

BUDGET NARRATIVE

2023-25 Agency Initiatives:

The Department of Early Learning and Care has identified the following initiatives and policy option packages (POPs) for the 2023-25 biennium. These initiatives reflect the following priorities of the Agency:

1. Families with young children have access to the services and supports they need to thrive;
2. The early childhood educator and child care workforce is supported to serve communities and recognized as a professional workforce;
3. The new Department of Early Learning and Care has the resources to sustain operations and provide necessary infrastructure for the early learning and child care system.

POP 101 Early Learning Program Enhancements and Expansion: (\$210 million, General Fund) Operations: \$0.7 million and Program: \$209.3 million

The purpose of this package is to expand access to early care and education programs, provide program enhancements to improve quality and offer services that better meet the needs of families, reduce staff turnover in programs and operations support to the Agency. This initiative reflects priorities 1 and 2 of the Agency.

POP 102 ERDC Implementation: (\$250 million, General Fund) Operations: \$1.1 million and Program: \$248.9 million

The purpose of this package is to provide funding for expanded eligibility for subsidized child care in HB3073; increased reimbursements rates to move the state towards the cost of quality care, not market-based studies; technology system changes for expanded eligibility and increased rates; interagency agreements with Oregon Department of Human Services to support program administration to meet federal requirements (audits, fraud review, collection of overpayments and eligibility determinations); communications to families and child care providers to increase family participation and increase supply of child care providers and operations support to the Agency. This initiative reflects priorities 1 and 2 of the Agency.

POP 103 Birth-Five Suspension and Expulsion Prevention: (\$12 million, General Fund) Program

The purpose of this package is to provide additional regional resources to support local child care providers in the reduction of suspension and expulsion practices in early childhood care settings. These resources will prepare providers across the state for the ban on suspension and expulsion practices that will take effect in July 2026. This initiative reflects priorities 1 and 2 of the Agency.

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POP 104 Baby Promise Enhancement and Expansion: (\$12 million, General Fund) Program

The purpose of this package is to expand access to high-quality infant and toddler child care to additional regions of the state and stabilize the existing infant-toddler supply, which is currently considered a severe child care desert in all Oregon counties. This initiative reflects priorities 1 and 2 of the Agency.

POP 105 Program Quality Assurance: (\$2.9 million General Fund) Operations

The purpose of this package is to provide additional operations support to provide technical assistance positions/FTE and services and supplies to ensure early learning programs maintain the level of quality expected in publicly funded programs, including program monitoring and technical assistance. This initiative reflects priorities 1 and 3 of the Agency.

POP 106 Family and Program Provider Engagement: (\$0.25 million General Fund) Operations

The purpose of this package is to provide compensation to community members, families and early learning professionals who participate in the Agency's community engagement opportunities. Community engagement is an intensive process that requires consistent participation and resources to ensure that families and early learning professionals most impacted by the Agency's policies and programs can participate. This initiative reflects priorities 1, 2 and 3 of the Agency.

POP 107 DELC Operations: (\$6.0 million General Fund) Operations

The purpose of this package is to provide additional operational support necessary to develop a fully functional agency on July 1, 2023. The package includes positions across the Agency to provide additional payroll, human resources, procurement, accounting, auditing and support for employment related day care programs. This initiative reflects priorities 1, 2 and 3 of the Agency.

POP 108 Healthy Families Oregon Database: (\$0.8 million General Fund) Operations

The purpose of this package is to provide funding to purchase a database for the Healthy Families Oregon (HFO) program to track and report on families provided home visiting services. The database is required to maintain accreditation by the national Healthy Families America (HFA) program, without the database the state is out of compliance with HFA accreditation. This initiative reflects priorities 1, 2 and 3 of the Agency.

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POP 109 DELC Positions Cleanup: (\$0.4 million General Fund) Operations

The purpose of this package is to provide an increase in two permanent part time compliance specialist positions and reclassify those as two permanent full-time positions. This will ensure that the agency has sufficient operational capacity to assist in distributing the caseload for licensing child care providers. This initiative reflects priorities 1, 2 and 3 of the Agency.

POP 110 Program Research and Evaluation Funding: (1.7 million General Fund) Operations

The purpose of this package is to provide funding that will allow the agency to conduct additional research and evaluation practices and processes that would expand and improve ELD's current work by pursuing research and evaluation projects addressing questions and topics that span across many different programs and services. Research and evaluation are essential to the agency to ensure that the agency is effectively and efficiently using the resources it administers to programs. This initiative reflects priorities 1 and 3 of the Agency.

POP 111 Fellowship for Career Growth – ECE Policy: (\$0.2 million General Fund) Operations

The purpose of this package is to fund a second cohort of the Fellowship for Career Growth in Early Care and Education (ECE) policy. The agency is planning to expand this fellowship to provide opportunities for cross-sector engagement across other agencies including ODE, OHA, OHCS and ODHS to be able to place fellows within those agencies to reach the goals that were established in *Raise Up Oregon* to reinforce the professionalization of the early learning and child care workforce. This initiative reflects priority 2 of the Agency.

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Department of Early Learning and Care Policy Option Package (POP): 101

POP Title: Early Learning Program Expansion and Enhancement
Total Request: \$210 million General Fund

Purpose:

POP 101 requests General Fund resources to expand access to early care and education programs and provide program enhancements to improve quality, offer services that better meet the needs of families, and reduce staff turnover. POP 101 centers the needs of families, expanding access to high-quality services and provides resources to support the early childhood workforce.

Background:

High-quality early care and education access is a proven driver of early childhood success, with decades of research showing that preschool has the ability to impact children and their families during the most sensitive period of brain development – with an overall return on investment of up to \$9 for every \$1 invested in early learning.¹ The lack of access to high-quality early care and education is correlated with socioeconomic status and race, and the opportunity gap begins at birth. Evaluations of preschools nationwide demonstrate both long- and short-term outcomes for children who attend preschool:

- Children succeed more in school—as demonstrated by scores on state assessments— are less likely to be retained in a grade or to be chronically absent and are more likely to graduate high school;
- Adults who attended preschool earn higher wages (a 1.3% to 3.5% increase in salary); and
- Children who experience high quality preschool demonstrate lower obesity rates in childhood and healthier habits in adulthood, such as healthier eating and increased physical activity.

However, children in low-income families and children of color are less likely to have access to preschool.

- Nationally, 80% of the top income quintile are enrolled in preschool, whereas only 50% of children in poverty attend any formal preschool program (of any quality).²
- Oregon’s state preschool programs (i.e., Preschool Promise, Oregon Prenatal to Kindergarten, and Early Childhood Special Education) reach less than 35% of eligible children and families.

¹ Center on the Developing Child (2007). Early Childhood Program Effectiveness (InBrief). Retrieved from www.developingchild.harvard.edu.

² Chaudry, A. & A. R. Datta. 2017. “The Current Landscape for Public Pre-Kindergarten Programs.” The Current State of Scientific Knowledge on Pre-Kindergarten Effects. Brooking Institution.

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While the Legislature has made critical investments in the Agency’s early care and education (ECE) programs, the pandemic and ensuing monetary inflation has placed significant pressures on the early childhood sector and family access to ECE programs, and providers and families have noted the need for several service enhancements to be utilize ECE programs:

- Child care providers struggle to remain competitive employers, with rising wages and operating costs continuing to squeeze program finances;
- Families, especially rural communities and communities of color, struggle to find availability in an ECE program that best meets their needs; and
- Families and early childhood educators have noted the need for extended hours while parents are at work, access to transportation, screening services, and lower ratio classrooms to better meet the needs of children with identified disabilities.

How Achieved:

POP 101 increases publicly funded early care and education slots and funds program enhancements across the following programs: Preschool Promise, Oregon Prenatal to Kindergarten, Healthy Families Oregon, Relief Nurseries, Early Childhood Equity Fund, and Parenting Education. POP 101 increases the child care supply and stabilizes programs that are economically vulnerable to the instability caused by the COVID-19 pandemic, rising wages, and monetary inflation. The Agency worked with community partners to develop POP 101. The community partners expressed the need to increase supply, as well as to provide enhancements to better meet the needs of children and families, while stabilizing the state’s existing child care supply and supporting the early learning workforce.

POP 101 increases the average cost per slot over Current Service Level (CSL). This increase allows programs to offset the cost of inflation and overall increases in operating costs, while allowing programs to recruit and retain their existing workforce with increases in compensation, including benefits, if needed.

POP 101 does three things:

1. Stabilizes the existing early learning programs and workforce by offsetting increased operational costs through an increase over CSL;
2. Expands access to high-quality early learning programs; and
3. Enhances service offerings across early learning programs to improve quality and better meet the needs of communities.

Service Area	Cost (in millions)
Program Stabilization	\$66.8
Program Expansion	\$63.4

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Service Area	Cost (in millions)
Program Enhancement	\$79.1
Agency Administration	\$0.7
Total	\$210.0

PROGRAM STABILIZATION

To offset the increased operating costs for all publicly funded early learning programs and promote retention of the existing early childhood workforce, the Agency calculated a 10% increase against the average CSL cost per slot, to offset these increase operating costs and ensure sufficient funds to compensate the workforce. The Agency is requesting a slightly higher increase for Preschool Promise: 11.5%. The increase factors in additional compliance costs associated with maintaining high-quality program standards and rising subsidy rates for the Employment Related Day Care program (resulting from HB 4005). Additionally, the increase reflects parity with Multnomah’s County Preschool for All compensation increases, which were developed with robust community engagement and rooted in community and families’ needs.

The total Program Stabilization investment of **\$66.8 million** is distributed across the following early learning programs:

- Oregon Prenatal to Kindergarten **\$36.4M**
- Preschool Promise **\$21.6M**
- Healthy Families Oregon **\$4.0M**
- Early Childhood Equity Fund **\$2.5M**
- Relief Nurseries **\$2.3M**

PROGRAM EXPANSION

With only 35% of eligible families able to access preschool and the persistent child care desert for birth through five services across the state, POP 101 expands access to additional services. Total request for expansion of services: **\$63.4 million dollars** to provide services to an estimated 3,595 Oregon families.

Preschool Promise: 1,600 slots/\$28.8M

Preschool Promise (PSP) serves three- and four-year olds up to 200% of the Federal Poverty Level (FPL) in high-quality program settings. Preschool Promise operates in a “mixed delivery” model, offering programming in a variety of settings, including licensed home- and center-based care, as

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well as school, community-based organizations, and OPKs. Currently, 38% of eligible children lack access to publicly funded preschool statewide, with less than 30% of eligible children having access in many of our densely populated counties along the I-5 corridor.

Oregon Prenatal to Kindergarten: 850 slots/\$25.4 M

Oregon Prenatal to Kindergarten (OPK) is modeled after the federal Early Head Start and Head Start programs serving families up to 100% of the Federal Poverty Level (FPL) and provides three types of services. Currently only 17% of eligible infants and toddlers have access to OPK services and 35% of eligible 3- to 5-year-olds lack access to OPK preschool services.

- **OPK 0-3:** Infant-toddler care in both home-based and center-based early learning settings, with home visits, screenings and wrap around supports available to families. Due to the lack of infant-toddler child care, OPK grantees have identified 0-3 services as a critical need for expansion. **250 slots**
- **OPK 3-5:** Preschool care in centers with home visits, screenings and wrap around supports available to families. Families have identified duration, or fully-day preschool, as a critical need to support continued engagement in the workforce. Programs may convert slots from part-time to full time and expand access to part-time slides where communities have identified part-time needs. **500 slots**
- **Child Care Partnerships:** OPK programs partner with home-based child care providers to offer enhanced services that adhere to the research-based Head Start Program Performance Standards outside of a child care center. This provides much needed supports for families, while promoting family choice and allowing a child to remain in a home-based program. Child care centers and family child care providers respond to the needs of working families by offering flexible and convenient full-day and full-year services. **100 slots**

Early Childhood Equity Fund: 1,100 additional families/\$5.0M

The Early Childhood Equity Fund (ECEP) provides resources to community-based organizations and programs that offer culturally-specific early learning programming. Some examples of programming include:

- Parenting Education services focused on enhancing parenting practices and behaviors, such as developing and enhancing positive parenting techniques, learning age-appropriate child development skills and milestones, promoting positive play and interaction between the parent and child[ren], and locating and accessing community services and supports.
- Parent Child Interaction services focused on direct coaching of the parent to positively influence the parent interactions with the child, and as a result, positively influence the child's behaviors and bonding between the parent and child.
- Kindergarten Transition services focused on helping incoming kindergartners begin school on common ground and be ready for success regardless of their preschool experience or background.
- Tribal Language Preservation and Revitalization through early childhood programs that integrate efforts to preserve, revitalize, restore, or maintain the tribal language through one of the previously described models above, or in partnership with an existing early care and education program or public school. The models can only be implemented by or with the approval of the relevant Tribal entity.

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This would represent the first expansion of the ECEF, which has received increased interest since it was launched in 2020. Currently, the ECEF serves 3,734 families across in parenting education, parent-child interaction, kindergarten transition, or tribal language preservation programs in seventeen (17) counties across the state.

Relief Nurseries: \$2.0M

Relief Nurseries (RN) address the diverse needs of families through individualized case management. Children participate in therapeutic classrooms with low adult-child ratios, and families receive home visits that promote healthy parenting and child development as well as an array of other services to help promote stable and attached families. In 2022, the Legislature invested additional resources to increase Relief Nursery staff wages. POP 101 requests funding to sustain operations, including staff compensation to stabilize the existing workforce, and ensure continued services to children and families.

Healthy Families Oregon: 45 families/\$1.2M

Healthy Families Oregon (HFO) is a nationally accredited, evidence-based home visiting program available to eligible families in 31 counties. Lincoln County previously contracted with the Early Learning Division to offer HFO services, before discontinuing. Since then, there has been an increased community need for services and local interest in funding to restart the HFO program. The HFO model scales over time, with caseloads increasing after home visitors complete rigorous training programs over the course of three (3) years. The OSU Child Care Desert Report (2020) identified 54 families with children under the age of two (2) in Lincoln County.³ An investment of \$1.2M would allow three (3) home visitors to serve 45 families over the course of the biennium, with the potential for caseload growth for 2025-27.

Parenting Education: 500 families/\$1.0M

In 2010, Oregon State University launched the Oregon Parenting Education Collaborative (OPEC), which deploys seventeen (17) OPEC Hubs across all 36 counties to offer high-quality parenting education programs, coordinate efforts to strengthen regional parenting education systems, and develop and strengthen collaborative regional parenting education Hubs. While OPEC Hubs began with philanthropic resources, the program has expanded to serve an additional 4,000 families a biennium with investments from the Student Success Act – Early Learning Account. A 2020 Cumulative Summary Report by OPEC on nine (9) years of services found that 98% of partners felt that the parenting education collaborative was benefiting families.⁴

PROGRAM SERVICE ENHANCEMENTS

³ Pratt, M. (2021, April). Oregon's Child Care Deserts 2020: Mapping Supply by Age Group and Percentage of Publicly Funded Slots. Retrieved from <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/oregons-child-care-deserts-2020.pdf>

⁴ Oregon Parenting Education Collaborative. (2020). Oregon Parenting Education Collaborative Cumulative Summary Report (Years 1-10). orparenting.org. Retrieved from <https://orparenting.org/wp-content/uploads/2021/02/OPEC-Cumulative-Summary-Report-Years-1-10.pdf>

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Finally, community partners have identified additional supports that families need to utilize services and best meet their needs. These enhancements would be available across a variety of programs to maximize supports to all eligible families, for a total investment of **\$79.1 million**.

- **Transportation: \$5.0 million:** Many providers – particularly small, home-based programs – cannot afford to offer transportation services to families, even with the transportation enhancement available through Preschool Promise funding. POP 101 provides a small amount of resources to spur local community transportation coordination and enhance local transportation options in pursuit of offering services to families for whom transportation is a barrier to accessing early learning programs.
- **Inclusionary Supports: \$32.0 million:** In order to best support children experiencing disabilities or who have an Individualized Family Service Plan (IFSP), POP 101 provides resources to fund low-ratio classroom settings, where a lower teacher-to-child ratio enhances the delivery of individualized supports.
- **Dental, Vision & Hearing Screening: \$5.0 million** OPK currently provides screening services as part of wrap around supports for families. However, OPK is only able to serve families up to 100% of the Federal Poverty Level, leaving families under 200% of the federal Poverty limit – who qualify for these programs – without access to the same services.
- **Preschool Pathways Pilot: \$5.0 million** As opportunities to participate in publicly funded early childhood programs continue to increase, some providers need additional support to meet the requirements of high-quality programming and best leverage public funds. POP 101 establishes a Preschool Pathways Pilot that targets home-based and small center-based providers to provide business acumen support in developing a viable budget that does not disproportionately rely on public resources and put their program at risk in the future. Similarly, school district operated programs, which are not required to be licensed, often operate outside of ratio and teacher requirements. This pilot would allow district-operated programs to access resources to bring existing programs into compliance with the Preschool Requirements established by the Early Learning Division and Oregon Department of Education in 2020.
- **Preschool Promise Extended Hours/Summer Enhancement: \$26.2 million** Currently, Preschool Promise requires 900 hours of service per year, which is typically offered at 6 hours/day, 4 days/week, 9 months/year. This structure requires families to leave work to pick up their child, or to enroll in another program like Employment Related Day Care to secure sufficient programming availability for their child. Like Multnomah County’s Preschool for All program, POP 101 funds extended hours for program to be able to offer full day, full year programming.
- **Preschool Promise Program Supports: \$5.9 million** These dedicated resources support Preschool Promise recruitment, eligibility, placement and enrollment of families, facility improvements, inclusion practices, supports for mental health, social and emotional development of children, coaches and specialists, provider supports for educational degrees, business supports and monitoring, and classroom assessments. These supports promote the high-quality environments Preschool Promise grantees are required to provide.

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Staffing Impact:

To support the enhancement of existing early learning programs, which includes the creation of new grant programs to deliver services in the community, as well as provide quality assurance and monitoring for expanded services, POP 101 includes a request for 3 Program Analyst 3, OAS C0862 AP positions, 2.76 FTE, and services and supplies to support the positions. Total General Fund: \$688,067.

Quantifying Results:

POP 101 will stabilize Oregon’s current supply of early childhood programs by increasing programs’ budgets to offset the increased cost of operations and to ensure the early childhood workforce is adequately compensated. In addition, this POP will increase children and families’ access to Preschool Promise, Oregon Prenatal to Kindergarten, Early Childhood Equity Fund, Relief Nursery, Healthy Families Oregon, and Parenting Education programs across the state. This expansion will also reduce the turnover of the current ECE provider community with consistent, reliable funding for expanded slots. Finally, the program service enhancements will help the Agency identify a number of local resources to increase transportation and offer screenings to publicly funded early learning programs and will increase the options families have for early care settings that meet their needs and support a return to the workforce.

Revenue Source:

POP 101 requests \$12 million General Fund:

Personal Services	\$ 614,645
Services & Supplies	\$ 73,422
Grant-In-Aid	<u>\$209,311,933</u>
Total 2023-25 Request	\$210,000,000

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Department of Early Learning and Care Policy Option Package (POP): 102

POP Title: Employment Related Day Care (ERDC) Implementation
Total Request: \$250 million General Fund

Purpose:

Employment Related Day Care (ERDC) is a program designed to provide consistent quality child care to eligible low-income families while they are working or attending school. This proposal increases resources for the ERDC program to support the newly eligible families defined in HB 3073 (2021) and builds upon the expanded eligibility factors outlined in ORS 329A.500 by section 73. In addition, this POP funds the requirement to base subsidy payments on the true cost of child care instead of market rate prices; dedicates funds to increase access of ERDC program offerings to families and providers, including child welfare involved families, families experiencing domestic violence and houseless families; dedicates funds to expand family and provider awareness of the program; dedicates funds to increase the supply of child care; and covers IT costs associated with ODHS program administration while DELC develops new IT systems. POP 102 centers families by reducing barriers to child care through increased eligibility to child care assistance and the development of additional child care capacity. This POP supports the child care workforce through increased reimbursement rates and promotes sustainable operations through investments in information technology and system improvements.

Background:

The ERDC program allows children to access quality early care and education programs, while supporting families' access to education and employment on their path to self-sufficiency. In 2021, House Bill 3073 passed and directed the transfer of the ERDC program to Department of Early Learning and Care (DELC) from the Oregon Department of Human Services (ODHS). The legislation included expanded eligibility for parent physical presence, family wellbeing activities, coverage for full-time students, and coverage for undocumented children. In addition, the legislation expanded 12-month eligibility for all families who are eligible for the program and a shift from basing provider reimbursement on the market rate and move to the cost of quality care through an alternative rate methodology.

Although HB 3073 expanded eligibility for ERDC, it did not increase funding for the program. At Current Service Level (CSL), ERDC is funded to serve only about 17% of currently-eligible families – excluding the eligibility expansions mandated by HB 3073. Without significantly increasing program funding, the expanded eligibility is likely to lead to a waitlist for services, which would deny immediate access to child care for newly-eligible families. Oregon's Equitable Economic Recovery Plan has cited child care support as critical for the current workforce and economy, noting that

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employers working to “expand hiring to meet consumer demand...[m]any openings went unfilled because the offered wages were too low, the job candidates had ongoing public health concerns, or childcare was unavailable.”¹The expanded eligibility currently includes the following changes:

- **Parent Physical Presence:** Consider the availability of family to attend to the child, regardless of the family’s physical presence (HB 3073 - Section 73 5(c))
- **Family Wellbeing Activities:** Enables the child’s family to complete activities that relate to family well-being, which may include work hours, education hours, commute time, study time and other activities (HB 3073 – Section 8 (3)(b))
- **ERDC Coverage for Full-Time Students** (HB 3073 – Section 8 (4)(b)(B))
- **ERDC Coverage of Undocumented Children** (HB 3073 – Section 73 5(A))
- **Expanded 12-month Eligibility for ERDC** (HB 3073 – Section 73 5(B)): Ensures that families who enroll in ERDC have full continuous 12-month eligibility
- **ERDC Eligibility for TANF Families** (HB 3073 – Section 73 5(B)): Allows for families who are eligible for the Temporary Assistance for Needy Families (TANF) program to also receive ERDC

Despite these expanded eligibility areas, ERDC currently does not allow all children who are in foster care or child welfare involved families and other vulnerable families, including those experiencing domestic violence, houseless families, and children with incarcerated parents, to categorically access child care supports. Families serving children in foster care often report child care as one of their most pressing needs, but don’t always qualify for ERDC. Child care is also often an important resource to support the goal of family preservation. The Agency has introduced a companion Legislative Concept to make foster care children and child welfare involved families categorically eligible for ERDC.

In addition to additional families becoming eligible to receive services, many existing eligible families are not aware of the program. Furthermore, Oregon is considered a child care desert for children from six (6) weeks to five (5) years old, meaning that there is only one (1) child care slot available for every three (3) children.² In order to serve additional families, there needs to be an increase in available child care providers who will accept ERDC.

Finally, in order to transition the administration of the ERDC program to DELC, critical infrastructure and operational changes need to be made to ensure that the daily operation of the program is not interrupted for children and families. DELC will enter into interagency agreements (IAAs) with ODHHS for a variety of services to continue to support ERDC (e.g., the ONE integrated eligibility system, Office of Payment, Accuracy and Recovery

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(OPAR), Fraud and Investigation Unit (FIU). The IAAs will serve as an outline for these activities and provide a reimbursement mechanism for ODHS for these services.

How Achieved:

POP 102 provides funding to support the eligibility expansions directed by House Bill 3073, outlined above. Additional funding is also necessary to ensure the implementation of the trust cost of care rate methodology. This change has the potential to increase financial stability for child care providers and increase provider participation in ERDC. Without additional funding, it will either not be possible to implement this change as statutorily required or its implementation will reduce the number of families who have access to ERDC. Agency estimates a total cost of \$224 million dollars to increase average cost per case for current case load (9,286) and increase average case load up to 3,700.

While HB 3073 expanded access to the ERDC program, currently-eligible families are often not aware that they qualify for child care assistance. Furthermore, additional child care providers who are listed to receive subsidy need to be recruited in order to meet the increased need for services. POP 102 includes resources to assist in the recruitment of both families and child care providers, promote public to participate in the ERDC child care assistance program. In addition to public awareness, POP 102 allows funds to scale effective local child care supply building efforts statewide, particularly targeting rural communities and communities who have been historically underserved and under-resourced. Total estimate for this work is \$20 million.

POP 102 also funds five (5) child care navigator positions. The child care navigators will act as resource navigators for families eligible for the ERDC program, which will include assisting families to find child care providers who can meet their unique family child care needs while promoting the supply of local child care. The child care navigators are necessary to ensuring that children and families who are newly eligible for the ERDC program can utilize ERDC funds for child care. The child care navigators will work with ODHS eligibility workers to ensure that families will receive assistance upon a finding of eligibility for the ERDC program in finding child care. Additionally, child care navigators will work with Child Care Resource and Referral Agencies (CCR&Rs) to assist providers in becoming ERDC approved and listed providers. Child care navigators will also work will ERDC eligible families to identify if a family, friend, or neighbor may be a suitable child care provider and assist that individual in becoming an approved and listed ERDC provider. Total cost estimate is \$1.1 million for personal services and services and supplies.

Additionally, the resources requested for IAAs with ODHS for services to support ERDC administration will allow DELC to continue the administration of the program without significant interruptions of the IT systems. The funding will support the positions at ODHS necessary to continue to monitor and adjust the IT systems that the ERDC program interfaces with including Legacy and ONE IE. DELC requests General Fund revenue to cover these costs. Total estimate is \$4.9 million.

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Staffing Impact:

The agency requests 5.0 positions/4.60 FTE to hire child care navigators.

- Program Analyst 3, MMN X0862 AP, 1 position/0.92 FTE
- Program Analyst 2, OAS C0861 AP, 3 positions/2.76 FTE
- Program Analyst 1, OAS C0860 AP, 1 position/0.92 FTE

Quantifying Results: This enhances the ERDC program by adding funding for the caseload expansion for vulnerable families, reimbursement rates reflecting the true cost of care, and IT administration costs. DELC expects to observe:

- An increase in the amount of families, particularly new families, that have access to ERDC;
- Increased continuity of care for children receiving ERDC subsidies;
- A decrease in the time it takes an eligible family to become connected to a provider;
- An increase in the number of children receiving ERDC who have a family safety plan and maintain in-home placements; and
- An increase in the number of child care providers participating in ERDC.

Revenue Source:

2023-25 Agency Request Budget: \$250 million General Fund for Policy Option Package 102. Breakdown by budget category follows:

Personal Services:	\$ 952,294
Services & Supplies:	\$ 122,370
Grant-in-Aid:	<u>\$248,925,336</u>
Total ARB POP 102:	\$250,000,000

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Department of Early Learning and Care
Policy Option Package (POP): 103

POP Title: Early Childhood Suspension & Expulsion Prevention Program
Total Request: \$12.0 million General Fund

Purpose:

POP 103 requests General Fund allocation to expand the Early Childhood Suspension and Expulsion Prevention Program to provide infant and early childhood mental health consultation services in regions of the state that are not sufficiently resourced to support a ban on suspension and expulsion in 2026. POP 103 centers children and families by reducing the incidence suspension and expulsion practices in early childhood settings, while supporting the early learning workforce through training, coaching and professional development.

Background:

During the 2021 Legislative Session, SB 236 was enacted, prohibiting the suspension or expulsion of children under five (5) years from early care and education programs as of July 2026. In anticipation of the ban, the legislature also enacted HB 2166 (2021), directing the Department of Early Learning and Care to establish a program that reduces the incidence of suspension and expulsion and pays particular attention to addressing any inequities in the utilization of such actions – especially in relation to a child’s race, ethnicity, language, or ability. Black or African American and Native American children, as well as children experiencing disabilities, are disproportionately impacted by early care and education suspension and expulsion actions.

To support families and providers and address the underlying issues of a possible suspension or expulsion, especially those who are disproportionately impacted, the program creates dedicated resources for families and providers, including a centralized outreach center (Warmline) that will connect a requesting provider or family with the most appropriate local consultant, including an infant-early childhood mental health consultant or other community referral resource. Infant-early childhood mental health consultants are prepared through shared professional development, including preventing implicit bias, and provide regular coaching alongside early educators helping to build skills that directly support children's needs. HB 2166 made an initial investment in the program, providing funding for 22 infant and early childhood mental health consultants throughout the state as well as funds for a statewide coordinator, Warmline (database support), and program evaluation resources to support the programs progress in the required September 2024 legislative report.

How Achieved:

To deliver the breadth of resources communities need, POP 103 requests an additional \$12 million in General Fund to fund 35 additional infant and early childhood mental health consultants and support ongoing, statewide administration costs of centralized services and technical assistance

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provider contracts. Regional infant-early childhood mental health consultants will participate in core trainings, collaborate with other technical assistance providers to triage early care and education provider requests and ensure a timely response; ensure services provided to early care and education providers are delivered in a culturally responsive manner (including positive social-emotional development and manage young children's acting out behaviors and preventing the suspension or expulsion of young children). DELC estimates that the consultants will reach an estimated 550 early care and educational providers with technical assistance and consultation services throughout the biennium.

With the establishment of the Warmline database, DELC will monitor the use of Warmline database to support a child's placement as being maintained or if after all options are exhausted, a carefully planned transition of the child to a new provider is made. Throughout the biennium, DELC expects to have information, resources and best practice strategies to prevent suspension and expulsion to be available to all early care and education programs via a website.

Staffing Impact:

No state positions/FTE are requested in this policy option package.

Quantifying Results:

DELC will monitor the short-term and long-term success of the program in line with the following metrics:

- IECMHC consultants hired are representative of the demographic, linguistic, and cultural make up of Oregon's communities;
- ECE providers receive services from the IECMHC consultants and technical assistance providers within the first year supports are available;
- Reduction of suspensions and expulsions observed across all children in ECE settings before the ban; and
- Reduction of suspensions and expulsions observed for Black or African American, Native American children and children experiencing disabilities before the ban.

Revenue Source:

POP 103 requests \$12 million General Fund, grant-in-aid.

BUDGET NARRATIVE

Department of Early Learning and Care Policy Option Package (POP): 104

POP Title: Baby Promise Expansion and Enhancement
Total Request: \$12.0M General Fund

Purpose:

POP 104 requests General Funds to preserve the current availability of quality infant and toddler care and expand access to subsidized high-quality child care to additional families in new geographic regions. POP 104 centers children and families by providing access to high-quality infant and toddler child care that best meets their needs, while supporting the professionalization of the early childhood workforce through increased compensation and coaching.

Background:

All counties in Oregon are considered a “desert” or “severe desert” for infant and toddler care. As of 2020, there are approximately seven (7) infants and toddlers for every available child care slot in Oregon. For families with young children, the lack of access is compounded by the cost of care: center-based care for an infant can cost more than in-state college tuition for Oregonians. If infant and toddler care is available, families often find that many programs face challenges to providing high-quality care, and quality infant and toddler care are even more difficult for communities who have been historically underserved and under-resourced.

The program began as a federally funded pilot program in 2020 and has enabled over 200 children, ages six (6) weeks to three (3) years, and their families to access infant and toddler care across three regions. To increase access to families, the program aims to support a statewide network of regional infant-toddler specialists who can provide professional development opportunities for participating providers, ensuring that access to quality care is built sustainably. Providers are also supported by Early Learning Hubs and Child Care Resource and Referral entities, which allows programs to leverage best practices across the early learning and care environments. The program aims to build sustainable, quality infant and toddler care slots over time, including the need to reimburse providers for the true cost of quality care.

How Achieved:

POP 104 expands access to high quality infant and toddler care, providing funding for an additional 100-170 child care slots, depending on the regions included in the expansion. New children and families must qualify for Employment Related Day Care (ERDC), which will allow some of Oregon’s most vulnerable families continued access to child care once the child ages out of the Baby Promise program.

BUDGET NARRATIVE

POP 104 requests additional funding to increase the subsidy amount per Baby Promise slot over Current Service Level by 10%. This increase allows programs to offset the cost of inflation and overall increases in operating costs, while allowing programs to recruit and retain their existing workforce with increases to compensation, including benefits, if needed. Additionally, it allows the state to maximize retention of all current Baby Promise slots.

With the 10% above CSL, the average cost per infant/toddler slot is \$25,033. The Agency estimates that it would expand the existing three programs by 20 slots and expand the number of infant/toddler slots up to 150 slots in new regions of the state. Actual expansion will require the Agency to follow request for application procurement process to determine where expansion will occur. In addition to the average cost per slot, POP 104 funds increased per slot cost in existing regions, environmental enhancements, administration of the program and monitoring and classroom assessments completed. Regional Infant Toddler Specialists conduct environmental reviews of each program, identifying gaps or material needs to ensure high-quality care for infants and toddlers. Environmental enhancements for classrooms can include: books, furnishings, manipulatives, safety mirrors, outdoor equipment, etc. to promote gross motor skills and healthy child development. Administration includes infant/toddler coaches, quality assurance, program and enrollment coordination.

POP 104 estimated expansion cost is: 1) estimated cost for existing regions for increase per slot case and inflation for administration, \$1.6 million; 2) Estimated cost for increase of up to 30 infant/toddler slots in existing regions \$1.0 million; 3) Estimated cost for expansion up to 150 slot cost with environmental factors: \$7.6 million; 4) Estimated administration for expansion \$1.6 million and 5) Estimated monitoring and classroom assessments \$0.2 million. Total request \$12 million.

Staffing Impact:

No staffing impact for POP 104.

Quantifying Results:

As the program moves beyond the pilot phase, and as all enrolled Baby Promise families obtain ERDC eligibility, DELC anticipates:

- An increase in the number of publicly funded infant toddler slots and retention of all currently available, state subsidized slots; and
- An increase in the number of providers that have infant/toddler training.

Revenue Source:

POP 104 requests \$12.0 million in General Fund, grant-in-aid.

BUDGET NARRATIVE

Department of Early Learning and Care
Policy Option Package (POP): 105

POP Title: Quality Assurance

Total Request: \$2,871,998 All Funds (General Fund: \$2,322,267 and Federal Funds: \$549,731)

Purpose:

POP 105 requests 12 positions/11.20 FTE to resource the Department of Early Learning and Care (DELIC) to provide quality assurance and monitoring to ensure programs/providers awarded funds maintain the level of quality expected in a publicly funded early childhood program. POP 105 promotes sustainable operations for the Agency to be good stewards of public resources and ensures publicly funded early childhood programs to maintain high levels of quality while supporting families' access to high-quality care.

Background:

In 2021, the Legislature expressed concern about the viability of continued high-quality program expansion while Oregon continues to be a child care desert, meaning there is only one (1) child care slot available for every three (3) children in their community. The legislature created Oregon Prenatal to Kindergarten (OPK) to provide high-quality services for children up to 100% of the Federal Poverty Level (FPL) from prenatal to age 5, Preschool Promise (PSP) to provide high-quality preschool services for 3- to 5-year-olds up to 200% of FPL, and the Early Childhood Equity Fund (ECEEF) to offer culturally-appropriate parenting education, parent-child interaction, kindergarten transition or tribal language preservation programs across the state.

Preschool Promise and the Early Childhood Equity Fund are required to provide high-quality early childhood programming in mixed-delivery settings. This allows services to be delivered in licensed home- and center-based programs as well as schools, community-based organizations, and Oregon Prenatal to Kindergarten sites. When Preschool Promise expanded in 2020, the program grew from 72 to 173 grantees and 255 sites. The program's latest expansion now has over 250 grantees, and over 430 program sites. The Early Childhood Equity Fund began programming in 2020, with increased services offered in 17 counties across the state. However, out of the publicly funded early learning programs in Oregon, only federally-funded Head Start programs have received program monitoring, provided by the federal Office of Head Start. The Department of Early Learning and Care does not have the capacity to provide on-site monitoring of state-funded programs to ensure quality early childhood services are being delivered in all settings.

BUDGET NARRATIVE

How Achieved:

DELIC requests the following positions/FTE to provide quality assurance and monitoring across early learning programs to ensure programs maintain the level of quality expected in publicly funded programs. These positions will provide varying levels of quality assurance, offering on-site monitoring, technical assistance, system coordination, and continuous quality improvement in alignment with state and federal quality requirements.

Program Analyst 3 (4.0 positions/3.68 FTE): The four (4) quality assurance program specialists will provide technical assistance and on-site monitoring of the Early Childhood Equity Fund, state-funded Oregon Prenatal to Kindergarten, and Preschool Promise programs, spanning nearly 500 program sites across the state.

Principal Executive Manager E (1.0 position/0.92 FTE): The Program Quality Assurance Manager will be responsible for supporting the implementation, delivery, and monitoring of programs. The Manager will supervise a team of quality assurance program specialists to provide quality assurance and on-site monitoring of all early learning programs, nearly 500 program sites statewide, within the Department of Early Learning and Care.

Program Analyst 4 (1.0 position/1.00 FTE): This position is requested to redesign and implement the quality recognition and improvement system for child care programs as required by the federal Child Care Development Block Grant.¹ This program defines elements of early learning program and child care quality to promote consumer education and parent choice when identifying a preferred child care program. The position is currently a limited duration position funded by the federal Professional Development Grant and the Department is seeking a permanent position to continue the investment of federal funds.

Program Analyst 3 (2.0 positions/1.84 FTE): These positions will provide support for technical assistance and monitoring of the Healthy Families Oregon (HFO) program in alignment with national monitoring requirements. Currently, this program is supported by one FTE and has a current service level budget of \$39.8 million dollars and an Agency Request Budget request of \$44.9 million. Additional capacity is required to meet national accreditation requirements for monitoring and quality assurance.

Program Analyst 3 (1.0 position/0.92 FTE): This position will focus on the quality monitoring for the Preschool Promise (PSP) program, particularly as a liaison with Child Care Resource and Referral entities and Early Learning Hubs in support of coordinated enrollment for the program. The PSP program was recently expanded to over 250 grantees delivering PSP services across more than 430 program sites, and DELIC has 3.75 FTE offering

¹ 2014 658 3 F 45 .F. . 98.53 3 2016

BUDGET NARRATIVE

technical assistance, program administration, grantee communication and coordinated enrollment support. PSP has a current service level budget of \$187.7 million and an Agency Request Budget request of \$264.2 million.

Program Analyst 4 (1.0 position/1.00 FTE): This position was approved as a limited duration position in the 2019-21 Legislatively Approved Budget to support the Baby Promise Infant and Toddler program. DELC is requesting a permanent position to continue the support of the federally funded Baby Promise program.

Program Analyst 3 (1.0 position/0.92 FTE): This position will serve as the agency’s Child Care System Specialist, working with communities to identify and implement strategies for building and stabilizing child care supply and identify barriers that are impacting the development and expansion of the child care system. This position will liaise with several teams within the Agency, as well as with other agency partners, to identify opportunities for strengthening the child care system.

Operations & Policy Analyst 2 (1.0 position/0.92 FTE): This position is requested to support coordinated enrollment for early learning programs. The position will support the requirements, expectations and monitoring of the coordinated enrollment work performed by the Early Learning Hubs, providing peer learning opportunities, regional training and technical assistance to promote consistent enrollment processes across the state.

Staffing Impact:

The policy option package requests the following positions:

Class Title	Repr, Class No. & Pay/Rg Opts	Type	Salary Range	# of Mos.	Phase In	Position	FTE
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92
Principal Executive Manager E	MMS X7008 AP	PF	33X	22	9/1/2023	1.0	0.92
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92
Program Analyst 4	MMN X0863 AP	PF	31	24	7/1/2023	1.0	1.00
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92

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Class Title	Repr, Class No. & Pay/Rg Opts	Type	Salary Range	# of Mos.	Phase In	Position	FTE
Operations & Policy Analyst 2	OAS C0871 AP	PF	27	22	9/1/2023	1.0	0.92
Program Analyst 4	OAS C0863 AP	PF	31	24	7/1/2023	1.0	1.00
Program Analyst 3	OAS C0862 AP	PF	29	22	9/1/2023	1.0	0.92
Total ARB						12.0	11.20

Quantifying Results:

The Department of Early Learning and Care expects to see the following results from POP 105:

- On-site monitoring at all early learning program sites;
- Improved program quality; and
- Improved program enrollment experience for Preschool Promise providers.

Revenue Source:

Requesting increase in Personal Services and Services and Supplies in General Fund and Federal Funds. The federal Child Care Development Block Grant is the source of federal funds.

Budget Category	General Fund	Federal Funds	Total All Funds
Personal Services	\$2,077,527	\$500,783	\$2,578,310
Services & Supplies	\$244,740	\$48,948	\$293,688
Total POP 105 ARB Request	\$2,322,267	\$549,731	\$2,871,998
Positions	10.0	2.0	12.0
FTE	9.20	2.00	11.20

BUDGET NARRATIVE

Department of Early Learning and Care
Policy Option Package (POP): 106

POP Title: DELC Provider and Family Engagement
Total Request: \$250,000 General Fund

Purpose:

POP 106 requests dedicated General Fund investment for the agency to compensate early childhood providers and families as they participate in community engagement. POP 106 centers families by ensuring that Department of Early Learning and Care (DELC) policies are driven by family voice and community need. This POP promotes sustainable operations by building authentic, coordinated opportunities for partnership between the Agency and the public.

Background:

The agency engages in extensive external outreach to inform its policies, procedures, administrative rules, and legislative agenda. In order to improve service delivery through a centralized early learning and child care agency, the Agency must ensure that the communities that participate in agency services are able to inform the policies that govern service delivery and program administration as well as engage in the process for determining budget priorities. DELC is one of multiple agencies that has identified the need to compensate its engagement partners, particularly parents and child care providers, for their time. Community engagement is an intensive process that requires consistent participation, and the majority of the Agency's services are only available to families who have been historically underserved and under-resourced, making lack of compensation a barrier to engagement. Our engagement partners have identified the need for compensation to ensure consistent participation in this process and to honor the time that families and providers dedicate to this process.

How Achieved:

POP 106 requests resources to compensate external partners for their participation in agency engagement processes, including community engagement partners, rules advisory committee members, and the Tribal Nations. Funds will be utilized to reimburse participants for travel, child care, as stipends to families for their time, reimbursement to providers who need substitute staff, translation, interpretation, and accessibility services to support engagement, and Early Learning Council engagement, as well as room rental or agency staff travel through the state as required. In order to leverage community relationships, resources may also be contracted out to partners in order to conduct engagement on the agency's behalf. Travel reimbursements will be based on the state's travel per diem, stipends will be up to \$50 per participant for non-Governor appointed bodies, and reimbursements for substitute staff will be developed based on feedback from providers and current practices in place in other agreements related to union collective bargaining agreements with child care providers.

BUDGET NARRATIVE

Staffing Impact:

No impact to staffing.

Quantifying Results:

DELC will monitor the number of external partners engaged, including parents and child care providers, and continue to seek new and innovative ways to increase the diversity of partners across the State. The long-term goal will be to improve reported satisfaction from families, child care providers and other partners with DELC's services and supports.

- Observe an increase in participation from families and child care providers
- Observe an increase in new participants each year
- Measure utilization of translation, interpretation, and accessibility services to support community and partner engagement
- Greater reported family and provider satisfaction with agency programs and services

Revenue Source:

Agency seeks \$250,000 in General Fund in services & supplies for this policy option package.

BUDGET NARRATIVE

Department of Early Learning and Care Policy Option Package (POP): 107

POP Title: DELC Operations

Total Request: \$5,968,740 All Funds (General Fund: \$5,307,468 and Federal Funds: \$661,272)

Purpose:

POP 107 requests 28 positions/26.08 FTE across multiple areas to provide necessary resources for developing a new Agency. POP 107 sustains Agency operations, ensuring quality and accountability for public resources through data analytics, supported staff, and internal operational consistency.

Background:

Extensive design and implementation work has been conducted in preparation for the Department of Early Learning and Care to officially begin operations on July 1, 2023. Additional necessary resources have been identified as a result of this planning work. These resources span the following areas: director's office, human resources, accounting, procurement, licensing, chief of staff, policy & research, and supports for the Employment Related Day Care (ERDC) program moving from the Oregon Department of Human Services. The Agency is also requesting the Suspension Manager and Safety Specialist positions delayed from the February 2022 Legislative session.

The current service level (CSL) budget for the Agency for the 2023-25 Biennium is \$1.3 billion dollars, with policy option packages, the Agency request budget (ARB) is \$1.8 billion dollars. The Agency CSL position count is 332 positions/323.75 FTE and with ARB request is a total of 380 positions/368.80 FTE. The agency administers multiple early learning and child care programs across the state including Oregon Prenatal to Kindergarten, Preschool Promise, Employment Related Day Care, Relief Nurseries, Healthy Families Oregon, Early Learning Care and Educators professional development, licensing and background checks for child care providers, early learning parenting education, Mental & Behavior Supports, Early Learning Hubs, Early Learning Tribal Hub, quality supports and ratings for all early learning and care programs, and the Kindergarten Partnership and Innovation program. This work involves generating several hundred contracts or grants, monitoring quality standards, information and technology systems, data research and analysis, payment of invoices, hiring and paying employees and many other operational functions. This policy option package seeks additional resources to maintain the early learning system across the state and the new functionalities that will need to reside in the Department of Early Learning and Care as a new agency. Each position is detailed below by operations area and includes a brief description of duties for the position.

BUDGET NARRATIVE

How Achieved:

The Agency is requesting 28 positions/26.08 FTE and services and supplies to support each position and descriptions of each position by operations area are detailed below:

Director's Office

- **Auditor 3:** The auditor 3 position will provide independent, objective evaluations and consulting of the Agency's policies and procedures. As DELC becomes an operational agency on July 1, 2023, evaluations of internal controls which identify gaps and opportunities for improvement is foundational to the success of the Agency. This position will coordinate with the Secretary of State and will be responsible or performing at least two (2) audits per year of internal controls. This position will also bring together an audit committee for the Agency to provide oversight and guidance of audits.
- **Human Resource Assistant:** This position will provide payroll guidance and assistance to Agency personnel as well as administrative assistance to the human resources team. DELC received one payroll position from the Legislature to support the 332 positions (current service level). This position will provide payroll assistance to lessen the burden on the existing position as well as help to ensure accurate and timely payroll.
- **Safety Specialist 2:** This position was delayed from the February 2022 position request and will reside in human resources to develop, maintain, provide consultation, and training on health and safety matters for the Agency in multiple field offices and a hybrid work environment.
- **Human Resource Analyst 3:** This position will provide senior level support for the strategic and operational human resources in the areas of position classifications, recruitment and selection, personnel policies and labor relations and training to human resource colleagues.

Office of Policy & Research

- **Research Analyst 2:** This position is currently a limited duration position received in the 2019-21 Legislatively Approved Budget and is being requested as a permanent position in this policy option package. The position supports data collection, data analysis, and program evaluation for Baby Promise and other early learning programs.

Chief of Staff

- **Public Affairs Specialist 2:** (Internal Communications Specialist) This position will provide communication planning, materials, and resources with a focus on internal communications to support the now 332 positions of the agency. With the new

BUDGET NARRATIVE

- functions of the agency, having a strong internal communications strategy is critical to ensuring efficiency and coordination across the new functions of the Agency, including the ERDC program, to best leverage available resources in communities.
 - **Public Affairs Specialist 2:** (Child Care Assistance Communications Specialist) This position will provide communication planning, materials and resources with a focus on the ERDC child care subsidy program. With the recent expanded program eligibility resulting from HB 3073 (2021), the agency requires a strong strategy to ensure the newly eligible families are aware of the program, as well as targeted resources to recruit providers to become listed to accept ERDC. This support was previously provided by portions of several positions within the Oregon Department of Human Services.
 - **Operations and Policy Analyst 2:** (Key Performance Measures Analyst) This position will facilitate the development of program performance measures and integrate performance measures and their use into business processes. They will be responsible for testing, auditing and validating system improvements to implement performance measures and track and monitor operational results from measurements. This position will also train staff on methods of developing performance measures and the collection and use of performance data.
 - **Project Manager 3:** This position will provide leadership in the development of comprehensive action plans, resource plans, timeframes, risk management, and project documentation for implementation of Agency projects. While many projects within the Department of Early Learning and Care are related to agency implementation, continued project management must be provided across the agency to continue building and improving agency functions.
 - **Operations and Policy Analyst 2:** This position will evaluate program operations and services; recommend and plan actions to bring about compliance with regulations and program goals. Collaborate with managers across agency levels to formulate long-range objectives, short-term operational goals and implementation plans
 - **Project Manager 2:** This position will maintain comprehensive action plans, resource plans, timeframes, administrative duties, and project documentation for implementation of Agency projects.

Chief Operations Office

- **Procurement & Contract Specialist 3:** The Department of Early Learning and Care processes hundreds of grants and contracts to deliver services in communities. This position will develop, negotiate, and execute contracts, grants and other agreements for the Agency. This position will also decide on the method of procuring goods, write requirements, communicate with all parties involved, including the Attorney General and accept and reject proposed changes to Agency agreements.
- **Procurement & Contract Specialist 3:** This position will develop, negotiate, and executes contracts, grants and other agreements for the Agency. This position will also decide on the method of procuring goods, write requirements, communicate with all parties involved, including the Attorney General and accept and reject proposed changes to Agency agreements.

BUDGET NARRATIVE

- **Procurement & Contract Specialist 2:** This position will develop, negotiate, and execute contracts, grants and other agreements for the Agency.
- **Procurement & Contract Specialist 1:** This position will utilize the procurement of goods and services via purchase orders or other approved methods of procurement such as price agreements.
- **Accounting Technician:** This position will process requests for payment after reviewing for accuracy, ensure coding is appropriate, approved by appropriate personnel. This position also maintains accounting records, reviews all requests for errors, and resolves any issues discovered as well as providing customer service to internal and external inquiries.
- **Accounting Technician:** This position will process requests for payment after reviewing for accuracy, ensure coding is appropriate, approved by appropriate personnel. This position also maintains accounting records, reviews all requests for errors, and resolves any issues discovered as well as providing customer service to internal and external inquiries.
- **Program Analyst 1:** This position will serve on the Grants Management Team and work with Preschool Promise providers of service and Agency colleagues to provide information or explain program rules and guidelines as well as monitor the program outcomes and results.
- **Information Systems Specialist 5:** This position will coordinate with the Communications team to provide support for operating, maintaining, consultation, training and installing information systems with a focus on the Agency's internet and intranet and help desk supports.

Office of Child Care

- **Compliance Specialist 2:** This position will provide compliance review, decisions, technical assistance as well as investigations of child care providers in tandem with the Oregon Department of Human Services when a compliant is received involving a child care provider/director or staff member. This position will be in the Portland metro area offices. This position will address volume issues and prevent (as much as possible) needing to assign complaints to licensing specialists via the overflow process. The original investigator staffing estimate from 2018 was incomplete because it did not account for the additional time to conduct full investigations by investigators as compared to the shorter assessments previously completed by licensors.
- **Compliance Specialist 2:** This position will provide compliance review, decisions, technical assistance as well as investigations of child care providers in tandem with the Oregon Department of Human Services when a compliant is received involving a child care provider/director or staff member. This position will be in the Portland metro area offices. This position will address volume issues and prevent (as much as possible) needing to assign complaints to licensing specialists via the overflow process. The original investigator staffing estimate from 2018 was incomplete because it did not account for the

BUDGET NARRATIVE

additional time to conduct full investigations by investigators as compared to the shorter assessments previously completed by licensors.

- **Compliance Specialist 2:** The position is currently an administrative limited duration position. The agency is requesting a permanent position required to maintain the current level of service necessary to monitor the current supply of child care facilities in each region. This position provides onsite monitoring of the safety of licensed child care facilities, ensures compliance with safety regulations, performs regulatory decisions and provides technical assistance to child care providers. Recent required changes to OCC's monitoring visit process have significantly increased the amount of time spent in a facility in order for OCC to remain in federal compliance. With the loss of these requested positions we currently have in limited duration, each permanent staff's caseloads would increase by an average of 17%. Additionally, with an increase to caseloads from loss of this FTE, Office of Child Care would be at risk for delays in response time.
- **Compliance Specialist 2:** The position is currently an administrative limited duration position. The agency is requesting a permanent position required to maintain the current level of service necessary to monitor the current supply of child care facilities in each region. This position provides onsite monitoring of the safety of licensed child care facilities, ensures compliance with safety regulations, performs regulatory decisions and provides technical assistance to child care providers. Recent required changes to OCC's monitoring visit process have significantly increased the amount of time spent in a facility in order for OCC to remain in federal compliance. With the loss of these requested positions we currently have in limited duration, each permanent staff's caseloads would increase by an average of 17%. Additionally, with an increase to caseloads from loss of this FTE, Office of Child Care would be at risk for delays in response time.
- **Compliance Specialist 2:** The position is currently an administrative limited duration position. The agency is requesting a permanent position required to maintain the current level of service necessary to monitor the current supply of child care facilities in each region. This position provides onsite monitoring of the safety of licensed child care facilities, ensures compliance with safety regulations, performs regulatory decisions and provides technical assistance to child care providers. Recent required changes to OCC's monitoring visit process have significantly increased the amount of time spent in a facility in order for Office of Child Care to remain in federal compliance. With the loss of these requested positions we currently have in limited duration, each permanent staff's caseloads would increase by an average of 17%. Additionally, with an increase to caseloads from loss of this FTE, Office of Child Care would be at risk for delays in response time.

BUDGET NARRATIVE

- **Principal Executive Manager D:** This position was delayed from the February 2022 Legislative Session and will provide leadership over the program and subsidy suspension team in the Office of Child Care.
- **Operations & Policy Analyst 2:** This position will evaluate rules and program goals to provide policy recommendation and guidance to the suspension team.
- **Office Specialist 2:** This position will provide administrative support, record management and respond to inquiries about the Agency in the central office in Salem.

Chief of Programs

- **Operations and Policy Analyst 2:** This position will work with the Chief of Programs in the development of long and short-range goals and objectives relating to planning and implementing the programs within the Chief of Program area, including early learning programs, child care policy, community systems and professional learning for early learning child professionals.

Staffing Impact:

The Agency requests the following positions to support the operations:

Class Title	Repr, Class No. & Pay/Rg Opts	Type	Salary Range	# of Mos.	Phase In	Position	FTE
Auditor 3	MMN X5618 AP	PF	31	22	9/1/2023	1.0	0.92
Safety Specialist 2	OAS C1346 AP	PF	27	22	9/1/2023	1.0	0.92
Human Resource Assistant	MMN X1319 AP	PF	18	22	9/1/2023	1.0	0.92
Human Resource Analyst 3	MMN X1322 AP	PF	29	22	9/1/2023	1.0	0.92
Research Analyst 2	OAS C1116 AP	PF	23	24	7/1/2023	1.0	1.00
Operations & Policy Analyst 2	OAS C0871 AP	PF	27	22	9/1/2023	1.0	0.92
Public Affairs Specialist 2	OAS C0865 AP	PF	29	22	9/1/2023	1.0	0.92
Public Affairs Specialist 2	OAS C0865 AP	PF	29	22	9/1/2023	1.0	0.92
Project Manager 3	MMN X0856 AP	PF	32	22	9/1/2023	1.0	0.92
Operations & Policy Analyst 2	OAS C0871 AP	PF	27	22	1/3/1900	1.0	0.92
Project Manager 2	MMN X0855 AP	PF	30	22	9/1/2023	1.0	0.92
Procurement & Contracts Specialist 3	OAS X0438 AP	PF	29	22	9/1/2023	1.0	0.92

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Class Title	Repr, Class No. & Pay/Rg Opts	Type	Salary Range	# of Mos.	Phase In	Position	FTE
Procurement & Contracts Specialist 3	OAS X0438 AP	PF	29	22	9/1/2023	1.0	0.92
Procurement & Contracts Specialist 2	OAS C0437 AP	PF	27	22	9/1/2023	1.0	0.92
Procurement & Contracts Specialist 1	OAS C0436 AP	PF	23	22	9/1/2023	1.0	0.92
Accounting Technician	OAS C02012 AP	PF	19	22	9/1/2023	1.0	0.92
Accounting Technician	OAS C02012 AP	PF	19	22	9/1/2023	1.0	0.92
Program Analyst 1	OAS C0860 AP	PF	23	22	9/1/2023	1.0	0.92
Information Systems Specialist 5	OAS C1485 IP	PF	28	22	9/1/2023	1.0	0.92
Compliance Specialist 2	OAS C5247 AI	PF	25	22	9/1/2023	1.0	0.92
Compliance Specialist 2	OAS C5247 AP	PF	25	22	9/1/2023	1.0	0.92
Compliance Specialist 2	OAS C5247 AP	PF	25	24	7/1/2023	1.0	1.00
Compliance Specialist 2	OAS C5247 AP	PF	25	24	7/1/2023	1.0	1.00
Compliance Specialist 2	OAS C5247 AP	PF	25	24	7/1/2023	1.0	1.00
Principal Executive Manager D	MMS X7006 AP	PF	31X	22	9/1/2023	1.0	0.92
Operations & Policy Analyst 2	OAS C0871 AP	PF	27	22	9/1/2023	1.0	0.92
Office Specialist 2	OAS C0104 AP	PF	15	22	9/1/2023	1.0	0.92
Operations & Policy Analyst 2	OAS C0871 AP	PF	27	22	9/1/2023	1.0	0.92

Quantifying Results:

The positions requested in this policy option package will better position the Agency to provide necessary services and functions required of a new agency, including internal auditing, human resources, payroll, data analysis, procurement, communications, project management, accounting, licensing, administrative and IT support across multiple operations units. Without the additional investment of positions, the Agency will see slower response times across the agency which would impact procurement of goods and services, payments due, communications to internal and external partners, implementation of projects, and licensing of child care providers.

Revenue Source:

BUDGET NARRATIVE

POP 107 requests an increase in Personal Services and Services and Supplies in General Fund and Federal Funds. Federal Child Care Development Block Grant is the source of federal funds.

Category	General Fund	Federal Funds	Total Funds	Positions	FTE
Personnel	\$4,644,448	\$663,020	\$5,307,468	28.0	26.08
Services & Supplies	\$575,613	\$85,659	\$661,272		
2023-25 Total ARB	\$5,220,061	\$748,679	\$5,968,740	28.0	26.08

BUDGET NARRATIVE

Department of Early Learning and Care Policy Option Package (POP): 108

POP Title: Healthy Families Oregon Database
Total Request: \$800,000 General Fund

Purpose:

POP 108 requests General Fund investment to create a database for Healthy Families Oregon program to remain in compliance with national accreditation requirements. POP 108 sustains operations for the Agency by reducing duplication and creating efficiencies for data management and program support.

Background:

Healthy Families Oregon (HFO) is a nationally accredited, multi-site state system with Healthy Families America (HFA) and is one of Oregon's largest child abuse prevention programs. HFO program sites offer this voluntary program to families prenatally or immediately after a child's birth to support families for up to three (3) years. Services focus on strengthening the parent-child relationship to ensure healthy child growth and development. Over the course of three (3) years, home visitors and parents discuss issues such as: parent child relationship (bonding/attachment); home and care safety; immunizations and health; mental health; drug and alcohol use/abuse; family violence; positive discipline; child development and milestones; early literacy and school readiness; and life skills like goals setting. Home Visitors also spend significant time connecting families to critical community resources such as housing, medical/dental insurance, food assistance, clothing, and more. This work contributes to several of Oregon's Early Childhood Benchmarks, including: increasing school readiness; improving health outcomes for children and families; reducing the incidence of child abuse and neglect.

HFA requires accredited states to maintain a database to track and report on family outcomes for whom the program is providing home visiting services. HFA accreditation also requires a system to evaluate the need for services that exists in the family and to track progress and outcomes. Currently, HFO manages the collection and management of data on 3,000 families annually by manually entering information in spreadsheets to meet the program data reporting and the requirements to maintain accreditation as a Healthy Families America program. Acquiring a new technical solution for HFO will streamline the way HFO data is collected, tracked, analyzed, and reported and will minimize mis-reported data. This will impact the customer service DELC provides to vulnerable families, home visitors, and program supervisors. DELC will implement a system that is aligned to and approved for integration with HFA systems.

BUDGET NARRATIVE

How Achieved:

The Agency will utilize the state's procurement request for proposal/application process for purchasing a database system that meets the Healthy Families America accreditation, as identified by HFA. The anticipated implementation of a new system would occur during the 2023-25 biennium. The procurement process has included market research and exploration of the solutions which have been identified to be in alignment with HFA standards. Additionally, participating internal and external partners have been included in research steps, as the system will be directly accessed by a wide range of users. DELC has initiated a project to invest in core data infrastructure, which includes storage and security of the agency's data. Accordingly, integration with related data systems has been identified as a requirement for this project. DELC anticipates issuing a Request for Proposal to identify the best solution for HFO data management system before the end of the 2021-23 biennium.

Staffing Impact:

No staffing impact associated with this policy option package.

Quantifying Results:

The new database system will track and report on families for whom receive home visiting services through HFO community partners throughout the state. The new system will also ensure that Oregon is able to maintain the accreditation received from Health Families America.

- Faster, more efficient processes and improvement of program outcomes; and
- Increased effectiveness with data in real time to evaluate and make adjustments/programmatic changes that are data informed.

Revenue Source:

POP 108 requests \$800,000 General Fund in services and supplies for the purchase of the HFO database.

BUDGET NARRATIVE

**Department of Early Learning and Care
Policy Option Package (POP): 109**

POP Title: DELC Positions Clean Up

Total Request: \$369,420 All Funds (General Fund: \$252,072; Other Funds: \$56,744; and Federal Funds: \$60,604)

Purpose:

POP 109 implements position reclassifications operations, and requests 0.50 FTE for the Office of Child Care, Field Operations. POP 109 supports sustainable operations for the Agency and centers families by ensuring adequate staffing to maintain health and safety in child care.

Background:

To ensure the Department of Early Learning and Care (DELC) has sufficient operational capacity, position descriptions were updated and will go through the Department of Administrative Services (DAS), Chief Human Resources Office review process. POP 109 requests an increase in months from 12 to 24 (permanent part-time compliance specialist 2 position be reclassified to a permanent full-time position) to assist with distribution of caseload for licensing child care providers. This policy option package also requests permanent financing for the following: two equal reclassifications; eight upward classifications; and two representation code changes.

How Achieved:

DAS’s Chief Human Resource Office process will be completed for all proposed reclassifications.

Staffing Impact:

The policy option package requests the following changes to positions:

Position Number	Personnel Action		Position Classification Information	Class Title	Total General Fund	Total Other Funds	Total Federal Funds	Total Funds
0004451	Reclass Up	To From	OAS C5248 AP OAS C5247 AP	Compliance Specialist 3 Compliance Specialist 2	\$0	\$44,382	\$0	\$44,382
0200071	Reclass Up	To From	OAS C0108 AP OAS C0107 AP	Admin Specialist 2 Admin Specialist 1	\$0	\$0	\$21,979	\$21,979

BUDGET NARRATIVE

0787065	REPR Change	To From	MMN X0873 AP OAS C0873 AP	OPA4 OPA 4	\$13,665	\$0	\$0	\$13,665
0791181	Reclass Up	To From	OAS C0872 AP OAS C0871 AP	OPA3 OPA 2	\$6,500	\$0	\$26,000	\$32,500
2350509	Reclass Up	To From	MMS X7008 AP OAS C0873 AP	PEM E OPA 4	\$24,610	\$0	\$0	\$24,610
2315031	Reclass Up	To From	MMS X7008 AP OAS C0873 AP	PEM E OPA 4	\$0	\$0	\$0	\$0
5500513	Increase Months	To From	OAS C5247 AP OAS C5247 AP	Compliance Specialist 2 Compliance Specialist 2	\$120,587	\$0	\$0	\$120,587
2350058	Reclass Up	To From	MESN Z7082 AP MMS X7083 AP	Business Operations Administrator 1 Business Operations Manager 3	\$35,103	\$0	\$0	\$35,103
0003793	Reclass Up	To From	MESN Z7142 AP MMS X7144 AP	Compliance & Regulatory Admin. 1 Compliance & Regulatory Manager 2	\$50,501	\$0	\$12,625	\$63,126
2111515	Reclass Up	To From	OAS C1484 IP OAS C1483 IP	Information System Specialist 4 Information System Specialist 3	\$0	\$12,093	\$0	\$12,093
1715013	REPR Change	To From	MESN Z7081 AP MMS X7081 AP	Business Operations Administrator 2 Business Operations Administrator 2	\$0	\$0	\$0	\$0
2115101	Equal Reclass	To From	OAS C0861 AP OAS C0871 AP	Program Analyst 2 Operations & Policy Analyst 2	\$0	\$0	\$0	\$0
2115104	Equal Reclass	To From	OAS C0861 AP OAS C0871 AP	Program Analyst 2 Operations & Policy Analyst 2	\$0	\$0	\$0	\$0
Mass Transit					\$1,106	\$269	\$9	\$1,375

BUDGET NARRATIVE

Total Cost	\$252,072	\$56,744	\$60,604	\$369,420
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In summary, the agency seeks \$252,072 in General Fund, an increase of \$56,744 in Other Fund limitation and \$60,604 in Federal Limitation.

Quantifying Results:

Not applicable to this policy option package.

Revenue Source:

Requesting increase in Personal Services across General Fund, Other, and Federal Fund limitation. Funding source for Other Funds is from licensing application fees, fines and penalties. The Child Care Development Block Grant is the source of federal funds. Total Funds: \$369,420 (\$252,072 General Fund; \$56,744 Other Fund Limitation and \$60,604 Federal Fund Limitation).

BUDGET NARRATIVE

Department of Early Learning and Care Policy Option Package (POP): 110

POP Title: Program Research and Evaluation Funding
Total Request: \$1,773,000 General Fund

Purpose:

POP 110, Program Research and Evaluation Funding, requests \$1.8 million in supplemental funding to support high-priority research and evaluation work to be conducted by external research partners contracted by the Department of Early Learning and Care (DELIC). POP 110 allows DELIC to implement comprehensive research and evaluation processes across agency programs to ensure an efficient delivery of early care and education services that is responsive to community needs. POP 110 sustains agency operations by ensuring the Agency is a good steward of public funds, through the evaluation of program administration and centers families by ensuring programs reflect research-based high-quality standards.

Background:

Research and evaluation are essential for ensuring that DELIC is making effective and efficient use of the resources it administers, that programs are producing their intended outcomes, and that services are best meeting the needs of children and families. Currently, DELIC does not have agency-wide dedicated funds to support research and evaluation to achieve these goals, particularly in addressing the needs of historically underserved communities. Current research and evaluation funding is received from Federal sources or it is obligated by the legislature for specific programs (e.g., Early Childhood Equity Fund). This means that DELIC lacks funding to pursue critical research and evaluation questions and topics across early learning and care programs or to construe “program” more broadly to include other services and systems administered or funded by DELIC, such as the licensing system or the work of the Child Care Resource and Referral entities.

Additionally, DELIC recognizes that its current research and evaluation practices and processes are not equitable. For example, DELIC has historically and is currently using Federal funding to contract with mainly white-identifying external researchers who work in white-dominant university settings and who are not typically members of the communities that are the focus of the Agency’s research and evaluation work.

How Achieved:

POP 110 supports the Agency goal and community expectation of using more equitable research and evaluation processes and practices. Having a recurring source of funding dedicated to research and evaluation allows DELIC to use competitive Request for Proposal processes and to redefine the criteria for what makes a successful proposal and applicant team. In turn, this will help DELIC to contract with a more diverse group of external research partners, in terms of their own identities, their types of formal and informal training and expertise, and their lived experiences.

BUDGET NARRATIVE

Prioritize using equitable approaches to how research and evaluation work is done. These approaches include supporting children, families, and early educators to tell their own stories, focusing on communities' and programs' strengths (i.e., what is working well), elevating families, early educators, and system partners as leaders to co-design studies and co-interpret data, and routinely collecting and integrating findings from qualitative and quantitative data. This will also allow DELC to recognize, build relationships with, and invest in local, community-based research teams who are experts in conducting equitable research and evaluation.

Additionally, POP 110 allows DELC to conduct additional research and evaluation that would expand and improve ELD's current work by pursuing research and evaluation projects addressing questions and topics that span across many different programs and services, including conducting research and evaluation studies of individual programs that have no evaluation funding included as part of the related legislation.

Staffing Impact:

No staffing impact.

Quantifying Results:

The Agency expects to evaluate results based on:

- Increased number and diversity of the external research teams selected to receive these contracts and agreements;
- Expanded program evaluations throughout the Agency;
- Recommended improvements to program delivery as a result of program evaluations; and
- Services and supports better tailored to meet the needs of families and providers.

Revenue Source:

Agency requests \$1,773,000 General Fund in services and supplies.

BUDGET NARRATIVE

Department of Early Learning and Care Policy Option Package (POP): 111

POP Title: Fellowship for Career Growth in ECE Policy
Total Request: \$210,000 General Fund

Purpose:

POP 111 seeks funds for a second cohort of the Fellowship for Career Growth in Early Care and Education (ECE) Policy. The federal Preschool Development Grant: Birth to Five (5) grant award provided funds for the development of the fellowship and the first cohort. POP 111 promotes the professionalization of the early childhood workforce by creating professional opportunities for growth. This POP sustains operations for the Agency by diversifying the workforce in government and lifting up the expertise of the field.

Background:

Unlike K-12 career pathways, there is no clear path for professional growth in early learning, particularly in accessing statewide or systems-level positions. Of the estimated 24,000 early educators across the state, around 29% of them represent Black, Latino, Indigenous, or other communities of color. However, these communities are not represented at commensurate rates in ECE policy positions. Low wages and little room for career growth in child care and early learning has resulted in a 24% turnover rate pre-pandemic.¹ In order to recruit and retain ECE professionals, there need to be opportunities to grow careers that increase wages and delegate more responsibility to professionals looking to advance.

How Achieved:

In late 2021, the Department of Early Learning and Care began planning the establishment of the Fellowship for Career Growth in ECE Policy. The recruitment and selection of the first cohort will be completed by September 2022. This statewide fellowship program will recruit early learning professionals to provide local program-level staff the opportunity to work at the systems level. The program will place a cohort of early learning professionals in a one-year fellowship at the Agency to increase workforce diversification and develop support for the diverse needs and strengths of children. In year one, the Agency will develop a curriculum, with a focus on equity, systems design, policy expertise, and improve professional learning opportunities that reflect that the diversity of the early care and education workforce.

The federal Preschool Development B-5 grant funded the first fellowship cohort. However, this pilot will not have a dedicated funding source when those resources are expended. Furthermore, DELC is planning to expand this fellowship to providing opportunities for cross-sector engagement; partnerships with the Department of Education, Oregon Health Authority, Oregon Housing and Community Services, and the Oregon Department of Human Services to place fellows in those agencies will further goals established in *Raise Up Oregon* that the cross-sector nature of early learning.

BUDGET NARRATIVE

This is critical to reinforcing the professionalization of the early learning and child care workforce and represents a unique opportunity to promote cross-sector partnership in the early learning system.

Staffing Impact:

No impact to staffing.

Quantifying Results:

The Agency expects to evaluate the program based on:

- Number of fellows securing positions in local, regional or state agencies;
- Increased referrals of families to services in other agencies; and
- Stabilization or reduction of turnover in the early childhood educator workforce.

Revenue Source:

Agency seeks services and supplies of \$210,000 General Fund.