

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2166 - 9

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Tim Walker
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Date: 05/21/2021**Measure Description:**

Directs Superintendent of Public Instruction to convene advisory group to review equity in education system of state and to report results of review to interim committee of Legislative Assembly related to education.

Government Unit(s) Affected:

Department of Education (ODE), Teacher Standards and Practices Commission (TSPC), Higher Education Coordinating Commission (HECC), School Districts, Oregon Health Authority (OHA)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
General Fund	\$9,369,813	
Other Funds	42,788	
Federal Funds	47,823	
Total Funds	\$9,460,424	
Positions	8	
FTE	7.72	

Analysis: The measure establishes the Early Childhood Suspension and Expulsion Prevention Program to be administered by the Early Learning Division (ELD) and establishes program requirements and allows ELD to adopt rules as necessary. In addition, the measure:

- Requires participation in the program for certification of childcare facilities or registration of childcare homes;
- Requires Oregon Department of Education (ODE) to convene an advisory group to propose social emotional learning standards and a statewide emotional framework for adoption by the State Board of Education (SBE);
- Establishes requirements for standards and framework and reporting requirements;
- Requires SBE to adopt rules relating to Educator Equity;
- Allows the Teacher Standards and Practices Commission (TSPC) to approve school districts, education service districts, or other entities as educator preparation providers;
- Allows educator preparation programs to operate provisionally without accreditation by a national organization under certain circumstances;
- Requires TSPC to establish standards for nontraditional pathways to licensure;
- Raises scholarship amounts for diverse teacher candidates in the Oregon Teachers Scholars Program from \$5,000 annually to \$10,000 annually; and
- Modifies the Educator Advancement Council (EAC).

Oregon Department of Education

ODE would need one Education Specialist 2 (0.92 FTE) to support the social emotional learning aspects of the amended bill at a cost of \$265,874 General Funds and one Program Analyst 4 (0.92 FTE) for carrying out the activities related to ELD at a cost of \$153,857 General Fund. In addition, ELD asserts they would need \$3.8 million General Fund to enter into agreements with Tribal Nations, Early Learning Hubs, Childcare Resource and Referral Networks (CCR&Rs), to support the hiring of Infant and Early Childhood Mental Health Consultants. ELD would also use \$1.8 million General Fund to support the evaluation of the program, incentives, database work and a contracted statewide coordinator for these activities. There is \$5.8 million General Fund included in the Governor's Recommended Budget for these initiatives, but further analysis is required to determine if whether this \$5.8 million will or will not cover all of the costs the agency estimates are required to carry out this amended bill. This merits further review by the joint Committee on Ways and Means.

Beginning July 1, 2022, a grant program is established for eligible public charter schools to be funded out of the Statewide Education Initiatives Account (SEIA) of the Fund for Student Success. The measure establishes eligibility requirements based on the percentage of students from racial or ethnic groups that have historically experienced academic disparities and students with disabilities. The measure also prescribes grant amount formula as follows: the public charter school's weighted average daily membership (ADMw) multiplied by the difference between the school district's general-purpose grant per ADMw and the charter school's contractual general-purpose grant per ADMw. The application for the grant would require the identification of any existing applicable longitudinal performance growth targets. Grant agreements will be required to include longitudinal performance growth targets using certain metrics. Grantees will be required to deposit funds into separate account to be used only for purposes of grant. An annual report from grant recipients to ODE is required but reduces reporting redundancies for charter schools already receiving a grant from the Student Investment Account. Funding from the grant program is prohibited from supplanting any funding districts are contractually obligated to pay to eligible charter schools. The cost of these grants are indeterminant and will depend on how many students there are for those organizations that apply for the grant. The amount of funds dedicated to the SEIA is capped at 30% of the available Fund for Student Success resources so this may have to compete for allocation with other programs funded through the SEIA. ODE current estimate of the need is roughly \$2.0 million but this estimate does not include information on High School Charters. ODE is working on collecting this information.

Teacher Standards and Practices Commission

TSPC estimates their need \$1.5 million General Fund to reclassify four positions and to provide for five positions (5.00 FTE) (one Operations and Policy Analyst 4, three Education Specialist 2, and one Administrative Specialist 2) to establish nontraditional pathways and standards for those pathways. In addition, TSPC say it needs \$1.9 million General Fund to direct payments to educator preparation programs in nontraditional pathways for accreditation. The Governor's Recommended Budget includes a proposed \$3.4 million General Fund for this initiative, but it unclear whether the four positions have been approved for reclassification by the Department of Administrative Services so the cost may have to be re-evaluated by the Joint Committee on Ways and Means. In addition, further analysis is required to determine if the \$1.9 million is the proper level of funding to meet this need.

Oregon Health Authority

The Early Learning Division is required to coordinate with OHA to develop a plan for integrated mental and behavioral health and social and emotional supports for children and families. OHA could potentially need limited-duration staff support to collaborate with ELD depending on the extensiveness of this work. At this time, the Legislative Fiscal Office anticipates this support being provided by existing staff in OHA's Health Systems Division who work on behavioral health programs focused on children and families.

Public Universities

The fiscal impact to public universities is indeterminate. The potential changes to teacher preparation programs may require additional coursework and preparation and the scope is unknown at this time. The public universities do not anticipate near-term costs. It should be noted that the TSPC fiscal impact for this amended bill includes payments to the education preparation programs for accreditation. The Legislative Fiscal Office (LFO) also notes that appropriations are generally not made directly to public universities such as Oregon State University but to HECC for distribution to a public university.

This measure would have a minimal fiscal impact on School Districts, Higher Education Coordinating Commission (HECC), and Community Colleges. Depending on the demand for the Oregon Teacher Scholars program, HECC may need additional Other Funds expenditure limitation for funds transferred from the Oregon Department of Education.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.