



Preschool Promise Accountability Report

House Early Childhood and Human Services Committee

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Purpose

Preschool Promise has seen significant growth since 2016. However, a number of factors –including the nationwide child care workforce shortage resulting from the pandemic, application delays, and challenges related to onboarding new providers – impacted enrollment in Preschool Promise. As ELD begins to transition to its own agency, the Department of Early Learning and Care, we wanted to share an update on how we are taking action to continuously improve Preschool Promise program administration.

- Preschool Promise launched its first statewide expansion at the start of the pandemic, resulting in significant under-enrollment of the program.
- ELD responded to the needs of a fragile early childhood sector by stabilizing programs during the pandemic, and implementing additional accountability measures for the 2022-23 program year.
- This report addresses the strategies the Early Learning Division has taken and will be taking to address enrollment, ensure accountability for funds allocated to Preschool Promise programs.



Agenda



Preschool Promise Program Overview



COVID-19 Program Administration



Accountability for Public Resources



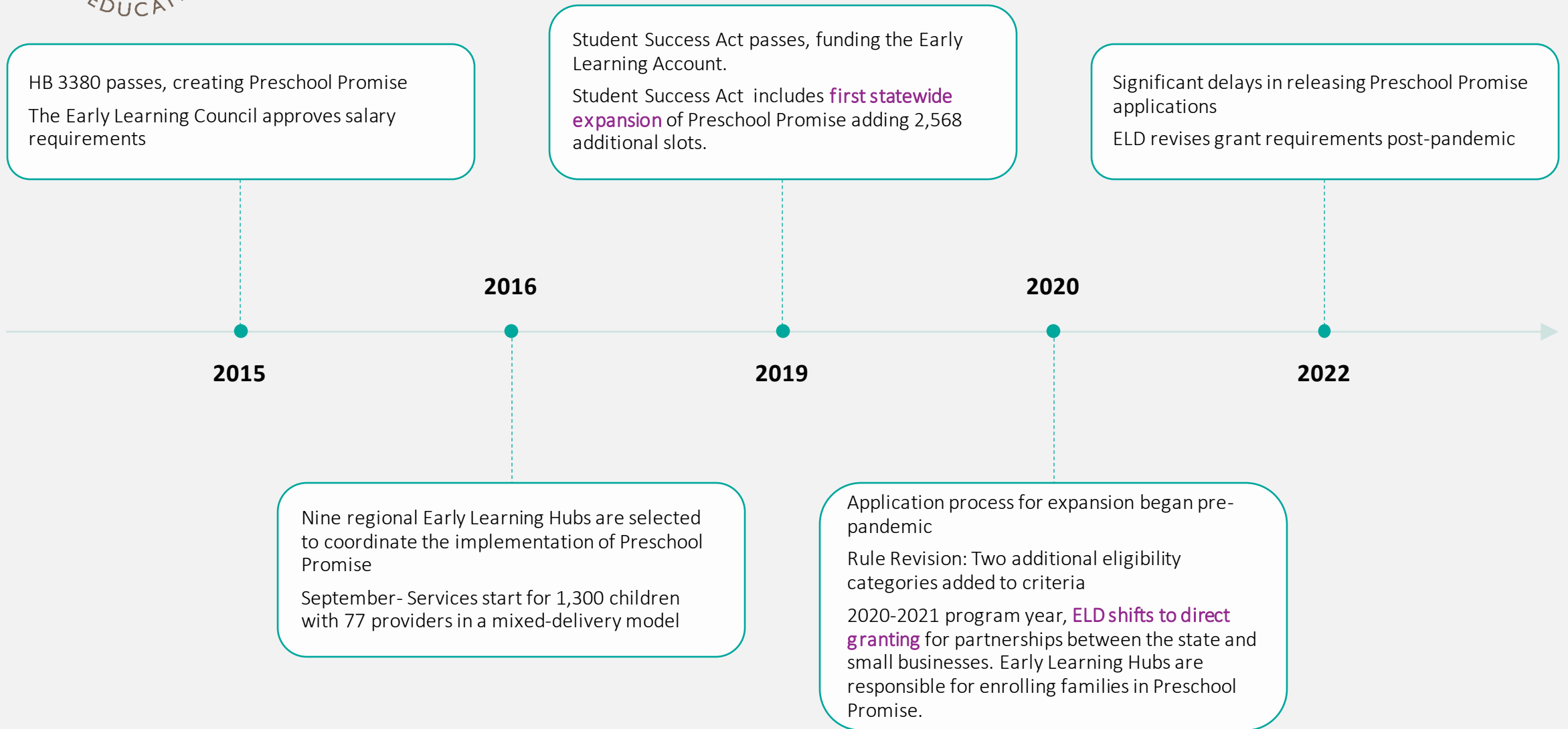
Questions



Preschool Promise Program Overview



History of Preschool Promise





Preschool Promise Program Purpose

- Expand access to high quality preschool programming in a variety of settings beyond Oregon Prenatal to Kindergarten, which is limited to primarily serving families at 100% FPL
- Ensure pathways and supports for the early educator workforce, including minimum and target salary requirements on par with kindergarten teachers, commensurate with experience



Preschool Promise Services

- Serves children up to 200% FPL, foster families, and families in some rural communities regardless of income
- Delivered in a mixed-delivery model, recognizing the importance of family choice and that high quality preschool can occur in home-based child care, centers, nonprofits, and K-12 schools
- Provides a minimum of 900 instructional hours per program year
- Provides a minimum salary on parity with kindergarten educators
- ELD grants directly with providers across the state, with some Hubs sub-granting as requested by providers.
 - ELD currently holds 233 agreements with Preschool Promise providers across ~340 program sites.
- Early Learning Hubs coordinate enrollment across Preschool Promise programs in their region.



Enrollment Responsibilities

- 2016 – 2019 Preschool Promise grantees responsible for recruiting, determining eligibility, and enrollment children in their programs (for 8 of the 9 regions)
- 2020 – 2021 first statewide program year with direct granting with the state
 - Early Learning Hubs recruit, determine eligibility for and enroll children in Preschool Promise



Funding Considerations

Applicants must have a ready facility and be staffed appropriately to start services by the required date prior to their grant being executed.

Fixed costs that are not dependent on number of children enrolled include:

- Facility rent/mortgage, utilities, ground maintenance, licenses/regulatory costs, insurance, support/infrastructure personnel (front desk, payroll, HR, custodial, IT, food service).

Preschool Promise lead teacher and teacher assistant salaries must meet salary guidelines adopted by the Early Learning Council

- Grantees must provide their Preschool Promise teaching staff with paid time off (sick, personal, vacation) during the Preschool Promise Program Year.
- For early learning programs, approximately 75% of the funding received or profit earned is needed for personnel.



Legislative Approval of Funding

- 2021, Legislature held back \$38M of \$68M designated for early learning program expansion, including Preschool Promise
- 2022, ELD surveyed interested providers and identified 276 potential applicants, interested in serving 4,515 additional children and families across the state
 - Legislature released remaining funds



COVID-19 Program Administration & Response



ELD Pandemic Response

- **2020-2021** Shifted focus to maintaining the limited availability of high quality preschool programming
 - Aligned policies with federal Office of Head Start
 - First time Preschool Promise experienced low enrollment since 2016 program launch
 - Funding claims approved as submitted. A draw report is a required activity, but not needed for claim approval as the agency focused on stabilizing programs
- **2021-2022** Required in-person services for Preschool Promise programs
 - Deviation from federal Office of Head Start
 - Reached 75% enrollment by end of the program year, outpacing federal program enrollment
 - Funding claims approved with an accompanying draw report that matches what is claimed.



2020-2021 Pandemic Program Operations

Executive Order 20-19 closed all child care programs and required programs to apply to be an Emergency Child Care Facility

- Adherence with strict health and safety requirements, including small group sizes

Grantees had four options to choose from to operate during the 2020-2021 program year, with the requirement to return to full-in person operations 30 days after Governor Brown lifted the State of Emergency

- Programs that opted to continue providing in-person services had to reduce classrooms from 20 to 10 children to comply with health and safety requirements

Many families opted to keep their children home, regardless of the service delivery option selected by the program



2020-2021 Pandemic Program Operations

Option 1: Comprehensive Home-Based Learning

- Remote comprehensive services offered in the child's home

Option 2: Hybrid #1- Daily Onsite and Comprehensive Home-Based Learning

- Small group of children receive on-site services, while the remaining enrolled children receive Comprehensive Home-Based Learning

Option 3 Hybrid #2- Staggered Scheduling and Comprehensive Home-Based Learning

- Programs divide the total classroom enrollment into two stable groups served on-site on a rotating schedule

Option 4 Program Specific Design

- Designed by the program, including online or virtual programming or sending materials and resources for families to use as home with their preschoolers.



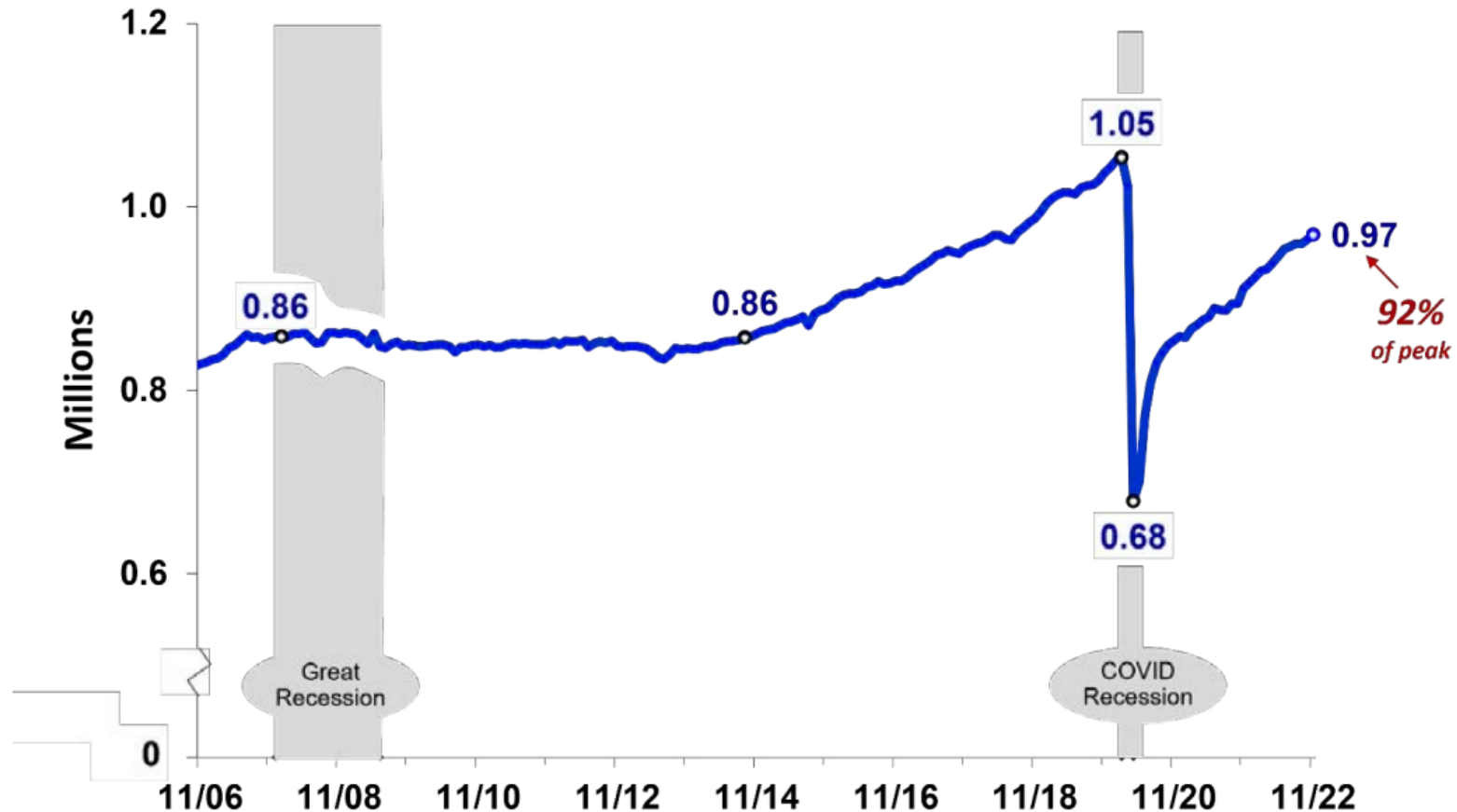
2020-2021 Additional Programming Constraints

- Delays in licensing their facilities or obtaining the required permits to open because of the pandemic
- Delays in the shipment of furniture and supplies
- Similarly, the pandemic hindered ELD's ability to conduct on-site monitoring visits to new and existing grantees



National Child Care Workforce Availability

Figure 1. Employees in the Child Care Industry, Seasonally Adjusted, November 2006 to November 2022



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, <https://www.bls.gov/ces/data/home.htm>



Enrollment Impacts

2020 – 2021 first low enrollment since program launched

- Emergency Child Care Facility requirements required smaller group sizes
 - Not all programs had enough space to operate a full capacity with smaller group sizes, or were unable to hire additional staff
- National data shows that child care attendance plummeted during the 2020 – 2021 program year, and had not recovered to pre-pandemic levels in 2022
 - As a result, ELD did not implement the Low Enrollment Action Plan until the 2022 – 2023 program year



2022-2023 Program Administration

- Enrollment thresholds established for 2022-2023 program year for existing grantees to continue offering services
 - 15 out of 173 continuing grantees did not meet enrollment thresholds
 - 12 grantees received reductions in slots
 - 3 grantees had sufficient recruitment plans in place or could not see further slot reduction without risking non-compliance with other grant requirements, such as salary minimums
 - Grantees who did not meet the threshold were put on a Low Enrollment Action Plan involving the provider and local Early Learning Hub for targeted enrollment.



Accountability for Public Funds



ELD/DELIC Administrative Evolution

- Ongoing development of the Department of Early Learning and Care
- Administrative functions historically provided by ODE, including:
 - Grants Management
 - IT
 - Accounting & Budget
 - Procurement
- Increasingly these functions being delivered "in-house"
 - Different functions have moved on different timelines
- All will be fully "in-house" by July 1



Internal Capacity

- New Chief Operating Officer (as of 2/20) overseeing development and management of all DELC administrative functions and related policies, processes and procedures
- Since Fall 2022, ELD procurement team has grown from a team of two to a team of five members plus the director.
 - New procurement team has already developed grant agreements for next round of agreements, well ahead of the timeline that was experienced in the 2022-23
- GRB includes POP 105 – 1 Program Implementation Manager and 4 Quality Assurance Specialists to develop internal capacity for program site monitoring and TA



Grant Requirements for Funding

- Insurance
 - Commercial General Liability
 - Automobile Liability
 - Personal Liability
 - Worker's Compensation
 - Physical Abuse and Molestation
- Ready Facilities
 - Given the various delays the ELD experienced in the launch of the RFA and intent to award, some programs were not ready to open by the established due date for the 2022-2023 program year
 - ELD established an Unopened Site process to reduce program funding in accordance with delayed program operations



Grant Monitoring Changes

Enrollment History

- **2020-2021** represented first low-enrollment period in program's history
- **2021-2022** ELD required in-person services as a condition of funding, with enrollment reaching 75% statewide by the end of the program year
- **2022-2023** ELD increased grant monitoring of approximately 340 monthly reports
 - Reports submitted by Hubs, and have been updated to include the number of families placed, the number of transfers, challenges, and the plan for filling slots in under-enrolled programs
 - **November 2022**, ELD added a weekly Preschool Promise enrollment report on the number of open slots across each Early Learning Hub region.
- As of **March 24, 2023**, Preschool Promise is at **84% enrollment statewide**
 - 2% increase in last 30 days



Grant Management System Development

- Implementation of full life-cycle grant management system
 - Two phases with completion in 2024
 - Centralize grant information
 - Revised business processes that create efficiencies
 - Increase integration with enterprise solutions
 - Improved data collection for monitoring analysis
 - Optimize engagement with grantees through system



Data Collection

- Currently, data is collected via a Smartsheet form, which requires 23-45 hours of manual staff review each month
 - In addition to monthly reports, Hubs submit a weekly enrollment report and grantees submit quarterly reports, site reports, and end of year reports
- New life-cycle grants management system will supplement some data collection work (July 2023)



Data Collection Infrastructure Development

- Additional data infrastructure necessary to enable connectivity among data systems and sources and more efficient data processes and analytics
 - Working to procure a data infrastructure solution leveraging ARPA funds by September 2023
 - Data infrastructure system built incrementally through 2024
 - Central data warehouse
 - Reporting and analytics capabilities
 - For case management for providers, new Provider Management Platform will allow standards for data entry and collection, with completion by March 2025
 - Future work may consider case management for child and family level data



Planned Secretary of State Audit

- 2023 – 2024 Audit Plan includes a real-time audit of DELC governance and controls
 - Begins in Spring 2023 into Fall 2023
 - May include reviews of
 - Governance
 - Communications
 - Outcome measures
 - Procedures & processes
 - Roles & responsibilities
 - Opportunity to ensure DELC launches with strong controls in place, while they are being developed by ELD



Plans for 2023-2024/Future Expansions

- Ready Facilities
 - ELD will require current grantees to submit their site information and have their facilities ready 14 days before the established due date to execute a grant with the program.
- Application and Award Timelines
- Coordinated Enrollment Workgroup
- Moving all early learning program agreements to 2-year agreements. This will improve program enrollment in two ways:
 1. Recruiting and retaining qualified educators by offering consistent employment for up to two years, with strong minimum salary requirements;
 2. Ensuring families will have access to the same preschool provider for two years of preschool services for 3- and 4-year-olds.
- Leverage new Grants Management System for improved data collection and reporting



Questions



Appendix

The following slides were shared during the September 2022 House Interim Early Childhood Committee presentation.



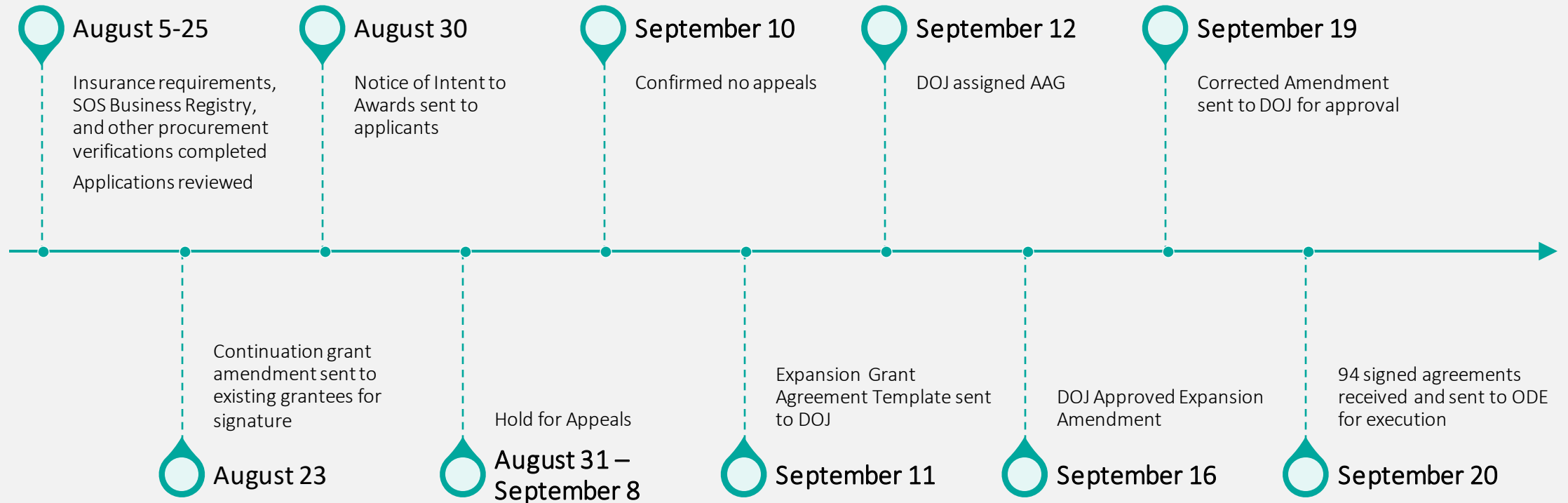
Timeline of Events: Spring & Summer 2022



This information was provided to the House Interim Committee on Early Childhood on September 21, 2022.



Timeline of Events: Fall 2022



This information was provided to the House Interim Committee on Early Childhood on September 21, 2022.



Procurement Structure (10)

- 567 procurements in process
 - Over 300 related to Preschool Promise
- Procurement Director – hired June 1, 2022
- Procurement Specialist 2 – hired May 2022
- Procurement Specialist 3 (2) – in recruitment
- Procurement Specialist 2 (2) – in recruitment
- Outreach and Training Coordinator – in recruitment
- Procurement Specialist 1 – fall/winter recruitment
- Procurement Assistant – fall/winter recruitment
- Administrative Specialist 2 – fall/winter recruitment



Continuation and Expansion

- **Continuation:** Existing grantees must renew their grant agreements via a grant amendment every year to continue receiving funds
 - This requirement is defined by Administrative Rule
 - The Early Learning Council is adopting a temporary rules on 9/28 to remove this, and other procurement requirements, from rule – in alignment with best practices.
 - Repealing this requirement will allow us to have multi-year grant agreement with grantees so they are not waiting for funding each year. This will also significantly reduce the burden on Procurement, DOJ and program staff.
- **Expansion:** Eligible providers (including existing grantees) must apply for new Preschool Promise slots
 - This has historically been completed through a competitive Request for Applications (RFA) process overseen by Procurement



Next Steps

- Repeal annual application requirement for Preschool Promise providers
 - Early Learning Council – September 28th meeting
- Recruit, onboard, and train ELD/DELIC procurement staff
- Redesign application process – beginning Fall 2022
 - Minimize solicitation recruitments
 - Streamlined application process
- Move to multi-year grant agreements (2023)