

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2012 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: HB 4165-B**

**Carriers – House: Rep. Tomei/Rep. Kotek  
Carrier – Senate: Sen. Winters**

**Action:** Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

**Vote:** 19 – 5 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Komp, McLane, Nathanson, Nolan, Read, Richardson, G. Smith  
– Nays: Garrard, Thatcher, Whisnant  
– Exc:

Senate – Yeas: Devlin, Edwards, Johnson, Monroe, Nelson, Thomsen, Verger, Winters  
– Nays: Girod, Whitsett  
– Exc: Bates

**Prepared By:** Kate Nass, Department of Administrative Services

**Reviewed By:** Sheila Baker, Legislative Fiscal Office

**Meeting Date:** March 2, 2012

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Office of the Governor	---	---	2011-13
State Commission on Children and Families	---	---	2011-13
Employment Department	---	---	2011-13

**Budget Summary**Office of the Governor  
Early Learning Council/  
Youth Development Council

	<b>2011-13 Legislatively Adopted Level</b>		<b>2012 Committee Recommendation</b>		<b>Committee Change from 2011-13 Leg. Adopted</b>		
				<b>\$\$ Change</b>	<b>% Change</b>		
General Fund	\$	13,339,757	\$	30,890,521	\$	17,550,764	131.57%
Other Funds	\$	2,740,911	\$	12,646,311	\$	9,905,400	361.39%
Federal Funds	\$	825,616	\$	4,189,590	\$	3,363,974	407.45%
Total	\$	16,906,284	\$	47,726,422	\$	30,820,138	170.58%

**Position Summary**

Authorized Positions	57	73	16
Full-time Equivalent (FTE) positions	56.00	69.75	13.75

**Budget Summary**

Employment Department

General Fund	\$	3,670,948	\$	3,570,948	\$	(100,000)	-2.72%
Federal Funds Limited	\$	273,883,188	\$	274,883,188	\$	1,000,000	0.37%
Total	\$	277,554,136	\$	278,454,136	\$	900,000	0.03%

**Position Summary**

Authorized Positions	1,500	1,501	1
Full-time Equivalent (FTE) positions	1,436.90	1,437.57	0.67

**Budget Summary**

State Commission on Children and Families

General Fund	\$	40,349,129	\$	22,898,365	\$	(17,450,764)	-43.25%
Other Funds	\$	18,222,473	\$	8,317,073	\$	(9,905,400)	-54.36%
Federal Funds	\$	4,273,051	\$	909,077	\$	(3,363,974)	-78.73%
Total	\$	62,844,653	\$	32,124,515	\$	(30,720,138)	-48.88%

**Position Summary**

Authorized Positions	16	0	-16
Full-time Equivalent (FTE) positions	13.75	0.00	-13.75

## **Summary of Revenue Changes**

House Bill 4165-B removes the sunset on the Early Learning Council (ELC) and establishes the Youth Development Council (YDC). The bill also abolishes the State Commission on Children and Families (SCCF) and transfers the SCCF's authority related to children ages zero through six to the ELC and authority for school aged children through 20 years of age to the YDC effective July 1, 2012. The Commission for Child Care, currently supported by the Child Care Division of the Employment Department, is also abolished and all functions are transferred to the ELC.

With this transfer of authority, all remaining General, Other, and Federal Fund revenues related to the Commission and the Commission for Child Care are transferred to the ELC and YDC, within the Governor's Office.

House Bill 4165-B establishes two funds: the Early Learning Council Fund and the Youth Development Council Fund, separate and distinct from the General Fund, and continuously appropriates moneys in the funds to the ELC and YDC respectively. Interest earned on the fund is credited back to the fund. The bill establishes the Keep Kids Safe Registration Plate Account within the ELC Fund; this is a continuation of a fund established by the legislature in 2011. If the Children's Trust Fund of Oregon Foundation ceases to exist, the Keep Kids Safe registration plate proceeds are available to the Early Learning Council for distribution to counties for the purpose of funding strategies and approaches to prevent or reduce child abuse.

## **Summary of Subcommittee Action**

### **Early Learning Council and Youth Development Council – Office of the Governor**

The Capital Construction Subcommittee approved an appropriation of \$17,550,764 General Fund, established \$9,905,400 Other Funds expenditure limitation, and established \$3,363,974 Federal Funds expenditure limitation to the ELC and the YDC within the Office of the Governor for the implementation of House Bill 4165-B. This reflects the transfer of all remaining General Fund, Other Funds, and Federal Funds expenditure limitation from the SCCF and \$100,000 General Fund appropriation from the Employment Department (see below). House Bill 4082-B separately transfers \$1,184,366 General Fund, the remaining budget for administering the Court Appointed Special Advocates (CASA) program, to the Oregon Volunteers Commission for Voluntary Action in the Housing and Community Services Department.

The ELC and YDC will continue payments to local commissions as currently budgeted in the SCCF budget for the 2011-13 biennium. The remaining budget for Personal Services and Services and Supplies for the SCCF and the Commission for Child Care will be used as resources to complete the work of the ELC and YDC.

Additionally, 16 positions (13.75 full time equivalent positions) are included in the transfer from SCCF to the ELC and YDC. The ELC and YDC will review funding levels and position authority once the directors of the ELC and YDC are in place; positions may be modified or abolished.

For the 2011-13 biennium, ELC and YDC expenditures are part of the Governor's Office budget. The following budget note was approved:

**BUDGET NOTE:**

The Legislature intends that the appropriations, expenditure limitations, and position authority established for the Oregon Education Investment Board, the Early Learning Council, and the Youth Development Council for the 2011-13 biennium be part of the budget for the Office of the Governor for the 2011-13 biennium only. The Governor's 2013-15 recommended budget should be developed with the Oregon Education Investment Board's budget, including the Early Learning Council and the Youth Development Council, established as a separate entity or entities outside of the Governor's Office.

State Commission on Children and Families

The abolishment and transfer of the SCCF to the ELC and YDC includes \$17,450,764 General Fund, \$9,905,400 Other Funds, and \$3,363,974 Federal Funds in the 2011-13 biennium. The General Fund is the estimated appropriation amount remaining at the July 1, 2012 effective date of the transfer. The amount of the General Fund transfer reflects the passage of House Bill 4082, which separately transfers \$1,184,366 General Fund due to the transfer of the Court Appointed Special Advocates (CASA) program to the Oregon Volunteers Commission for Voluntary Action and Service in the Housing and Community Development Department. The Other Funds and Federal Funds amounts are estimates based on projected grant levels for the 2012-13 fiscal year. Additionally, 16 positions (13.75 FTE) are included in the transfer.

Employment Department

House Bill 4165-B abolishes the Commission on Child Care and transfers \$100,000 General Fund to the ELC. This amount represents the current yearly budget for the Commission on Child Care.

Additionally, the subcommittee approved an increase of \$1,000,000 Federal Funds expenditure limitation and one permanent full time position (0.67 full time equivalent position) for the Employment Department to initiate development of a Tiered Quality Rating and Improvement System (TQRIS) for child care facilities. The TQRIS is a set of tiered program standards where early learning programs will be rated on a five-tier scale, based on factors such as the education and training of staff, promoting positive health practices and assessments of children's progress. Ratings will help families making decisions about care and education for their children, and will help direct the state's investments to support high quality early learning programs. The start-up costs for the project in this biennium will be paid for with federal Child Care and Development Funds. The system is expected to cost about \$9 million when complete, and include three positions. The Department will request the use of current federal Child Care and Development Fund moneys, funds budgeted for the ELC for comprehensive children's early learning services, and intends to seek public private partnerships for project completion in future biennia.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

*Amended Copy*

**HB 4165 A**

Various Agencies  
Kate Nass -- (503) 378-3742

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Early Learning Council/Youth Development Council - Office of the Governor</u>									
General Program/Early Learning and Youth Development Council - 001									
Personal Services	828,336	0	147,251	0	193,202	0	1,168,789	16	13.75
Services and Supplies	720,821	0	1,298,544	0	171,470	0	2,190,835		
Special Payments	\$16,001,607	\$0	\$8,459,605	\$0	\$2,999,302	\$0	\$27,460,514		
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$17,550,764</b>	<b>\$0</b>	<b>\$9,905,400</b>	<b>\$0</b>	<b>\$3,363,974</b>	<b>\$0</b>	<b>\$30,820,138</b>	<b>16</b>	<b>13.75</b>
<u>Employment Department</u>									
Child Care Division - 010-030									
Personal Services	(15,000)	0	0	0	127,305	0	112,305	1	0.67
Services and Supplies	(\$85,000)	\$0	\$0	\$0	\$872,695	\$0	\$787,695		
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$900,000</b>	<b>1</b>	<b>0.67</b>
<u>State Commission on Children and Families</u>									
Community Development/Program - 001									
Personal Services	(382,841)	0	(147,251)	0	(193,202)	0	(723,294)	(11)	(9.00)
Services and supplies	(513,716)	0	(1,298,544)	0	(171,470)	0	(1,983,730)		
Special Payments	(16,001,607)	0	(8,459,605)	0	(2,999,302)	0	(27,460,514)		
Policy and Support Service - 002									
Personal Services	(430,495)	0	0	0	0	0	(430,495)	(5)	(4.75)
Services and supplies	(\$122,105)	\$0	\$0	\$0	\$0	\$0	(\$122,105)		
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>(\$17,450,764)</b>	<b>\$0</b>	<b>(\$9,905,400)</b>	<b>\$0</b>	<b>(\$3,363,974)</b>	<b>\$0</b>	<b>(\$30,720,138)</b>	<b>(16)</b>	<b>(13.75)</b>
<b>TOTAL ADJUSTMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>1</b>	<b>0.67</b>

\* Excludes Capital Construction Expenditures