Fiscal Implications:** This fiscal impact estimate assumes that the Department of Education would be responsible for the cost to meet the provisions of this bill, as DOE currently supports the cost to administer the Phonological Awareness Literacy Screening (PALS) test to students in grades kindergarten through three.

To meet the provisions of this bill, DOE could partner with the University of Virginia to incorporate the additional testing requirements, such as rapid automatized naming, into the PALS test that currently is administered to students in kindergarten through grade three. DOE estimates an initial state cost of \$1.0 million in FY 2020 to research such implementation. Statewide implementation would take an additional five years with an estimated state cost of \$7.0 million over that period.

Alternatively, commercial off-the-shelf options are available to meet the provisions of this bill. For example, the Rapid Automatized Naming and Rapid Alternating Stimulus (RAN/RAS) kit currently costs \$165 per kit, and each school would need one kit per K-3 classroom. At a minimum, the annual state cost to supply local schools with these kits would

be \$660 per school. Based on DOE's 2018-2019 school count of 1,154 public elementary schools in Virginia, this translates into a minimum annual cost to the state of \$761,640, assuming one kindergarten, one first grade, one second grade, and one third grade classroom per elementary school. The actual cost would vary based on the number of K-3 classrooms per school. These kits would need to be re-purchased each school year. DOE notes that there would be additional costs to train school staff and to collect data from these kits, which are indeterminate at this time.

The University of Virginia Phonological Awareness Literacy Screening (PALS) Office estimates a state cost of \$350,000 - \$750,000 for phases one through three of the longitudinal review. Any state cost to meet the additional requirements of this bill would be determined by the results of the first three phases and is indeterminate at this time.

Any cost to local school divisions is indeterminate.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, University of Virginia, local school divisions

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None