

SUBCOMMITTEE RECOMMENDATION

SB 5514

Department of Early Learning and Care

To: Ways and Means Full Committee
From: Education Subcommittee
Carrier: Representative Ruiz

SB 5514 is the budget bill for the Department of Early Learning and Care. The Department was created to unify, coordinate, and strengthen Oregon's early learning and child care system, the Department began operations as an independent agency on July 1, 2023.

The Subcommittee approved a budget of \$1.4 billion total funds and 376 positions. This is a 3% reduction from the 2025-27 current service level budget and a 0.5% reduction from the 2023-25 legislatively approved budget.

Key investments include:

- \$2.6 million General Fund to establish seven positions to support key operational roles in areas such as accounting and data analytics. Additionally, the resources fund professional services and ongoing maintenance and support of new systems, including the Awards Management System and the Healthy Families Oregon database; and
- \$3.1 million Federal Funds to establish 13 positions in child care licensing to lower caseloads to the national best practice ratios and strengthen customer service and compliance demands.

Lastly, the May 2025 Revenue Forecast projects the available Corporate Activity Tax resources to total \$3.16 billion for the 2025-27 biennium. This represents a decrease of \$195.3 million from the current service level budget. At this revenue level, the Fund for Student Success is not able to sustain the 2025-27 current service level budget.

The Subcommittee recommendation includes a series of reductions from General Fund and the Early Learning Account to maximize available resources and balance the Fund. The reductions, totaling \$51.2 million, included:

- Removal of above standard inflation added during the current service level budget development process; and
- Reductions from certain programs funded through the Early Learning Account, including Preschool Promise; Early Childhood Equity Fund; Early Learning Professional Development, Parenting Education and Program Supports; and Healthy Families.

The Education Subcommittee recommends SB 5514 be amended by the –2 amendment and be reported out do pass, as amended.