

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 917

SHORT TITLE: Literacy Restoration Act of 1995

SPONSOR(S): Committee Substitute

FISCAL IMPACT: **Expenditures:** **Increase (X)** **Decrease ()**
 Revenues: **Increase ()** **Decrease ()**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (X)** **Highway Fund ()** **Local Fund ()**
 Other Funds ()

BILL SUMMARY: Requires that instruction in language arts component of communications skills in grades K through 3 shall be through use of early and direct intensive systematic phonics; mandates that State Board of Education require all teachers who teach reading in public schools to receive in-service training in intensive systematic phonics and to pass competency test that includes elements of early and direct intensive systematic phonics; provides that certification of teachers who do not successfully complete the required in-service training or pass required competency test within a two-year period shall be revoked; requires that institutions of higher education as a condition of state approval, complete courses that include specific competencies in early and direct intensive systematic phonics.

EFFECTIVE DATE: July 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

State Board of Education; Department of Public Instruction;
Local Boards of Education

FISCAL IMPACT
(\$ in Thousands)

FY 95-96 FY 96-97 FY 97-98 FY 98-99 FY

99-00

EXPENDITURES

TOTAL EXPENDITURES

STATE FUNDS

1. University cost
to realign under-
graduate and
graduate reading No Estimate
instruction courses Available

FISCAL IMPACT
(\$ in Thousands)

FY 95-96 FY 96-97 FY 97-98 FY 98-99 FY

99-00

		2. Staff development	Will use existing funds and will transfer additional funds if necessary		
costs at the local level					
3. Develop competency test	\$100+	--	--	--	--
4. Validate competency test	\$200+	--	--	--	--
5. Administer the competency test. (\$50-\$60 per test X 3,000 teachers each year for two years, 1,000 per year for the next three years)	--	\$150 to \$180	\$150 to \$180	\$150 to \$180	\$150 to \$180

FEDERAL FUNDS No Estimate Available

LOCAL FUNDS No Estimate Available

OTHER FUNDS
RECEIPTS/FEES

POSITIONS:

ASSUMPTIONS AND METHODOLOGY:

1. Teacher training programs will be required to modify existing programs to meet the requirements of the legislation. The cost to modify existing programs or to create new programs in the use of early and direct intensive systematic phonics cannot be immediately determined.
2. Local boards of education will meet the requirements of the legislation by using existing staff development funds to provide the training to currently certified teachers, or by transferring funds from other educational purposes to meet these requirements. The in-service training will be designed to assist teachers in passing the competency test required by the legislation.

3. The State Board of Education is required by the legislation to develop, validate, and to make available to reading teachers a competency test that includes the elements of early and direct intensive systematic phonics. After January 1, 1998, the certificates of teachers who do not successfully complete the in-service training and pass the competency test will not be renewed.
4. 4,756 teachers currently teach classes clearly identified as reading classes in the public schools, K-12. A substantial number of other teachers are involved in teaching reading, including a large portion of the special education teachers as well as English teachers in the middle grades through high school. Therefore, the number who will be required to take both the in-service training and the competency test is greater than the 4,756. The Fiscal Research Division estimates that 6,000+ teachers will fall under the requirements of this bill.
5. Preliminary estimates are that developing the competency examination might cost at least \$100,000, and validating the examination and the cut-off scores would be \$200,000+. The State Board of Education spent over \$200,000 several years ago validating the National Teacher Examination, that was developed by the Educational Testing Service. The North Carolina Standards Board for Public School Administration is requesting \$300,000 for the development of the school administrators licensing exam.
6. After the examination is developed, the State Board of Education will be required to administer the exam to teachers who did not receive the training at the college level. Based on the cost of the National Teachers Exam, this cost range could be \$50-\$65 per exam.
7. No funds have as yet been appropriated to the State Board of Education in FY 1995-96 to develop and validate this competency exam.

SOURCES OF DATA: Department of Public Instruction

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: James D. Johnson

APPROVED BY: Thomas L. Covington **TomC**

DATE: May 11, 1995

NEW ADDITION

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FISCAL IMPACT

(\$ in Thousands)

FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY
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LOCAL FUNDS No Estimate Available

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