



Date: December 21, 2018

To: Representative Greg Davids, Chair Senator Roger Chamberlain, Chair
Representative Paul Marquart Senator Ann Rest
Representative Jim Knoblach, Chair Senator Julie Rosen, Chair
Representative Lyndon Carlson Sr. Senator Richard J. Cohen

From: Britta Reitan, State Budget Director 

Subject: Local Impact Note Request: SF 468 (Utke)— Personal learning plan for third grade students not reading at grade level requirement

Minnesota Management and Budget has completed the local impact note requested for SF 468 (Utke)— Personal learning plan for third grade students not reading at grade level requirement. A copy of the note is attached.

Local impact notes are similar to the fiscal notes that you are familiar with, but they focus on the fiscal impact of proposed legislation on local governments rather than the state. This process is described in Minnesota Statutes 2018, sections 3.987 and 3.988. This statute requires MMB to gather and analyze information on local costs of legislation when requested by the chair or ranking minority member of the House and Senate Tax committees, the House Ways and Means committee, or the Senate Finance committee.

SF468 requires a personal learning plan be created for 3rd graders not meeting grade level expectations in reading. It also requires that, as a part of student career and college planning, districts must inform students and their parents of their achievement on high school MCAs. Finally it requires that schools inform students not meeting academic standards on high school MCAs that attendance at public schools is free and available until the age of 21. MMB received 11 responses to our survey of school districts. After analyzing their responses, we believe SF468 will impose state-mandated costs on school districts. However, costs varied even among similarly sized school districts, usually depending on how easily these new mandates fit in with their existing structure of student supports. Without understanding more about the current reading intervention strategies at each district in the state, a statewide local cost cannot be calculated. Instead, this note thoroughly discusses the types and ranges of costs identified by the local governments that responded to the survey.

If you or your staff have any questions about the local note process, please do not hesitate to contact Executive Budget Coordinator Amelia Cruver at 651-201-8047.

cc: Senator Paul Utke
Legislative Staff
MMB Staff

December 21, 2018

SF 468 (Utke ; Nelson ; Pratt ; Wiger)

Personal learning plan for third grade students not reading at grade level requirement; students not meeting high school standards to be informed that public school admission is free until age 21 requirement.

| Local Fiscal Impact | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Net Expenditure Increase/Revenue Loss or (Expenditure Decrease/Revenue Gain) | | | | | |
| Dollars in Millions, Calendar Years | | | | | |
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| Statewide | Yes - Unknown | Yes - Unknown | Yes - Unknown | Yes - Unknown | Yes - Unknown |

Bill Description

The first section of SF468 requires a personal learning plan be created for 3rd graders not meeting grade level expectations in reading. The first section also specifies that the plan should address knowledge and skill gaps in the student and include specific strategies to address them and measure progress. Section two requires that, as a part of student career and college planning, districts must inform students and their parents of their achievement on high school MCAs. The section also requires that schools inform students not meeting academic standards on high school MCAs that attendance at public schools is free and available until the age of 21.

Local Impact Methodology

Both sections of this bill were identified as having possible fiscal impact to school districts. MMB developed a survey to local school districts to get the information needed to analyze any local costs associated with this bill. The survey and bill language were provided to a response group of superintendents and business managers from 44 metro and non-metro school districts. The members of the response group have been offered training on providing fiscal impact data to MMB for the purpose of completing local impact notes. A total of 11 school districts responded to the request for information for this local impact note.

| Respondents by District Type | |
|---|------------------------------|
| District Type | Number of respondents |
| Metro outer-ring district | 1 |
| Non-metro district with more than 2000 students | 3 |
| Non-metro district with 1000-2000 students | 3 |
| Non-metro district with less than 1000 students | 4 |
| Total Responses | 11 |

Assumptions

Fiscal Impacts can take the form of costs or savings. Given the methodology described above, MMB made the following assumptions about items of possible local fiscal impact in SF 468.

1. This analysis focuses on the cost of creating plans, but not on implementing them. The bill requires a plan be created for each qualifying student and lays out what the plan should do and how it should be created. Costs of implementing each plan are not included in this analysis.
2. This bill calls for additional communication with “Students who do not meet or exceed Minnesota academic standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school.” High School students take the reading MCA in 10th grade and the math MCA in 11th grade. The Science MCA can be taken in any grade in high school as long as it aligns with when a student takes a life science or biology course. We assumed for this note that a student that fails to meet standards for *any* high school MCA would be considered to not meet or exceed academic standards. Schools could easily track an unduplicated number of students in their high school per year that have not met expectations on the math or reading MCA because they are given in different grades. Because the Science test can be taken in different grades within the same school, pulling this data to find students that had passed the math and reading but failed the science test in a given year is a complex and time intensive task for districts voluntarily providing input to this local impact note. For this reason, the numbers used in this analysis at each district for students not meeting or exceeding Minnesota academic standards as measure by the MCAs represent the number of students not meeting expectations on the reading or math MCA.

Discussion of Local Costs

Section 1

This section of the bill requires a personal learning plan be created for all 3rd graders who both 1) fail to show grade-level proficiency on the 3rd grade MCA and 2) do not already have an individualized education program (IEP). This section also specifies that the plan should address knowledge and skill gaps in the student and include specific strategies to address them and measure progress. The specific format of the learning plan is to be determined by the school in consultation with students, their families and teachers.

None of the responding districts felt that they were already fulfilling the requirements of the bill. 8 out of 11 responding districts noted that they provided some services similar to this, but that they did not currently provide full learning plans to all of the students that would be required to have one under this bill. Many districts noted that they used federal Title 1 funds or state compensatory funds to provide similar services and that the availability of those funds dictated where they were able to provide these services and where they were not.

Responding districts reported that between 14% and 48% of their 3rd grade students would require a personal learning plan under this bill. 8 out of 11 responding districts reported that they would need additional staff to complete this task. Only 4 out of 11 required 1 or more FTE. Costs for the districts that reported they needed to hire more staff to complete the learning plans range from \$250 a year to \$640,000. Some districts already use a similar format and this would simply require adding more students to it giving them little to no added cost for implementing this section. Other districts would need to set up an entirely new structure, requiring new staff and expense. This varied even among similarly sized school districts. Without understanding more about the current reading intervention strategies at each district in the state, a statewide local cost cannot be calculated.

Average cost by district type

| District Type | Average annual cost to district | Range |
|---|---------------------------------|--------------------|
| Metro outer-ring district | \$640,000 | N/A (one response) |
| Non-metro district with more than 2000 students | \$68,333 | 0-\$120,000 |
| Non-metro district with 1000-2000 students | \$15,333 | 0-\$35,000 |
| Non-metro district with less than 1000 students | \$28,063 | \$250-\$75,000 |

Students requiring an ILP under SF468

| District Type | Average number of 3rd graders | Average percent of 3rd graders requiring ILP | Range |
|-----------------------------------|-------------------------------|--|--------------------|
| Metro outer-ring district | 2785 | 30% | N/A (one response) |
| Non-metro more than 2000 students | 619 | 31% | 15%-48% |
| Non-metro 1000-2000 students | 126 | 24% | 13%-30% |
| Non-metro less than 1000 students | 56 | 30% | 14%-38% |
| Respondents Average | 477 | 29% | 13%-48% |

Section 2

Section two requires that, as a part of student career and college planning, districts must inform students and their parents of their achievement level score on the MCAs administered in high school. The section also requires that schools inform students not meeting academic standards on high school MCAs that attendance at public schools is free and available until the age of 21.

Every responding district reported that they already inform students and their families of their achievement on the high school MCAs. There would be no cost associated with this provision.

The bill requires new communication to students not meeting academic standards on high school MCAs. Responding districts varied widely in the number of students that did not meet either the Math or Reading standards as measured by the MCAs. Responding districts had between 9% and 51% of their high school students falling into this category. Costs associated with this communication also varied from district to district. 5 out of 11 districts reported zero cost associated with this communication, and the average annual cost listed for the 6 that did reported costs was small at \$1,968.

High School students not meeting academic standards on Math or Reading MCA

| District Type | Average number of High School students | Average % not meeting standards | Range |
|---|--|---------------------------------|--------------------|
| Metro outer-ring district | 13,062 | 22% | N/A (one response) |
| Non-metro district, more than 2000 students | 2,355 | 27% | 11%-46% |
| Non-metro district, 1000-2000 students | 590 | 23% | 16%-33% |
| Non-metro district, less than 1000 students | 241.25 | 33% | 9%-51% |
| Respondents Average | 2,078 | 28% | 9%-51% |