

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 3561**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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**Measure Description:**

Specifies that term "early childhood care and education" includes early childhood behavioral and mental health services for purposes of scholarships and grants awarded to ensure state has adequate supply of early childhood care and education professionals.

**Government Unit(s) Affected:**

Higher Education Coordinating Commission, Department of Early Learning and Care

**Summary of Fiscal Impact:**

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

**Analysis:**

House Bill 3561 specifies that the term "early childhood care and education" includes early childhood behavioral and mental health services for purposes of awarding scholarships and grants. The measure requires a person to accept state and federal aid grants, institutional aid grants, and scholarships made available to the person to be eligible to receive a scholarship. The award methodology determined by the Higher Education Coordinating Commission (HECC) and the Early Learning Council allows other financial assistance, including state and federal aid grants, institutional aid grants, and scholarships received by a person, to be taken into consideration when considering a scholarship application. The measure takes effect on passage.

**Higher Education Coordinating Commission**

The measure is anticipated to have a fiscal impact on HECC. Under current law, ORS 329.181 created a scholarship program to ensure that there is an adequate supply of highly qualified early childhood care and education professionals in this state. However, there are currently no grant programs in the state that support students who are pursuing their education in early childhood and mental health services focused programs. Although the measure does not provide funding for awarding scholarships or grants for early childhood care and education, Policy Option Package 302 in HECC's 2023-25 agency request budget included \$5,207,930 General Fund above the current service level to provide \$5,000,000 in special payments to award scholarships to students who are working towards an early childhood care, education, and/or behavioral mental health professional degree and one-time grants to institutions of higher learning to develop high-quality degree programs for early childhood care and education professionals. If approved, HECC would also use \$207,930 to hire a permanent, full-time Program Analyst 2 position (0.88 FTE).

**Department of Early Learning and Care**

The measure is anticipated to have no fiscal impact on the Department of Early Learning and Care.