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FISCAL IMPACT REPORT

SPONSOR <u>Baca</u>	LAST UPDATED _____
	ORIGINAL DATE <u>2/28/2025</u>
SHORT TITLE <u>Pre-K Through 3rd Grade Online Math and Reading</u>	BILL NUMBER <u>House Bill 455</u>
	ANALYST <u>Klundt</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$1,000.0	Recurring	General Fund

Parenteses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
ECECD		\$160.0	\$160.0	\$320.0	Recurring	General Fund

Parenteses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Early Childhood Education and Care Department (ECECD)
Public Education Department (PED)

SUMMARY

Synopsis of House Bill 455

House Bill 455 (HB455) appropriates \$1 million from the general fund to the Early Childhood Education and Care Department (ECECD) for the purpose of online math and reading support for students in prekindergarten through third grade.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund. Although HB455 does not specify future appropriations, establishing a new grant

program could create an expectation the program will continue in future fiscal years; therefore, this cost is assumed to be recurring.

ECECD notes the department would need 2 FTE at an estimated cost of \$160 thousand annually to implement the purpose of this bill. LFC assumes a portion of the appropriation in this bill would be used for this administrative cost.

SIGNIFICANT ISSUES

ECECD notes kindergarten through third grade is under the administration of the Public Education Department (PED). A memorandum of understanding or agreement (MOU or MOA) would need to be developed to transfer funds to support online reading and math support, including professional development and materials. The department also believes a formula would need to be determined to allocate a cost per child to ensure equitable distribution of the funds between ECECD and PED. The MOU or MOA would also need to address any data sharing, reporting, and management or any other information that might be required to measure and demonstrate outcomes.

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