

DEPARTMENT OF EARLY LEARNING AND CARE



Agency Design Project

**State of Oregon
Early Learning Division
Legislative Report/Progress Update**

January 12, 2022

Table of Contents

EXECUTIVE SUMMARY.....	2
SECTION I: GENERAL TRANSITION OVERVIEW	5
SECTION II: PROGRESS ON THE TRANSFER OF CHILD CARE ASSISTANCE PROGRAMS.....	17
SECTION III: RECOMMENDATIONS TO STRENGTHEN THE ALIGNMENT OF EARLY INTERVENTION AND EARLY CHILDHOOD SPECIAL EDUCATION SERVICES.....	23
SECTION IV: PROGRESS ON THE ADOPTION OF RULES RELATED TO SCHOOL-AGE CHILD CARE	26
SECTION V: FISCAL & BUDGET IMPACTS.....	28
SECTION VI. LEGISLATION RECOMMENDATIONS & NEXT STEPS.....	40
REFERENCES	42
APPENDICES	43

Executive Summary

House Bill 3073 (2021) charges Oregon’s Early Learning Division (ELD) with building a new cabinet level state agency by January 1, 2023: the Department of Early Learning and Care (DELIC). Section 85 of HB 3073 requires ELD to report to the legislature by January 15, 2022 with an update on progress made in designing DELIC, including any known fiscal and budgetary impacts. This is the second of three reports to the legislature and includes a comprehensive update on the overall development of the new agency. The final report, required by the legislature in September 2022, will encompass more detail related to final decisions of the implementation process.

Transition Overview

The DELIC design work is structured in three phases: Phase I, “Analyze,” included a current state analysis of ELD, the child care assistance programs within the Oregon Department of Human Services (ODHS), and an analysis of impacted partner feedback and peer state research. Phase II, “Design,” included planning for the transfer of all child care assistance programs administered by ODHS (including Employment Related Day Care, or ERDC), and the development of DELIC’s proposed organizational structure. Phase III, “Build,” is currently underway and encompasses 45 high-level projects required to stand-up DELIC, migrate functions, and finalize the fiscal and budget impacts of implementation.

Critical Program and Policy Updates

Updates on the key program and policy developments to launch DELIC are outlined below:

- 1. Transitioning Child Care Assistance Programs from ODHS:** A cross-agency transition team identified the following multi-faceted transitions: the migration of the positions and processes related to the Direct Pay Unit, Child Care Assistance Team, and Inclusive Partners, as well as the migration of Head Start Contracts and Teen Parent Program and contracts. ODHS Field Office staff will continue to complete eligibility for the ERDC program, and the ONE Integrated Eligibility system will continue to support eligibility determinations. DELIC will be part of the ONE governance structure and will participate in determining policy and funding priorities, with other functions provided through interagency agreements (IAAs) between DELIC and ODHS.
- 2. Transferring Background Checks:** ODHS shall transfer ERDC background checks for regulated subsidy providers to ELD’s Central Background Registry (CBR) by July 1, 2023. This authority is included in LC 104, which will be introduced during the February 2022 session by the House Early Childhood Committee. This authority is necessary for DELIC to take over the background check process for license-exempt providers alongside the transfer of ERDC.
- 3. Strengthening Early Intervention/Early Childhood Special Education (EI/ECSE):** ELD and the Oregon Department of Education (ODE) contracted with Education Northwest (EDNW), to identify high-level recommendations to strengthen the EI/ECSE programs. ELD and ODE will provide further recommendations in the September 2022 legislative report.
- 4. Developing a School-Age Ruleset:** ELD has engaged the National Center on Early Childhood Quality Assurance (ECQA Center) to assist in developing administrative rules for programs that serve school-age children. ELD will convene a Rulemaking Advisory Committee (RAC) for school-age rules for licensed child care centers for the Early Learning Council to adopt by June 30, 2022.

Operating Model and Organizational Structure

Based on the completed current state analysis, DELC will need investments to create a comprehensive back-office structure, improve data governance and infrastructure, and address program coordination to support access to care for Oregon's most vulnerable populations. Key organizational design decisions that the leadership team proposes moving forward include:

1. Chief of Staff (COS) office to ensure that DELC is effectively supporting equitable access for children, families, and providers through data and consistent service delivery.
2. Chief of Operations (COO) office to create an efficient back-office structure and provide centralized services to DELC, including IT and procurement.
3. Re-organize the Chief of Programs (COP) office to better support the variety of early learning programs in DELC, including the addition of child care assistance programs.

Financial Requests and Budget Impacts

This report provides a summary of the known estimated impacts to ELD/DELC for the 2021-2023 biennium budget. It also estimates 2023-2025 costs for Interagency Agreements between DELC and ODHS to support the transfer of child care assistance programs, including ERDC.

The estimated impact of DELC's additional positions and S&S with General Fund during the 2021-2023 budget is \$10.1 million, which includes the January 2022 SPA and a new request for the February 2022 legislative session. Additionally, ELD will use between \$7-13 million in existing Federal Funds limitation to support DELC in the 2021-23 biennium. The expected General Fund impact on the 2023-25 budget, including additional General Fund requests to supplement one-time Federal Funds, will be identified through the budget build process and included in the September 2022 report. Estimates include:

- **January 2022 SPA Position Requests:** ELD is requesting \$5.8 million for a total of 34 positions/12.38 FTE in the Special Purpose Appropriation (HB 3073) and additional General Fund during January 2022 legislative days, with approval in the February 2022 legislative session.
- **February 2022 Legislative Session New General Fund Requests:** In addition to the January 2022 request, ODE, ELD is requesting an additional 40 positions/18.58 FTE at \$4.3 million for the remainder of the 2021-23 biennium.
- **One-Time Federal Funds:** ELD will leverage federal CARES, CRRSA, ARPA Discretionary and PDG¹ resources in the 2021-23 biennium to invest in IT and Data Infrastructure to stand-up new, and replace existing critical, systems capabilities. These funds will also be leveraged to procure time-limited external resources to support DELC implementation. DELC may request additional funds to complete these projects in the 2023-25 biennium.

Next Steps & Risks

ELD leadership is in the process of creating more detailed project roadmaps and commencing work on over 45 projects related to 1) strategy, policy and budget; 2) general administration; 3) organization and process development; 4) technology and data; and 5) human capital management necessary to standup

¹ Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020), Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (2021), American Rescue Plan Act (ARPA, 2021), and Preschool Development Grant (2019)

DELIC over the next two years. A primary focus of the next six months will be executing a robust change management strategy, including internal and external engagement with impacted partners. During this implementation phase, the ELD Leadership and Project Team will be closely monitoring risks related to hiring and procurement – both of which pose potential barriers to successful implementation if not mitigated.

Section I: General Transition Overview

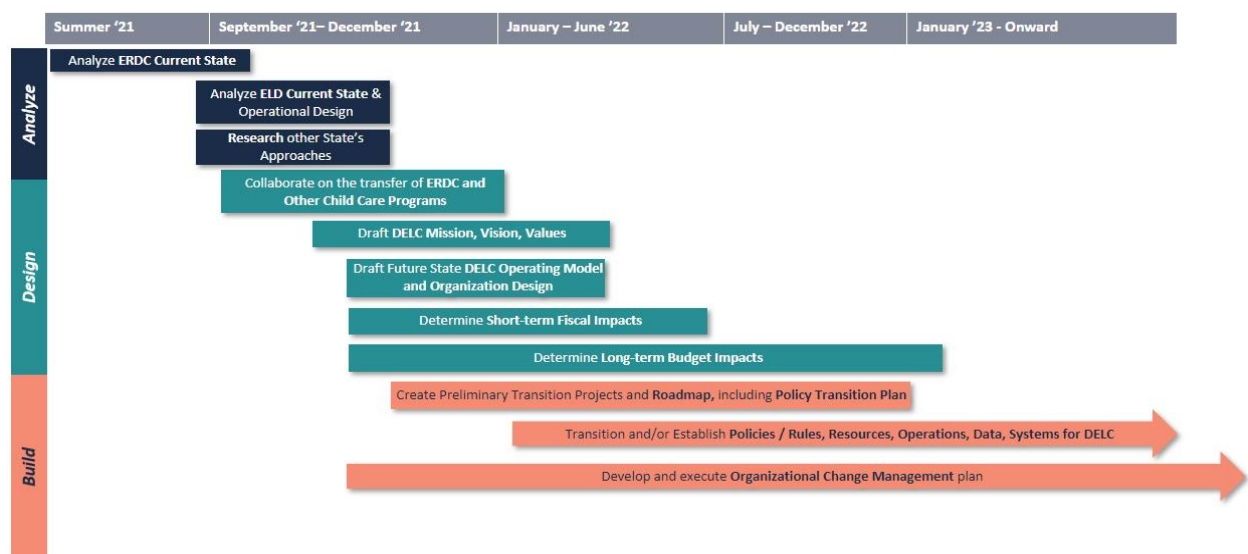
HB 3073 states: “The Early Learning Division and the Department of Education shall develop and implement a plan that provides for a seamless transfer of duties, functions, and powers.” Since HB 3073’s inception in the spring of 2021, ELD, with the support of ODE, Oregon Department of Human Services (ODHS), and Alvarez and Marsal (A&M), an outside consultant, has begun the process of developing the new DELC, which must be implemented by January 1, 2023.

This process has three distinct phases:

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

Figure 1 provides a visual representation of key activities, by phase. The final “Build” phase will continue through 2022 and 2023.

Figure 1



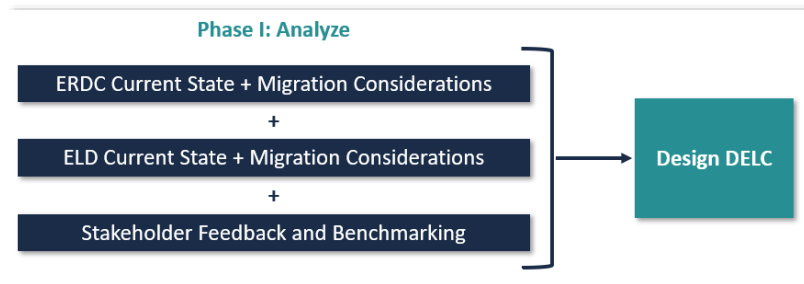
Throughout this scope of activities, several teams have come together to lead and inform the work. At the core of this transition is the **ELD Leadership Team**, which has guided work focused on ELD migration as well as the overall framing of the DELC design and implementation. In addition, a **Transition Team** comprised of multiple parties,² including ODHS, convenes at regular intervals to work through transition considerations that will impact groups outside of ELD. This governing body has played a particularly prominent role in the transition of other child care programs, as outlined in Section II. Lastly, the **DELC Project Team** is comprised of internal and external Subject Matter Experts (SMEs) who, with the direction of the ELD Leadership Team and the Transition Team, are engaged in the day-to-day tactical building of DELC.

² **Agency leadership:** Early Learning Systems Director - Alyssa Chatterjee and ODHS Deputy Director - Liesl Wendt or delegates, Self Sufficiency Director - Dan Haun and Deputy Director - Claire Seguin; **Governor’s office leadership:** Senior Education Policy Advisor – Lindsey Capps, Human Services Policy Advisor - Rosa Klein

Phase I: Analyze

Because DELC will center around several existing early learning and child care programs, the work to design DELC started with a detailed analysis of those current programs. In summer and early fall 2021, ODHS completed an in-depth review of the current state of the ERDC program, while ELD undertook a

Figure 2



similar review of its programs.

Included in this first phase was a preliminary review of past surveys of impacted partners. Finally, the ELD Leadership Team engaged in an in-depth benchmarking exercise to understand the work that peer states have done standing up similar agencies. The Leadership

Team also received feedback from state leaders in Virginia and Delaware (both states have commenced similar agency standup processes). These individuals confirmed the importance of engaging an array of impacted partners early and often and highlighted the need to be flexible and willing to pivot often in the “Design” and “Build” phases.

ERDC Current State Analysis

Over the summer, the many teams that support ERDC provided details on the program’s operations, budget, systems, policies, and regulations. Their input helped ODHS and ELD to clarify the effort needed to support ERDC as it moves to DELC. They also helped to identify transition considerations that required design decisions. Examples of the work included:

- Mapping provider and family experience
- Documenting all relevant policies and regulations
- Documenting core processes and activities
- Identifying all support personnel and their costs
- Documenting systems and data flows
- Identifying opportunities for improvement
- Analyzing feedback from providers, families, and ERDC employees

The [ERDC Current State Assessment Report](#) was submitted as an Appendix to the [September 2021 Legislative Report](#) and includes more details on who ERDC serves, how ODHS works with child care providers, and the cost to support the program.

ELD Current State Analysis

From early September to mid-October, ELD staff participated in a current state analysis of ELD within ODE. This analysis was initiated with two goals – first, to identify and inventory the multiple functions and programs existing within ELD’s current state, and second, to identify gaps and areas of improvement across ELD, as input into a future state design. The development of the inventory of functions and programs was necessary to determine transition requirements for the core functions of ELD. The working understanding of ELD also provided the ELD Leadership Team with the requisite information to

design a future state organization with the capability to scale its services through the centralization of key administrative, strategic, and programmatic functions.

Over the course of the current state analysis, 29 ELD staff members were interviewed to better understand ELD’s organizational structure and key capabilities. Interviewed staff work across ELD, from the Office of Child Care (OCC), Operations & Fiscal, IT, Policy, Programs, & Community Systems teams, among others. In many cases, second and third follow-up meetings with staff members were conducted to validate proper documentation of ELD’s current state core capabilities and the landscape of supporting technology.

Documents and data were reviewed as part of the discovery process including budget, employment, program enrollment, provider, and support function data, various legislative documents, and key performance metric (KPM) reports, IAAs, and survey results from staff, families, and providers.

The current state analysis revealed ELD’s current state operating model is heavily reliant on third parties to deliver services and perform work. Central oversight and standard processes are disparate and present procedural, technology and structural gaps. Key opportunities for DELC emerged during the current state analysis of ELD, highlights of which are included below:

- Improve the data and technology infrastructure and establish standards across programs to eliminate data silos and improve data governance, measurement, and monitoring capabilities.
- Modernize provider management and grant management systems to increase organizational effectiveness and efficiency.
- Engage in a workforce planning exercise to instill a clearer delineation of roles and responsibilities across the organization and improve recruiting and retention for critical workforce segments.
- Engage in strategic planning regarding policy goals and long-term projects to support coordination and collaboration on a clear strategy.
- Streamline payment and communication processes with providers to improve family experience.

The summary of key findings can be found in [Appendix I](#).

Phase II: Design

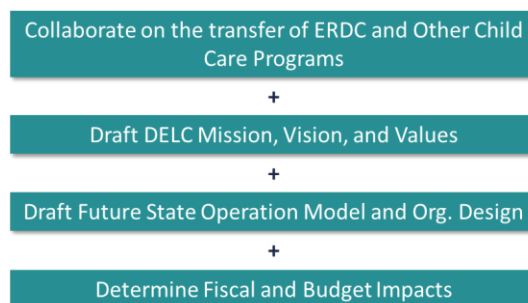
Following the analysis of both ELD’s and ERDC’s current state, the ELD Leadership Team began the design process. **Figure 3** outlines the key workstreams of this process, detailed below.

Design Principles

The ELD Leadership Team used language from HB 3073 and current-state analysis findings to define and apply the following core principles as a “north star” in the designing of DELC: service continuity, co-creation, operational efficiency, scalability, and data-driven. Of note:

Service continuity: For families and providers means these audiences are consistently engaged and provided high-quality information regarding programming, policies, and available support throughout and beyond

Figure 3



the migration of programs, and that there are no disruptions of services to families or providers during the transition

Co-creation or collaborative design: Collaboration between ELD and ODHS – and ultimately with partners in the field – has and will continue to be primary in the design decision process to mitigate the risk of service disruption during or after program migration.

Operational efficiency: Design decisions considered how DELC could operate more efficiently and where services can support each other. As detailed in the organization design, ELD considered functions or capabilities that are essential to DELC’s early and long-term success and where those capabilities can be sourced, internally or externally.

Scalability: DELC should be designed in a manner that could **easily scale** with an increase in demand, funding, or expansion of programs.

Data-driven: This approach appears in multiple ways; data gathering to inform design, a focus on data infrastructure and data governance in operations within that design, and the creation of a team dedicated to continuous improvement, working off regular performance metrics.

Two critical questions have also anchored design decisions: How will this support the creation of a child care and early learning system that is more responsive to the needs of children, families, and providers, particularly the most vulnerable families? And second, will this support equitable access for families, children, and providers?

The Transfer of ERDC and Other Child Care Assistance Programs

A large component of the design of DELC is operationalizing the transfer of child care assistance programs to DELC. The Transition Team formed to support the collaboration process continues to work together on designing the future state of ERDC and other child care program operations within the DELC model. Section II provides further detail on the transition of positions, operations, systems, and policies and regulations.

Mission, Vision, Values

The standup of DELC creates a unique opportunity to craft a new mission, vision, and values (MVV), which will become the foundation for how DELC will serve and support Oregon families, children, and early education and child care professionals. This fall, the ELD Leadership Team, as part of the first phase of this work, met with ELD and ODHS employees, to understand what they hope DELC will strive to create. Informed by these conversations, the language in HB 3073, and benchmarking research from peer states, the ELD Leadership Team worked through multiple rounds of editing to draft initial statements of DELC’s MVV.

At ELD’s October and November All Staff meetings and Ask Me Anything engagement sessions, over 200 ELD and ODHS employees were divided into focused breakout sessions to provide their initial feedback which has, and will continue, to shape the evolution of the draft statements.

The next step in this process will be eliciting external feedback from parents, providers, and advocates in the Winter and Spring of 2022. The ELD Leadership Team intentionally held off on robust external engagement in the first phase of this work in order to be responsive to the decisions of the legislature in the 2022 Legislative Session. ELD is currently designing the external engagement process with partners,

as well as Region X of the Federal Administration for Children and Families. The most current version of DELC’s draft MVV statements are included in **Figure 4**.

Figure 4



Operating Model and Organizational Design

Understanding ELD’s current functional capabilities, programs, budget, and constituents was a critical first step in identifying a baseline for the design of DELC. With a 2021-2023 biennium budget of \$1.4 billion (21% of from General Fund, 1.3% Other Funds, 24.4% Corporate Activities Tax (CAT) and 53.5% from Federal Funds), ELD serves a total of 48,000 children across the State. ELD’s 218 positions support 16 early learning hubs, 15 Child Care Resource and Referral entities (CCR&Rs), 16 Relief Nurseries, 16 Healthy Families Oregon programs, 30 Oregon Prekindergarten grantees, 26 Early Childhood Equity Fund providers, 174 Preschool Promise providers, and 5,500 licensed, recorded and license-exempt facilities. [Appendix II](#) illustrates a high-level breakdown of ELD’s current structure.

All programs (e.g., Head Start, Preschool Promise, etc.) under ELD will continue to operate under DELC. However, DELC will be taking on additional programs, the largest of which is ERDC (discussed in greater detail in [Section II](#)). DELC, acting as one stand-alone organization serving young children in Oregon, will have centralized administrative functions, which will enable staff to work more closely with DELC’s partners, enhancing the partner experience and ultimately recruiting and onboarding more providers to increase supply of options for families. DELC’s vision will be further realized by investment in functions that have been historically underfunded, especially those that support rural communities and those who speak a language other than English. Creating an adaptable organizational structure will best position the agency to be responsive to the changing needs of the community and serve Oregon families now and in the future. This agency design will support potential scaling in response to new state and/or federal legislation (e.g., Build Back Better) by utilizing a structure that can take on additional staffing without significant changes to reporting and organizational structure.

The ELD Leadership Team leveraged both ELD and ERDC current state analyses and DELC design principles to develop a high-level operating model for DELC and identify key capabilities that need to exist to continue – and to improve – services to families, grantees, and providers. Capabilities were refined and organized into functional groupings, which were mapped to an organizational structure and

refined. Then, positions were mapped from the current to the new organization; areas where additional staff are needed are flagged as new requests.

The resulting organizational design and corresponding new position requests have been reviewed and discussed with multiple stakeholders to ensure alignment of the core roles and responsibilities in the future state of the organization, as well as ensuring the minimum viable level of staffing to accomplish the goals set forth for DELC. Under the Early Learning System Director, there will be five office leaders (whose positions exist today in ELD): Chief of Programs, Chief Operating Officer, Chief of Staff, Chief of Policy and Research, and the Director of the Office of Child Care. See [Appendix III](#) for a [view](#) of the management and organization structure.

Chief of Staff: The Chief of Staff (COS) unit will ensure that across DELC, each department is supporting equitable access for children, families, and providers by ensuring strong strategic oversight and consistency.

- The COS will oversee functions that contribute to the strategic direction, continuous improvement, and communications of DELC, which, in turn, will help DELC provide stronger services to children and families.
- The ELD current state analysis noted two clear areas for improvement: First, that DELC needs to improve ELD's current data and technology infrastructure and establish standards across programs to eliminate data silos and improve data governance, measurement, and monitoring capabilities. And second, that ELD needs to engage in strategic planning regarding policy goals and long-term projects to support coordination and collaboration on a clear strategy across the agency.
- The teams under the COS will include tribal affairs; communications; diversity, equity, and inclusion (DE&I); organizational training and engagement; strategic projects; data and analytics;
- These teams will support DELC through cross-cutting DE&I programming, centralizing strategy and project management and providing centralized communications. The establishment of these functions in the same department will support consistent standards across programs both internally and externally.
- See [Appendix IV](#) for a breakdown of this DELC design. See [Appendix V](#) for a breakdown of the Office of Tribal Affairs specifically.

Chief Operating Officer: The Chief Operating Officer's (COO) organization is responsible for providing efficient back-office functions of DELC including human resources, finance, accounting, budget, IT, procurement, and grant/provider payments.

- The teams under the COO will include the following leaders: Human Resources Director, Chief Information Officer, Budget Director, Grants Management Director, Procurement Director, and Direct Pay Unit Manager.
- The bulk of these teams will deliver services currently carried out by either ODHS or ODE. The establishment of internal teams in the COO's office will allow for centralization of procurement and contracting activities, enabling the programs and community systems teams to focus on managing and improving their respective areas.
- The new Chief Information Officer will focus on developing and expanding IT capabilities currently provided by ODE and ODHS.
- See [Appendix VI](#) for a breakdown of this DELC design.

Chief of Programs: The Chief of Programs' (COP) Office will be reorganized to better support the needs of each early learning program.

- Within the COP's unit, teams will support the design and administration of all early care and programs, support the community systems that regionally coordinate services, and support professional development for providers.
- The key role of this leader will be to ensure that DELC is successfully designing and delivering services to families, children, and communities and supporting the early learning professionals who work with them.
- The Program Team will handle all the front-end aspects of the programs, including design standards, policies, and procedures for the programs, and the development of deliverables related to program grants. This includes Preschool Promise, Oregon Prenatal to Kindergarten (OPK)/Head Start (including Early Head Start), Baby Promise, Healthy Families Oregon, Relief Nurseries and the Early Childhood Equity Fund.
- The Community Systems Team will oversee all the contracted partners (Early Learning Hubs, Child Care Resource & Referral entities, and others key service delivery partners) and engage more directly in the management of performance expectations/execution across the partner network.
- Under the COP's purview will be an elevated position of Director of Professional Learning to focus on the expansion of access to supports for child care providers. This position, leading the Professional Learning Team, will focus on supporting and increasing the supply of providers through dedicated efforts with community partners to recruit, develop, and retain a skilled workforce of early learning and child care professionals.
- See [Appendix VII](#) for a breakdown of this DELC design and [Appendix II](#) for a breakdown of the current structure – the direction and purpose of these departments will remain the same.

Director of the Office of Child Care: The Office of Child Care (OCC) is responsible for ensuring the health and safety of children in licensed child care and, as DELC, license-exempt child care, and will be a core function of DELC.

- This office will be largely unchanged from the way it currently operates thanks to previous investments in staff capacity.
- The OCC Director will oversee the largest number of positions within DELC and is responsible for all licensing, compliance, investigations, and enforcement.
- See [Appendix VIII](#) for a breakdown of this DELC design.

Chief of Policy & Research: The Chief of Policy & Research (CPR) organization will be responsible for the development of policy, legislative concepts and administrative rules, and will develop thought leadership to inform the future priorities of DELC. This team will work closely with the Office of the Agency Director to coordinate interactions with key stakeholders including the legislature and governor's office and will execute all government affairs functions.

- See [Appendix V](#) for a breakdown of this DELC design.

To maximize collaboration, coordination, and communication across these core division leaders, and to ensure that externally facing teams are fully supported in executing their respective functions, the new organization will operate in a matrixed manner. In practice, certain roles will exist simultaneously under two chains of command: one functional chain and one project chain. For example, the data analytics

team's functional reporting director will always be the COS, as outlined by the organizational chart. However, for specific deliverables associated with the reporting and analysis of programs, there may be periods of time where data analytics team members will also report to their project manager, the Chief of Programs. Through this flexible structure, DELC will be positioned to simultaneously manage complex projects with limited resources.

DELC's internal functions will be centralized within the COS and COO organizations. The teams within the COS and COO will play a crucial role in providing operational support to both the programs and child care teams, particularly in the areas of finance, accounting, project management, and data analysis. This interconnectedness is ultimately designed to provide more consistent, high-quality services and care to the families and children of Oregon.

Anchored to the design principle of co-creation, the ELD Leadership Team is socializing the future state operating model and organization design with divisional leaders within ELD and ODHS to build awareness and invite feedback on structure, functional charters, and the precise location of positions. Office leaders will then orient their respective teams with the same intention of building awareness and eliciting feedback to inform the final design. Finally, reviews with the Department of Administrative Services (DAS) are taking place, and will continue, to support the proper classification and compensation structure for DELC positions and to align with DELC's retention and talent acquisition strategies. Details regarding specific budget requests related to these organizational updates are outlined in detail in [Section V: Budget and Fiscal Impacts](#).

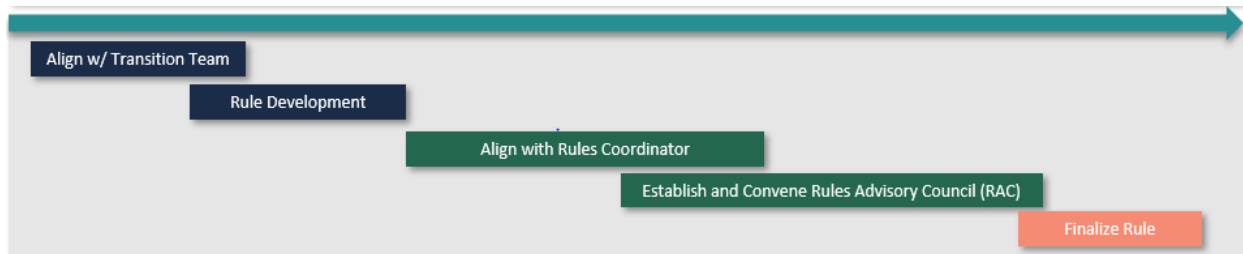
Phase III: Build

Policy Transition

A critical function to effectively establish DELC will include transitioning the current administrative rules related to both the ERDC program and ELD. This process will require both small technical language changes as well as larger policy shifts that include a large amount of engagement with impacted partners and in-depth policy discussions. Because there will be multiple steps involved in the rule transition process, the team began planning for this body of work in October 2021 and has hired a temporary Rules Policy Analyst to oversee the work. While many resources are still being determined, the highest-effort components of the regulatory transition will be the development of a new regulatory structure for the ERDC program. The ERDC regulatory transition will need to address policy changes to ERDC required by HB 3073, which entails more time and resources than a simple transfer of the rules. Due to this level of complexity, the development of a new regulatory structure for the ERDC program is expected to take 1-1.5 years. The ERDC policy transition is outlined in more detail in [Section II](#) of this report.

Current program rulesets within ELD will also be analyzed to identify needed updates and improvements. **Figure 5** shows the high-level process that each rule set will follow. This process is based on current-state rulemaking processes, as communicated, and documented by ELD's Rules Coordinator. It is expected that each ruleset change, which is *not* simply technical in nature and requires robust engagement with impacted partners, will take approximately eight to 12 months to promulgate, and multiple changes will be occurring simultaneously. Additionally, implementation of the rules will happen over time, and as the resources and supports available are able to execute each change.

Figure 5



The processes have been amended slightly to integrate the rulemaking process with DELC’s future-state planning. The process is comprised of three main phases: First, the regulatory leads must identify impacted regulations and finalize policy priorities. Second, the team will connect with the ELD Rules Coordinator who will facilitate the creation of a Rulemaking Advisory Committee (RAC). Finally, the team will work to finalize the administrative rule, which includes Early Learning Council approval for the rule, filing with the Secretary of State, and creating a crosswalk of rule content so that impacted partners can easily identify how rule content has changed.

Organizational Change Management

The DELC Project Team is in the process of developing an effective organizational change management (OCM) strategy and plan to effectively manage all the changes related to people, processes, and technology during the stand-up of DELC and the migration of programs. OCM is a critical factor in mitigating the risk of service disruption and enabling the success of DELC.

The DELC Project Team has established key levers to support the human-side of change across impacted groups and the adoption of new DELC processes, structures, and procedures. The first critical lever is alignment with impacted partners, engaging all relevant partners, understanding their interests, and creating opportunities to provide feedback during the “Design” and “Build” process. This includes involving both ELD and ODHS employees in the MVV development process, and reaching out to advocates, families, and providers to understand their needs. In Spring 2022, the DELC Project Team will begin outreach to impacted external partners to socialize the key aspects of DELC including the operational functions and IT system designs with these important parties. The principle of co-creation and collaboration has been infused within the OCM strategy to support equity and efficiency as top priorities during DELC’s establishment.

Additionally, establishing multiple channels of communications with impacted partners internally and externally will enable the DELC Project Team to effectively share information with all parties. A 360-degree communication framework, overseen by the Communications and Outreach Director currently in recruitment, will assist in sharing current progress, answers to frequently asked questions, and upcoming convening and listening opportunities. It will also serve as a listening mechanism to collect feedback and measure the efficacy of communications, which will allow for continuous improvement of the communication process.

The last two levers to support the establishment of DELC are employee retention and operational readiness. While more tactical in nature, they will be critical to plan in the final months of 2021 and fully mobilize in early 2022. Through effective communications and engagement of current ODHS, ELD and ODE employees within the design process, the DELC Project Team is working to build a desire to be a part of DELC. Additionally, a strategy to address knowledge transfer and training in advance of migrating

functions and programs to DELC is being developed. An operational readiness check will be a central activity within each functional migration project as a quality measure prior to cut over to enable a seamless transition.

Develop DELC Project Roadmap

To successfully build DELC, the **ELD Leadership Team** proposes an implementation approach that focuses first on standing up core functions and infrastructure and addressing major gaps before tackling improvement opportunities and innovations. To date, about 45 projects have been defined and have been assigned to three primary stages. First, “Foundation” projects are projects that are necessary to complete prior to the launch of DELC. Secondly, “Migration” projects enable the seamless migration of functions, programs, and positions from ELD, ODE, and ODHS to DELC. Lastly, “Optimization” projects will allow DELC to further streamline migrated and consolidated functions enabling DELC to scale operations efficiently and effectively in response to program expansion and/or new legislative mandates.

Projects have been identified across five categories and plotted across a 24-month roadmap³, completing in late 2023.

1. **Strategy, Policy, & Budget:** Re-promulgate rules and address changes in eligibility; execute change management strategy; manage the execution of the DELC implementation project portfolio; refine the Child Care and Development Fund (CCDF) budget; and provide overall management for DELC launch.
2. **General Administration:** Set up core administrative elements and facilities, and update/refactor vendor contracts and IAAs; create DELC brand and website.
3. **Organization & Process:** Develop a new process for new DELC functions; consolidate and refactor existing processes and close documentation gaps in support of training and operational readiness; and migrate ERDC and ELD functions.
4. **Technology & Data:** Set up core IT systems and services for DELC; define and document IT governance and data management policies & procedures (P&Ps); replace and enhance critical systems capabilities (e.g., provider payments and management system) and implement new data infrastructure and analytic tools.
5. **Human Capital Management:** Establish the talent acquisition strategy; establish/refine core employment processes and policies; and manage the migration of positions, including support for DELC’s Collective Bargaining Agreements (CBAs).

Within the project roadmap are technology and data projects that are critical for the delivery and scaling of improved services to partners and families as well as DELC staff. The ELD Leadership Team has identified where old, outdated infrastructure and applications should be updated to improve or maintain data privacy, security, and operations using modern technologies. The team has also started to detail work on IT governance, outlining how DELC will manage data and technology assets and collaborate with state-managed IT and shared application infrastructure teams.

The project portfolio has been sequenced by priority and dependency and plotted across a 24 to 36-month timeline. See [Appendix IX](#) for more detail. Going forward, project teams will be assigned to flesh out details, complete detailed planning, and begin work.

³ See [Appendix VII](#) – [Appendix IX](#) for the draft project roadmap, timeline, and an example of a project placemat

Hiring and Onboarding Plan

The ELD Leadership Team has identified start dates for each new role request and for each permanent SPA requested position. In developing the initial hiring timeline, the team balanced the known challenge of hiring new positions without a full Human Resource team with the fact that to stand on its own, DELC needs to have its core administrative functions (procurement, HR, IT, accounting, etc.) in place, with clear standard operating procedures before January 1, 2023.

Within the initial hiring plan referenced above, the ELD Executive Leadership Team has prioritized bringing in back-office and new function leadership, so that the newest teams are established with sufficient lead time prior to the launch of DELC. DELC will have five positions coming from ODE to support back-office standup. DELC also intends to facilitate the technical transfer of information from the current day ODE teams (procurement, HR, accounting, etc.) while ELD is still part of ODE. There will need to be sufficient lead time to draft and finalize the standard operating procedures ahead of the launch of DELC so that leadership can communicate these new expectations with community partners where required.

The ELD Leadership Team is hoping to stagger the onboarding of most new staff between April 2022 and February 2023. See [Appendix X](#) for a broad timeline and draft approach for the onboarding process. Various projects of the ~45 identified focus on the work required to hire new staff and define the standard operating procedures for DELC programs, which will support the onboarding process of new and transfer employees. Part of the new staff request includes two positions (Talent Acquisition and Training and Development Specialist) to support the onboarding process for new staff. An HR Analyst 2 was hired for DELC on November 29, 2021 to build capacity in the ODE HR team to focus on recruitment efforts.

Through the scoping and sequencing of the different projects related to standing up DELC, the DELC Project Team has identified the required levels of effort associated with the projects and assigned additional resources where applicable. **Standing up DELC will require additional external resources that currently do not exist within ELD (both from a team capacity standpoint and from additional skill need).** The externally identified resource needs fit mainly into one of three categories: IT, project management, and change management (including communications).

Determining Fiscal and Budget Impacts

The process of designing the new operational model and organization design of DELC informed the team's understanding of the short-term fiscal and long-term budget ramifications. The organizational structure validated the need for the 14 positions received by ELD in 2021 via the initial fiscal impact statement the ELD submitted for HB 3073 and that were established in a Special Purpose Appropriation (SPA) in June 2021. The team has also estimated the cost of new position requests, IAAs, and one-time costs associated with DELC implementation projects including new infrastructure and replacement systems. Both the short-term fiscal impacts and long-term budget impacts are outlined in [Section V](#) of the report.

Summary of Next Steps

The DELC Project Team will continue work on various activities following this report's submission on January 15, 2022. Key focuses include:

1. **Finalize Organizational Change Management Strategy and Plan:** The ELD Leadership Team will finalize a comprehensive plan to effectively manage the human aspects of change management related to the stand-up of DELC and the migrations of programs, functions, and positions. The ELD Leadership Team will broaden employee retention efforts and continue to engage cross-agency staff and impacted partners for input into, and refinement of key DELC design constructs. As Foundation projects launch, detailed, project specific OCM plans will be developed and executed.
2. **Continue to Execute Hiring Plan:** Recruiting and acquiring talented, committed, and skilled employees is a critical success factor for launching DELC. The ELD Leadership Team will continue recruiting efforts based on the current hiring priorities and continue to build out a comprehensive hiring strategy and plan aligned with the outcomes of the February 2022 Legislative Session.
3. **Finalize High-level Planning and Commence Detailed Planning for Foundation Projects:** The DELC Project Team will finalize the DELC implementation roadmap and high-level plans and charters for the portfolio of projects. Pending legislative approval, the team will mobilize the Project Management Office (PMO) and project governance processes, initiate detailed planning activities, and launch DELC Foundation projects. The team will review and refactor the DELC project portfolio, as necessary, based on the outcomes of the February 2022 Legislative Session.
4. **Draft DELC Ruleset:** The DELC Project Team will develop the DELC administrative ruleset, which will include making both technical revisions and other, more in-depth, policy revisions. This process of rule migration has already begun with the drafting of school-age rules (outlined in more detail in [Section IV](#)) but will require a significant amount of time and effort.
5. **Complete Feasibility Analysis for Dual Enrollment in TANF and ERDC:** 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 at 37% of the Federal Poverty Limit (FPL), versus ERDC at 200% of FPL.⁴ Families are eligible for child care if they meet the eligibility criteria and are unemployed or in an active job search program. Once a TANF family obtains employment, their 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 have begun discussing policy shifts, which would make it possible for families to potentially dual enroll in TANF and ERDC, so that they have no disruption in care. Once the feasibility analysis is complete, leadership will determine whether to move forward with this change.
6. **Mitigate Critical Risks:** The DELC Project Team will carefully track and mitigate two vital risks: hiring talent and procurement of critical standup resources. Hiring for DELC will be impacted by the larger challenge of a country and state-wide workforce shortage. Additionally, the time-intensive steps required by law for procuring both contracted support and technology systems, further impacted by insufficient staffing within DAS and ODE, may slow down parts of the build phase.

⁴ <https://www.oregon.gov/dhs/assistance/CASH/Pages/apply-tanf.aspx>

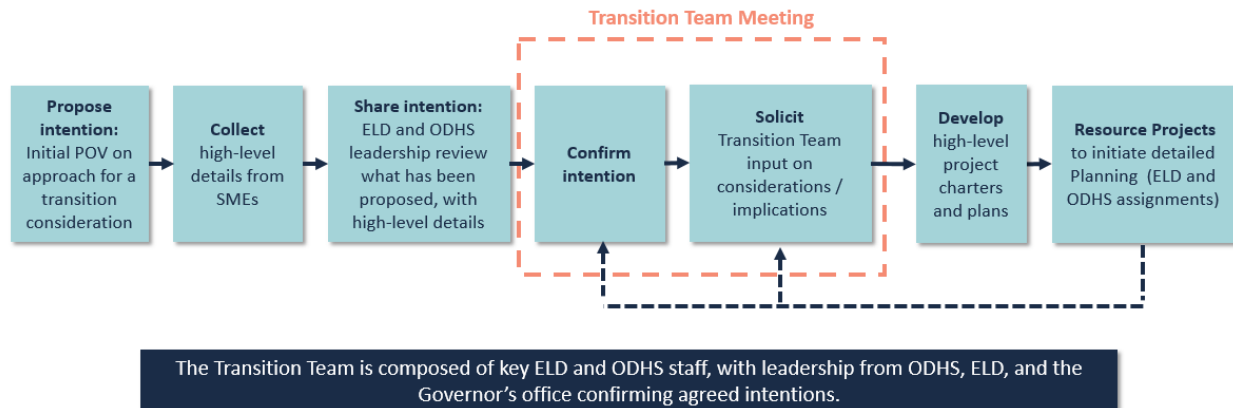
Section II: Progress on the Transfer of Child Care Assistance Programs

Following the completion of the [ERDC Program Summary](#) in August 2021, ELD and ODHS began working together to define the migration of child care assistance programs to DELC, providing direction on services that support ERDC and other child care programs in ODHS today.

Transition Team

ODHS leadership⁵, ELD leadership, the Governor's Office⁶, and other subject matter experts formed a transition team to support the transition of ERDC and other child care assistance programs to DELC. This team identifies and discusses transition and design considerations, advises on staff, external partners, and regulatory implications, and aligns on migration intent. **Figure 6** below outlines the iterative process that leads to the development of high-level project charters followed by planning to validate the feasibility of the intended approach within the legislative deadlines.

Figure 6: Transition Team Process



Confirmed Intentions

The following intentions have been confirmed, with implementation planned for July 1, 2023 unless otherwise noted:

- Migrate the Direct Pay Unit positions & processes to DELC;
- Migrate Child Care Policy positions and processes to DELC;
- Migrate Head Start contracts to DELC;
- Migrate Teen Parent Program and contracts to DELC;
- Migrate Inclusive Partners positions & processes to DELC;
- ODHS Field Office staff will continue to support ERDC applications and eligibility determinations;
- ONE Eligibility System will continue to support ERDC eligibility determination and DELC will join the ONE governance table;
- Other support functions will be managed through IAAs with ODHS, including Office of Training, Investigations and Safety (OTIS), Information and Records Management (IRMS), Office of

⁵ Agency leadership: Early Learning Systems Director - Alyssa Chatterjee and ODHS Deputy Director - Liesl Wendt or delegates Self Sufficiency Director - Dan Haun and Deputy Director - Claire Seguin

⁶ Governor's office: Senior Education Policy Advisor - Lindsey Capps, Human Services Policy Advisor - Rosa Klein

Payments, Accuracy, and Recovery (OPAR), Fraud and Investigations, Quality Control, and Hearings.

Design Details and Progress

Each of the confirmed intentions is now undergoing high-level project planning, in line with the rest of the DELC implementation planning efforts detailed in [Section I](#). For ERDC specifically, these project plans will align with the July 1, 2023, implementation deadline in HB 3073 and include collaboration with subject matter experts and ODHS and ELD leadership, where they can work towards shared milestones and jointly plan communications so that service is not disrupted for providers and families in any program at ODHS. Core to these plans will be providing support for the staff members who currently reside in positions that will transfer to DELC.

Migrate the Direct Pay Unit Positions & Processes

The Direct Pay Unit (DPU) within ODHS is the unit responsible for ERDC provider management. DPU has two core functions: administering the provider listing process that allows child care providers to accept families utilizing ERDC, and completing the provider billing process with listed licensed and license-exempt child care providers each month. The billing process is initiated when DPU generates providers' billing forms through the Service Authorization System. If there are any issues in processing the forms (e.g., unverifiable family eligibility or incorrect copay percentage), DPU workers contact the relevant ODHS field office and requests clarifying information. DPU may also ask families to reach out to their field office to revise or supplement their application so that the eligibility issue can be corrected.

In addition to completing the routine work of paying child care providers, DPU supports providers in other ways. DPU works with the federal government to verify which providers are eligible for additional federal reimbursement through the Child and Adult Care Food Program (CACFP). DPU also manages a Memorandum of Understanding (MOU) with the US Department of Agriculture (USDA) that, dependent upon routine verification by DPU, allows for the reimbursement of license-exempt providers by USDA. DPU administers subsidy payments to Temporary Assistance for Needy Families (TANF) Jobs Plus employers and issues high needs payments for providers in the Inclusive Partners program (see the section: Migrate Inclusive Partners Positions & Processes to DELC).

DPU currently has 18.5 funded positions and two unfunded (non-budgeted) positions. DELC is requesting permanent positions for one of the unfunded positions that are currently using staff to perform the work, so that the unit can continue to serve child care providers and families as they do today. Because DPU staff provide some support to ODHS child care assistance programs such as TANF and BOLI that are not moving to DELC, ODHS will have the option to contract with DELC for services as needed.

In the proposed DELC organizational structure, the manager of DPU will report to the COO. DPU will continue to collaborate with program and policy teams through a matrixed reporting structure. A centralized payment function aligned under the CFO will enable collaboration amongst payment related functions, better quality controls and internal audit capabilities for DELC.

DPU relies on ODHS' Provider Payment system, as well as other Legacy systems to complete their work, including but not limited to processing provider billing forms, disbursing payments, and sending notices. ELD utilizes the Child Care Regulatory Information System (CCRIS), currently hosted by the Oregon Employment Department, for managing child care provider licenses including application processing,

compliance tracking and other supporting processes. DELC plans to procure a more modern, comprehensive provider management platform to support provider license, payment processing and other supporting processes. However, procurement and implementation of this system will not be complete in time for the transition of DPU. Therefore, DPU will continue to use ODHS systems via an IAA until it can transfer to the new system. ODHS will have the option to contract with DELC for services as needed.

As the new provider management platform is implemented, data and system integrations must be planned to allow continued use of the ONE system for eligibility processes. Additional IAAs will likely be required to facilitate governance, data sharing, and funding for continued ONE system use and, potentially, for ODHS use of the provider management platform.

The alignment of DPU within the COO function and the investment in a modern provider management system will improve the efficiency and accuracy of DPU processes which today are largely manual and paper-based, improve provider experience and enable DELC to expand services to providers and grantees of other programs.

Migrate Child Care Policy Positions & Processes, including Head Start Contracts and Teen Parent Program

The ODHS Child Care Policy Team provides support to staff as they encounter issues and addresses day to day policy questions much like a “help desk.” The policy team includes members with experience in the ODHS field offices that gives them a deep understanding of user experience, how to message services to families, etc. Currently, the ODHS Child Care Policy Team primarily supports ERDC, in addition to some support of other child care assistance programs, with six funded positions and five additional unfunded positions (non-budgeted). DELC is requesting permanent positions for the unfunded positions that are currently using staff to perform the work, so that the unit can continue to serve families as they do today.

Included in this effort are additional activities to fully bring the Teen Parent and Head Start programs over to DELC from ODHS. The Policy Team currently manages contracts with Head Start providers and providers that serve the Teen Parent child care program. Both programs are contracted slot programs funded through CCDF resources that ELD transfers to ODHS. ODHS delivers compensation to providers to hold a set number of slots so that they will be available for the target populations.

Most of the Child Care Policy positions will be aligned to the Chief of Programs organizational structure, reporting through a Manager of Child Care Assistance Programs, which will enable DELC to cohesively manage all programs within DELC. The role of this team will continue to focus on program standards and ensuring that service delivery expectations are understood. This alignment with the other program standards functions will enable collaboration across the teams and sharing of best practices. Two of the current Child Care Policy positions will move to OCC and report to a Suspensions. This realignment was recommended by ODHS and will allow a greater focus on provider suspensions from the ERDC program due to rule violations. It will also support the existing collaboration between the suspensions-focused operations and policy analysts, OTIS, and OCC. DELC plans to build on this team to support program suspensions due to other program’s rule violations, such as Preschool Promise.

Migrate Inclusive Partners Positions & Processes to DELC

Within DELC, the Inclusive Partners (IP) function will continue to provide extra financial support (high needs payment) to partners serving children with disabilities through ODHS’s Office of Developmental

Disabilities Services (OCDD). The High Needs Rate may only be approved through IP if a child is 1) eligible for child care assistance via ERDC or TANF, and 2) is eligible for the Special Needs Rate. Children who are not receiving child care subsidy are still able to receive support through IP via non-financial means (e.g., provider trainings). The program currently serves approximately 125 children statewide. Children served by the IP program must first be eligible for and enrolled in an ODHS child care assistance program (ERDC or TANF). ELD funds the partnership through CCDF by contracting with the OCDD. Five positions on the IP team conduct child care subsidy-related assessments, work with families and child care providers to assess the child's needs while the child is in their child care setting, and offer guidance to providers about additional accommodations they could offer.

The idea of moving IP to ELD was proposed before HB 3073 and positions may be requested to move earlier in 2022. ELD pays ODHS for the IP positions already, and the team has noted the natural alignment of IP with other ELD services, particularly with the increased funding for professional learning through the Student Success Act – Early Learning Account. The IP positions will report to the Director of Professional Development, building capacity to help providers understand how to engage with children with disabilities or those requiring additional support (this capability has not been a part of professional development within ELD historically). The goal is to build on the IP work to create an even more inclusive experience for families, better support educators and care givers, and to align with the Early Childhood Suspension and Expulsion Prevention Program that was established by HB 2166 (2021).

ODHS Field Offices to Support the ERDC Application, Using the ONE Integrated Eligibility System

Currently, eligibility staff, in collaboration with the Direct Pay Unit, manage families' ERDC cases along with other Self Sufficiency benefit programs (SSP). DELC will contract with ODHS for their field offices to continue conducting eligibility determinations and managing ERDC cases. Additionally, DELC will develop a support and coordination function to effectively connect with eligibility operations.

In an effort to ensure families do not experience reduced access to services, the ERDC application will continue to be hosted in the ONE Integrated Eligibility system, with other SSP programs. DELC will be included in the ONE governance structure to support any changes needed to the system and support the development of new DELC functionality in ONE. Key DELC staff will be able to have some access to the ONE system, specifically regarding eligibility determinations. ONE is a shared eligibility system of the Oregon Health Authority (OHA) and ODHS, supporting four main health and human services benefits – medical, food, cash, and child care assistance. This system is governed through a three-tier governance structure to manage and prioritize changes.

More than 90 ODHS field offices and Virtual Eligibility Centers will allow families seeking care or other benefits to have options statewide. DELC is committed to partnering with ODHS to provide a seamless experience for families by leveraging existing infrastructure and potentially adding other child care and early learning programs to ONE.

Due to the current ODHS budget structure, there are no forecasted initial costs to DELC for ERDC eligibility field work in 2023-2025. In the future, if DELC implements program and policy changes that increase the ERDC caseload, ODHS will determine the costs associated with that increase and include those charges based on caseload size.

Other Support Functions IAAs

As a smaller program in the larger SSP portfolio of ODHS, ERDC utilizes various support functions to enable the program. DELC will pursue IAAs with ODHS for the work conducted by OTIS, IRMS, OPAR,

Fraud and Investigations, Quality Control, and Hearings. ELD leadership have identified that the work conducted by each of these ODHS functions is not needed as a stand-alone department or service in DELC at this time. It is more efficient organizationally and financially to have ODHS continue to conduct the small bodies of work in each of these units related to ERDC and other child care assistance programs.

The project team responsible for the development of these IAAs will work to define the services, refine the cost, and develop processes for coordination with the ODHS partners by July 1, 2023.

Internal and External Policy Transitions

To successfully operationalize ERDC in DELC and align the program's strategic priorities with DELC's administrative law, policy documents must transition. This "policy transition" refers to the promulgation of DELC's rules and the development of DELC's IAAs. The two highest-effort components of the regulatory transition will be the development of a new regulatory structure for the ERDC program and the completion of the ongoing provider-licensing regulatory "overhaul."

The development of a new regulatory structure for the ERDC program is expected to take at least one year. This is inclusive of policy development, rule drafting, engagement with impacted partners, and the completion of the procedural requirements necessary to file the new rules. Currently, the rules that govern ERDC's eligibility, application process, payment structure, and payment processes are maintained by ODHS, and are often components of rules that govern multiple ODHS self-sufficiency programs. Because the ERDC rules are interwoven with other rule content and program standards and because DELC is likely to pursue some program/policy changes related to the ERDC program, new structure and content for the rules will need to be developed. The ERDC regulatory transition is unlikely to be a simple procedural transfer and will therefore, require more time and resources.

Additionally, continued revisions to provider licensing will need to be completed. For several years, ELD has been in the process of revising its provider licensing rules. This work is occurring in parallel with the creation of DELC and the transfer of ERDC and will now need to be reconciled with the new policy priorities of DELC. DELC has hired a temporary Rules Policy Analyst to support this work, which must begin by March 2022 to allow sufficient time to complete the policy transition by July 1, 2023. DELC will continue to collaborate with ODHS to identify policy transition support needs and impacts.

Change Management

While change management is a major component of DELC's start up activities, it is worth reiterating a few specific activities that will support the transition of ODHS programs – and related positions and processes – to DELC. ODHS staff whose positions are moving to DELC hold an extensive amount of knowledge and experience. The change management plan will focus on staff retention, with a knowledge retention plan developed for staff who choose not to move to DELC. Involvement of ERDC staff in design activities to date have included:

- Current state analysis;
- Transition planning work groups;
- DELC Mission, Vision, and Values collaboration sessions;
- DELC Agency Design email inbox and shared intranet site for teams to ask and review FAQs;

- DELC leadership and staff “Ask Me Anything” sessions to ask questions and stay up to date on progress.

Background Checks for ERDC

ODHS currently completes background checks for ERDC license-exempt child care providers, while the OCC within ELD enrolls the staff, volunteers and those associated with licensed child care programs, regardless of whether they are receiving ERDC, in the Central Background Registry (CBR). In 2020, the Oregon Secretary of State completed an audit that reviewed the background check process at ODHS, OCC and the Oregon State Police. The audit found that there were inconsistencies in the standards and criteria for the background check processes between OCC and ODHS.

The audit recommended that OCC and ODHS propose legislation to have all child care background checks performed by a single agency to avoid these inconsistencies. The audit also recommended transferring the background check process to OCC and classifying license-exempt ERDC providers as *subject individuals*, requiring them to be enrolled in the CBR. The CBR reviews records on a quarterly cycle to catch any new criminal records for enrollees. This recommendation culminated in Senate Bill 49 (2021), which passed out of the Senate Human Services, Mental Health and Recovery Committee. Simultaneously, the Governor’s Office, ELD and the legislature began its work on HB 3073, which included the transfer of the ERDC program. Ultimately, SB 49 died after its referral to the Joint Ways and Means Committee in the 2021 Legislative Session.

Since the passage of HB 3073, there is an increased urgency to ensure that the ELD/OCC has the authority to perform background checks for the license-exempt providers listed in ERDC. Because this remains an unresolved policy decision for the legislature, it is necessary to transfer this authority in the 2022 Legislative Session to anticipate the transfer of the ERDC program, as well as to comply with the audit recommendations. The House Early Childhood Committee is introducing legislation (LC 104) to transfer this authority from the Background Check Unit at ODHS to OCC. The legislation will allow for a phased-in transfer of background checks to refrain from overburdening OCC staff and to reduce the fiscal impact of the background check transfer process. ELD/OCC expects to begin the process as soon as April 2022, if the legislature gives ELD the statutory authority to proceed.

Section III: Recommendations to Strengthen the Alignment of Early Intervention and Early Childhood Special Education Services

As ELD and ODE engaged the legislature on establishing a unified early care and education agency, discussions arose on the governance and service delivery model for the EI/ECSE program in Oregon. The legislature requested recommendations to strengthen the alignment of the early childhood special education and early intervention services within the statewide early learning system. ODE and ELD requested that Education Northwest (EDNW) assist with identifying best practices in a policy review and state scan report. The report examined California, Colorado, Georgia, Illinois, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Oregon (for purposes of comparison), Pennsylvania, and Washington.⁷ Some of the guiding questions that the state scan report raised were:

- Where are EI/ECSE programs housed in Oregon and other states - what is the governance structure?
- Is there any evidence that housing EI/ECSE programs in certain agencies or divisions produces better outcomes for children?
- Is there any evidence that consolidated or dispersed EI/ECSE systems produce better outcomes?
- How is funding for EI/ECSE allocated and accessed in Oregon and other states?
- What best practices in governance, structure, funding, community engagement, and program delivery could ODE consider implementing?

In the report,⁸ EDNW analyzed peer-reviewed literature and completed a high-level state scan comparing the governance, service delivery, and funding models of the 12 states, including Oregon. EDNW was challenged by the limited research available on the governance models for EI/ECSE but used the state scan to identify potential strengths and challenges of each system. The report distinguishes each state's system as a dispersed, consolidated, or a hybrid model. Oregon's model – one of three states reviewed – was described as a consolidated system where EI/ECSE programs are administered by a single agency. This is in contrast to dispersed models – which seven of the states employed – where program services are spread across two or more agencies, as well as a hybrid structure used by two states, where one agency manages screening and refers families to different agencies depending on the services needed.⁹ The report's authors shared the opportunities and obstacles of consolidated and dispersed program administration.

“Both consolidated and dispersed models of ECE governance have strengths and challenges. Consolidating various programs within existing agencies, or creating new agencies to house early childhood programs, can sometimes increase alignment in the cohabitating programs. However, it is not possible to include all programs that serve families with young children and attempts to consolidate can disrupt alignment with programs in other agencies (Jenkins & Henry, 2016; Bruner et al., 2004).”¹⁰

⁷ Education Northwest, *Oregon Department of Education: EI/ECSE policy review and state scan*, 2.

⁸ The *Oregon Department of Education: EI/ECSE policy review and state scan* is found in Appendix B.

⁹ Education Northwest, *Oregon Department of Education: EI/ECSE policy review and state scan*, 2.

¹⁰ Education Northwest, *Oregon Department of Education: EI/ECSE policy review and state scan*, 3.

EDNW also “conducted a community engagement process to explore how children and families currently access and experience EI/ECSE services, successful practices for supporting children and families with EI/ECSE services, and how the EI/ECSE system could adapt to better meet family needs.”¹¹ EDNW published a second report that detailed the findings and recommendations from the engagement process that included 17 listening sessions and interviews with providers, administrators, and families. The community engagement sessions that resulted in the second report did not center on a governance milieu but made some important findings on how system coordination affects service delivery and family engagement. In the *Community Engagement Findings* report, EDNW mapped out “a complex partnership involving multiple state agencies (e.g., ODE, ELD, ODHS), regional entities (e.g., [school] districts and Education Service Districts), and community partners (e.g., child care programs, advocacy groups)”¹² in administering and delivering services. The report finds that “successful service delivery requires significant communication and alignment across the system” with one administrator saying, “more uniformity between what we’re all doing would be helpful.”¹³

Throughout the engagement process, families and providers reported that the differing and often duplicate communications from the different agencies involved in service delivery and program administration was confusing. This misalignment in communication “can often lead to families not following through with an evaluation or accessing services at all.”¹⁴ In addition, families and intake coordinators highlighted a lack of consistency in the information that they received from their medical providers about programs resources. “For example, in some areas across Oregon, parents may receive a referral from their pediatrician, but then must go to a separate entity for the evaluation. Then, should their child be found to be eligible, they must go elsewhere to receive services.”¹⁵ Strengthening the alignment of the EI/ECSE within the statewide early learning and health care systems is especially critical when families begin to access services within the system.

The *Community Engagement Findings* report details four core recommendations for improving system coordination:

1. Support collaboration and training with health providers and other referral sources.
2. Support collaboration across the mental health and EI/ECSE fields.
3. Create multiagency teams or cross-agency staff roles to facilitate communication.
4. Facilitate ongoing conversations with providers.

The report’s recommendations will serve as a guide for the next steps in designing a proposal for systems-wide changes to develop a more effective governance structure that enhances service delivery and develops an aligned system for program administration within the existing governance structure. ELD and ODE hope to make changes to improve cross-sector coordination between the agencies, as well as leverage the Early Learning Council, charged with the coordination of the full early learning system¹⁶, to discuss opportunities for cross-sector improvements with the OHA and ODHS based on these preliminary reports. ELD and ODE will work with the BUILD Initiative to conduct further research and outreach on early care and education governance, including strong models for EI/ECSE governance and

¹¹ [Education Northwest, Early Intervention/Early Childhood Special Education: Community Engagement Findings, 1.](#)

¹² [Education Northwest, Early Intervention/Early Childhood Special Education: Community Engagement Findings, 56.](#)

¹³ [Education Northwest, Early Intervention/Early Childhood Special Education: Community Engagement Findings, 56.](#)

¹⁴ [Education Northwest, Early Intervention/Early Childhood Special Education: Community Engagement Findings, 57.](#)

¹⁵ [Education Northwest, Early Intervention/Early Childhood Special Education: Community Engagement Findings, 56.](#)

¹⁶ ORS 326.425

potential opportunities to leverage additional funding sources. BUILD will assist ODE and ELD with developing recommendations on systems changes that directly address agency structure as the state moves along in establishing DELC. ELD will present those final recommendations to the legislature in a September 2022 report. This process will also include the Early Learning Council for feedback and cross-sector coordination, regardless of governance recommendations.

Section IV: Progress on the Adoption of Rules Related to School-Age Child Care

HB 3073 includes a statutory requirement for ELD to develop school-age licensed child care rules for the state. The ELD is statutorily charged with monitoring and regulating child care in Oregon according to licensing administrative rules adopted, in accordance with ORS 329A.280 and ORS 329A.330, by the Early Learning Council (ELC). These rules are in place to meet the health and safety needs of Oregon's children in child care programs across the state. Among many aspects of child care services, the rules provide guidance on training requirements, caregiver/child ratios, protections from safety hazards, supervision, and sanitation measures. Oregon's child care licensing rules are currently organized by licensing 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. There is no rule set specific to school-age child care.

Currently, ELD is in the process of reviewing all its licensing rules and rulesets. These rules, most recently revised in 2019, are primarily focused on the needs of children from six weeks to five years, and do not always take into consideration Oregon's after-school programs and other programs that primarily serve school-age children. Based on feedback from school-age child care providers, ELD has begun a process to refine child care rules in a manner that better addresses the dynamics of programs that serve the school-age population. In response to ELD's *CCDF Plan for Oregon, FFY 2022-2024*, Oregon Statewide Afterschool Network (OregonASK) shared that the infusion of federal funds are "an opportune time to build upon early progress and create new quality systems and policies to significantly impact the school-age field."¹⁷ ELD recognizes the need for "developing a separate health and safety training curriculum for school-age providers; and [training] licensors on school-age program best practices,"¹⁸ as outlined by OregonASK.

ELD has been engaging with the National Center on Early Childhood Quality Assurance (ECQA Center) to assist in surveying the current ruleset for all child care types and differentiating the rules that are applicable to the birth to five programs and those for programs that serve school-age children, which are primarily in Certified Centers or Recorded Programs. In addition, ECQA Center has shared national best practices and made suggestions 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 is working to review and incorporate the recommendations and national best practices provided by ECQA Center to propose these new rules. This process mirrors OregonASK's observation that child care policies "would benefit from considering the need for school-age differentiation and explicitly drawing attention to the future innovative school-age efforts the agency would take on."

After the internal rule review is complete, impacted partners will have the opportunity to review the draft ruleset to provide input on the proposed rules for school-age programs. In August, the ELD hosted opportunities for engagement with Boys and Girls Clubs, YMCAs, OregonASK, and other school-age child care partners. These were preliminary discussions with ELD's community partners to share perspectives on the opportunities for coordination and to share challenges with the current child care licensing

¹⁷ Unverzagt, E., *Re: Comments on Child Care and Development Fund (CCDF) Plan for Oregon, FFY 2022-2024*, 1.

¹⁸ Unverzagt, E., *Re: Comments on Child Care and Development Fund (CCDF) Plan for Oregon, FFY 2022-2024*, 2.

processes. In conversation with impacted partners, ELD has identified several opportunities to develop licensing rules applicable to a school-age program, including:

- Changing the educational and experience requirements for teachers and staff in a school-age program to assist with staffing shortages while maintaining child safety;
- Adjusting requirements for fire marshal and sanitation inspections for programs that are housed within a public-school building; and
- Simplifying the rules and developing a ruleset that is more applicable to the needs of school-age children.

Currently, ELD has organized an internal rule review team to determine areas in rule that need to align with school-age care, paying particular attention to the opportunities that impacted partners have identified. ELD's internal equity committee, made up of ELD's Equity Strategy Director, Tribal Affairs Manager, Partner Engagement Specialist, Early Childhood Equity Fund Manager, and others, has also reviewed the rules. This committee focused its attention on any rules that may have a fiscal impact for providers or rules that may unfairly affect different groups of providers and has made recommendations that were adopted into the draft. Once this process is complete, ELD will begin the work of distilling licensed school-age center child care rules for adoption by the ELC.

The process for adopting a comprehensive school-age child care ruleset alongside the best practice updates for all licensing types, totaling to more than 400 pages of administrative rules, was originally projected to be completed in 18-24 months. However, the pace of the internal review team signals that this may be completed much sooner for the school-age ruleset. The internal rule review team will present the draft to the community partners for feedback, and ELD will host at least three more rounds of engagement, starting with an external work group of school-age professionals (which took place in December 2021), an online open format engagement session, and a RAC as required by ORS 183.333. At the end of this process, with a tentative target date of June 2022, ELD will present the draft ruleset to the ELC, after which the Council may promulgate within Oregon Administrative Rule (OAR).

Section V: Fiscal & Budget Impacts

ELD was asked to provide an estimated fiscal and budget impact for the costs associated with the creation of DELC. The following section outlines the known fiscal impacts to ELD during the 2021-2023 biennium budget following its transfer from ELD.

The fiscal and budget impacts outlined in the following section result from a variety of inputs referenced in [Section I: General Transition Overview](#). This report will recap the impacts of the initial positions awarded by the Legislature following the passing of HB 3073 and then begin to outline the additional needs identified through the analysis, design, and build activities summarized in section I.

This section will also address significant operating forecasted changes to the 2023-2025 biennium budget through the stabilization of DELC and transfer of resources from the ERDC and child care assistance programs under ODHS. These estimates do not include State Government Service Charges, as these costs will depend on the published price list for the 2023-25 budget development process. The estimates below do not include additional General Fund needs of ODE for the loss of indirect charged to ELD federal grants. This report serves as the initial request for resources associated with the launch of DELC. ELD revenues and expenses *not* impacted by the transition will not be addressed in this section and will be assumed as status quo within the DELC budget.

Fiscal and Budget Summary

The fiscal and budget table below provides a summary of the additions or changes to the current ELD and/or ERDC budgets. The following table outlines the costs associated with the transition and the written summaries below the table will further detail each table row. The financial impacts of each section are categorized as either General Fund requests or as costs that will be paid using American Rescue Plan Act (ARPA) federal funds.

The total estimated impact of positions and S&S on the 2021-2023 General Fund is \$13.6 million and the estimated impact of positions, S&S and IAAs on the 2023-2025 General Fund budget is \$26.6 million, with additional costs to be identified in the September 2022 legislative report.

*Figure 7: Fiscal and Budget Summary Table
Estimated Costs (in millions)*

Section	Description	2021-2023			2023-2025		
		GF	Pos	FTE	GF	Pos	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	\$5.6	14.0	14.0
b) 21-23 Special Purpose Appropriation	HB 3073 SPA & January IJW&Ms Personnel & Services & Supplies	\$5.1	34.0	10.54	\$7.4	34.0	34.0
c) January 2022 IJW&Ms Additional SPA Resources	HB 3073 SPA request updates	\$0.7	0.0	1.84	Part of (b)	Part of (b)	Part of (b)
d) Newly Identified Fiscal	New Position Requests	\$4.3	40.0	18.58	\$10.1	40.0	40.0

and Budget Transition Impacts (Jan. 2022)	External Resources	FF	--	--	FF	-	--
	Information Technology	FF	--	--	TBD*		
	Child Care Assistance Programs Transfer				\$3.5		
Totals		\$13.6	88.0 Pos.	43.88 FTE	\$26.6	88.0 Pos.	88.0 FTE

*Figure 8 outlines the available Federal Funds that have been identified to fund Information Technology through fiscal years 2023 and 2024. Additional General Funds may be requested to complete some projects in the 2023-2025 biennium but cannot be estimated at this time.

*Figure 8: Federal Funding Breakdown
Available Funds (in millions)*

Federal Funding Source	Funding Use	Amount	Obligation Date	Liquidation Date
ARPA Discretionary	DELIC Administration	\$6.0	9/30/23	9/20/24
	DELIC IT System Development	\$15.0		
ARPA Stabilization (Admin)	DELIC IT System Development	\$5.0	9/30/23	9/30/24
Preschool Development Grant	DELIC Administration	\$2.2	12/30/22	12/30/22*
CARES Act	DELIC and Grant Administration	\$2.0	9/30/22	9/30/23
CRRSA	DELIC Administration	\$0.6	9/30/22	9/30/23
CRRSA	ODHS Admin / ONE Eligibility	\$1.0	9/30/22	9/30/23
Total Available Funds		\$31.8		

*ELD may request a one year, no-cost extension through December 30, 2023.

Previously Allocated Resources via House Bill 3073 (April 2021)

In the development of the fiscal impact for HB 3073, the Oregon Legislature approved 14 positions/12.92 FTE to be hired before the February 2022 session and approved funding for reclassifications of existing ELD positions, both of which amounted to a total General Fund cost of \$3.5 million. These funds are in the 2021-23 Legislatively Approved Budget. Of the 14 legislatively approved positions, six have been filled and two are in active recruitment as of this report.

Special Purpose Appropriation for HB 3073

As part of HB 3073, a special purpose appropriation (SPA) of \$5.1 million General Fund was set aside to cover the costs over and above existing ODE/ELD's budget that will be transferred to DELC. The SPA

included General Fund for 34 positions/10.54 FTE, services, and supplies, as well as GF for indirect backfill for both ODE and DELC.

Updates to Special Purpose Appropriation for HB 3073

Of the 34 positions/10.54 FTE within the SPA, 12 positions/3.0 FTE are requests for General Fund and permanent position authority for existing ELD limited duration positions funded by private or federal grants. ELD is requesting one classification change for one of these 12 positions from a PEM E to a PEM F position. This position will be the Director of Professional Learning, which will focus on the development of DELC's various community partners. In addition, due to the increased cost of technology, supplies and training needs, ELD is requesting additional General Fund for services and supplies to support these positions in January 2022 Legislative Days.

Of the remaining 22 SPA positions, the ELD, at the January 2022 Interim Joint Ways & Means Committee, is requesting the sub-committee recommend approval of the requests during the February 2022 Legislative Session including three classification changes, two position title changes, changes to start dates, which impacts FTE totals, and additional services and supplies for the positions.

The status details of the 22 positions and requested changes are represented in **Figure 8**. Below is additional information for the three classification changes and two title changes:

- **Chief Human Resource Officer:** The Department of Administrative Services (DAS) did not approve the Chief Human Resource Officer at a PEM F classification based on DELC's projected staff size. The position, which will report directly to the Early Learning System Director (with day-to-day supervision of the COO) was approved as a PEM E Human Resource Director.
- **Human Resource Assistant:** The ODE human resources team recommended that the Human Resource Assistant be reclassified to a Human Resource Analyst 1 based on existing and projected workload for DELC.
- **Research Analyst 2:** The ELD recommends reclassifying the Research Analyst 2 Subsidy Data Specialist to a Research Analyst 3 based on the increased need for research and data coordination across DELC. This position will be repurposed as a Child Care Policy Specialist to support the research and child care policy teams.
- **2 Position Title Changes:** Finally, the Information Systems Specialist (ISS) 4 and ISS 8 positions are proposed as Data Analyst and Data & Integration Manager positions, reflecting the anticipated scope of current and on-going IT data systems development/administration, data analytics capability, and internal/external data integration.

Figure 8: Position and Classification Updates to initial SPA Request

SPA Position	Position Change	Position	SPA FTE	January 2022 FTE Request	Net FTE Change
Request to make permanent a limited duration PEM E position	PEM F – Director of Professional Learning	1.0	0.25	0.25	0.0
PEM F - Procurement Director (DPO)		1.0	0.63	0.63	0.0
PEM F - Chief Human Resource Officer	PEM E – Human Resource Director	1.0	0.63	0.63	0.0
PEM E - Budget Director		1.0	0.42	0.63	0.21
Human Resource Assistant	Human Resource Analyst 1	1.0	0.42	0.67	0.25
ISS2 - Help Desk Support		1.0	0.42	0.5	0.08
ISS4 - Web Administrator	ISS4 – Data Analyst	1.0	0.42	0.33	-0.08
Research Analyst 2 - Subsidy Data Specialist (ERDC)	Research Analyst 3	1.0	0.42	0.63	0.21
Accountant 3 - Grant Accountant		1.0	0.25	0.46	0.21
Accountant 3 - Grant Accountant		1.0	0.25	0.25	0.00
Accountant 3		1.0	0.25	0.25	0.00
Accountant 2		1.0	0.25	0.25	0.00
Fiscal Analyst 2		1.0	0.25	0.33	0.08
Fiscal Analyst 1 - Assistant Budget Analyst		1.0	0.25	0.33	0.08
Admin Specialist 2 - Facility/Safety Coordinator		1.0	0.25	0.17	-0.08
ISS 8 - Network Admin	ISS 8 – Data & Integration Manager	1.0	0.25	0.25	0.00
Procurement Assistant		1.0	0.25	0.25	0.00
Electronic Publish & Design Specialist 2		1.0	0.25	0.25	0.00
OPA 3 -Rules Position		1.0	0.25	0.58	0.33
OPA 1 - Translations Coordinator (under Equity office)		1.0	0.25	0.50	0.25
OPA4 - Civil Rights Officer		1.0	0.25	0.38	0.13
Policy Analyst 4 - Consumer Education		1.0	0.25	0.25	0.00
PEM E – Accounting Manager		1.0	0.71	0.67	-0.4

The total costs associated with the SPA, including updates, are \$5.8 million. Below is the detail of the SPA and new request made to the January 2022 Interim Joint Ways & Means Committee:

Description	Positions	FTE	General Fund
HB 3073 SPA Positions	34.0	10.54	2,323,200
HB 3073 SPA Position S&S			255,000
HB 3073 SPA S&S DELC			650,000
HB 3073 SPA ODE/DELC Indirect Backfill			1,902,065
Total 2021-23 HB 3073 SPA	34.0	10.54	5,130,265
New General Fund Position and S&S Costs	Positions	FTE	General Fund
HB 3073 SPA Position Additional Cost	0.0	1.84	412,618
HB 3073 SPA S&S Additional Cost			238,000
Total New GF Requested January 2022 IJW&M	0.0	1.84	650,618
Total ODE/DELC GF Request January 2022	34.0	12.38	5,780,883

Newly Identified Fiscal and Budget Transition Impacts

The following section outlines additional short- and long-term resource needs required to stand up and stabilize DELC. The following items have been identified since the SPA was submitted to the legislature in the summer of 2021. This section outlines new requests for General Funds and also identifies if there are plans to use ARPA funds for certain efforts.

New Position Requests: February 2022 Legislative Session

The following section details new DELC position requests, that will augment the positions requested in the SPA to create and stabilize DELC. New position requests have been identified through the planning activities outlined in the phases of [Section I](#). Below is a summary outlining the rationale for the additional position requests:

- In current state ERDC, there are five child care assistance policy staff supporting these functions in non-budgeted roles at ODHS. DELC requests six permanent positions to ensure continuation of all ERDC services starting on July 1, 2023. Under the new organizational structure, the five child care assistance policy positions will report to the Chief of Programs.
- Nineteen of the new requests are required to execute the new administrative functions of DELC that were previously provided by ODE, which has been chronically underfunded to meet the needs of ELD. These positions will reside within the COO office and will complete the budget, accounting, procurement, information technology, and human resources teams.
- To support the external service delivery components of the organization, DELC is requesting ten positions to build out the project management, data analysis, policy, and tribal affairs teams.

These ten positions will operate under the Chief of Staff organization and will support other DELC organizational offices.

- In addition to the request for the permanent Child Care Assistance Policy Team members, DELC is requesting an OPA2 to provide additional support to the coordinated enrollment of early learning programs under the Chief of Programs to support the addition of ERDC.
- The Chief of Policy Team will expand to provide additional support for the Child Care Development Fund, which funds ERDC, with an OPA 2 and OP4 leading the work.
- The legislature has made significant investments in the OCC in previous legislative sessions. As a result, there are only three new position requests to support the expanded workload to ensure OCC can support license-exempt providers as well as the licensed child care providers they already serve. Two of the new position requests will help form the new subsidy suspensions team in partnership with the two positions that will transfer in 2023-2025 from ODHS. The third position request will further build out the enforcement team through the addition of an OPA2.

Based on this current-state analysis and the new roles and functions needed to support DELC, ELD is currently estimating a need for 40 additional positions to support critical system infrastructure and ensure that DELC has the capacity needed to execute existing, new, and future work. Through its detailed analysis and planning process, ELD has identified target phase in dates for all positions between April 2022 and June 30, 2023.

The initial estimate of the new positions determined by classification and start date is \$4.3 million for the 2021-2023 biennium and \$10.1 million for the 2023-2025 biennium.

Figure 9 provides a full list of the additional position requests.

Figure 9: New DELC Position Requests

Position	Agency Unit	Position Title	Classification	Months
1	Chief of Programs	Child Care Assistance Policy	OPA3	14
2	Chief of Programs	Child Care Assistance Policy	OPA3	14
3	Chief of Programs	Child Care Assistance Policy	OPA3	14
4	Chief of Programs	Child Care Assistance Policy	OPA2	14
5	Chief of Programs	Child Care Assistance Manager	PEM D	6
6	Chief of Programs	Coordinated Enrollment Specialist	OPA2	6
7	Chief of Staff	Data Analyst	OPA2	15
8	Chief of Staff	Data Analyst	OPA2	6

9	Chief of Staff	Lean Leader	OPA3	8
10	Chief of Staff	Lean Leader	OPA3	6
11	Chief of Staff	Operations & Business Analyst	OPA2	2
12	Chief of Staff	Project Coordinator	OPA2	10
13	Chief of Staff	Coordinator, Tribal Affairs	ADMIN SP2	14
14	Chief of Staff	Data Support	ADMIN SP2	15
15	Chief of Staff	Data Support	ADMIN SP2	15
16	Chief of Staff	Director, Tribal Affairs	PEM D	15
17	Office of Child Care	Coordinator, Enforcement	OPA2	5
18	Office of Child Care	Coordinator, Suspensions	OPA2	5
19	Office of Child Care	Manager, Suspensions	PEM D	11
20	Chief Operating Officer	Talent Acquisition	HR AN2	15
21	Chief Operating Officer	Coordinator, Safety	SAFETY SP2	13
22	Chief Operating Officer	Specialist, Training	TRAIN DEV SP2	11
23	Chief Operating Officer	Application Administrator	ISS7	14
24	Chief Operating Officer	Application Administrator	ISS7	8
25	Chief Operating Officer	Data Administrator	ISS7	9
26	Chief Operating Officer	Business Analyst	ISS7	14
27	Chief Operating Officer	IT Operations Manager	PEM E	15
28	Chief Operating Officer	Procurement Specialist	PRO/CON SP2	14

29	Chief Operating Officer	Procurement Specialist	PRO/CON SP2	14
30	Chief Operating Officer	Senior Procurement Specialist	PRO/CON SP3	14
31	Chief Operating Officer	Procurement Assistant	PRO/CON ASST 1	14
32	Chief Operating Officer	Outreach & Training Coordinator	PA2	13
33	Chief Operating Officer	Grant Management Specialist	PA2	6
34	Chief Operating Officer	Accounting Tech	ACCT TECH3	8
35	Chief Operating Officer	Payroll Specialist	ACCT TECH3	15
36	Chief Operating Officer	Accounting Techs	ACCT TECH3 – LD	8
37	Chief Operating Officer	Accounting Tech	ACCT TECH3 – LD	8
38	Chief Operating Officer	Accounting Tech	ACCT TECH3 – LD	8
39	Chief of Policy	CCDF Administration	OPA2	15
40	Chief of Policy	Policy	OPA4	15

DELIC is currently in negotiations with ODE to determine the feasibility of receiving ongoing accounting support. The determination of those conversations could lessen the need for a full accounting team within DELIC. In addition, three limited duration accounting technicians have been requested to support DELIC as a contingency plan in case an electronic grants management system cannot be procured by DELIC for the first 6 months of operations. In that instance, accounting and provider payment processes to grantees would become manual until a substitute system could be identified and engaged.

External Support Needs

Through the project planning undertaken at the start of the “Build” phase of DELIC, 45 discrete projects were identified to transfer ELD/ODHS programs and stand up DELIC’s back-office functions by January 1, 2023 (For a list of projects, see [Appendix IX](#)). These projects span a variety of categories including budget, general administration, policy development, organization and process, technology and data, and HR.

Through the scoping and sequencing of these projects (See [Appendix XI](#) for a timeline project snapshot), ELD has identified the need for additional resources best addressed through the procurement of short-term external support. Standing up DELIC will require additional, short-term, external resources to provide supplementary skillsets and capacity that would likely be delayed by the hiring of Limited

Duration positions, particularly given the volume of recruitments ELD and, eventually, DELC will be undertaking. The transition will also require support and expertise from ODE, ODHS, DAS, and other partner agencies.

The externally identified resource needs primarily fit into one of three categories for the duration of 2022 and 2023: IT, project management and business operations, and change management and communications.

Using an external resource forecast tool, initial estimates indicate that there 19 types of external support that will be required to transition DELC. These positions are listed below in **Figure 10**. The external resource forecast assumes that the need for external resources will decrease over time as DELC hires new positions that can support the work associated with the transition. See [Appendix XII](#), which provides a snapshot of the resource forecast that was developed to estimate additional support requirements.

Figure 10: External Resource Position Types

#	External Resource	Resource Type
1	AD & IAM Expert	Information Technology
2	Business Analyst	Project Management & Business Operations
3	Cloud BCDR Expert	Information Technology
4	IT Governance Expert	Information Technology
5	IT Project Manager	Information Technology
6	OCM Analyst	Change Management & Communications
7	Office 365 Expert	Information Technology
8	Process Consultant	Project Management & Business Operations
9	Project Managers	Project Management & Business Operations
10	Server Administrator	Information Technology
11	Testing Lead	Information Technology
12	PMO Lead	Project Management & Business Operations
13	Project Coordinator	Project Management & Business Operations
14	IT Business Analyst	Information Technology

15	Policy Analyst	Policy
16	Data Infrastructure Developer	Information Technology
17	Script Developer	Information Technology
18	Report Developer	Information Technology
19	OCM Lead	Change Management & Communications

Using a blended rate methodology with the estimated workload associated with each position, ELD estimates that an additional \$10 million to \$12 million in external labor costs will be required to stand up DELC. A portion of these costs will be covered by federal ARPA funds.

Technology

Although high-level planning is still underway, the ELD Leadership team has estimated IT costs will range from \$12 million to \$23 million over the next 3.5 years to stand-up new DELC infrastructure and replace critical systems capabilities. These IT costs will be paid for with Federal Funds (**Figure 8**) through September 30, 2024, but may require additional General Funds to complete in the 2023-2025 biennium. New data infrastructure and system replacements are expected to be the largest cost items. Updated cost projections will be presented for approval in the February 2022 Legislative Session budget request (2021-203 budget impact) and for Agency Request Budget (ARB) (2023-2025 budget impact). See **Figure 11** for cost estimations of the core projects and [Appendix XIII](#), which outlines these costs in greater detail.

Figure 11: Summary of one-time Information Technology Estimated Costs

			Cost Range - \$ in Millions		Biennium	
			Aggregate		~Budget Impact	
Projects	Scope Assumptions	~Duration	~Low	~High	21-23	23-25
Core Infrastructure and IT Services	DELC domain and Active Directory, Network, Email Services, SharePoint, File Servers and Secure File Transfer capabilities Helpdesk, Mobile Device Mgmt., Laptops and Peripherals DELC Website (Incl. content migration and legacy site retirement)	15 months	2.0	3.0	2.0-3.0	0
Data Infrastructure	Internal and partner data collection, data store(s), master data management, analytics tool, report/dashboard development, data source integrations and data catalog	36 months	5.0	10.0	2.0-3.0	3.0-7.0
System Replacements	Replace ELD CCRIS, ERDC provider payment and ODE grant mgmt. capabilities; Required as an outcome of transition and critical to streamlining current manual processes	36 months	5.0	10.0	3.0-5.0	2.0-5.0
Total			\$12.0	\$23.0	\$7.0-11.0	\$5.0-12.0

Figure 11 above assumes the following:

1. Costs related to the ONE system changes and DPU systems, and projected ongoing IT costs - including support, maintenance, and post-implementation licensing, are not included in the rough order of magnitude estimate. For all other projects, rough order of magnitude cost estimates are inclusive of one-time resource/consulting costs, licenses and subscriptions, enhancements, or integrations to existing systems.
2. Duration estimates assume Requirements, Architecture, RFP, Procurement, and Implementation activities.
3. Range estimates were derived through benchmarking similar state system implementation costs; actual implementation costs of DELC IT projects will be confirmed during the procurement process and may vary up to +/- 50%.

As stated above, [Appendix XIII](#) outlines these on-going costs in more detail.

Child Care Assistance Programs Transfer

As outlined in [Section II](#), DELC will contract with ODHS for select services to support ERDC and other child care assistance programs. ODHS has estimated the cost of these services based on the current understanding of services needed. In preparation for the ARB, ODHS and ELD will work together to define the service agreements and initiate the IAAs.¹⁹ Project teams in both agencies will also begin developing the processes to support the cross-agency collaboration in preparation for the July 1, 2023, program transfer.

Figure 12: ODHS Interagency Agreement Estimated Costs (23-25 biennium)

Description	Amount
Information and Records Management Services ²⁰	\$1.7M
Office of Payments, Accuracy, and Recovery (incl. Fraud & Investigations)	\$1.0M
Office of Training, Investigations, and Safety	\$0.3M
Hearings	\$0.2M
Quality Control	\$0.3M
ODHS Field Offices / Eligibility Support*	N/A
Total ODHS IAA Cost²¹	\$3.5M

* Due to the current ODHS budget structure there are no anticipated initial costs to DELC for ERDC eligibility fieldwork in 2023-25. In the future, if DELC implements program and policy changes that increase the ERDC caseload, ODHS will then determine the costs associated with that increase and include those charges in the DELC/ODHS IAA. ODHS will develop a formula for calculating those costs based on caseload size.

¹⁹ More information on how each of these functions will support DELC can be found in Section II.

²⁰ This service will no longer be needed when the Provider Pay system is replaced. Currently, significant manual processing of forms is required as an input into the billing process.

²¹ Per biennium. Changes to the ONE Eligibility System, Provider Pay System, and other ODHS legacy systems will incur a cost and be managed by existing governance and prioritization structures.

Interagency Agreements

DELIC's successful launch will require close collaboration with various other Oregon state agencies. While certain interagency agreements (IAAs) are included in estimates shared above, including the costs from IAAs with ODHS and DAS, additional conversations will occur to estimate potential costs associated with new functions for the agency. Below is a list of additional potential expenses that may be reported on in future DELIC transition updates:

- Department of Revenue – Collections
- Department of Justice – Internal Audit
- Department of Education – Accounting

Section VI. Legislation Recommendations & Next Steps

The ELD presented the contents of this report to the Interim Joint Ways and Means Subcommittee on Education on January 12, 2022. This includes a request for approval of the 34 positions/12.38 FTE in the SPA with proposed reclasses, at \$5.8 million. The ELD will request approval of the 40 additional positions/18.58 FTE at \$4.3 million, in the February 2022 Legislative Session, for a total estimated additional General Fund impact of \$10.1 million on the ELD/DELIC 2021-2023 budget. This request brings the total General Fund impact to 88 positions/43.88 FTE for \$13.6 million, including LAB.

The estimated General Fund budget impact on the ELD/DELIC 2023-2025 budget requires further analysis, but will include:

- \$23 million to maintain the 88 permanent positions,
- \$3.5 million for child care assistance in IAAs with ODHS,
- an estimated \$8.9 million for state government service charges and fees,
- Plus additional costs for IAAs with EIS, Revenue, and other agencies still to be identified.

Implementation Consideration

Drafted Legislative Concept (LC) 104 for February 2022 legislative session delays DELIC implementation six months, from January 1, 2023 to July 1, 2023. This delay in implementation date will allow the ELD additional time should hiring or procurement delays arise. Regardless of the implementation date in 2023, ELD requires 74 positions/30.96 FTE to successfully stand-up DELIC. However, ODE and ELD would not require \$1.9 million in the SPA to backfill positions funded by indirect lost from moving ELD mid-biennium. This would reduce the total request to \$11.7M for the 2021-2023 biennium.

Background Checks:

The House Early Childhood Committee is introducing LC 104 in the 2022 Legislative Session, which will transfer the authority to perform background checks for license-exempt child care from ODHS' Background Check Unit to ELD's Office of Child Care. At the request of the Legislative Fiscal Office, ELD will provide a fiscal impact of this policy change within the Fiscal Impact Statement for LC 104—which contains other provisions that may not be related to the ERDC transition. As currently drafted, LC 104 will give the Office Child Care the authority to begin the background check transition as early as April 2022 with the goal of completing the transfer by July 1, 2023.

Alternative Rate Methodology:

HB 3073 directs ELD to prepare a report on how to transition child care provider rates for ERDC to an approved alternate rate-setting structure that is determined by operating costs and the costs of meeting quality standards, rather than market price, in alignment with guidance from the federal Child Care Development Fund (CCDF). In February 2022, ELD will launch an Advisory Committee to support, develop and shape the principles and framework for the alternate rate-setting structure for the report to the Oregon Legislature in December 2022. From this report, ELD will submit a proposed Alternative Rate Methodology for consideration to the federal Office of Child Care to include in Oregon's CCDF State Plan.

Recommendation: Due to the need to convene an Advisory Committee and submit a proposed framework to the federal Office of Child Care for approval, ELD proposes moving the adoption of administrative rules relating to the Alternative Rate Methodology to July 1, 2023, with an implementation date of January 1, 2024.

Next Steps

As referenced in [Section I](#), the DELC Leadership and Project teams will increase their focus on building DELC in the spring of 2022. This will include executing over 45 discrete transition projects ranging from drafting the new DELC administrative ruleset, to migrating the Direct Pay Unit, to engaging impacted partners across the state. DELC Leadership will also be managing risks, including mitigating internal and external barriers to procurement, and supporting Human Resources in hiring and retaining strong talent.

DELC is also tracking the Birth to Five Child Care Assistance and Universal Pre-K programs outlined in Build Back Better, which, if it passes, will infuse more than \$400 billion of funding into early childhood across the country. The Act supports expanded access through startup and supply expansion grants, quality grants, and facilities grants. To access the funds, estimated at \$1 billion²² over the next three years, DELC will need to develop a state plan, including an improved tiered quality rating system. The Act outlines eligibility requirements for the funding, including provisions around income, copays, and work or education requirements. Should Build Back Better pass, the ELD will need to return to the Legislature for additional position authority, as the work needed to implement the proposed policies could not be absorbed within ELD's existing capacity.

In September 2022, the DELC Leadership Team will submit a third progress update to the Legislature on implementation, program transfers and the budget, fiscal, and legislative impacts.

²² [Build Back Better Act's Child Care Provisions: State-by-State Estimates](#)

References

- Calderon, M., Chatterjee, A., Gill, C., & Haun, D. (2021, February 22). *House Early Childhood Committee: HB 3073*. Retrieved from Oregon State Legislature:
<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/PublicTestimonyDocument/5690>
- Marsal, A. &. (2021, September). Employment Related Day Care Program Summary.
- Northwest, E. (2021). *Oregon Department of Education: EI/ECSE policy review and state scan*. Portland.
- Unverzagt, E. (2021, June 2). Re: Comments on Child Care and Development Fund (CCDF) Plan for Oregon, FFY 2022-2024. OregonASK.

Appendices

Appendix I: Summary of ELD Current State Analysis

To establish a baseline of the current state, members of ELD contributed information through data requests, interviews and workshops. The synthesis of this information forms the foundation of the current state from which DELC will be designed in accordance with HB 3073.

Key Themes

- Heavily interconnected to contracted, community partners for service delivery
- Technology with a lack of standardization across tool and process results in a decentralization model with limited reporting
- Dedicated workforce planning can improve recruiting and retention for critical workforce segments as well as instill clearer delineation of roles and responsibilities across the organization

Challenges Facing DELC

- Lack of systems, data and records coming together under a common organization and format
- Ability to obligate and spend funds without initial cash reserves
- Identifying key roles to address staffing capacity and the ability to develop standard operating procedures
- Stand up of functions to assume responsibility for areas provided by ODE, ODHS, and other agencies today

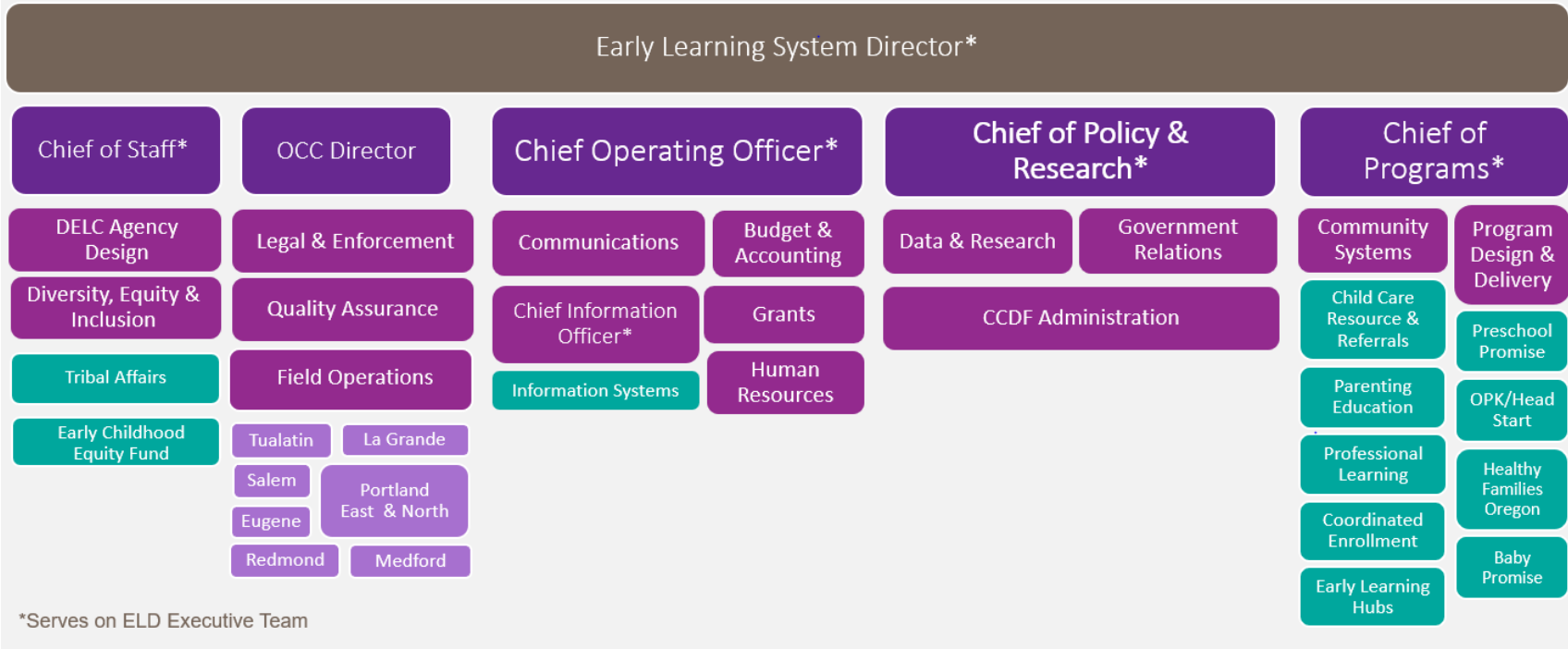
Aspirational Observations

- The use of data to both monitor programs today and longitudinally can influence the theory of change being followed at community partners as well as help with program design and performance management
- Coordinated enrollment can leverage data to ensure that children are being placed in the programs which will provide the best outcomes
- Incorporating performance improvement opportunities into the future state operating model will allow DELC to enhance the experience of families, providers and employees

Appendix II: Current Early Learning Division Organizational Structure (L1 – L3)

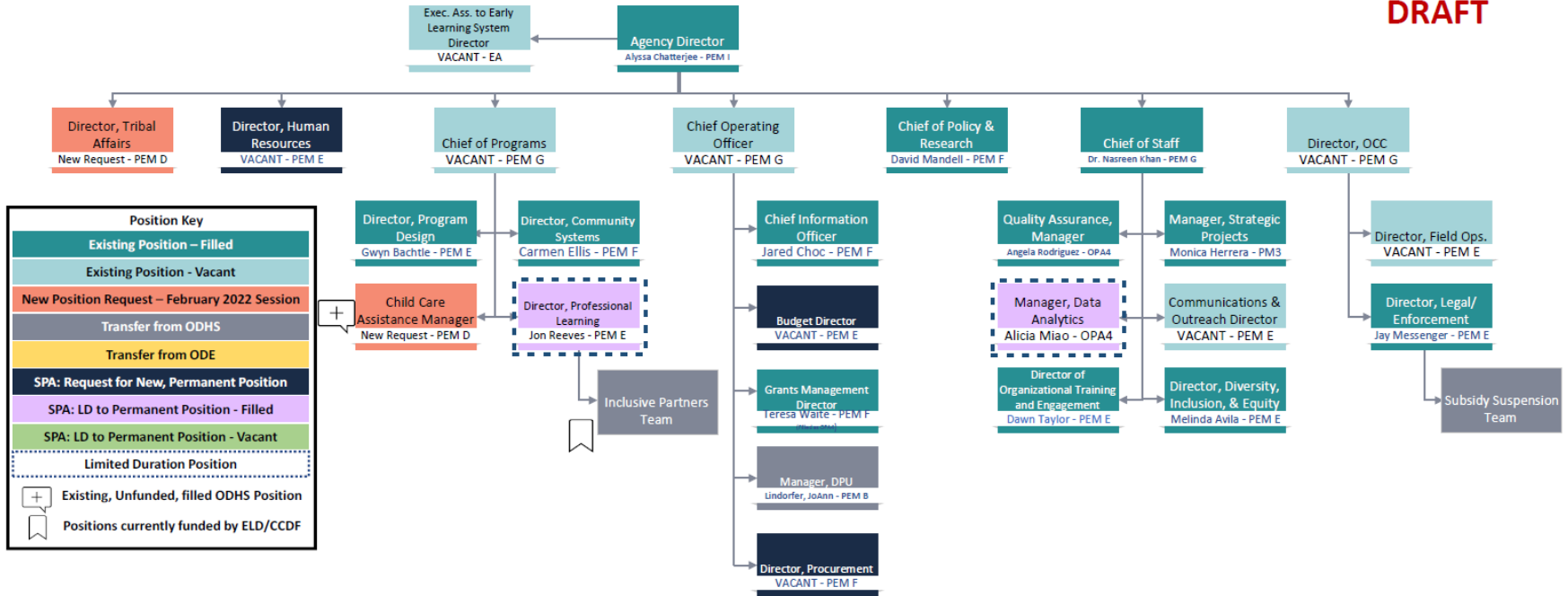


Current Organizational Structure



Appendix III: Organizational Chart

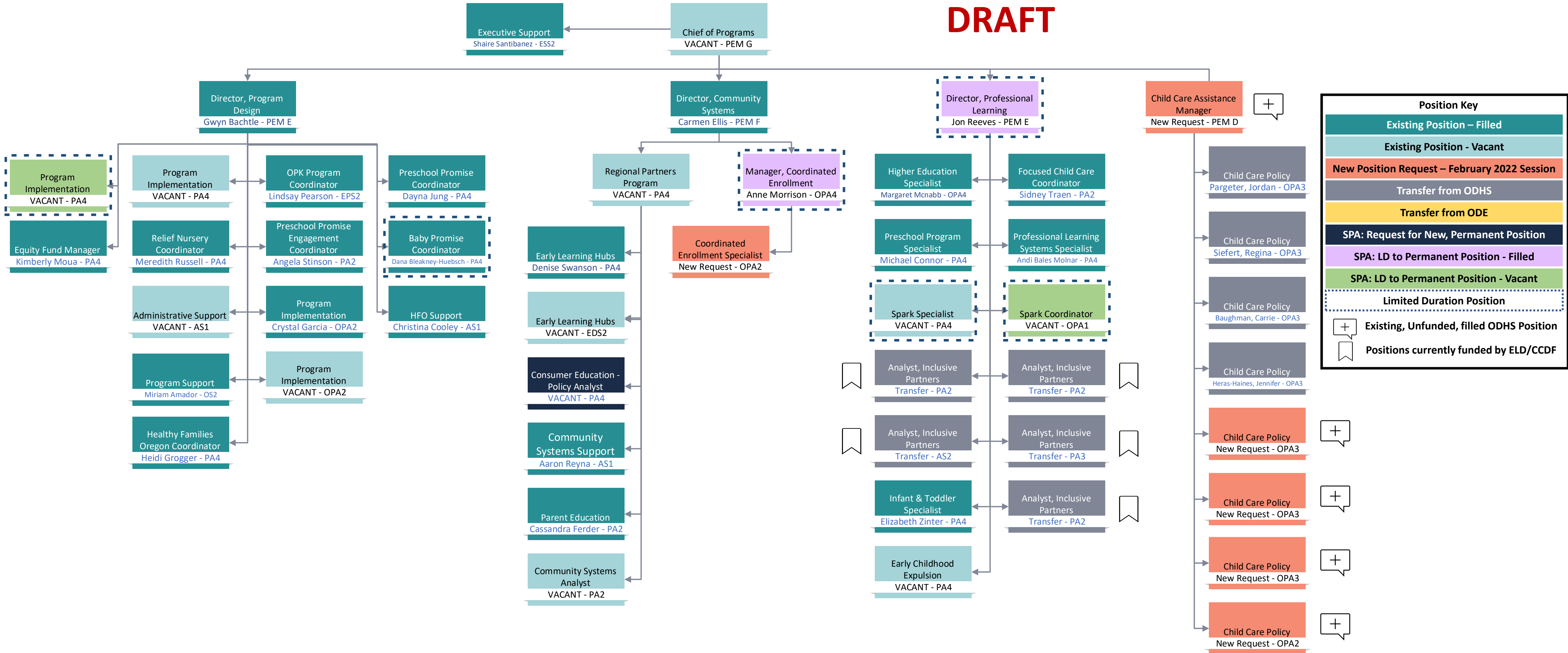
DRAFT



Position Key

- Existing Position - Filled
- Existing Position - Vacant
- New Position Request - February 2022 Session
- Transfer from ODHS
- Transfer from ODE
- SPA: Request for New, Permanent Position
- SPA: LD to Permanent Position - Filled
- SPA: LD to Permanent Position - Vacant
- Limited Duration Position
- Existing, Unfunded, filled ODHS Position
- Positions currently funded by ELD/CCDF

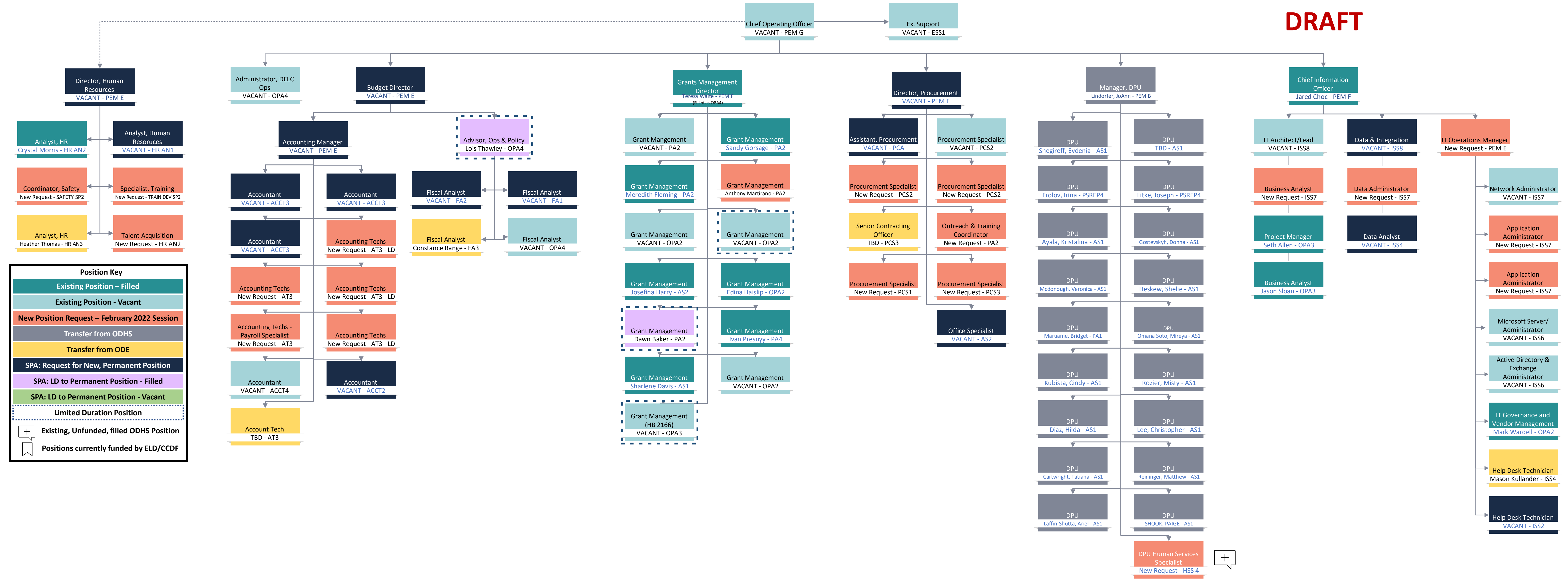
DRAFT



Position Key

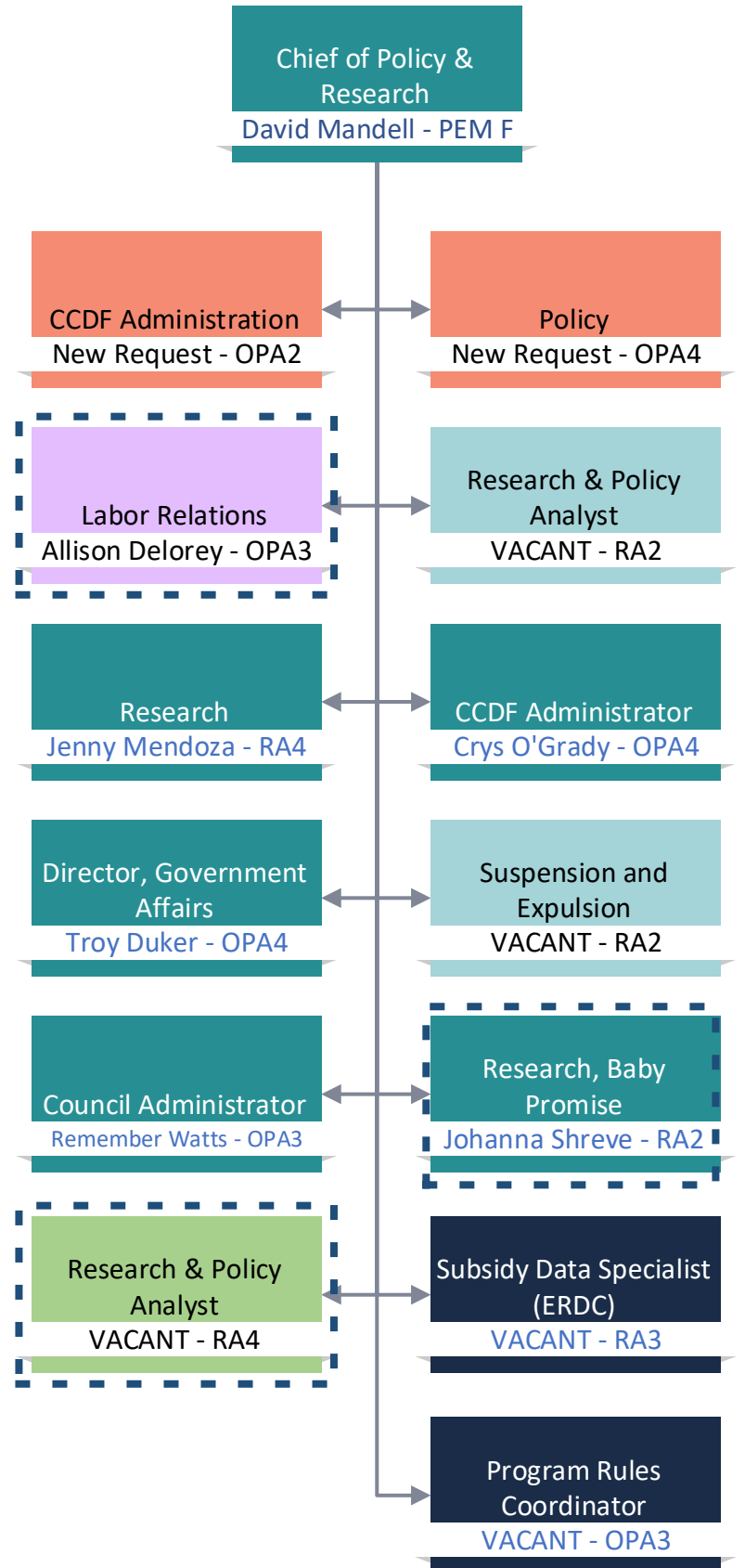
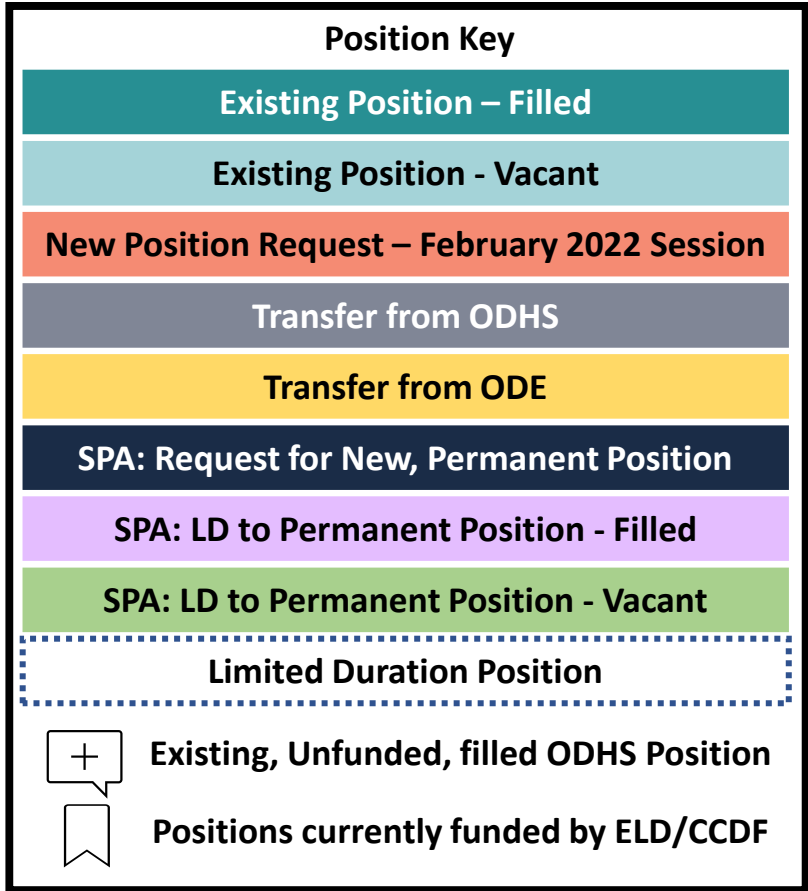
- Existing Position – Filled
- Existing Position - Vacant
- New Position Request – February 2022 Session
- Transfer from ODHS
- Transfer from ODE
- SPA: Request for New, Permanent Position
- SPA: LD to Permanent Position - Filled
- SPA: LD to Permanent Position - Vacant
- Limited Duration Position
- Existing, Unfunded, filled ODHS Position
- Positions currently funded by ELD/CCDF

DRAFT

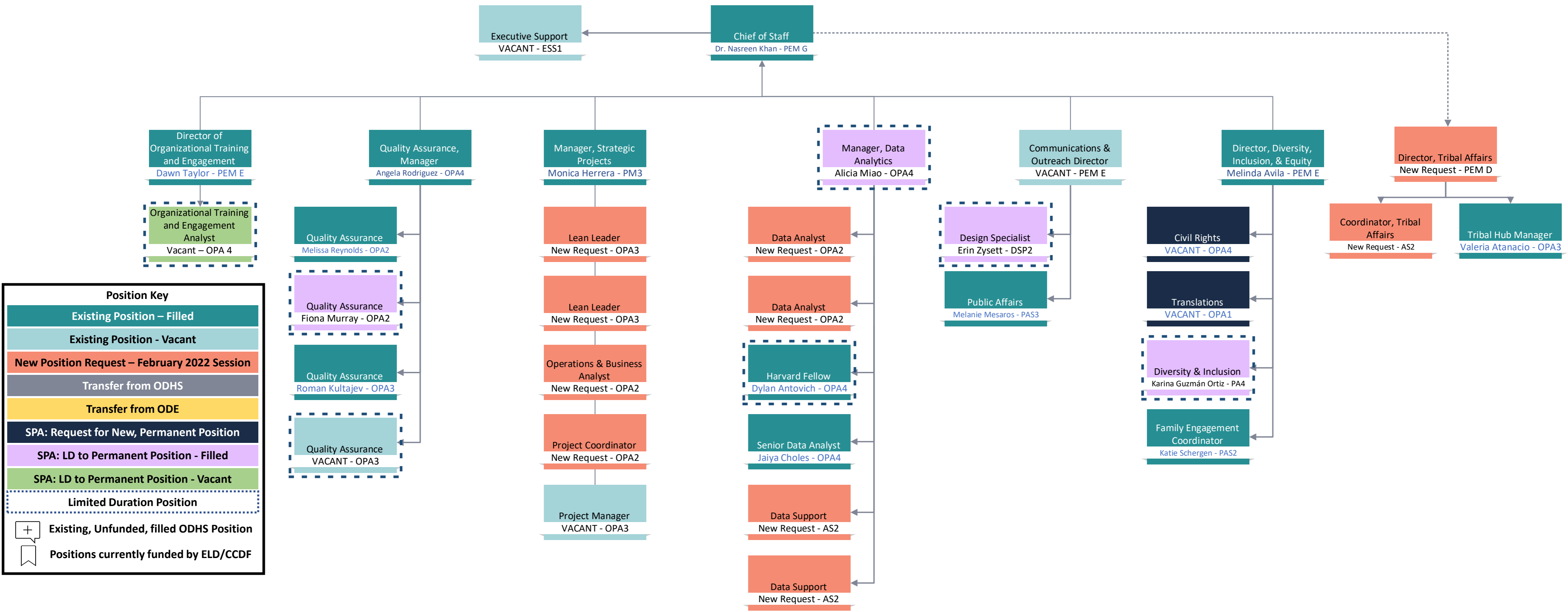


Position Key

- Existing Position – Filled
- Existing Position - Vacant
- New Position Request – February 2022 Session
- Transfer from ODHS
- Transfer from ODE
- SPA: Request for New, Permanent Position
- SPA: LD to Permanent Position - Filled
- SPA: LD to Permanent Position - Vacant
- Limited Duration Position
- Existing, Unfunded, filled ODHS Position
- Positions currently funded by ELD/CCDF



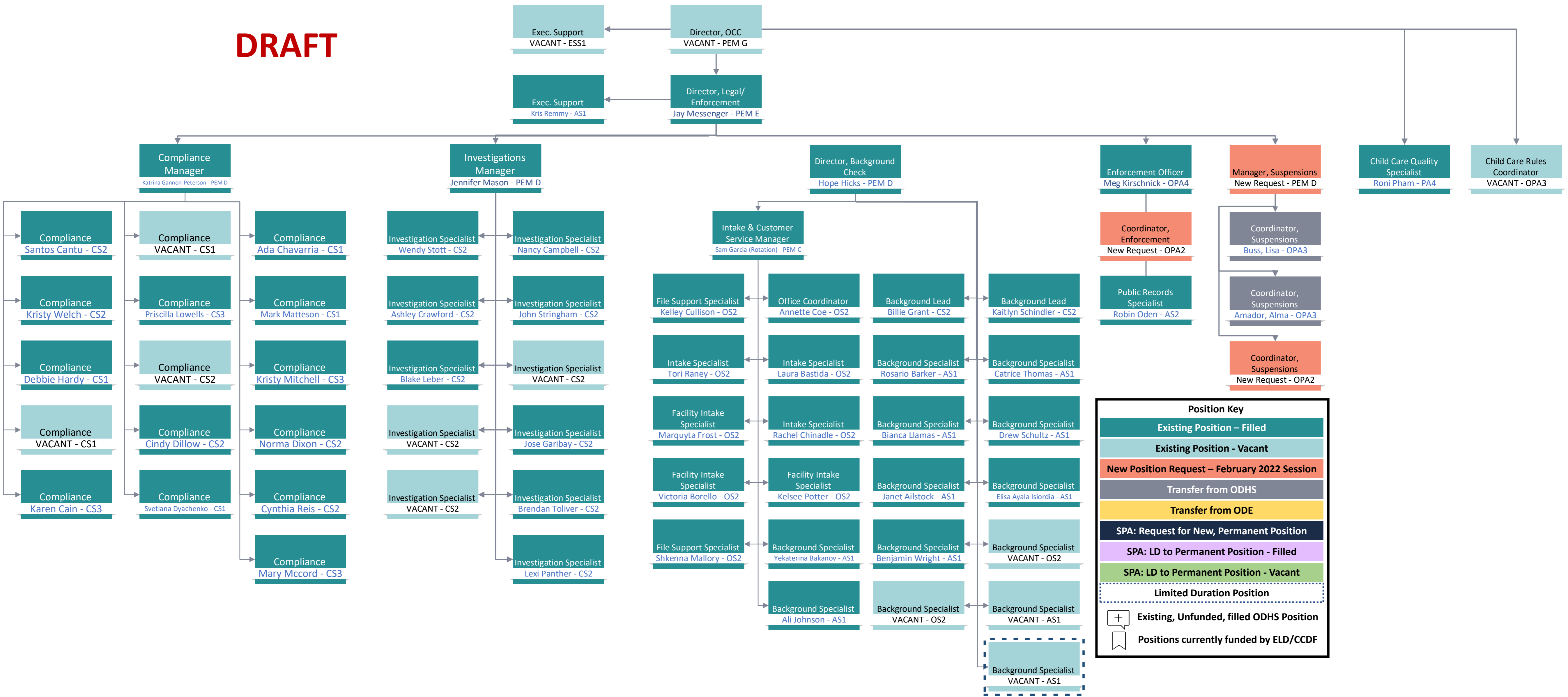
DRAFT



Position Key

- Existing Position – Filled
- Existing Position - Vacant
- New Position Request – February 2022 Session
- Transfer from ODHS
- Transfer from ODE
- SPA: Request for New, Permanent Position
- SPA: LD to Permanent Position - Filled
- SPA: LD to Permanent Position - Vacant
- Limited Duration Position
- Existing, Unfunded, filled ODHS Position
- Positions currently funded by ELD/CCDF

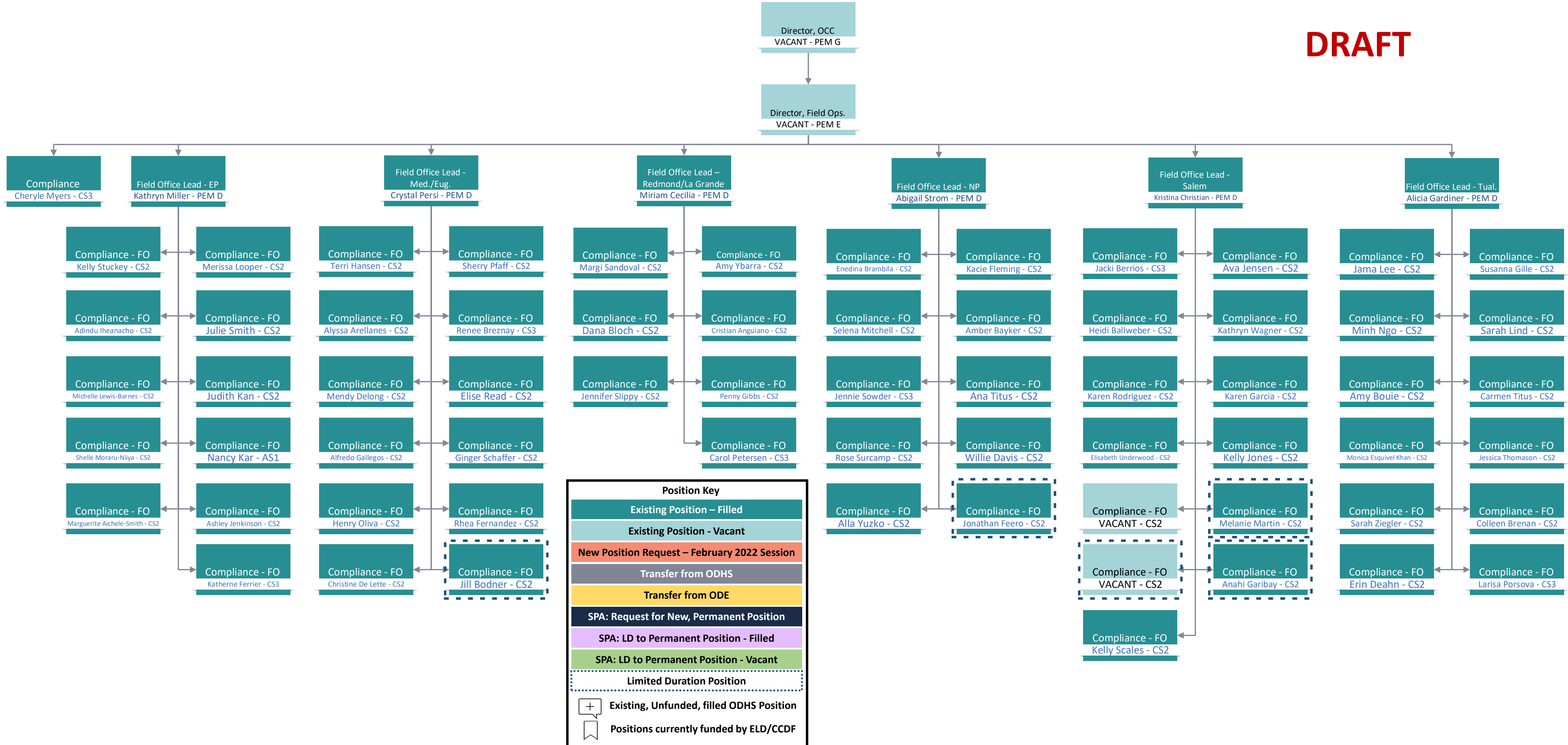
DRAFT



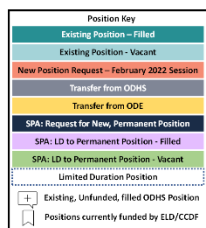
Position Key

- Existing Position – Filled
- Existing Position - Vacant
- New Position Request – February 2022 Session
- Transfer from ODHS
- Transfer from ODE
- SPA: Request for New, Permanent Position
- SPA: LD to Permanent Position - Filled
- SPA: LD to Permanent Position - Vacant
- Limited Duration Position
- + Existing, Unfunded, filled ODHS Position
- Positions currently funded by ELD/CCDF

DRAFT



Chief of Staff | Functional Overview



Quality Assurance	<ul style="list-style-type: none"> Provides systematic reviews of organizational processes and develop reporting to support performance improvement opportunities.
Comms and Outreach	<ul style="list-style-type: none"> Support the entire agency to deliver timely messages to internal and external stakeholders, build awareness of programs through marketing efforts, and help the public navigate the Early Learning and Care system with clarity
Diversity, Equity & Inclusion	<ul style="list-style-type: none"> Support efforts to hire and retain diverse individuals and to foster a workplace and service delivery model in which all stakeholders feel respected, accepted, supported and valued
Org. Training & Engagement	<ul style="list-style-type: none"> Facilitate efforts to identify DELC activities that are working well and areas where there are gaps and risk Develop plans to address the gaps and risks and create a culture of cont. improvement
Strategic Projects (EPMO)	<ul style="list-style-type: none"> Deliver project management discipline across all major initiatives within the agency Pulls resources from across the Agency to provide consistent governance and deliver on project charters and plans
Data & Analytics	<ul style="list-style-type: none"> Implement data accuracy, integrity, and standards across the organization Leverage information from across DELC to develop and provide high quality reporting, statistical analysis, and other actionable information for the Agency and for stakeholders

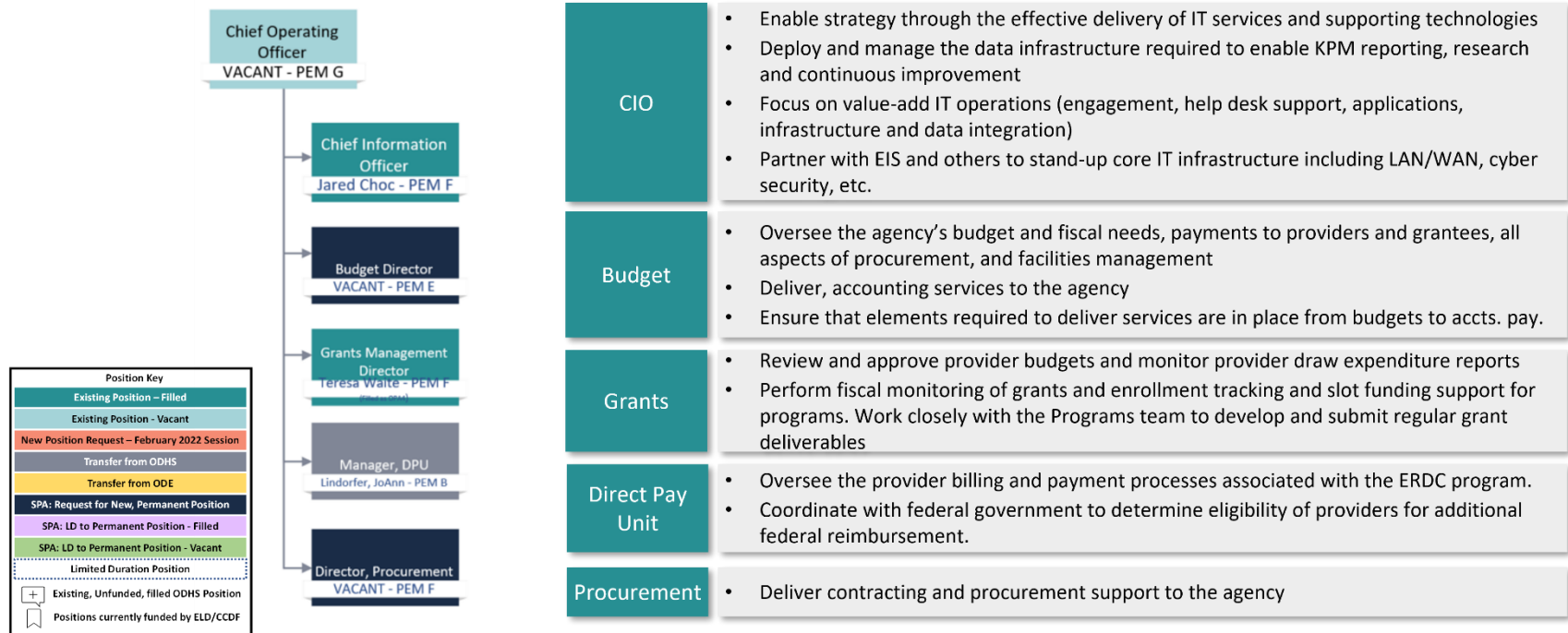
Tribal Affairs, Human Resources, Policy & Research | Functional Overview



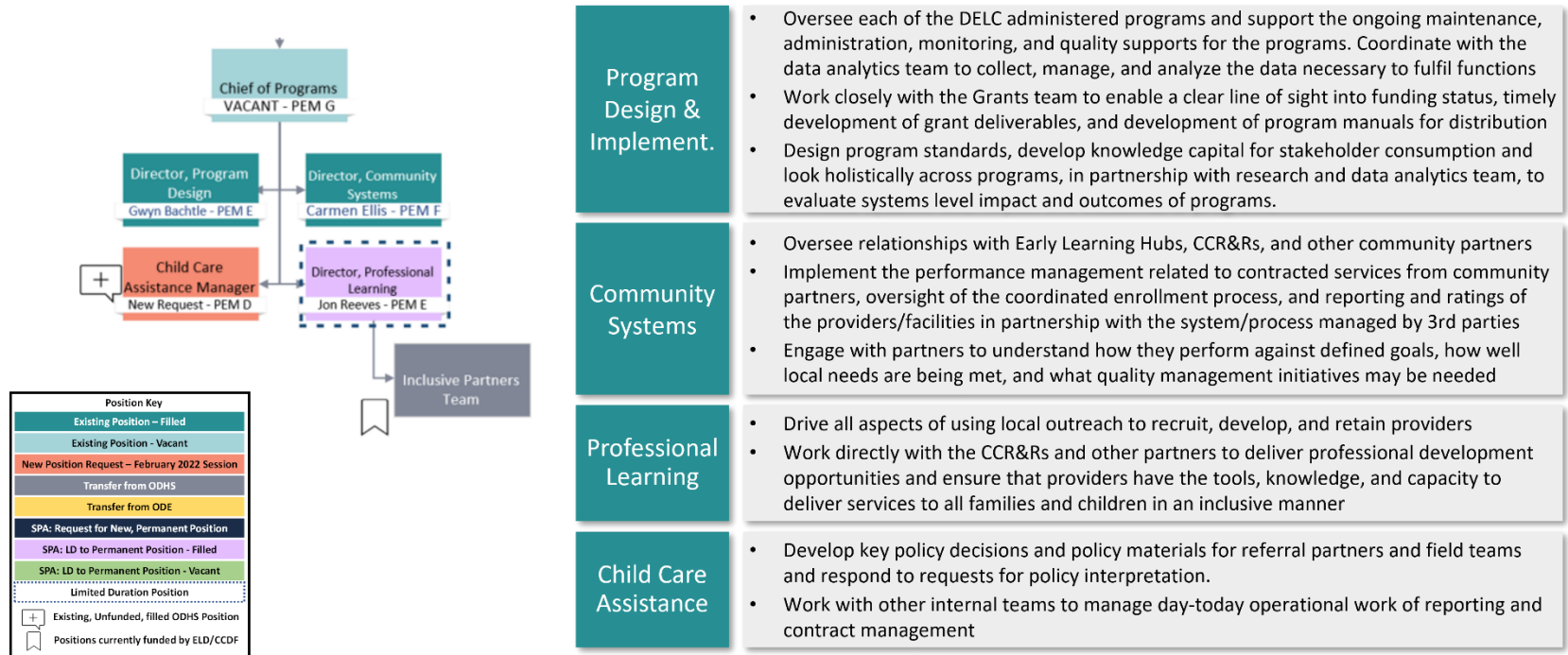
Position Key	
Existing Position – Filled	
Existing Position - Vacant	
New Position Request – February 2022 Session	
Transfer from ODHS	
Transfer from ODE	
SPA: Request for New, Permanent Position	
SPA: LD to Permanent Position - Filled	
SPA: LD to Permanent Position - Vacant	
Limited Duration Position	
+	Existing, Unfunded, filled ODHS Position
📄	Positions currently funded by ELD/CCDF

Tribal Affairs	<ul style="list-style-type: none"> • Work directly with the sovereign nations within Oregon to coordinate program delivery, considering language, culture, parent engagement and outcomes for children • Direct reporting line to the Agency director and works closely with the DE&I group
Human Resources	<ul style="list-style-type: none"> • Oversee all aspects of employee lifecycle management including talent acquisition, employee relations, payroll, learning and development, safety, and retirement • Serve as the steward of internal human capital and strive to deliver an outstanding employee experience for all DELC staff and stakeholders
Policy & Research	<ul style="list-style-type: none"> • Oversee Government Relations and ensure legislation is turned into policy and rules • Provide thought leadership to lobby for future legislation, rules changes, and policy modifications to support children and families

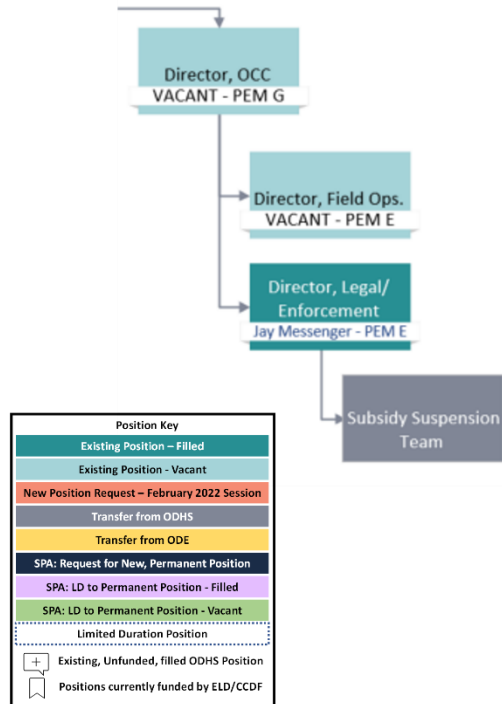
Chief Operating Officer | Functional Overview



Chief of Programs | Functional Overview



Office of Child Care | Functional Overview



Field Operations Director

- Oversee all DELC field offices and operations
- Responsible for the staff that ensures compliance at all licensed and license-exempt child care and early learning facilities across the state
- Perform scheduled and unscheduled visits to facilities, work with providers to ensure compliance with rules, and assist with coordinating with CCR&Rs to provide professional development recommendations

Legal & Enforce. Director

- Oversee background checks, compliance, investigations, and coordination with other agencies.
- Ensure that all licensed child care facilities and providers are cleared to work with children, that complaints are investigated, and that any enforcement actions are seen through
- Collaborate closely with the ODHS Office of Training and Investigations

Appendix IX: Snapshot of DRAFT Project Portfolio - Categories View

- Work in Progress , ~40 project defined to date

Strategy, Policy & Budget	General Administration	Organization & Process	Technology & Data	Human Capital Mgmt.
<ul style="list-style-type: none"> ▪ S1: Execute Change Mgmt. Strategy and Plan ▪ S2: Mobilize and Operate Implementation PMO ▪ S3: Define and Implement Changes to ERDC Eligibility Criteria ▪ S4: Develop DELC Rule Set <ul style="list-style-type: none"> ▪ Technical rule revisions – ELD ▪ Technical rule revisions - ODHS ▪ Define, implement school-age rules ▪ Define, implement True Cost of Care ▪ S5: CCDF State Plan Edit A&B ▪ S6: Refactor DELC projects - Short Session outcomes ▪ S7: Refactor Provider CBAs 	<ul style="list-style-type: none"> ▪ G1: DELC Brand Design ▪ G2: Establish DELC Agency ▪ G3A: Clean up Websites ▪ G3B: Develop & Launch DELC Website ▪ G4: Ready DELC Facilities ▪ G5: Rebrand Websites and Materials ▪ G6: Implement/ Refactor DELC Interagency Agreement ▪ G6A: Create IAAs for Support Functions that Remain in ODHS ▪ G7: Refactor / implement Vendor Contracts ▪ G7A: Contract with ODHS for Eligibility 	<ul style="list-style-type: none"> ▪ O1: Consolidate / Refactor current state ERDC, ELD Process & Training Documentation ▪ O2: Migrate the Direct Pay Unit Function ▪ O3: Migrate Child Care Policy Function ▪ O4: Migrate Inclusive Partners Function ▪ O5: Define and Implement Grant/Grantee Mgmt. P&P ▪ O6: Define and Implement KPM Reporting P&P ▪ O7: Define and Implement EPMO P&P ▪ O8: Define and Implement Caseload Mgmt. P&P ▪ O9: Define and Implement Program Lifecycle, incl. Quality P&P ▪ O10: Define and Implement Provider Lifecycle P&P ▪ O11: Define and Implement Data Governance P&P ▪ O12: Define and Implement Procurement P&P ▪ O13: Define and Implement Internal Audit P&P - TBD 	<ul style="list-style-type: none"> ▪ T1: Define and Implement IT Governance P&P ▪ T2: Establish Core IT Infrastructure ▪ T3: Establish Access to ODE Systems ▪ T4: Add DELC to ONE System Governance & Develop System Access ▪ T5: Establish DELC End-User Device Mgmt. ▪ T6: Deploy IT Help Desk ▪ T7: Migrate DELC Users & Data from ODE ▪ T8: Architect and Implement Data Infrastructure Phases A-E ▪ T9: Define Options, Procure and Implement Provider Management Platform Phases A-C ▪ T10: Add ELD Programs in ONE ▪ T11: Define Options, Procure and Implement Grants Management System Phases A-C 	<ul style="list-style-type: none"> ▪ H1: Acquire DELC Talent ▪ H2: Define and Implement Employee Lifecycle Mgmt. P&P ▪ H3: Refactor Employee CBA(s) ▪ H4: Migrate Positions

Appendix X: DELC Hiring Timeline 2022-2023

Hiring Strategy | Prioritization Approach and Assumptions (2022)

Org. Structure	January to March 2022	April to June 2022	July to September 2022	October to December 2022
Chief of Programs		<ul style="list-style-type: none"> • 5/1 – Childcare Policy: OPA2 • 5/1 – Childcare Policy: OPA3 • 5/1 – Childcare Policy: OPA3 • 5/1 – Childcare Policy: OPA3 		<ul style="list-style-type: none"> • 10/1 – Program Implement: PEM E
Chief Operating Officer	<ul style="list-style-type: none"> • 3/1 - Analyst, Hum. Res: HR AN1 • 3/1 - Budget Director: PEM E 	<ul style="list-style-type: none"> • 4/1 - Accounting Manager: PEM E • 4/1 - Director, Human Resources: PEM E • 4/1 - Director, Procurement: PEM F • 5/1 – Help Desk Technician – ISS2 • 4/1 - Payroll Specialist: ACCT TECH3 • 4/1 – Talent Acquisition: HR AN2 • 4/1 – IT Operations Manager: PEM E • 4/1 – Data Support: AS2 • 4/1 – Data Support: AS2 • 5/1 – Procur. Specialist: PRO/CON SP2 • 5/1 – Procur. Specialist: PRO/CON SP2 • 5/1 – Application Administrator – ISS7 • 5/1 – Business Analyst – ISS7 • 6/1 – Coordinator Safety – SSP2 • 6/1 – Outreach & Train. Coord. – PA2 	<ul style="list-style-type: none"> • 7/1 - Data Analyst – ISS4 • 8/1 – Accountant – ACCT3 • 8/1 – Accountant – ACCT3 • 7/1 – Procurement Spec. : PCSP2 • 8/1 – Specialist, Training: TD SP2 	<ul style="list-style-type: none"> • 11/1 - Fiscal Analyst: FA2 • 11/1 - Fiscal Analyst: FA1 • 10/1 – Data Administrator: ISS7 • 11/1 – Account Tech: AT3 • 11/1 – Account Tech: AT3 - LD • 11/1 – Account Tech: AT3 – LD • 11/1 – Account Tech: AT3 – LD • 11/1 - Application Admin – ISS7
Chief of Staff		<ul style="list-style-type: none"> • 4/1 – Data Analyst: OPA2 • 4/1 – CCDF Administration: OPA2 • 4/1 – Policy: OPA4 • 4/1 – Director, Tribal Affairs: PEM D • 5/1 – Coordinator, Tribal Affairs: AS2 	<ul style="list-style-type: none"> 7/1 – Translations – OPA1 9/1 – Project Coordinator: OPA2 	<ul style="list-style-type: none"> • 10/1 – Civil Rights: OPA 4 • 11/1 – Lean Leader – OPA3
Office of Child Care		<ul style="list-style-type: none"> • 5/1 - Rules Position: OPA3 	<ul style="list-style-type: none"> • 8/1 – Suspensions Mgr.: OPA 3 	

• SPA Positions • New Position Requests

Hiring Strategy | Prioritization Approach and Assumptions (2022)

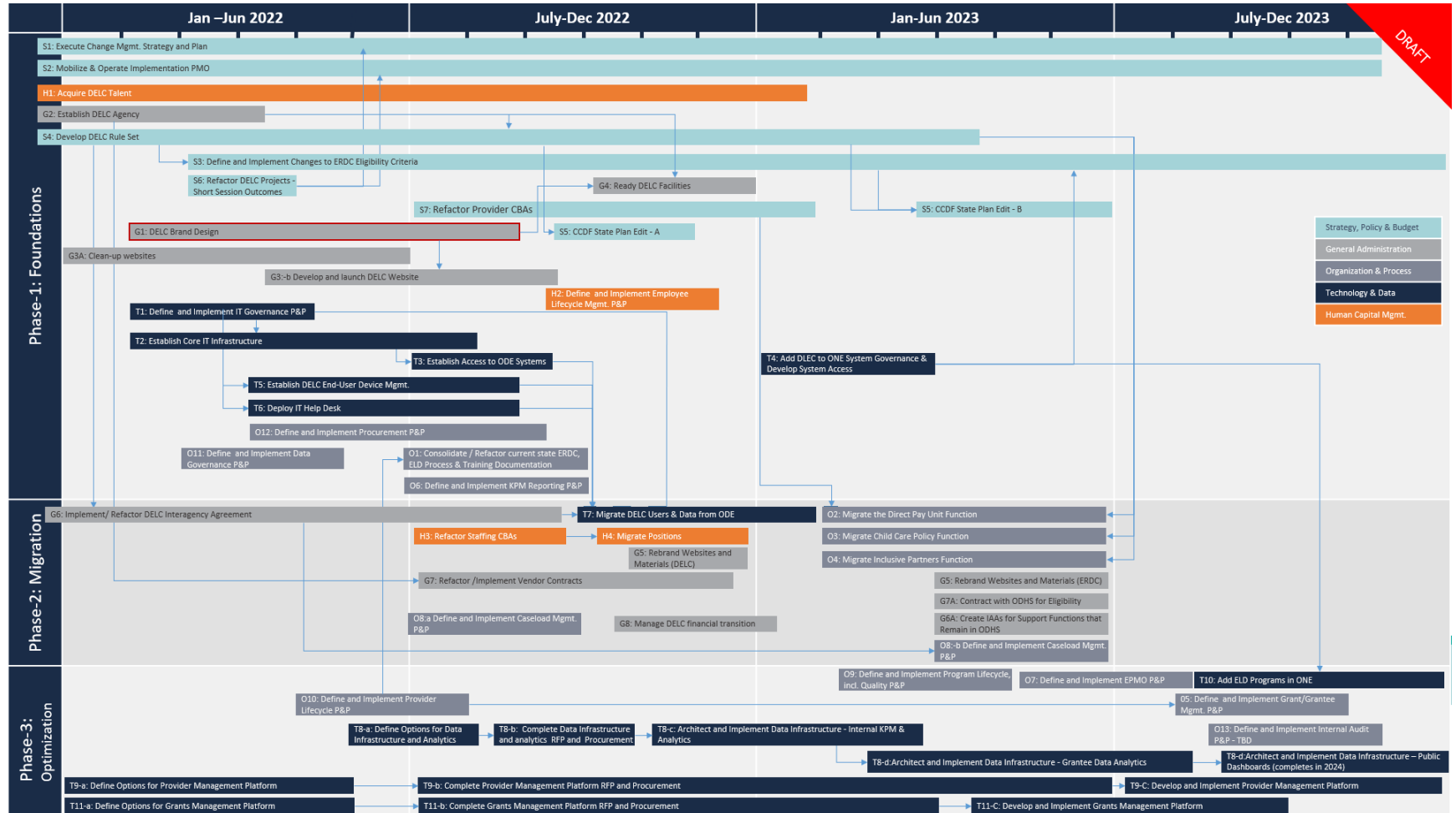
Org. Structure	January to March 2023	April to June 2023	July to September 2023	October to December 2023
Chief of Programs	<ul style="list-style-type: none"> • 1/1 - Consumer Education: PA4 • 1/1 - Coord Enrollment Specialist: OPA2 	<ul style="list-style-type: none"> • 4/1 - Subsidy Data Specialist (ERDC): RA3 	<ul style="list-style-type: none"> • 7/1 - Manager, Childcare Policy: PEM D 	
Chief Operating Officer	<ul style="list-style-type: none"> • 1/1 - Accountant: ACCT2 • 1/1 - Accountant: ACCT3 • 1/1 - Procurement Asst: PRO/CON AS • 1/1 - Data & Integration: ISS8 • 3/1 - Office Specialist: ADMIN SP2 • 1/1 - Grant Manager: PA2 		<ul style="list-style-type: none"> • 7/1 - DPU Human Servs. Specialist: HSS 4 	
Chief of Staff	<ul style="list-style-type: none"> • 1/1 - Design Specialist: DES SP 2 • 1/1 - Data Analyst: OPA2 • 1/1 - Lean Leader : OPA3 	<ul style="list-style-type: none"> • 5/1 - Operations & Business Analyst: OPA 2 		
Office of Child Care	<ul style="list-style-type: none"> • 2/1 - Coordinator, Enforcement: OPA2 • 2/1 - Coordinator, Suspensions: OPA2 			

• SPA Positions

• New Position Requests

Appendix XI: DRAFT of Projects Roadmap Timeline

Following snapshot depicts the current sequencing and rough duration of the identified projects. The duration and sequencing of the projects will be refined further in the next phase of the planning.



Appendix XII: External Resource Forecast

The following snapshot depicts the external resource forecast need associated with the workload estimate required to stand up of DELC. This workload need was identified through the scoping and sequencing of the projects included in the portfolio in **Appendix IX**.

In certain instances, a need for short-term subject matter expertise was identified to support the projects associated with the stand up of DELC’s information technology infrastructure (for example, the Cloud BCDR Expert). In other projects, a need was identified for short-term staff to support the various transition projects (for example, the Project Managers).

Workload Resource	1st Half of 2022																													
	Jan					Feb					Mar					Apr					May					Jun				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26				
AD & IAM Expert	0.5	1	1	1	1	1	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1	0.5	0.5	0.5							
Business Analyst	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2	2	2	1	1	2	2	1.5	1.5	1	1	1	1	1	1					
Cloud BCDR Expert	0.5											0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8									
IT Governance Expert							1	1	1	1	1	1	1	1				1												
IT Project Manager	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1					
OCM Analyst	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3					
Office 365 Expert	0.5			1	1	1	1	2	2	2	2	2	2.5	1.5	0.5	0.5	0.5	1	1	1	1	0.5	0.5	0.5						
Process Consultant		1	1	1	1	1	2	2	2	2	1	1	0.5	0.5	1															
Project Managers	2.7	1.9	1.9	1.9	1.9	3.2	2.4	2.4	2.4	2.7	3.2	3.2	3.2	4.2	2.9	3.2	3.2	3.2	3	2.3	2.3	2.3	2	2	2					
Server Administrator	0.5										1	1.5	1.5	1.5	2.5	2.5	2.5	2	1	1	1	0.5	0.5	0.5						
Testing Lead	0.5											0.3	0.3	0.3	0.3	0.3	0.3	1	1	1	1	0.8	0.8	0.8						
PMD Lead	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					
Project Coordinator	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					
IT Business Analyst	1	1	1	1	1	2	2	2	2	2	1.5	1.5	1	1	1															
Policy Analyst	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					
Data Infrastructure Developer																														
Script Developer																														
Report Developer																														
OCM Lead	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1					
Total	13	12	12	13	13	16	17	18	18	18	19	20	18	17	17	16	16	18	16	15	15	12	12	12	8.3					
																									9.3					

Appendix XIII: Technology Cost Estimate Details

A. Core Infrastructure and IT Services: The table below provides an estimate of one-time transition cost for projects related to core infrastructure and IT services.

Project	Low (in ,000)	High (in ,000)
T2: Establish Core IT Infrastructure	\$1,210	\$1,815
T7: Migrate users and data from ODE to DELC	\$200	\$300
G3b: Develop & Launch DELC Website	\$170	\$255
T1: Define and Implement IT Governance P&P	\$130	\$195
Laptops and peripherals for new employees (50)	\$125	\$188
T4: Add DELC to ONE Governance and Develop System Access	\$90	\$135
G5: Rebrand Websites and Materials	\$80	\$120
T3: Establish access to ODE systems from DELC domain	\$30	\$45
G3 a: Clean-up Websites	\$30	\$45
T6: Deploy IT Help Desk	\$20	\$30
T5: Establish DELC end-user device management	\$10	\$15
T10: Add ELD Programs in ONE ¹	\$10	\$15
Total	\$2,105	\$3,158

¹ –Estimate covers only business analysis and testing; does not include development cost for making changes in the ONE

Estimated Range = \$2-3M

B. Data Infrastructure: DELC data infrastructure project T8: Architect and Implement Data Infrastructure will require following five phases over 36 months period. Based on comparable projects in Oregon and other states, the broad range for the estimate of this project is \$5-10M. The first phase of the project will establish detailed requirements and business case with refined cost estimate for the project.

- a. Define Options for Data Infrastructure and Analytic
- b. Complete Data Infrastructure and analytics RFP and Procurement
- c. Architect and Implement Data Infrastructure - Internal KPM & Analytics
- d. Architect and Implement Data Infrastructure - Grantee Data Analytics
- e. Architect and Implement Data Infrastructure - Public Dashboards

C. System Replacements: Following existing legacy systems with antiquated technology need to be replaced for efficient operation of the DELC.

- CCRIS system is used by ELD for processing child-care provider licenses, tracking of safety and compliance, and background checks. This system needs to be retired and replaced. Previous attempt to replace it by ELIS was not successful.
- Direct Pay Unit of ODHS utilizes Service Authorization and Provider Pay systems for processing payments to Providers for ERDC program. Both systems are 30+ years old Main Frame systems and are marginally maintainable.
- ELD at present utilizes Electronic Grant Management Systems (EGMS) maintained by ODE. This system is an Access database-based system and ODE is in the procurement process to replace this system.

Following two projects on the roadmap seek to define options and implement the replacement systems –

1. T9: Define Options, Procure and Implement Provider Management Platform
2. T11: Define Options, Procure and Implement Grants Management System

Based on other similar systems developed at Oregon, the estimated cost to replace these systems is \$5-10M. The first phase of the projects will establish detailed requirements and business case with refined cost estimate for these projects.