



When a student with reading deficiencies is identified, the bill creates a process for teachers, parents, and other personnel to jointly determine if the student should advance to the next grade level in the next academic year. If the student is completing third grade, the joint decision is subject to approval of the school district superintendent, or his or her designee. If the student does not advance, the LEP must provide more rigorous instructional services to the student. This new process only applies to children who enroll in kindergarten beginning in 2013-14, and not to children with disabilities, with limited English proficiency, or who have already been retained at grade level.

The LEP, in collaboration with the parent or guardian if possible, must create a Reading to Ensure Academic Development (READ) plan for students identified with a reading deficiency. The READ plan is part of the student's academic record until the student achieves reading competency, and must follow the student if he or she enrolls in another school or district. The SBE must adopt additional rules to integrate READ plans with other individualized education plans and special education programs required by federal law.

The bill creates the Early Literacy Grant Program in the CDE to provide funding to LEPs for literacy assessment, instructional support, and appropriate interventions for early-grade learners. The CDE will evaluate grant applications, and the SBE will award the grants.

The bill creates the Early Literacy Fund to support the implementation of the act and to provide a source of funds for the grant program. Beginning in FY 2012-13, any remaining money in the Read-to-Achieve Fund, and 5 percent of tobacco settlement moneys (up to \$8.0 million), are transferred into the fund. The CDE may use 25 percent of moneys appropriated from the fund (up to \$1.0 million) to provide literacy support on a regional basis to LEPs. An additional 2 percent may be used by CDE to administer the grant program.

Each LEP must report specified information concerning reading deficiencies in early-grade students, instructional interventions, and student progress toward reading competency. LEPs that receive grants have additional reporting requirements. The CDE will analyze the reported data from the LEPs and prepare an annual summary report for the SBE, the Governor, and the education committees of the General Assembly.

### **State Transfers**

In FY 2012-13, this bill transfers approximately \$906,806 in unspent money from the Read-to-Achieve Cash Fund to the newly created Early Literacy Fund.

Beginning in FY 2012-13, master settlement tobacco money that was transferred to the Read-to-Achieve Cash Fund will instead be transferred to the Early Literacy Fund. The Early Literacy Fund will receive 5 percent of master settlement moneys, up to \$8.0 million annually. The amount of settlement money available for transfer is not anticipated to exceed \$4.5 million in the next two fiscal years.

**State Expenditures**

*In FY 2012-13, the CDE will incur expenses of \$5.4 million and 9.8 FTE. In FY 2013-14, expenditures are \$4.3 million and 8.0 FTE.*

Under the existing Colorado Basic Literacy Act and Read-to-Achieve Grant Program, state expenditures for reading instruction are limited to grants provided to LEPs. The current administrative effort to administer that grant program is approximately \$126,000 and 1.0 FTE. Under this bill, the CDE will:

- develop and implement a statewide literacy program;
- provide centralized leadership and regional and district level support;
- coordinate with regional and district-level literacy trainers;
- provide weekly, monthly, and quarterly meetings and workshops to improve reading instruction, assessment, and remediation;
- create a resource bank of approved assessments, instructional programs, and professional development tools;
- administer a grant program to assist district-level implementation of the act; and
- collect and analyze district data and report results.

The CDE will add staff to implement the new program and assist the SBE to adopt rules. Total expenditures for the department and for grants to LEPs are displayed in Table 1.

<b>Table 1. Expenditures Under HB 12-1238</b>		
<b>Cost Components</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Personal Services	\$701,390	\$582,223
FTE	9.8	8.0
Operating Expenses and Capital Outlay	55,399	7,600
Travel/Outreach/Printing	355,200	355,200
<b>Subtotal — CDE Administration</b>	<b>\$1,111,989</b>	<b>\$945,023</b>
Early Literacy Grants	\$4,300,000	3,400,000
<b>GRAND TOTAL</b>	<b>\$5,411,989</b>	<b>\$4,345,023</b>

**Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 2. Expenditures Not Included Under HB 12-1238*</b>		
<b>Cost Components</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$60,407	\$49,327
Supplemental Employee Retirement Payments	\$37,395	\$35,737
<b>TOTAL</b>	<b>\$97,802</b>	<b>\$85,064</b>

*\*More information is available at: <http://colorado.gov/fiscalnotes>*

### **School District Impact**

This bill greatly increases the responsibility of LEPs to provide reading instruction and intervention to early-grade students identified with a reading deficiency. School-level interventions will require additional licensed staff, literacy experts, and reading instruction coaches. Each LEP must develop a process for increased communication with and involvement of parents, and must establish, manage, and revise a READ plan for students identified with a reading deficiency. These activities also increase workload and expenditures for LEPs. The bill maintains a grant program to help fund some of these school-level interventions.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

### **State Appropriations**

For FY 2012-13, this bill requires an appropriation of \$5,411,989 and 9.8 FTE from the Early Literacy Fund to the Colorado Department of Education.

### **Departments Contacted**

Education