

# House Bill 3073 Department of Early Learning and Care Report to the Interim Committees of the Legislative Assembly

*Submitted by*

**Early Learning Division in collaboration with Oregon Department of Human Services and Oregon Department of Education**

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## Update on the Progress of HB 3073: Executive Summary

Section 85 of House Bill 3073 (2021) requires the Early Learning Division (ELD), Oregon Department of Human Services (ODHS) and Oregon Department of Education (ODE) to complete four reports on the creation of the Department of Early Learning and Care (DELIC) and the transfer of the Employment Related Day Care (ERDC) program to the new agency. This “Update on the Progress of HB 3073 Implementation” is the final report required by HB 3073 and details the processes that have occurred since the January 2022 report to the Oregon Legislative Assembly.

### Hiring and Plan

In 2021, the Legislature approved 14 positions to start the initial implementation and planning of DELIC. In February 2022, the Legislature approved 66 positions based on the recommendations to establish internal operations for DELIC. Of those positions, 12 positions/3.0 FTE were requests for General Fund and permanent position authority for existing ELD limited-duration positions funded by private or federal grants. As of Sept. 1, 2022, ELD has hired 35 new positions, with 23 positions currently in active recruitment and 14 positions planned for hire in 2023. [Appendix A](#) details the status of each position.

### Employment Related Day Care Transition

ELD and ODHS have prioritized developing interagency agreements (IAAs), to clarify which services will continue to be provided by ODHS after child care subsidy programs migrate to DELIC. This process has included performing a detailed discovery of the roles and responsibilities for the Self-Sufficiency Programs (SSP) team at ODHS for ERDC-support functions. The agencies have also focused on the migration of the Child Care Policy team (CCP) and Direct Pay Unit (DPU) from ODHS to ELD/DELIC and are building a comprehensive project plan and functional migration preparation for the July 2023 migration, including facilities, HR, systems, policies, and procedures.

### Next Steps and Risks

#### *Budget*

Because DELIC will not be officially operational until July 1, 2023, there are unique budget considerations of which the Legislature should be aware. Unlike an established agency, DELIC will not have budget authority until the Governor signs the DELIC budget legislative bill into law. Therefore, DELIC’s budget will need to be passed in an early session bill to ensure budget authority on July 1, 2023. This could affect DELIC’s ability to issue payments, process procurements, and ensure continued service delivery.

#### *Authority*

The ERDC program relies on multiple legacy IT systems and interacts with several teams at ODHS. DELIC is in the process of procuring a provider management system to take over provider payments. However, the system will not be operational until 2024. This will require DELIC to *contract* back with ODHS to maintain access to the current provider payment system for the first part of the biennium. This option may also require DELIC to transfer funds for these payments and for ODHS to have additional Other Fund limitation to account for these transfers. In addition to payment system access, DELIC also plans to contract with ODHS for several functions that are necessary to operate ERDC:

- Fraud and Investigation Unit (FIU)
- Information and Records Management System (IRMS)

- Office of Payment, Accuracy, and Recovery (OPAR)
- Hearings and Rules
- Office of Reporting, Research, Analytics, and Implementation (ORRAI)
- Quality Assurance (QA)
- Oregon Eligibility Partnership-Learning and Training (OEP-LET)
- Local Office staff and resources who determine eligibility

While DELC may eventually build some of these functions internally, the agency will require the authority to contract with ODHS for these services at least through the 2023-2025 biennium. DELC will request legislation to ensure this authority is established. In addition, DELC will continue to coordinate with ODHS and the Oregon Health Authority (OHA) for the use of the ONE System and with the Oregon Eligibility Partnership regarding sequencing and operational needs.

### *Information Technology*

Most projects are in early stages of development, where the risk of scope creep is high. As the scope of each effort is thoroughly defined, it is possible that schedules will extend to meet additional scope requirements. To mitigate this risk, project managers will need to rigorously follow change management processes to keep project schedules aligned with plans.

ELD and ODHS staff have been working to implement the policy changes to ERDC outlined in HB 3073, including family well-being activities, protected 12-month eligibility, eligibility for full-time students and for undocumented children. These policy changes not only require system changes to ONE, but in most cases to multiple legacy IT systems as well. There may be portions of these ERDC policy changes from HB 3073 that are not able to be fully implemented by July 1, 2023, due to technological constraints, limited resources, and staff capacity.

ODHS and DELC are finishing business requirements that will allow for a complete level of effort and then sequencing. When that is complete, a schedule will be provided for teams to manage and will show when each of these policy areas is expected to be completed.

In addition to supporting ERDC, ELD also requires a grants management system to ensure service providers are paid on time. Recently concluded market research suggests that reasonable solutions are available through existing state contracts. A Business Case has been shared with Enterprise Information Services (EIS) for Stage Gate 1 approval, and procurement is engaged to issue a Request for Qualifications (ERQ) for solution solicitation. Vendor implementation timelines suggest that a spring 2023 implementation is reasonable, providing that procurement processes conclude by early fall and that implementation focuses on minimal system modification.

### *Legislative Considerations*

In addition to position authority, ELD has identified the need for 48 positions/45.14 to ensure adequate support for critical operational functions, including procurement, payroll, and auditing. In addition to positions, Policy Option Package 102 of the 2023-2025 Agency Request Budget includes resources to support contracting with ODHS for continued services through interagency agreements.

## Section 1: General Overview

Since publishing the January 2022 [Department of Early Learning and Care Legislative Report/Progress Update](#), ELD, ODE, and ODHS have made significant progress in establishing DELC and transferring ERDC to the new agency. Initially, HB 3073 (2021) statutorily established DELC on Jan. 1, 2023. As transition planning continued to develop, ELD and the Legislature identified obstacles to this establishment date, particularly the implications of ELD separating from ODE before the close of a biennial budget cycle. This created complications related to how agency budgets would be bifurcated and current contracts or grants closed out on or before the final day of the biennium. Representative Karin Power and the House Early Childhood Committee introduced HB 4005 in the 2022 Legislative Session, which, among many provisions, amended DELC's establishment date to July 1, 2023, to align with the biennial budget cycle and the transition date of ODHS's subsidized child care programs to DELC.

## Section 2: Hiring and Capacity

In order to launch, DELC must recruit and acquire talented, committed, and skilled employees to build needed capacity. The DELC Project Team, composed of internal and external subject matter experts who are building DELC, previously identified hiring talent as a vital risk for the implementation process. The national and statewide workforce shortage may affect the hiring timeline, but ELD remains optimistic that it can sufficiently fill new vacancies to support DELC operations by July 1, 2023.

In 2021, the Legislature approved 14 positions to start the initial implementation and planning of DELC. In February 2022, the Legislature approved 66 positions based on the recommendations to establish internal operations for DELC. Of those positions, 12 were requests for General Fund and permanent position authority for existing ELD limited-duration positions funded by private or federal grants. As of Sept. 1, 2022, ELD has hired 35 new positions, with 23 positions currently in active recruitment and 14 positions planned for hire in 2023. [Appendix A](#) details the status of each position. Initially, ELD prioritized building the Human Resources team and recruiting management personnel to create the necessary capacity for filling the scores of new, vacant positions the Legislature approved. The chart provided in [Figure 1](#) provides a detailed overview of the hiring status of the new positions. Note that all positions in the "Approved by DAS," "Active Recruitment," and "Position Filled" categories have been reviewed and approved by DAS for classification.

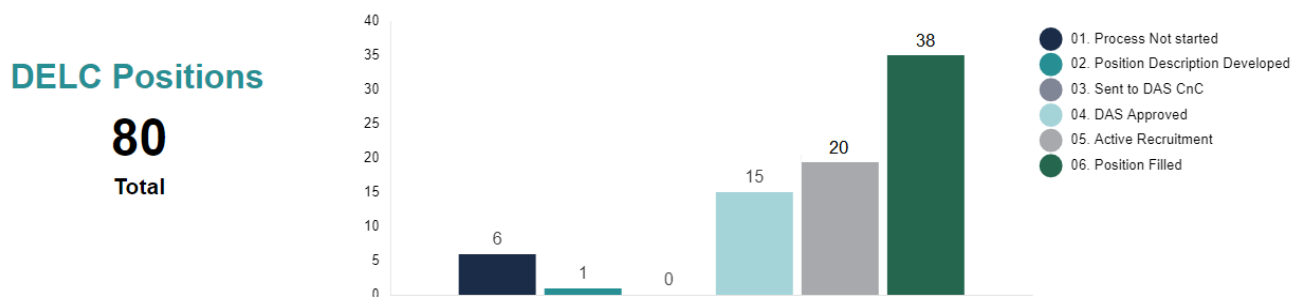


Figure 1: Positions Hiring Statuses

In addition to rapidly hiring quality candidates, ELD is committed to monitoring the effect of DELC implementation and its additional workload on current personnel. ELD has engaged internal and external partners to provide information on the design process and to address any inquiries about how staff will be affected by the transition. The Organizational Change Management (OCM) team has led this body of work. OCM provides a framework for managing the human side of a transition and includes preparing, supporting, and equipping individuals to navigate change successfully. To effectively stand up DELC and meet HB 3073’s objective of transitioning functions and positions without disruption to services, ELD’s OCM team provides intentional support to new and affected staff at ELD and ODHS before, during, and after the implementation of DELC. Building trust and supporting staff through this change will lay a critical foundation for the agency as we focus on identifying efficiencies to improve service delivery as DELC.

### Section 3: DELC Implementation Status

Although the change in implementation of DELC passed by the Legislature provided ELD with six more months to design and build DELC, ELD continued the implementation process on the same timeline it had established before statute was amended to build in time for contingencies.

ELD has continued to contract with consultants Alvarez & Marsal (A&M) to assist with moving into the agency design and implementation processes. ELD and A&M created a timeline with three distinct phases to guide the transition:

1. **Analyze** the current state of early education and child care programs in scope for DELC, including ERDC (completed)
1. **Design** the future-state operating model and organizational structure (completed)
2. **Build** DELC and migrate functions, programs, and positions to DELC (in process)

Figure 2 shows which projects have been initiated or completed in each of these phases.

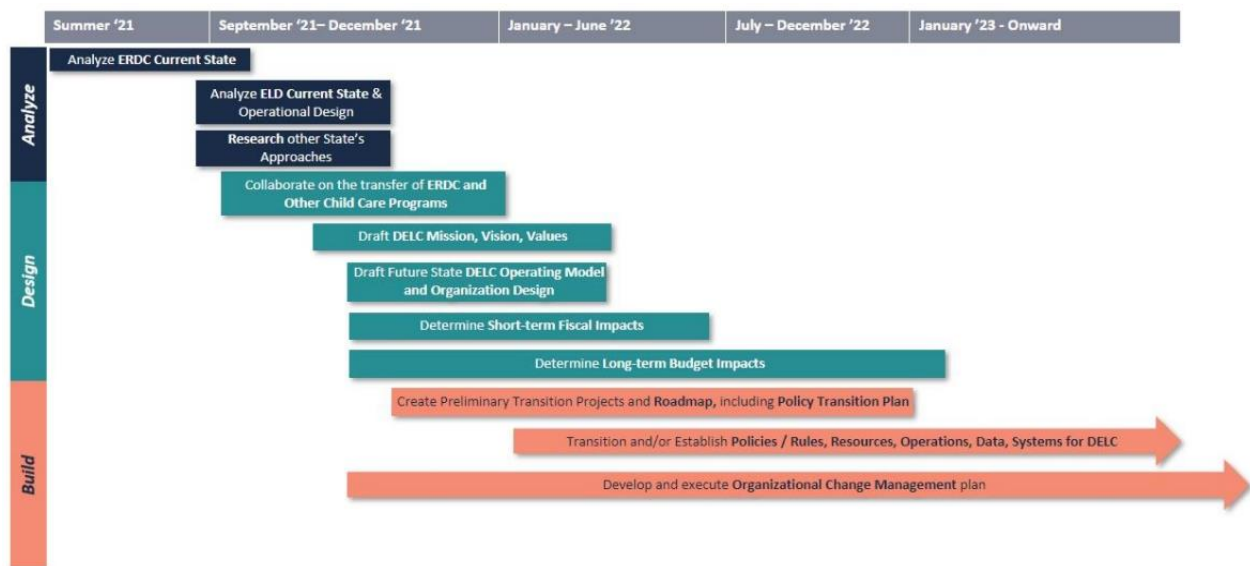


Figure 2: High Level DELC Process Timeline

## Current State Analysis, DELC Capacity, and Position Requests

At earlier stages in the agency implementation process, ODHS and ELD worked with A&M to detail a current-state analysis of the ERDC program and the ELD organizational structure to inform future-state DELC design. The ELD organizational analysis identified and inventoried ELD’s administrative functions and programs and was used to establish more efficient processes and align bodies of work across the new agency structure. The current-state analysis identified gaps and areas for improvement across ELD that have informed the DELC design process. In the [January 2022 report to the Legislature](#), ELD identified the agency’s core functions, which mapped the division’s existing administrative structures. This served as a design blueprint for a future-state organization with the capability to scale its services through the centralization of key administrative, strategic, and programmatic functions.

The current-state analysis highlighted that DELC would need to build capacity for administrative supports (e.g., procurement, accounting), data governance and infrastructure, and program coordination to support organizational design decisions. The ELD Leadership Team, which has guided the agency design and implementation process, used the ELD and ERDC current-state analyses to develop an operating model for DELC and identify key capabilities to maintain while also improving services to families, grantees, and providers. Existing positions were mapped onto the new organizational structure, and areas in which additional staff were needed were submitted as position requests in the 2021 and 2022 Legislative Sessions. The Legislature has approved and funded a total of 80 new positions/40.80 FTE to establish DELC and the ERDC program. [Figure 3](#) details the legislatively approved allocations for the 2021-2023 Biennium and shows the number of positions and FTE that these investments secure for future-state operations.

Section	Description	2021 2023		
		GF	Positions	FTE
a) 21-23 LAB Allocated Resources via House Bill 3073	HB 3073 Personnel & Services & Supplies hired before February 2022 Session	\$3.5	14.0	12.92
b) 21-23 Special Purpose Appropriation	HB 3073 SPA & January IJW&Ms Personnel & Services & Supplies	\$3.2	34.0	12.38
c) Fiscal & Budget Transition Impacts via HB 5202	HB 5202 (2022) Position Requests	\$3.6	32.0	15.50
<b>Totals</b>		<b>\$10.3</b>	<b>80.0 Pos.</b>	<b>40.80 FTE</b>

*Figure 3: DELC Positions Summary Table  
Legislative Investments (in millions)*

## DELC Portfolio Status

The Project Management Office (PMO) within ELD has organized and tracked the efforts to design and build DELC. The PMO has provided staff and the DELC Project Team with weekly updates on the statuses of the 45 concurrent projects that are in place to build DELC. These 45 projects lay the foundation for the following aspects of DELC operations:

- Strategy, policy, and budget
- General administration
- Organization and process development
- Technology and data



- Human capital management

During the next nine (9) months, the PMO and DELC Project Team will continue to focus on providing process map support, project management, and portfolio level risk and issue mitigation for the projects required to establish a functional, independent agency.

The PMO is also focused on creating processes and policies that will be foundational for the future DELC PMO priorities of creating a project management standard for DELC and providing coaching and mentoring related to project management, change management, and process improvement.

The projects specific to the migration of the Child Care Policy and Direct Pay Units, as well as the ruleset work, have been the focus of the team for the months of July and August. Change management continues to be a priority for all projects, as well as for the overall project portfolio.

## **Section 4: Transitioning Child Care Assistance Programs from ODHS**

ELD and ODHS have worked together to define the migration of child care assistance programs to DELC and provide direction for services that support ERDC and other child care programs in ODHS. The Transition Team, which includes ODHS leadership, ELD leadership, the Governor's Office, and other subject matter experts, has supported the transition of child care assistance programs. The team has focused on the functional aspects of the transition, implementing ERDC eligibility policy changes outlined in HB 3073 and establishing eligibility continuity between Temporary Assistance for Needy Families (TANF) and ERDC. The Transition Team has successfully overseen the transition of the Inclusive Partners program, which migrated to ELD on July 1, 2022.

### **ERDC Program Migration**

The Transition Team has prioritized developing IAAs to clarify which functions will continue to exist in ODHS after child care subsidy programs migrate to DELC. This process has included performing a detailed discovery of the roles and responsibilities for the Self-Sufficiency Programs team at ODHS concerning ERDC support functions, including:

- Office of Training, Investigations, and Safety (OTIS)
- Fraud and Investigation Unit (FIU)
- Information and Records Management System (IRMS)
- Office of Payment, Accuracy, and Recovery (OPAR)
- Hearings and Rules
- Office of Reporting, Research, Analytics, and Implementation (ORRAI)
- Quality Assurance (QA)
- Oregon Eligibility Partnership-Learning and Training (OEP-LET)
- Local Office staff and resources who determine eligibility

## **Employment Related Day Care (ERDC) Current State Summary**

### **ODHS Current State Operations**

ODHS currently has a five-phase approach to ERDC provider approval:

1. Front door connection

2. Application provider-family connection
3. Provider billing
4. Reapplication and re-listing

Eligibility determination for ERDC has been and will continue to be provided through the ONE system and through ODHS service delivery staff. This work to support ERDC is fully integrated within and inseparable from the work this team provides to support other benefits for families and individuals including Supplemental Nutritional Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), Temporary Assistance to Domestic Violence Survivors (TA-DVS), medical assistance, and refugee assistance (both REF cash and REF medical). The ONE system, with 1,500 eligibility staff in more than 60 ODHS service delivery offices and at the ONE Customer Service Center, connects eligible families to an array of services and supports for medical, food, cash, and child care assistance. The intent is to serve the individuals in their community in a more equitable and holistic way, but also means that coordination of direction and information for staff must be done across OHA, ODHS, and DELC. The governance processes for the ONE system and for the legacy IT systems that ERDC will continue to depend on after the transition to DELC are administered by ODHS. Future requests from DELC for ERDC changes will need to go through that governance process and be sequenced, looking at all areas of capacity and their demand.

In addition to eligibility determination, ODHS has a help desk-style system for the Child Care Policy team to provide day-to-day policy support to staff in order to provide them a deep understanding of user experience and how to communicate services to families. The Background Check Unit completes approximately 230 background checks per month for license-exempt providers serving ERDC families. These background checks will begin transferring to ELD (and then to DELC) starting Sept. 1, 2022. Background checks for licensed providers are currently performed by ELD and this function will also transfer to DELC. DELC will assume Maintenance of Effort (MOE) requirements for ERDC after the funding moves. Currently, \$5.9 million per year (\$11.8 million per biennium) of the ERDC General Fund counts as TANF MOE and CCDF MOE requirement at ELD. Agencies can double count expenditures to meet CCDF and TANF MOEs.

## Current IAAs

- **ODHS Contracted Services:** 211, CCRRs, ORO, The Research Institute (TRI), BOLI
- **External Partnerships:** ELD/OCC
- **ODHS/OHA Shared Services:** BCU, FIU, IRMS, OIS, OPAR, OTIS, QC

The information gleaned from the discovery will assist with developing the IAAs and support a steady transition of ERDC and other ODHS subsidized child care programs to DELC. ELD recently hired a director of procurement who will work closely with agency counterparts at ODHS to develop a detailed framework for the DELC/ODHS IAAs. The Transition Team has initiated an IAA work group with partners from both agencies. This group will assist with IAA development by identifying subject matter experts and information needed to develop formal IAA language.

## Functional Supports Migration

Within ODHS, the CCP team and DPU primarily support day-to-day ERDC operations. The CCP team provides support to staff as they encounter issues and addresses policy questions; DPU is responsible for

ERDC and other ODHS subsidized child care provider management. The DELC Project Team began planning the migration of these two teams in June 2022. In preparation for migration planning, OCM engagement has laid the foundation for identifying initial migration decisions.

There are two milestones for transition planning in the coming months:

1. DELC Project Team is building a comprehensive project plan for the July 2023 migration of the CCP team and DPU to the new agency – including facilities, HR, systems, and policies and procedures.
2. The Project Team is engaging in functional migration preparation within the development of the project plans and support-plan execution. This process will include:
  - Interviews with new team members
  - Current state documentation review
  - Analysis of current-state policy, procedure, process, and training gaps
  - Development of interim and future-state policy, procedure, process, and training.

## Future State Operations and IAAs

At the time of submission, ODHS and ELD are in the process of determining the terms and scope of the IAAs to support continued operation of the ERDC program.

- **Migration of/access to about 12 systems**, including ONE system, Information and Records Management System (IRMS), and Electronic Data Management System (EDMS)
- **Create and Negotiate IAAs** with ODHS for:
  - Shared systems such as **Information and Records Management (IRMS), Electronic Data Management System (EDMS), and Provider Pay (PP)**
  - **Sharing information with ODHS/OHA** to connect families with other services
- **ONE system** access and agreement for updates and changes. Updates and changes are currently overseen by Deloitte via a contract with ODHS. Currently, ODHS maintains a catalog of suggested change requests and works through a governance process across DELC, ODHS, and OHA to determine which items to move forward and when.
- **Cross-reporting information** between teams such as OTIS, FIU, etc.
- **Long-term replacement of legacy systems** such as Provider Pay, Notice Writer, Claim Notice, and Service Administration System (SA)
- **Hiring, transition, and training** of about 71 projected staff to cover ERDC responsibilities
- Contracts with BOLI, **Head Start, Early Head Start, and Teen Parent Program** will need to be negotiated as they move to DELC.

The results of the project planning and functional migration preparation activities identified above will be used to inform the development of ODHS/ELD IAAs, including any systems-access agreements and associated costs necessary for the future state.

## HB 3073 Eligibility Changes

HB 3073 required ELD and ODHS to collaborate on implementing several policy changes to ERDC to enhance provider and family access. Two of those policy changes with minimal impact on ODHS mainframe systems are completed:

- Payment to child care providers based on enrollment instead of attendance. (Required by Section 8, 4(c) of HB 3073.) This policy was implemented on Aug. 1, 2021, to expand allowable absent days and allow providers to bill for care in advance; payment is still based on the family's participation hours (attendance-based billing). This is the closest ELD/ODHS can get with the current system to get to "enrollment-based" care until a new provider management and pay system is in place.
- Establishing a sliding scale for copayment, with the requirement that a copayment may not exceed 7% of the household income of the child's family. (Required by Section 8, 5 of HB 3073.) This policy change was implemented on Oct. 1, 2021.

**In addition, Sections 8 and 73 of HB 3073 required the adoption of four eligibility policies, including:**

- **Parent Physical Presence** - Considers the availability of family to attend to the child, regardless of the family's physical presence
- **Family Well-being 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
- **ERDC Coverage of Undocumented Children**
- **Expanded 12-month Eligibility for ERDC**

The integration of these policy changes at an information systems level is a complex task, requiring hundreds of hours of IT systems work to implement. ODHS employs the ONE system to streamline safety-net program eligibility. Additionally, the agency uses multiple legacy systems that support the database management aspects of program administration. ODHS uses governance structures that direct which policy changes are made and when to the ONE system and to the accompanying legacy systems. ELD was invited to join the governance boards for ONE and the legacy systems that support child care assistance programs.

The Information Systems Management Committee (ISMC), which governs ONE processes, has initiated the development of the four eligibility changes in ONE with the submission of four change requests (CRs). Two of the CRs, covering some family well-being activities and parent physical presence, are scheduled for implementation before July 1, 2023, dependent on development and testing outcomes and unforeseen circumstances. Expanded family well-being activities, coverage of undocumented children and 12-month eligibility are in the discovery process and will be reviewed at ISMC. Some additional mainframe changes will need to be scheduled separately. ODHS has nearly exhausted contract hours with Deloitte Consulting, the software developer for ONE. The implementation of the policy changes may advance more quickly if ODHS is able to obtain more Deloitte hours via a contract amendment.

However, it is important to note that additional hours for ONE will not solve the capacity issue. The level of demand for downstream systems and resources, as well as the ability to find individuals who can code in mainframe systems and understand the current structure and business need, provide risks to this and other agency needs. This risk will likely continue until ODHS can move off the mainframe and establish systems that can be maintained more readily or demand is lessened; additionally, an increase in overall capacity of business and IT resources could help mitigate the risk. Based on engagement with community advocates and Child Welfare at ODHS, an additional CR is in development for an expanded definition of family well-being activities (e.g., families affected by domestic violence, foster care families,

Child Welfare-involved families, and families experiencing houselessness) to ensure Oregon’s most vulnerable families have access to child care in alignment with federal eligibility.

## ERDC-TANF Eligibility Continuity

Temporary Assistance for Needy Families (TANF) provides cash benefits to low-income families with children. In the case of the TANF Child Care Program, the income maximum is 37% of the Federal Poverty Level (FPL), versus ERDC at 200% of FPL for new applicants. Families are eligible for child care if they meet the eligibility criteria and are unemployed, under employed, or participating in the Job Opportunity and Basic Skills (JOBS) or JOBS Plus programs. After a TANF family obtains employment, the family’s access to child care (often through the ERDC program) is a critical building block on the family’s path to self-sufficiency. ODHS and the ELD Leadership Team created a working group to investigate policy changes to maintain and enhance continuity between these programs in the future state, as directed by Section 73 of HB 3073. The working group included members of both ELD and ODHS, including the CCP team and TANF Policy team.

After considering the systems, policy, program, and budgetary implications of the transition, the team created two options for consideration. The first option was to maintain the status quo relationship between the programs, in which families enrolled in TANF receive child care support through TANF and not through ERDC. The second option was to make TANF families categorically eligible for ERDC (either with or without a corresponding program fund transfer from TANF). Dual enrollment would maintain separate ERDC and TANF child care benefits. Conversely, with the categorical eligibility option, TANF child care benefits would be replaced with ERDC benefits. The allowable activities for ERDC hours would be expanded to include all activities currently covered by TANF child care benefits. The work group presented these options to the DELC-ODHS Transition Team. The Transition Team identified option two as the preferable long-term option. Work is currently under way to determine if option two can be implemented before the July 1, 2023, transition date.

## Migrating Inclusive Partners Positions and Processes to DELC

The Transition Team successfully completed the migration of the Inclusive Partners (IP) program on July 1, 2022. ELD has historically transferred funds to ODHS’s Oregon Council on Developmental Disabilities (OCDD) for the IP positions and services through an IAA that expired July 1, 2022, and there was a natural alignment of IP with other ELD services, particularly with ELD’s professional learning system administration. Because of this, there had been early proposals calling for IP to migrate to ELD before HB 3073 was introduced. The five IP positions are on rotation to the Early Learning Division through June 30, 2023, until the positions are permanently moved to DELC and report to the Professional Learning System director. Inclusive Partners assists in building capacity for providers to engage with and support children with disabilities and those requiring additional support. This capability has not been a significant part of professional learning within ELD historically and is critical to ensuring inclusive child care settings.

IP currently serves approximately 125 children across the state. Children served by the IP program must first be eligible for and enrolled in a child care assistance program (i.e., ERDC or TANF). The IP team determines high-need supplemental payment rates, conducts child care subsidy-related assessments,

works with families and child care providers to assess the child’s needs while the child is in the child care setting, and offers guidance to providers about additional accommodations they could provide. IP determines the high-need rate the child is eligible to receive, and DPU issues the payments to the providers.

Inclusive Partners’ migration serves as an important test case for program migration between ODHS and ELD/DELC. *Figure 4* below identifies key issues and recommended mitigations derived from this process.

Issue	Mitigation
<p><b>Timing</b></p> <ul style="list-style-type: none"> <li>• Migration at the beginning/end of the month, quarter and fiscal year creates risk to the timely completion of program, department and legislative procedures.</li> <li>• Migration occurring around July 1 coincides with the Independence Day holiday and travel, creating complexities due to resource limitations.</li> </ul>	<p>Schedule migration activities in advance of July 1 to reduce operational risk and minimize resource limitations.</p>
<p><b>Migration Planning Period</b></p> <ul style="list-style-type: none"> <li>• Planning and execution of migration occurred in period from mid-May to July 1, and tight timeline stressed resources and created risk</li> </ul>	<p>Migration for Child Care Policy team and Direct Pay Unit kicked off in July 2022 to allow 10 months of intentional planning.</p>
<p><b>Access to ODHS Active Directory</b></p> <ul style="list-style-type: none"> <li>• Ability to migrate ODHS Active Directory data during Outlook migration was misunderstood, resulting in difficulty identifying interagency contracts for case workers and issues with sending messages to internal ODHS mailboxes.</li> </ul>	<ul style="list-style-type: none"> <li>• Confirm if access to other agencies’ Active Directories is necessary in day-to-day processes</li> <li>• Define and execute Active Directory access tasks early in detailed migration plan</li> </ul>

*Figure 4: DELC Risks and Mitigation Strategies*

## Migration of ODHS Teams to DELC: Child Care Policy and Direct Pay Unit

The migration of ERDC and other subsidized child care programs from ODHS is a critical component of DELC implementation, allowing Oregon to have one unified agency for early care and education policy and program administration. To support a smooth transition of the teams that support and administer the ERDC program, the OCM team meets regularly with relevant ODHS managers to understand their unique needs and to provide them with the necessary support. Based on these conversations and feedback from ODHS leadership, ELD and ODHS communications leads have launched a weekly newsletter to highlight DELC-related resources, updates, and meeting summaries. This vehicle presents

easily digestible information about DELC that is tailored to the needs and concerns of ODHS staff, reducing the amount of time required to understand and contribute to the DELC Agency Design project.

The best practices and refinements identified through the Inclusive Partners team's migration will inform the implementation of engagement plans for Child Care Policy team, Subsidy Suspensions, and DPU. Plans will be further customized to support emergent needs of the ERDC and DPU teams as they approach the July 1, 2023, transition deadline. ELD's implementation of robust change management strategies will support teams through change and establish a shared understanding of how the implementation of DELC will increase organizational and personal stability, provide new opportunities, and equip staff to better serve Oregonians.

## Transferring Child Care Subsidy Background Checks

In June 2020, an Oregon Secretary of State audit found inconsistencies in the standards and criteria for the child care background check processes between the Office of Child Care (OCC) at ELD and the Background Check Unit within ODHS. ODHS has historically completed the background checks of license-exempt child care providers who receive reimbursement from the ODHS child care programs (ERDC and TANF), while OCC completes background checks for licensed child care providers. The audit recommended transferring the background check process to OCC and classifying license-exempt regulated subsidy providers receiving an ODHS subsidy as subject individuals, requiring them to enroll in the Central Background Registry. This recommendation was developed into a legislative concept and introduced as SB 49 in the 2021 Legislative Session.

At the same time, the 2021 Legislature was considering HB 3073, creating DELC and transferring the ERDC program to the new agency. The Legislature passed HB 3073, while SB 49 died after its referral to the Joint Ways and Means Committee in the 2021 Session. Since the passage of HB 3073, ELD identified an increased urgency to ensure that ELD/OCC has the authority to perform background checks for the license-exempt providers who provide ODHS subsidized care, as DELC will administer the program on July 1, 2023.

In the 2022 Legislative Session, ELD reintroduced the transfer of background check authority within HB 4005. The legislation passed and was signed by Governor Brown. In addition, the Legislature approved 10 positions to assist with the increased background check caseloads within the OCC. At this point, all positions are in the recruitment process. On or after July 1, 2023, through June 30, 2025, HB 4005 will allow for a phased-in transfer of background checks to prevent overburdening OCC staff, as well as Oregon State Police staff who process portions of the background checks. This reduced the fiscal impact of the background check transfer process, as OCC anticipates around 8,000 individuals will enroll in the CBR during a two-year period.

The Early Learning Council adopted temporary rules on June 29, 2022, to allow license-exempt providers to begin enrolling in the CBR. The Early Learning Council is anticipated to pass permanent rules by Dec. 14, 2022. A child care provider holding an active ODHS background check may begin enrolling as early as Sept. 1, 2022, through June 30, 2023, if the individual applies for enrollment. ELD expects that this early transition of the significant aspect of ODHS's subsidized child care process will assist in easing the transition of the ERDC program and protect the health and safety of children who benefit from child care subsidy.



## Section 5: Information Technology and Systems

Several IT-specific initiatives and projects planned during the coming years will both facilitate the transition of ELD into DELC and develop interim and long-term capacity and capability for ODHS subsidy payment processing. Significant efforts in DELC IT recruitment continue as critical roles supporting IT work are filled. Additional support from partner agencies, enterprise leadership, and contracted resources will be critical for successful IT system implementation.

### Project Plans

Most IT projects related to the creation of the DELC will conclude before July 1, 2023. In particular, IT projects related to core infrastructure services (e.g., networking, service desk) must be completed significantly before July, as these technologies and services are foundational for other transition work.

A few projects extend beyond July 1, 2023. In some instances, such as SharePoint migration, the lack of related, dependent projects allows flexibility in scheduling. In other instances, such as the Provider Management Platform, the project represents significant complexity and will require time beyond the July agency transition date.

#### IT Governance, Policies, and Procedures

The IT Governance, Policies, and Procedures project occurs during the second half of 2022. This project involves the creation of IT-related rules and documentation. Notably, this project includes the transition of IT governance from an interim committee to a permanent structure and the development of several core IT policies and procedures outlining IT asset procurement and provisioning, IT security, mobile communications, remote access, etc. Policy and procedure templates have been created and an IT governance committee has been formed and has been meeting monthly to provide guidance on IT projects and strategy. Progress on policy and procedure development has been slower than anticipated, as internal resources have focused on Core IT Infrastructure-related efforts.

#### Core IT Infrastructure

The Core IT Infrastructure project will conclude shortly after the implementation of the new agency. This project is chiefly concerned with the implementation of critical technologies that will support the new agency. Example tasks include creating a physical network, defining service catalogs, partnering with Enterprise Information Systems (EIS) for Cloud Security Service implementation, and SharePoint migration. The list of individual tasks for this project will expand during coming months. Recently, DELC network technology was procured and installed, allowing for further domain setup. A sub-project has also been created to facilitate Microsoft 365 transition, planning for the migration from the Education to General Government tenant.

#### End-User Device Management

This project includes the development of desktop, laptop, and mobile device standard installation images and the testing of systems and processes for automated image distribution and device management. The development of desktop images includes identifying and testing standard software combinations (e.g., Microsoft Office, antivirus, and Adobe). This project also includes the identification and implementation of a Mobile Device Management (MDM) solution for managing agency-owned mobile phones.



### Service Desk - Phase I (Help Desk)

The purpose of this project is to create the IT help desk including people, process, and technology. This work will define the help desk service catalog and implement a three-tiered support structure. When this project is complete, IT support for DELC staff will migrate from ODE IT to DELC IT.

### Service Desk - Phase II (ITSM)

This potential second phase of the Service Desk project includes integration of asset management tools and the extension of the service desk to include additional, non-IT departments.

### User Migration

This project will migrate all end users and data from their respective domains and infrastructures (ODHS and ODE) to the DELC domain and IT infrastructure. Migration will include user accounts, end user devices (e.g., desktops, laptops, and phones), active directory, and email.

### Data Infrastructure

The purpose of this project is to establish data infrastructure for DELC including internal and partner data ingestion pipelines, data store(s), master data management, report/dashboard development capabilities and catalog for data discoverability. This is a significant, multi-biennium project with many interested parties and complex project management.

#### **This project will have the following phases:**

- Define options for data infrastructure and analytics
- Complete data infrastructure and analytics RFP and procurement
- Architect and implement data infrastructure - internal KPM and analytics
- Architect and implement data infrastructure - grantee data analytics
- Architect and implement data infrastructure - public dashboards

### ODHS ONE Governance and Access

Continued use of several ODHS systems will be a necessary part of the Employment Related Day Care (ERDC) program transition. DPU staff will transition to DELC on July 1, 2023; however, the core technology systems that support this work will not transition until the DELC Provider Management Platform has been implemented. Accordingly, during that project implementation, interim access to ODHS DPU-supporting systems will be required. This includes access to ODHS systems such as OTIS, IRMS, OPAR, Hummingbird, ORKids, and ONE. Some system changes may be required from ODHS, but it is anticipated that supporting system processes will largely be status quo, and DELC project work will focus on the development of processes and agreements with ODHS to ensure that access is appropriate and consistently managed. Unlike provider payments, eligibility determination components of the ERDC process are anticipated to remain long term with ODHS. In addition to temporary, interim access to DPU-related systems, DELC will also require continual access to eligibility-related systems such as the ONE system. This access will allow DELC to participate in eligibility determination processes and to retrieve reports, data, and analytics related to eligibility processes. This portion of project work will also involve the development of processes and agreements with ODHS to ensure that access is appropriate and consistently managed.

### Provider Management Platform

The purpose of this project is to implement a Provider Management Platform that includes current provider payment capabilities supported by the ODHS Direct Payment Unit (DPU) and licensing capabilities supported by the ELD Child Care Regulatory Information System (CCRIS). This is a significant,

multi-biennium project with many interested parties and complex project management. To support this project, ELD has released an RFQ for contracted project management and business analysis services. ELD has also completed high-level current- and future-state analysis and developed system requirements. The project Business Case was submitted to EIS for Enterprise IT Governance Committee (EITGC) project prioritization. The Business Case, project charter, and complexity assessment will be submitted to EIS by late September for oversight determination.

#### Add ELD Programs to ONE

The purpose of this project is to enable current ELD benefits program application through the ONE system. This project will enable families to complete their requests for current ELD benefits through the ONE system in a manner similar to ERDC benefits applications. Caseload management processes related to ELD programs may need updates when ELD program eligibility is enabled in the ONE system.

#### ODE System Access

The transition to DELC will require limited, temporary access to some ODE systems. For instance, continued access through 2023 will be required to close out grants initiated through the ODE Electronic Grant Management System (EGMS). It is also likely that individual DELC work groups will transition to the new DELC environment before July 1, 2023, and will need to maintain access to ODE systems until the transition is complete. Accordingly, provisions must be made to ensure interim access to many ODE systems. This project will principally involve the development of processes and agreements with ODE to ensure access is appropriate and consistently managed.

#### Grants Management System

In the January 2022 report, ELD highlighted the significance of planning for a transition from EGMS to a grants management system that will meet the needs of the DELC Grants Management Team and the agency's grantees. ELD worked with ODE to determine the feasibility of receiving ongoing accounting support during the transition period. Additional conversations are planned to investigate the feasibility of temporary, continued use of EGMS.

EGMS requires extensive changes to respond to the types of grantees that DELC will serve. ODE recognizes the limits of its current, antiquated system, and the agency has begun investigating a replacement apart from the DELC planning process. In considering next steps for DELC's new grants management system, if ELD were to request and fund changes to EGMS to suit its grantee-types, this would only be a temporary, time-intensive process. It would be an irresponsible use of legislatively approved funds to fix a system that needs to be replaced in coming years.

ELD has prioritized the need for a system that can deliver funds to grantees—the most basic function that is required for a successful grants management transition. However, DELC would benefit from a system that can collect expenditure reporting at a line-item level to assist with audits and other budget reporting functions. This would streamline the budget and expenditures processes for DELC's Grant's Management Team. Ideally, any new system would allow for simpler development of new applications in the future to improve internal functions and to simplify the grants process for ELD's variety of grantees. ELD explored potential scenarios and risks for the future of the grants management process in *Figure 5* below.

Grants Management Option	Explanation of Option	Feasibility
Option 1: Discontinue use of EGMS and manually disburse funds.	DELIC would need to hire three additional accountants to receive paper invoices and to disburse funds via paper checks to grantees.	Option 1 is the least desirable scenario. Paper invoices and paper checks increase the opportunity for human error. This option will make audits and reporting processes slower and more difficult than they currently are with EGMS.
Option 2: Continue the use of EGMS.	DELIC would continue to use EGMS with DELIC transferring funds back to ODE. This would require an interagency agreement with ODE to use their existing system with no changes.	Option 2 is administratively burdensome to ODE and the future DELIC Grants Management Team. The system would continue to lack capabilities that DELIC needs for expenditures reporting and audits.
Option 3: Join a future ODE grants management project.	ODE is in the early stages of exploring conversion to a newer and more efficient grants management system. Under this option, DELIC would work with ODE to implement a new grants management system that meets both agencies' needs.	Option 3 would likely add time to the implementation timeline for a grants management project. The two agencies may need to draft an IAA to co-own the new system and agree on cost and functionality.
Option 4: DELIC procures its own grants management system, using a commercial-off-the-shelf (COTS) system that has been used by other agencies within the state enterprise or by agencies in other states.	DELIC would procure a grants management system through an existing state contract.	Option 4 gives DELIC the opportunity to implement a system that meets its unique needs with implementation anticipated in the spring of 2023. The new system would provide flexibility for adding functions to increase grants management efficiency.

*Figure 5: DELIC Grants Management System Options*

Of the four options identified in *Figure 5*, option 4 is the most pragmatic, uses state resources most responsibly and provides the greatest flexibility for improving the internal and external (e.g., grantees) interface with systems processes. If DELIC procures its own commercial-off-the-shelf grants management

system, the new system could be functional within six months and the Grants Management Team could be trained to use the system before the 2023-2025 contract funds are set to be disbursed. The other options introduce administrative complexity and would prolong the process for obtaining systems functionalities needed to ensure an efficient grants management process. Further, option 4 would replace the legacy system, EGMS, providing systems capabilities that are needed beyond simple disbursements—a top priority for the initial system implementation. A new system could create new functions that assist in reporting, auditing and, later in the process, grant applications.

ELD recently began conducting market research on systems available via existing state contracts, including systems used by the Washington Office of Superintendent of Public Instruction, the Oregon Department of Justice, and the Department of Aviation. Furthermore, the Oregon Department of Administrative Services (DAS) is considering a grants management system that may be an enterprise solution. ELD is tracking the developments in that project to determine scope and schedule alignment. After market research concludes, ELD will send a detailed list of systems requirements to software contractors to request a bid, kicking off the procurement process for the new grants management system. ELD has engaged EIS to ensure appropriate IT investment oversight processes are followed.

#### DELC Website

This project will create a new web presence for DELC. This effort will streamline the launch and management of the new website and reduce the chances of users finding inconsistent or outdated information. DELC is seeking to migrate to the .GOV domain space, better align to state web standards, and use existing enterprise web contracts.

## IT Team Development

The IT team organization structure was developed in consultation with IT leaders from Alvarez & Marsal, the Department of Education, the State Longitudinal Data System (SLDS), and Enterprise Information Services. The organization has been structured to support existing ELD and anticipated DELC systems. While additional expansion of program areas or system complexity may drive further need for IT staffing, the planned structure will provide responsive support for the near term.

### *Future Team*

The IT department is broken into three distinct teams: IT Operations; Strategy, Architecture, and Design; and Data. The department is led by a chief information officer.

The IT Operations team is led by an IT Operations Manager and focuses on transitional IT support and administration activities. This work includes network and systems administration, ensuring networks, servers, and IT systems are operating effectively, securely, and efficiently. The Operations area also includes application administration, ensuring that business-specific, core IT applications (e.g., license management, grant management, provider management) are supported, secure, and accessible. Finally, the Operations area also includes help desk and asset management functions, ensuring DELC users receive quality support and appropriate, current technology.

The Strategy, Architecture, and Design team focuses on IT planning and projects. IT Planning efforts include the development of IT systems architecture as well as strategic, disaster recovery, and project plans. This group also focuses on business analysis and project management work, reviewing business processes, identifying technology solutions, and executing complex IT projects.

The IT Data team focuses on data management, data sharing, and data stewardship. The work of this area includes developing and maintaining data management policies and practices as well as managing external data sharing agreements and data Export, Transport, and Load (ETL) tasks. These activities help ensure that DELC maintains access to critical data and that DELC data management is focused on confidentiality, integrity, and accessibility.

### *Additional Support*

The IT organizational structure is designed for continued support and administration of DELC staff and systems. The volume of DELC projects is substantial and temporary. Accordingly, DELC has started professional services engagements to provide additional business analysis and project management support for the Provider Management Platform (T9) and Data Infrastructure (T8) projects. Additionally, where possible DELC is working to partner with other agencies and EIS for assistance with core infrastructure tasks (T2). Notably, DELC plans to migrate computer and network services to EIS-Data Center Services and is an early adopting partner on the EIS-Enterprise Strategy and Design Cloud Security Services project. DELC is also researching potential partnership with DAS for grant management implementation.

### **Risks**

Several risks could affect the scope, schedule, and budget of DELC implementation and ERDC transition.

Related to recruitment, the current hiring environment has limited applications for some positions. Delays in recruitment or inability to fill key roles could cause project slippage as timely implementation requires subject matter expertise, leadership, and staffing capacity. Some recruitment delays have occurred, particularly related to an IT Operations position. Start dates for some projects, such as Provider Management Platform and Data Infrastructure, have been delayed. However, procurement processes for contracted support have been initiated, and most key positions are filled; core systems will be implemented by the July transition date. Further, aggressive recruitment scheduling and contract augmentation may be needed to address remaining issues related to recruitment.

Most projects are in early stages, where the risk of scope creep is high. As the scope of each effort is thoroughly defined, it is possible that schedules will extend to meet additional scope requirements. To mitigate this risk, project managers will need to rigorously follow change management processes to keep project schedules aligned to plans.

Many projects have constrained schedules, with required implementation by July 1, 2023. A few projects, notably the Grant Management and the Service Desk projects, also involve significant procurement activity. The ability to procure and implement these systems before July will be a challenge, and there is a risk of schedule delay. To mitigate this risk, project managers will need to be rigorous in change management processes, and scope will need to be restricted to allow smooth procurement processes (e.g., purchasing off state contracts, avoiding customization, phasing implementation). A potential Grant Management schedule risk mitigation strategy involves using existing tools (e.g., ODE Electronic Grant Management System) as temporary, interim solutions during replacement project activities. Preliminary conversations with ODE have occurred, however additional research and planning are necessary to determine the feasibility, scope, and the process for continued access (e.g., IAAs, Data Sharing Agreements). Additional conversations are planned for the fall, when ODE and DELC will have greater schedule certainty for the Grant Management projects.

Several projects rely on partner agencies for completion. The ODE System Access project involves ODE systems, while ODHS systems are involved in ONE governance and access and with the Provider Management Platform. Project scope and schedule may be affected by the constraints and priorities of partner agencies. To mitigate this risk, project sponsors and managers will need to develop relationships with partner agencies, include partner agencies in change management processes, and provide regular status updates on projects.

## Section 6: HB 3073 School-Age Child Care Rules

The Early Learning Division is statutorily authorized to monitor and regulate child care in Oregon. Child care licensing rules are 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. In June 2022, the Early Learning Council (ELC) adopted rules for school-age child care that ELD will use to monitor and regulate child care when the rules take effect on Jan. 1, 2023. These rules will be in place to ensure the health and safety of Oregon's children in early care and education programs in response to the unique characteristics of school-age child care. In adopting a school-age only ruleset, consumers are now provided with clarity on which rules apply to ages 5-12 where previously it was not always clear.

To create a school-age child care ruleset, ELD reviewed its licensing rules, which regulate operations such as caregiver/child ratios, protections from safety hazards, supervision, and sanitation measures. Unlike the previous rulesets that have regulated child care, this new ruleset takes into consideration Oregon's after-school programs and other programs that primarily serve children ages 5-12. ELD engaged with the National Center on Early Childhood Quality Assurance (ECQA Center) to assist in surveying the previous rulesets for all child care types. Also, the ECQA Center shared national best practices and proposed rules based on *Caring for Our Children*, which details national child care standards and evidenced-based policy recommendations to assist in developing a ruleset appropriate for school-age children. ELD incorporated recommendations and national best practices provided by ECQA Center within the School-Age Child Care Rules.

ELD then convened community partners for four sessions in January of 2022 to review the draft ruleset and provide input on the proposed rules for school-age programs. Additionally, a Rules Advisory Committee (RAC) met four times prior to the rules' promulgation to allow community partners, including Boys & Girls clubs, YMCAs, OregonASK, Family Forward, Champions, Crook County Kids and others, to review the proposed ruleset and to adopt any changes in response to their feedback. OCC's approach was to highlight anything new or significantly different within the rules and collect feedback from those in both the workgroup and the RAC. OCC would then bring back changes the following week to the group based on feedback.

In September 2021, ELD had projected this process would take 18-24 months to complete. However, in June 2022, the ELC adopted the ruleset under the statutory authority found within the Minimum Standards for Child Care Facilities statutes (ORS 329A.260), using the certified center model in statute and administrative rules as the basis for the new ruleset. In the new School-age Child Care Rules, the ELC:

- Removed requirements that were duplicative or unnecessary in public school settings
- Examined position qualifications and adjusted them based on the available workforce and to align with feedback from subject matter experts
- Focused on age appropriateness of the child care rules for children ages 5-12

- Used plain language
- Clarified existing Office of Child Care practices and policies
- Reorganized the rules in a more logical manner (i.e., all policies are listed under “Policies”)
- Aligned the rules with *Caring for Our Children* best practices
- Provided clarity on which rules apply to ages 5-12

Under the ruleset that goes into effect Jan. 1, 2023, a school-age center is still certified by the Office of Child Care (OCC) within DELC under the certified center statutes under ORS 329A.250. The six-month delay in the effective date allows the OCC to implement technological changes required in databases for a new rule set, develop a broad communications plan, and assist eligible facilities to prepare for this new set of rules. The licensing application and renewal process for providers will remain the same as it has been for the previous program types.

## Section 7: Strengthening Alignment of EI/ECSE in the Early Learning System

### Process

Oregon’s Early Intervention and Early Childhood Special Education (EI/ECSE) programs currently reside in the Oregon Department of Education’s (ODE) Office of Enhancing Student Opportunities. These birth-5 services have many connections with the early learning system and the work of DELC. HB 3073 required ELD and ODE to make recommendations to strengthen the alignment of these critical programs with ELD/DELC. In January 2022, ELD and ODE submitted a joint report outlining key takeaways from community engagement and recommended continued partnership to further explore operational and governance changes that could further strengthen the program coordination between ODE and DELC.

ELD contracted with the BUILD Initiative, a national organization that provides technical assistance and supports to states on early childhood systems building, to identify high-performing states across the country. The Oregon Early Learning Division (ELD) and the Oregon Office of Enhancing Student Opportunities (OESO), Oregon Department of Education, are seeking to strengthen the alignment of the early childhood special education (“ECSE”) – also known as Part B of the Individuals with Disabilities Education Act (IDEA) – and early intervention (“EI”), also known as Part C of IDEA, services within the statewide early learning system.

Initially, the two organizations commissioned a January 2022 report, *Early Intervention/Early Childhood Special Education Community Engagement Findings (“Community Engagement Findings”)* prepared by the Education Northwest. As part of its review of the report, the leadership for EI/ECSE and ELD met to identify shared areas for improved alignment. Consistent with *Community Engagement Findings*, the leadership at ELD and OESO wanted to learn more from other states in several key areas:

- Inclusion
- Partnerships and culturally responsive services
- Intake and referral for Early Intervention (Part C)

OESO and ELD leadership, supported by the BUILD Initiative’s Prenatal to Three (PN-3) Capacity Building Hub, identified three states—Pennsylvania, Vermont and Wyoming—to engage in a discussion of their



work in these areas through a collaborative, peer-to-peer exchange involving leaders from OSEO and ELD as well as the other states. Pennsylvania and Vermont were selected because of their national leadership in promoting inclusion, partnerships, culturally responsive services, as well as robust enrollment in their Part C program; in addition, Pennsylvania oversees both programs in the same agency. Wyoming was selected primarily because of a unique governance structure in place for oversight of EI and ECSE along with its enrollment work for Early Intervention Part C. Pennsylvania offers preschool to children up to 300% of the Federal Poverty Level (FPL) though, like Oregon, it is not resourced to serve all eligible children. Vermont offers universal preschool to all three and four year olds, but only requires a minimum of 10 hours of programming per week.

Senior leaders from OSEO and ELD participated in calls with these states so that they could interact directly with their peers in other states. Information from the scan is included below; based on this the BUILD Initiative recommends that Oregon engage more thoroughly with peer states as it moves forward.

## Inclusion

Oregon's most recent data indicates that 38% of the ECSE population is attending a "regular" early care and education setting and are receiving special education services required by the child's Individualized Education Plan (IEP) at that location. Oregon has made progress in this measure over time but more is needed and other states are leading the way. For example, Colorado serves 92%, Vermont 69% and Wyoming 71% of their ECSE populations in a regular early care and education setting<sup>1</sup>. For Early Intervention, services provided in a child's home as well as in a community setting, such as a child care program, are considered inclusive. Almost all children in Oregon participating in Part C receive their services in their homes but there is more work to be done to ensure access to Part C services in community-based early care and education settings.

Vermont, which oversees Part C and Part B in separate agencies, has a number of strategies to assist with inclusion of children in a child care setting. One strategy allows child care programs to earn a designation as specialized child care, which requires specialized ongoing training on an annual basis, as well as a high-level designation in the state's early care and education Quality Rating and Improvement System (QRIS). Once a child care program earns the specialized child care status, they earn additional amounts from the child care assistance program for serving children with developmental delays or disabilities. They are also able to participate in a special grants program of up to \$10,000 over a six-month period to better serve the child, which can be used flexibly to address issues such as staffing, in particular. Another strategy involves broadening how families can participate in the state's child care assistance program so that families with children with developmental delays and disabilities may receive assistance outside of the typical requirements to qualify for child care assistance.

In its statewide pre-k program, Vermont has set up the program to promote inclusion. Programs in state pre-k, whether public or private, agree to promote inclusion as part of the formal mechanism to participate. To facilitate an ongoing focus on inclusion, the state has a pre-k inclusion coordinator who provides ongoing professional development and support for inclusion. They are currently implementing

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<sup>1</sup> Source: U.S. Department of Education, EDFacts Data Warehouse (EDW): "IDEA Part B Child Count and Educational Environments Collection," 2020-21. Data extracted as of July 7, 2021 from file specifications 002 and 089.



new capacity building efforts, focusing specifically on social and emotional dimensions for successful inclusion.

Wyoming, which oversees both Part B and Part C in its human service agency, has created a series of child development centers around the state to handle both the EI and ECSE programs. These programs are competitively bid by the state, and these regional child development centers are required to offer both sets of services. Wyoming has found that the school system has not had a high interest given the requirement of service provision to infants and toddlers as well as preschoolers. Each of the regional child development centers handles inclusion differently. Some of these might operate their own programs, others might provide services to children in local child care or school district programs, and others might pay the local child care program to provide the services.

Pennsylvania, which oversees Part B and Part C in one organization, the Office of Child Development and Early Learning (OCDEL), has set forward a core expectation that children who are in an OCDEL-funded program and seek to participate in its programs for children with delays and disabilities should be served in the OCDEL funded program. This policy has been helpful in addressing inclusion for preschool age children in particular. In addition, the state is seeking to limit special education-only rooms for children participating in ECSE, and OCDEL approves the opening of any preschool special education classroom that is not inclusive. Rural communities, which often have child care deserts, are a special focus for building quality child care supply. Another strategy in place in Pennsylvania is through child care licensing regulations which require child care programs to permit EI staff/consultants (Note: PA's name- they do not use the name ECSE but only EI inclusive birth to five) to provide services in the child care setting. They consider this a helpful policy tool for inclusion. Pennsylvania also collaborates across its EI and early care and education (child care/preschool) technical assistance and professional development systems to work on professional development for inclusion. For example, the EI technical assistance team developed professional development resources, including webinars and vignettes, which are part of the early care and education professional development offerings. Pennsylvania noted the significant involvement of families in the development of the TA/PD work.

## Partnerships and Culturally Responsive Services

Partnerships are critical to the successful development and implementation of programming. In Vermont and Pennsylvania, Medicaid is a critical funding partner for services and both Vermont and Pennsylvania note the importance of their working relationships with child care licensing, quality improvement (QRIS), professional development, home visiting, and pre-k.

Vermont places an emphasis on its Children's Integrated Service approach. Through the Children's Integrated Services, Vermont has created a partnership that serves families who are pregnant and have a condition/risk that may impact the baby's health; are struggling with parenting or a child's behavior; are experiencing significant challenges and have a child up to age 5; have a child with a disability or developmental delay — from birth to age 3; have a child who is experiencing behavioral challenges or social-emotional issues — up to age 5. The work is operationalized through a regional approach, which addresses referral, administration and consultation and goes well beyond the oversight for EI.

In addressing partnerships, Pennsylvania emphasized its strong history of partnerships with families as part of its approach. There is a 25-year-old initiative that provides leadership training and support for

families that has resulted in strong family participation in many aspects of the system. Currently the state is working on culturally specific and rural family engagement and leadership, which will be seeded throughout the state through local interagency coordinating councils along with the state’s implementation partners for the work. In addition, with OCDEL housing many early childhood programs, this opens up opportunities to work in partnership with programs such as home visiting and child care licensing.

Both Pennsylvania and Vermont note partnerships with Medicaid, a major financing and revenue partner for the services, and with the overall primary pediatric health care community, a critical referral and support services. In Pennsylvania, the state and Medicaid providers have set a priority on developmental screening in pediatric primary care. Incentivizing managed care to achieve a greater focus on successful referral is an area for future work.

### Intake and Enrollment for Part C

Oregon faces challenges in the enrollment of infants and toddlers in EI, as demonstrated by the tables below. The first table addresses the percentage of all children birth through age one in the program, and the second addresses the percentage of all children, birth to age three. States make their own determinations about eligibility for the program, and the tables show that the type of eligibility. Oregon has a narrow definition of eligibility. Within the states who more narrowly define eligibility, the data shows a smaller percentage of children participating in the program.

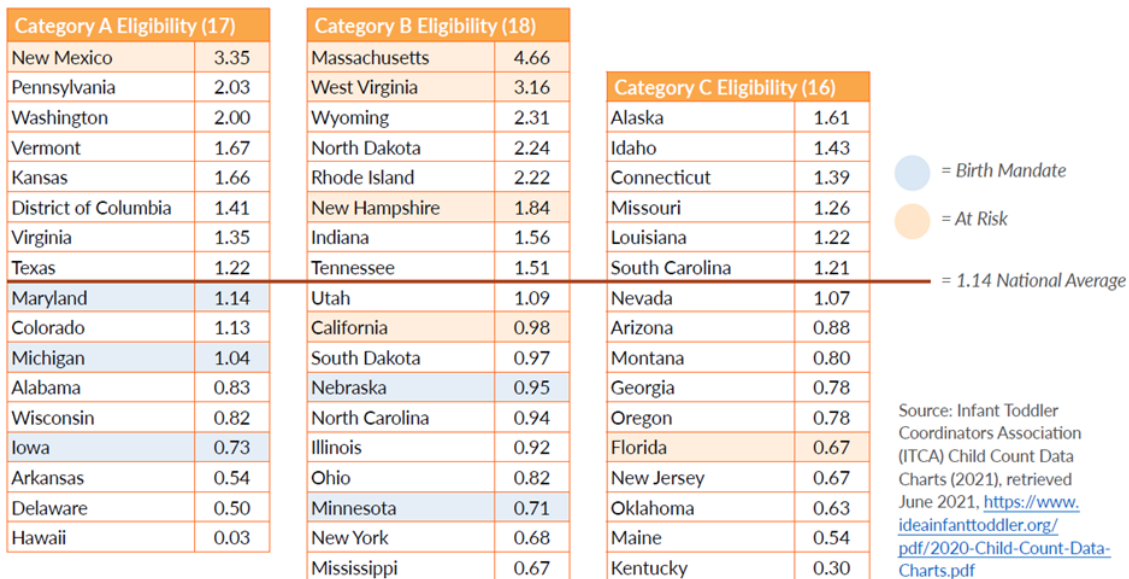


Figure 6: IDEA Part C Percentage of all children under the age of one receiving services by Eligibility (Single day count 10/1/-12/1/2020)

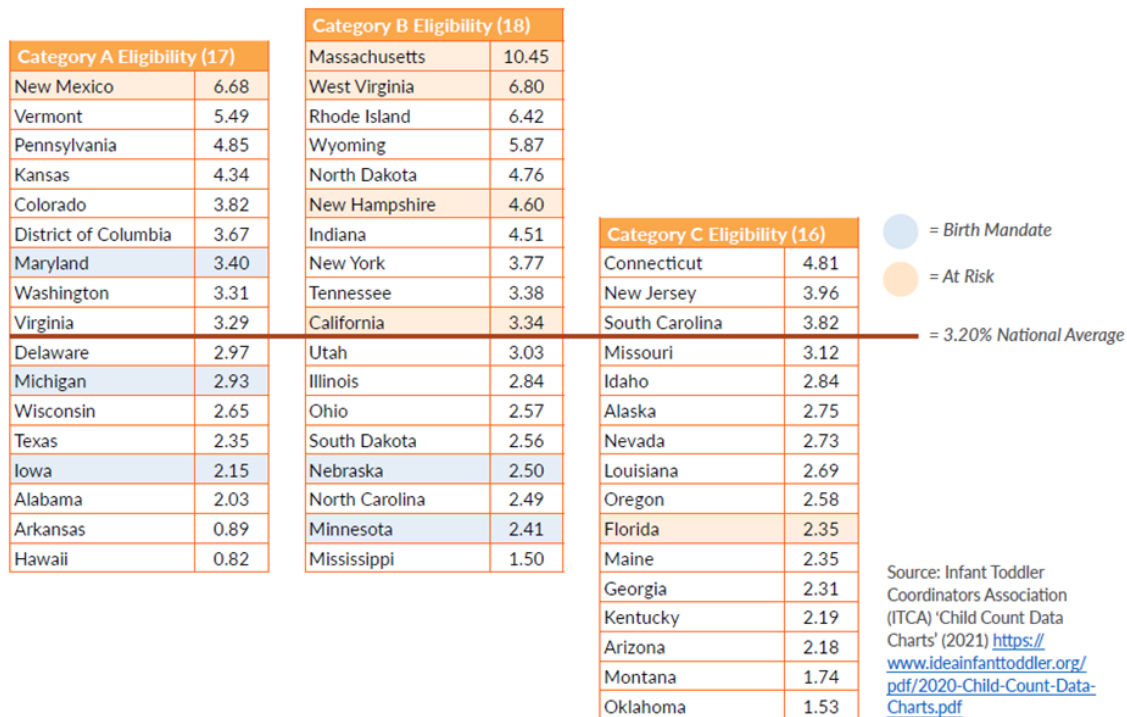


Figure 7: IDEA Part C Percentage of all children under the age of three receiving services by Eligibility (Single day count 10/1-12/1/2020)

In this scan, Pennsylvania, Vermont and Wyoming shared a variety of strategies and approaches that they use for outreach as well as strategies to support families through the evaluation and enrollment process. These states deploy a combination of statewide and local approaches to outreach and enrollment processes that Oregon can further explore as it seeks to improve its participation rate in early intervention. There is little question that its overall enrollment rate of 2.58 percent of the infants and toddlers in early intervention can be improved upon. The BUILD Initiative also notes that while Oregon uses a strict eligibility cutoff for EI, within that group it is a lower performer—but Pennsylvania, Vermont and Wyoming—use a more generous entrance standard for the EI, and the workgroup should include additional investigation and recommendations in this area.

## Recommendations

As a result of this initial scan, the two agencies are recommending the establishment of a year-long multi-agency workgroup, with active participation from OSEO and ELD, as well as from the Oregon Health Authority (OHA), that works to produce a clear set of actionable recommendations for the legislature in these areas that will include consideration of governance and the role of Medicaid as part of this work. The multiagency work group would draw upon the Community Engagement Findings as part of their work and work closely with the Oregon Early Childhood State Leadership Team and Early Learning Council.

This work is recommended to squarely address recommendations about program administration, including governance form and function, within the understanding that early childhood special

education and early intervention are critical services within the larger early care and education system. However, it is important to note that the critical topics identified for additional actions would need to be addressed, regardless of where the programs sit in state government. In problem-solving these crucial areas, the agencies recommend that the workgroup be specifically charged with examining issues of internal state effort, duplication, leveraging federal resources and the role that governance could play in advancing solutions to ensure effective alignment of early learning services to children with developmental delays and disabilities particularly as the Department of Early Learning and Care is established.

## Section 8: Next Steps and Risks

### Implementation Risks and Mitigation

As ELD moves further into the build phase of DELC implementation, the DELC Project Team continues to track potential risks and develop mitigation plans. The change in the DELC establishment date to July 1, 2023, allowed for additional contingency time in the implementation timeline. ELD has continued to design and build DELC on the timeline that was established before aligning the statutory implementation date with the beginning of the 2023-2025 biennium. ELD has identified the following risks for the Legislature’s consideration:

- Agency budget
- Agency authority
- IT systems implementation
- Staff capacity

*Figure 8* details those risks and how they could affect DELC implementation. Additionally, the chart describes the mitigation plans that the DELC Project Team has discussed to eliminate the risk or mitigate the disruption to implementation activities.

Risk	Mitigation
<p><b>Agency Budget:</b> Because DELC is a new agency, it will not have its own budget until July 1, 2023. Unlike established agencies, DELC will not be able to rely on an existing budget (i.e., the ELD budget within ODE) if its budget is not passed before July 1, 2023 – even in the case of a continuing resolution.</p>	<p>The agency has been engaged with the Department of Administrative Services (DAS) Chief Financial Office, as well as the Legislative Fiscal Office, about this risk. The agency will work with legislative leadership to underscore this risk and request an early budget bill to move through at the start of the 2023 Legislative Session to allow sufficient time for passage and approval by the Governor.</p>
<p><b>Agency Authority:</b> DELC plans to contract with ODHS for several services to continue supporting ERDC and other ODHS subsidized child care programs through an Interagency Agreement. The Department of Justice has noted the need for DELC to have authority to delegate these functions to ODHS. Additionally, DAS is initiating a process with ELD, ODE and ODHS to ensure DELC will have sufficient authority over funds and</p>	<p>ELD will work with key legislators to sponsor an agency authority bill in the 2023 Legislative Session.</p>

<p>accounts that support ERDC and other ODHS subsidized child care programs within ODHS, as well as appropriate access to the Fund for Student Success – Early Learning Account with ODE.</p>	
<p><b>IT Systems Implementation:</b> Many projects have constrained schedules, with a required implementation by July 1, 2023. A few of these projects, notably the Grant Management and the Service Desk projects, also involve significant procurement activity. The ability to procure and implement these systems before July will be a challenge, and there is a risk of schedule delay. Several projects rely on partner agencies for completion. The ODE System Access project involves ODE systems, while ODHS systems are involved in the ODHS ONE Governance &amp; Access and Provider Management Platform projects. Project scope and schedule may be affected by the constraints and priorities of partner agencies.</p>	<p><b>Grants Management:</b> To mitigate this risk, project managers will need to be rigorous in change management processes, and scope will need to be restricted to allow smooth procurement processes (e.g., purchasing off state contracts, avoiding customization, phasing implementation). An additional, potential Grant Management schedule risk mitigation strategy involves using existing tools (e.g., EGMS) as temporary, interim solutions during replacement project activities. Additional conversations are planned for the fall, when ODE and DELC will have greater scheduled certainty for the Grant Management projects.</p> <p><b>Cross-Agency Systems Access:</b> To mitigate this risk, project sponsors and managers within ELD are developing relationships with partner agencies and working to include partner agencies in change management processes, while providing regular status updates on projects.</p>
<p><b>Staff Capacity:</b> While ELD continues to rapidly hire, successfully implementing DELC also requires capacity from existing staff as <a href="#">presented to the Legislature</a> in February 2022. This actual capacity needed from existing staff is at risk of exceeding the projected capacity, and staff may be overburdened with more tasks than their work schedules will allow.</p>	<p>ELD will continue to hire and build out new teams, including hiring key leadership that can lift some of the burden off staff. These positions include the new Budget Services director, accounting manager and Procurement director. Additionally, ELD leadership is reviewing existing non-DELC related projects to help current staff prioritize their limited time and capacity to keep DELC-implementation on track.</p>

Figure 8: DELC Risks and Mitigation Plans

## Next Steps

The DELC Leadership and Project teams are focused on building DELC and filling the legislatively approved positions. Those 80 positions will build the teams that make DELC a functional, independent agency. DELC continues to execute more than 45 distinct transition projects ranging from implementing a new grant management system to migrating the Child Care Policy team and DPU to engaging internal and external partners through organizational change management. The build phase of this implementation process has uncovered the need to (1) maintain and expand current capacity and right-size existing operations, (2) fund critical positions that are transferring from ODHS, (3) define and resource DELC future state operational capacity and (4) develop and fund IAAs with ODHS for ERDC functions that will continue to be performed by that agency. Resources to support successful implementation and functionality for the Department of Early Learning and Care are reflected in Policy

Option Package 102 and Policy Option Package 107 of the 2023-2025 Agency Request Budget. The division will update the Legislature on these critical capacity needs at the start of the 2023 Legislative Session.

## Appendix A: Hiring Statuses

Position/Classification	Organizational Unit	Position Number	Position Status	Projected Hire Date
OPA3 - Child Care Subsidy Policy Analyst	Chief of Policy and Research	2350510	Filled	
OPA3 - Rules Coordinator	Chief of Policy and Research	2315019		
OPA3 - Child Care Labor Liaison	Chief of Policy and Research	2315028	Filled	
OPA4 – Legal Affairs Manager	Chief of Policy and Research	2315055		12/1/2022
PA4 - Engagement Specialist	Chief of Policy and Research	2315033	Filled	
RA3 - Child Care Research Analyst	Chief of Policy and Research	2315008		4/1/2023
RA4 - Research Analyst	Chief of Policy and Research	2315034		1/1/2023
OPA1 - Spark Specialist	Chief of Programs	2315032		1/1/2023
OPA2 - Child Care Assistance Policy	Chief of Programs	2315038		7/1/2023
OPA2 - Coordinated Enrollment Specialist	Chief of Programs	2315061		1/1/2023
OPA2 - Quality Assurance	Chief of Programs	2315023	Filled	
OPA3 - Child Care Assistance Policy	Chief of Programs	2315035		7/1/2023
OPA3 - Child Care Assistance Policy	Chief of Programs	2315036		7/1/2023
OPA3 - Child Care Assistance Policy	Chief of Programs	2315037		7/1/2023
OPA4 - Coordinated Enrollment	Chief of Programs	2315025	Filled	
OPA4 - Equity Strategy Specialist	Chief of Programs	2315030	Active Recruitment	
PA4 - Consumer Education	Chief of Programs	2315022		1/1/2023
PA4 - Preschool Specialist	Chief of Programs	2315024	Active Recruitment	
PEMF - Community Systems Team Manager	Chief of Programs	2315026	Filled	
Administrative Specialist 2	Chief of Staff	2315062	Active Recruitment	

Position/Classification	Organizational Unit	Position Number	Position Status	Projected Hire Date
Administrative Specialist 2	Chief of Staff	2315063	Active Recruitment	
AS2 - Tribal Affairs Coordinator	Chief of Staff	2315057	Active Recruitment	
DES SP2 - Design Specialist	Chief of Staff	2315018	Filled	
OPA1 - Translations Coordinator	Chief of Staff	2315020	Filled	
OPA2 - Data Analyst	Chief of Staff	2315050	Filled	
OPA2 - Data Analyst	Chief of Staff	2315051	Filled	
OPA2 - Operations Business Analyst	Chief of Staff	2315054	Active Recruitment	
OPA3 - Lean Leader	Chief of Staff	2315052	Filled	
OPA3 - Lean Leader	Chief of Staff	2315053	Filled	
OPA4 - Civil Rights Specialist	Chief of Staff	2315021	Active Recruitment	
PEMD - Tribal Affairs Director	Chief of Staff	2315058	Filled	
PM2 - Project Coordinator	Chief of Staff	2315056	Filled	
PM3 - Project Manager	Chief of Staff	2350509	Filled	
Accounting Technician	Chief Operating Officer	2315039	Active Recruitment	
Acct 1 - Accountant	Chief Operating Officer	2315012		1/1/2023
Acct 2 - Accountant	Chief Operating Officer	2315010	Active Recruitment	
Acct 2 - Accountant	Chief Operating Officer	2315011		1/1/2023
Acct 2 - Internal Controls	Chief Operating Officer	2315009	Active Recruitment	
Acct 3 - Lead Accountant	Chief Operating Officer	2350502	Active Recruitment	
AS2 - Facility/Safety Coordinator	Chief Operating Officer	2315015		3/1/2023



Position/Classification	Organizational Unit	Position Number	Position Status	Projected Hire Date
FA1 - Fiscal Analyst	Chief Operating Officer	2315014	Active Recruitment	
FA2 - Fiscal Analyst	Chief Operating Officer	2315013	Active Recruitment	
HRA1 - HR Analyst	Chief Operating Officer	2315005	Filled	
HRA2 - HR Generalist	Chief Operating Officer	2315041	Filled	
HRA2 - Human Resource Analyst	Chief Operating Officer	2350514	Filled	
ISS2 - Help Desk Technician	Chief Operating Officer	2315006		7/1/2022
ISS4 - Governance & Vendor Management	Chief Operating Officer	2315007	Filled	
ISS6 - Microsoft/Server Administrator	Chief Operating Officer	2350503		
ISS6 - Systems/Server Administrator	Chief Operating Officer	2350507	Filled	
ISS7 - Application Administrator	Chief Operating Officer	2315043	Active Recruitment	
ISS7 - Application Administrator	Chief Operating Officer	2315044		2/1/2023
ISS7 - Business Analyst	Chief Operating Officer	2315046	Filled	
ISS7- Data Administrator	Chief Operating Officer	2315045		10/1/2022
ISS8 - Data & Integration	Chief Operating Officer	2315016	Active Recruitment	
ISS8 - Senior Systems Architect	Chief Operating Officer	2350506	Filled	
OPA2 - Grants Team	Chief Operating Officer	2350505	Filled	
OPA2 - Outreach and Training Coordinator	Chief Operating Officer	2315060	Active Recruitment	
OPA4 - Budget Analyst	Chief Operating Officer	2315031		1/1/2023
OPA4 - DELC Operations Administrator	Chief Operating Officer	2350513	Filled	
OPA4 - Operations and Business Advisor	Chief Operating Officer	2315029	Filled	

Position/Classification	Organizational Unit	Position Number	Position Status	Projected Hire Date
PA2 - Grant Specialist	Chief Operating Officer	2315027	Filled	
Payroll Analyst	Chief Operating Officer	2315040	Filled	
PCS1 - Contracting Specialist	Chief Operating Officer	2315064	Active Recruitment	
PCS2 - Contracting Specialist	Chief Operating Officer	2315048	Filled	
PCS2 - Contracting Specialist	Chief Operating Officer	2315049	Active Recruitment	
PCS2 - Contracting Specialist	Chief Operating Officer	2350508	Active Recruitment	
PCS3 - Senior Contracting Specialist	Chief Operating Officer	2315065	Active Recruitment	
PEME - Accounting Director	Chief Operating Officer	2315004	Filled	
PEME - Budget Director	Chief Operating Officer	2315003	Filled	
PEME - Communications & Outreach Director	Chief Operating Officer	2350501	Filled	
PEME - HR Director	Chief Operating Officer	2315002	Filled	
PEME - IT Operations Manager	Chief Operating Officer	2315047	Filled	
PEMF - Chief Information Officer	Chief Operating Officer	2350504	Filled	
PEMF - Procurement Director	Chief Operating Officer	2315001	Filled	
Procurement & Contract Asst	Chief Operating Officer	2315017		1/1/2023
Program Analyst 2	Chief Operating Officer	2315066		12/1/2022
T&DS2 - Training Specialist	Chief Operating Officer	2315042	Filled	
EA - Executive Assistant to the Director	Director	2350511	Filled	
PEMG - Chief of Staff	Director	2350512	Filled	

Position/Classification	Organizational Unit	Position Number	Position Status	Projected Hire Date
OPA2 - Enforcement Coordinator	Office of Child Care	2315059		2/1/2023