Oregon
Tina Kotek, Governor

Oregon Department of Early Learning and Care

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MEMORANDUM

To: Early Learning Council Members

From: Gabriela Hernandez, Early Learning Council Administrator

Date: February 25, 2026

Re: Notification of Rulemaking Actions & Presentations

Executive Summary: The purpose of this memo is to update the Early Learning Council (ELC) on the development of rules, including associated community and partner engagement, which the ELC will be previewing and voting on in upcoming meetings.

The Oregon Department of Early Learning and Care (DELC) plans to present two **ruleset(s)** for action on proposed rules in February 2026.. Please reach out with any questions or concerns about the rulemaking process to Kathy Wai, Rules Coordinator.

The following ruleset will be **presented** for updates on proposed language and community engagement efforts in the February 25, 2026 meeting:

- Employment Related Day Care (effective March 1, 2026)
- Preschool Promise Program (Temporary Rules)

RULESETS FOR ACTION IN FEBRUARY:

Employment Related Day Care (effective March 1, 2026)

SUMMARY: DELC is responsible for administering the Employment Related Day Care (ERDC) program. The proposed amendments ensure consistent terminology, consolidate related requirements for clarity, update financial standards, and restore provisions that were unintentionally removed during prior rule changes. These updates support accurate eligibility

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determinations, maintain alignment with federal standards, and reflect current program operations.

DELC is proposing rule amendments for the ERDC program which include the following updates. Amendments to **OAR 414-175-0002** remove the obsolete definition of "custodial parent" and clarify the definition of "farmland." **OAR 414-175-0011** adds additional reasons a case may close mid-certification, consolidating all closure criteria into one rule. **OAR 414-175-0015** replaces the term "caretaker relative" with "caretaker" to reflect ERDC-specific terminology. **OAR 414-175-0023** restores language outlining when ERDC may pay for care during distance learning and updates OCC rule references. **OAR 414-175-0040** clarifies that income from a newly added household member is not countable for the remainder of the certification period. **OAR 414-175-0050** updates income limits and copay charts to reflect the 2026 Federal Poverty Levels. **OAR 414-175-0070** removes language describing when a copay may increase after adding a new person with income during a certification period. **OAR 414-175-0075** restores previously adopted language paying Outdoor Nature-Based Programs at the certified center rate and updates child care provider payment rates for centers and licensed family providers. **OAR 414-175-0076** adds examples of additional ways a child may qualify for high-needs payments. **OAR 414-175-0080** replaces "caretaker relative" with "caretaker" and clarifies that DELC may approve a provider caring for a child in the child's home if enrolled in the CBR.

PROCESS: DELC convened a rules advisory committee (RAC) that met on January 14, 2026 from 6:00pm - 7:00pm with

- families,
- child care providers,
- subject matter experts,
- early learning system partners,
- community-based organizations, and other community members.

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A public hearing was held on February 2, 2026, at 5:00pm. Due to technical difficulties on February 2nd, a second public hearing was held on Feb 10, 2026, and the public comment period was open until Feb 13, 2026.

EQUITY ANALYSIS: Changes to **OAR 414-175-0002, 414-175-0011, 414-175-0015, 414-175-0023, 414-175-0040, 414-175-0070, 414-175-0076**, and **414-175-0080** are technical, corrective, or clarifying. They reflect current policies, practices, and ONE system functionality and will have no equity impacts for families or providers.

Amendments to **OAR 414-175-0050** and **414-175-0075** have positive equity impacts. Women of color are disproportionately represented among license-exempt family, friend, and neighbor providers, as well as licensed family providers impacted by these changes. Increasing provider reimbursement rates will strengthen financial stability for these providers and may support continued or expanded participation by diverse providers, which can improve access to culturally responsive care for families.

Updating income limits to reflect 2026 Federal Poverty Levels allows more families to qualify for ERDC if they can bypass the waitlist or move into lower copay tiers. Lower copays reduce the financial burden on families and increase payment reliability for providers, which benefits families with lower incomes and providers serving them. These changes do not create adverse or unequal impacts; they apply uniformly and are expected to have proportionately positive effects for racially diverse providers and families.

NEXT STEPS: The Council will vote on the proposed permanent rule adoptions at the February 25, 2026, meeting. If passed, the rule amendments will be permanently effective on March 1, 2026.

Preschool Promise Program (Temporary Rules)

SUMMARY: The Department of Early Learning and Care (DELC) is adopting temporary amendments to OAR 414-470-0010 to establish a new method for determining income eligibility for the Preschool Promise (PSP) program. The temporary rule allows eligibility staff to adjust a family's gross income when housing costs exceed 30 percent of total gross income, using reasonable documentation such as bills or bank statements to calculate annual housing expenses.

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The rule also streamlines income-verification requirements by permitting alternative forms of documentation when families cannot provide tax forms or pay stubs, and by allowing the use of a three-month income window when families experience significant and persistent changes in income. These changes reduce administrative burden, increase consistency in eligibility determinations, and support equitable access for families experiencing high housing-cost burdens.

PROCESS: DELC is proposing to adopt temporary rules that have been identified as needing immediate inclusion. Permanent rulemaking to address all the unincorporated edits and required engagement with impacted communities will be completed prior to the 180 day expiration date of the temporary rules.

EQUITY ANALYSIS: Oregon families are experiencing rising housing costs that disproportionately affect families with low incomes, families of color, immigrant and refugee households, and families in both high-cost urban areas and rural regions with limited housing supply. Under the previous Preschool Promise eligibility framework, income determinations did not account for the financial strain caused by excessive housing costs. As a result, families with high rent burdens could be deemed ineligible despite having limited disposable income and significant economic hardship.

The temporary rule addresses this inequity by allowing eligibility staff to adjust gross income when housing costs exceed 30 percent of a family's income, creating a more accurate and equitable assessment of financial need

NEXT STEPS: The Early Learning Council will vote on the proposed temporary rule amendment at the February 25, 2026 meeting. If passed, the rule amendment will be temporarily effective on March 1, 2026 in the Department of Early Learning and Care. The permanent change will be brought to the Early Learning Council for action at the June 2026 meeting. If passed, the rule amendment will be permanently effective on [August 1, 2026 in the Department of Early Learning and Care.