

**Enrolled**  
**House Bill 3198**

Sponsored by Representative KROPF, Senator DEMBROW, Representatives NGUYEN H, BOWMAN, RUIZ, Senator SOLLMAN; Representatives ANDERSEN, BYNUM, DEXTER, ELMER, EVANS, FAHEY, GAMBA, GOODWIN, GRAYBER, HIEB, HUDSON, LEVY B, LEVY E, LIVELY, MARSH, MCINTIRE, NELSON, NOSSE, OWENS, RAYFIELD, REYNOLDS, WALLAN, WALTERS, WRIGHT, Senators MEEK, PATTERSON, WEBER

CHAPTER .....

AN ACT

Relating to early literacy; creating new provisions; amending ORS 327.254, 327.274 and 327.800; repealing ORS 327.810 and 329.834; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**EARLY LITERACY SUCCESS INITIATIVE**

**SECTION 1. Definitions.** As used in sections 1 to 14 of this 2023 Act:

- (1) “Early elementary grades” means any grade from prekindergarten through grade three.
- (2) “Elementary school” means a school of a school district, or a public charter school, with students in early elementary grades.
- (3) “High-dosage tutoring” means one-on-one tutoring or tutoring in small groups, as determined by rule of the State Board of Education, that:
  - (a) Is provided in addition to daily instruction;
  - (b) Is provided two or more times each week over at least a 10-week period; and
  - (c) Uses a research-aligned tutoring model that is administered in a culturally responsive manner and that is combined with the training necessary for tutors to implement the model effectively.
- (4) “Prekindergarten” means a preschool or prekindergarten program that is:
  - (a) Provided by a school district or public charter school; or
  - (b) Delivered in partnership between a school district and another organization.
- (5) “Preschool” means a high-quality program that serves children at least three years of age but not older than five years of age.
- (6) “Public charter school” means a public charter school that:
  - (a) Is established under ORS chapter 338; and
  - (b) Is not a virtual public charter school, as defined in ORS 338.005.
- (7) “Qualified tutor” means an individual who is trained to implement a program providing high-dosage tutoring.
- (8) “Research-aligned literacy strategies” means strategies that:
  - (a) Are literacy focused;

- (b) Are culturally responsive and relevant to diverse learners;
- (c) Are based on long-term research derived from the science of reading and writing; and
- (d) Apply instructional practices that are developmentally appropriate and specifically designed for students with disabilities and students who are English language learners.

(9) “Science of reading and writing” means:

(a) The convergence of findings from research on reading and writing processes, development and instruction; and

(b) The teaching of phonemic awareness, phonics, fluency, vocabulary and comprehension through explicit and systematic instruction that can be differentiated to meet the needs of individual learners through developmentally appropriate practices.

(10) “Student groups that have historically experienced academic disparities” means:

(a) Economically disadvantaged students, as determined under rules adopted by the State Board of Education;

(b) Students from racial or ethnic groups that have historically experienced academic disparities, as determined under rules adopted by the State Board of Education;

(c) Students with disabilities;

(d) Students who are English language learners;

(e) Students who are foster children, as defined in ORS 30.297;

(f) Students who are homeless, as determined under rules adopted by the State Board of Education;

(g) Students who attend an elementary school that:

(A) Is identified for comprehensive support and improvement or for targeted support and improvement under the federal Every Student Succeeds Act (P.L. 114-95, 129 Stat. 1802); or

(B) Qualifies for assistance under Title I of the federal Elementary and Secondary Education Act of 1965; or

(h) Any other student groups that have historically experienced academic disparities, as determined under rules adopted by the State Board of Education by rule.

**SECTION 2. Early Literacy Success Initiative.** (1) The Early Literacy Success Initiative is established by sections 1 to 14 of this 2023 Act.

(2) The purposes of the initiative are to:

(a) Increase early literacy for children from birth to grade three;

(b) Reduce early literacy academic disparities for student groups that have historically experienced academic disparities;

(c) Increase support to parents and guardians to enable them to be partners in the development of their children’s literacy skills and knowledge; and

(d) Increase access to early literacy support that is research-aligned, culturally responsive, student-centered and family-centered.

(3) The purposes of the initiative shall be accomplished through:

(a) The Early Literacy Success School Grant, as provided by sections 3 to 7 of this 2023 Act;

(b) The Birth Through Five Literacy Plan, as provided by sections 9 and 11 of this 2023 Act; and

(c) The Early Literacy Success Community Grant, as provided by sections 13 and 14 of this 2023 Act.

### **EARLY LITERACY SUCCESS SCHOOL GRANT**

**SECTION 3. Uses of Early Literacy Success School Grants.** (1) As part of the Early Literacy Success Initiative, the Department of Education shall establish and administer the Early Literacy Success School Grant program.

(2) Under the program, the department shall award annual grants to school districts and to public charter schools that are elementary schools. The grants must be used to implement

the purposes of the Early Literacy Success Initiative, as identified in section 2 of this 2023 Act, by funding the following:

(a) The provision of professional development and coaching in research-aligned literacy strategies to teachers and administrators in early elementary grades to improve early literacy instruction.

(b) The provision of extended learning programs that use research-aligned literacy strategies and that are made available to students in early elementary grades by licensed teachers or by qualified tutors. The extended learning programs may include:

(A) Home-based summer reading activities for students who need additional support and enrichment; and

(B) An intensive summer school program for students who need the most additional support and who receive at least 60 hours of direct literacy instruction by an instructional assistant or a licensed teacher trained in research-aligned literacy strategies.

(c) The provision of 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.

(d) The adoption of curricula that uses research-aligned literacy strategies and the implementation of that curricula. Funding under this paragraph may be used to:

(A) Purchase curricula and materials that are culturally relevant; or

(B) Provide professional development and time for teachers and administrators to attend training related to the curricula.

(e) The employment of literacy specialists, coaches or interventionists.

(3) A grant received under section 5 of this 2023 Act may be used only for purposes identified in subsection (2) of this section for the benefit of children and students in prekindergarten through grade three.

(4) The State Board of Education may adopt any rules necessary for the administration of grants under sections 3 to 7 of this 2023 Act. Rules shall, to the greatest extent practicable, prioritize schools with the lowest rates of proficiency in literacy and assist in the operational alignment of grant programs and improvement strategies administered by the Department of Education, including:

(a) Grants distributed from the Student Investment Account, as provided by ORS 327.175 to 327.235;

(b) Apportionments made under the High School Graduation and College and Career Readiness Act, as provided by ORS 327.853 to 327.895;

(c) District continuous improvement plans, as described in ORS 329.095.

**SECTION 4. Eligibility for grants.** (1) Any school district or public charter school that is an elementary school may apply for a noncompetitive grant under the Early Literacy Success School Grant program as provided by sections 3 to 7 of this 2023 Act.

(2) Grants awarded under section 5 of this 2023 Act are not competitive, but a school district or public charter school must comply with the requirements prescribed by sections 3 to 7 of this 2023 Act and by rules adopted by the State Board of Education under sections 3 to 7 of this 2023 Act.

(3) To be eligible for a grant under section 5 of this 2023 Act, a school district or public charter school must submit to the Department of Education an application that includes:

(a) An early literacy success plan. The plan must be updated every two years and must establish four-year goals for the school district or public charter school to achieve for making progress in satisfying the purposes of the Early Literacy Success Initiative, as described in section 2 of this 2023 Act. The plan must include:

(A) A review of the early literacy program, including the English language arts curricula used by elementary schools of the school district or by the public charter school, using criteria established by the department; and

(B) A student growth assessment for all students and disaggregated by student groups that have historically experienced academic disparities.

(C) A description of how the school district or the public charter school will provide:

(i) Professional development and coaching, as described in section 3 (2)(a) of this 2023 Act;

(ii) Extended learning programs, as described in section 3 (2)(b) of this 2023 Act; and

(iii) High-dosage tutoring, as described in section 3 (2)(c) of this 2023 Act.

(b) An accurate, up-to-date inventory of literacy assessments, tools, curricula and digital resources used by the school district or public charter school to support literacy in early elementary grades. The school district or public charter school must:

(A) Ensure that the literacy assessments, tools, curricula and digital resources of the inventory are based on research-aligned literacy strategies and are formative, diagnostic and culturally responsive; and

(B) Include in the inventory the date of adoption of the literacy assessment, tool, curriculum or digital resource.

(c) A plan for communication efforts to support engagement between:

(A) School districts;

(B) Elementary schools of the school district;

(C) Families of the school district; and

(D) Members of the school district community.

(4) An application described in subsection (3) of this section must be presented and approved by the school district board or the governing body of the public charter school at an open meeting following:

(a) Oral presentation of the application by an administrator of the school district or public charter school to the school district board or the governing body of the public charter school; and

(b) Opportunity for the public to comment on the application.

(5) To the greatest extent practicable, a school district or public charter school shall align an early literacy success plan developed under this section with the plan developed for distributions from the Student Investment Account as provided by ORS 327.185 (7).

(6) For the purposes of this section, the department shall:

(a) Establish timelines and forms for applications submitted under this section;

(b) Evaluate applications before awarding grant funds;

(c) Assist school districts and public charter schools in prioritizing early literacy investments with funds received under this section; and

(d) Provide technical assistance to school districts and public charter schools in developing and implementing the early literacy success plan required for the application.

**SECTION 5. Grant awards.** (1) The Department of Education shall award an Early Literacy Success School Grant to an eligible school district or public charter school that applies for a grant as provided by section 4 of this 2023 Act. Moneys received under this section must be used as described in section 3 (2) of this 2023 Act.

(2) A school district with an average daily membership, as defined in ORS 327.006, of 50 or less shall receive a minimum grant award under this section.

(3) The State Board of Education shall adopt any rules necessary for the distribution of grants under this section.

**SECTION 6. Reporting requirements.** (1) Each recipient of a Early Literacy Success School Grant under section 5 of this 2023 Act must submit an annual report to the Department of Education.

(2) The report required under this section must include:

(a) The school district's or public charter school's progress toward achieving the goals established in the early literacy success plan, as described in section 4 (3) of this 2023 Act;

(b) An inventory of literacy assessments, tools, curricula and digital resources used by the school district or the public charter school to support literacy;

(c) Evidence that the literacy assessments, tools, curricula and digital resources in the inventory described in paragraph (b) of this subsection are used with fidelity to research-aligned literacy strategies;

(d) Evidence that teachers and administrators are provided with professional development plans for using and implementing, with fidelity to research-aligned literacy strategies, the literacy assessments, tools, curricula and digital resources in the inventory described in paragraph (b) of this subsection;

(e) The number and percentage of teachers for early elementary grades receiving professional development and coaching as described in section 3 (2)(a) of this 2023 Act, disaggregated by grade level;

(f) The number and percentage of students participating in early literacy extended learning programs, as described in section 3 (2)(b) of this 2023 Act, at the school and the school district level and their outcomes disaggregated by student group and by grade level;

(g) The number and percentage of students participating in high-dosage tutoring, as described in section 3 (2)(c) of this 2023 Act, and their outcomes disaggregated by student group and by grade level; and

(h) The curricula being used by the school district or public charter school.

(3) Prior to December 31 of each year, the department shall:

(a) Submit to the interim committees of the Legislative Assembly related to education a summary of the Early Literacy Success School Grant program, which must take into consideration the reports submitted under subsection (1) of this section; and

(b) Publish an online, easily accessible inventory of literacy assessments, tools, curricula and digital resources being used to support early literacy in early elementary grades.

**SECTION 7. Monitoring and support.** (1) Based on the reports submitted under section 6 of this 2023 Act, the Department of Education shall monitor a school district's or a public charter school's progress toward achieving the goals established in the early literacy success plan, as described in section 4 (3) of this 2023 Act.

(2) The department shall intervene when a school district or public charter school does not meet the goals established in the early literacy success plan.

(3) When the department intervenes, as provided by subsection (2) of this section, the department:

(a) Shall assist the school district or the public charter school in developing a corrective action plan; and

(b) May retain any or all of the amount the school district or public charter school would have received as a distribution under section 5 of this 2023 Act and may use a portion of the amount retained to prepare and assist the school district or the public charter school in implementing the corrective action plan.

(4) An intervention and corrective action plan shall continue until the school district or public charter school makes sufficient and sustained progress toward achieving the goals established in the early literacy success plan. The department shall determine when sufficient and sustained progress has been achieved.

(5) If a school district or public charter school continues to fail to make progress toward achieving the goals established in the early literacy success plan, the department may take additional action, including not allowing for the distribution to the school district or public charter school of any additional moneys under section 5 of this 2023 Act.

**SECTION 8. Administration.** (1) The Department of Education shall establish timelines for the submission of applications for an Early Literacy Success School Grant under section 4 of this 2023 Act. The timelines must allow for the first distributions of grants to school districts and public charter schools under section 5 of this 2023 Act to be made for the 2023-2024 school year.

(2) Notwithstanding section 3 (3) of this 2023 Act, for the 2023-2024 and 2024-2025 school years only, a grant received under section 5 of this 2023 Act for the purposes described in section 3 (2) of this 2023 Act may be used for the benefit of students in grades four and five in addition to being used for the benefit of children and students in prekindergarten through grade three. For the purpose of this subsection, grant moneys used for the benefit of students in grades four and five must be:

(a) Limited as follows:

(A) For the 2023-2024 school year, no more than 20 percent of the total amount received under section 5 of this 2023 Act for the 2023-2024 school year may be used for the benefit of students in grades four and five; and

(B) For the 2024-2025 school year, no more than 10 percent of the total amount received under section 5 of this 2023 Act for the 2024-2025 school year may be used for the benefit of students in grades four and five.

(b) Matched by moneys otherwise available to the school district or the public charter school.

(3) Notwithstanding section 4 (3)(a) of this 2023 Act, the requirement that an application include four-year goals first applies to applications submitted by a school district or a public charter school on or after January 1, 2025.

(4) Notwithstanding section 6 (3)(a) of this 2023 Act, the first report required to be submitted by the Department of Education under section 6 (3)(a) of this 2023 Act must be submitted no later than December 31, 2024.

#### BIRTH THROUGH FIVE LITERACY PLAN

**SECTION 9. Birth Through Five Literacy Plan.** (1) As part of the Early Literacy Success Initiative, the Department of Early Learning and Care shall establish and implement the Birth Through Five Literacy Plan.

(2) The purposes of the plan are to:

(a) Expand culturally specific early literacy programs for children from birth through five years of age by:

(A) Encouraging family and caregiver engagement; and

(B) Providing research-aligned, developmentally appropriate professional training and coaching for direct service staff in early literacy.

(b) Promote the capacity of programs that engage parents and children from birth through five years of age in early literacy and that are available equitably and statewide.

(c) Expand and develop language revitalization efforts by federally recognized Indian tribes in this state.

(3) Under the plan, the department shall distribute grants from the Birth Through Five Literacy Fund that align to the outcomes and indicators that exist across kindergarten readiness and culturally-specific parent and child support programs.

(4) No later than December 31 of each year, the department shall submit to the interim committees of the Legislative Assembly related to early childhood a progress report on the Birth Through Five Literacy Plan.

**SECTION 10.** Notwithstanding section 9 (4) of this 2023 Act, the first report required to be submitted by the Department of Early Learning and Care under section 9 (4) of this 2023 Act must be submitted no later than December 31, 2024.

**SECTION 11. Birth Through Five Literacy Fund.** (1) The Birth Through Five Literacy Fund is established in the State Treasury, separate and distinct from the General Fund.

(2) The Birth Through Five Literacy Fund shall consist of:

(a) Moneys appropriated or otherwise transferred to the Birth Through Five Literacy Fund by the Legislative Assembly; and

(b) Other amounts deposited in the fund from any source.

(3) Moneys in the Birth Through Five Literacy Fund are continuously appropriated to the Department of Early Learning and Care for the Birth Through Five Literacy Plan established under section 9 of this 2023 Act.

**NOTE:** Section 12 was deleted by amendment. Subsequent sections were not renumbered.

#### EARLY LITERACY SUCCESS COMMUNITY GRANT

**SECTION 13. Early Literacy Success Community Grant.** (1) As part of the Early Literacy Success Initiative, the Department of Education shall establish and administer the Early Literacy Success Community Grant program.

(2) The purposes of the grant program are to:

(a) Expand culturally and linguistically responsive early literacy programs for children in early elementary grades by:

(A) Encouraging family and caregiver engagement; and

(B) Providing research-aligned professional training and coaching for direct service staff in early literacy.

(b) Develop and implement programs that engage parents and children in early elementary grades in early literacy and that are available equitably and statewide.

(c) Provide high-dosage tutoring programs and training to tutors to qualify the tutors for instruction in a manner consistent with research-aligned literacy strategies.

(d) Expand and develop language revitalization efforts by federally recognized Indian tribes in this state.

(3) Under the program, the department shall distribute grants from the Early Literacy Success Community Grant Fund in accordance with rules adopted by the State Board of Education. Rules adopted under this section must:

(a) Establish metrics of success;

(b) Be adopted in consultation with the federally recognized Indian tribes of this state; and

(c) Align, to the greatest extent practicable, with:

(A) The purposes of the Early Literacy Success School Grant program established by sections 3 to 7 of this 2023 Act;

(B) District continuous improvement plans, as described in ORS 329.095; and

(C) Programs related to culturally-specific parent and child support.

**SECTION 14. Early Literacy Success Community Grant Fund.** (1) The Early Literacy Success Community Grant Fund is established in the State Treasury, separate and distinct from the General Fund.

(2) The Early Literacy Success Community Grant Fund shall consist of:

(a) Moneys appropriated or otherwise transferred to the Early Literacy Success Community Grant Fund by the Legislative Assembly; and

(b) Other amounts deposited in the fund from any source.

(3) Moneys in the Early Literacy Success Community Grant Fund are continuously appropriated to the Department of Education for the Early Literacy Success Community Grant program established under section 13 of this 2023 Act.

**NOTE:** Section 15 was deleted by amendment. Subsequent sections were not renumbered.

#### CONFORMING AMENDMENTS

**SECTION 16. Repeals.** ORS 327.810 and 329.834 are repealed.

**SECTION 17.** ORS 327.800 is amended to read:

327.800. (1) The State Board of Education shall identify and make recommendations to the Legislative Assembly about programs that make strategic investments to:

(a) Advance the educational goals of this state, as described in ORS 350.014;

- (b) Improve the employability of graduates from Oregon public schools;
  - (c) Close the achievement gap that exists between historically underserved student groups, as defined by the board by rule;
  - (d) Assist public education in all regions of this state;
  - (e) Promote collaboration and alignment among early childhood service providers, school districts, community colleges, public universities and employers;
  - (f) Leverage private, public and community resources;
  - (g) Engage parents and child care providers, support families and motivate students;
  - (h) Develop and disseminate evidence-based models and best practices that are likely to improve student outcomes;
  - (i) Collect data to monitor student progress; and
  - (j) Establish networks that allow for the replication of successful practices across this state.
- (2) The Department of Education shall distribute any moneys received for strategic investments under this section. Distributions may be made to school districts, education service districts, post-secondary institutions of education, nonprofit organizations, providers of early childhood services, tribes of this state and other entities. Distributions of moneys must advance the purposes set forth in ORS [327.810,] 327.815 and 327.820 or other purposes that meet the goals specified in subsection (1) of this section.
- (3) Any recipient of moneys distributed as a strategic investment must provide separate accounting for the moneys and may use the moneys only for the purpose for which the moneys are provided.
- (4)(a) The State Board of Education shall establish requirements for the programs implemented under this section that are consistent with this section and with ORS [327.810,] 327.815 and 327.820.
- (b) The board shall develop timelines, performance measures and other requirements related to the accumulation and evaluation of data collected in relation to a program that receives moneys as a strategic investment. The performance measures shall include progress toward the goals established in ORS 350.014 and other key student education outcomes established by the board.
- (5) The State Board of Education and the Early Learning Council may adopt any rules necessary for the agencies they oversee to perform any of the duties assigned to them under this section. Any rules adopted by the Early Learning Council must be consistent with this section and actions taken by the State Board of Education to implement this section.

## **FUNDING FOR EARLY LITERACY SUCCESS INITIATIVE**

### **SECTION 18.** ORS 327.254 is amended to read:

- 327.254. (1) The Department of Education shall use moneys in the Statewide Education Initiatives Account to provide funding for statewide education initiatives, including:
- (a) Funding the High School Graduation and College and Career Readiness Act at the levels prescribed by ORS 327.856;
  - (b) Expanding school breakfast and lunch programs;
  - (c) Operating youth reengagement programs or providing youth reengagement services;
  - (d) Establishing and maintaining the Statewide School Safety and Prevention System under ORS 339.341;
  - (e) Developing and providing statewide equity initiatives, including the Black or African-American education plan developed under ORS 329.841, the American Indian or Alaska Native education plan developed under ORS 329.843, the Latino or Hispanic education plan developed under ORS 329.845 or any similar education plan identified by the department;
  - (f) Providing summer learning programs at schools that are considered high poverty under Title I of the federal Elementary and Secondary Education Act of 1965;
  - (g) Funding early warning systems to assist students in graduating from high school, as described in ORS 327.367;



(h) Developing and implementing professional development programs and training programs, including programs that increase educator diversity and retain diverse educators;

(i) Planning for increased transparency and accountability in the public education system of this state;

(j) Providing additional funding to school districts participating in the intensive program under ORS 327.222;

(k) Providing technical assistance, including costs incurred for:

(A) The coaching program described in ORS 327.214; and

(B) The intensive program described in ORS 327.222, including costs for student success teams;

(L) Funding public charter schools, as described in ORS 327.362;

**(m) Funding the Early Literacy Success School Grant program, as provided by section 5 of this 2023 Act;**

**(n) Funding the Early Literacy Success Community Grant program, as established by section 13 of this 2023 Act;**

*[(m)]* (o) Funding education service districts, as described in subsection (2) of this section; and

*[(n)]* (p) Funding costs incurred by the department in implementing this section and ORS 327.175 to 327.235 and 327.274.

(2)(a) The amount of a distribution to an education service district under this section shall be made as provided by paragraph (b) of this subsection after calculating the following for each education service district:

(A) One percent of the total amount available for distribution to education service districts in each biennium.

(B) The education service district's  $ADM_w \times$  (the total amount available for distribution to education service districts in each biennium  $\div$  the total  $ADM_w$  of all education service districts that receive a distribution).

(b) The amount of the distribution to an education service district shall be the greater of the amounts calculated under paragraph (a) of this subsection, except that, for distributions made as provided by paragraph (a)(B) of this subsection, the total amount available for distribution to education service districts shall be the amount remaining after any distributions required under paragraph (a)(A) of this subsection have been made.

(c) For purposes of this subsection,  $ADM_w$  equals the  $ADM_w$  as calculated under ORS 327.013, except that the additional amount allowed for students who are in poverty families, as determined under ORS 327.013 (1)(c)(A)(v)(I), shall be 0.5.

(d) An education service district shall use moneys received under this section as provided by a plan developed by the school districts located within the education service district. A school district that declines to participate in the development of the plan or that has withdrawn from an education service district as provided by ORS 334.015 is not entitled to any moneys distributed to the education service district under this subsection.

(e) A plan developed under this subsection must:

(A) Align with and support school districts in meeting the performance growth targets of the school districts developing the plan;

(B) Include the provision of technical assistance to school districts in developing, implementing and reviewing a plan for receiving a grant from the Student Investment Account;

(C) Provide for coordination with the department in administering and providing technical assistance to school districts, including coordinating any coaching programs established under ORS 327.214; and

(D) Be adopted and amended as provided for local service plans under ORS 334.175 and approved by the department.

(f) Each education service district must submit an annual report to the department that:

(A) Describes how the education service district spent moneys received under this subsection; and

(B) Includes an evaluation of the education service district's compliance with the plan from the superintendent of each school district that participated in the development of the plan.

(3) The State Board of Education shall adopt rules necessary for the distribution of moneys under this section.

**SECTION 19.** ORS 327.274, as amended by section 29, chapter 27, Oregon Laws 2022, is amended to read:

327.274. (1) The Department of Education and the Early Learning Division shall use moneys in the Early Learning Account to provide funding for early learning programs in a manner consistent with a statewide early learning system plan overseen by the Early Learning Council. Early learning programs that may receive moneys from the Early Learning Account include:

**(a) The Birth Through Five Literacy Plan established by section 9 of this 2023 Act;**

[(a)] **(b)** Early childhood special education or early intervention services, as provided by ORS 343.475;

[(b)] **(c)** Relief nurseries;

[(c)] **(d)** Programs funded by the Early Childhood Equity Fund;

[(d)] **(e)** The Oregon prekindergarten program and other public preschool programs established under ORS 329.170 to 329.200, by increasing:

(A) The total number of spaces for children served by the programs; or

(B) Existing spaces for full-day programs from half-day programs;

[(e)] **(f)** Professional development for early childhood educators; and

[(f)] **(g)** Early Head Start programs.

(2) In addition to the uses identified in subsection (1) of this section, moneys in the Early Learning Account may be used for:

(a) Staffing needs of the Early Learning Division for the purpose of implementing this section.

(b) Costs incurred by the division in conducting the biennial evaluation of programs that receive grants under ORS 417.782.

(3) The State Board of Education and the Early Learning Council shall adopt rules necessary for the distribution of moneys under this section.

**SECTION 20.** ORS 327.274, as amended by section 21, chapter 631, Oregon Laws 2021, and section 30, chapter 27, Oregon Laws 2022, is amended to read:

327.274. (1) The Department of Early Learning and Care shall use moneys in the Early Learning Account to provide funding for early learning programs in a manner consistent with a statewide early learning system plan overseen by the Early Learning Council. Early learning programs that may receive moneys from the Early Learning Account include:

**(a) The Birth Through Five Literacy Plan established by section 9 of this 2023 Act;**

[(a)] **(b)** Early childhood special education or early intervention services, as provided by ORS 343.475;

[(b)] **(c)** Relief nurseries;

[(c)] **(d)** Programs funded by the Early Childhood Equity Fund;

[(d)] **(e)** The Oregon prekindergarten program and other public preschool programs established under ORS 329.170 to 329.200, by increasing:

(A) The total number of spaces for children served by the programs; or

(B) Existing spaces for full-day programs from half-day programs;

[(e)] **(f)** Professional development for early childhood educators; and

[(f)] **(g)** Early Head Start programs.

(2) In addition to the uses identified in subsection (1) of this section, moneys in the Early Learning Account may be used for:

(a) Staffing needs of the Department of Early Learning and Care for the purpose of implementing this section.

(b) Costs incurred by the department in conducting the biennial evaluation of programs that receive grants under ORS 417.782.

(3) The Early Learning Council shall adopt rules necessary for the distribution of moneys under this section.

**SECTION 21.** Notwithstanding any other law limiting expenditures, the amount of \$90,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for payments of grants-in-aid, program costs and purchased services by the Department of Education from the Statewide Education Initiatives Account established under ORS 327.250 for Early Literacy Success School Grants.

**SECTION 22.** Notwithstanding any other law limiting expenditures, the amount of \$1 is established for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses for operations, grants-in-aid, program costs and purchased services by the Department of Early Learning and Care from corporate activity tax funds transferred from the Early Learning Account by the Department of Education for Birth Through Five Literacy Plan grants.

**SECTION 23.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 4 (1), chapter \_\_, Oregon Laws 2023 (Enrolled House Bill 5013), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses for operations, grants-in-aid, program costs and purchased services by the Department of Early Learning and Care from corporate activity tax funds transferred from the Early Learning Account by the Department of Education, for operations, is increased by \$567,592, for administration of the Birth Through Five Literacy Plan.

**SECTION 24.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 12, chapter \_\_, Oregon Laws 2023 (Enrolled House Bill 5014), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses by the Department of Education for a transfer of corporate activities tax funds from the Early Learning Account established under ORS 327.269 to the Department of Early Learning and Care, is increased by \$567,593, for administration of the Birth Through Five Literacy Plan.

**SECTION 25.** Notwithstanding any other law limiting expenditures, the amount of \$1 is established for the biennium beginning July 1, 2023, as the maximum limit for payments of grants-in-aid, program costs and purchased services by the Department of Education from the Statewide Education Initiatives Account established under ORS 327.250 for Early Literacy Success Community Grants.

**SECTION 26.** Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 14, chapter \_\_, Oregon Laws 2023 (Enrolled House Bill 5014), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses by the Department of Education from the Statewide Education Initiatives Account established under ORS 327.250, for operations, is increased by \$4,328,241, for administration of the Early Literacy Success School Grant program and the Early Literacy Success Community Grant program.

#### MISCELLANEOUS

**SECTION 27.** The unit and section captions used in this 2023 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2023 Act.

**SECTION 28.** This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.

**Passed by House June 22, 2023**

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

**Passed by Senate June 24, 2023**

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Rob Wagner, President of Senate

**Received by Governor:**

.....M,....., 2023

**Approved:**

.....M,....., 2023

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Tina Kotek, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2023

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Secretary of State