

SUBCOMMITTEE RECOMMENDATION

Item 8: Oregon Department of Education - Early Learning Division Department of Early Learning and Care and ERDC Transfer

To: Ways and Means Full Committee
From: Education Subcommittee
Carrier: Senator Frederick

The Education Subcommittee recommends that the Joint Interim Committee on Ways and Means acknowledge receipt of a report on the development of the new Department of Early Learning and Care and the transfer of the Employment Related Day Care Program.

During the 2021 Session, the Legislature passed HB 3073 which established a new Department of Early Learning and Care, or DELC, effective on January 1, 2023, and transferred the Employment Related Day Care program (ERDC) from the Department of Human Services on July 1, 2023. This report provides a summary of the efforts on both of these actions.

Over the next 13 months, agency staff must take numerous programmatic, policy and administrative steps to stand up this new agency. Since most of the programmatic decisions and issues lie outside of the rest of the Oregon Department of Education, most of the challenges lie in the administrative or backroom support areas. Significant work has to be done in the areas of establishing staffing levels, setting up financial systems, developing or transferring Information Technology systems, and developing payment systems. Crucial decisions on whether to continue to use ODE supports have yet to be made. The agency also has identified significant risks that affect the workload of the current staff including potential new programs and requirements under federal legislation currently under consideration, staff turnover, and a capacity overload on current systems like procurement and personnel. The agency will return to this Committee in January with a report on the estimated staffing level need of the new agency and a budget for the last six months of the current biennium for consideration during the February 2022 Session. A careful consideration of the ability of the executive branch to stand up this agency just over a year from now must be made, since the February Session is likely the last opportunity to delay its implementation.

The transfer of the ERDC program also provides challenges for the agency but the time frame for

implementation is longer. A recent consultant’s report identified 20 transition considerations with many of them having a “high” level of complexity in terms of the transfer of the program. Just in the case of the new agency there is still significant work for the transfer of the program.

The Subcommittee recommends approval.