

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1735 - SB 2002

February 4, 2014

SUMMARY OF BILL: Defines dyslexia for the purposes of special education, related state services, and teacher training. Requires teachers to be trained on how to teach students with dyslexia during regular in-service days. Requires the Department of Education (DOE) to collaborate with higher education institutions to address dyslexia and similar disorders through training for educators and teachers.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$3,781,600

Increase State Expenditures – Exceeds \$69,111,300

Decrease Federal Expenditures - \$3,781,600

Increase Local Expenditures – Exceeds \$44,805,200

Assumptions:

- According to DOE, there are currently 7,292 dyslexic students being served state-wide using \$3,781,631 in recurring federal funding from the Individuals with Disabilities Education Act (IDEA).
- Based on information provided by DOE, setting up a state definition specifically for dyslexia will no longer allow the DOE to use IDEA funding to serve students currently classified as having the disability.
- Based on the Basic Education Program split of 70 percent state and 30 percent local; the recurring increase in state expenditures to continue to serve students classified as dyslexic is estimated to be \$2,647,142 ($\$3,781,631 \times 70\%$) and the recurring increase in local government expenditures is estimated to be \$ 1,134,489 ($\$3,781,631 \times 30\%$).
- The recurring decrease in federal expenditures is estimated to be \$3,781,631.
- According to DOE, additional students will be classified as having dyslexia as a result of this bill.
- The DOE estimates that an additional 92,708 students may receive services each week.
- Based on the Basic Education Program (BEP) special education options, 92,708 students will require additional teachers at a 46:1 teacher to student ratio or 2,015 additional teachers ($92,708 / 46$).
- DOE estimates that each teacher will increase expenditures for salary and benefits by \$47,121; therefore, a total recurring increase in expenditures of \$94,948,815 ($\$47,121 \times 2,015$).

HB 1735 - SB 2002

- The BEP split for new special education teachers is 70 percent state and 30 percent local.
- The recurring increase in state expenditures for new personnel is estimated to be \$66,464,171 ($\$94,948,815 \times 70\%$) and the recurring increase in local government expenditures is estimated to be \$28,484,644 ($\$94,948,815 \times 30\%$).
- Based on information provided by the DOE, students will be evaluated for dyslexia beginning with the FY14-15 academic year at a cost of \$1,500 for each evaluation. The exact number of students who will be evaluated in FY14-15 and subsequent fiscal years is unknown and difficult to quantify, however, and based on DOE information, it is estimated that at least 7,292 students will be evaluated each year.
- Annual evaluations will be performed by local education agencies (LEAs) and evaluation expenditures will be borne by the LEAs.
- The recurring increase in local government expenditures for evaluations is estimated to be at least \$10,938,000 ($7,292 \times \$1,500$).
- DOE estimates that at least two teachers per school (1,797 schools statewide) will receive annual comprehensive dyslexia training. Training costs will be borne by the LEA.
- DOE estimates that annual training costs will be \$1,950 per school; a recurring increase in local government expenditures of \$3,504,150 ($\$1,950 \times 1,797$).
- Based on information provided by DOE, annual classroom supplies are estimated to be \$207 per classroom; a recurring increase in local government expenditures of \$743,958 ($\$207 \times 2 \text{ teachers} \times 1,797 \text{ schools}$).
- The total recurring increase in state expenditures is estimated to exceed \$69,111,312 ($\$2,647,142 + \$66,464,170$).
- The recurring increase in local BEP expenditures is estimated to exceed \$29,619,134 ($\$1,134,489 + \$28,484,644$).
- The recurring increase in local government expenditures excluding BEP local match funding is estimated to exceed \$15,186,108 ($\$10,938,000 + \$3,504,150 + \$743,958$).
- The total recurring increase in local government expenditures is estimated to exceed \$44,805,242 ($\$29,619,134 + \$15,186,108$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/msg