Agency Reduction Exercise

ORS 291.206 requires that "each agency request budget include options for a 10% reduction" from Current Service Level (CSL) estimates. CSL includes 4.9% inflationary adjustment across the majority of funding types which, for the Department of Early Learning and Care, includes: General Fund (GF), Federal Funds (FF), and Other Funds (OF).This includes the Student Success Act – Early Learning Account (ELA). Agencies provide these reductions in 5% increments. For the 2027-29 biennium, a 10% reduction in DELC's State General Fund, Federal Funds, and Other Funds totals approximately $156.4 million.

To guide this exercise, DELC developed reduction principles grounded in the agency's values, community input gathered during the strategic and budget planning, and the Governor's Agency Expectations. DELC prioritized:

- Protecting the health and safety of young children and their families participating in programs licensed by the Child Care Licensing Division, which represents approximately 30% of DELC's staffing;
- Maintaining the additional inflationary adjustment that supports Oregon's early learning and care workforce, given documented challenges with low wages and high turnover;
- Preserving and completing DELC's operational foundations needed to deliver on our purpose of supporting families, advancing child development, and strengthening family stability;
- Evaluating the 2023-25 Grant-in-Aid underspend and current program enrollment to understand impacts on service availability.
- Considering each program's share of DELC's total budget to protect core services where possible;
- Aligning with the Governor's priorities, including early literacy and Tribal sovereignty;
- Prioritizing supports for direct service providers, particularly with the new statutory prohibition on suspensions and expulsions (ORS 329A.625); and
- Incorporating legislative support for programmatic success.

Because 86% of DELC's budget is Grant in Aid, reductions at this level will directly impact programs serving children and families. DELC therefore took a nuanced approach to reductions informed by four primary considerations:

1. **Program Size and Design**: Programs vary significantly in scale and structure. Large, slot-based programs such as Oregon Prenatal to Kindergarten and Preschool Promise can absorb reductions by decreasing slots in some communities, but doing so limits access to care and threatens the economic viability of participating small businesses. Smaller, holistic programs that are not slot-based may need to reduce both the number of families served and the depth of services offered, and many have thresholds below which basic program viability is compromised. Preserving the core infrastructure of Oregon's early learning system is essential to ensure programs remain operational and can scale back up in future biennia.

2. **Program Interdependence:** Many programs rely on support from multiple funding streams or service systems. Healthy Families Oregon and Relief Nurseries are funded by DELC, ODHS, and other partners, making overlapping reductions particularly destabilizing if applied across agency budgets. Preschool Promise quality relies on coaching and professional learning supports, meaning reductions in those systems may undermined providers' ability to meet program requirements. Every Child Belongs similarly supports providers in complying with the prohibition on suspension and expulsion established in ORS 329A.625.
3. **Fiscal Management Improvements:** In DELC's first biennium (2023-2025) several programs experience underspend; however, the agency does not expect a similar level of underspend moving forward. The agency has strengthened slot reallocation processes, Child Care Resource & Referral agencies have filled previously vacant positions, and new programs like Every Child Belong are moving into full implementation. As a result, DELC anticipates greater utilization of funds this biennium.
4. **Regional Infrastructure Dependence:** DELC relies on regional Early Learning Hubs and Child Care Resource & Referral agencies to ensure statewide policy decisions are informed by local conditions and implemented effectively. These partners play essential roles in slot reallocation, coordinated enrollment, provider coaching, and supporting inclusive child care environments. Reducing this capacity would weaken the infrastructure needed to prevent future underspend, diminish DELC's ability to respond to community needs, and destabilize core components of the early learning and care system.

Additional considerations include:

- Reductions in child care funding have direct economic consequences for families, employers, and local communities.
- Child care providers and preschools are small businesses; reductions affect their viability and may disproportionately impact rural areas and communities already identified as child care deserts. Without publicly funded slots, 19 counties would become preschool child care deserts, and reductions in Preschool Promise, Oregon Prenatal to Kindergarten, and ERDC could lead to further closures.
- Reduced access to early learning and child care will create additional barriers for families subject to work requirements for TANF, Medicaid, and SNAP.
- Family support programs like Healthy Families Oregon, Relief Nurseries, and Early Childhood Equity Fund play a critical role in strengthening families, promoting positive child development, and supporting mental health, and reductions would diminish these impacts.

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

Program Prioritization for 2027-29

Agency Name: Department of Early Learning and Care

2027-29 Biennium **Agency Number: 58800**

Program 1

Program/Division Priorities for 2027-29 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
588	1	DELC	OPS	DELC Operations			87,799,089		41,871,284		82,008,950		$ 211,679,323	395	388.72	Y	Y				Policy Option Packages 101, 102, and 103 all make program enhancements.
588	2	DELC	GIA	Tribal Early Learning Fund			706,229		706,229				$ 1,412,458			Y	N				
588	3	DELC	GIA	Early Childhood Equity Fund			1,916,655		27,200,031				$ 29,116,686			N	N				
588	4	DELC	GIA	Employment Related Day Care			377,910,289				131,947,838		$ 509,858,127			N	Y				
588	5	DELC	GIA	Early Learning Hubs			18,430,749		7,243,598				$ 25,674,347			N	Y				
588	6	DELC	GIA	Birth Through Five			10,232,377						$ 10,232,377			N	Y				
588	7	DELC	GIA	Mental Health & Behavioral Supports			8,442,276						$ 8,442,276			N	Y				
588	8	DELC	GIA	Relief Nurseries			18,724,234		11,607,862				$ 30,332,096			N	Y				
588	9	DELC	GIA	Healthy Families Oregon			32,500,861		10,652,714				$ 43,153,575			N	Y				
588	10	DELC	GIA	Early Learning KPI			10,673,038						$ 10,673,038			N	Y				
588	11	DELC	GIA	Early Learning Parenting Education			0		0				$ -			N	Y				
588	12	DELC	GIA	Other Early Learning Grants			1,880,767						$ 1,880,767			N	Y				
588	13	DELC	GIA	Early Learning Program Supports					15,104,068				$ 15,104,068			N	Y				
588	15	DELC	GIA	Preschool Promise			44,521,907		145,835,856				$ 190,357,763			N	Y				
588	16	DELC	GIA	Oregon Prenatal to Kindergarten			193,856,088		204,822,516				$ 398,678,604			N	Y				
588	17	DELC	GIA	Early Learning Professional Development					19,263,160				$ 19,263,160			N	Y				
588	18	DELC	GIA	Child Care Supports			5,434,400				55,101,139		$ 60,535,539			N	Y				
							813,028,959	-	484,307,318	-	269,057,927	-	$ 1,566,394,204	395	388.72						

7. Primary Purpose Program/Activity Exists

1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code

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

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

10% Reduction Options (ORS 291.216)

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. IDENTIFY REVENUE SOURCE FOR OF, FF. INCLUDE POSITIONS AND FTE FOR 2025-27 AND 2027-29)	GF	LF	OF	NL-OF	FF	NL-FF	Total Funds	Pos.	FTE	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
58800-500-10-45-00000 Child Care Supports	Child Care Supports - Reduces cohort based competency development through focused child care networks that build high quality early learning programs affecting around 180 early learning programs participating. Also reduces funding to the CCR&R system providing professional development to early learning programs affecting the number of professional development offerings available statewide reducing around 200 trainings affecting over 2,500 participants, central coordination of CCR&Rs statewide reducing staffing by 1 FTE for the biennium, the provision of the Oregon Registry career lattice for early educators reducing key staffing to maintain functionality of training data entry and validation for 30,000 early educators. Scholarships for higher education costs will be reduced by $500,000 affecting availability for needed resources supporting early educator degree completion. The statewide Spark Quality Recognition and Improvement System affecting quality improvement grants to early educators and operations. Resources to support training development to meet the needs of early educators across the state will be reduced by $700,000. Financial supports for training reimbursement will be reduced affecting early educators eligible for cost reduction for trainings that meet licensing requirements. 211info Child Care will lose funding for .5 FTE to provide child care referrals to parents. Organizations will have to provide revised budgets to decide how it affects their service delivery. $1,500,000 of Teen Parent Program funds will be reduced due to under utilization	$ 305,389				$ 4,841,272		$ 5,146,661	-	-	Reduction takes into account prior underspending, and minimal capcaity needed to support core infrastructure with external partners that support the early childhood workforce system.
58800-500-10-25-00000 Early Learning Professional Development ELA	Early Learning Professional Development ELA - Higher education scholarships of $500,000 will be completely removed and unfunded by ELA. This affects early childhood educator credential, AA, and BA degree attainment. It will reduce substitute care hours and availability of subs statewide affecting resources that mitigate suspension and expulsion of young children and reducing hours of substitute availability by close to 16,000 hours, decrease shared services business coaches in two regions jeopardizing business acumen work supporting intensive coaching for 60 early educators, reduce professional development that increases competencies of early educators in regions expending less that 70% of their funding, and centralized coaching a capacity building for high level competency based training and coaching system implementation This reduction option includes a $280,142 OF reduction that was made to fund DELC's revenue-neutral POPs.			$ 2,041,708				$ 2,041,708	-	-	Reduction takes into account prior underspending, and minimal capcaity needed to support core infrastructure with external partners that support the early childhood workforce system.

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-10-00000 Oregon Prenatal to Kindergarten	Oregon Prenatal to Kindergarten - Reduces services to approximately 377 children ages prental to 5 annually. OPK service models annual cost per slot range between $17,77 2to $34464. The number of children impacted will depend on which service model experiences the reductions. This reduction option includes a $2,978,707 OF reduction that was made to fund DELC's revenue-neutral POPs.	$ 10,893,834		$ 11,151,827				$ 22,045,661	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget.
58800-500-10-15-00000 Preschool Promise	Preschool Promise - This reduction will result in 258 less slots available for reallocation in community. At this funding level, the slot service level for 27-29 will be 4840, down from 5098 in the 25-27 biennium. This reduction option includes a $2,120,873 OF reduction that was made to fund DELC's revenue-neutral POPs.	$ 2,501,921		$ 7,940,239				$ 10,442,160	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget.
58800-500-10-35-00000 Early Learning Program Supports ELA	Early Learning Program Supports ELA - Reduces funding for public funded program observation and assessments using CLASS and ERS tools which will affect DELC's ability to work with state and federal funded early learning programs on continuous quality improvement in addition to reducing DELC's insight into the holistic effectiveness of programs in delivering quality services. $269,050 reduces observations overall by 13%. Reduces funding for coaches and quality specialists working with Preschool Promise programs in up to 3 regions in the second year of the biennium. Preschool Promise programs are required to engage with coaches which would significantly reduce the availability of coaches, quality specialists and their caseloads which directly reduces resources available to Preschool Promise programs and affects quality of programs. Reduces funding to the centralized coaching system that provides Mentor Coaching services to all coaches in the state that are funded by DELC by .5 FTE. This reduction option includes a $152,015 OF reduction that was made to fund DELC's revenue-neutral POPs.			$ 818,732				$ 818,732	-	-	Reduction takes into account prior underspending, and minimal capcaity needed to support staff working directly with publicly funded programs on site.
58800-500-10-80-00000 Other Early Learning Grants	Other Early Learning Grants: This reduction impacts Dolly Parton Imagination Library and could be absorbed based on current enrollment projections.	$ 105,690						$ 105,690	-	-	Reduction into account current enrollment projections and potential underspend based on enrollment projections.

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-30-00000 Early Learning Parenting Education ELA	Early Learning Parenting Education ELA A reduction in funding would limit both the reach of parenting education programming and the infrastructure needed to support high-quality delivery across the state. With less funding available for subawards to OPEC Hubs and community partners, fewer families - particularly those from priority populations - would gain access to evidence-based, culturally responsive parenting education series. This could mean fewer workshops, parent cafés, support groups, and early literacy-focused programs, especially in regions with limited existing infrastructure. Additionally, the university's ability to provide professional development through the OPEC Training Academy and Connect & Learn communities would be constrained, potentially reducing the number of parenting educators who receive curriculum training and facilitation support. OPEC is one of the only state initiatives with ongoing free professional learning opportunities that serves parenting education professionals, early childhood educators, home visitors, and family advocates in English and Spanish. Technical assistance and evaluation efforts, such as mentorship, curriculum adaptation, and one-on-one consultation, would also be scaled back, limiting the ability to ensure program fidelity and responsiveness to community needs. Of critical importance, DELC funds serve as the state match for federal funds disbursed through the Oregon Health Authority, which is estimated to increase access to more than twice as many parenting education supports for children and families. Any reduction in the state-funded portion of this grant could jeopardize the university's ability to draw down federal CHIP matching funds. A 5% reduction would not only reduce the direct services and supports available to families and parenting educators, but could also undermine the leverage of additional federal dollars, effectively compounding			$ 52,291				$ 52,291	-	-	Reduction takes into account any prior underspending, and minimal reduction to minimize impact on direct parent education services to families.

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-75-00000 Early Learning KPI	"Early Learning KPI A $799,744 reduction represents an 8.5% reduction in KPI funding. This would result in a contraction of cross-sector partnership efforts and family engagement strategies. Specific impacts may include fewer or shorter transition programs for children entering kindergarten, particularly those designed for priority populations, which could reduce readiness and increase disparities at school entry; reduced professional development opportunities that bring together early learning and K 3 educators to align instructional practices, share data, and build shared understanding of child development; scaling back of culturally responsive family engagement programs, such as parenting education, home visits, or two generation play and learn groups; and delays or limitations in implementing shared classroom observation protocols and coaching models that support aligned practices across early learning and K 12 settings. These reductions would also have downstream academic effects, as weakened kindergarten readiness and less alignment across the early grades directly contribute to lower third grade reading scores, widening long-term disparities in literacy outcomes and overall academic achievement.	$ 799,774						$ 799,774	-	-	This reduction takes into account prior underspending. Additionally, $200,000 have been shifted from KPI to Early Learning Hub dollars in order to maintain the system coordination capacity and flexibility that is foundational to Hub functions and the work that will be required of Early Learning Hubs in the next biennium.
58800-500-10-55-00000 Healthy Families Oregon	Healthy Families Oregon - Estimated impact is 20 families who would not have access to home visiting services that support the building of family strengths, fosters reslience, and empower parents as their first and most important teacher. This reduction option includes a $154,921 OF reduction that was made to fund DELC's revenue-neutral POPs.	$ 1,826,394		$ -				$ 1,826,394	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget. Given the size of the program and it's impact on child abuse prevention, the program is ranked lower on the list.
58800-500-10-60-00000 Relief Nurseries	Relief Nurseries - Estimated impact is 19 families with infant, toddler and preschool aged children not receiving therapeutic classroom services and/or home visiting and resource supports. This reduction option includes a $168,812 OF reduction that was made to fund DELC's revenue-neutral POPs.	$ 1,052,213		$ -				$ 1,052,213	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget. Given the size of the program and it's impact on child abuse prevention, the program is ranked lower on the list.
58800-500-10-40-00000 Mental Health & Behavior Support	Mental Health & Behavior Support - This reduction will affect the evaluation of the initiative preventing DELC's ability to assess the effectiveness of the services statewide. This initiative is required by law and with no evaluation of the effectiveness of services it will directly impact DELC's understanding of early learning programs accessing resources, our understanding of whether the initiative reduces suspension and expulsion and whether early learning programs are complying with laws preventing suspension and expulsion.	$ 474,416						$ 474,416	-	-	Reduction takes into account prior underspending, and capacity needed to implement Every Child Belong statewide and ancitipcating more requests for support than capacity may be able to handle.
58800-500-10-85-00000 Birth Through Five Literacy Plan	Birth Through Five Literacy Plan: A reduction in funding would limit culturally specific programs' ability to provide families with relevant early literacy resources and professional development, weakening support for parents as their children's first teachers. It would also slow progress in Tribal language revitalization efforts and hinder statewide initiatives that expand book access, strengthen family engagement, and enhance early literacy within home visiting and clinical partnerships.			$ 1,212,008				$ 1,212,008	-	-	

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-65-00000 Early Learning Hubs	Early Learning Hubs - A reduction of $1,227,262 represents a 5.35% reduction in Early Learning Hub funding. A reduction in Coordinated Enrollment funding would disrupt the infrastructure needed to ensure equitable and efficient enrollment into publicly funded preschool programs. This level of reduction could result in reduced staffing capacity to manage the full scope of coordinated enrollment activities, including outreach, eligibility determination, and placement. It may also cause delays in convening and supporting early childhood partners, which are essential for aligning enrollment timelines and processes across programs like Preschool Promise, Head Start, and Oregon Prenatal to Kindergarten. Additionally, outreach and marketing efforts - particularly those targeting priority populations - would be scaled back, likely resulting in under-enrollment or inequitable access to preschool slots. A reduction in System Coordination funding would result in decreased capacity for Early Learning Hubs to carry out their core functions of convening, connecting, and building capacity across the early childhood system. Hubs would experience decreased staffing and reduced operational infrastructure, which would directly affect their ability to engage partners across health, human services, housing, public education, early learning, higher education, and workforce development. This would result in an inability for communities to work together across all the sectors, limiting coordinated problem-solving and shared planning. Such a reduction would also undermine efforts tied to long-term child outcomes, including third grade literacy, kindergarten readiness, and overall health and wellness. With fewer resources to support aligned early childhood strategies, more children may arrive at kindergarten less healthy and less prepared than they need to be.	$ 835,721		$ 391,541				$ 1,227,262	-	-	This reduction takes into account prior underspending. Additionally, $200,000 have been shifted from KPI to Early Learning Hub dollars in order to maintain the system coordination capacity and flexibility that is foundational to Hub functions and the work that will be required of Early Learning Hubs in the next biennium.
58800-500-10-50-00000 ERDC Subsidies	ERDC Subsidies - This reduction would mean the caseload would have to be reduced by more than 600 families who ERDC is helping pay for child care. ERDC currently has an active waitlist to manage the caseload, with specific families (TANF, Child Welfare, Tempoary Assitance for Domestic Violence Survivors, contracted slots) that can bypass the waitlist. This reduction will limit how many families can bypass the waitlist, most significantly impacting TANF families.	$ 21,236,770				$ 8,611,624		$ 29,848,394	-	-	Reduction level reflects the program's proportion of the budget. This reduction is ranked lower given current state of ERDC program and waitlist.
58800-500-10-20-00000 Early Childhood Equity Fund ELA	Early Childhood Equity Fund ELA - This reduction would impact culturally specific parenting education opportunities and services that support parents engagement, including tribal language revitalization activities, in their childs learning. ECEF funding serves between 1500 and 2500 children each month. This reduction could result in up to 75 children and their families losing access to these services.	$ 107,707		$ 1,015,948				$ 1,123,655	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget. Given the size of the program and it's impact to support culturally specific services for families, this is ranked last.
Total 5% Reduction		**$ 40,139,829**	**$ -**	**$ 24,624,294**	**$ -**	**$ 13,452,896**	**$ -**	**$ 78,217,019**	**-**	**-**	

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. IDENTIFY REVENUE SOURCE FOR OF, FF. INCLUDE POSITIONS AND FTE FOR 2025-27 AND 2027-29)	GF	LF	OF	NL-OF	FF	NL-FF	Total Funds	Pos.	FTE	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
58800-500-10-45-00000 Child Care Supports	Child Care Supports - Reduces additional cohort based competency development through focused child care networks that build high quality early learning programs affecting around 180 more early learning programs participating. Reduces funding to Central Coordination of Child Care Resource and Referral that provides onboarding of CCR&R staff statewide, ongoing training and communities of practice for CCR&R staff to be highly qualified technical assistance professionals and administers the statewide Find Child Care Oregon database that houses information on child care availability in the state. Also reduces funding to the CCR&R system providing professional development to early learning programs affecting the number of professional development offerings available statewide reducing key funding that supports response to Every Child Belongs requests for support from early learning programs and directly reduces capacity to provide training, in person technical assistance and navigation support that is vital for early educators throughout the state. This affects quality of child care programs and diminishes their system of support statewide. Scholarships for higher education degree attainment will be reduced by an additional $500,000 effectively reducing the reach of this critical resource to only serving a fraction of the early educator population. $500,000 will be reduced for the provision of the Oregon Registry career lattice for early educators that will decrease timely data entry of training completion that affects early learning programs ability to meet licensing requirements. The statewide Spark Quality Recognition and Improvement System will be reduced by $500,000 which will affect staffing and funding available to early educators that helps early educators achieve goals to increase quality of their programs. 211info Child Care will lose funding for an additional .5 FTE. Organizations will have to provide revised budgets to	$ 292,445				$ 3,650,000		$ 3,942,445	-	-	Reduction takes into account prior underspending, and minimal capcaity needed to support core infrastructure with external partners that support the early childhood workforce system.
58800-500-10-25-00000 Early Learning Professional Development ELA	Early Learning Professional Development ELA - In addition to the affects of the 5% reduction, funding for development of training that provides early educators with strategies to meet complex needs of children will be eliminated this biennium. Business coach funding in the remaining 5 regions will be discontinued, eliminating the Shared Services project supporting early educators to build and maintain sustainable businesses. This affects 150 participating early learning and care programs and 5 coaching positions.			$ 1,755,481				$ 1,755,481	-	-	Reduction takes into account prior underspending, and minimal capcaity needed to support core infrastructure with external partners that support the early childhood workforce system.
58800-500-10-10-00000 Oregon Prenatal to Kindergarten	Oregon Prenatal to Kindergarten - This would reduce services to an additional 404 children ages prental to 5 annually. In total this would result in a reduction of services to over 700 children at a 10% cut. OPK service models annual cost per slot range between $17,77 2to $34464. The number of children impacted will depend on which service model experiences the reductions.	$ 10,431,618		$ 10,979,573				$ 21,411,191	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget.

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-15-00000 Preschool Promise	Preschool Promise - This reduction will result in an additional reduction of 275 slots available for reallocation in community, for a total reduction of 532. At this funding level, the slot service level for 27-29 will be 4566, down from 5098 in the 25-27 biennium.	$ 2,395,893		$ 7,817,613				$ 10,213,506	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget.
58800-500-10-35-00000 Early Learning Program Supports ELA	Early Learning Program Supports ELA - In addition to the 5% decreases, additional reductions to funding for public funded program observation and assessments using CLASS and ERS tools which will affect DELC's ability to work with state and federal funded early learning programs on continuous quality improvement in addition to reducing DELC's insight into the holistic effectiveness of programs in delivering quality services. This will culminate in a 50% reduction when combined with the first and will drastically reduce the effectiveness of the observation sample that is conducted statewide.			$ 806,088				$ 806,088	-	-	Reduction takes into account prior underspending, and minimal capcaity needed to support staff working directly with publicly funded programs on site.
58800-500-10-80-00000 Other Early Learning Grants	Other Early Learning Grants: This reduction impacts Dolly Parton Imagination Library and could be absorbed based on current enrollment projections.	$ 101,211						$ 101,211	-	-	Reduction into account current enrollment projections and potential underspend based on enrollment projections.
58800-500-10-30-00000 Early Learning Parenting Education ELA	Early Learning Parenting Education ELA: A 10% reduction in funding would sharply reduce access to evidence-based, culturally responsive parenting programs across Oregon. With less funding available for OPEC Hub subawards and community grants, thousands fewer families would be able to participate in parenting education series, early literacy-focused workshops, support groups, and parent cafés. Hubs and partner organizations would face reduced capacity to offer child care, meals, interpretation, transportation, virtual access supports, and other engagement elements that ensure families - especially those experiencing hardship - can participate fully and consistently. OPEC is one of the only state initiatives with ongoing free professional learning opportunities that serves parenting education professionals, early childhood educators, home visitors, and family advocates in English and Spanish. Professional development for parenting educators through the OPEC Training Academy and Connect & Learn communities would diminish, limiting the ability to train, coach, and mentor the more than 250 educators who rely on these supports for curriculum fidelity and culturally responsive facilitation. Technical assistance and evaluation delivered by OSU faculty and staff would also be constrained at a time when high-quality implementation is essential for family outcomes. Of critical importance, DELC funds serve as the state match for federal funds disbursed through the Oregon Health Authority, which is estimated to increase access to more than twice as many parenting education supports for children and families. Because this grant serves as the state match required for federal CHIP funds, a 10% reduction could jeopardize Oregon's ability to draw down federal dollars, compounding the impact of the cut. A reduction in funds will exponentially impact a much larger infrastructure that leverages these funds			$ 2,763				$ 2,763	-	-	Reduction takes into account any prior underspending, and minimal reduction to minimize impact on direct parent education services to families.

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-75-00000 Early Learning KPI	Early Learning KPI - A $1.574,131 reduction represents a 16.5% reduction in KPI funding. This reduction would critically undermine the cross-sector work needed to ensure smooth and supportive transitions into kindergarten for priority populations. Fewer resources would be available for aligned professional development across early learning and K 12, limiting educators' ability to implement shared expectations, aligned instructional practices, and culturally responsive classroom strategies. Multi-session transition programs for children and families would need to be scaled back or eliminated in certain communities, reducing opportunities for children to build familiarity with their schools and for families to engage with kindergarten teachers before school entry. Activities that support early literacy, family advocacy, parent teacher home visits, and culturally specific engagement practices would be significantly curtailed. The capacity to sustain partnerships between Hubs, schools, Tribal Nations, and community organizations would also erode, weakening regional collaboration around child development and transitions. A cut of this magnitude would deepen disparities in kindergarten readiness and early learning experiences, particularly for families furthest from opportunity and children with limited access to early education prior to kindergarten. Such reductions would also reverberate through early elementary outcomes and beyond. When children begin kindergarten without adequate transition support, early literacy scaffolding, or consistent instructional alignment between early learning and K 12, their trajectory toward meeting critical third grade benchmarks is weakened. Reduced KPI funding would therefore exacerbate existing academic disparities, contribute to lower early literacy achievement, and compound K 12 system strains linked to chronic absenteeism, underprepared kindergarten entrants, and widening	$ 774,357						$ 774,357	-	-	This reduction takes into account prior underspending. Additionally, $200,000 have been shifted from KPI to Early Learning Hub dollars in order to maintain the system coordination capacity and flexibility that is foundational to Hub functions and the work that will be required of Early Learning Hubs in the next biennium.
58800-500-10-55-00000 Healthy Families Oregon	Healthy Families Oregon - Healthy Families Oregon - Estimated additional impact of 70 families, for a total of 90 families, who would no longer receive home visiting services that support the building of family strengths, fosters reslience, and empower parents as their first and most important teacher	$ 1,748,995		$ -				$ 1,748,995	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget. Given the size of the program and it's impact on child abuse prevention, the program is ranked lower on the list.
58800-500-10-60-00000 Relief Nurseries	Relief Nurseries - Estimated impact is an additional 25 families with infant, toddler and preschool aged children not receiving therapeutic classroom services and/or home visiting and resource supports. Total families impacted by both cuts would be approximately 44 families.	$ 1,007,622		$ -				$ 1,007,622	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget. Given the size of the program and it's impact on child abuse prevention, the program is ranked lower on the list.

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-40-00000 Mental Health & Behavior Support	Mental Health & Behavior Support - In addition to previous reduction of ECB evaluation funds, an additional reductions comes only after all other professional learning reductions are taken prior to the Every Child Belongs program. This reduction will affect operational costs of 2 regions and the central entity funding that prepares and onboards the 16 regional organizations providing needed Infant & Early Childhood Mental Health Consultation to early learning programs required to comply with laws preventing suspension and expulsion. This will also reduce the funding to evaluate the effectiveness of the program in supporting early educators.	$ 454,311						$ 454,311	-	-	Reduction takes into account prior underspending, and capacity needed to implement Every Child Belong statewide and ancitipcating more requests for support than capacity may be able to handle.
58800-500-10-85-00000 Birth Through Five Literacy Plan	Birth Through Five Literacy Plan: A reduction in funding would limit culturally specific programs' ability to provide families with relevant early literacy resources and professional development, weakening support for parents as their children's first teachers. It would also slow progress in Tribal language revitalization efforts and hinder statewide initiatives that expand book access, strengthen family engagement, and enhance early literacy within home visiting and clinical partnerships.			$ 1,193,291				$ 1,193,291	-	-	
58800-500-10-65-00000 Early Learning Hubs	Early Learning Hubs - A reduction of $2,404,585 represents a 10.5% reduction in Early Learning Hub funding. A 10% reduction in Coordinated Enrollment funding would significantly impair the Hub regions' ability to support families in accessing publicly funded preschool programs. With a cut of this size, staffing capacity for recruitment, eligibility determination, and placement would be sharply reduced, limiting the year-round support families need to navigate complex early learning systems. Marketing and outreach - already highly resource-dependent - would shrink substantially, resulting in fewer families learning about available programs and more preschool slots going unfilled. Staff responsible for coordinating across programs like Preschool Promise, Head Start, and OPK would struggle to meet regularly or carry out coordinated planning. Ultimately, children, especially those experiencing poverty, disability, or linguistic isolation, would face greater barriers to enrolling in high-quality preschool, widening school readiness gaps across communities. A 10% reduction in System Coordination funding would severely limit the Early Learning Hubs' ability to fulfill their core statutory charge of convening, connecting, and building capacity across the early childhood system. With a cut of this size, Hubs would lose substantial staffing and operational capacity, making it extremely difficult for communities to work together across all sectors—including health, early learning and care, K–12, human services, housing, higher education, workforce, and Tribal Nations. This diminished coordination would directly affect statewide goals tied to third grade literacy, kindergarten readiness, and overall child health, as fewer cross sector strategies could be implemented to support children before they reach school. A reduction of this magnitude would also exacerbate inequities for families furthest from opportunity. Hubs would be forced to reduce or eliminate	$ 791,829		$ 385,494				$ 1,177,323	-	-	This reduction takes into account prior underspending. Additionally, $200,000 have been shifted from KPI to Early Learning Hub dollars in order to maintain the system coordination capacity and flexibility that is foundational to Hub functions and the work that will be required of Early Learning Hubs in the next biennium.

Activity or Program	Describe Reduction	Amount and Fund Type									Rank and Justification
58800-500-10-50-00000 ERDC Subsidies	ERDC Subsidies: ERDC Subsidies - This reduction would mean the caseload would have to be reduced by more than 1,000 families who ERDC is helping pay for child care. ERDC currently has an active waitlist to manage the caseload, with specific families (TANF, Child Welfare, Tempoary Assitance for Domestic Violence Survivors, contracted slots) that can bypass the waitlist. This reduction will limit how many families can bypass the waitlist, most significantly impacting TANF families.	$ 20,336,790				$ 8,077,562		$ 28,414,352	-	-	Reduction level reflects the program's proportion of the budget. This reduction is ranked lower given current state of ERDC program and waitlist.
58800-500-10-20-00000 Early Childhood Equity Fund ELA	Early Childhood Equity Fund ELA - This reduction would impact culturally specific parenting education opportunities and services that support parents engagement, including tribal language revitalization activities, in their childs learning. ECEF funding serves between 1500 and 2500 children each month. This reduction could result in up to 100 additional children and their families losing access to these services, for a total of 175 children losing access.	$ 103,142		$ 1,254,953				$ 1,358,095	-	-	Reduction takes into account underspending, and reduction level reflects the program's proportion of the budget. Given the size of the program and it's impact to support culturally specific services for families, this is ranked last.
58800-100 Operations	Operations - Remove inflation allowed in Package 031.	$ 1,141,252		$ 357,039		$ 1,557,555		$ 3,055,846	-	-	Remove inflation allowed in Package 031.
58800-100 Operations	Operations - 6 Month Hiring Freeze	$ 560,364		$ 71,998		$ 167,780		$ 800,142	-	-	Operations - 6 Month Hiring Freeze
Total 5% Reduction		**$ 40,139,829**	**$ -**	**$ 24,624,293**	**$ -**	**$ 13,452,897**	**$ -**	**$ 78,217,019**	**$ -**	**$ -**	