# MEMORANDUM

Legislative Fiscal Office 900 Court St. NE, Room H-178 Salem, Oregon 97301 Phone 503-986-1828 FAX 503-373-7807

То:	Human Services Subcommittee of the Joint Committee on Ways and Means
From:	Laurie Byerly, Legislative Fiscal Office, 503-986-1833
Date:	June 11, 2013
Subject:	HB 2013-A Work Session Recommendations

Generally, House Bill 2013 modifies and clarifies language from HB 4165 (2012); that "early learning legislation" is intended to streamline and improve early childhood services to prepare kids for kindergarten and beyond. Changes primarily affect the Early Learning Council and the Department of Education. The bill adds requirements for training related to implementation of the kindergarten readiness assessment in fall 2013. A grant program is also set up to help with kindergarten readiness. The bill also sets out a process for the development of Early Learning Hub Demonstration Projects that are expected to transition into full-fledged Early Learning Hubs once proven. Demonstration projects are limited in number to 7 in the first fiscal year of the 2013-15 biennium and to 16 in the second fiscal year.

## **Recommended Amendment**

The proposed –A8 amendment clarifies that the child care committee is focused on professional development and quality improvement, but that quality standards are subject to collective bargaining. The amendment requires legislative reporting on the Early Learning Hub Demonstration projects during both the 2014 and 2015 legislative sessions. It also removes the blank appropriation in Section 28 of the bill (Hub establishment funding in already in the Early Learning budget

# Motion #1: I move the -A8 amendment to HB 2013-A

# HB 2013-A Final Subcommittee Action

The measure, as amended, is recommended to be moved to the Full Committee on Joint Ways and Means.

# Motion #2: I move HB 2013-A to the Joint Committee on Ways and Means with a "do pass" recommendation, as amended.

#### 77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session STAFF MEASURE SUMMARY

Joint Committee on Ways and Means

Revenue: No revenue impact **Fiscal:** Fiscal statement issued Action: Vote: House Yeas: Nays: Exc: Senate Yeas: Nays: Exc: **Prepared By:** Laurie Byerly, Legislative Fiscal Office **Meeting Date:** [Full Committee Meeting Date]

WHAT THE MEASURE DOES: Directs Early Learning Council (ELC) and Department of Education to assist school districts in implementing kindergarten readiness assessments for children and establishes a related grant program. Requires standardized screening and referral services for voluntary statewide early learning system. Requires a permanent professional development and labor management committee be established for child care providers. Changes the program name for "Healthy Start Family Support Services" to "Healthy Families Oregon" and sets goal for program to target more than just first birth families and expands assessments to include children from zero to three years of age. Directs Oregon Health Authority and ELC to develop performance metrics for prenatal care, delivery and infant care. Instructs Oregon Health Authority and ELC to establish grant program to support strategies that align voluntary statewide early learning systems and health systems to improve developmental outcomes for children from zero through three years of age. Requires preschool child with disability have comprehensive communication plan by the age of three years. Directs ELC to establish Early Learning Hub Demonstration projects, capping the number of projects at 7 in the first fiscal year of the 2013-15 biennium and at 16 in the second fiscal year. Appropriates an indeterminate amount of General Fund for demonstration projects.

#### **ISSUES DISCUSSED:**

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**EFFECT OF COMMITTEE AMENDMENT:** Clarifies that child care committee is focused on professional development and quality improvement, but that quality standards are subject to collective bargaining. Requires legislative reporting on the Early Learning Hub Demonstration projects during both the 2014 and 2015 legislative sessions. Removes the blank appropriation in Section 28 of the bill (Hub establishment funding in already in the Early Learning budget).

**BACKGROUND:** The Early Learning Council (ELC), under the Oregon Education Investment Board (OEIB), was created through legislation in 2011. The Council guides efforts to "integrate and streamline" state programs for at-risk youth and ensures that children are prepared to learn when they enter kindergarten. Out of every 10 children in Oregon, at least four are not ready for kindergarten. Goals of the Oregon Early Childhood System include, and are not limited to:

Carrier – House: Rep. Carrier – Senate: Sen. 1) the prevention of child abuse and neglect; 2) linking and integrating system programs and supports; and 3) parental braces in providing supportive environment for young children.

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by:	Tim Walker, Laurie Byerly
Reviewed by:	Laurie Byerly, Doug Wilson
Date:	06/10/2013

#### **Measure Description:**

Directs Early Learning Council and Department of Education to assist school districts in implementing process to assess children to determine their readiness for kindergarten and sets up a related grant program. Also requires demonstration projects and collaboration on various early learning services and programs.

#### Government Unit(s) Affected:

Department of Education, Early Learning Council, School Districts, Oregon Health Authority, and Department of Human Services

#### Summary of Expenditure Impact:

See Analysis.

#### Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:** This bill directs the Early Learning Council (ELC) and the Oregon Department of Education (ODE) to assist school districts in implementing a Kindergarten Readiness Assessment (KRA). This includes training, implementation, learning services available to improve a child's readiness, and accessing services.

#### **Oregon Department of Education:**

The fiscal impact for the Oregon Department of Education (ODE) is primarily associated with continuing to help the Early Learning Council (ELC) to implement a process for assessment of children to determine readiness for kindergarten. This work was originally part of HB 4165 (2012), but HB 2013 adds specific requirements regarding training. Potentially ODE will need half of an Education Specialist 2 position to develop and provide training. Training includes helping parents, communities, and school districts to understand assessment goals, program implementation, and availability of early learning services. No specific level of funding or positions have been identified for these components of the bill, but will continued to be reviewed as budgets are finalized and as federal resources likely materialize.

There is also a requirement for each child with a disability to have a comprehensive plan for communication by age three. The workload and fiscal impact associated with this work is indeterminate.

#### Early Learning Council (ELC):

The bill requires the ELC to establish and fund Early Learning Hub Demonstration Projects; the number of projects is limited to 7 in the first fiscal year of the biennium and to 16 in the second year. Within the current budget plan for Early Learning programs, \$4.3 million General Fund has been designated to help fund these projects. Existing ELC resources will develop and handle the application, selection, and evaluation processes, and legislative reporting associated with the projects. ELC is also required to administer a new Early Learning Kindergarten Readiness Partnership and Innovation program. This program will provide grant funding for programs that improve kindergarten readiness. Within in the current budget plan for Early Learning programs, \$4 million General Fund is earmarked for these grants.

### Oregon Health Authority (OHA) and Department of Human Services (DHS):

The overall fiscal impact to OHA and DHS is indeterminate due to increased standardized testing and working collaboratively with Coordinated Care Organizations (CCOs) and whether or not CCOs would accept amendments to current contracts for the additional testing. In addition, there may be some work related to screenings or referrals to early learning services; this is also indeterminate.

#### School Districts and Educational Service Districts:

Many school districts currently provide an assessment for incoming kindergartners. New standardized testing may require some schools to discontinue their current assessments and adopt a new statewide assessment tool. Training for and conduct of new assessments may require teachers to spend time away from the classroom, which could drive costs associated with hiring substitute teachers to fill the gaps. The overall fiscal impact is indeterminate.

HB 2013-A8 (LC 3410) 6/10/13 (HRL/ps)

# PROPOSED AMENDMENTS TO A-ENGROSSED HOUSE BILL 2013

1 On page 1 of the printed A-engrossed bill, line 4, delete "and 15" and in-2 sert ", 15 and 78".

3 On page 3, delete lines 8 through 20 and insert:

"(5)(a) For the purpose of ensuring that affordable, quality home-based 4 child care is available through a subsidy program administered by the De- $\mathbf{5}$ partment of Human Services, the Department of Human Services and the 6 Child Care Division of the Employment Department shall convene a perma-7 nent committee for professional development and quality improvement. The 8 committee must have equal representation by state agencies and by union 9 representatives of home-based child care providers that are exempt from 10 licensure. The committee shall develop a quality improvement system for 11 child care providers that are exempt from licensure and that receive subsi-12dies. The system must use evidence-based approaches. 13

"(b) Any quality standards established under the subsidy program described in paragraph (a) of this subsection for child care providers that are exempt from licensure must be consistent with state policies for child wellbeing and development and are subject to collective bargaining.".

18 On page 5, delete lines 6 through 18 and insert:

"(5)(a) For the purpose of ensuring that affordable, quality home-based child care is available through a subsidy program administered by the Department of Human Services, the Department of Human Services and the Child Care Division of the Employment Department shall convene a permanent committee for professional development and quality improvement. The committee must have equal representation by state agencies and by union representatives of home-based child care providers that are exempt from licensure. The committee shall develop a quality improvement system for child care providers that are exempt from licensure and that receive subsidies. The system must use evidence-based approaches.

"(b) Any quality standards established under the subsidy program described in paragraph (a) of this subsection for child care providers that are exempt from licensure must be consistent with state policies for child wellbeing and development and are subject to collective bargaining.".

11 On page 6, delete lines 12 through 45.

12 Delete pages 7 and 8.

13 On page 9, delete lines 1 through 22 and insert:

"SECTION 5. ORS 417.795, as amended by section 53, chapter 37, Oregon
 Laws 2012, is amended to read:

<sup>16</sup> "417.795. (1) The Early Learning Council shall establish [*Healthy Start* <sup>17</sup> *Family Support Services*] **Healthy Families Oregon** programs through con-<sup>18</sup> tracts entered into by local commissions on children and families in all <sup>19</sup> counties of this state as funding becomes available.

20 "(2) These programs shall be nonstigmatizing, voluntary and designed to 21 achieve the appropriate early childhood benchmarks and shall:

"(a) Ensure that express written consent is obtained from the family prior
to any release of information that is protected by federal or state law and
before the family receives any services;

"(b) Ensure that services are voluntary and that, if a family chooses not
to accept services or ends services, there are no adverse consequences for
those decisions;

"(c) Offer a voluntary comprehensive [screening and] risk assessment of
all [newly born] children, from zero through three years of age, and their
families in coordination with voluntary statewide early learning system

#### 1 screening and referral efforts;

"(d) Ensure that the disclosure of information gathered in conjunction
with the voluntary comprehensive [*screening and*] risk assessment of children
and their families is limited pursuant to ORS 417.728 [(7)] (8) to the following
purposes:

"(A) Providing services under the programs to children and families who
give their express written consent;

8 "(B) Providing statistical data that are not personally identifiable;

9 "(C) Accomplishing other purposes for which the family has given express 10 written consent; and

"(D) Meeting the requirements of mandatory state and federal disclosure
 laws;

"(e) Ensure that risk factors used in the risk [assessment] screen are
limited to those risk factors that have been shown by research to be associated with poor outcomes for children and families;

"(f) Identify, as early as possible, families that would benefit most from
 the programs;

"(g) Provide parenting education and support services, including but not
 limited to community-based home visiting services [and primary health care
 services];

"(h) Provide other supports, including but not limited to referral to and linking of community and public services for children and families such as mental health services, alcohol and drug treatment programs that meet the standards promulgated by the Oregon Health Authority under ORS 430.357, child care, food, housing and transportation;

"(i) Coordinate services for children consistent with the voluntary local
 early childhood system plan developed pursuant to ORS 417.777;

28 "[(j) Provide follow-up services and supports from zero through six years 29 of age;]

((k)] (j) Integrate data with any common data system for early childhood

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1 programs;

2 "[(L)] (k) Be included in a statewide independent evaluation to document:

3 "(A) Level of screening and assessment;

4 "(B) Incidence of child abuse and neglect;

5 "(C) Change in parenting skills; and

6 "(D) Rate of child development;

"[(m)] (L) Be included in a statewide training program in the dynamics
of the skills needed to provide early childhood services, such as assessment
and home visiting; and

"[(n)] (m) Meet voluntary statewide and local early childhood system
 quality assurance and quality improvement standards.

"(3) The [Healthy Start Family Support Services] Healthy Families
Oregon programs, [local health departments and other providers of prenatal
and perinatal services in counties,] in coordination with statewide home
visiting partners and as part of the voluntary local early childhood system,
shall:

"(a) Identify existing services and describe and prioritize additional services necessary for a voluntary home visit system;

19 "(b) Build on existing programs;

20 "(c) Maximize the use of volunteers and other community resources that 21 support all families;

"(d) Target, at a minimum, all [first birth families in the county] prenatal
families and families with children less than three months of age and
provide services through at least the child's third birthday; and

"(e) Ensure that home visiting services provided by local [health depart-*ments*] home visiting partners for children and pregnant women support
and are coordinated with local [Healthy Start Family Support Services]
Healthy Families Oregon programs.

"(4) Through a [Healthy Start Family Support Services program, a trained
 family support worker or nurse] Healthy Families Oregon program, a

trained home visitor shall be assigned to each family assessed as at risk that consents to receive services through the [worker or nurse] trained home visitor. The [worker or nurse] trained home visitor shall conduct home visits and assist the family in gaining access to needed services.

5 "(5) The services required by this section shall be provided by hospitals, 6 public or private entities or organizations, or any combination thereof, ca-7 pable of providing all or part of the family risk assessment and the follow-up 8 services. In granting a contract, a local commission may utilize collaborative 9 contracting or requests for proposals and shall take into consideration the 10 most effective and consistent service delivery system.

"(6) The family risk assessment and follow-up services for families at risk shall be provided by [trained family support workers or nurses] trained home visitors organized in teams supervised by a manager [and including a family services coordinator who is available to consult].

"(7) Each [Healthy Start Family Support Services] Healthy Families
Oregon program shall adopt disciplinary procedures for [family support workers, nurses] trained home visitors and other employees of the program.
The procedures shall provide appropriate disciplinary actions for [family support workers, nurses] trained home visitors and other employees who
support workers, nurses] trained home visitors and other employees who
violate federal or state law or the policies of the program.

"SECTION 6. ORS 417.795, as amended by sections 53 and 95, chapter 37,
 Oregon Laws 2012, is amended to read:

"417.795. (1) The Early Learning Council shall establish [*Healthy Start Family Support Services*] Healthy Families Oregon programs in all counties
of this state as funding becomes available.

"(2) These programs shall be nonstigmatizing, voluntary and designed to
 achieve the appropriate early childhood benchmarks and shall:

"(a) Ensure that express written consent is obtained from the family prior
to any release of information that is protected by federal or state law and
before the family receives any services;

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"(b) Ensure that services are voluntary and that, if a family chooses not to accept services or ends services, there are no adverse consequences for those decisions;

"(c) Offer a voluntary comprehensive [screening and] risk assessment of
all [newly born] children, from zero through three years of age, and their
families in coordination with voluntary statewide early learning system
screening and referral efforts;

"(d) Ensure that the disclosure of information gathered in conjunction
with the voluntary comprehensive [*screening and*] risk assessment of children
and their families is limited pursuant to ORS 417.728 [(7)] (8) to the following
purposes:

"(A) Providing services under the programs to children and families who
 give their express written consent;

14 "(B) Providing statistical data that are not personally identifiable;

"(C) Accomplishing other purposes for which the family has given express
 written consent; and

"(D) Meeting the requirements of mandatory state and federal disclosure
 laws;

"(e) Ensure that risk factors used in the risk [assessment] screen are limited to those risk factors that have been shown by research to be associated with poor outcomes for children and families;

"(f) Identify, as early as possible, families that would benefit most from
the programs;

"(g) Provide parenting education and support services, including but not
limited to community-based home visiting services [and primary health care
services];

"(h) Provide other supports, including but not limited to referral to and linking of community and public services for children and families such as mental health services, alcohol and drug treatment programs that meet the standards promulgated by the Oregon Health Authority under ORS 430.357, 1 child care, food, housing and transportation;

"(i) Coordinate services for children consistent with other services provided through the Oregon Early Learning System;

4 "[(j) Provide follow-up services and supports from zero through six years 5 of age;]

6 "[(k)] (j) Integrate data with any common data system for early childhood
7 programs;

8 "[(L)] (k) Be included in a statewide independent evaluation to document:

9 "(A) Level of screening and assessment;

10 "(B) Incidence of child abuse and neglect;

11 "(C) Change in parenting skills; and

12 "(D) Rate of child development;

"[(m)] (L) Be included in a statewide training program in the dynamics
 of the skills needed to provide early childhood services, such as assessment
 and home visiting; and

16 "[(n)] (m) Meet statewide quality assurance and quality improvement 17 standards.

"(3) The [Healthy Start Family Support Services] Healthy Families
Oregon programs, [local health departments and other providers of prenatal
and perinatal services in counties] in coordination with statewide home
visiting partners, shall:

"(a) Identify existing services and describe and prioritize additional services necessary for a voluntary home visit system;

24 "(b) Build on existing programs;

"(c) Maximize the use of volunteers and other community resources that
 support all families;

"(d) Target, at a minimum, all [first birth families in the county] prenatal
families and families with children less than three months of age and
provide services through at least the child's third birthday; and

30 "(e) Ensure that home visiting services provided by local [health depart-

*ments*] home visiting partners for children and pregnant women support
 and are coordinated with local [*Healthy Start Family Support Services*]
 Healthy Families Oregon programs.

"(4) Through a [Healthy Start Family Support Services program, a trained family support worker or nurse] Healthy Families Oregon program, a trained home visitor shall be assigned to each family assessed as at risk that consents to receive services through the [worker or nurse] trained home visitor. The [worker or nurse] trained home visitor shall conduct home visits and assist the family in gaining access to needed services.

"(5) The services required by this section shall be provided by hospitals, public or private entities or organizations, or any combination thereof, capable of providing all or part of the family risk assessment and the follow-up services. In granting a contract, collaborative contracting or requests for proposals may be used and must include the most effective and consistent service delivery system.

"(6) The family risk assessment and follow-up services for families at risk
shall be provided by [trained family support workers or nurses] trained home
visitors organized in teams supervised by a manager [and including a family
services coordinator who is available to consult].

20 "(7) Each [Healthy Start Family Support Services] Healthy Families 21 Oregon program shall adopt disciplinary procedures for [family support 22 workers, nurses] trained home visitors and other employees of the program. 23 The procedures shall provide appropriate disciplinary actions for [family 24 support workers, nurses] trained home visitors and other employees who 25 violate federal or state law or the policies of the program.".

On page 12, delete lines 2 through 45 and delete pages 13 and 14.

27 On page 15, delete lines 1 through 16 and insert:

28 "<u>NOTE:</u> Section 14 was deleted by amendment. Subsequent sections were
29 not renumbered.".

30 On page 18, after line 31, insert:

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"SECTION 16. (1) The Early Learning Council shall establish Early
 Learning Hub Demonstration Projects.

"(2) The Early Learning Council shall ensure that, to the extent
practicable, any requirements for Early Learning Hub Demonstration
Projects are consistent with the requirements for Early Learning
Hubs, as described in section 77, chapter 37, Oregon Laws 2012.

"(3) The Early Learning Council shall develop metrics for the purpose of providing funding under this section. The metrics must:

9 "(a) Focus on community readiness, high capacity development and
 10 progress toward tracking child outcomes;

"(b) Establish a baseline of information for the area to be served by an Early Learning Hub Demonstration Project, including information about the inclusion of community partners in the governance structure of the Early Learning Hub Demonstration Project, the availability of data on local programs and outcomes and the success in leveraging private, nonprofit and other governmental resources for early learning; and

18 "(c) Include child performance metrics.

"(4) When selecting entities to participate in an Early Learning Hub Demonstration Project, the Early Learning Council shall consider the entity's ability to comply with the criteria and requirements adopted under section 77 (3), (4) and (5), chapter 37, Oregon Laws 2012, and shall balance the factors described in section 77 (6), chapter 37, Oregon Laws 2012.

"(5) The Early Learning Council may provide funding under this section during the 2013-2014 fiscal year for no more than seven Early Learning Hub Demonstration Projects. An Early Learning Hub Demonstration Project that receives moneys in the 2013-2014 fiscal year must achieve sufficient outcomes, as determined by the council, to qualify to receive moneys in the 2014-2015 fiscal year. "(6) The Early Learning Council may provide funding under this
 section during the 2014-2015 fiscal year for no more than a total of 16
 Early Learning Hub Demonstration Projects.

"(7) The Early Learning Council may require that, as a condition of receiving funding under this section, an Early Learning Hub Demonstration Project provide matching funding. The percentage of matching funding shall be determined by the council and may vary for each fiscal year. Any moneys received under this section are subject to the restrictions described in section 77 (8), chapter 37, Oregon Laws 2012.

"(8) For any community in this state that is not served by an Early Learning Hub Demonstration Project, the Early Learning Council shall oversee and administer the delivery of early learning services for that community and, to the extent practicable, shall regionalize service administration.

"(9)(a) An Early Learning Hub Demonstration Project that receives
 funding under this section must submit a report to the appropriate
 interim legislative committees no later than January 1, 2014.

"(b) The Early Learning Council must submit a report to the Leg islative Assembly no later than February 3, 2014. The report must de scribe:

"(A) The progress in establishing Early Learning Hub Demon stration Projects;

"(B) The effectiveness of Early Learning Hub Demonstration
 Projects; and

"(C) The transition of services in communities not served by an
 Early Learning Hub Demonstration Project.

"(c) The Early Learning Council must submit a report to the Leg islative Assembly no later than February 4, 2015. The report must in clude:

"(A) A summary of the results of the Early Learning Hub Demon stration Projects; and

"(B) Proposed legislation that takes into consideration the results
of the Early Learning Hub Demonstration Projects and attempts to
increase the effectiveness and successfulness of Early Learning Hubs
described in section 77, chapter 37, Oregon Laws 2012.

"SECTION 17. Section 78, chapter 37, Oregon Laws 2012, is amended to
read:

9 "Sec. 78. The Early Learning Council shall establish a process for des-10 ignating entities as [community-based coordinators of early learning services]

11 Early Learning Hubs as defined in section 77, chapter 37, Oregon Laws

12 **2012,** that allows the entities to [begin functioning as community-based coor-

13 dinators of early learning services no later than January 1, 2014] transition

from an Early Learning Hub Demonstration Project, as described in
 section 16 of this 2013 Act, to an Early Learning Hub.

"SECTION 18. Section 16 of this 2013 Act and section 78, chapter 37,
 Oregon Laws 2012, are repealed June 30, 2015.".

In line 32, delete "16" and insert "19".

On page 19, line 1, after the period insert "The system may not include more than 16 Early Learning Hubs.".

In line 34, delete "human service providers" and insert "human social service providers, child care providers".

In line 35, after "governments" insert "from the service area".

In line 43, after "raise" insert "and leverage" and after "sources" insert and to secure in-kind support".

26 On page 20, after line 20, insert:

"(9) The Department of Human Services or the Oregon Health Authority
may not transfer any authority for determining eligibility for a state or
federal program to an Early Learning Hub.".

In line 21, delete "17" and insert "20".

- 1 Delete lines 29 through 45.
- 2 On page 21, delete line 1.
- 3 In line 2, delete "20" and insert "21".

4 In line 14, delete "21" and insert "22".

5 In line 30, delete "22" and insert "23".

6 On page 22, line 7, delete "23" and insert "24".

7 Delete lines 10 through 40 and insert:

8 "SECTION 25. ORS 417.790, as amended by sections 51 and 93, chapter

9 37, Oregon Laws 2012, is amended to read:

<sup>10</sup> "417.790. The Early Learning Council shall:

"(1) Make grants to fund research-based services and initiatives to improve outcomes for children, youth or families. [*The council and communitybased coordinators of early learning services shall assist counties in the implementation of community services that are efficient, accountable, coordinated and readily available. These services shall be provided in accordance with ORS 417.715 and 417.720.*]

"(2) Make Great Start grants to fund community-based programs for children zero through six years of age. A [county or region] recipient shall use Great Start grant funds to provide research-based early childhood programs in community settings and to provide services that have proven to be successful and that meet the needs of the community. These services shall be provided in accordance with ORS 417.728.".

23 On page 23, delete lines 24 through 28.

In line 29, delete "29" and insert "28".

25