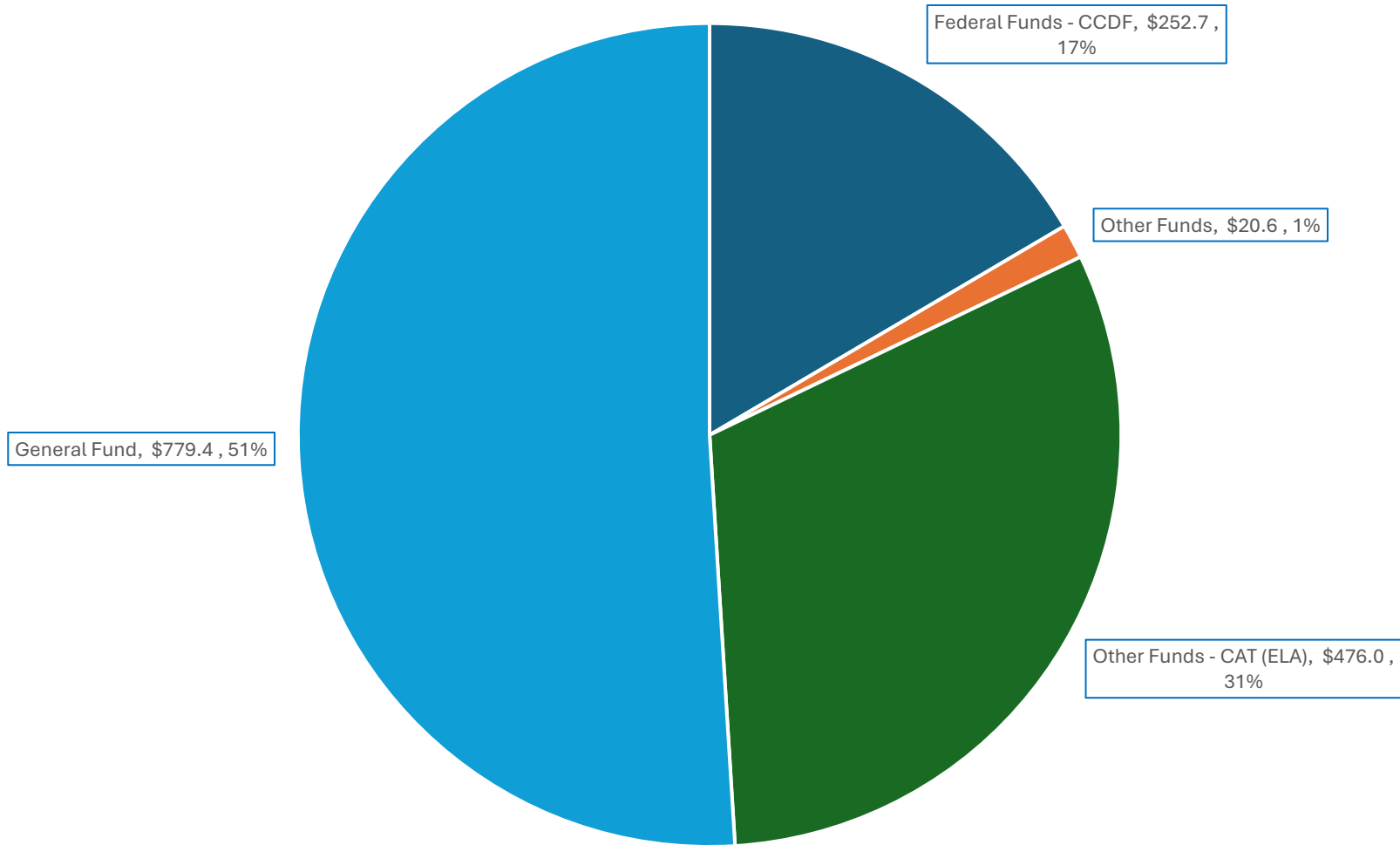


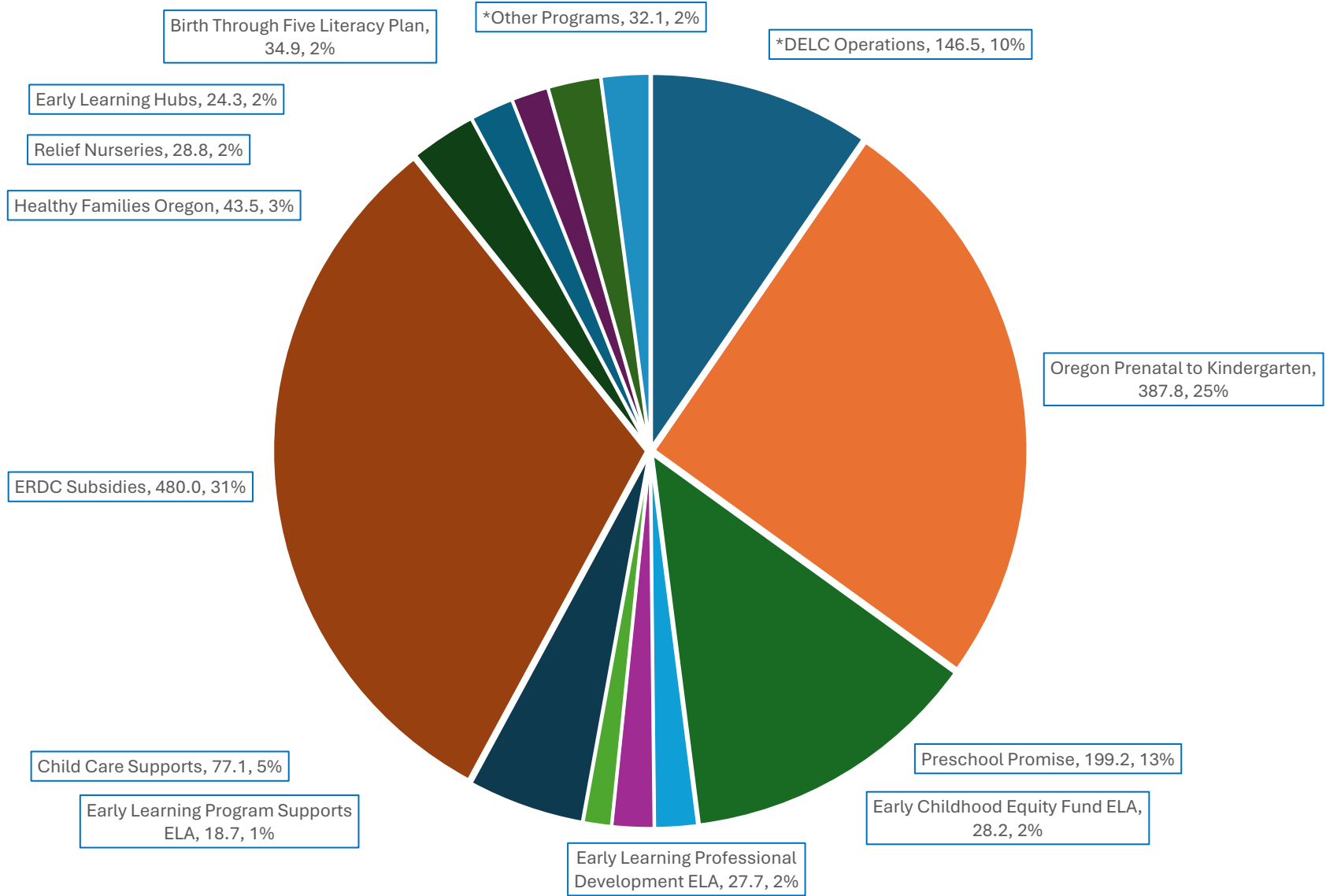
# BUDGET NARRATIVE

2025-2027 AGENCY REQUEST BUDGET BY FUND TYPE. \$ IN MILLIONS. \$1,528.7 TOTAL FUNDS.



# BUDGET NARRATIVE

**2025-2027 AGENCY REQUEST BUDGET BY PROGRAM TYPE. \$ IN MILLIONS. \$1,528.7 TOTAL FUNDS.**



# BUDGET NARRATIVE

---

## Agency Reduction Exercise

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

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

Agencies much provide these reductions in 5% increments. For the 2025-27 biennium, DELC must recommend reductions totaling approximately \$150 million across all funding types.

The Agency developed reduction principles to aid in this exercise based on the values of DELC, the community input received through the development of strategic planning and budget development, and the Governor’s Agency Expectations.

First, take reductions to internal operations:

- Remove additional exceptional inflation for contracts that pay for non-state personnel.

Then, look at direct service delivery through grant-in-aid, beginning with an equal cut to programs and adjusted based on the following criteria:

1. Align with the Governor’s priorities, including early literacy and Tribal sovereignty;
2. Prioritize direct service to children and families, particularly those that provide child care services;
3. Prioritize direct service to providers, particularly as it relates to the upcoming prohibition on suspension and expulsion activities;
4. Consider program enrollment status and service delivery;
5. Consider scope of impact (how many children/families could lose access to services);
6. Consider the likelihood of recovery or the ability to continue operating;
7. Consider legislative support for programmatic success.

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

Budget Narrative

Program Prioritization for 2025-27

Agency Name: Department of Early Learning and Care		Agency Number: 58800																				
2025-27 Biennium		Program 1																				
Program/Division Priorities for 2025-27 Biennium																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request		
Agcy	Prgm/ Div																					
588	1	DELC	OPS	DELC Operations		74,645,087		14,809,267		57,030,987		\$ 146,485,341	384	376.37	Y	N	S, FO	ORS Ch 329A, ORS 326.325 - 326.435, 329.160 - 329.425, 336.101, 336.104, 417.705 - 417.795, CFDA 93.575, CFDA 93.596, CFDA 93.434	US Department of Health and Human Services; Discretionary, Mandatory, and Matching grants received.	Additional positions requested in POP 101 and POP 105.		
588	2	DELC	GIA	Birth Through Five Literacy		24,841,500		10,012,501				\$ 34,854,001				Y	N	S	ORS 327.839, ORS 327.274(2)(a)		Requested increase in program funds in POP 580.	
588	3	DELC	GIA	Early Learning Tribal Hub		664,922						\$ 664,922				N	N		ORS 417.831			
588	4	DELC	GIA	Mental Health & Behavioral Support		8,355,167						\$ 8,355,167				N	Y		ORS 329A.600, ORS 329A.625			
588	5	DELC	GIA	Baby Promise						9,963,150		\$ 9,963,150				N	Y		ORS 417.784			
588	6	DELC	GIA	Early Childhood Equity Fund		1,804,550		26,391,141				\$ 28,195,691				N	Y	S	ORS 417.781-417.782, ORS 327.274(2)(c)			
588	7	DELC	GIA	Child Care Supports		5,297,655		2,460,127		59,337,612		\$ 67,095,394				N	Y	FO	ORS 329A.261, ORS 329A.100-329A.130, ORS 417.784, ORS 329.219, CFDA 93.575, CFDA 93.596	US Department of Health and Human Services; Federal Child Care Development Funds (CCDF) includes discretionary and mandatory matching awards.		
588	8	DELC	GIA	Employment Related Day Care		353,624,707				126,411,907		\$ 480,036,614				N	Y	FO	ORS 329A.500, CFDA 93.575, CFDA 93.596	US Department of Health and Human Services; Federal Child Care Development Funds (CCDF) includes discretionary and mandatory matching awards.		
588	9	DELC	GIA	Preschool Promise		42,324,260		156,886,832				\$ 199,211,092				N	Y	S	ORS 329.172, ORS 327.274(2)(d)			
588	10	DELC	GIA	Oregon Prenatal to Kindergarten		182,418,156		205,425,421				\$ 387,843,577				N	Y	FM	ORS 329.175, ORS 327.274(2)(d), CFDA 93.600	Office of Head Start; Oregon is required to have an Office of Head Start coordinator position and the grant is received from the federal Office of Head Start.		
588	11	DELC	GIA	Relief Nurseries		17,629,057		11,167,575				\$ 28,796,632				N	Y	S	ORS 417.788, ORS 327.274(2)(b)			
588	12	DELC	GIA	Healthy Families Oregon		33,310,113		10,206,236				\$ 43,516,349				N	Y	S	ORS 417.795			
588	13	DELC	GIA	Early Learning Professional Development				27,652,075				\$ 27,652,075				N	Y	S	ORS 327.274(2)(e)			
588	14	DELC	GIA	Early Learning Parenting Education				4,519,455				\$ 4,519,455				N	Y	S	ORS 329.160, ORS 327.274(2)(e)			
588	15	DELC	GIA	Early Learning Hubs		17,352,738		6,988,073				\$ 24,340,811				N	Y	S	ORS 417.827			
588	16	DELC	GIA	Early Learning KPI		10,048,775						\$ 10,048,775				N	Y	S	ORS 336.101			
588	17	DELC	GIA	Early Learning Program Supports				18,663,140				\$ 18,663,140				N	Y	S	ORS 327.274			
588	18	DELC	GIA	Other Early Learning Grants		7,132,219		1,366,535				\$ 8,498,754				N	Y	S	Secs 53 and 54 SB 5506 (2023), HB 3005 (2023)		Requested increase in Dolly Parton Imagination Library program funds in POP 580.	
						779,448,906	-	496,548,378	-	252,743,656	-	\$ 1,528,740,940	384	376.37								

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health

19. Legal Requirement Code

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

Within each Program/Division area, prioritize each Budget Program Unit (Activities)

## Budget Narrative

by detail budget level in ORBITS

11 Recreation, Heritage, or Cultural  
12 Social Support

**Document criteria used to prioritize activities:**

# Budget Narrative

## 10% Reduction Options (ORS 291.216)

Activity or Program  (WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	Describe Reduction  (DESCRIBE THE EFFECTS OF THIS REDUCTION. IDENTIFY REVENUE SOURCE FOR OF, FF. INCLUDE POSITIONS AND FTE FOR 2025-27 AND 2027-29)	Amount and Fund Type							Rank and Justification  (RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
		GF	LF	OF	NL-OF	FF	NL-FF	Total Funds	
Removes additional inflation allowed in Package 032.	Inflation used to support the cost of non-state related personnel costs. Would impact the following programs: OPK, Preschool Promise, ECEF, Early Learning Professional Development, Early Learning Parenting Education, Early Learning Professional Supports, Mental & Behavior Health, Child Care Supports, ERDC, HFO, Relief Nurseries, Early Learning Hubs, Tribal Hubs, KPI, and Other Early Learning Grants.	\$ 10,251,970		\$ 8,947,158		\$ 5,736,884		\$ 24,936,012	1
Other Early Learning Grants	General Fund reduction impacts the technical assistance program supporting early educators to apply for Child Care Infrastructure Funds. This would reduce the number of early learning programs that could access support to build business plans, apply for expansion of services to children and supports to the small businesses seeking to stabilize their program operations to serve children. The reduction to Other Funds has no impact to services and is associated with empty limitation.	\$ 177,785		\$ 1,366,550				\$ 1,544,335	2
Early Learning Program Supports	Estimated impact to 33 Preschool Promise classrooms not receiving coaching supports, classroom observations, and technical assistance. Reduces program by 2% OF.			\$ 283,157				\$ 283,157	3

## Budget Narrative

Early Learning KPI	This reduction would minimize services to hundreds of children and their families which would negatively impact transitions to kindergarten. It would also reduce professional development opportunities for preschool and kindergarten educators. Reduces KPI by 5% GF.	\$ 502,439						\$ 502,439	4
Early Learning Hubs	Would decrease staffing within Hub programs which are already operating with deficits. Reduces GF by 5%	\$ 867,637						\$ 867,637	5
Early Learning Parenting Education	Decreased access to parenting education curricula for approximately 200 families (multi series evidence-based/culturally-responsive parenting programs along with parallel child programming that have been shown to significantly reduce abuse and neglect while increasing positive parent-child relationships and attachment and family well-being). OR the equivalent of 1200 family workshops.			\$ 225,973				\$ 225,973	6
Early Learning Professional Development	Reduces Early Learning Account funding impacting professional learning and workforce initiatives including the early childhood higher education consortium, reductions to programs that will decrease the number of higher level training offerings for child care providers, reduces the number of positions funded to provide supports to programs serving children with disabilities, reduces centralized coaching system supports, business acumen training and coaching for child care, reduces funding to the statewide subpool supporting child care programs and funding to develop more accessible quality improvement and career pathway supports. Reduces OF by 2%			\$ 582,604				\$ 582,604	7

## Budget Narrative

Healthy Families Oregon	Estimated impact to 82 families who would not receive monthly home visits due to approximately 5 fewer trained home visitors. Reduces HFO by 4% GF	\$ 1,401,451						\$ 1,401,451	8
Relief Nurseries	Estimated to impact 45 families with infant, toddler, and preschool aged children not receiving therapeutic classroom services and or home visiting resource supports. Reduces by 5% GF	\$ 881,453						\$ 881,453	9
Oregon Prenatal to Kindergarten	Estimated impact is 582 fewer families and children receiving home visits and high quality center based infant, toddler, and preschool services. Reduces OPK by 4% GF and 4% OF.	\$ 7,087,724		\$ 8,558,867				\$ 15,646,591	10
Preschool Promise	Estimated impact is 481 children and families would no longer receive high quality preschool services and potential destabilizing on small women owned businesses. Reduces PSP 3% GF and 4% OF	\$ 1,327,834		\$ 5,985,540				\$ 7,313,374	11



# Budget Narrative

ERDC	<p>A reduction of \$14,709,071 GF would mean the caseload would have to be reduced by 8,755 cases , and a further reduction of \$4,552,450 FF would mean the caseload would have to be reduced by an additional 2,710 cases.</p> <p>ERDC currently has an active waitlist to manage the caseload, however even with a waitlist in place, the caseload continues to grow at a slow rate because few families are leaving the program and there are certain populations that bypass the waitlist. The populations that bypass the waitlist include those receiving TANF, Temporary Assistance for Domestic Violence Survivor Grant recipients, those being placed in a Head Start contracted slot, those referred by Child Welfare, and recent ERDC recipients.</p> <p>In order to reduce the caseload to align with these budget reductions, ERDC would be required to close all bypass populations listed above and limiting ERDC to only those currently on the caseload. The bypass populations would need to be closed for 7 months. GF reduction of 4% and FF reduction of 3.6%.</p>	\$ 14,709,071				\$ 4,552,450		\$ 19,261,521	12
Child Care Supports	<p>The GF and OF reduction would reduce the number and duration of professional learning cohorts within the Focused Child Care Network. The FF reduction would impact work that is required of the Child Care Development Fund affecting quality supports through Western Oregon University. Reduces by program by 5% GF and 3% FF.</p>	\$ 270,180				\$ 1,693,810		\$ 1,963,990	13

## Budget Narrative

Early Childhood Equity Fund (ECEP)	Estimated impact is 400 families and children not receiving culturally responsive parenting education, parent-child interaction supports, and/or kindergarten transition activities. Potential to have destabilizing impact on culturally specific and responsive community based organizations. Reduces OF by 2%			\$ 519,557				\$ 519,557	14
Baby Promise	Estimated impact to 17 families with toddlers not receiving high quality year round services. Reduces by 5% FF					\$ 498,158		\$ 498,158	15
Mental & Behavior Health Supports	Reduces this program by less than 1% GF which impact the ability to fund non-state personnel for mental health consultants who assist in reducing the suspension and expulsion in early learning and care programs.	\$ 22,785						\$ 22,785	16
<b>Total 5% Reduction</b>		<b>\$ 37,500,329</b>	<b>\$ -</b>	<b>\$ 26,469,406</b>	<b>\$ -</b>	<b>\$ 12,481,302</b>	<b>\$ -</b>	<b>\$ 76,451,037</b>	

Other Early Learning Grants	General Fund reduction impacts the technical assistance program supporting early educators to apply for Child Care Infrastructure Funds. This would reduce the number of early learning programs that could access support to build business plans, apply for expansion of services to children and supports to the small businesses seeking to stabilize their program operations to serve children. The reduction to Other Funds has no impact to services and is associated with empty limitation.	\$ 177,785		\$ 1,366,550				\$ 1,544,335	1
Early Learning KPI	This reduction would minimize services to hundreds of children and their families which would negatively impact transitions to kindergarten. It would also reduce professional development opportunities for preschool and kindergarten educators.	\$ 502,439						\$ 502,439	2

## Budget Narrative

Early Learning Hubs	Would decrease staffing within Hub programs which are already operating with deficits.	\$ 867,637		\$ 88,509				\$ 956,146	3
Early Learning Professional Development	Reduces Early Learning Account funding impacting professional learning and workforce initiatives including the early childhood higher education consortium, reductions to programs that will decrease the number of higher level training offerings for child care providers, reduces the number of positions funded to provide supports to programs serving children with disabilities, reduces centralized coaching system supports, business acumen training and coaching for child care, reduces funding to the statewide subpool supporting child care programs and funding to develop more accessible quality improvement and career pathway supports.			\$ 1,382,604				\$ 1,382,604	4
Healthy Families Oregon	Estimated impact is 224 families not receiving monthly home visits due approximately 11 fewer highly trained home visitors.	\$ 1,665,506		\$ 105,194				\$ 1,770,700	5
Relief Nurseries	Estimated impact is 138 families with infant, toddler and preschool aged children not receiving therapeutic classroom services and/or home visiting and resource supports.	\$ 881,453		\$ 67,365				\$ 948,818	6
Oregon Prenatal to Kindergarten	Estimated impact is 1449 fewer families and children receiving home visits and high quality center based infant, toddler and preschool services.	\$ 10,261,057		\$ 10,758,867				\$ 21,019,924	7
Preschool Promise	Estimated impact is 1115 children families not receiving high quality preschool services and a potential destabilizing impact on small women owned businesses.	\$ 2,500,834		\$ 8,560,560				\$ 11,061,394	8

## Budget Narrative

ERDC	An additional reduction of \$20,082,636 GF would mean the caseload would have to be reduced by 11,851 cases, and a further reduction of \$9,016,263 FF would mean the caseload would have to be reduced by an additional 5,367 cases.	\$ 20,082,636				\$ 9,016,263		\$ 29,098,899	9
Child Care Supports	The GF and OF reduction would reduce the number and duration of professional learning cohorts within the Focused Child Care Network. The FF reduction would impact work that is required of the Child Care Development Fund affecting quality supports through Western Oregon University.	\$ 270,180		\$ 73,804		\$ 2,966,880		\$ 3,310,864	10
Baby Promise	Estimated impact is 33 families with infant and toddlers not receiving high quality year round services. Potential to have destabilizing impact on small women owned businesses.					\$ 498,157		\$ 498,157	11
Early Childhood Equity Fund	Estimated impact is 1810 families and children not receiving culturally responsive parenting education, parent-child interaction supports, and/or kindergarten transition activities. Potential to have destabilizing impact on culturally specific and responsive community based organizations.			\$ 1,319,557				\$ 1,319,557	12
Mental Health & Behavioral Supports	Reduces this program by less than 1% GF which impact the ability to fund non-state personnel for mental health consultants who assist in reducing the suspension and expulsion in early learning and care programs.	\$ 22,785						\$ 22,785	13
<b>Total 5% Reduction</b>		<b>\$ 37,232,312</b>	<b>\$ -</b>	<b>\$ 23,723,010</b>	<b>\$ -</b>	<b>\$ 12,481,300</b>	<b>\$ -</b>	<b>\$ 73,436,622</b>	