



Memorandum

To: House Early Childhood and Family Supports Committee
From: Kim Fredlund, DHS Self-Sufficiency Programs Director
Date: June 1, 2017
Re: Responses to Employment-Related Day Care (ERDC) Questions, Memo 2 of 2

Below are the additional ERDC questions we received from the House Early Childhood and Family Supports Committee, along with our responses. As always, please let me know if you have any additional questions.

What is the Reservation List for the ERDC program?

Think of the program as being open or closed to new applicants. When the program is open individuals can apply for benefits and everyone who is eligible will receive the ERDC subsidy. When the program is closed families who were receiving the ERDC subsidy continue receiving support; all other families are encouraged to apply for benefits but families wanting ERDC support are added to the ERDC Reservation List if they do not meet one of the exceptions. The ERDC program does not currently have a reservation list because the program is open. The last Reservation List ended on August 1, 2016. Currently, families who apply and meet all eligibility requirements will receive the ERDC subsidy.

In previous years, DHS received many applications as soon as the ERDC program opened. When the program most recently opened to accept applications it did not follow historical patterns for growth. This is due to:

- New requirements for providers implemented in November 2016.
- Lack of awareness that applications are being accepted at the start of the program opening due to continued use of a reservation list.

Historically, when the program is open the caseload builds until the program reaches the maximum number of cases possible within the budget. When that number is reached, DHS closes the program to future applicants and those applicants are added to the new ERDC Reservation List.

There is a caveat; our most vulnerable populations can still receive the subsidy even when the program is closed. The exception applies to individuals who fit any of these criteria:

"Assisting People to Become Independent, Healthy and Safe"

- Families who have received Temporary Assistance to Needy Families in any part of the last three months.
- Foster children who have a safety plan that includes childcare to keep the family at home, with a relative or known adult.
- Children eligible for a head start contracted slot and families who are deemed eligible.
- Temporary Assistance for Domestic Violence Survivors in the current and past three months.
- ERDC cases that have been closed for less than two months.

What are some of the challenges the ERDC program faces?

These are some of the main challenges ERDC currently faces:

- The way DHS must manage the budget through the Reservation List.
- Building and maintaining a child care provider base.
- State reductions.
- Loss of license exempt family child care provider due to additional requirements as of November 2016.
- Program awareness.

When, where and how have outreach and advertising efforts been conducted?

Informal outreach happens daily in our field offices when families apply for other programs such as SNAP or TANF. In addition, we've used informal outreach by sharing ERDC program information with our community networks, such as 211, to encourage referrals when families interact with other community programs.

Formal outreach for ERDC started in November 2016 during a period when the program was open and the growth of the caseload was lower than anticipated. In years past, we've not budgeted for formal outreach since we had an ample number of families applying to the program. Existing funding is not restrictive therefore DHS can utilize funds toward program outreach and we will budget a small amount for formal outreach in future. The additional outreach efforts DHS has now started include:

- November 2016, began distributing the Child Care Assistance Brochure (DHS 239) to Oregon employment programs, colleges, libraries, tribal contacts, stakeholders, community partners, etc.
 - This brochure was translated into Spanish, Russian and Vietnamese.
- January 2017, Child Care Program disbursed the Child Care Assistance Brochure to all Oregon DHS Branch Managers and requested the brochures be available in lobbies and that they are shared with their local partners.
- April 2017, SSP staff mailed the Child Care Assistance Brochure to 48,864 current SNAP recipients who met specific criteria for potential ERDC eligibility.

- These were mailed in alternate formats to include large print and oral presentation.
- April 2017, SSP staff issued a media release encouraging applications for ERDC program benefits.
- April 2017, at the Oregon Parent Teacher Association Conference SSP staff presented the ERDC program and distributed the Child Care Assistance Brochure.
- May 2017, the Child Care Program presented the ERDC program to students at Central Oregon Community College and circulated the Child Care Assistance Brochure.

The DHS Child Care Assistance Brochure is attached and can be found at:

https://aix-xweb1p.state.or.us/es_xweb/DHSforms/Served/de0239.pdf?CFGRIDKEY=DHS%200239,0239,Child%20Care%20Assistance%20for%20Working%20Parents,,de0239.pdf,,,,,/es_xweb./FORMS/-,./es_xweb./FORMS/-

In addition to the outreach efforts to potential ERDC applicants, DHS is also increasing its outreach to potential providers. Currently, DHS is in the process of developing more coaching and resource materials for child care providers to promote and explain processes and the benefits of being a DHS listed provider. The following actions have been made with the intent of building and sustaining the DHS child care provider base:

- Fast track first payment for providers already licensed with Office of Child Care.
- Extended timeframe to complete the DHS approval process.
- FF17 paying for fingerprinting and background checks.

What is the amount of funding the ERDC program currently receives?

2015-2017 Biennium Funding:

- State General Fund \$71,734,401
- Other Fund CCDF Federal from Department of Education \$97,037,957
 - Total Funding = \$167,581,370

How much additional funding is necessary to help a larger number of families?

With the current amount of funding ERDC receives, and cost per family, the program can serve approximately 8,849 families. We believe we serve approximately 18 percent of the need.

The current cost per family each month is \$789 for a biennium or 24 months, which means to help one family, approximately \$18,836 of additional funding would be needed.

Below lists the estimated number of families who could receive ERDC supports with additional funding:

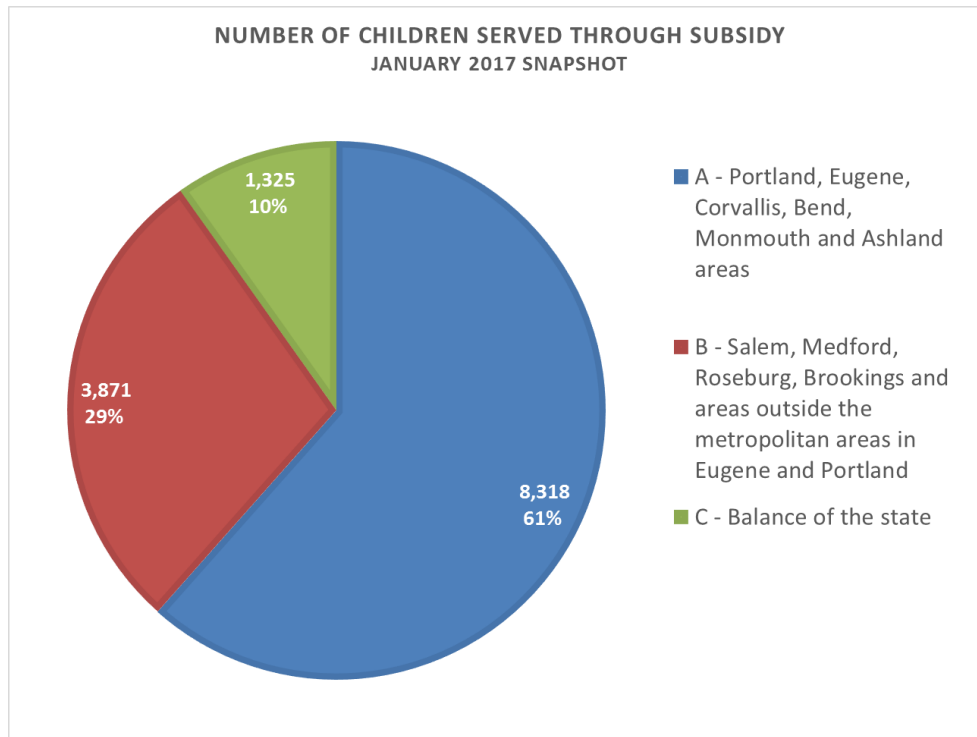
100 families = \$1,893,600

300 families = \$5,650,800

500 families = \$9,418,000

What are the group rates per child per month and total funding allocation for each group?

The following chart shows the data in the ERDC Group Areas A, B and C over January 2017.



January 2017				
Rate Area	Total Children	Total Cost		Payment per Child
A	8,318	\$	5,661,124.29	\$ 680.58
B	3,871	\$	1,757,722.56	\$ 454.07
C	1,325	\$	540,484.65	\$ 407.91

January 2017				
Rate Area	Total Children	Total Cost		Payment per Case*
A	8,318	\$	5,661,124.29	\$ 1,293.10
B	3,871	\$	1,757,722.56	\$ 862.73
C	1,325	\$	540,484.65	\$ 775.02

*In January 2017, there was an average number of 1.9 children per case.