

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Capital Construction Subcommittee

From: Julie Neburka, Legislative Fiscal Office

Date: June 16, 2023

Subject: HB 3198 – Relating to early literacy
Work Session Recommendations

HB 3198 establishes the Early Literacy Success Initiative, the goals of which are to increase early literacy for children from birth through third grade, to reduce early literacy academic disparities, to help parents and guardians develop their children’s early literacy skills, and to increase the use of research-aligned methods to teach early literacy skills.

To accomplish these goals, the bill establishes three new grant programs: the Early Literacy Success School Grant program, the Birth Through Five Literacy Plan and the Birth Through Five Literacy Fund, and the Early Literacy Success Community Grant Program and the Early Literacy Success Community Grant Fund. The State Board of Education may adopt any rules necessary for the administration of the Early Literacy Success School Grants. The measure requires grant funds to be used for the benefit of students in prekindergarten through grade three, which is one of a number of the grant eligibility criteria in the bill. Other requirements include annual reporting on the program by school districts to the Department of Education (ODE), and monitoring and support required to be provided by ODE.

There are two budget notes that provide direction to Department of Early Literacy and Care (DELIC) on the implementation of the Birth Through Five Literacy Plan, and to ODE on the implementation of the Early Literacy Success Community Grant Program:

BUDGET NOTE The Department of Early Learning and Care is directed to develop a Birth Through Five Literacy Plan to expand culturally specific early literacy programs for children from birth to age five, to provide training and coaching for direct service staff in early literacy, and to develop and expand language revitalization efforts by federally recognized Indian tribes in Oregon. In order to develop its plan, the Department shall:

- Inventory those programs administered by the Department that have early literacy outcomes, goals, or activities
- Define the population demographics, early childhood educator demographics, and regions served by those programs

- Identify existing gaps in the provision of early literacy programs and supports
- Recommend expenditures from the Birth Through Five Literacy Fund to remedy gaps in current early literacy programming, provide training and coaching for providers, and develop and expand language revitalization efforts by federally recognized Indian tribes in Oregon

The Department shall report to the Legislature on its plan and funding recommendations no later than December 30, 2023.

BUDGET NOTE The Department of Education is directed to develop an early literacy success community grant program. The purpose of the grant program is to provide supports to parents and caregivers for early literacy outside of the school setting, and to develop and expand language revitalization efforts by federally recognized Indian tribes in Oregon. The grant program should include a non-competitive set-aside in the in the Early Literacy Success Community Grant Fund. Remaining funds should be prioritized for programs that engage parents and children from birth through grade five in early literacy activities, and provide high dosage tutoring and/or training for tutors. The Department is encouraged to consider ways to leverage existing Statewide Student Success Plans in its grant program, and to recommend expenditures from the Early Literacy Success Community Grant Fund to implement the plan.

The Department shall report to the Legislature on its plan and funding recommendations no later than December 30, 2023.

Budget Notes

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Budget Notes. (VOTE)

Recommended Changes

LFO recommends adoption of the –A10 amendment, which creates funding mechanisms and provides expenditure limitation in the Fund for Student Success for each new program established in the measure.

- The –A10 amendment adds the Early Literacy Success School Grant program as an allowable use in the Statewide Education Initiatives Account of the Fund for Student Success, and provides Other Funds expenditure limitation of \$90,000,000 for early literacy success school grants, which require a 25% local cash match from participating school districts. There is a minimum grant amount for school districts with average daily membership of fewer than 50 students.
- It adds the Birth through Five Literacy Fund as an allowable use in the Early Learning Account and provides \$567,592 Other Funds expenditure limitation to DELC to establish two positions (1.83 FTE) to develop and administer the Birth Through Five Literacy Plan. It provides \$1 to establish an Other Funds expenditure limitation to DELC for grants from the Birth Through Five Literacy Fund, pending a report back to the Legislature on the plan for the program. After approval of the plan, the Legislature may provide Other Funds expenditure limitation from the Early Learning Account of up to \$9,432,407 for grants from the Birth Through Five Literacy Fund.
- It provides \$567,593 Other Funds expenditure limitation to the Department of Education to

transfer funds from the Early Learning Account to DELC.

- It adds the Early Literacy Success Community Grant program as an allowable use in the Statewide Education Initiatives Account of the Fund for Student Success, and provides \$1 to establish an Other Funds expenditure limitation to ODE for grants from the Early Literacy Success Community Grant Fund, pending a report back to the Legislature on the plan for the program. After approval of the plan, the Legislature may provide Other Funds expenditure limitation from the Statewide Education Initiatives Account of up to \$9,999,999 for grants from the Early Literacy Success Community Grant Fund.
- It provides \$4,328,241 Other Funds expenditure limitation in the Statewide Education Initiatives Account for the establishment of 14 positions (12.88 FTE) and associated services and supplies costs for development and administration of the Early Literacy School Grant program and the Early Literacy Success Community Grant program.

The amendment also adds a provision that rules developed for the Early Literacy Success School Grant program prioritize schools with the lowest rates of proficiency in literacy.

MOTION: I move adoption of the –A10 amendment to HB 3198. (VOTE)

Final Subcommittee Action

LFO recommends that HB 3198, as amended by the –A10 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 3198, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____