

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 25

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Prepared by: John Terpening
Reviewed by: Monica Brown
Date: 3-28-2011

Measure Description:

Allows children zero years of age or older who are not kindergarten children to be eligible for Oregon prekindergarten program.

Government Unit(s) Affected:

Department of Education

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure redefines what children are eligible for the Oregon prekindergarten (OPK) program. Currently, children ages three and four that are not already participating in a federal, state or local program providing similar services are eligible for OPK. The measure expands eligibility to children zero years of age or older to match the eligibility ages of the Federal Head Start program.

The Department of Education states that currently approximately 64% of eligible children age three to four receive services and that 6% of eligible children ages zero to three receive services. Based on prior year estimates, the Department states approximately 30,247 children would become eligible with the increased age range.

The fiscal impact is indeterminate. The approved funding levels for OPK programs have not been determined for the 2011-13 biennium. Expanding the eligibility ages will increase the number of children eligible for services, but does not increase the available funding to provide those services. If funding levels are not increased to compensate for the increased number of eligible children, the overall percentage of children served will be reduced. Additionally, the costs for services for children zero to three are greater than the costs for children three to four, potentially resulting in fewer overall children being provided services depending on the distribution of available funds.

The Legislative Fiscal Office (LFO) notes that the policy of the state of Oregon is to fund Oregon prekindergarten programs with the goal of having full funding for all eligible children. At this time, LFO believes that the fiscal and budgetary ramifications of this measure are not fully understood. The purpose of this fiscal impact is to outline the broad fiscal implication of this measure and to note that a more detailed analysis is required to understand the measure's budgetary implications.