

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Education Subcommittee

From: Julie Neburka, Legislative Fiscal Office

Date: February 21, 2022

Subject: HB 4005 – Relating to early childhood
Work Session Recommendations

House Bill 4005 modifies a number of statutory provisions and regulatory responsibilities of the Early Learning Division that were established in prior legislation, including House Bill 3073 (2021) and Senate Bill 236 (2021). Many of the changes in House Bill 4005 are administrative changes to establish rule proceedings, extend deadlines, clarify information sharing responsibilities, correct statutory references or strengthen the statutory provisions that guide service delivery within the early learning system. The majority of these provisions do not have a direct budgetary impact to either the Department of Education or the Department of Human Services (ODHS), but are needed to improve oversight, enhance program administration, and facilitate the successful establishment of the new Department of Early Learning and Care (DELIC) and the transfer of the Employment Related Day Care (ERDC) program from ODHS.

House Bill 4005 contains two policy changes that have a General Fund budget impact. An increase in subsidy rates for the ERDC program that starts in June 2022 is estimated to cost \$26.6 million General Fund for the remainder of the biennium; and the transition of the license-exempt background check function from ODHS to the Early Learning Division is estimated to cost \$1.2 million General Fund and ten positions (4.75 FTE) in the current biennium.

Recommended Changes

LFO recommends adoption of the -A3 amendment, which adds \$1.2 million General Fund to the Department of Education for staff to enroll individuals in the Central Background Registry, and adds \$26.6 million General Fund to the Oregon Department of Human Services to support an increase in reimbursement rates for the Employment Related Day Care program.

Final Subcommittee Action

LFO recommends that HB 4005, as amended by the -A3 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____