



EXECUTIVE SUMMARY

HB 3073 PROGRESS REPORT | SEPTEMBER 30, 2021

During the 2021 Legislative Session, the Legislative Assembly passed HB 3073. The purpose of this legislation is to create a unified early learning system and child care sector. HB 3073 requires the Early Learning Division (ELD) to develop a plan for a new early care and education agency, which would be established January 1, 2023. Pursuant to Section 85 of HB 3073, ELD submits the following report. Section 85 requires the ELD, Oregon Department of Human Services (ODHS) and Oregon Department of Education (ODE) to complete four reports on the creation of DELC and the transfer of the Employment Related Day Care (ERDC) program to the new agency. The bill requires ELD, in collaboration with ODHS and ODE, to report the progress on the plans for development and implementation for this first of four reports.

The new agency, the Department of Early Learning and Care (DELC) established in HB 3073, will consolidate early care and education services into one state agency, including child care licensing, registration, and the distribution of state and federal child care funds. HB 3073 also transfers the ERDC Program to the new agency. ERDC is a child care subsidy program, providing low-income, working families with access to child care. ODHS currently administers the ERDC program. ERDC is partially funded by the federal Child Care Development Block Grant (CCDBG) with ELD as the lead agency.

In April 2021, ELD and ODHS began a preliminary analysis of the work needed to transfer the ERDC program from ODHS to DELC. ODHS and ELD agreed to hire a consultant, Alvarez and Marsal (A&M) to survey the interconnectedness of ERDC program administration across ODHS. A&M's initial statement of work was to complete an assessment of the current state of ERDC program administration. This work culminated in the [Employment Related Day Care Program Summary](#). It details ERDC services and process from both the family and provider perspectives to develop a process map for how the program functions within ODHS. The assessment includes sections on core operations, support systems, and budget. It also details transition considerations, which are a set of questions that ELD will use as it builds the infrastructure to transfer ERDC to DELC. The assessment and the accompanying transition considerations will function as a guide in the second phase of work to establish DELC and transfer ERDC program administration over to this new agency.

At the completion of the ERDC current state assessment with ODHS, ELD entered into its own contract with A&M, both to plan for the transfer of ERDC and for standing up DELC as its own agency. Over the next few months, the ELD leadership Team will work closely with key ODHS representatives to review the ERDC transition considerations, define migration strategies, and make the necessary decisions that will inform the design of DELC. ELD is on track to develop an implementation plan to be made available to the legislature by the January 15, 2022 statutory deadline. ELD continues its work with A&M to establish the mission, vision, and guiding principles to inform DELC; complete a current state of operations analysis; create a future state of operations; finalize resource, budget, and design considerations; and finally, to develop the implementation plan for the January 2022 report.

Early Intervention and Early Childhood Special Education

The legislature requested an update on the efforts to strengthen the alignment of the early childhood special education and early intervention services within the statewide early learning system. ODE and ELD requested that Education Northwest (EDNW) assist with identifying best practices in a policy review and state scan report. In the report, EDNW analyzed peer-reviewed literature and completed a state scan comparing the governance, service delivery, and funding models of 12 states, including Oregon. EDNW was challenged by the limited research available on the governance models for EI/ECSE, but used the state scan to determine the strengths and challenges of each system. The report shared on the opportunities and obstacles of consolidated and dispersed program administration.

EDNW is continuing their work in Fall 2021 through community outreach and listening sessions. Various community partners are participating in this process including: intake coordinators, EI/ECSE providers and home visitors, school district superintendents, education service district superintendents, directors of early care and education agencies and programs, and families who receive EI/ECSE services. EDNW will gather information on experiences with EI/ECSE, identify successful program practices, and document opportunities for additional support. They will publish their findings in a report that may be used to inform policy changes at the departmental or legislative level, and these findings will be included in ELD's January 2022 report. In addition to the work with EDNW, the ELD and ODE will work with the BUILD Initiative to conduct further research and outreach on early care and education governance, including the best practices for EI/ECSE governance.

School-Age Child Care Rules

ELD has the statutory authority for monitoring and regulating child care in Oregon according to licensing rules adopted, per statute, by the Early Learning Council (ELC). Oregon's child care licensing rules are currently organized by program type (Registered Family, Certified Family, and Certified Center, as well as rules for Regulated Subsidy providers) rather than by the age of the child served by the program. These rules, most recently revised in 2019, are primarily focused on the needs of children from six weeks to five years, and do not always take into consideration Oregon's after-school programs and other programs that primarily serve school-age children

Recently, the Office of Child Care (OCC) has been engaged with the National Center on Early Childhood Quality Assurance (ECQA Center) to assist the OCC in surveying the current ruleset for all child care types and differentiating the rules that are applicable to the birth to five programs and those for programs that serve school-age children. In addition, ECQA Center has shared national best practices to assist in developing a ruleset appropriate for school-age children. The OCC is working to review and incorporate the recommendations and national best practices provided by ECQA Center to propose the new rules. The OCC began stakeholder engagement in late August 2021 to field concerns from school-age child care providers and after-school programs. Updating the complete ruleset will be an 18-24 month process. ELD will inform the legislature on its plan and progress in the January 15, 2022 report required by HB 3073.