

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO SUPPORT EVIDENCE-BASED LITERACY INSTRUCTION FOR STUDENTS IN EARLY GRADES.

Prime Sponsors: Sens. Rankin and Bridges  
Representative McCluskie

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Date Prepared: March 28, 2022

**Appropriation Items of Note**

**Appropriation Not Required, No Amendment in Packet**

**Significant Cost Increase in Second Year**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/28/22.

XXX	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
None.	

**Current Appropriations Clause in Bill**

The bill neither requires nor contains an appropriation clause for FY 2022-23.

**Points to Consider**

*Future Fiscal Impact/ Related Budget Information*

As outlined in the Legislative Council Staff Revised Fiscal Note dated March 28, 2022, this bill will require additional administrative and course development expenses of \$264,760 and 0.8 FTE in FY 2023-24 and \$96,537 and 0.5 FTE in FY 2024-25 and ongoing. The source of funding identified is

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the Early Literacy Cash Fund, which is supported by an annual transfer of \$34,000,000 from the State Education Fund plus approximately \$179,000 per year in interest earnings. Annual appropriations from the Early Literacy Fund included in the FY 2022-23 introduced Long Bill total \$34.5 million and thus exceed annual revenue. Therefore, appropriations from this source cannot increase in perpetuity without an increase in transfers to this fund from the State Education Fund or the General Fund. However, there are sufficient reserves in the Early Literacy Fund to absorb additional costs in the near-term (\$5.0 million in reserves is projected at the beginning of FY 2022-23). When reserves are exhausted, the additional administrative costs associated with this bill could be addressed by reducing appropriations provided for other early literacy program line items or by increasing transfers to the Early Literacy Fund.