



LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

# EARLY CHILDHOOD EDUCATION

## BACKGROUND BRIEF

Early childhood education, also referred to as early care and learning, encompasses services ranging from prenatal to preschool. Publicly funded programs include child care subsidies for families, contracted services from child care providers, and early childhood screening services. In Oregon, the Early Learning System currently includes the Early Learning Council, local Early Learning Hubs, and multiple state agencies; starting in 2023, the administration of early learning programs will be consolidated into a new state agency, the Department of Early Learning and Care.

## GOVERNANCE

### Early Learning Council

The Early Learning Council (ELC), established in 2011, is the rule-making body for the Oregon Early Learning System. The council's nine members are appointed by the Governor and meet quarterly. The ELC is responsible for adopting administrative rules for statewide programs within the early learning system, including Oregon Pre-Kindergarten (OPK), Preschool Promise, and Baby Promise.

The Early Learning Council is also charged with developing "a long-range plan for serving eligible children and their families" and reporting the cost of implementing that plan to the Legislative Assembly each biennium.<sup>1</sup> *Raise Up Oregon*, the current statewide plan, will expire in 2023. Responsibility for both the plan and the report will transfer to the new Department of Early Learning and Care in July 2023.

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### Department of Early Learning and Care

Under the direction of House Bill 3073 (2021) and House Bill 4005 (2022), the Oregon Department of Education's Early Learning Division (ELD) is in the process of becoming an independent agency called the Department of Early Learning and Care (DELC).<sup>2</sup> The new agency is currently scheduled to become fully functional by July 1, 2023 and

<sup>1</sup> ORS 329.165 (2021), available at [https://www.oregonlegislature.gov/bills\\_laws/ors/ors329.html](https://www.oregonlegislature.gov/bills_laws/ors/ors329.html).

<sup>2</sup> HB 3073 (2021), available at <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB3073>; HB 4005 (2022), available at <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4005>.

will combine functions of the former Early Learning Division with certain functions of the Department of Human Services (DHS) and the Oregon Department of Education (ODE). Early childhood special education and early intervention (special education for ages 0-3) will remain the responsibility of ODE, as required by federal law.

## Early Learning Hubs

At a local level, the early learning system is administered by 16 geographic Early Learning Hubs, which each serve up to three counties, and one Tribal Early Learning Hub, which coordinates early learning efforts among tribal governments statewide.<sup>3</sup> The Early Learning Hub system was first established in 2012 and allowed communities to self-organize and to self-select an organization to serve as the region's Early Learning Hub.<sup>4</sup> The Tribal Early Learning Hub was established by House Bill 2055 in 2021 and modified by House Bill 4033 in 2022 to coordinate the delivery of early learning services to tribal communities, as well as to ensure compliance with the government-to-government relationship between the State of Oregon and the nine federally recognized tribes within the state.<sup>5</sup>

Hubs are intended to serve not as direct service providers but instead as cross-sector coordinators of services for children ages zero to six.<sup>6</sup> To support ELD/DELDC in the administration of the Preschool Promise and Baby Promise programs, Early Learning Hubs are required to complete community plans each biennium that identify priority populations, program availability, existing providers, and methods for increasing enrollment capacity and provide professional development.<sup>7</sup>

## FUNDING

### Child Care and Development Fund (CCDF)

Established in 1990 and expanded in 1996 and 2014, the Child Care Development Block Grant Act is the primary source of federal funding for early care and learning.<sup>8</sup> In Oregon, CCDF funds are distributed to Employment Related Day Care and Baby Promise. In order to receive funds, Oregon must submit a plan for approval from the

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<sup>3</sup> Oregon Department of Education Early Learning Division, *Early Learning Hub Region Map*, (2022), available at <https://oregonearlylearning.com/wp-content/uploads/2022/06/22501-PSP-RFA-AttC-Hub-Region-Map-1.pdf>.

<sup>4</sup> ORS 417.827 (2021), available at [https://www.oregonlegislature.gov/bills\\_laws/ors/ors417.html](https://www.oregonlegislature.gov/bills_laws/ors/ors417.html); U.S. Office of Child Care, *Profiles: Successful Public-Private Partnerships*, (2014), available at [https://childcareta.acf.hhs.gov/sites/default/files/public/oregon\\_profile.pdf](https://childcareta.acf.hhs.gov/sites/default/files/public/oregon_profile.pdf).

<sup>5</sup> HB 2055 (2021), available at <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2055>; HB 4033 (2022), available at <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4033>.

<sup>6</sup> OAR 414-900-0015, available at <https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=103147>.

<sup>7</sup> ORS 329.172 (2021), available at [https://www.oregonlegislature.gov/bills\\_laws/ors/ors329.html](https://www.oregonlegislature.gov/bills_laws/ors/ors329.html); ORS 417.784 (2021), available at [https://www.oregonlegislature.gov/bills\\_laws/ors/ors417.html](https://www.oregonlegislature.gov/bills_laws/ors/ors417.html).

<sup>8</sup> Megan Pratt, Laurie Houston, and Michaela Sektnan, Oregon Child Care Research Partnership, *2020 Oregon Child Care Market Price Study*, (2021), available at [https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/2020\\_oregon\\_child\\_care\\_market\\_price\\_study\\_-\\_main\\_report.pdf](https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/2020_oregon_child_care_market_price_study_-_main_report.pdf).

U.S. Office of Child Care.<sup>9</sup> In the 2019-2021 biennium, Oregon received a projected \$189.8 million in funding from the CCDF.<sup>10</sup>

## Student Success Act

With the passage of the Student Success Act of 2019, the Legislative Assembly created a permanent source of education funding, at least 20 percent of which is distributed to early learning programs through the Early Learning Account. In 2021-2023, the Fund for Student Success was the source of approximately \$420 million in funding for early learning programs.<sup>11</sup>

## PROGRAMS

### Employment Related Day Care (ERDC)

Oregon's primary CCDF-funded program is Employment Related Day Care (ERDC).<sup>12</sup> Historically administered by DHS, responsibility for the program will transfer to DELC in July 2023.<sup>13</sup>

ERDC provides subsidized child care to families in which parents are employed and need child care to stay employed, and whose income falls at or below 200% of the federal poverty level.<sup>14</sup> Subsidy rates are based on the family's income and zip code, the age of the child, and the type of provider; participating families make a copay to cover the difference between the subsidy they receive and the cost of child care.<sup>15</sup>

Subsidy rates have formerly been set based on the market rate for care. However, HB 3073 (2021) called for the ELD to set an alternate rate for ERDC subsidies, designed to reflect operating costs rather than market price.<sup>16</sup> A report by ELD on the transition to a new rate of reimbursement is due by the end of December 2022, and the ELC is

<sup>9</sup> Oregon Department of Education Early Learning Division, *Child Care and Development Fund (CCDF) Plan for Oregon FFY 2022-2024*, (2021), available at <https://oregonearlylearning.com/wp-content/uploads/2021/11/Final-CCDF-2022-2024-SUBMITTED-09.24.20212.pdf>.

<sup>10</sup> Oregon Department of Education Early Learning Division, *The State of Early Care & Education and Child Care Assistance in Oregon*, (2019), available at <https://oregonearlylearning.com/wp-content/uploads/2020/01/State-of-ECE-in-Oregon-ELD-Dec.-2019.pdf>.

<sup>11</sup> Oregon Department of Education, *Student Success Act: 2021-2023 Program Funding*, (2022), available at [https://www.oregon.gov/ode/StudentSuccess/Documents/ODE\\_SSA\\_Funding%20One%20Pager\\_2022%20v4%20\(1\).pdf](https://www.oregon.gov/ode/StudentSuccess/Documents/ODE_SSA_Funding%20One%20Pager_2022%20v4%20(1).pdf).

<sup>12</sup> Oregon Department of Education Early Learning Division, *Child Care and Development Fund (CCDF) Plan for Oregon FFY 2022-2024*, (2021), available at <https://oregonearlylearning.com/wp-content/uploads/2021/11/Final-CCDF-2022-2024-SUBMITTED-09.24.20212.pdf>.

<sup>13</sup> Oregon Department of Education Early Learning Division, *Oregon Child Care Cost of Quality Study*, (2021), available at [https://oregonearlylearning.com/wp-content/uploads/2021/12/COQ-Fact\\_Sheet\\_EN.pdf](https://oregonearlylearning.com/wp-content/uploads/2021/12/COQ-Fact_Sheet_EN.pdf).

<sup>14</sup> Oregon Department of Human Services, *Child Care Assistance: Information for Families*, <https://www.oregon.gov/dhs/ASSISTANCE/CHILD-CARE/Pages/Parents.aspx>.

<sup>15</sup> Oregon Department of Human Services, *ODHS Child Care Maximum Rates*, <https://www.oregon.gov/dhs/ASSISTANCE/CHILD-CARE/Pages/Rates.aspx>.

<sup>16</sup> HB 3073 (2021), available at <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB3073>; Oregon Department of Education Early Learning Division, *Child Care Cost of Quality Study & Impacts of HB 3073*, (2022), available at [https://oregonearlylearning.com/wp-content/uploads/2022/01/2022\\_01-06\\_Cost-of-Quality-Child-Care-Webinar.pdf](https://oregonearlylearning.com/wp-content/uploads/2022/01/2022_01-06_Cost-of-Quality-Child-Care-Webinar.pdf).

required to establish a process in rule for determining the true cost of child care by July 2023 under HB 4005 (2022).<sup>17</sup>

### Preschool Promise (PSP)

Oregon's Preschool Promise program provides free preschool to Oregon families with children ages three and four who are at or below 200% of the federal poverty level.<sup>18</sup> The program was established in 2015 under House Bill 3380 and began serving children and families during the 2016-2017 school year.<sup>19</sup> As of 2021, Preschool Promise served 3,756 children and planned to add an additional 2,500 slots in 2022.<sup>20</sup>

The program offers participating child care providers \$13,650 per eligible child served, coaching services from contracted Child Care Resource and Referral (CCR&R) programs, and administrative support through Early Learning Hubs.<sup>21</sup>

Providers must meet several statutory requirements in order to qualify for participation in Preschool Promise, including meeting training and salary requirements for teachers, providing a culturally responsive environment and curriculum, incorporating best practices, collaborating with community partners, and engaging in ongoing monitoring and program evaluation.<sup>22</sup>

### Baby Promise

Established by House Bill 2024 (2019), Baby Promise is intended to expand infant and toddler care access for families at or below 200% of the federal poverty line.<sup>23</sup> Using CCDF funding, the pilot program launched in 2020 with 109 slots for infants and toddlers in Deschutes, Crook, and Jefferson Counties, located within the Early Learning Hub of Central Oregon. Eligibility for the program is limited to families already eligible for the ERDC program.<sup>24</sup>

ELD contracts with three Child Care Resource and Referral entities (CCR&Rs), who then contract with and provide payments to child care providers.<sup>25</sup> In the 2021-2023 biennium, Baby Promise received \$8,748,000 in federal funding.

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<sup>17</sup> HB 4005 (2022), available at <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4005/Enrolled>.

<sup>18</sup> Oregon Department of Education Early Learning Division, *What is Preschool Promise?*, <https://oregonearlylearning.com/preschool-promise#overview>.

<sup>19</sup> HB 3380 (2015), available at <https://olis.oregonlegislature.gov/liz/2015R1/Downloads/MeasureDocument/HB3380/Enrolled>.

<sup>20</sup> Oregon Department of Education Early Learning Division, *Want to Learn More About Preschool Promise?*, (2022), available at <https://oregonearlylearning.com/wp-content/uploads/2022/06/PSP-RFA-Fillable-Event-Fliers.pdf>.

<sup>21</sup> ODE Early Learning Division, *Want to Learn More?*

<sup>22</sup> ORS 329.172 (2021), available at [https://www.oregonlegislature.gov/bills\\_laws/ors/ors329.html](https://www.oregonlegislature.gov/bills_laws/ors/ors329.html).

<sup>23</sup> HB 2024 (2019), available at <https://olis.oregonlegislature.gov/liz/2019R1/Downloads/MeasureDocument/HB2024>.

<sup>24</sup> National Collaborative for Infants and Toddlers (NCIT), *Oregon Makes Big Promises for Infants and Toddlers*, (2020), available at <https://www.thencit.org/sites/default/files/2020-03/Oregon%20Case%20Study.pdf>.

<sup>25</sup> Oregon Department of Education Early Learning Division, *Child Care and Development Fund (CCDF) Plan for Oregon FFY 2022-2024*, (2021), available at <https://oregonearlylearning.com/wp-content/uploads/2021/11/Final-CCDF-2022-2024-SUBMITTED-09.24.20212.pdf>.

The ELD held a hearing for proposed rulemaking in March 2022.<sup>26</sup> Under HB 2024 (2019), Early Learning Hubs must submit biennial community plans identifying priority populations, existing providers, opportunities to expand enrollment, and methods for increasing enrollment capacity.<sup>27</sup> The ELD is responsible for approving these plans and for working with contractors to recruit eligible providers into the program.

## Head Start

Head Start is a federal program that directly funds and administers free preschool services through local public agencies, nonprofits, child care providers, and school systems.<sup>28</sup> Serving children ages three and four, Head Start programs are open to families whose income is at or below the federal poverty line, as well as children who are in foster care, homeless, or receiving benefits from Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or the Supplemental Nutrition Assistance Program (SNAP). Head Start is administered by the U.S. Department of Health and Human Services (HHS).

In addition to preschool education, Head Start programs are required to provide services such as family support and parent education, and health, nutrition, and mental health services. At least 10 percent of total enrollment in participating programs is reserved for children with disabilities.

**Early Head Start.** In 1995, the federal government created Early Head Start to serve children ages zero to three in a similar manner to Head Start. The program is also administered by the U.S. HHS and directly funds local programs.

**Oregon Pre-K (OPK).** Oregon invested funds in its own state program, Oregon Pre-K, to expand the Head Start model. The program serves students from ages zero to five who qualify for federal Head Start programs, and like Head Start, offers a combination of preschool education and early childhood development, mental health and nutrition, and parent education and family support.<sup>29</sup>

## Healthy Families Oregon (HFO)

Since its establishment by the Oregon Legislative Assembly in 1993, Healthy Families Oregon has provided free home visitation and screening services to families who are pregnant or parenting a newborn. Programs are required to be non-stigmatizing and voluntary, and to provide referrals to community services such as mental health services, child care, food, housing and transportation. Services are available for families for up to three years after birth. As of 2019, HFO provided screening and referral

<sup>26</sup> Office of the Secretary of State, *Notice of Proposed Rulemaking*, (2022), available at <https://oregonearlylearning.com/wp-content/uploads/2021/12/Baby-Promise-NPRM-02.28.2022.pdf>.

<sup>27</sup> HB 2024 (2019), available at <https://olis.oregonlegislature.gov/liz/2019R1/Downloads/MeasureDocument/HB2024>.

<sup>28</sup> U.S. Department of Health and Human Services, *Head Start Approach*, (2022), available at <https://eclkc.ohs.acf.hhs.gov/programs/article/head-start-approach>.

<sup>29</sup> OAR 414-460-000, available at <https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=267518>; Oregon Department of Education Early Learning Division, *What is Head Start & Oregon Pre-kindergarten?*, <https://oregonearlylearning.com/head-start-opk>.



services to around 11 percent of new parents and home visiting services to just under 2,000 vulnerable families.<sup>30</sup>

Healthy Families Oregon is an affiliate program of Healthy Families America (HFA), a national model established by the nonprofit Prevent Child Abuse (PCA) America.<sup>31</sup>

### Early Childhood Equity Fund

Created as part of the Student Success Act, the Early Childhood Equity Fund is a grant program that supports culturally specific programs.<sup>32</sup> The fund targets early learning and parent support programs that both serve historically underserved communities and commit to providing services “rooted in culture, home language, and lived experience.” With \$10 million in annual funding, the Early Childhood Equity Fund provided grants to 28 organizations serving approximately 4,600 children in 2020.

### Early Learning Kindergarten Readiness Partnership and Innovation Program

In 2013, the Oregon Legislative Assembly approved the creation of the Early Learning Kindergarten Readiness Partnership and Innovation Program as part of House Bill 2013, an omnibus bill on early childhood care and learning.<sup>33</sup> The grant program is designed to fund innovative strategies for early learning. Under ELC rules, organizations eligible for funding include Early Learning Hubs, Education Service Districts, K-12 school districts, nonprofit organizations, and post-secondary institutions.<sup>34</sup>

House Bill 2054 (2021) moved the administration of the Early Learning Kindergarten Readiness Partnership and Innovation Program from the ELC to the ELD.<sup>35</sup>

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<sup>30</sup> Oregon Department of Education Early Learning Division, *What is Healthy Families Oregon?*, <https://oregonearlylearning.com/healthy-families-oregon>

<sup>31</sup> Healthy Families America, *Find a HFA Site*, <https://www.healthyfamiliesamerica.org/sites/>.

<sup>32</sup> Oregon Department of Education Early Learning Division, *The Early Childhood Equity Fund*, [https://oregonearlylearning.com/wp-content/uploads/2021/01/65543\\_ODE\\_ELD\\_EarlyChildhood-EquityFund\\_2020\\_web.pdf](https://oregonearlylearning.com/wp-content/uploads/2021/01/65543_ODE_ELD_EarlyChildhood-EquityFund_2020_web.pdf)

<sup>33</sup> ORS 2013 (2013), available at <https://olis.oregonlegislature.gov/liz/2013R1/Downloads/MeasureDocument/HB2013>.

<sup>34</sup> OAR 414-800-0015, available at <https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=103121>.

<sup>35</sup> ORS 2054 (2021), available at <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2054>.

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