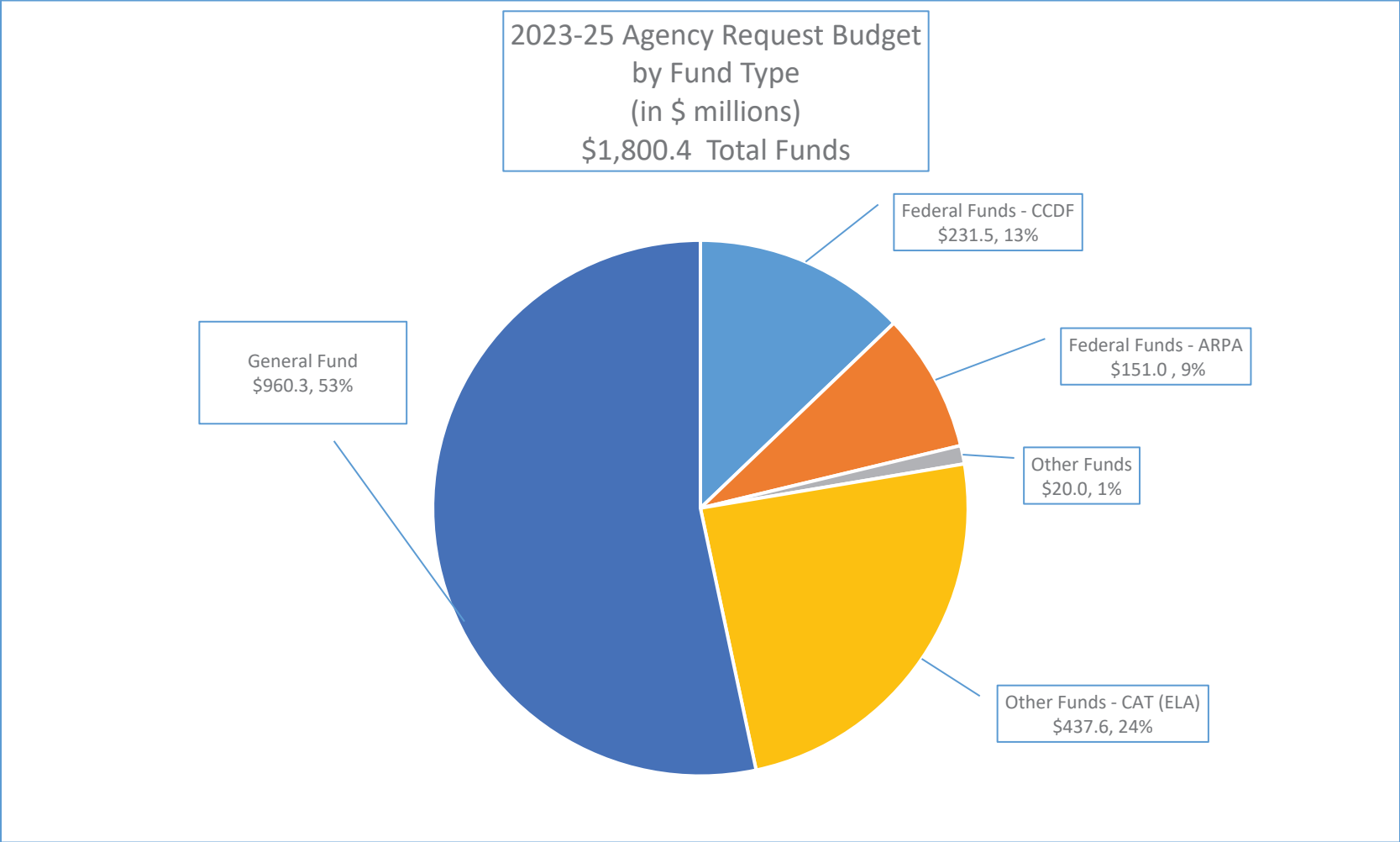


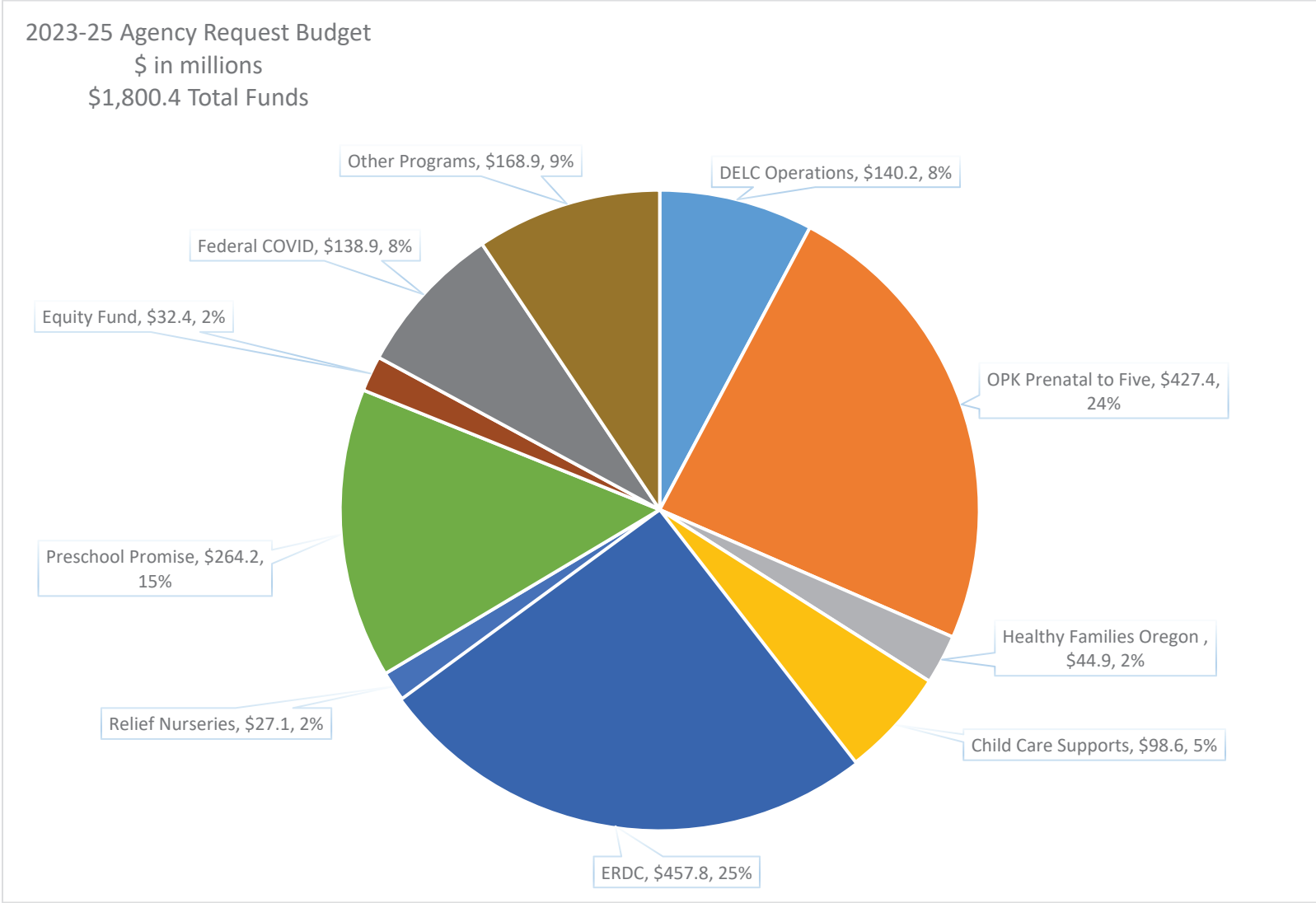
# BUDGET NARRATIVE

## Department of Early Learning and Care Budget by Fund



# BUDGET NARRATIVE

## Department of Early Learning and Care Budget by Program



# BUDGET NARRATIVE

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## Agency Reduction Exercise

ORS 291.206 requires that “each agency request budget include options for a 10[%] reduction” from Current Service Level (CSL) estimates. CSL includes 4.2% inflationary adjustment across the majority of funding types which, for the Department of Early Learning and Care, includes:

- General Fund (GF)
- Federal Funds (FF)
- Other Funds (OF)
  - This includes the Student Success Act – Early Learning Account (ELA)

Agencies must provide these reductions in 5% increments. **DELC 23-25 Reductions: \$130 million total across all funding types.**

The Agency developed reduction principles to aid in this exercise. The Agency reviewed and refined these principles through a community engagement process that included external partners as well as internal management staff perspectives:

First, take reductions to internal operations:

- Remove inflation for services and supplies;
- Reduce services and supplies;
- Review vacant positions.

Then, look at direct service delivery through grant-in-aid:

1. Prioritize direct service to families;
2. Prioritize direct service to providers;
3. Consider scope of impact (how many children/families could lose access to services);
4. Maintain child care supply and workforce;
5. Consider the likelihood of recovery ;
6. Consider legislative support for programmatic success;
7. Maintain regional system infrastructure.

The following documents represent the program priorities of the agency, as well as the recommended budget reductions required by ORS 291.206.

Program Prioritization for 2023-25

Agency Name: Department of Early Learning and Care																			Agency Number: 58800			
2023-25 Biennium																						
Program 1																						
Program/Division Priorities for 2023-25 Biennium																						
1	2	3	4	5	6	7	8	9	10	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	OF - Early Learning Account	NL-OF	FF	NL-FF	TOTAL FUNDS	Positions	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request	
58800	1	DELC	OPS	Early Learning Division	7	64,899,765	0	7,166,153	5,490,964	0	62,629,518		\$ 140,186,400	380.0	368.89	Y	Y	S, FO	ORS 326.430, ORS 329A.010; ORS 417.705-417.798, CFDA 93.575, CFDA 93.596, CFDA 93.434, ORS 327.274(2)	U.S. Department of Health and Human Services: Discretionary, Mandatory and Matching grants received.	DELC requested additional positions in policy option packages, 101, 102, 105, 107 and 109.	
58800	1	DELC	GIA	Early Learning Tribal Hub	7	626,398							\$ 626,398	0	0.00	Y	Y	S	ORS 327.274(1)(d)(f)			
58800	2	DELC	GIA	Oregon Prenatal to 5	7	238,835,232			193,523,713				\$ 427,358,945	0	0.00	Y	Y	FM	CFDA 93.600; ORS 329.175; ORS 327.274(1)(d)(f)	Office of Head Start; Oregon is required to have an Office of Head Start coordinator position and the grant is received from the federal Office of Head Start	Requested increase in base rates to providers and expansion in POP 101	
58800	3	DELC	GIA	Preschool Promise	7	116,380,276			147,797,300				\$ 264,177,576	0	0.00	Y	Y	S	ORS 329.172; ORS 327.274(1)(d)		Requested increase in base rates to providers and expansion in POP 101	
58800	4	DELC	GIA	Early Childhood Equity Fund	7	7,486,212			24,862,120				\$ 32,348,332	0	0.00	Y	Y	S	ORS 327.274(1)(e)		Requested increase in base rates to providers and expansion in POP 101	
58800	5	DELC	GIA	Employment Related Day Care	7	346,344,100					215,723,735		\$ 562,067,835	0	0.00	N	Y	FO	ORS 329A.500; CFDA 93.575 and 93.596	US Department of Health & Human Services: Federal Child Care Development Funds (CCDF) includes Discretionary, Mandatory and Matching awards;	Requested increase in base rates to subsidize payments, funds to increase child care provider supplies and funds for support Oregon Department of Human Services supports to meet requirements of federal funds in POP 102.	
58800	6	DELC	GIA	Healthy Families of Oregon	7	35,313,594		3,539,250	6,075,668				\$ 44,928,912	0	0.00	Y	Y	S	ORS 417.795; ORS 327.274		Requested increase in base rates to providers and expansion in one Oregon County in POP 101	
58800	7	DELC	GIA	Relief Nurseries	7	16,564,308		2,350,446	8,170,114				\$ 27,084,868	0	0.00	Y	Y	S	ORS 417.788; ORS 327.274(1)(b)		Requested increase to program funds in POP 101.	
58800	8	DELC	GIA	Mental Health & Behavior Supports	7	19,871,095											Y	S	ORS 329A.600; ORS 329A.625		Requested expansion of program to statewide supports in POP 103.	
58800	9	DELC	GIA	Professional & Workforce Development for Early Childcare Professionals	7				26,050,000				\$ 26,050,000	0	0.00	Y	Y	S	ORS 327.274(1)(e)			
58800	10	DELC	GIA	Early Learning Program Supports	7	5,928,062			17,581,856				\$ 23,509,918	0	0.00	Y	Y	S	ORS 327.274		Requested additional funds in POP 101 to support Preschool Promise expansion.	
58800	11	DELC	GIA	Early Learning Parenting Education	7	1,000,000			4,257,612				\$ 5,257,612	0	0.00	Y	Y	S	ORS 329.160; ORS 327.274(1)(e)		Requested additional funds in POP 101	
58800	12	DELC	GIA	Child Care Supports	7	38,883,260		2,317,595				91,473,516	\$ 132,674,371	0	0.00	N	Y	FO	ORS 329A; CFDA 93.575 and CFDA 93.596	US Department of Health & Human Services: Federal Child Care Development Funds (CCDF) includes Discretionary, Mandatory and Matching awards;	Requested increase in base rates to Baby Promise as well as expansion of Baby Promise in POP 104.	
58800	13	DELC	GIA	Early Learning Hubs	7	16,347,374		2,779,383	3,803,822				\$ 22,930,579	0	0.00	N	Y	S	ORS 417.827			
58800	14	DELC	GIA	Kindergarten Partnership and Innovation Fund	7	9,466,578							\$ 9,466,578	0	0.00	N	Y	S	ORS 336.101			
58800	15	DELC	GIA	Other Early Learning Grants	7	47,392,243		1,893,178					\$ 49,285,421	0	0.00	Y	Y	S	885513		Requested funding in POP 101 for inclusionary supports, vision and dental supports, business acumen and quality standards supports and community transportation support.	
58800	16	DELC	GIA	Preschool Development Grant	7						12,667,881		\$ 12,667,881	0	0.00	Y	Y	FO	CFDA 93.434	US Department of Health and Human Services, professional development grant		
<b>Total Funds</b>						960,338,897	0	20,046,005	437,613,169	0	382,494,650	0	\$ 1,800,492,721									

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Program Prioritization for 2023-25

2023-25 Biennium																			Agency Number: 58800			
Program 1																						
Program/Division Priorities for 2023-25 Biennium																						
1	2	3	4	5	6	7	8	9	10	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	OF - Early Learning Account	NL-OF	FF	NL-FF	TOTAL FUNDS	Positions	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request	
Agency	Program/ Division																					

**10% Reduction Options (ORS 291.216) in 5% Increments**

Activity or Program  (WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	Describe Reduction  (DESCRIBE THE EFFECTS OF THIS REDUCTION. IDENTIFY REVENUE SOURCE FOR OF, FF. INCLUDE POSITIONS AND FTE FOR 2023-25 AND 2025-27)	Amount and Fund Type							Rank and Justification
		GF	OF	OF - Early Learning Account	FF	Total Funds	Positions	FTE	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
Services & Supplies	Reduce Department's Services & Supplies, excluding rent and state government services charges: Impacts the agency's customer service and efficiency. Reductions: GF: 7.05%; OF: 7%; OF-ELA: 6.25% and FF: 6%	\$ 755,646	\$ 326,472	\$ 130,919	\$ 1,846,404	\$ 3,059,441	-	-	1
Grant-in-Aid Reductions									
Other Early Learning Grants	Reduces General Fund allocation by 51.5% and Other Funds by 16%. Reduction to Other funds has no impact on services as revenue source is not identified at time of ARB. Limitation has been utilized in the past for non-government grants received. General Fund reduction impacts small grants to providers for services.	\$ 194,775	\$ 302,908			\$ 497,683	-	-	2
Early Learning Kindergarten Partnership & Innovation	Reduces General Fund allocation by 12.77% Reduction would reduce services to approximately 500 children to support transition to kindergarten.	\$ 1,208,882				\$ 1,208,882	-	-	3
Early Learning Hubs	Reduce General Fund allocation by 5% and Other Funds - Early Learning Account by 4.92%. Estimated impact is a reduction in early learning hub staffing levels between 0.25 to .050 FTE depending on Hub as well as a reduction in services for school readiness and family stability.	\$ 817,369		\$ 187,148		\$ 1,004,517	-	-	4
Child Care Supports	Reduces Other Funds by 15.97% and Federal Funds by 7% percent. Other fund reduction has no impact to services as elimination of child care tax credit reduced revenue; Federal Fund reduction would impact work with child care quality supports including CCR&Rs, agreements with Portland State University, WOU and 211. Direct impact would depend on agreement of level of service for each body of work. Estimated reduction to Baby Promise program is between 15 and 30 fewer families served.	\$ -	\$ 370,120	\$ -	\$ 7,289,898	\$ 7,660,018	-	-	5
Early Learning Parenting Education	Reduces Other Funds - Early Learning Account by 6.05%. Impact is 121 families receiving services through the Oregon Parenting Education Collaborative.	\$ -	\$ -	\$ 257,586	\$ -	\$ 257,586	-	-	6
Early Learning Program Supports	Reduces Other Funds - Early Learning Account by 6.05%. Impacts the level of supports to child care providers. Exact impact would depend on priority of services identified and include reduction of funding to CCR&Rs for coaches and Early Learning Hubs for coordinated enrollment of services.			\$ 1,063,702		\$ 1,063,702			7
Early Learning Professional Development	Reduces Other Funds - Early Learning Account by 6.25%. Estimated impact is several initiatives for professional learning for the early care workforce: including expansion of expansion early care consortium, expansion of professional development and planning grants to regions, delaying creation of career and technical education expansion.	\$ -	\$ -	\$ 1,628,125	\$ -	\$ 1,628,125	-	-	8
Focused Child Care Network	Reduces General Fund by 2.04%. Reduction would remove a portion of the inflation factor applied for CSL and with no increase to each network, there may result in fewer hours supporting the network.	\$ 40,611				\$ 40,611			9
Mental Health & Behavior Support	Reduces General Fund allocation by 4.10%. Impact to region is reduction of 2.5 mental health and behavior coaches and reduction to Oregon Trauma agreement providing coordination efforts.	\$ 322,715	\$ -		\$ -	\$ 322,715	-	-	10
Relief Nurseries	Reduce General Fund by 4% and Other Funds - Early Learning Account by 4.05%. Estimated impact of reduction to base funding for each Relief Nursery and an estimated 292 fewer families served.	\$ 492,307		\$ 330,890		\$ 823,197	-	-	11
Healthy Families Oregon	Reduce General Fund by 5.0% and Other Funds - Early Learning Account by 4.05%. Estimated impact of reduction is 197 fewer families served.	\$ 1,509,011	\$ -	\$ 246,065		\$ 1,755,076	-	-	12
Child Care Subsidies - ERDC	Reduces General Fund by 4.5% and federal funds by 4.6%. Total estimated impact is a reduction of 429 families served each month.	\$ 5,504,008			\$ 9,923,292	\$ 15,427,300	-	-	13

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(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. IDENTIFY REVENUE SOURCE FOR OF, FF. INCLUDE POSITIONS AND FTE FOR 2023-25 AND 2025-27)								
Early Childhood Equity Fund	Reduces Other Funds - Early Learning Account by 5%. Estimated impact is 482 fewer families receiving services.	\$ -	\$ -	\$ 1,243,106	\$ -	\$ 1,243,106	-	-	14
Preschool Promise	Reduces General Fund budget by 5.10 % and Other Funds - Early Learning Account by 4.75%. Estimated impact is 597 fewer preschool age children receiving services.	\$ 2,033,478	\$ -	\$ 7,020,372	\$ -	\$ 9,053,850	-	-	15
OPK Prenatal to Kindergarten	Reduces General Fund budget by 6.05 % and Other Funds - Early Learning Account by 5.05%. Estimated impact is 1,056 fewer infant, toddlers and preschool age children receiving services.	\$ 10,396,890	\$ -	\$ 9,772,948	\$ -	\$ 20,169,838	-	-	16
<b>Total 5% Reduction</b>		<b>\$ 23,275,692</b>	<b>\$ 999,500</b>	<b>\$ 21,880,861</b>	<b>\$ 19,059,594</b>	<b>\$ 65,215,647</b>	<b>0.0</b>	<b>0.00</b>	
Services & Supplies	Reduce Department's Services & Supplies, excluding rent and state government services charges: Impacts the agency's customer service and efficiency. Additional reductions: GF: 7.05%; OF: 7%; OF-ELA: 6.25% and FF: 6%	\$ 755,646	\$ 326,472	\$ 130,919	\$ 1,846,404	\$ 3,059,441	-	-	1
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Early Learning Kindergarten Partnership & Innovation	Reduces General Fund allocation by 12.88% Reduction would reduce services to approximately 500 children to support transition to kindergarten.	\$ 1,219,295				\$ 1,219,295	-	-	3
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Child Care Subsidies - ERDC	Reduces General Fund by 4.5% and federal funds by 4.6%. Total reductions based on average cost per case of \$1,498, would reduce services by 429 children per month.	\$ 5,504,008			\$ 9,923,292	\$ 15,427,300	-	-	13
Early Childhood Equity Fund	Reduces Other Funds - Early Learning Account by 5%. Estimated impact is 482 fewer families receiving services.	\$ -	\$ -	\$ 1,243,106	\$ -	\$ 1,243,106	-	-	14
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	<b>Total 5% Reduction</b>	\$ 23,275,495	\$ 999,500	\$ 21,881,241	\$ 19,059,594	\$ 65,215,830	0.0	0.00	
	<b>Total 10% Reduction</b>	\$ 46,551,187	\$ 1,999,000	\$ 43,762,102	\$ 38,119,188	\$ 130,431,477	0.0	0.00	