

## STATEMENT OF NEED AND FISCAL IMPACT: ECEF

### **Filing Caption (15 words):**

HB 3427 (2019 Legislative Session) requires the ELD to make grants from the Early Childhood Equity Fund.

### **Need for Rule(s):**

HB 3427 of the 2019 Legislative Session (the 2019 Student Success Act) requires the Early Learning Division to make grants from the Early Childhood Equity Fund established under the bill. These new rules set up the new program for the ELD to govern administration of funds.

### **Fiscal and Economic Impact:**

As a grant program, organizations that apply and are approved to administer programs through the Early Childhood Equity Fund will receive state monies to move forward with approved programming. The fund has \$10 million per year to distribute throughout the state. There is no anticipated adverse impact on organizations whose programs are denied funding or do not apply for funding.

### **Statement of Cost of Compliance:**

*(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s).*

There are no anticipated adverse impacts for units of local governments, and members of the public are not likely to be economically affected by the rule(s). If local government programs apply and are funded, they will be economically bolstered to serve local populations.

*(2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s);*

(a) As a new program, the number of small businesses eligible to apply for program funding is unknown. The types of small businesses will include culturally specific organizations implementing parent-child interactions, parenting education, and early literacy and family literacy.

*(b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s);*

(b) There would be a minimal cost to a small business to apply for a grant. Reporting, recordkeeping, and other administrative costs would be reimbursable expenses for awarded grants and therefore would not have any net costs.

*(c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

(c) There are no anticipated costs to small businesses for professional services, equipment supplies, labor and administration required by the new rules.

**Describe how small businesses were involved in the development of these rule(s)?**

The Early Learning Division has formed a Rules Advisory Committees with stakeholders from across the state, including organizations serving populations representing racial, ethnic, geographic, socioeconomic, and linguistic diversity, to inform the development of the administrative rules.

The Early Learning Division has conducted a survey to better understand how culturally specific organizations (including small businesses) will deliver services through the Early Childhood Learning Equity Fund and how the Equity Fund can help grow the capacity of these organizations to serve more children and families.

The Early Learning Division will seek additional public comments by posting drafts of the administrative rules on its website and seeking comments both in writing and through a public hearing in January.

**Documents Relied Upon, and where they are available:**

Statutory Authority: Oregon Laws 2019, Chapter 122