

**HB 3198 A BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Mike Streepey, Department of Administrative Services

**Reviewed By:** Julie Neburka, Legislative Fiscal Office

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**Department of Education**

**2023-25**

**Department of Early Learning and Care**

**2023-25**

PRELIMINARY

**Budget Summary**

	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
<b>Oregon Department of Education</b>					
Other Funds Limited	\$ -	\$ -	\$ 94,895,835	\$ 94,895,835	100.0%
<b>Department of Early Learning and Care</b>					
Other Funds Limited	\$ -	\$ -	\$ 567,593	\$ 567,593	100.0%
Total	\$ -	\$ -	\$ 95,463,428	\$ 95,463,428	100.0%

**Position Summary**

<b>Oregon Department of Education</b>					
Authorized Positions	0	0	14	14	
Full-time Equivalent (FTE) positions	0.00	0.00	12.88	12.88	
<b>Department of Early Learning and Care</b>					
Authorized Positions	0	0	2	2	
Full-time Equivalent (FTE) positions	0.00	0.00	1.83	1.83	

**Summary of Revenue Changes**

House Bill 3198 increases Other Funds expenditure limitation by \$94,895,835 within the Oregon Department of Education (ODE) for the Early Literacy Success Initiative along with related staffing costs. The new initiative includes establishment of three separate grant programs including the Early Literacy Success School Grants, Birth through Five Literacy Plan, and Early Literacy Success Community Grants. The measure establishes two new funds in the State Treasury that are separate and distinct from the General Fund. These include the Early Literacy Success Community Grant Fund, which is continuously appropriated to ODE, and the Birth Through Five Literacy Fund, which is continuously appropriated to the Department of Early Learning and Care (DELIC). The measure also increases Other Funds expenditure limitation by \$567,593 within DELIC for staffing costs to administer the Birth through Five Literacy Plan. The Other Funds expenditures in both ODE and DELIC are supported by the Fund for Student Success.

**Summary of Capital Construction Subcommittee Action**

House Bill 3198 establishes the Early Literacy Success Initiative, which creates three new grant programs including the Early Literacy Success School Grants, Birth through Five Literacy Plan and Early Literacy Success Community Grants. The measure requires ODE to establish and

administer the Early Literacy Success School Grant program and award annual grants to school districts and to public charter schools that are elementary schools. The grants will fund activities such as:

- Professional development and coaching in research-aligned literacy strategies to teachers and administrators in early elementary grades to improve early literacy instruction;
- Extended learning programs using research-aligned literacy strategies and that are made available to students in early elementary grades by licensed teachers or by qualified tutors;
- High dosage tutoring to students in early elementary grades that integrates reading and writing and that is delivered by a qualified tutor using developmentally appropriate practices; and
- The adoption of curricula using research-aligned literacy strategies and the implementation of that curricula.

Funding included in the bill provides 75% of the funding for the Early Literacy Success School grants; participating school districts provide the other 25% as a cash match, using any other fund sources available to the district. Districts with average daily membership of fewer than 50 students qualify for a minimum grant award and may apply to the grant program in consortia and/or in collaboration with an education service district. Minimum grant amounts are intended to allow small districts to make meaningful investments in literacy programs for students. 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 several grant eligibility criteria in the bill.

### **Department of Education**

To fund the Early Literacy Success School Grant program, Other Funds expenditure limitation is increased by \$90,000,000 within ODE's Fund for Student Success Statewide Education Initiatives Account, which is within the Department's K-12 Grant in Aid budget. Early Literacy Success School grantees will receive funding based on recipient's proportional share of overall average daily membership weighted.

The Subcommittee established a new Other Funds expenditure limitation in the amount of \$1 for ODE from the Statewide Education Initiatives Account for grants distributed from the Early Literacy Community Grant Fund. The Subcommittee recommended the following budget note related the Early Literacy Success Community Grant Fund.

#### **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.

After approval of the plan for the early literacy success community grant program, 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.

To administer the new grant programs, the Subcommittee recommended 14 permanent, full-time positions (12.88 FTE) within ODE's Operations unit. Other Funds expenditure limitation is increased by \$4,328,241 within the Department Operations Statewide Education Initiative Account budget to cover the staffing costs and related Services and Supplies. The positions include: one Manager 3, two Program Analyst 2, three Program Analyst 4, four Education Specialist 2, one Training and Development Specialist 2, one Administrative Specialist 2, one Operations and Policy Analyst 4, and a Procurement and a Contract Assistant. This funding also includes \$500,000 per biennium in Services and Supplies to provide regional and statewide professional learning connected to implementation of Oregon's Literacy Framework, summer teaching institutes, and targeted training for principals.

The Subcommittee recommended \$567,593 Other Funds expenditure limitation for ODE to transfer Early Learning Account dollars to DELC for the Birth through Five Literacy Plan.

#### **Department of Early Learning and Care**

The Subcommittee recommended an increase of \$567,592 Other Funds expenditure limitation within DELC's Operations unit to administer the Birth through Five Literacy Plan. The expenditures are to be funded by revenues within the Fund for Student Success Early Learning Account, which are passed through from ODE as a special payment.

The increase in Other Funds expenditure limitation in DELC is to support two permanent full-time positions (1.83 FTE) to support development of a Birth Through Five Literacy Plan. The positions include a Program Analyst 3 and an Operations and Policy Analyst 3. This funding includes \$75,000 in one-time Services and Supplies to cover the cost of community outreach and communications materials to engage stakeholders and support development of the Birth Through Five Literacy Plan.

The Subcommittee established a new Other Funds expenditure limitation in the amount of \$1 for DELC from the Early Learning Account for grants distributed from the Birth through Five Literacy Fund. The Subcommittee recommended the following budget note related to the Birth through Five Literacy Plan and the new Birth through Five Literacy Fund.

**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.

After approval of the Birth Through Five Literacy 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.

PRELIMINARY

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Department of Education and Department of Early Learning and Care  
 Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
<b>Oregon Department of Education</b>									
<b>SCR 100 - Department Operations</b>									
Personal Services	\$ -	\$ -	\$ 3,056,093	\$ -	\$ -	\$ -	\$ 3,056,093	14	12.88
Services and Supplies	\$ -	\$ -	\$ 1,272,148	\$ -	\$ -	\$ -	\$ 1,272,148		
<b>SCR 300- Grant-In-Aid and District Supports</b>									
Special Payments	\$ -	\$ -	\$ 90,567,594	\$ -	\$ -	\$ -	\$ 90,567,594		
<b>Department of Early Learning and Care</b>									
<b>SCR 100 - Department Operations</b>									
Personal Services	\$ -	\$ -	\$ 449,556	\$ -	\$ -	\$ -	\$ 449,556	2	1.83
Services and Supplies	\$ -	\$ -	\$ 118,036	\$ -	\$ -	\$ -	\$ 118,036		
<b>SCR 500- DELC Grant In Aid</b>									
Special Payments	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 1		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,463,428</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,463,428</b>	<b>16</b>	<b>14.71</b>
<b>SUBCOMMITTEE RECOMMENDATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,463,428</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,463,428</b>	<b>16</b>	<b>14.71</b>

PRELIMINARY