

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2120H.02C
 Bill No.: HCS for HB 941
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Children and Minors
 Type: Original
 Date: March 10, 2025

Bill Summary: This proposal prohibits school districts and charter schools from using a three-cueing system model of reading instruction.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight assumes there could be a potential cost to public schools and charter schools that currently use a three-cueing system model of reading instruction to implement and purchase materials for a new literacy system.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Upon further inquiry, DESE stated it is not clear as to how many, but some schools are implementing a three-cueing system currently and there could be significant cost to LEAs to replace instructional materials where they do use them.

In response to the previous version, officials from **Sedalia 200 School District** assumed the proposal will have a fiscal impact on their organization.

In response to the previous version, officials from the **Washington School District** assumed the proposal will have no fiscal impact on their organization.

Oversight notes that the proposal prohibits school districts and charter schools from using a three-cueing system to teach students to read. Oversight is unable to determine how many schools use this system. Oversight assumes there could be a potential cost to those schools to implement and purchase materials for a new literacy system. Therefore, Oversight will reflect a \$0 or unknown impact on the fiscal note.

Oversight notes in the summer of 2022, the Missouri legislature approved the Evidence-Based Reading Instruction Program Fund (Senate Bill 681, Section 161.241, RSMo) to be used to reimburse LEAs for efforts to improve student literacy. DESE administers this funding and provides support to LEAs as they move through the application process.

Oversight notes the [Missouri Read, Lead, Exceed](#) is the state's comprehensive plan to dedicate \$25 million in state funding and just over \$35 million in federal relief funding to support student literacy. DESE provides the state-approved evidence-based reading instructional materials list that serves as a resource for schools to select materials. Local Education Agencies (LEAs) are not required to select materials from this list. However, LEAs that are eligible to request reimbursement for instructional materials must select materials from this list.

Oversight received a limited number of responses from school districts and charter schools related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	\$0	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
SCHOOL DISTRICTS & CHARTER SCHOOLS			
<u>Costs</u> – School Districts – Implement new literacy system §170.014 p.3	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<u>Costs</u> – Charter schools – Implement new literacy system §170.014 p.3	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS & CHARTER SCHOOLS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits school districts and charter schools from using a three-cueing system to teach students to read. The bill defines a "three-cueing system" as any model of teaching students to read based on meaning, structure and syntax, and visual cues, also known as "MSV".

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Washington School District
Sedalia 200 School District



Julie Morff
Director
March 10, 2025



Jessica Harris
Assistant Director
March 10, 2025