
MEMORANDUM

Legislative Fiscal Office
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To: Members of the Education Subcommittee

From: Doug Wilson, Legislative Fiscal Office
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Date: June 23, 2015

Subject: HB 3380 Work Session Recommendations

Background Information

HB 3380 directs the Early Learning Division of the Oregon Department of Education (OODE) to administer a program that expands preschool options available in the state. This "mixed delivery" preschool program is to be coordinated by the early learning hubs in their region; who are to apply for funding for the program and contract with preschool providers.

The preschool programs eligible for financing through the program must meet a set of criteria including the following:

- Must be a new program or be expanding their program;
- Provides at least the annual number of instructional hours as a full-day Kindergarten program does,
- Considers the scheduling needs of families,
- Serves children age 3 to age 5 (kindergarten eligible),
- Serves families whose incomes are less than 200% of the federal poverty level,
- Provides services from infant to early elementary grades,
- Works with community programs and others to make sure families have knowledge of community supports available to families,
- Meets certain quality measures including having lead teachers who have at least a bachelor's degree or have a plan to get the degree as well as having the lead teacher paid at least at the minimum amount set by the Early Learning Council, and
- Provide additional supports for children and their families.

The preschool programs can include programs from Head Start, Oregon PreK, child care provider, relief nursery, private preschool, public charter school, school district, ESD, or a community-based organization. A waiver is possible for some of the requirements listed above. The preschool can serve children over the income limits or children who are receiving assistance through another program but may not use the funding from this program for those children.

The Early Learning Council is given responsibilities around this program including establishing minimum salary levels for the lead teacher which are to be comparable to public kindergarten teachers. The Early Learning Division is to submit a biennial report to the Legislature on the program.

Funding for this program is available for the second year of the biennium in a special purpose appropriation to the Emergency Board which is included in the budget bill for the Oregon Department of Education.

Recommended Changes to the Bill:

There are no amendments for this bill at this time.

HB 3380 Final Subcommittee Action:

Final Motion:

Sen./Rep. _____ moves HB 3380 to the full committee with a "do pass" recommendation.

STAFF MEASURE SUMMARY

House Committee On Education

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 04/15/15

Action: Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways
And Means.

Meeting Dates: 04/10, 04/15

Vote:

Yeas: 9 - Barreto, Doherty, Frederick, Hack, McLain, Piluso, Reardon, Sprenger, Wilson

Prepared By: Richard Donovan, Committee Administrator

WHAT THE MEASURE DOES:

Directs Early Learning Division to administer preschool program. Prescribes requirements of program. Requires biennial report to Legislative Assembly. Directs Early Learning Council (ELC) to establish minimum salary requirements for preschool teachers, and to develop strategies to increase the mean salary for lead preschool teachers. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Value of investments in early learning; each \$1.00 investment estimated to yield \$8.60 return
- Value of high-quality preschool teachers
- Particular need among traditionally underserved students and students in poverty for early learning programs
- Demonstrated link between early childhood education programs and increased chance of attaining high school and college degrees, as well as decreased likelihood of incarceration
- Investments in early learning contrasted with “tough on crime” legislation; high cost, and low value, of increasing prison populations.
- Value of smart, skilled workers to businesses statewide

EFFECT OF COMMITTEE AMENDMENT:

Changes 60% salary requirement for lead preschool teachers to minimum salary requirements established by ELC. Directs ELC to establish minimum salary requirements for preschool teachers, and to develop strategies to increase the mean salary for lead preschool teachers.

BACKGROUND:

The Early Learning Council was created by Senate Bill 909 (2011), with further direction by House Bill 4165 (2012). House Bill 2013 (2013) specifically directed the ELC to create sixteen regional and community-based Early Learning Hubs in order to support early childhood development, particularly for families of historically underserved communities. House Bill 3380-A directs the Early Learning Division to administer a preschool program.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3380 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Krista McDowell
Reviewed by: Doug Wilson
Date: 6/10/2015

Measure Description:

Directs Early Learning Division to administer preschool program.

Government Unit(s) Affected:

Department of Education, Early Learning Council

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
General Fund	\$671,268	\$378,995
Total Funds	\$671,268	\$378,995
Positions	3	2
FTE	1.42	1.25

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 bill directs the Early Learning Division (ELD) to administer a preschool program in which schools, Head Starts, child care providers and Community-Based Organizations, that meet certain standards provided by the bill, are funded to provide preschool to children living in families below 200% of federal poverty guidelines. The ELD is directed to apply for state funding, coordinate local planning, enter into contracts with preschool providers, coordinate with the Oregon Department of Education, as well as submit a report to Legislature each biennium, beginning no later than February 1, 2017. Furthermore, the ELD is directed to identify resources to develop, support, and sustain the preschool program; which may include evaluations, professional development opportunities, technical assistance, monitoring guidance, administrative assistance as well as the administration of waivers.

The ELD anticipates the need for a year of planning, both by the state, Early Learning Hubs and participating programs; which would mean the first eligible children would enroll for the program year beginning September, 2016. Oversight as well as program coordination between staff and external partners is anticipated to require one permanent Program Analyst 4 at an estimated cost of \$188,226 General Fund (GF) in the 2015-17 biennium for 0.92 FTE, and \$199,552 GF in the 2017-19 biennium for a full-time 1.00 FTE staffing level. Following the planning year, this position would become the primary program administrator and would manage contracts, provide fiscal oversight, oversee program compliance and reporting requirements, as well as coordinate and support training and technical assistance to the Early Learning Hubs and preschool programs.

A contract for the project management and development of a new database will be needed to monitor child level outcomes and program performance; this on-time cost is estimated at \$200,000 in the 2015-17 biennium. To coordinate the communication between the contractor and ELD in the development of the database one limited-duration Information Systems Specialist 7 is needed at an estimated cost of \$57,100 in the 2015-17 biennium for 0.25 FTE. Additionally, one Operations and Policy Analyst 1 is requested to respond to questions and provide additional technical support to the preschool programs

as well as support database related projects after the ISS 7 position work has been completed. This position is estimated to cost \$43,942 GF in the 2015-17 biennium for 0.25 FTE, and \$39,443 in the 2017-19 biennium for 0.25 FTE.

Contracts with Western Oregon University – Teaching Research Institute (WOU-TRI) and the Oregon Center for Career Development at Portland State University (OCCD-PSU) to develop a modified Quality Rating and Improvement System (QRIS) process are estimated to cost \$72,000 GF in the 2015-17 biennium and \$30,000 GF in the 2017-19 biennium to receive and analyze child and program level data. Furthermore modifications to contracts with Child Care Resource and Referral agencies, to increase capacity of Quality Improvement Specialists to provide training and support to the new preschool programs, are estimated to cost \$60,000 per biennium. The ELD will also need to contract for a program evaluation for the biennial report to the Legislature, which is an estimated cost of \$50,000 per biennium.

The Oregon Department of Education's budget bill (HB 5016) will provide the resources for the fiscal impact of this bill.