

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2726 - 2**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: MaryMichelle Sosne

Reviewed by: Julie Neburka

Date: 3/22/2023

Measure Description:

Appropriates moneys from General Fund to Early Learning Division of Department of Education to distribute to specified Early Learning Hub to administer pilot program to coordinate services and other resources provided to low-income pregnant individuals and families with children under five years of age by local and state agencies, human services providers, early learning services providers, health care providers and other community organizations in Jackson and Josephine Counties.

Government Unit(s) Affected:

Department of Education, Department of Early Learning and Care, School Districts

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Early Learning and Care		
General Fund		
Services and Supplies	\$450,000	\$0
Special Payments	\$2,000,000	\$0
Total General Fund	\$2,450,000	\$0
Total Fiscal Impact	\$2,450,000	\$0
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

Analysis:

HB 2726-2 establishes two funds, The Early Childhood Support Fund and The Child Care Workforce Fund and appropriates \$2 million General Fund to each fund. \$25 million General Fund is appropriated to the Early Learning Division of the Department of Education for the 2023-25 biennium to expend to Southern Oregon Early Learning Services to carry out a pilot program to coordinate resources and supports to low-income pregnant individuals and families with children under five years of age. The measure requires the Early Learning Division to provide a report to the interim Legislative Assembly on the outcomes of the pilot program and recommendations, no later than September 15, 2024. The pilot program is repealed on January 2, 2029. The measure declares an emergency and is effective on passage.

Department of Early Learning and Care

The Early Learning Division currently within the Department of Education will become a separate and distinct agency, the Department of Early Learning and Child Care (DELCC), on July 1, 2023. Funds will need to be appropriated to the new agency. DELCC estimates it will need \$450,000 General Fund to contract with a vendor to supply the evaluation and report required for The Early Childhood Support Fund and The Child Care Workforce Fund.

The Legislative Fiscal Office (LFO) notes that the measure appropriates \$25 million to the Early Learning Division of the Department of Education, however, the Early Learning Division will no longer exist after June 30, 2023, as it will become the Department of Early Learning and Child Care; the appropriated funds cannot be assumed to transfer to DELC. However, if the measure is amended to appropriate funds to DELC, DELC estimates it will need \$50,000 to contract with a vendor for stakeholder engagement and assumes contract costs are in addition to the General Fund appropriation.

The Legislative Fiscal Office (LFO) believes that this measure may have a fiscal impact on school districts. LFO requested, but has not received, fiscal impact information from Oregon Association of School Business Officials (OASBO). In absence of this information, the fiscal impact to school districts is indeterminate. If fiscal impact information is provided by OASBO, LFO will issue a revised fiscal impact statement.

There is no fiscal impact to the Oregon Department of Education.