

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 4165 - A**Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session  
Legislative Fiscal Office

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**Measure Description:**

Removes sunset on Early Learning Council.

**Government Unit(s) Affected:**

State Commission on Children and Families, Department of Community Colleges and Workforce Development, Department of Corrections, Department of Education, Department of Human Services (DHS), Office of the Governor, Oregon University System (OUS), Oregon Youth Authority (OYA), Oregon Health Authority (OHA), Employment Department

**Summary of Expenditure Impact:**

<b>Agency (Fund Type)</b>	<b>2011-2013 Biennium</b>
State Commission on Children & Families	
General Funds	\$(18,635,130)
Other Funds	\$(9,905,400)
Federal Funds	\$(3,363,974)
<b>Positions &amp; FTE</b>	<b>2011-2013 Biennium</b>
State Commission on Children & Families	(16)/(13.75)

<b>Agency (Fund Type)</b>	<b>2011-2013 Biennium</b>
Employment Department	
General Funds	\$(100,000)
Federal Funds	\$1,000,000
<b>Positions &amp; FTE</b>	<b>2011-2013 Biennium</b>
Operations & Policy Analyst 3	1/0.67

<b>Agency (Fund Type)</b>	<b>2011-2013 Biennium</b>
Office of the Governor	
General Funds	\$18,735,130
Other Funds	\$9,905,400
Federal Funds	\$3,363,974
<b>Positions &amp; FTE</b>	<b>2011-2013 Biennium</b>
Office of the Governor	16/13.75

The Legislative Fiscal Office (LFO) notes that the table above represents the 2011-2013 biennium only. Until the Oregon Education Investment Board (OEIB), the Early Learning Council (ELC), and the Youth Development Council develop a more specific organizational structure, work plan, and service model, the ongoing fiscal impact is indeterminate. For example, by September 30, 2012, the ELC is directed to submit a report describing a comprehensive children's budget for "adequately" funding early childhood education and development programs and services. This report may be used to identify 2013-2015 program resources and funding needs that cannot be anticipated by this fiscal analysis. LFO believes a redirection of current funding and program resources, or additional funding, will be needed in the 2013-15 biennium to make progress towards the desired outcomes.

LFO also notes that the costs of developing a statewide data base for the kindergarten assessment have not been estimated by the Oregon Department of Education or the OEIB, and the measure is silent regarding the entity responsible for development and ongoing maintenance. Actual costs for implementing a statewide database to be made available for all school districts by November 1, 2013, may be considerable and require additional resources.

**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 removes the sunset on the Early Learning Council (ELC). The measure expands oversight of the ELC and establishes goals and timelines to complete specified projects.

The measure abolishes the State Commission on Children and Families (SCCF) effective July 1, 2012 and transfers all duties, functions and powers to the Early Learning Council and the Youth Development Council. Local commissions on children and families will remain in place through 2013. Community-based coordinators of early learning services are to begin functioning January 2014. The measure abolishes the Commission for Child Care within the Employment Department effective July 1, 2012 and transfers the duties functions and powers to the ELC.

The measure establishes the Youth Development Council (YDC) and establishes goals and timelines for the YDC to complete specified projects. The measure abolishes the Juvenile Crime Prevention Advisory Committee effective July 1, 2013 and transfers the functions of the committee to the YDC.

The measure establishes the Early Learning Council Fund, separate and distinct from the General Fund, continuously appropriates moneys in the fund to the ELC and credits interest earned back to the fund. The measure also establishes the Keep Kids Safe Registration Plate Account within the ELC Fund. The moneys received from the sale of the registration plates are continuously appropriated to the ELC for distribution to counties for the purpose of funding strategies and approaches shown to prevent or reduce child abuse.

The ELC and YDC function under the direction and control of the Oregon Education Investment Board established in SB 909 (2011) that is currently part of the Office of the Governor.

**Office of the Governor**

The fiscal impact for the Office of the Governor reflects the transfer of General Fund, Other Funds, Federal Funds and staffing from the State Commission on Children and Families and the Employment Department, as described below. The Governor's Office expects that the funding levels and position authority will be reviewed once the directors of the ELC and YDC are in place and that positions may be modified or abolished. The Governor's Office states that the OEIB will continue with all payments to local commissions through 2013 as planned by the SCCF.

**State Commission on Children & Families**

The abolishment and transfer of the SCCF to the ELC and YDC includes an estimated \$18,635,130 General Funds, \$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 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**

The abolishment and transfer of the Commission on Child Care to the ELC includes \$100,000 General Fund in the 2011-13 biennium. This amount represents the current yearly budget for the commission.

The measure requires the Child Care Division of the Employment Department to initiate development of a tiered quality rating and improvement system for child care facilities. The Employment Department estimates the costs to begin building the rating system would be \$1 million Federal Funds in the 2011-13 biennium, including a permanent full-time Operations & Policy Analyst 3 position (0.67 FTE).

The system is expected to cost approximately \$9 million when complete, and include three positions. The Department will request the utilization 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.

**Department of Education**

The ELC and Department of Education are directed to develop a process for assessment of children to determine readiness for kindergarten, and develop a pilot program with selected school districts to implement the process by November 1, 2012. The process must be made available to all school districts by November 1, 2013.

The Department of Education (ODE) assumes that development of a data base for the purposes of collecting, analyzing and reporting on the kindergarten readiness assessment is not required by the Department and that the ELC will utilize positions and funding included in the transfer from SCCF to administer the kindergarten assessment. The Governor's Office intends to reclassify one position from the SCCF transfer to a Systems Coordinator position to accomplish the assessment database related work. As noted above, costs of developing a statewide data base for the kindergarten assessment have not been estimated. Actual costs could require additional resources.

There is a minimal fiscal impact to ODE for assisting the ELC with the implementation of a kindergarten assessment, aligning state standards, and the reporting requirements of the measure.

**Other Agencies**

There is no fiscal impact to the Oregon University System, Department of Corrections, Oregon Youth Authority, Department of Community Colleges and Workforce Development, Department of Human Services, or Oregon Health Authority.