

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	9 - 0 - 0
Yeas:	Fagan, Gomberg, Gorsek, Huffman, Parrish, Reardon, Sprenger, Whisnant, Gelser
Nays:	0
Exc.:	0
Prepared By:	Rick Berkobien, Administrator
Meeting Dates:	3/15, 4/15, 4/17

WHAT THE MEASURE DOES: Establishes Early Learning Division in the Department of Education (ODE). Places control of Early Learning Division under Early Learning Council (ELC), with Early Learning System Director Serving as administrative officer. Tasks Early Learning Division with administration of Oregon prekindergarten program. Directs ODE to establish criteria for early childhood education programs governed by federal Individuals With Disabilities Education Act. Directs Early Learning Division to prepare operating guides for child development and teenage parent programs. Requires State Interagency Coordinating Council to submit report to legislature that provides recommendation about appropriate entity to adopt rules and develop policy related to early childhood special education and early intervention services. Establishes in Early Learning Division a Child Care Office responsible for administering federal funds. Changes name from Child Care Division to Child Care Office. Adds one member to State Board of Education who is also a member of the Oregon Education Investment Board. Transfers duties, functions, and powers relating to administration and enforcement of ELC to Early Learning Division of ODE. Gives ELC rulemaking authority to establish percentage for tax credit certified by Child Care Office. Makes ELC state advisory council for federal Head Start Act. Directs ELC to adopt rules for certification of family child care home of not more than 16 children. Directs ELC to adopt rules relating to disbursement of monies in the Child Care Fund. Directs ELC to establish by rule percentage of child care fees charged by participating child care provider to low income families.

ISSUES DISCUSSED:

- Relief nurseries
- Purpose of amendment

EFFECT OF COMMITTEE AMENDMENT: Transfers duties, functions, and powers relating to administration and enforcement of ELC to Early Learning Division of ODE. Directs Early Learning System Director to deliver to ODE records and property, and to transfer employees necessary to accomplish purposes of Act. Directs Superintendent of Public Instruction to take possession of records and property, and to take charge of employees without reduction in compensation but subject to change or termination. Provides Governor shall resolve any dispute between ELC and ODE relating to transfer. Directs monies authorized for ELC to ODE and retains expenditure classifications. Renames Early Learning Council Fund as Early Learning Division Fund, established in Treasury as distinct and separate from General Fund. Gives ELC rulemaking authority to establish percentage for tax credit certified by Child Care Office. Makes ELC state advisory council for federal Head Start Act. Directs ELC to adopt rules for certification of family child care home of not more than 16 children. Directs ELC to adopt rules relating to disbursement of monies in the Child Care Fund. Directs ELC to establish by rule percentage of child care fees charged by participating child care provider to low income families.

BACKGROUND: Research indicates that high-quality, early care and learning experiences are the foundation of educational success and the first line of defense in closing the achievement gap and reducing the dropout rate.

4/22/2013 10:00:00 AM

This summary has not been adopted or officially endorsed by action of the committee.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3234 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
 Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Tim Walker
 Reviewed by: Doug Wilson, Daron Hill, Laurie Byerly
 Date: 04/24/2013



Measure Description:

Establishes Early Learning Division in Department of Education.

Government Unit(s) Affected:

Department of Education, Early Learning Council, Office of the Governor, Oregon Educational Investment Board

Summary of Expenditure Impact:

Early Learning Programs

Moved to New Divisions in the Department of Education

2013-15 Governor's Budget

	GF	OF	FF	TF	Pos	FTE
Early Childhood Division						
<i>Moved from within the Department of Education:</i>						
Early Intervention	28,138,740	-	9,196,830	37,335,570	-	-
Early Childhood Special Education	107,903,491	-	18,795,954	126,699,445	-	-
Oregon Head Start Prekindergarten	127,424,153	-	-	127,424,153	-	-
Early Head Start	1,540,108	-	-	1,540,108	-	-
OPK/HIS Admin	543,737	-	314,374	858,111	3	3.00
<i>Moved from the Employment Department:</i>						
Childcare Division	4,112,738	3,696,026	130,211,416	138,020,180	83	79.00
<i>Moved from the Governor's Office:</i>						
Early Learning Council (ELC)						
Great Start	1,674,117	-	-	1,674,117	-	-
Children, Youth, and Families	1,691,746	-	-	1,691,746	-	-
Healthy Start	14,816,487	4,329,307	-	19,145,794	2	2.00
Basic Capacity	10,000,000	-	-	10,000,000	-	-
Family Preservation and Support	-	3,446,702	-	3,446,702	-	-
Crisis Nurseries	6,586,379	2,226,396	-	8,812,775	-	-
Race to the Top	-	-	11,083,111	11,083,111	9	9.00
Social Obligation Bond	800,000	-	-	800,000	-	-
ELC Administration	1,491,523	81,838	192,539	1,765,900	12	5.88
Early Childhood Division Total	306,723,219	13,780,269	169,794,224	490,297,712	109	98.88

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: This bill creates the Early Learning Division within the Oregon Department of Education (ODE) and transfers the following programs to this new Division from other agencies or from other divisions within ODE:

- Oregon Pre-Kindergarten (OPK), currently in Department of Education
- Oregon Head Start (OHS), currently in Department of Education
- Early Childhood Program (OPK/OHS Administration), currently in Department of Education
- Child Care Administration, currently in Employment Department
- Child Care Licensing, currently in Employment Department



- Child Care Subsidies, currently in Employment Department
- Children, Youth & Families, currently in Governor's Office
- Great Start, currently in Governor's Office
- Healthy Start, currently in Governor's Office
- Basic Capacity, currently in Governor's Office
- Family Preservation, currently in Governor's Office
- Crisis/Relief Nurseries, currently in Governor's Office
- Social Obligation Bonds (POP 302)
- Race to the Top (federal grant), currently in Governor's Office
- Early Learning Council (ELC) Administration
- ELC Grant-in-Aid

 **DRAFT**

The Governor's budget assumes the transfer of the Early Intervention (EI) program and the Early Childhood Special Education (ECSE), both currently in ODE. Further discussion continues but these programs may stay where they currently are in ODE and not transfer to the new Early Learning Division.

The bill also directs the State Board of Education to establish an advisory committee of effected stakeholders including but not limited to; parents, representatives from the health care profession, early childhood education and development, Oregon Head Start Association, school districts, community colleges, and the Early Intervention Council. In addition, the bill establishes the State Interagency Coordinating Council to advise the Superintendent of Public Instruction, the State Board of Education and Early Learning Council on unmet needs in the Early Childhood Special Education and Early Intervention programs for preschool children with disabilities.

The Governor's Budget includes Policy Option Package 501 – Transfer to Early Learning which moves the Early Learning Council and its programs from the Governor's Office and Child care Division from the Employment Department to ODE, Early Learning Division. The package moves all cash/revenue resources and positions to ODE.

 **DRAFT**