



# Preschool Promise Accountability Report

Prepared by the Early Learning Division | March 31, 2023

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## Report Purpose

Preschool Promise launched its largest and first statewide expansion at the start of the pandemic, resulting in significant under-enrollment of the program. This report addresses the strategies the Early Learning Division – soon to be the Department of Early Learning and Care (DELIC) – has taken and will be taking to address enrollment, ensure accountability for funds allocated to Preschool Promise programs, and supports offered to programs to meet the quality standards necessary to deliver results for children, families and Oregonians.

## Program History

Preschool Promise was established in 2015 by HB 3380 to increase the availability of high quality, publicly funded preschool programming across the state. In order to achieve this, Preschool Promise grantees are given funding that includes the fixed costs of operation – including rent, staff salaries, and program equipment - based on the number of children the program anticipates serving. Oregon families who are living at or below 200 percent of the Federal Poverty Level, foster families, and families in specified rural communities are eligible for services. Preschool Promise services were first delivered across nine Early Learning Hub regions in September 2016, with over 1,300 children receiving services in the 2017-2017 biennium. The first statewide expansion of this program was funded in 2019 as part of the Student Success Act. Programming was slated to begin in 2020 but was significantly impacted by the global COVID-19 pandemic. As a result, the Early Learning Division – along with other state and federal agencies – focused on maintaining the limited availability of high quality preschool services in the state regardless of low enrollment levels during the pandemic.

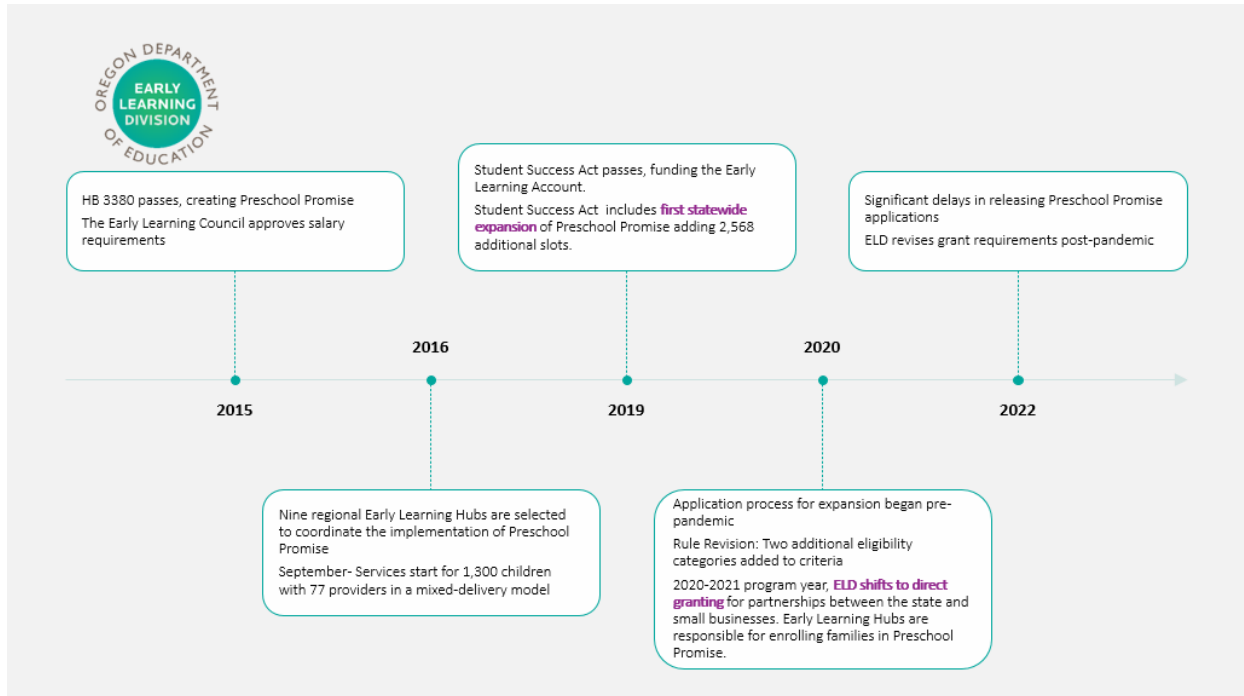
## Program Administration and Accountability

Throughout the administration of this program, the Early Learning Division has continued to evolve to meet community needs. This includes shifting to granting directly to Preschool Promise providers, allowing small, woman-owned businesses and nonprofits the opportunity to grant directly with the State and providing greater oversight for program administration; developing interim data collection methods; and contracting with Early Learning Hubs to coordinate the enrollment of families across Preschool Promise programs in their regions. As the Early Learning Division becomes the Department of Early Learning and Care, new systems and processes are being developed to continuously improve program administration and accountability. This will include a new Grants Management System, data system, a dedicated procurement team to assist with grant and contract administration, and a shift to two-year grant agreements to improve program stability and increase enrollment.

In addition to the anticipated infrastructure changes, the Governor's Budget includes a recommendation to fund a Program Quality Assurance team for the Department of Early Learning and Care. This team would be responsible for on-site program monitoring, coordination of necessary technical assistance with local Child Care Resource and Referral agencies, and appropriate fiscal monitoring as needed. The agency is well-positioned to take on continuous improvement measures by leveraging the [planned Secretary of State Audit](#), Governor Kotek's agency expectations, as well as internal auditor and quality assurance positions included in the Governor's Budget.

# Background

## History of Preschool Promise



[HB 3380](#) (2015) directed the Early Learning Division to develop and administer a new preschool program to complement the Oregon Prenatal to Kindergarten program (Oregon’s Head Start equivalent), serving families up to 100 percent of the Federal Poverty Level (FPL). The Early Learning Division convened various community groups to develop the service delivery structure, application process, eligibility criteria, contract requirements, funding structure and technical assistance necessary for the successful administration of the Preschool Promise program. The first program became available in nine of the sixteen Early Learning Hub (Hub) regions in September 2016. The Hubs selected to implement the program were responsible for selecting providers, negotiating budgets, and managing sub-contracts. The nine Hubs contracted with 77 providers to serve 1,300 children. The cost per slot ranged between \$9,000 - \$12,000. More information on the program development process and decisions can be found in the [2016 Preschool Promise Legislative Report](#).

As defined in Oregon Administrative Rule (OAR) 414-470-0010, children must live in Oregon and be at least three years old and not yet eligible for kindergarten by the date used to determine kindergarten eligibility. Age-eligible children may participate in Preschool Promise for up to two program years. Children must be members of families with incomes, at the time of enrollment, at or below 200 percent of the FPL guidelines. In 2020, the Early Learning Division added two additional eligibility categories, which included Foster Children as defined in ORS 418.200, and a child from a family whose income is over 200% FPL living in a determined geographic area with low access to care may also be eligible for Preschool Promise. These two additions to Preschool Promise eligibility reduce the burden of

determining eligibility for children in the foster care system and help rural communities in Oregon provide access to high quality preschool.

**2023 Federal Poverty Level Chart**

| Household Size | 100% FPL | 130% FPL | 200% FPL  |
|----------------|----------|----------|-----------|
| 1              | \$14,580 | \$18,954 | \$29,160  |
| 2              | \$19,720 | \$25,636 | \$39,440  |
| 3              | \$24,860 | \$32,318 | \$49,720  |
| 4              | \$30,000 | \$39,000 | \$60,000  |
| 5              | \$35,140 | \$45,682 | \$70,280  |
| 6              | \$40,280 | \$52,364 | \$80,560  |
| 7              | \$45,420 | \$59,046 | \$90,840  |
| 8              | \$50,560 | \$65,728 | \$101,120 |

\*for households with more than 8 persons, add \$12,860 per additional person for 200%

In 2018-2019, the legislative statewide listening tours recognized the need to include early learning in any new major educational investments. In 2019, with the passage of the Student Success Act and the creation of the Early Learning Account, the Legislature allocated additional resources to expand the Preschool Promise program statewide, giving access to families across the state to apply for free quality preschool with up to an additional 2,568 slots in the 2020-21 program year.

For the statewide expansion, the ELD evolved to direct granting with Preschool Promise providers affording small businesses the unique opportunity to partner directly with the state and receive the maximum financial benefit of their grant funding. The Early Learning Hub role shifted to support Preschool Promise family recruitment, eligibility and enrollment activities rather than contract administration. Of the programs previously providing Preschool Promise under the Early Learning Hubs, 95% opted to apply directly with the ELD; this included many small businesses and non-profits. The number of Preschool Promise grants continues to increase with each expansion as the Division sees a high interest in businesses and non-profits wanting to directly grant with the state. At this time, the ELD evaluated the cost of quality and determined a cost per slot based on an updated wage scale approved by the Early Learning Council for the 2020-21 program year. The cost per slot is used to determine grant award amount.

Finally, in the 2021 Legislative Session, an additional \$68 million was approved for early learning program expansion, with \$43.9 million allocated specifically for Preschool Promise expansion. However, due to concerns about community capacity for expansion after the pandemic, the legislature held back \$38 million for several early learning programs, including Preschool Promise, pending additional information from the Early Learning Division in the 2022 legislative session. At the [February 14, 2022, presentation](#) to the Joint Subcommittee on Education, the Early Learning Division testified on the requirements to become a Preschool Promise provider and the level of interest in Preschool Promise funding availability received through a statewide survey, indicating that 391 preschool providers were interested in requesting funding for over 4,500 Preschool Promise slots. As a result, the legislature allocated the remaining \$38 million for the full expansion of programs included in POP 402, including the Preschool Promise program expansion of 2,516 slots in the 2022-2023 program year.

| Program Year | # of grants managed by ELD | # of slots/year |
|--------------|----------------------------|-----------------|
| 2016 – 2017  | 9                          | 1,300           |
| 2017 – 2018  |                            |                 |
| 2018 – 2019  |                            |                 |
| 2019 – 2020  |                            |                 |
| 2020 – 2021  | 176                        | 3,688           |
| 2021 – 2022  | 160                        | 3,759           |
| 2022 – 2023  | 233                        | 5,344           |

## Community Support

With new funding from the Early Learning Account the Early Learning Hubs received funds to support Early Learning System Coordinated Enrollment to support Preschool Promise family recruitment, eligibility and enrollment activities. Prior to Early Learning Hubs managing the recruitment, eligibility, selection and placement of children each Preschool Promise grantee was responsible for their own enrollment.

The ELD provides Coordinated Enrollment staff to work with Hubs and under-enrolled providers on targeted recruitment strategies, outreach, and marketing to increase enrollment. For example, in order to address the under-enrollment of programs particularly interested in serving Black families, Multnomah County partnered with Self-Enhancement Inc. and the Schools Uniting Neighborhoods P-3 Coordinators in North and NE Portland across the county. Marion-Polk Hub translated all their enrollment and recruitment materials into Russian for a Russian immersion child care center to target enrollment.

Other Preschool Promise supports that began in 2020 with Student Success Act – Early Learning Account funds included coaching and quality improvement technical assistance through the Child Care Resource and Referral agencies (CCR&Rs). Each CCR&R (15 across the state) is funded to have Quality Improvement Specialists (QIS) who provide resources, technical assistance, and training for Preschool Promise providers. Each CCR&R is also funded to have on staff a dedicated Preschool Promise coach who works both virtually and on site with programs to provide coaching for high quality instructional practices. Under-enrolled providers are supported by their QIS to use promising and proven family recruitment and outreach tools.

## Pandemic Policies

As with most public services, the onset of the COVID-19 pandemic required the Early Learning Division to re-evaluate programming requirements and goals, particularly when classrooms were closed for the remainder of the 2019-2020 program year and the start of the 2020-2021 program year. In alignment with other federal- and state-funded programs, the Early Learning Division did not require programs to return funding while programs provided service options aligned with COVID-19 health and safety protocols. Instead, the Early Learning Division recognized the importance of stabilizing the limited

availability of high quality preschool programs – a key source of child care in communities across the state – by allowing programs to continue to draw down funds to cover allowable uses such as facility rent, staffing costs, and materials/services necessary to meet health and safety requirements and offer various service models.

## Health and Safety Requirements

During the COVID-19 Pandemic, all licensed child care – which included Preschool Promise programs – was ordered through executive action to shut down and reapply through the Emergency Child Care Facility (ECCF) application process. In applying with the Office of Child Care (OCC) in the Early Learning Division as an ECCF, a child care provider was required to follow significant health and safety requirements established by the ELD in consultation with the Oregon Health Authority (OHA) to prevent the spread of COVID-19. These requirements went through multiple rounds of revision in partnership with OHA and aligned with Centers for Disease Control and Prevention (CDC) recommendations as information from the medical field came available, as well as the availability of vaccines emerged. The requirements significantly impacted workloads for the early learning workforce, including extra daily cleaning requirements, daily health checks, personal protective equipment for both children and adults, including changing of layers of clothing when moving from one group of children to the next, new drop-off requirements for families and increased record keeping. In addition, there were COVID-19 health and safety planning requirements, food service and transportation limitations, and requirements for children’s activities.

Most significantly, from a business perspective, staffing levels were greatly impacted as providers were initially limited to a maximum of 10 children in a “stable group” in a center classroom or in a home. These requirements adjusted, eased and were eventually removed as the pandemic wore on and vaccine availability increased, but the impact of changing COVID-19 requirements over the course of the pandemic has remained on program’s ability to hire and retain staff.

For more information on specific health and safety requirements and the revisions, this information is available on ELD’s webpage: <https://oregonearlylearning.com/Archive-Guidelines-Temp-Memos>

## Programming During Covid-19

Given the fear and hesitations many parents across the state were experiencing during the beginning of the pandemic, Preschool Promise allowed alternative service delivery methods through a waiver process in the 2020-2021 program year. Granted waivers were valid for 30 days following the date Gov. Kate Brown lifted the State of Emergency; grantees had thirty (30) days to return to normal operations. Programs had the following options:

### Comprehensive Home-Based Learning

All children enrolled in Preschool Promise programs are served through remote, home-based comprehensive services in this option Staff work with enrolled families to deliver comprehensive services in the child’s home.

#### Hybrid #1- Daily Onsite and Comprehensive Home-Based Learning

In this option, grantees may identify a specific number of children to be served in a stable group onsite daily, in their physical classroom. The remaining enrolled children may be served through Comprehensive Home-Based Learning, as described above. The children served onsite, as well as onsite staff, must meet the stable group guidance.

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

In this option, grantees divide the total classroom enrollment into two stable groups. Stable groups are served onsite, on a rotating schedule.

#### Program Specific Design

In this option, grantees may design a locally appropriate approach that can be demonstrated to best meet the needs of children, staff, and families. Program requirements and [Oregon Early Learning and Kindergarten Guidelines](#) must still be met. Many programs opted to offer online or virtual programming or sent materials and resources for families to use at home with their preschoolers. Due to the length of the pandemic, these alternative models were in place for all of the 2020-2021 program year.

For providers who chose to continue to provide in-person preschool services, the protocols required a reduced class size from 20 to 10. This impacted Preschool Promise providers' ability to offer in-person services to all families and impacted enrollment. Also, many families chose to keep their children home during the pandemic. This impacted attendance and enrollment. Even with virtual services offered, some families chose to not participate because of challenges (technology, parents working from home, and parents prioritizing school-age virtual learning).

In addition to the program impacts, ELD staff were not able to conduct site visits with new or existing Preschool Promise grantees throughout the pandemic. This impacted the ELD's ability to monitor quality and the ability to provide site-based technical assistance to grantees. Hubs also had to develop systems that adhered to all social distancing and safety protocols for recruiting families, determining income eligibility, and enrolling children. This impacted the Hubs' ability to effectively build relationships with new Preschool Promise providers and families in the community.

## Post-Pandemic Service Delivery

### 2021-2022

By the spring of 2021, K-12 schools were reopening, and the Early Learning Division required that Preschool Promise programs begin to offer in-person preschool services as a condition of funding for the 2021-2022 program year. This was a bold shift in Early Learning as many federally funded programs allowed for alternative service models in the community. While ELD required all their Preschool Promise programs to operate in person, many families hesitated to return their children to preschool programs.<sup>1</sup>

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<sup>1</sup> Haynie, K. (2021, February 22). *Analysis shows child care supply & attendance better, but still suffering*. Article: COVID-19 Resources for Child Care Providers and CCR&Rs. Retrieved from <https://info.childcareaware.org/blog/analysis-shows-child-care-supply-attendance-better-but-waivering>



| Program Year | Required Delivery Model             | Start Date Requirement  |
|--------------|-------------------------------------|---|
| 2020 – 2021  | Alternative Service delivery models | September 30, 2020  |
| 2021 – 2022  | In-Person                           | September 30, 2021  |
| 2022 – 2023  | In-Person                           | Existing programs with no expansion<br>September 30, 2022<br><br>New programs<br>October 30, 2022 |

When a provider applies for funds – whether they are a small business or a school district – they must demonstrate that they provide Preschool Promise services for all slots funded in the grant prior to their grant being executed. This means that the provider must have a ready facility and be staffed appropriately to start services by the required date. In some cases, the provider plans to increase the number of children in an existing classroom up to the licensing and Preschool Promise threshold. In other cases, it means a provider is opening a new classroom or leasing additional space. Regardless of the business plan each provider has developed, the provider is now required to operate at a capacity to fulfill all grant requirements, meaning they are incurring most costs associated with full-service delivery regardless of the number of children enrolled in the program.

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). Salaries for Preschool Promise lead teachers and teacher assistants must meet the salary guidelines adopted by the Early Learning Council (see table below). 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.

| LEAD TEACHER      | QUALIFICATION LEVEL  | TARGET SALARY (HOURLY) | MINIMUM SALARY (HOURLY)                                     |
|-------------------|--|------------------------|---|
|                   | Bachelor’s Degree (BA/BS)/ Registry Step 10                                      | \$36                   | \$25  |
|                   | Associate’s Degree (AA)/ Registry Step 9   | \$31                   | \$22  |
|                   | Child Development Associates (CDA) Credential/ Registry Step 8                   | \$24                   | \$18  |
| TEACHER ASSISTANT | QUALIFICATION LEVEL  | TARGET SALARY (HOURLY) | MINIMUM SALARY (HOURLY)                                     |
|                   | Child Development Associates (CDA) Credential or above/ Registry Step 7 or above | \$22                   | \$16  |
|                   | Registry Step below 7  | \$18                   | \$12<br><i>(or local minimum wage, whichever is higher)</i> |

There are also costs that a Preschool Promise provider incurs prior to children receiving services. These costs include required training (Office of Child Care rules require that staff receive annual training and

training prior to serving children), classroom/environment set-up, parent orientations, and instructional planning.

Office of Child Care rules require a maximum group size of 20 and a staff-to-child ratio of 1:10. Designed as a high-quality inclusionary program, Preschool Promise has a maximum class size of 18 with an adult-to-child ratio of 1:9. Grantees must comply with specified ratios during all direct service hours of the Preschool Promise program. A lead teacher and a teacher assistant must be assigned to each Preschool Promise program class regardless of provider type. Preschool Promise teaching staff may not be assigned to more than one Preschool Promise Program classroom. As a result, staffing costs are not directly proportionate to the number of children enrolled.

The Preschool Promise program also encourages blended funding models to promote a diverse socio-economic classroom composition. This means that a classroom may have ten children funded by Preschool Promise, five with Employment Related Day Care, and three children with parent pay tuition. In these blended funded models, the Preschool Promise contribution to the staff salaries is necessary even if that classroom has low Preschool Promise enrollment. This also means that a classroom may be in operation, even if all Preschool Promise slots are not filled.

## 2022-2023 Program Expansion

In preparation for the 2022-2023 Preschool Promise program expansion, Early Learning Division program staff provided agency leadership with an overview of current grantees. The summary allowed agency leadership to determine if any current grantees would be ineligible to apply for expansion due to non-compliance with grant requirements. The results showed that 15 grantees showed significant under-enrollment for the 2021-2022 program year. The agency's response to this finding was to reduce the slot award amounts for 8 grantees and required 75% enrollment by January 2023, or the Division would consider terminating their grant agreement. For the remaining under-enrolled grantees, the ELD worked with the provider and their local Hub to set clear expectations and plans for targeted recruitment and developed a Roles and Responsibilities document to ensure consistent expectations across all regions. This action directly reflected and honored the agency's shift from stabilizing a fragile early childhood system through the COVID-19 pandemic to promoting high-quality preschool availability for children and families.

At the same time, the Early Learning Division was undergoing significant transitional changes in response to the passage of HB 3073 (2021) which, among several key policies, created the Department of Early Learning and Care (DELIC) in place of the Early Learning Division. Director Alyssa Chatterjee shared an update on the progress of HB 3073, as well as Preschool Promise implementation information, at the [September 21, 2022 House Early Childhood Committee](#) hearing. At a high level, this presentation acknowledged several challenges with the 2022 Preschool Promise expansion.

The update shared that at the time, the Early Learning Division – still part of the Oregon Department of Education (ODE) – had limited procurement capacity to focus on Preschool Promise. When the first DELIC procurement director was brought on in the summer of 2022, there were 567 active procurements in process – over 300 of which were related to Preschool Promise, in part because existing grantees were required to renew their grant agreements on an annual basis. Improved processes and a dedicated DELIC procurement team are already mitigating future delays in program agreements and applications.

## Considerations

Preschool Promise grantees, Hubs, and families have all indicated that the natural time to enroll children in preschool services occurs around February of each year, which would require ELD to roll out the 2022-2023 Preschool Promise application in February 2022. As a result of these internal challenges, the application for Preschool Promise was not opened until June 21, 2022, closing on August 4, 2022. In response to this application delay, the ELD determined that services were required to begin no later than October 30, 2022, an unusual time for preschool services to start as most families have identified alternative care arrangements by the start of the school year. Simultaneously, Oregon<sup>2</sup> – and the country – have been experiencing a pronounced early childhood educator workforce shortage.<sup>3</sup> The significantly delayed release of applications resulted in a smaller-than-expected applicant pool for funds and created challenges for recruitment and enrollment for programming mid-year.

## Accountability for Public Resources

The Early Learning Division is committed to being good stewards of public resources. This is a core tenet of the infrastructure being developed for the Department of Early Learning and Care and is part of the agency's Sustainable Operations priority, as outlined in the February 27 – March 2, 2023 [budget presentation](#) to the Joint Committee on Ways and Means Subcommittee on Education.

## Insurance

To reduce liabilities to the state, the ELD implemented a Certificate of Insurance review process before executing any grant agreement in the 2021-2022 program year. Prior to this, the Early Learning Hubs verified insurance after grants had been executed as part of the sub-contracting process. For the 2022 - 2023 program year, ELD reviewed 233 certificates of insurance to ensure the program met the required insurance limits. This is particularly challenging for small businesses accessing Sexual Abuse and Molestation insurance, as it is an unrelated sector of the insurance market. However, failure to meet required insurance limits resulted in an inability to proceed with the grant with the ELD. ELD has worked closely with the Department of Administrative Services (DAS) to ensure limits are available and reasonable given the mixed delivery of Preschool Promise. Currently, the ELD is working with other agencies to ensure that the required levels are available in the market and that there is an increase in technical assistance and support for those wanting to pursue a grant with the State of Oregon.

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<sup>2</sup> Schlieber, M., Knight, J., Adejumo, T., Copeman Petig, A., Valencia López, E., & Pufall Jones, E. (2022). Early Educator Voices: Oregon. Work Environment Conditions That Impact Early Educator Practice and Program Quality. Center for the Study of Child Care Employment, University of California, Berkeley. <https://csce.berkeley.edu/publications/report/educator-voicesoregon/>

<sup>3</sup> Crouse, G., Ghertner, R., & Chien, N. (2023, January). *Child Care Industry Trends During the Recovery from the COVID-19 Pandemic*. Retrieved from <https://aspe.hhs.gov/sites/default/files/documents/a6108c6a08b6bc61732f50c2d3220f83/covid-19-child-care-industry.pdf>

## Ready Facilities

One of the conditions in the Request for Application (RFA) for applicants and continuing grantees is the ability to have facilities ready to serve children by the established start date. This includes but is not limited to a licensed facility (if required to be licensed), furniture, staff, criminal background checks, trainings, etc. For the 2020-2021 program year, programs experienced delays in licensing their facilities or obtaining the required permits to open because of the pandemic as well as delays in the shipment of furniture and supplies. While the ELD intended to only approve grants for programs that were ready in the 2020 expansion as described in the first RFA, ELD allowed programs to delay their start date to accommodate the challenges the world was experiencing. During the second expansion, ELD intended to only grant to entities who were ready; however, given the various delays the ELD experience in the launch of the RFA and intended to award, some programs were not ready to open by the established due date for the 2022-2023 program year.

ELD consulted with the Department of Justice on the process to follow if a facility was not open by the established due date. This led to the implementation of the “[Unopen Site Process](#)” listed in the grant manual. This process allowed programs to continue with their grant, with funding reductions based on their official start date. ELD has been monitoring these sites closely and will issue a grant amendment in the spring of 2023.

For the 2023-2024 program year, 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. ELD is changing timelines to ensure we are notified of any delays in site readiness before a grant is executed and amended accordingly. This will not only inform the ELD of any challenges before the execution of the grant but will also inform the Early Learning Hubs of which sites are ready to enroll children.

## Enrollment

From 2016 -2019 Preschool Promise grantees were responsible for recruiting and determining eligibility for the children enrolled in their program across eight of the nine Early Learning Hubs. During this time, there was no central location where families could enroll for Preschool Promise. In 2020 when the ELD shifted to direct grants, it also changed the role of all Early Learning Hubs across the state. To reduce barriers for families to apply for the program, create consistency in determining eligibility, and provide a central place where families could apply the ELD directed Early Learning Hubs to lead enrollment efforts in their community. To execute this successfully, Early Learning Hubs had to quickly hire and train the staff necessary to process applications from interested families in the Fall of 2020.

During the 2020 - 2021 program year, Preschool Promise experienced low enrollment for the first time since the program launched. Given the significant challenges of the pandemic and – in some cases – the wildfires, ELD refrained from enacting any low enrollment processes in the grant manual. This allowed Preschool Promise to align with other federally funded programs that held off on enacting any compliance processes for programs that were chronically under-enrolled. In doing so, programs were allowed to continue into 2021-2022 program year despite low enrollment percentages.

Preschool Promise enrollment in the 2021-2022 program year increased, averaging 75% statewide. It was also higher than other federally funded programs in part because it required grantees to offer in-person services to families. Given the enrollment increase, ELD decided to include enrollment thresholds as part of the 2022-2023 continuation process.

Given the program's mixed delivery model these thresholds were based on the number of slots awarded to each grantee.

| Funded Slots Levels | % Enrolled |
|---------------------|------------|
| 4 – 40              | 50         |
| 41-60               | 66         |
| 61-80               | 75         |
| 81-100              | 80         |
| 101-140             | 85         |

Any grantee who did not meet the enrollment threshold was asked to submit a “Low Enrollment Action Plan.” This plan was completed in collaboration with their local Early Learning Hub and submitted to the ELD for consideration. Plans were required to include information about the program, local community need, children served, and Hub efforts to increase enrollment in the program. ELD received criticism for including enrollment thresholds as of the continuation process, while other programs – including federal Head Start programs – held off given the pandemic challenges.

For the 2022 - 2023 program year, ELD increased monitoring of the 350 enrollment reports received each month. This monthly report informs ELD of the number of children served, successes, and challenges with enrollment for each site across the state. These reports, submitted by the Hubs, have also been updated to include the number of families placed, the number of transfers, challenges, and the plan for filling slots in under-enrolled programs. Given the number of reports ELD receives each month, and the amount of time it takes to clean the data, it can delay connecting with grantees in a timely fashion.

In November 2022, the ELD added a weekly Preschool Promise enrollment report. This report informs the agency of the number of open slots across each Early Learning Hub region. This report is submitted by each Early Learning Hub each week and helps the ELD track enrollment closely and provides the necessary technical assistance to increase enrollment. As of March 24, 2023, Preschool Promise is at 84% enrollment statewide.

## Infrastructure and Operational Processes

The development of DELC includes the creation of a new Office of the Chief Operating Officer, coordinating the critical administrative functions and services that have historically been provided by the Oregon Department of Education. The Early Learning Division is currently in the process of developing policies, processes, and procedures to guide internal operations, including the administration of programs and procurement processes.

Since fall of 2022, the ELD procurement team has grown from a team of two to a team of five members plus the director. In preparation for the 2023-2025 program year, procurement has developed grant

agreements well in advance of the July 1, 2023 sign date. This is ahead of the timeline that was experienced in the 2022-23 amendment cycle, when grant agreements weren't prepared until June 2022, and has us on track or ahead of schedule.

In addition to early preparation, the procurement team is also 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.

This will also benefit both the agency and grantees by reducing the resource time it takes to get the grants out, eliminating unnecessary amendments, and stabilizing the funding for utilization across the full cycle of the program. ELD staff will be able to use the additional capacity to improve monitoring efforts and it will provide additional time to work with programs and take actions more efficiently.

## Grant Management & Data Collection

Since 2020, when ELD began direct granting with providers, various reports and monitoring tools have been used to manage program implementation. The information from these reports and tools helps to create a picture of Preschool Promise across the state and provides information on grantees' compliance with grant requirements. For example, data collected show grant fund spending, monthly enrollment, classroom activities, and staff qualifications, among other relevant program indicators. Currently, data is collected across a variety of applications and reports and is not a part of a holistic grant management system. However, plans are underway to replace this system and increase the agency's data infrastructure.

The data and information gleaned from these reports is essential in telling the story of Preschool Promise. During the first year of ELD direct granting (2020-2021) the agency's focus was on workforce and program stabilization due to the pandemic. Staff involved with Preschool Promise implementation at the time note that the volume of grantees, frequent leadership changes and inconsistent directives, internal capacity, as well as a lack of systems and timely decisions stymied prudent grant management. However, as the program has matured and agency capacity has grown, so has rigor around expectation setting and accountability, specifically through the collection, analysis and utilization of data from required reports from providers. Starting in program year 2021-2022, grantee financial reports were tied directly to payments requests. Additional systems, such as a more comprehensive grantee data and report management process through Smartsheet, have also allowed for more robust data collection and therefore more thorough grant management. Though these steps have provided an increased level of accountability for grantees, continued analysis is needed to truly determine the quality, reach, and viability of the services that are being provided/granted. ELD has been in the process of evaluating data quality and data collection needs in preparation for DELC launch.

Improvements to claims approval over time:

- All years – budgets submitted for approval by grantees at the beginning of the grant period.
- 2020-2021 – claims approved as submitted. A draw report was a required activity but was not needed for claim approval as the agency focused on stabilizing the child care supply during the pandemic.
- 2021-2022 – claims approved with an accompanying draw report that matches what is claimed.
- 2022-2023 – claims approved with accompanying draw report that matches what is claimed. Additional elements were added to the review for detail, including more automation that catches anomalies.

With the transition to DELC, there are opportunities to create further efficiencies in our grant management and grant making processes. ELD has contracted for the purchase of a full life-cycle grants management system configured to DELC's requirements which will be implemented in two phases. Phase 1 will ensure that grantee funds for 2023-2025 will be available in a timely manner once ELD becomes DELC on July 1, 2023, and that grants executed under the new agency will transition directly into the new system. This will include setting up grants, subgrants, and allowing grantees to submit claims.

When Phase 2 is launched in 2024, the agency anticipates additional reporting capacity and consolidation, along with the ability to connect information from multiple grant awards that an organization may receive. This will include tracking the timeliness of required activities and deliverables and using the grant management application to communicate with grantees about details of their expenditures. Because the system will capture this information, it will add details to fiscal monitoring and improve the oversight of grant programs across funding.

With implementation of a full lifecycle grant management system, DELC will achieve the following objectives:

- Modernize the grant management application focusing on increased integration with State of Oregon enterprise solutions.
- Evaluate and revise business processes to create efficiencies for DELC staff and grantees.
- Centralize grant information and communication with grantee organizations.
- Consolidate fiscal reporting and use automation to aid in identifying areas of focus.
- Optimize engagement with grantees through single system. Grantees' level of effort will be reduced by being able to complete grant application online with a system that can ensure completeness of their application and they can receive proactive notifications through their chosen channel, e.g., mobile text, email.
- Automation of routine tasks (e.g., checking a claim for completeness) to reduce manual effort.
- Reduce the need to perform activities in separate systems or track routine items offline (e.g., checking progress reports in Smartsheet before processing claim).
- Seamlessly pass information from one process to another (e.g., Grant application and budget to grant claim processing) which will reduce data entry errors.
- Monitoring of key process parameters (e.g., process volume, process duration and time) at each step for continuous process improvement.
- Collection of data from grantees in structured formats that will drive greater insight about the domains in the scope (e.g., expenditure).
- Collection of better-quality data by minimizing duplicate entry of the data.

Our current process requires grantees to submit their claims in one system, their expenses in another system, and proof of good standing in yet another system. In the new grants management system, grantees will be able to submit all this information in one system, allowing DELC staff to more easily analyze burn rate of funds, identify gaps between budget and spending at the line-item level, and monitor when budget changes need to be addressed.

Additional data infrastructure will be needed to enable connectivity among data systems and sources and develop more efficient data processes and improved data analytics. Current data management processes will supplement Phase 1 of the new full life-cycle grants management system through the transition to DELC. Manual data processing, which currently involves between 23 – 45 hours of review each month, will continue to be required to sustain current reports and data management. ELD is in the process of initiating a project to build our Data Infrastructure. With pending federal American Rescue Plan Act (ARPA) funding timelines, ELD is looking to have project management and implementation resources in place and solutions purchased no later than September 30, 2023. However, the data infrastructure itself will be built incrementally through 2024, with the development of a central data warehouse, as well as reporting and analytics capabilities. This infrastructure is needed to improve data collections, create greater efficiencies in reviewing reports, and support analysis of program service delivery. While data infrastructure will fill gaps in grants management that currently exist, planning for future service delivery coordination will be needed to support case management for providers and families/children in the program. To support the case management of providers, ELD has initiated a project to purchase and implement a new provider management platform to replace the legacy Child Care Regulatory Information System (CCRIS). This will allow the agency to set standards for data entry and collection processes. This system will begin implementation in mid-2024 and completed by Q1 of 2025. Based on rules and policies, ELD is currently prevented from collecting child-level data and attendance data in a significant way, and the new system would not resolve this data gap.

## Internal Capacity

The 2016 launch of Preschool Promise funded 77 programs in nine regions. With the 2020 expansion of Preschool Promise, the number of grantees increased to 176, and in the second expansion in 2022, the number of grantees increased to 233 grantees offering services in over 300 sites. Although the ELD has four dedicated full-time employees to support the program, additional capacity is needed to provide the level of support and monitoring desired. The DELC Data Analytics unit and subsequent data infrastructure system will provide significant capacity to meet programmatic needs. In addition to the anticipated infrastructure changes, the 2023-2025 Governor's Budget includes a recommendation to fund a Program Quality Assurance team for the Department of Early Learning and Care. This team would be responsible for the following:

- Performing monitoring site visits to evaluate compliance with program requirements;
- Recommending modifications to program operations to assure quality implementation and take necessary actions to continually improve program performance to meet all requirements;
- Providing technical assistance;
- Developing performance measures for the standards and monitoring protocols with the goal of instituting a continuous cycle of data-driven quality improvement;
- Conducting follow-up program evaluation for programs with quality/compliance improvement plans;
- Monitoring progress of service provider and partner organizations.



These positions will build some necessary monitoring capacity, with a long-term goal for each Specialist to have a maximum caseload of 35-50 grantees dependent on number of sites.

## Secretary of State Audit

The Secretary of State released the [2023-24 Audit Plan](#), which includes a real-time audit of governance and controls as the Early Learning Division prepares to become the Department of Early Learning and Care. ELD is looking forward to the opportunity to ensure that critical policies and processes necessary for a strong government agency prior to the launch of the new Department. This may include reviews of governance, communications, outcome measures, procedures, processes, roles and responsibilities, training plans. The goal is to provide assurances to agency leadership and other key partners about potential risks to the agency.

## Conclusion

In less than 10 years, the Preschool Promise program has undergone significant changes and program growth – with the first statewide expansion available during the global COVID-19 pandemic. The Early Learning Division has worked closely with regional Early Learning Hubs and Child Care Resource and Referral entities, as well as the small-business owners, school districts, nonprofits, and child care centers delivering services to recover from the effects of the pandemic. Since the 2022-23 program expansion services began on October 30, 2022, enrollment has grown from 73% to 84% statewide. The planned changes already underway to continue program administration improvements are anticipated to have a significant impact on program enrollment as well as data collection and accountability for all early learning programs within the Department of Early Learning and Care.

The agency is well-positioned to take on continuous improvement measures by leveraging the planned Secretary of State Audit, Governor Kotek’s agency expectations, as well as internal auditor and quality assurance positions included in the Governor’s Budget.

# Appendix A: Preschool Promise Program History

## TIMELINE

2015

- HB 3380 passes, creating Preschool Promise.

2016

- Nine regional Early Learning Hubs are selected to coordinate the implementation of Preschool Promise
- From 2016 -2019 subcontracted providers were responsible for recruiting and determining eligibility for the children enrolled in their program across eight of the nine Early Learning Hubs.

2019

- Student Success Act – Early Learning Account includes the first significant expansion funds for Preschool Promise. New services to begin fall of 2020.

2020

- Two additional eligibility categories are added to Preschool Promise criteria.
- 2020-2021 program year, ELD shifts to direct granting for direct partnerships between the state and small businesses.
- Other Preschool Promise supports that began in 2020 with Early Learning Account funds included coaching and quality improvement technical assistance through the Child Care Resource and Referral Agencies.
- In response to COVID-19, Preschool Promise allowed alternative service delivery methods through a waiver process in the 2020-2021 program year.

2021

- By the spring of 2021, K-12 schools were reopening, and the Early Learning Division required that Preschool Promise programs begin to offer in-person preschool services as a condition of funding for the 2021-2022 program year.
- Finally, in the 2021 Legislative Session, an additional \$43.9million was allocated for a second Preschool Promise expansion.
- Early Learning Division program staff provided agency leadership with an overview of current grantees in order to determine if any current grantees would be ineligible to apply for expansion due to non-compliance with grant requirements.

2022

- Significant delays in releasing Preschool Promise applications.
- ELD revises grant requirements post-pandemic.
- February 14, 2022, ELD testifies on the requirements to become a Preschool Promise provider and the level of interest in Preschool Promise funding.
- First DELC procurement director was brought on in the summer of 2022.
- As a result of internal challenges, the application for Preschool Promise funds was significantly delayed, rolling out on June 21, 2022, and closing on August 4, 2022.
- Since fall 2022, the ELD procurement team is complete with a total of five members plus the director.



**2023**

- In November 2022, the ELD added a weekly Preschool Promise enrollment report.
- In response to low enrollment in the 21-22 program year, the ELD reduced the slot award amounts for seven grantees in their 22-23 grant and required 75% enrollment for these grantees by January 2023.

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- Preschool Promise is at 84% enrollment statewide as of March 24, 2023.
  - On-going case management and technical assistance with Early Learning Hubs and providers with low enrollment.
  - For providers on enrollment compliance plans, the ELD is in the process evaluating reductions or the possibility of not issuing a new grant agreement for 23-24 program year.