



HB 3073 PROGRESS REPORT

September 30, 2021

Purpose

Section 85 of House Bill (HB) 3073 (2021) requires the Early Learning Division (ELD), Oregon Department of Human Services (ODHS), and Oregon Department of Education (ODE) to complete four reports on the creation of the Department of Early Learning and Care (DELIC) and the transfer of the Employment Related Day Care (ERDC) program to the new agency. As the legislation requires, ELD prepared this first of four reports in collaboration with ODHS and ODE. This report addresses the plans for development and implementation, specifically:

- Progress on the transfer of child care assistance programs, including the ERDC subsidy program, to the Early Learning Division;
- Progress on efforts to strengthen the alignment of the early childhood special education and early intervention services within the statewide early learning system;
- Progress on the adoption of rules related to school-age child care.

In addition, Section 85 of HB 3073 requires the key agencies to draft a final report due **January 15, 2022** on the above items, as well as “on the transfer of background checks inspections for the Employment Related Day Care subsidy program to the Early Learning Division, including any recommendations for legislation or other authority necessary for the collection of subsidy overpayments made under the program.” The January report will also detail “any fiscal impacts of the [ERDC transfer] plan and any conflicts of the plan with federal statute that must be resolved.”

Introduction

During the 2021 Legislative Session, the Legislative Assembly passed HB 3073. This legislation directs ELD, ODHS, and ODE to implement the vision of a unified early learning system and child care sector while providing the opportunity for these agencies to make changes to early care and education program administration. Early care and education governance resides among multiple agencies, with program policy and program administration existing across ELD, ODHS and ODE. HB 3073 creates a

unified and centralized governance model that fosters a more efficient and effective system to serve Oregon’s youngest and most vulnerable children and families.

The legislature, through HB 3073, envisions a unified system that ensures “that every child in this state is given the best opportunity to succeed in school, work, and life by providing high-quality early childhood education programs for children from birth through five years of age and child care for children from birth through 12 years of age.”¹ The unified early childhood system will be seated within a new early care and education agency. The new agency, the Department of Early Learning and Care (DELIC), will consolidate early care and education services into one state agency, including child care licensing, registration, and the distribution of state and federal child care funds. These functions currently exist to some degree within ELD, which is housed within the ODE. This new agency will “administer laws and perform functions related to early childhood to ensure that children enter school ready to learn and families are healthy, stable and attached.”²

HB 3073 also transfers the ERDC program to the new agency. ERDC is the state’s largest child care subsidy program, providing low-income, working families with access to child care. ODHS currently administers the ERDC program. ERDC is partially funded by the Child Care Development Block Grant (CCDBG) with ELD as the lead agency. Since the start of the COVID-19 emergency in 2020, Governor Kate Brown has vested the ELD with policy authority over ERDC. In addition, the legislation establishes additional eligibility and subsidy policies for ERDC to expand access and flexibility for families and providers across the state. As of October 1, 2021, the ERDC program will cap co-pays at no more than 7 percent of a family’s income, as well as waive the co-pays of families at 100% of the federal poverty level. As of August 1, 2021, ODHS implemented changes to allow child care providers who participate in the ERDC program to receive state reimbursements at the beginning of the month instead of at the end of the month, which will assist them with the financial aspects of their operations.

Section I: The Transfer of ERDC to the Early Learning Division

During the 2021 Legislative Session, ELD and ODHS began preliminary analysis for the transfer of the ERDC program from ODHS to DELIC. In April 2021, ODHS and ELD agreed to hire a consultant, Alvarez and Marsal (A&M) to survey the interconnectedness of ERDC program administration across ODHS. A&M’s initial statement of work was to complete an assessment of the current state of ERDC program administration. This process mapped program operations, statutory authority, budget implications, and technological considerations. A&M established nine working groups and a steering committee. Subject matter experts at ODHS and ELD staffed the working groups. The working groups focused on the following topic areas:

- Data and Systems
- Policy
- Family Journey
- Provider Journey
- Program Governance
- Operations and Program Administration
- Future Agency Collaboration

¹ Calderon, M. et al., *House Early Childhood Committee: HB 3073*, 3.

² Calderon, M. et al., *House Early Childhood Committee: HB 3073*, 3.

- Communications

This work culminated into the *Employment Related Day Care Program Summary*, which is a current state assessment of this program. This assessment provides “an overview of the program’s services and the operations, governance, systems, and budget that are needed to deliver those services to families and child care providers across Oregon.”³ The *ERDC Program Summary* details ERDC services and process from both the family and provider perspective to develop a process map on how the program functions within ODHS. The report includes sections on core operations, support systems, and budget. This assessment will function as a guide in the second phase of work to establish DELC and transfer the ERDC program administration over to this new agency.

Each section of the *ERDC Program Summary* details transition considerations, which are categorized as strategy, staffing, process, project management, systems, and budget. Each set of considerations is offered with differing levels of complexity. A low level of complexity is considered as an action where “a low level of effort is required to operationalize compared to other actions.”⁴ A moderate level of complexity is a transition action that requires a moderate level of planning to operationalize, compared to a high level of effort which requires extensive planning. One low level consideration related to staffing asks, “How will DELC train eligibility staff?”⁵ These questions or considerations will guide the transition process. The chart below details a brief list of key considerations. Appendix A, the *Employment Related Day Care Program Summary*, includes all 20 transition considerations.

Key Transition Considerations

Category	Level of Complexity	Transition Consideration
Strategy	High	Defining Eligibility: What is DELC's plan to re-promulgate ERDC regulations that define the ERDC eligible population?
Strategy	High	Service Access: How will families find ERDC when it is a part of DELC?
Staffing	Low	Service Training: How will DELC train eligibility staff?
Staffing	Moderate	Provide Operational Direction: What policy team will guide and interpret rules for the field office and VEC staff?
Systems	High	Integrated Eligibility: How will ERDC support in the ONE system adjust when ERDC moves to DELC?
Systems	High	Provider Management System: What provider management software changes or improvements might DELC consider and when?
Process	Moderate	Program Integrity: What team will investigate and collect ERDC overpayments?
Budget	High	Program Administration Costs: How much would the various systems and services required to administer the program cost if they had to be stood up or procured?
Project Management	Moderate	Reporting: What data points will be required for ongoing legislative reporting, research and operations management?

³ Alvarez & Marsal, *Employment Related Day Care Program Summary*, 4.

⁴ Alvarez & Marsal, *Employment Related Day Care Program Summary*, 8.

⁵ Alvarez & Marsal, *Employment Related Day Care Program Summary*, 18.

At the completion of the first phase, ELD entered into its own contract with A&M, both to plan for the transfer of ERDC and for standing up the Department of Early Learning and Care (DELIC) as its own agency. Over the next few months, the ELD Leadership Team will work closely with key ODHS representatives to review the ERDC transition considerations, define migration strategies, and make the necessary decisions that will inform the design of DELIC. The “Transition Team” comprised of ODHS and ELD leaders will be the forum for these discussions. The Transition Team will work through the list of considerations as it maps transition processes.

A&M began the second phase of work with ELD in August 2021 and will complete this phase by the start of the 2022 Legislative Session, which will culminate in the January 2022 report. The January report will detail how the division will transition into DELIC and transfer the ERDC program into the new agency. ELD has identified five steps for completing an implementation plan with A&M.

1. Establish the mission, vision, and guiding principles to inform DELIC and guide its decision-making process.
2. Complete a current state analysis and develop intra-agency transition considerations.
3. Create future state with alternatives and risk assessments.
4. Finalize resource, budget, and design considerations.
5. Develop implementation plans.

Currently, A&M is performing a rapid current state assessment of ELD agency operations. This assessment will set the foundation for the development of an autonomous and aligned early care and education agency. This process will identify and analyze core operations and services that will need to be considered during the transition process including human resources, accounting, procurement and grants, and information technology. It will investigate important legal considerations like statutory and regulatory provisions, policies, and procedures. A&M is currently working with ELD’s Leadership Team to define and document governance transition. This work includes mapping the roles and responsibilities of teams that must be assembled to establish DELIC in order to achieve a full integration of programs. The mapping will evaluate teams currently overseen by ELD, ODE or ODHS, and the operations that support these programs. Work is underway to conduct an analysis of ELD’s current state of core operations and services along with a readiness assessment to analyze what ELD will need to transition these activities.

To complete the current state analysis of ELD, A&M will review information collected through data requests and outside-in analysis. The Executive Leadership Team at ELD will select internal stakeholders and subject matter experts from each transitioning program offering and/or supporting operations. A&M will schedule and conduct interviews and host working sessions to identify and validate the current state through the lens of program offerings and administrative functions. In preparation for the January 2022 report, A&M will work with ELD to design a DELIC future state operating model and organization, define the transition strategy, and develop a transition plan.

This process will position the agency to achieve the following four goals in implementing HB 3073:

- Provide for a seamless transition of duties, functions, and powers;
- Position Oregon to best support finding expansion opportunities;
- Grow supply of child care and ensure equitable access; and
- Create a child care and early learning system that is more responsive to needs of children, families, and providers.

Section 2: Efforts to Strengthen the Alignment of the Early Childhood Special Education and Early Intervention Services within the Statewide Early Learning System

As the Early Learning Division (ELD) and the Oregon Department of Education (ODE) engaged the legislature on establishing a unified early care and education agency, discussions arose on the governance and service delivery model for Early Intervention/Early Childhood Special Education (EI/ECSE) in Oregon. For the September 2021 report, the legislature requested an update on the efforts to strengthen the alignment of the early childhood special education and early intervention services within the statewide early learning system. ODE and ELD requested that Education Northwest (EDNW) assist with identifying best practices in a policy review and state scan report.

Some of the guiding questions that the report raised are:

- Where are EI/ECSE programs housed in Oregon and other states—what is the governance structure?
- Is there any evidence that housing EI/ECSE programs in certain agencies or divisions produces better outcomes for children?
- Is there any evidence that consolidated or dispersed EI/ECSE systems produce better outcomes for children?
- How is funding for EI/ECSE allocated and accessed in Oregon and other states?
- What best practices in governance, structure, funding, community engagement, and program delivery could ODE consider implementing?

In the report⁶, EDNW analyzed peer-reviewed literature and completed a state scan comparing the governance, service delivery, and funding models of 12 states, including Oregon. EDNW was challenged by the limited research available on the governance models for EI/ECSE, but used the state scan to determine the strengths and challenges of each system. The report distinguishes each state’s system as a dispersed, consolidated, or a hybrid model. Oregon’s model was described as a consolidated system where EI/ECSE programs are administered by a single agency, in contrast to dispersed models where program services are spread across two or more agencies.⁷ The report’s authors shared the opportunities and obstacles of consolidated and dispersed program administration.

“Both consolidated and dispersed models of ECE governance have strengths and challenges. Consolidating various programs within existing agencies, or creating new agencies to house early childhood programs, can sometimes increase alignment in the cohabitating programs. However, it is not possible to include all programs that serve families with young children, and attempts to consolidate can disrupt alignment with programs in other agencies (Jenkins & Henry, 2016; Bruner et al., 2004).”⁸

EDNW is continuing their work in Fall 2021 through community outreach and listening sessions. Various community partners are participating in this process including: intake coordinators, EI/ECSE providers

⁶ The *Oregon Department of Education: EI/ECSE policy review and state scan* is found in Appendix B.

⁷ Education Northwest, *Oregon Department of Education: EI/ECSE policy review and state scan*, 2.

⁸ Education Northwest, *Oregon Department of Education: EI/ECSE policy review and state scan*, 3.

and home visitors, school district superintendents, education service district superintendents, directors of early care and education agencies and programs, and families who receive EI/ECSE services. EDNW will gather information on experiences with EI/ECSE, identify successful program practices, and document opportunities for additional support. They will publish their findings in a report that may be used to inform policy changes at the departmental or legislative level, and these findings will be included in ELD's January 2022 report.

In addition to the work with EDNW, the ELD and ODE will work with the BUILD Initiative to conduct further research and outreach on early care and education governance, including the best practices for EI/ECSE governance.

Section 3: The Adoption of Rules Related to School-Age Child Care

The Early Learning Division (ELD) has the statutory authority for monitoring and regulating child care in Oregon according to licensing rules adopted, as per statute, by the Early Learning Council (ELC). Oregon's child care licensing rules are currently organized by program type (Registered Family, Certified Family, and Certified Center, as well as rules for Regulated Subsidy providers) rather than by the age of the child served by the program. These rules are in place to ensure the health and safety of Oregon's children in early care and education programs. Among many aspects of child care services, the rules provide guidance on training requirements, caregiver/child ratios, protections from safety hazards, supervision, and sanitation measures.

Currently, ELD's Office of Child Care (OCC) is in the process of reviewing all of its licensing rules and rulesets. These rules, most recently revised in 2019, are primarily focused on the needs of children from six weeks to five years, and do not always take into consideration Oregon's after-school programs and other programs that primarily serve school-age children. Child care providers have raised this issue with the OCC. The OCC understands this issue and has begun a process to refine child care rules in a manner that better addresses the particular dynamics of programs that serve the school-age population. In response to ELD's *Child Care and Development Fund (CCDF) Plan for Oregon, FFY 2022-2024*, Oregon Statewide Afterschool Network (OregonASK) shared that the infusion of federal funds are "an opportune time to build upon early progress and create new quality systems and policies to significantly impact the school-age field."⁹ OregonASK recognizes the need for "developing a separate health and safety training curriculum for school-age providers; and [training] licensors on school-age program best practices."¹⁰

Recently, the OCC has been engaged with the National Center on Early Childhood Quality Assurance (ECQA Center) to assist the OCC in surveying the current ruleset for all child care types and differentiating the rules that are applicable to the birth to five programs and those for programs that serve school-age children. In addition, ECQA Center has shared national best practices to assist in developing a ruleset appropriate for school-age children. The OCC is working to review and incorporate the recommendations and national best practices provided by ECQA Center to propose these new rules. This process mirrors OregonASK's observation that child care policies "would benefit from considering

⁹ Unverzagt, E., *Re: Comments on Child Care and Development Fund (CCDF) Plan for Oregon, FFY 2022-2024*, 1. ¹⁰ Unverzagt, E., *Re: Comments on Child Care and Development Fund (CCDF) Plan for Oregon, FFY 2022-2024*, 2.

the need for school-age differentiation and explicitly drawing attention to the future innovative school-age efforts the agency would take on.”¹¹

After the review by OCC is complete, stakeholders will have the opportunity to review the draft ruleset to provide input on the proposed rules for school-age programs. In August, the ELD hosted opportunities for stakeholder engagement with Boys and Girls Clubs, YMCAs, OregonASK, and others. These were preliminary discussions with ELD’s community partners to share perspectives on the opportunities for coordination and to share challenges with the current processes. Several issues that were raised included the difficulty for certain programs to access funding without a license, as well as challenges around the timeline for enrollment in the Central Background Registry. ELD will continue to engage its community partners as OCC reviews the child care rules. Once this process is complete, the OCC will begin the work of distilling school-age child care rules for adoption by the ELC. The process for adopting a comprehensive school-age child care ruleset alongside the best practice updates for all licensing types, totaling to more than 400 pages of administrative rules, will be completed in the next 18-24 months.

Conclusion

The Early Learning Division (ELD) is on track to develop an implementation plan for the legislature by the January 15, 2022 statutory deadline. ELD continues its work with A&M to establish the mission, vision, and guiding principles to inform DELC; complete a current state of operations analysis; create a future state of operations; finalize resource, budget, and design considerations; and finally, to develop the implementation plan for the January 2022 report. ELD will continue to engage key partners on the alignment of the EI/ECSE services within the Statewide Early Learning System and in the review of OCC’s child care rules. ELD, ODHS and ODE will partner with The Hunt Institute to create a forum for lawmakers to hear more about key takeaways from states who have recently addressed early childhood governance, and preview some of the recommendations that will be included in the January 2022 report. ELD, ODHS, and ODE will continue to collaborate to ensure that the legislative intent in HB 3073 is met, and to implement the vision of a unified early learning system and child care sector.

¹¹ Unverzagt, E., *Re: Comments on Child Care and Development Fund (CCDF) Plan for Oregon, FFY 2022-2024*, 2

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Appendix A



Employment Related Day Care Program Summary

August 27, 2021

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1. About this Document

This summary of the Employment Related Day Care program (ERDC) was developed to provide an overview of the program’s services and the operations, governance, systems and budget that are needed to deliver those services to families and child care providers across Oregon.

Leadership from Oregon’s Department of Human Services (ODHS) and the Early Learning Division (ELD) intend to use this general summary of the program’s current state to inform their future work together to transition ERDC into a new agency, the Department of Early Learning and Care (DELIC). The teams will collaborate in the future on the design of DELIC and can leverage this document to support their design decisions and more detailed implementation work.

The information in this summary was gathered through the collaborative effort of several working groups, made up of representative staff with working knowledge of ERDC. They included staff from ODHS and the many teams that support ERDC. In addition, the summary includes data gathered from ODHS reporting systems. The summary is intended to be high level. It is not intended to be an evaluative assessment, though some opportunities for improvement were identified by working groups and are captured.

This document is organized around describing the experience of families and providers and the services to support their use of the ERDC program. Each section also includes details about the staff needed to support ERDC and notes on Transition Considerations – topics for further review and investigation by ODHS and ELD leadership. Transition considerations are explained, prioritized and include an initial view of their potential complexity.

Figure 1: Transition Considerations Complexity Ratings



Table 1: Transition Consideration Categories

	Strategy	Strategic policy and operational decision making
	Staffing	Staffing that supports ERDC, including shared services and ODHS functions
	Process	Operational sequencing, roles, and responsibilities
	Project Management	Decision making and implementation planning
	Systems	Data and technology required to support ERDC operations
	Budget	Cost associated with the ERDC program management and administration

2. Background

2.1 ERDC Overview

The ERDC program provides subsidies to parents to offset the cost of child care, taking a multi-generational focus to support families with children, caretakers and child care providers. The program works across the state to help families find and keep good child care and develop resources for parents and child care providers.

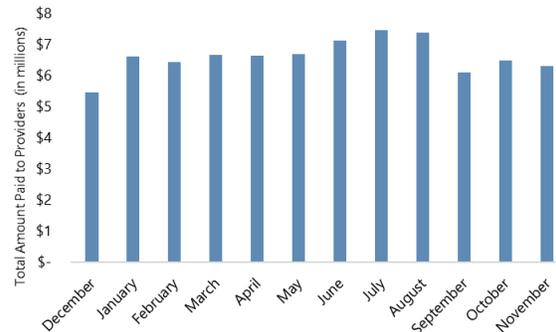
ERDC is currently administered by the Oregon Department of Human Services (ODHS) as part of their Self-Sufficiency Programs (SSP) portfolio, and the Early Learning Division’s (ELD) Office of Child Care (OCC). ODHS exercises operational control over the program, working with families to make eligibility determinations and with providers to distribute subsidies. ELD exercises policy-making control at the direction of the Governor and as the lead CCDF state agency. Both agencies have rulemaking authority, and both agencies are involved in union negotiations with the Governor’s Office as the lead, in consult with the Early Learning System Director.

Figure 3: Monthly Claim Volume



subsidies comes from funding given to ODHS in their General Fund³ by the Oregon Legislature. At the beneficiary level, eligible families make a copayment for child care services, however, due to the pandemic, co-pays have been waived at least until September 30, 2021.

Figure 2: Cumulative Monthly Provider Payments¹



ELD also has licensing authority for all child care providers and serves as the State’s Child Care and Development Block Grant lead agency. In this latter role, ELD transfers Child Care and Development Fund (CCDF) to ODHS to pay for ERDC eligible subsidies. CCDF gives states, Indian tribes, and territories funding to administer ERDC to provide child care services for low-income working families and families transitioning out of the Temporary Assistance for Needy Families (TANF) program with the policy goal of assisting families to become self-sufficient and able to retain employment.² About a third of the funding from ERDC

¹ Data: December 2018 – November 2019.

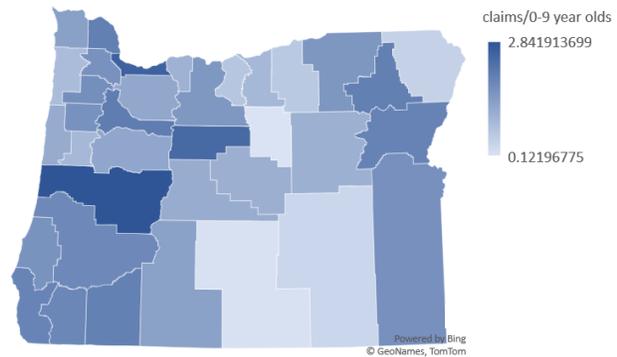
² Regulations are outlined in 45 Code of Federal Regulations (CFR) Part 98.

³ State authority lies in ORS 329A.500.

Approximately 12,000 claims are filed each month in the ERDC program. As shown in Figure 3, the program’s size remained relatively flat from 2017-2020⁴, with monthly claim volume peaking in June 2017 at 13,343 claims. The lowest number of claims was in May 2020 (likely due to the COVID-19 pandemic).

The ERDC Program is in a “budget box”: ODHS manages caseloads up to a capped number of subsidies. Due to this constraint, ODHS has not been able to actively grow the program. Any program expansion would require more monetary commitment from the Legislature or Congress.

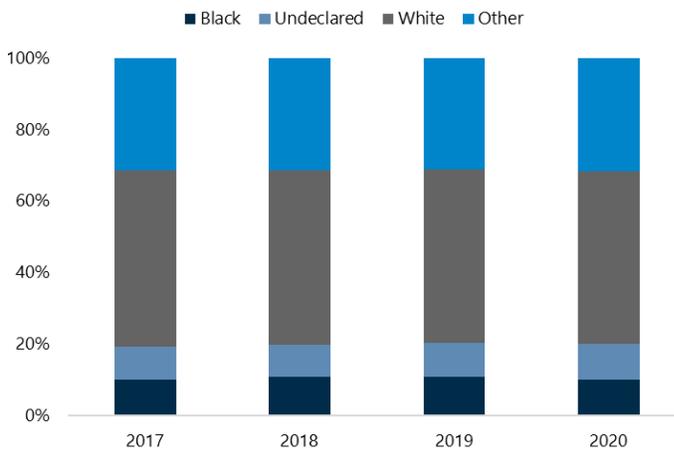
Figure 4: Claims by County 2017-20 (Normalized for Population Size of 0-9 Yr. Old's)



As Figure 4 demonstrates, claims per county (normalized for the population size of 0-9-year-old) tend to be higher in urban areas.⁵ The county with the highest share of normalized claims is Lane County, home to the city of Eugene. The county with the second highest share of normalized claims is Multnomah

County which encompasses Portland. Marion County, where the capital is located, is ranked fourth in claims per the age 0-9 population. Diverging from the urban center trend, Jefferson County, a smaller more rural county, has the third highest share of claims when normalized to account for its 0-9 population size. While more populous urban counties tend to have a higher share of the ERDC claims, this is not a perfect correlation.

Figure 5: Distribution of ERDC Families by Race



From 2017-2020⁶, the racial distribution of families claiming ERDC benefits

remained consistent. About half of ERDC families identify as “White.” The next largest racial category at 31% is “Other”⁷, and about 10% of families identify as “Black” or did not declare their race.

⁴ ODHS began transitioning from legacy systems to the ONE System in early 2021. ORRAI is still working to incorporate their analytics into the ONE System, therefore 2021 data has not been analyzed.

⁵ Population figures are from Portland State University’s 2020 Population Tables. Ages 0-4 and 5-9 were combined to better assess how many kids were in each county as a proxy for the potential target ERDC population. Analysis was done by matching the zip code where a claim was filed to the respective county that zip code is located in. 6,598 out of the 879,686 claims analyzed did not have an associated zip code and were excluded from this analysis.

⁶ ODHS began transitioning from legacy systems to the ONE System in early 2021. ORRAI is still working to incorporate their analytics into the ONE System, therefore 2021 data has not been analyzed.

⁷ Asian, Hispanic, Native American or Alaskan Native, Native Hawaiian or Pacific Islander, and multiple race codes.

There are clear overlaps between the families who receive the ERDC subsidy and those who receive other SSP benefits. The majority of ERDC families also had a SNAP case within the same year. And families frequently transition between ERDC and TANF (they cannot be enrolled in both per state policy).

2.2 HB 3073: Transition of ERDC to the new Department of Early Learning and Care

In 2021, House Bill 3073 introduced a new state agency for Oregon, the Department of Early Learning and Care (DELIC), an independent early education entity. Under the Early Learning Council, DELIC will consolidate early learning and child care services from ODHS and ODE into one state agency, including licensing, registration, and the distribution of state and federal child care funds. This structure is meant to reduce inefficiencies and expand access for families and children to high-quality child care and early learning programs that are administered by different agencies. The goal of BH 3073 is to continue the mission of the Early Learning Council in ensuring children enter school ready to learn, are raised in families that are healthy, stable, and attached, and have access to early learning in a manner that is aligned, coordinated, and family-centered. Key changes implemented through HB 3073 include:

- **Establishes DELIC** – Separates ELD from the Department of Education (ODE) and ERDC from ODHS to establish a new agency. DELIC will receive oversight from the Early Learning Council, which will help coordinate a unified and aligned system of early learning services.
- **Consolidates Funding, Policy, and Licensing** – DELIC will manage the allocation and disbursement of federal and state ERDC child care funds as well as child care policy, quality standards, and licensing.
- **Modifies Membership and Responsibilities of the State Interagency Coordinating Council** – Updates the membership to include the new state agency in alignment with federal IDEA requirements.
- **Expands ERDC Policy**– Expands the ability for DELIC to administer ERDC to families that need it most.
- **Establishes Accountability** – Sets a clear timeline and checkpoints for reports to the Legislature regarding the progress of implementation.

ELD, ODE, and ODHS are expected to develop and implement plans for a seamless transfer of duties, functions, and powers to the new agency. The following reports will be due to the legislature:

- **Report on Progress (Sept. 30, 2021)** – ELD, ODHS, and ODE will work together to outline the progress in child care assistance programs, alignment of intervention services within statewide early learning systems, and adoption of rules related to child care.
- **Report on ERDC Program (Jan. 15, 2022)** – ODHS and ELD to determine fiscal impact and timeline of eligibility changes to ERDC and report on the progress of transferring ERDC to DELIC along with other implementation topics.
- **Report on Updates of Implementation (Sept. 30, 2022)** – ELD will work with ODHS and ODE to provide updates on the transfer of ERDC and the establishment of the Department of Early Learning and Care.

3. State Regulatory Framework

The ERDC program is guided by state and federal policies that shape how the program benefits employed parents and their children. Specific regulations are identified throughout this report in the context of the functions and operations that deliver elements of the program.

Currently, **over 200 Oregon Administrative Rules (OARs) (across ELD and ODHS) work together to govern the ERDC program.** ELD licensing regulations are a substantial component of total volume while a number of regulations are related to defining what is considered income. These are not regulations that add “red-tape” for families or providers. However, the numerous income-related calculations that are a

part of policy development and eligibility determinations do add administrative burden for the staff who support ERDC. Excluding licensing regulations, most of the regulatory activity is controlled by ODHS (95%). High-impact policy questions and operational standards are included in approximately nine regulations, which are summarized in the Appendix, Section 8.1.

Eligibility for the program is defined by a combination of state and federal law. **45 Code of Federal Regulations (CFR) § 98.20 defines eligibility for CCDF funded child care programs.** To meet federal eligibility requirements, a child must:

- **Age:** Be under 13 years of age or be under age 19 and physically or mentally incapable of caring for themselves or be under court supervision.
- **Household Income:** Live with a family whose income is less than or equal to 85% of the state’s median income (SMI) (approximately \$57,000 in 2019).⁸
- **Family Assets:** Live with a family whose assets do not exceed \$1,000,000.
- **Family Work Requirement:** Live with caregivers who are working or attending a job training or educational program.⁹
- **Initial Work Search:** States have the option to offer eligibility to caregivers that are unemployed, but searching for work, for up to three months during their initial eligibility period.¹⁰

States have the flexibility to establish additional eligibility criteria if it does not discriminate based on race, nationality, ethnic background, sex, religious affiliation, or disability. States are prohibited from conditioning eligibility on the citizenship or immigration status of their parent.¹¹ **OARs establish the eligibility requirements for the ERDC program.** Table 2 summarizes Oregon’s specific eligibility criteria that deviate from the standard federal guidance, while remaining within the established guardrails.

Table 2: Oregon Deviations from Federal Eligibility Criteria

Federal Standard	Oregon Practice
Age	Aligns with the federal cap for children with no special needs but provides eligibility for special needs children only up to age 17 at the time of certification.
Household Income	Oregon currently uses two household income standards. The entrance threshold is 185% of the federal poverty limit (FPL) and the exit threshold is 85% of SMI or 250% of the FPL, whichever is higher. ¹²
Family Assets	Aligns with federal eligibility standards for CCDF funding child care.
Family Work Requirements	Oregon currently requires that the family is working in order to receive ERDC benefits. They can get hours for child care when they are in school or in a training program, but 50% of their total approved hours must be for when they are working. Oregon does not consider two-caregiver households eligible if their work schedules do not overlap, unless one caregiver is physically or mentally unable to care for the children (sleep time is not covered).
Initial Work Search	Oregon does not allow the federally optional 3-month work search period for families at the beginning of their certification period.

⁸ “2019 Median Household Income in the United States.” The United States Census Bureau, September 17, 2020. <https://www.census.gov/library/visualizations/interactive/2019-median-household-income.html>.

⁹This requirement does not apply to specific populations of vulnerable children.

¹⁰ “Job Search and Continuity of Care.” Early Childhood Training and Technical Assistance System. Administration for Children and Families, October 14, 2020. <https://childcareta.acf.hhs.gov/ccdf-fundamentals/job-search-and-continuity-care>.

¹¹ “45 CFR § 98.20 - A Child’s Eligibility for Child Care Services.” Legal Information Institute. Cornell Law School. Accessed July 8, 2021. <https://www.law.cornell.edu/cfr/text/45/98.20>.

¹² These income thresholds are included in Oregon’s COVID-19 waiver, which expires on September 30, 2021.

3.1 Historical Policy Development Concerns & Comparisons to Other States

The ERDC program is funded by CCDF funds, which require families to meet work requirements to access benefits. The program has historically been viewed by Oregon as an anti-poverty program that assists families while they build financial resiliency. This program focus has been enhanced by the administrative structure of ERDC - the placement of ERDC within the State's Human Services agency. This administrative structure has allowed ERDC to work in tandem with related programs and federal funding, such as TANF. Child care assistance is a benefit that follows the family from their initial experience with financial hardship, together with SNAP and TANF benefits, and one of the last benefits the family leaves when their financial health improves beyond the income limits of other programs. Oregon is currently in-line with the most common administrative structure. In the future, they will be joining DC, Florida, Maryland, Massachusetts, Michigan, and others who administer the program through an education-focused agency.

Oregon has steadily expanded the State's definition of eligible work and training activity. For example, the State now considers educational hours a qualifying activity (school); previously, only work training hours were considered a qualifying activity. This expansion has allowed more families, in more complex situations, to access ERDC benefits. States vary greatly on what they consider qualifying activities, with some enacting very narrow interpretations and others including a broad array of related activities (like searching for housing). As of 2019, Oregon was one of 32 states to not consider job search a qualifying activity during initial eligibility.¹³ Oregon does consider work search a qualifying activity once eligibility has been established.

Like other states, Oregon exercises state discretion regarding household labor and income. Oregon operates with an increased exit limit, allowing for coverage up to 250% of the Federal Poverty Limit if it is greater than the federal limit of 85% of the State Median Income. Any costs for households falling under this increased limit are covered with state General Funds.

Despite some expanded allowances, much of Oregon's eligibility criteria have been developed to optimize family stability against funding constraints – narrowing eligibility to avoid operating the program with a reservation list. This caseload management strategy has resulted in additional requirements for verification and fewer qualifying activities. For example, some believe that matching child care hours to caregivers' work schedules are not considered to be a best-practice eligibility standard.¹⁴ Colorado has prohibited this linkage, and Rhode Island has identified schedule collection as a predominant driver of eligibility churn in their subsidized child care program.¹⁵ Despite the administrative burden of implementing a "demonstrated need" requirement, ODHS maintains these eligibility criteria because of the capped caseload.¹⁶

Oregon considered input from the community, when designing ERDC.¹⁷ Oregon's two threshold-based income eligibility framework was developed in response to community concerns about program

¹³ Dwyer, Kelly, Sarah Minton, Danielle Kwon, and Kennedy Weisner. "Key Cross-State Variations in CCDF Policies as of October 1, 2019." Washington, DC: Urban Institute, December 2020. https://ccdf.urban.org/sites/default/files/state_2019_ccdf_policies_dec_2020.pdf

¹⁴ Johnson-Staub, Christine, Hannah Matthews, and Gina Adams. "Job Hours and Schedules: Implications for State Child Care and Development Fund Policies." Washington, DC: The Center for Law and Social Policy, April 2015. <https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/Job-Hours-and-Schedules.pdf>

¹⁵ Johnson-Staub, Christine, Hannah Matthews, and Gina Adams. April 2015.

¹⁶ In this document, a capped caseload refers to a caseload that has its maximum level determined by available funds.

¹⁷ Former outreach efforts include surveys and listening tours. ([2020 Family Voices Report](#))

exit. In addition to easing the transition for families, the exit ceiling complies with the federal requirement that benefits be phased out if they are ended for a family when the family’s income is below 185% of SMI.

The table below introduces some transition considerations regarding ERDC’s regulatory framework. Additional policy considerations are identified throughout this summary document.

3.2 Transition Considerations

Category	Operational Element	Transition Consideration	Complexity
Strategy 	1. Defining Eligibility	<p><i>What is DELC's plan to promulgate regulations that define the ERDC eligible population?</i></p> <p>Content from all existing ERDC regulations will need to be adjusted to align with the new administrative structure. Any change in Oregon’s priorities for the target population may be managed through changes to eligibility criteria, such as income. Any change, particularly if it caused the eligible population to narrow, would require transition planning for currently certified families.</p>	High
Strategy 	2. Managing Caseload	<p><i>What service strategy will DELC use to manage caseload volume?</i></p> <p>ODHS preferred caseload management strategy is to restrict front door eligibility rather than have to utilize a reservation list, which was confusing to families and caused many to think the ERDC program had ended.</p>	Moderate

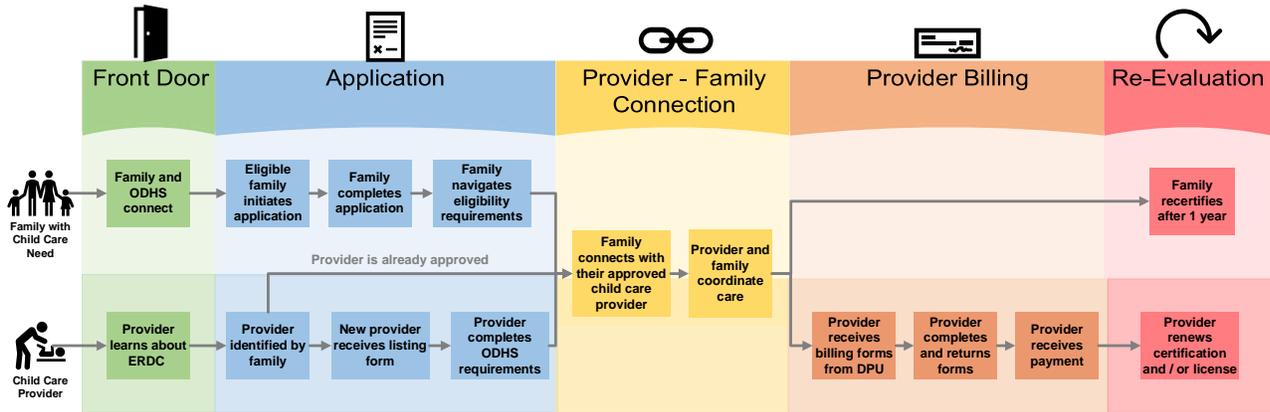
4. Current State Summary

4.1 Overview

In the details that follow, the ERDC program is described in the context of a Family and Provider Journey (Figure 6) to receive or deliver ERDC child care services. The journey includes:

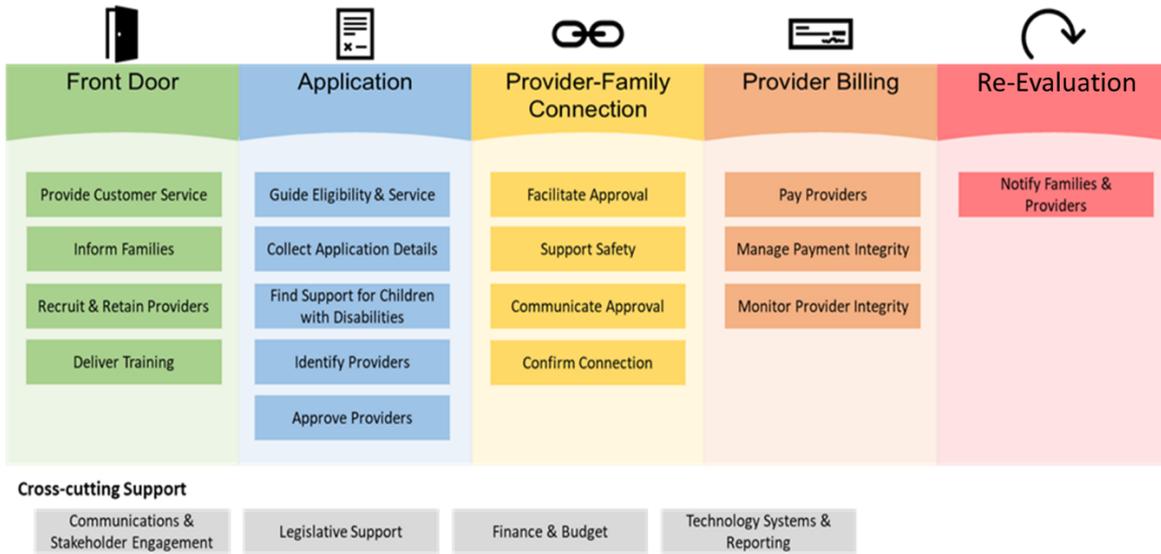
- **Front Door:** A family or provider learns about the ERDC program.
- **Application:** A family submits details about their circumstances and needs through an application process, and their eligibility for the ERDC program is determined. A parent identifies a provider. Providers begin engaging with the family if they are not already approved for ERDC.
- **Provider-Family Connection:** The family and provider set up delivery of child care.
- **Provider Billing:** Provider participation is actively managed via payment and billing reviews.
- **Re-Evaluation:** Family or provider participation is re-established.

Figure 6: High-Level Family and Provider Journey



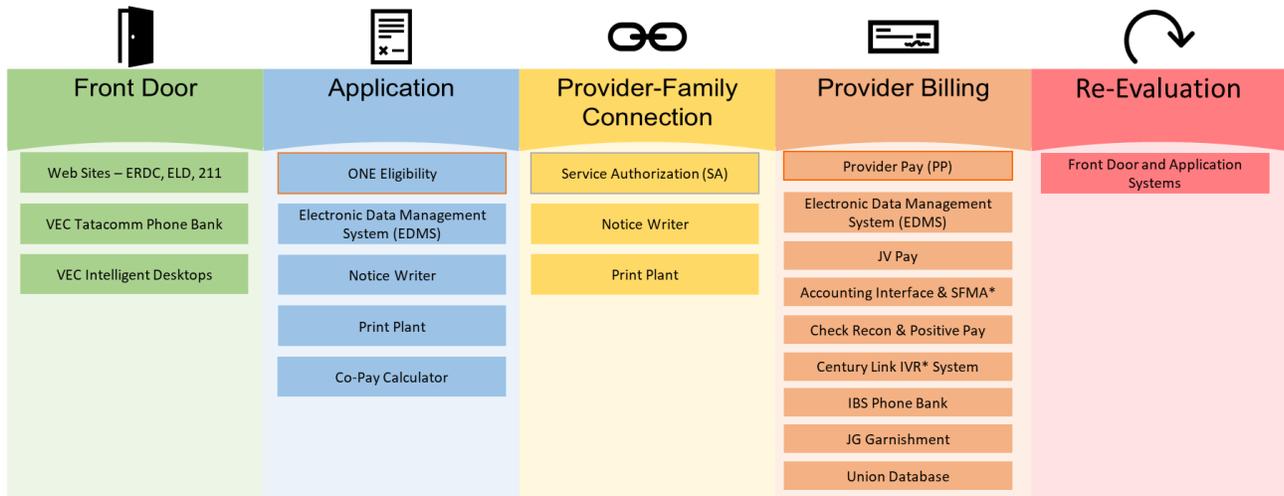
Supporting the family and provider journey, there are essential functions and processes that multiple teams perform to deliver the ERDC program. There are also a handful of cross-cutting functions and processes, shown in grey at the bottom of Figure 7.

Figure 7: Key Functions & Processes View



Finally, there are technologies and systems that are required to execute the program, as identified in Figure 8. These technologies are included in each step of the Family and Provider Journey and are described in more detail in Section 5. The three systems that are outlined – ONE Eligibility, Service Authorization, and Provider Pay – are the backbone systems for the ERDC program.

Figure 8: Systems Support View

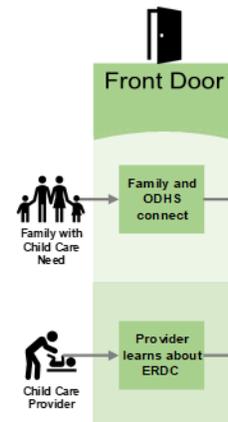


4.2 Front Door

This section describes the initial engagement families and providers have with ERDC and the key processes, roles, and systems that support that first step.

For families, there are multiple “front doors” or avenues that help them learn about ERDC.¹⁸ A detailed process flow is included in the Appendix, Section 8.6. Four primary categories of entry include:

- Families contact ODHS in person or by phone.
- Families seek out general child care information virtually (online or through customer-support lines).
- Families apply for or receive services from another benefit program (e.g., Supplemental Nutrition Assistance Program (SNAP), Oregon Health Plan (OHP)).
- Families learn about ERDC through an ELD managed community resource, like a Child care Resource and Referral Agency (CCRR) or Early Learning Hub.



ERDC is currently tightly connected with a broader group of benefits administered by ODHS to help stabilize families and support them in gaining employment and economic mobility. These related programs serve as an important channel to ERDC enrollment. ODHS staff work with families to inform them of options and help families transition between other programs and ERDC. These programs include [SNAP](#), [TANF](#), [Jobs Opportunities and Basic Skills Program \(JOBS\)](#), OHP, and more.

For providers that are not already Listed and Approved with ODHS to accept ERDC subsidies, they typically learn about ERDC when a family is seeking child care. Providers may also receive information from Child Care Resource and Referral (CCRR) entities. More information on CCRRs can be found in the Operational Overview section below.

¹⁸ ODHS does not collect data regarding how families first learn about or connect with ERDC.

Operational Overview

The front door for families is supported by **ODHS field offices and Virtual Eligibility Centers (VECs)**, who often share information about ERDC when families pursue other benefits.

Provide Customer Service

ODHS has field offices distributed throughout the State: approximately **1,500 eligibility staff in more than 60 ODHS field offices are located across 16 districts** (see Appendix for a map of field office locations). Prior to the COVID-19 pandemic, ODHS SSP staff considered in-person visits to field offices to be the primary entry point for families into the ERDC program. Most of the eligibility activity for the ERDC program is completed by ODHS field office staff, including front desk staff, eligibility workers, supervisors, and district leaders, among others. Front desk staff tend to help families understand the broad array of services available while eligibility staff typically help families pursue a specific program such as ERDC.

A family receiving TANF benefits receives case management support from their ODHS “Family Coach,” which can make their front door experience slightly different. When transitioning to the ERDC program, this family coach continues to interact with the family, providing guidance, planning support, and more. Sometimes this additional support continues for up to six months post the family’s transition from TANF to ERDC.¹⁹ The TANF program provides cash assistance for low-income families. Once a TANF family obtains employment, their access to child care (often through the ERDC program) is a critical building block on the family’s path to self-sufficiency.

While families may connect with ERDC through alternatives other than an in-person visit, all application materials are eventually reviewed by a field office staff member. In addition to their Front Door responsibilities, field office staff support ongoing engagement with families and providers, as detailed in the family journey sections that follow.

ERDC branch office eligibility functions are supplemented by Virtual Eligibility Centers (VECs). VEC staff work remotely and respond to a statewide, rather than regional, eligibility queue. The virtual services that VEC staff provide families are interchangeable with the virtual services that field office staff have been providing to families during the COVID-19 pandemic. VEC staff also help process applications that come in via the online portal. The staff also call families to verify information or complete an unfinished component of the application. VEC staff primarily use a phone bank and a call routing system from Tatacomm and Intelligent Desktop to complete their work remotely, essentially operating as a statewide operation.

Field office eligibility staff and VEC staff have program and process knowledge that allows them to educate families, collect the application information and effectively complete applications, follow-up with families about missing information, and complete a required eligibility interview within the family’s application window. Eligibility workers are taught about different types of income, learn to have conversations with families about their incomes and resources, and are supported by a technological system that completes some of the eligibility calculations.



¹⁹ TANF family coaches and ODHS eligibility staff work in tandem in the field offices; some TANF family coaches also complete non-TANF ERDC eligibility determinations.

Additionally, eligibility workers are trained to “meet families where they’re at.” This ODHS saying is grounded in the prioritization of equity and summarizes the belief that a family should receive customer-service commensurate with their level of need. Eligibility workers are trained to consider how they can help families transform, how they can be mentally present for the families they serve, and what skills they should rely on to support success for families. Staffing for the field leadership generally comprises:

- [Branch Managers](#) who oversee the operations of the branch.
- [Community Partner Coordinators](#) who act as the outward-facing liaisons for an office. These staff often collaborate with Early Learning Hubs.
- [Engagement Specialists](#) provide support and oversight to family coaches and child welfare specialists.
- [Lead Workers](#) who provide support and oversight to the eligibility workers.
- [Eligibility Workers](#) who directly interface with clients throughout the application process.
- [Front-Desk Staff](#) who provide program navigation support to families when they enter branch offices.

ODHS field office staff do not just support ERDC; they are also trained to introduce potential benefits for SNAP, TANF, and medical assistance. Staff are encouraged to ask questions that can help them identify other programs that are relevant for the family’s needs. These include:

- [TANF](#) families entering ERDC are informed by a family coach, rather than an eligibility worker. TANF families are prioritized and tend to receive a higher-level of support in the application process.
- [Head Start](#) families are often informed about ERDC by their Head Start provider. Head Start also provides wrap-around services to ERDC families enrolled in their care.
- [Baby Promise](#), also administered by the ELD, relies on the ERDC application and eligibility process to provide eligibility case information for their program. Families are often informed about the ERDC program by their Baby Promise provider.
- [Other](#): The Teen Parent Program, Substance Use Disorder (SUD) Program, and the Bureau of Labor and Industries (BOLI) Apprenticeship Child Care program provide child care services to families that may also access the ERDC program at some point in time.

Job descriptions for eligibility staff and information regarding their union representation and rights can be found in the Appendix, Sections 8.2 and 8.3.

ODHS is in the initial phase of implementing an integrated eligibility system, the ONE system, that has changed how eligibility staff complete their work. The ONE system has supported ODHS’s efforts to create an integrated, uniform eligibility process across the agency’s programs (ERDC included). All application information is now stored in ONE and eligibility staff have been trained to interact with the program and adjust to its rules. The ONE system has facilitated a greater opportunity for virtual work. More details on ONE System can be found in Section 5.

[Inform Families](#)

The Child Care Assistance page on the [ODHS website](#) acts as the main online information gateway for ERDC and provides details for families on eligibility criteria, benefits of the program, income limits, and instructions to apply. Families can also use the website to locate field offices if they would like to meet with someone in person.

ODHS conducts targeted outreach to current families served and sends out communications with important policy updates or specific notices. **Communications sent out from the policy team are translated into Spanish, Russian, Vietnamese, and Chinese.** When families contact ODHS, the staff strives to connect them with a bilingual worker. If not available, ODHS leverages language translation

services. Overall, ODHS employs 322 multilingual staff in their field offices and 240 in their VECs. The Direct Pay Unit (DPU) which supports the connection between a family and their provider, sends out notices as well. Some of these communications are tailored based on a specific issue or need an individual family might have, like a missing or incomplete form, and others are system generated.

Families can also access information from ERDC's partners. The **Early Learning Division (ELD) website** connects families with the [Child Care Safety Portal](#), where they can get information on the safety, health, and quality of licensed child care programs in Oregon. This website also enables families to see the provider's status, a summary of the state's inspections of the facility, complaint information, enforcement activity, and details about injuries and deaths that have occurred at the facility. From this page, families can access the [Find Child Care Oregon](#) system, where they can search for child care options. Some ODHS field offices and district managers collaborate with ELD Early Learning Hubs so that families can get information regardless of their point of entry. Many **Early Learning Hubs** have an established regional referral system and often direct families to ERDC for funding or services (e.g., families may need extended day care.). Additionally, families can **call or text 211 for child care referrals** and to get connected to other services, like ERDC. More information about 211 can be found in Section 4.3.

Some hardcopy materials about ERDC are available at the field offices and are also distributed at other key locations throughout the state. These materials are developed by the ODHS Policy Team and the ODHS Publications and Distribution unit. The materials developed by this group include the Provider Listing Form, the application form, the child care provider guide, and more.

Recruit and Retain Providers

For providers, the **ODHS website** has information on the process to get listed with ODHS, union representation, child care rates, and required training to become a child care provider. **The ELD website** has detailed information on becoming a licensed or license-exempt child care provider.

CCRRs, regional entities funded by ELD, are contracted to "recruit and retain child care businesses, both home and center-based, to help build the supply of high-quality child care across Oregon."²⁰ CCRRs provide technical assistance and more broadly support providers through ongoing training and professional development. CCRRs are the community quality improvement resources, running specialized trainings and providing a portion of the ODHS orientation training for providers. For ERDC specifically, CCRRs work with providers to be willing to accept ERDC, get listed, get approved, etc. Then, they use the list of new providers to reach out and give them support. CCRRs support provider recruitment, but this varies by CCRR.

Deliver Training

To train field office staff, ODHS relies on the Self Sufficiency Training Unit (SSTU). SSTU trains approximately two cohorts each month. Each training course is three weeks long, with one week devoted to ERDC. ERDC training is integrated with other programs, in part due to the integration of the ONE system. All trainers provide instruction regarding multiple programs in each course. The training material is PowerPoint based and walks eligibility workers through hypothetical situations and copay calculations. Most SSTU staff have previously worked as an eligibility worker: they can apply practical experience .

²⁰ "Fact Sheet: Child Care Resource and Referral." Early Learning Division (Oregon Department of Education), February 2021, https://oregonearlylearning.com/wp-content/uploads/2021/03/65543_ODE_ELD_FactSheet_ChildCareResourceReferral_2021-v5.pdf

The **Quality Assurance Team (QA)** within ODHS provides systematic reviews of field office processes and eligibility determinations to identify and help correct inconsistencies and inefficiencies. QA reviews a statistically representative sample of recent applications each month. They also compare system data entries with the primary source documentation and collaborate with the field staff when determinations seem to be incorrect, or process steps seem to be missing. Based on their reviews, QA staff will hold trainings with specific field offices to reeducate staff on common issues or errors.

Staffing²¹

The ODHS field offices provide crucial customer service to families who are interested in ERDC or other SSP programs. There are approximately 1,500 staff across more than 60 ODHS field offices. Eligibility workers, administrative staff, supervisors, and others do not just support one program; therefore, it is challenging to pull out the cost to support ERDC. Based on the Random Moments Sampling (RMS)²² conducted by ODHS, it **would take approximately 24 FTEs to solely work on ERDC.**

Training

An additional cost to provide a robust front door into the ERDC program is training. Like field staff, there is a unit of 88 FTEs that develop curriculum and train all eligibility staff. However, more than 50% of these FTEs are rotations or Limited Duration (unfunded) positions. Work completed by the training unit includes developing an integrated eligibility curriculum and administering this curriculum monthly to new eligibility workers. **Of the total unit, 1.5 FTE could develop curriculum and train staff on ERDC if the content and the training hours were split out from the other subsidy programs. Eight trainers are currently trained on ERDC content.**

ODHS central office staff often come from field office teams. The Working Group that provided insight on field office activities noted that in a number of cases field staff applicants have themselves been recipients of ODHS-administered benefits. **These individuals bring their direct family experience to policy development, management, and operational decision making throughout the department, to benefit the programs.** Staff personal experience is a strength of ODHS when planning can be informed by lived, on-the-ground experience.

Publications & Distributions

Based on historical information over the last 12 years, there is an estimated 72 hours of Publications and Distributions work a year that can be attributed to ERDC.

QA

The Quality Assurance Team works fluidly across their portfolio, which includes ERDC. They handle reviews and special projects. Sixteen reviewers at the Compliance Specialist 2 classification are associated with Quality Assurance; whereas, the remaining Compliance Specialists are associated with SSP Administration. Of the 16 Compliance Specialists, it is estimated that they spend 10% of their time on ERDC. Therefore, 1.6 FTE account for the QA work for the program.

²¹ Additional information regarding the estimated costs related to the ERDC program and these staff can be found in Section 6 of this report.

²² ODHS uses RMS to determine the administrative costs for each program which includes staff salaries, support and supplies. RMS is used nationally for the purpose of determining the amount of effort and resources spent by a group of staff on various activities, recorded at 'random' intervals. The collective total of these individual surveys helps determine the proportion of funds that should be allocated between each federal and state program.

Transition Considerations

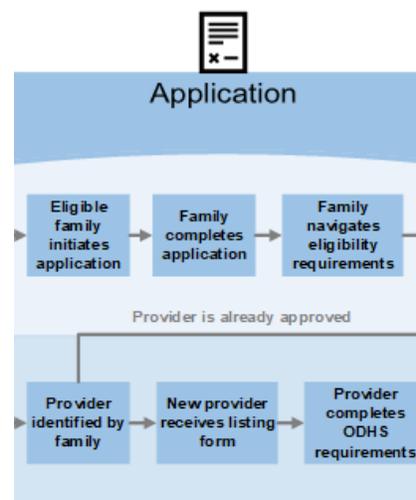
To engage families and providers at the point of entry into ERDC in the future, consider the following.

Category	Operational Element	Transition Consideration	Complexity
Strategy 	3. Service Access	<p><i>How will families, particularly Black, Indigenous, and People of Color (BIPOC) families, find ERDC when it is a part of DELC?</i></p> <p>ODHS serves families through 94 Field Offices and VECs and a website presence, all intentionally designed to address service hours, language of service, trained staff, etc. DELC should also consider if there are other venues where families may feel more welcome to enhance the customer experience.</p>	High
Strategy 	4. Service Mix	<p><i>What suite of programs will align and/or integrate with ERDC in the future?</i></p> <p>Families learn about ERDC in the context of other programs that are managed by ODHS and limited public outreach is undertaken solely to build ERDC program awareness. Currently, staff are trained, and systems are set up to support ERDC in the context of/of/integrated with these other programs. Families may also learn about ERDC through Early Learning Hubs, 211, etc. So, all "Front Doors" will need to be considered in transition planning.</p>	High
Staffing 	5. Service Training	<p><i>How will DELC train eligibility staff?</i></p> <p>Training teams from within SSTU and QA teams in ODHS deliver training that is integrated with other ODHS programs. DELC will need training materials and QA functions to support ERDC in the future. DELC will also need to build a mechanism for staff accountability if ERDC eligibility work is moved to DELC.</p>	Low
Staffing 	6. Service Support - Union Relations	<p><i>How can DELC optimize across labor relations and family service to support ERDC?</i></p> <p>Collective Bargaining Agreements outline how staff are currently engaged to support ERDC as a part of the ODHS portfolio of programs. DELC will need to work with the unions to define impacts on staff and amend the Collective Bargaining Agreements as appropriate.</p>	High
Strategy 	7. Community Context	<p><i>How will Community Partners and aligned organizations engage with ERDC when it's part of DELC?</i></p> <p>ODHS teams, Early Learning Hubs, and other partners manage collaboration with community or aligned organizations to support equitable access to a range of child care services for all Oregonians. Will there be navigators funded at CBO's or other non-state outreach partners deployed?</p>	Low

Improvement Opportunity	Supporting Information	Complexity
Online Presence: How can families find ERDC online?	<ul style="list-style-type: none"> DELC may have a new website and if so, current ODHS and ELD web content may be migrated to the new website. Existing webpages for ERDC currently on the ODHS website, should then be updated and included on the DELC website to redirect users under the new process 	Low
Customer Service: Could DELC expand the services and reach of CRRs to support coverage for rural and underserved communities?	<ul style="list-style-type: none"> Some providers, eligibility staff, and families have noted that CRRs do not always connect families with geographically close or culturally specific child care. 	Moderate

4.3 Application

This section provides details of **the application process that families and providers navigate and the supporting functions that enable ODHS to make final eligibility determinations**. The outcome of this work is a completed family application, a determination of eligibility, covered hours and copay amounts, and identification and approval (if needed) of the provider the family wishes to use. A detailed process flow for families and providers is available in the Appendix, Section 8.6.



Federal Policy

The flexibility that states have in tailoring their application processes and eligibility criteria vary. Key federal guardrails include:

Application Process: States have just a few federal requirements to meet when developing their subsidized child care application processes.

- **45 CFR § 98.21 governs the eligibility determination process** and requires that states establish application processes that account for irregular fluctuations in family finances that could impact eligibility throughout the 12-month eligibility period.
- Similarly, a state’s application process must not disrupt the education, training, or employment of families receiving TANF benefits.
- Finally, federal policy broadly prohibits states from placing an undue burden on families as they apply.

Provider Eligibility: Conversely, states have many requirements to meet when developing an oversight structure for providers.

- Federal policy defines what standards must be met for a provider to be eligible to provide subsidized care and prohibits states from unduly infringing on parental choice.²³
- **45 CFR Subpart E covers Lead Agency and Provider Requirements** and contains provisions related to provider professional development, health and safety requirements, trainings, background checks, and more. Many provider-related requirements changed as a part of the 2014 CCDF reauthorization, which required states to establish health and safety requirements in 10 different topic areas, implement new training requirements, and establish background check requirements for child care staff, and among other provisions.²⁴
- **CFR 98.30 governs parental choice as it relates to the state’s subsidized child care programs.** States are prohibited from restricting parent choice by arbitrarily excluding providers. This does not prohibit lead agencies from establishing quality standards and systems.²⁵

²³ “45 CFR Subpart E - Program Operations (Child Care Services) - Lead Agency and Provider Requirements,” Legal Information Institute (Cornell Law School), accessed July 9, 2021, <https://www.law.cornell.edu/cfr/text/45/part-98/subpart-E>.

²⁴ “Child Care and Development Block Grant Act (CCDBG) of 2014: Plain Language Summary of Statutory Changes,” The Administration for Children and Families (U.S. Department of Health & Human Services), accessed July 9, 2021, <https://www.acf.hhs.gov/occ/law-regulation/child-care-and-development-block-grant-act-ccdbg-2014-plain-language-summary>.

²⁵ “45 CFR § 98.30 - Parental Choice,” Legal Information Institute (Cornell Law School), accessed July 9, 2021, <https://www.law.cornell.edu/cfr/text/45/98.30>.

In 2020, ELD was established as the lead policy agency for ERDC per the direction of Governor Kate Brown. **In collaboration with the ODHS Child Care Policy Team (“the Policy Team”), the two teams work together on a weekly basis to develop new policy.** The ODHS Child Care Policy Team takes lead to draft policy recommendations for review with ELD, and ELD management has final decision-making authority. Collaboration between the teams often includes cost benefit analyses, field outreach, legal review, memo production, research, and more.

To support the operationalization of existing policy, **the Policy Team frequently provides clarification to the field.** Field office staff will submit questions about existing policy and information about family scenarios that indicate policy revision may be needed. After analysis, if necessary, the Policy Team returns to the field with clarification or correction in the form of direct user responses or policy transmittals that are disseminated to all staff working in the field. The interpretation of existing rules is work that requires less input from ELD, and the ODHS team works autonomously to complete this responsibility.

For example, if there is a caretaker in the home who can provide care, the family is not eligible for ERDC. However, if the caretaker is not physically or mentally able to provide care, the family can still receive ERDC benefits - they still have a demonstrated child care need. An instance of this that is used in training materials is when children live with their working grandmother who has custody, but a parent who does not have employment also lives in the home. If the grandma says the parent cannot be left alone with their children and there is a child welfare determination confirming this, then the case can be reviewed for eligibility.²⁶

The Policy Team receives questions on policy interpretations and nuances frequently and works with other ODHS units (eligibility staff, SSTU, OPAR, QA, and DPU) to communicate the operational intent of program rules. Policy changes or updates impacting providers are communicated by letters and emails sent from ODHS and ELD as well as DPU. If there is a major update to the Provider Guide, ODHS will send out an updated version to all ODHS approved providers.

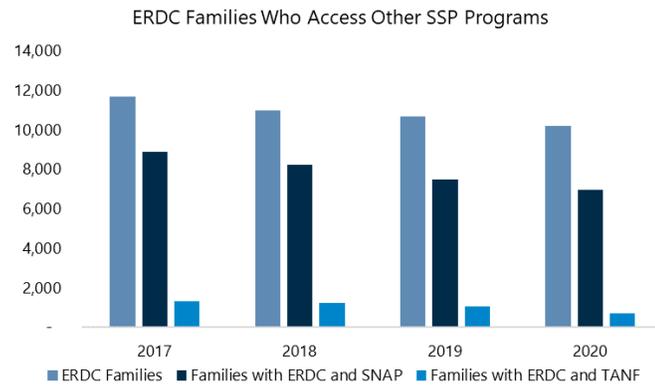
The Policy Team also completes the day-to-day operational work of reporting and contract management. The Policy Team manages contracts with Head Start providers and providers that serve the Teen Parent child care program; these providers may also be considered by families for ERDC. Both programs are contracted slot programs - ODHS provides compensation to providers to hold a set number of slots so that they will be available for the target populations. **Each year, one of the ODHS policy analysts renegotiates the existing contracts.** Throughout the year, that analyst interfaces with the contracted partner to ensure specialized services are provided.



²⁶ Example taken from ERDC eligibility worker training.

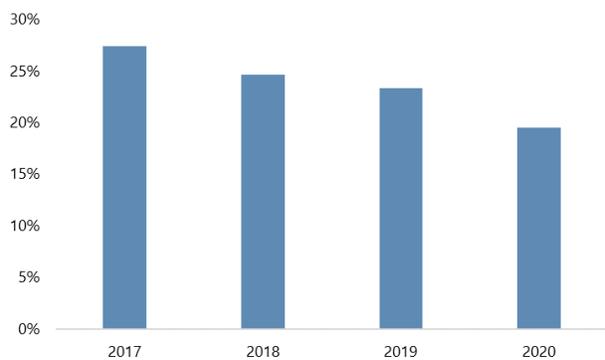
Families do not complete an application form solely for ERDC, but instead **fill out an integrated eligibility form where child care is one support option of many**. While it is possible that families may apply for ERDC as their only potential support option, most families are eventually informed of other programs for which they meet the eligibility criteria and are encouraged to apply more broadly. The ODHS and Oregon Health Authority (OHA) policy teams work together to align program policies wherever possible.

Figure 9: ERDC Families Who Access Other SSP Programs²⁷



As shown in Figure 9, there are clear overlaps between the families who receive the ERDC subsidy and those who receive other SSP benefits. The majority of ERDC families also had a SNAP case within the same

Figure 10: TANF ERDC Transition Cases



year. There is less of a correlation between TANF and ERDC since a family cannot be enrolled in both programs concurrently. SNAP and ERDC have the same income maximum for determining initial eligibility ([185% of FPL](#)), while TANF's is lower ([37% of FPL](#)).

However, families do frequently transition between ERDC and TANF. Figure 10 shows the percentage of families enrolled in ERDC that had a TANF case within the year prior to ERDC enrollment. Consistently, 20% of cases or more are TANF transition cases.

There are two primary methods for completing the application. Families can fill out a seven-page physical form titled, "Employment Related Day Care (ERDC) and Supplemental Nutrition Assistance Program (SNAP) Application." It contains instructions about how to submit the form and what verification to provide. Or, **families can complete an electronic application, accessed via the [ONE system](#)**, effective February 2021 statewide. For this, the family must first create an Oregon Eligibility account, which can be used for all programs supported by ONE. Other applicants (25%) complete their application process by phone.

²⁷ Due to the fluid nature of the data, system changes, and changing family circumstances, these numbers are estimates.

The ONE system is an integrated eligibility system for ERDC, Medical, Cash, SNAP, and Temporary Assistance for Domestic Violence Survivors (TA-DVS) benefits. In addition to supporting account creation and application data collection, it allows select staff to access application details and support case management and communications. The system is deeply integrated with several state and federal systems to query databases to verify identity, income, and other data to determine eligibility. The ONE system is profiled in more detail in Section 5.2.

Figure 11 demonstrates the support options families choose when completing their application. From March – May 2021, most families completed their application with the support of a field office staff (either in person or on the phone). In Figure 12, the application submission method is detailed. Many families walk in to the field office to submit their application, and others submit it directly into the ONE system. Others submit their application over the phone with a field office eligibility worker or VEC staff. A small percent of applicants mail or fax in a physical copy.

Whether online through the ONE system or via the written application, a person applying for benefits needs to provide contact, demographic, employment, and housing information for their household members. They must also provide information about their provider and their schedule. Many requirements and responsibilities that families should be aware of are included in the application documents. With the paper form, families must submit verification documents, including proof of income. The paper application form can be found in English on the ODHS website. Additional information is available in English, Spanish, Russian, Somali, and Vietnamese. For applicants using the ONE app, they need to sign their application electronically before submitting, after which they can upload, or print and mail the verification documents and later, check the status of the application through the portal.

Families often work with ODHS field eligibility staff to ask questions and receive guidance about what information to provide and any deadlines associated with the application process. **One common difficulty in the application process is the submission of proof of income.** Families can provide this verification themselves, have income verified using The Work Number (if they work for a participating employer) or allow ODHS eligibility staff to reach out to employers to collect the verification. The reliance

Figure 11: ERDC Application Volume by Service Support²⁸

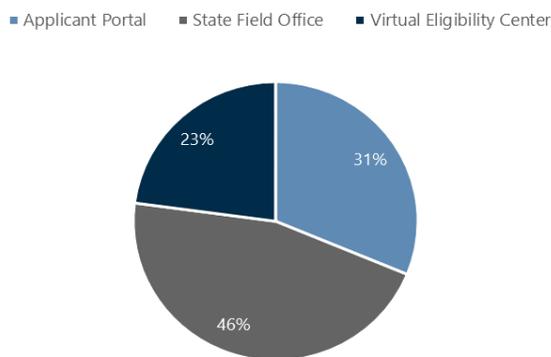
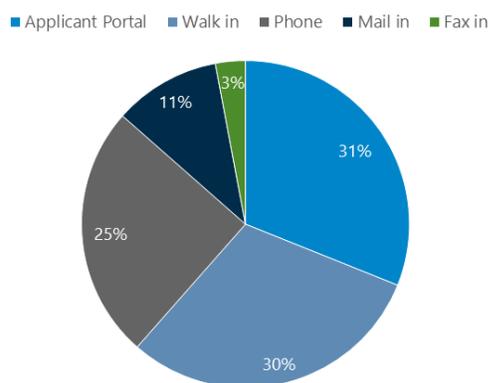


Figure 12: ERDC Application Volume by Channel²⁹



²⁸ The data is from March – May 2021, a somewhat limited window because the ONE system was new as of March 2021.

²⁹ Data: March – May 2021.

on verification from a third actor sometimes slows down the application process for families. At this time, ODHS does not track information on how many families complete the application process and receive care compared to the number of families that drop out in the application process.

Find Support for Children with Developmental Disabilities

Families with children with intellectual and developmental disabilities may be connected with the Inclusive Partners (IP) program and its supporting team, which provides extra financial support to providers serving children with disabilities. **IP, through ODHS's Office of Development Disabilities Services serves approximately 125 children statewide.** All children served by the IP program must first be eligible for and enrolled in an ODHS child care program (ERDC or TANF). IP staff work with families and providers to assess the child's needs while the child is in their child care setting. They also provide guidance to providers about additional accommodations they could offer.

Before the IP program staff can formally interact with a family to assess a high needs payment, the unit must receive a referral form from the ODHS field eligibility staff, though the parent or provider can also directly initiate a request for assistance. Once the IP staff receives the referral form, they collect a release of information form from the family and then connect with the provider to complete the assessment. Lastly, IP staff send the final rate amount to DPU for approval and documentation in the TRACS system. The rates are reviewed annually.

As part of this ERDC assessment, the working group noted that **the IP program may be underutilized, due in part to the lack of a clear front door for the IP program.** Sometimes families learn about IP from their eligibility worker. Other times, families learn from their providers or another family.

Identify Providers

After the family has begun the application and started collecting necessary documentation, **they need to identify the provider from whom they hope to receive child care services. Families who do not have a pre-existing relationship with a provider are instructed to work with 211** as the primary resource that can help them identify a child care provider that meets their needs. Families also get directed to 211 from the ELD website. When a family calls 211, the conversation is likely to include topics such as family location, work hours, children's needs, and provider qualifications. Families can interface with 211 in a variety of ways, including on the phone, via text, or online. On the ELD website, parents can search the safety history of child care providers.

The services of 211 (a statewide nonprofit) are contracted and managed by both ELD and ODHS. ELD contracts with 211 to provide referral services to families while ODHS contracts with 211 to provide program navigation.³⁰ ODHS and ELD are both in close contact with 211 to make sure they have up-to-date information regarding ERDC. ODHS holds ERDC 101 trainings for 211 when requested, and 211 reaches out to the Policy Team with specific questions as needed. ODHS also holds weekly online stakeholder meetings that 211 attends to share program updates for ERDC and other Self-Sufficiency programs. ELD holds two meetings per month with partners (including ODHS, ELD, CCRRs, 211, PSU, The Research Institute at Western Oregon University (TRI), and others).

One component of the provider selection process is assessing provider quality. ELD contracts with TRI for services related to assessing, improving, and documenting provider quality. TRI is the host of the SPARK system, a quality rating and improvement system for child care. When families are deciding if a provider is

³⁰ While 211 provides the State with reports about utilization, alternative measures of contract management are not active as of Summer 2021.

right for them, they may review provider ratings provided by TRI. TRI sends DPU monthly SPARK ratings reports and reimburses providers for the cost of fulfilling some of their requirements. Additionally, TRI is responsible for supporting the central coordination of the CCRRs, and they manage Find Child Care Oregon. SPARK is not comprehensive and is in the process of expanding beyond the pilot stage. SPARK is only available for licensed providers; not all licensed providers participate in SPARK or have a rating. While SPARK can help families understand the quality of some of their provider options, families must augment this service with their own research and evaluation.

Approve Providers

If a family wants to use a provider that is not Listed and Approved with ODHS, the family must interface with ODHS (both field staff and DPU) and the provider to complete the approval process.

In some cases, families must also work with ELD who completes the health and safety visits required for license-exempt providers, for example. Families are directed to the Provider Listing Form, which providers must complete to begin receiving subsidy payments from ODHS. The Provider Listing Form requests information such as the provider's current licensing status and information about the type of care provided. **To complete their eligibility, a provider may work with up to three ODHS Offices, one ELD office, two contracted partners, and three different state websites.**³¹ Families have many options for seeking customer service and many responsibilities to juggle throughout the process. The wide array of service options can pose a challenge to families as the expectations and resources are numerous and complex.

DPU within ODHS is responsible for ERDC provider management. **DPU administers the Listed and Approved process and works to educate providers, validate requirements, and connect approved providers with eligible families.** More detail about DPU is included in Section 4.5

Two principal documents educate providers about their responsibilities. The first is the Listed and Approved form that providers must complete when they seek Listed and Approved status. It lists the requirements for providers and serves as a vehicle for information collection. The second essential document is the Provider Guide, a comprehensive manual to application and service provision guidelines for providers. The DPU unit maintains this document, and the department utilizes it as evidence when addressing issues of noncompliance.

Upon completion of the requirements, and submission of the form to ODHS, the provider's status is reviewed by DPU. **If all requirements are met, the provider is granted Listed and Approved status for two years.** CCRRs are available to recruit and support providers through this approval process. Some CCRR regulated subsidy support specialists have access to ODHS systems, such as the Provider Pay system, so that they can help providers in completing all the requirements to be an approved provider. Then, as providers become Listed and Approved, CCRRs are available to them to answer questions and give support.

Other units and systems to support the provider listing process, include:

- **The Background Check Unit (BCU):** The ODHS unit that completes background checks for the license-exempt providers (see Section 4.4 for more information).

³¹ This assumes a family is seeking care from a non-relative, non-licensed provider.

- **Office of Child Care (OCC):** The ELD office that is responsible for licensed provider management, and the group that completes health and safety site visits for non-relative license-exempt (Friend and Neighbor) providers.
- **The Child Care Regulatory Information System (CCRIS):** An online platform hosted on the ELD Website that houses licensing status for child care providers.
 - The system is maintained by ELD but is frequently consulted by DPU.
 - DPU uses CCRIS to verify licensing status for providers as they seek Listed and Approved Status with ODHS.
- **The Oregon Registry Online (ORO):** An online database and workforce development platform that the provider community, ODHS, and ELD rely on for child care provider trainings and tracking.
 - Providers access ORO to check their training hours, complete online trainings, and coordinate completion of other training-related requirements.
 - ODHS and ELD staff members consult various ORO reports (or search specific-provider records) to verify compliance with training requirements.
 - For unlicensed providers, ORO houses the best available information about provider training histories.
- **Information and Records Management (IRMS):** This group completes a necessary function with the collection of provider information, which is largely manual. The Listing Forms are paper forms that are delivered to providers by their family and returned to ODHS by mail, email or fax. Once the listing forms are returned, IRMS enters data from the provider listing forms into the mainframe. IRMS processes approximately 350 provider listing forms per month. IRMS is responsible for working to scan and / or enter data from these physical forms into an electronic record.

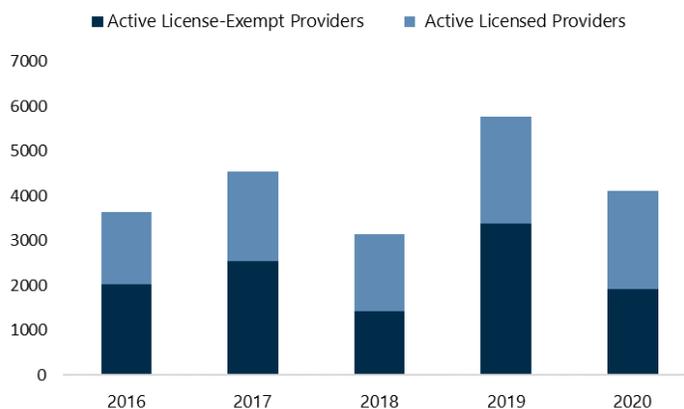
Licensed and License-Exempt Providers

The approval process applies to all child care providers, but there are different paths for providers with respect to licensing. **Oregon has three types of licenses for child care providers: Registered Family Child Care Homes, Certified Family Child Care Homes, and Certified Child Care Centers. There are also two categories of license-exempt providers: relative and non-relative.**

Figure 13 demonstrates the distribution of license-exempt and licensed

providers. In 2020, there was a slightly greater share of licensed providers.³² The table below summarizes the requirements that each type of provider must complete to provide care for the ERDC program.

Figure 13: Count of Licensed and License-Exempt Providers



³² Licensed providers include registered families and certified families and license-exempt providers includes standard family and enhanced family care options.

Table 3. Provider Requirements

Provider Type	Lead Test	Trainings	Background Checks	Health & Safety Visits	Systems
All Providers	X	<ul style="list-style-type: none"> Introduction to Child Care Health & Safety 		X	<ul style="list-style-type: none"> Provider Pay
Licensed Providers	√	<ul style="list-style-type: none"> Safe Sleep Food Handlers First Aid and CPR for infants and toddlers Recognizing and Reporting Child Abuse and Neglect (RRCAN) 	ELD Completes	√	<ul style="list-style-type: none"> ELD Excel File Provider workforce development database
License-Exempt Relative	X	<ul style="list-style-type: none"> Orientation 	ODHS completes	X	<ul style="list-style-type: none"> Info from ORO
License-Exempt Non-Relative	√ <i>(Unless care is provided in the child's home)</i>	<ul style="list-style-type: none"> Orientation Recognizing and Reporting Child Abuse and Neglect Pediatric First Aid and CPR 		√	

Family, Friend, and Neighbor (FFN) Providers

In Oregon, families have the option to use FFN providers, who are exempt from licensing rules if they:

- Provide care in the child's home,
- Are related to all children in care by blood, marriage, or adoption,
- Care for children from only one family at a time, or
- Care for three or fewer children at a time.

FFN providers are vital to serving families who work nontraditional hours and weekends. They also provide multilingual and culturally appropriate care and support rural areas that may not have a licensed child care facility nearby, helping ERDC serve families across Oregon equitably.

The ERDC program relied more heavily on FFN providers in the past. There have been regulation and rule changes focused on increasing the quality of child care that encouraged families to use licensed providers. For example, the 2014 CCDF Reauthorization added requirements to the "Friend and Neighbor" portion of FFN providers by changing how a Friend and Neighbor provider could become approved to receive payment from ERDC. Together with ELD, ODHS chose to exclude Family from these new federal regulations. Now, just Friends and Neighbor providers need to be First Aid and CPR certified and Recognizing and Reporting Child Abuse and Neglect training before they apply. They also need to have a site visit completed prior to approval. All FFN providers were required to have fingerprinted background

checks (fingerprints were not required for most providers prior to this change). Providers must schedule an appointment and go into a FieldPrint office to have the fingerprinting completed.³³

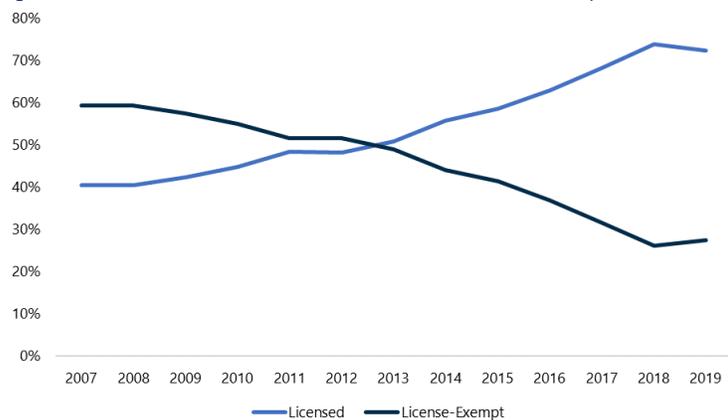
After implementation of these additional requirements implemented in 2016, the number of FFN providers continued to decline.³⁴

Approved FFN providers have shifted more toward relative care than they were prior to the reauthorization

changes. There are also more providers who are going into the home of the child.

In part due to the changes mentioned above, as well as other factors, **less than 30% of families are using FFN providers today, compared to 60% in the past.** Figure 14 demonstrates this significant change in enrollment trends, which is similarly seen in other states across the country.

Figure 14: % of Children Enrolled with Licensed Vs. License-Exempt Providers



Staffing³⁵

The primary staffing and costs related to the Application portion of the Provider and Family Journey are related to the 211 contract, IT systems, and the Policy Team. Costs related to IT systems will be covered in more detail in Section 6 of the report.

211

ELD holds a \$750,000 annual contract with 211 that is funded by CCDF and support families in finding child care. A large portion of this work supports ERDC. ODHS holds a \$1 million contract with 211 that helps support ERDC outreach; however, most of this contract supports other ODHS programs.

Policy Team

The Policy Team has 5.5 budgeted positions and two additional unfunded (beyond current position authority) positions that support the work. This team does support other SSP programs, so the costs estimate was calculated to include 7.5 positions who spend 75% of their time supporting ERDC.

Inclusive Partners

The IP program is administered through a contract. ELD contracts with the Oregon Council on Developmental Disabilities (OCDD) which is a part of ODHS. 5.5 FTE on the Inclusive Partners team spend approximately 60% of their time conducting ODHS child care subsidy-related assessments. These FTE all have educational backgrounds in early childhood special education and have worked in child care settings. ERDC does not incur any costs for the IP program and services because ELD funds the IP work.

³³ "Child Care and Development Block Grant Act (CCDBG) of 2014: Plain Language Summary of Statutory Changes," The Administration for Children and Families (U.S. Department of Health & Human Services).

³⁴ Other child care cases have closed due to families being unable to find an ODHS-approved provider.

³⁵ Additional information regarding the estimated costs related to the ERDC program and these staff can be found in Section 6 of this report.

Transition Considerations

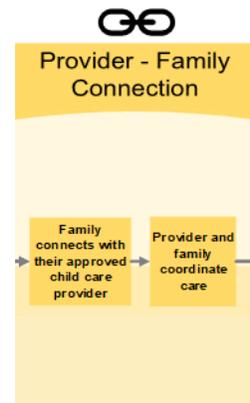
Category	Operational Element	Transition Consideration	Complexity
Staffing 	8. Provide Operational Direction	<p><i>What policy team will guide and interpret rules for the field office and VEC staff?</i></p> <p>The ODHS Child Care Policy Team provides support to staff as they encounter issues and addresses day to day policy questions much like a “help desk.” The policy team includes members with experience in the field office that gives them a deep understanding of user experience, how to message services to families, etc.</p>	Moderate
Systems 	9. Integrated Eligibility	<p><i>How will ERDC support in the ONE system adjust when ERDC moves to DELC?</i></p> <p>The governance structure of ONE includes participants from ODHS and OHA who prioritize system development, including changes for much larger programs. Any changes required in ONE need to be defined to determine feasibility and cost estimate and then put in priority order with nearly 300 other existing change requests.</p>	High
Project Management 	10. Manage Contracts	<p><i>What team will manage ERDC-related contracts? When will these contracts be transitioned?</i></p> <p>For example, 211 is a contracted services to connect families and providers. Other ERDC related contracts that will need to be transitioned include the Head Start, Early Head Start and Teen Parent Program contracts.</p>	Moderate
Process 	11. Manage License-Exempt Providers	<p><i>What requirements and processes for license-exempt provider management will be supported in DELC? How will any changes be communicated?</i></p> <p>FFN providers support access for families seeking child care during nontraditional hours and weekends, provide culturally appropriate care, and support rural areas that may not have a licensed child care facility nearby. ODHS and DELC are both responsible parties in the current provider CBAs.</p>	Moderate

Improvement Opportunity	Supporting Information	Complexity
Eligibility Workflow: Could DELC consider revising any of the eligibility processes to improve the family experience?	<ul style="list-style-type: none"> Some families are unwilling to allow ODHS to contact their employer directly for proof of income but allowing department staff to collect this verification is often more efficient. Revised family education and staff training could improve this process hurdle. 	High
Baby Promise Eligibility: As ERDC eligibility changes, will DELC consider changes to the Baby Promise eligibility process?	<ul style="list-style-type: none"> Baby Promise currently relies on the ERDC eligibility process to collect the information necessary to make their eligibility determinations. 	Moderate

<p>Expanding Equity and Access: Will DELC consider methods to expand equity and access in the listed and approved provider network (approved to receive subsidy payments)?</p>	<ul style="list-style-type: none"> FFN providers support access for families seeking child care during nontraditional hours and weekends. FFN providers provide culturally appropriate care and help ERDC serve families across Oregon equitably. FFN providers support rural areas that may not have a licensed child care facility nearby. 	Moderate
<p>I/DD Services: Does DELC plan to invest in improving IP integration with ERDC?</p>	<ul style="list-style-type: none"> IP staff report that the program is currently underutilized. DELC could consider streamlining public communications about the IP program to increase family awareness and utilization. Because ELD already contracts with OCDD to complete this work, some of the contract renegotiation may be streamlined. 	Low
<p>Family Support: Would DELC like to revise the way that families search for providers? Will staff at DELC or other contracted entities perform some of this work?</p>	<ul style="list-style-type: none"> DELC could consider expanding 211's work or complimenting it with a focus on serving target populations (the rural regions). Engage families to understand their provider search experience. 	Moderate

4.4 Provider-Family Connection

This section provides an overview of the process that families and providers navigate to coordinate care after the provider is Listed and Approved, the family has completed the application process, and the family is determined to be eligible for ERDC. The outcome of this step is that a family can start taking their child to the provider for child care. Detailed process flows are in the Appendix, Section 8.6.



Federal Policy

There are various requirements outlined in 45 CFR 98.33 that states must meet to ensure families and providers are informed and understand their options. **States are required to make specific information available via a website that has multiple translations and accessibility features.** These requirements are outlined below.

Category	Requirements
Department Information	<ul style="list-style-type: none"> Process summaries
Provider-Related Information	<ul style="list-style-type: none"> A list of all licensed child care providers Quality ratings or indicators for child care providers Results of monitoring and inspection reports Aggregate counts of the number of deaths and serious injuries
Consumer-Service Information	<ul style="list-style-type: none"> Referrals to CCRRs Customer service contact information Information about child care services, availability, and eligibility Information about related programs including TANF, Head Start, SNAP
Early Learning and Development Information	<ul style="list-style-type: none"> Research about children's development Information on developmental screening options³⁶

³⁶ "45 CFR § 98.33 - Consumer and Provider Education," Legal Information Institute (Cornell Law School), accessed July 14, 2021, <https://www.law.cornell.edu/cfr/text/45/98.33>.

A priority of the CCDF reauthorization in 2014 was to help parents make informed consumer choices and to ensure parental access to information that supports child development.³⁷ **The website requirements outlined in 45 CFR 98.33 are the federally required mechanism for this policy priority.** To comply with these enhanced federal requirements, Oregon revised its online presence, including the implementation of the Child Care Health and Safety Portal.

Operational Overview

Facilitate Approval

Families are responsible for ensuring that both their own eligibility and their provider's approval status is completed and documented. **Throughout the application process, families may interact with staff from ODHS and confer with their provider (once identified) about the Listed and Approved process.**

Working groups that were part of this ERDC summary identified that **the number of state actors that support families can cause confusion, particularly at this stage of the journey.** Families often begin the process primarily interfacing with their field office contact, where they learn about the application process, eligibility determinations, and provider requirements. To complete the provider connection process, families must then work with their eligibility worker or DPU, while their provider interacts with DPU. BCU and the Office of Child Care (ELD) may also be involved in the approval process.

Working group participants also noted that case information is not recorded and managed consistently across state offices in all cases. A family may receive conflicting information about their case from the support staff they speak to within a department. When information transfers occur between offices, internal miscommunications, unclear or overlapping organizational responsibilities, and subjective individual-level processes can introduce a lag into the process, causing families to experience time delays and confusion while they wait for a resolution.

Approved provider information is received by DPU staff and recorded in the Provider Pay system which later is used to connect the provider with the child care case and process provider billing. More information regarding provider billing will be detailed in the next section (Section 4.5).

Support Safety

Before families can receive subsidized care from a provider, the family must ensure that their provider completes the background check process. ODHS and ELD both operate background check teams, but the **ODHS Background Check Unit (BCU) is responsible for completing checks for license-exempt providers.** The background checks are related to criminal history and adult and child abuse history; they do not assess provider quality or compliance. BCU rules define what activities are criminal and therefore disqualifying; BCU's rules do not allow for background check failures based on program violations. The separation from compliance work can cause operational friction. For example, the BCU unit may learn of a program violation with a provider, but they do not have legal authority or process discretion with which to correct the issue. At times, this information is shared with the ODHS policy



³⁷ CCDF Final Rule Consumer Education and Parent Choice (Administration for Children and Families, n.d.), https://www.acf.hhs.gov/sites/default/files/documents/occ/ccdf_reauth_cons_ed_webinar.pdf.

team.³⁸ The majority of these program violations are eventually corrected by OCC when they complete Health and Safety Visits. Additionally, DPU requires providers to self-attest that they have met program requirements.

BCU completes approximately 230 background checks related to ERDC each month.³⁹ This is inclusive of all self-reported individuals in the home, not just the provider. If BCU discovers evidence of an unreported individual in the home, BCU informs DPU which then follows up with the provider to clarify. The ODHS child care-related background check volume is completed by less than 2 FTE.

The background check process is initiated when DPU sends the license-exempt provider information to BCU, a step that occurs after providers have returned their listing form to ODHS. Providers must complete background checks and are informed of this requirement as a part of their ODHS Listed and Approved process.

The Listing and Approval process can cause confusion for Friend and Neighbor providers. At times, a provider may not realize that they need to work with both ODHS and ELD to complete the process of connecting with a family. ODHS completes the background checks for license-exempt providers, while ELD completes the Health and Safety inspections for license-exempt non-relative providers. Adding to the confusion, ELD manages background checks for licensed providers. So, a family could approach ELD with questions about their license-exempt provider's background check requirements, but they would then get redirected to the ODHS BCU. Senate Bill 49 attempted to bring ERDC background checks into the Central Background Registry managed by ELD, based on Secretary of State audit findings. This legislation did not move forward before the 2021 Legislative session concluded.

The Office of Training, Investigations, and Safety (OTIS) investigates reports of abuse and neglect for ODHS and Oregon Health Authority (OHA) programs. Typically, their investigation work impacts all child care placements, including ERDC. If the provider has ODHS child care subsidy children in their care, OTIS makes sure to share information with the child care program: **every complaint gets cross reported to the Child Care Policy team, and policy analysts doing this work keep track of the investigations that identify issues and patterns.** OTIS conducts joint investigations with the Office of Child Care.

Communicate Approval

To inform providers of their care needs and ERDC supports, families must communicate complicated financial and logistical information. **At the end of the eligibility process, families receive notice of their child's approved hours and copays from ODHS. It is up to the families to close the loop by informing their provider(s) of their benefit levels.**

The ERDC Current State Assessment Working Groups described the benefit and provider structure as complex. They also noted that information transfer is vulnerable to potential errors. In some families, care is provided for multiple children, across multiple providers, resulting in "care percentages" being set. Further complicating the structure is the interaction of ERDC with other benefit programs. Often, families apply for many programs at once and then must keep track of each program's parameters and benefits. ODHS field staff report that miscommunications between families and providers are common and can

³⁸ The policy team also does not operate with compliance authority.

³⁹ This does not include background checks completed by ELD.

result in incorrect billing. Services are only provided M-F, 8-5 pm which may create hardships for families and providers.

Confirm Connection

To formally connect a family’s ERDC case with a provider in the system to start their receipt of ERDC program benefits, an eligibility worker sends an email to the DPU inbox. DPU staff then link the case record with the designated provider using the Service Administration System (SA) so that billing can occur. SA is another core system for supporting ERDC – it is the only application that supports just the ERDC program. SA is 30+ years old legacy system and has been developed using antiquated technology (Knowledgeware COBOL code generator). Despite its antiquated technology, it has multiple integrations with other systems, including ONE eligibility.

Staffing⁴⁰

The functions previously mentioned in the Front Door and Application sections support the Provider-Family Connection step of the Family and Provider Journeys.

Background Check Unit

Additionally, the Background Check Unit has a small body of work that is completed by less than 2 FTE specifically for the ODHS child care programs (includes ERDC). As mentioned previously, background checks related to Licensed Providers are managed by ELD.

Transition Considerations

This part of the family and provider journey was identified as an area with several improvement opportunities to help participants navigate services that are currently available through both ODHS and ELD.

Category	Operational Element	Transition Consideration	Complexity
Systems 	11. Provider Management System	<i>What provider management software changes or improvements might DELC consider and when?</i> SA is a ~30-year-old system with antiquated technology and business rules layered in over time. A limited number of resources are familiar with the technology and specifics of the application. Consider that if this is an opportunity to address, that State IT procurement processes and interagency collaborations take time	High
Process 	12. Customer Service - Connecting Family & Provider	<i>Who is/are the main points of contact to support a family as they connect to a provider? And, how do families who speak a language, other than English, manage the multiple complex touchpoints?</i> Multiple teams are involved in the process a family has to manage to connect to a provider and start child care. The current configuration also requires that multiple teams be ready to answer questions and direct families across departments. DELC will need to consider days/hours of service and linguistically appropriate services.	Moderate

⁴⁰ Additional information regarding the estimated costs related to the ERDC program and these staff can be found in Section 6 of this report.

<p>Systems</p> 	<p>13. Customer Service – Systems Support</p>	<p><i>What systems are available to DELC to support family and provider inquiries?</i> ERDC staff make use of multiple systems including phone bank, call routing, mail processing, desktop, etc. Families can get services statewide from multilingual staff and/or the Language Line.</p>	<p>Low</p>
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Improvement Opportunity	Supporting Information	Complexity
<p>Streamlined Background Checks: Could DELC streamline background checks?</p>	<ul style="list-style-type: none"> Currently both ELD, and ODHS complete background checks for ERDC providers. Compliance oversight is complicated because of this duplication of effort. 	<p>Moderate</p>
<p>The Family Experience: How might DELC revise this communication step and account for families who have more challenging child care needs?</p>	<ul style="list-style-type: none"> What changes could be made to simplify the family experience when a family has multiple children? Can a provider communication (in addition to the billing form) be added to the process flow? What accessibility standards will be applied to communications? (Languages, visuals, reading levels, etc.) What supports could be prioritized for a family with irregular hours? How can data be used to conduct more targeted outreach to families and identify where families are falling out of the system? How can hours of service be modified to better serve families? Can additional navigators be used to assist families with the many moving parts required to facilitate care? Would DELC consider targeted case-management interventions? (Follow-up emails if a family does not complete process steps, follow-up calls, etc.) Might DELC and ODHS prioritize analysis of families that have initiated but did not complete the ERDC process? 	<p>High</p>

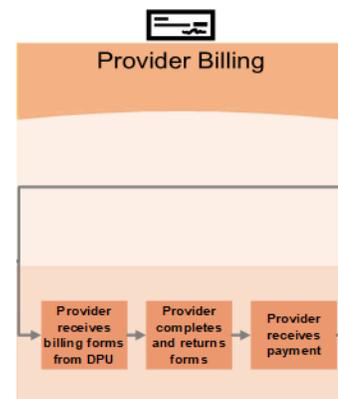
4.5 Provider Billing

This section is an overview of the process to pay providers that are now actively engaged as part of the ERDC program. The outcome of this step is the ongoing payment to the child care provider. A detailed process flow is available in the Appendix, Section 8.6.

Federal Policy

Billing finances and department responsibilities related to provider management are defined by federal policy. 45 CFR 98.30 defines two potential structures for the child care support program, and parents are guaranteed the option to receive child care services in one of these two ways.

- Contracted, eligible providers** may work with the State to provide child care services. In this scenario, the State contracts with a specific pool of providers. The providers each agree to provide a set number of slots, and the State pays a set fee (often regardless of attendance).



These arrangements are not child-specific, and families must select from the pool of contracted providers. ODHS renegotiates these contracts regularly (often annually).

- **Child care certificates** may be offered to parents so that they can arrange care with an eligible provider. These certificates must be issued directly to the parent and be of commensurate value with the provided child care services. The arrangements are child-specific and permits parents to choose from the entire market of providers.⁴¹

Oregon, like most other states, uses a certificate structure to administer ERDC.⁴² Oregon has chosen to use contracts for some population-specific services, like Head Start and the Teen Parent program.

In addition to providing structural options for child care support, federal rules set standards for how states will establish their provider rate structures, develop copays, and distribute payments.

45 CFR 98.45 requires states to develop and conduct a statistically valid survey of the market rates for child care services,⁴³ developed in collaboration with key community partners and posted in a timely manner. This market rate study must account for variations in cost related to location, type of provider, and age of child. Additionally, States must track participation in their child care subsidy program and family copays. States are required to reevaluate rates every three years.⁴⁴ Oregon's most recent Child Care Market Price Study can be found [here](#).

States must use their market rate studies to set their provider payment rates or use an alternate methodology first approved by the federal Office of Child Care. Base payment rates must be "established at least at a level sufficient for child care providers to meet health, safety quality, and staffing requirements."⁴⁵ This means that rates should be set such that ERDC families can enter the market and find and afford care. When setting rates, states must consider the cost of providing higher quality child care services and input from the public without unduly reducing the number of families receiving CCDF funded child care. States are prohibited from setting rates based on a family's eligibility status or enrollment in other programs. Additionally:

- States may establish sliding scale copays for families, dependent on family income and size.
- States are required to pay providers within 21 calendar days of the receipt of an invoice.
- States are encouraged to separate provider payments from occasional absences.

The federal direction regarding rate setting changed with the CCDF reauthorization of 2014. Prior to reauthorization, states were directed to study the market price of child care, not operating costs. Oregon is still in the process of transitioning to an approved alternate rate-setting structure that is determined by operating cost rather than market price.⁴⁶ Despite the switch in key variables (from price to cost) Oregon

⁴¹ "45 CFR § 98.30 - Parental Choice,," Legal Information Institute (Cornell Law School), accessed July 9, 2021, <https://www.law.cornell.edu/cfr/text/45/98.30>.

⁴² Wilson, Sue. "Contracting for Child Care Services for Families Eligible for Subsidy". National Center on Child Care Subsidy Innovation and Accountability. April 24, 2013. https://childcareta.acf.hhs.gov/sites/default/files/public/contracting_for_child_care.pdf

⁴³ States may propose alternative methodologies for approval by the Administration of Children and Families.

⁴⁴ "Assessing Market Rates and Child Care Costs (Administration for Children and Families, n.d.). <https://childcareta.acf.hhs.gov/ccdf-fundamentals/assessing-market-rates-and-child-care-costs>

⁴⁵ "45 CFR § 98.45 – Equal Access,," Legal Information Institute (Cornell Law School), accessed July 22, 2021, <https://www.law.cornell.edu/cfr/text/45/98.45>

⁴⁶ Pratt, Megan, Laurie Houston, Michaella Sektnan, "2020 Oregon Child Care Market Price Study." Oregon Child Care Research Partnership. Corvallis, OR: Oregon State University, March 2021. <https://www.oregon.gov/dhs/ASSISTANCE/CHILD-CARE/Documents/CCMR%202020%20Report.pdf>

has historically conformed to the standard benchmarking exercise of developing rates such that ERDC families can theoretically access at least 75% of providers.⁴⁷

When developing the ERDC rate structure, ODHS and ELD must carefully balance federal requirements with union priorities. At times, union requests are not in alignment with the State’s federal obligations. ODHS and ELD work with the union to find a compromise that meets federal regulations.

Federal policy also guides provider operations and outlines responsibilities for program integrity.

- Lead agencies are required to ensure that child care providers grant parents unlimited access to their children during the child’s time in care.⁴⁸
- Lead agencies are required to establish pathways for parents to submit complaints about providers. Most commonly this requirement is met by the establishment of a complaint hotline. States are required to maintain a record of substantiated complaints and make them available upon request.⁴⁹
- 45 CFR 98.90-98.93 outlines requirements that states must meet regarding monitoring, non-compliance, and complaints. Notably, states are required to review cases and complete an Error Rate Reporting process every three years.⁵⁰ This process entails calculating, preparing, and submitting a report of errors in the State’s administration of CCDF funds. In this context, the error most commonly refers to an overpayment.

Operational Overview

Pay Providers

The Direct Pay Unit (DPU) within ODHS is the unit responsible for ERDC provider management. **DPU administers the Listed and Approved process and completes the provider billing process with providers each month. The DPU team has approximately 20 individuals who devote 75% of their time to ERDC.**

The billing process is initiated when DPU generates providers billing forms through the SA system. The digital files for billing are transmitted over to the State’s Print Plant system for printing and mailing to the provider. If there are any issues in processing the forms (e.g., unverifiable family eligibility or incorrect copay percentage) DPU workers contact the field offices and request clarifying information. DPU may also ask families to reach out to the field office to revise or supplement their application so that the eligibility issue can be corrected.



The billing process is dependent upon families and providers completing manual steps each month.

When providers receive their billing form, they complete the form and request family verification. The forms request information about the attendance of the children approved for ERDC subsidies. Families are

⁴⁷ “Assessing Market Rates and Child Care Costs (Administration for Children and Families, n.d.). <https://childcareta.acf.hhs.gov/ccdf-fundamentals/assessing-market-rates-and-child-care-costs>

⁴⁸ “45 CFR § 98.31 – Parental Access,.” Legal Information Institute (Cornell Law School), accessed July 9, 2021, <https://www.law.cornell.edu/cfr/text/45/98.31>

⁴⁹ “45 CFR § 98.31 – Parental Complaints,.” Legal Information Institute (Cornell Law School), accessed July 9, 2021, <https://www.law.cornell.edu/cfr/text/45/98.32>

⁵⁰ “45 CFR § 98.101 – Case Review Methodology,.” Legal Information Institute (Cornell Law School), accessed July 9, 2021, <https://www.law.cornell.edu/cfr/text/45/98.101>.

instructed to check the number of hours documented by their provider for accuracy and completeness. Families then sign the form, and providers email, mail, or fax the form back to ODHS.

Once the billing form is returned to ODHS, it is processed by Information and Records Management (IRMS). IRMS provides assistance to ODHS units that need imaging or data entry services. IRMS processes approximately 7,000 billing forms per month by manually entering the information from the completed billing forms and then scanning the forms into a KOFAX repository. IRMS also processes faxes from some providers. Without IRMS, ODHS would not be able to electronically access the information necessary to pay providers. Timeliness is a priority when processing these forms, as ODHS is required by the current provider union agreement to process billing forms within 3-4 days.

Once the completed billing form has been electronically entered into the EDMS, the DPU staff resume the billing process. DPU approves payments for providers in the Provider Pay system. **Provider Pay is a key system that supports ERDC. It is a shared application for SSP programs and supports provider payments for ERDC, TANF, JOBs Plus, High Needs, and special payments.** Through Provider Pay, Union dues are withheld, payment is disbursed automatically via the check and electronic fund transfer systems, and families are notified that their provider has been paid. Provider payment and related information is sent over to the Statewide Financial Management Systems through the Accounting Interface. Providers can call DPU on their support line to inquire about payment status either through the IVR based self-service or by connecting with a live agent.

In addition to completing the routine work of paying providers, **DPU supports providers in other ways.** DPU works with the federal government to verify which providers are eligible for additional federal reimbursement through the Child and Adult Care Food Program (CACFP). DPU manages a MOU with the US Department of Agriculture (USDA) that, dependent upon routine verification by DPU, allows for the reimbursement of license-exempt providers by USDA. Without this MOU, only licensed providers would be eligible for reimbursement, and without DPU verification, no providers would receive CACFP funds.

Of note when considering billing activities: families do not typically need the same level of child care throughout the year and billing activities for providers will therefore vary. In the summer months, the ERDC program supports an increase in the number of hours billed. From June through August 2019, billed hours were 18% higher relative to the average number of hours billed in non-summer months. This trend

Figure 15: Total Provider Billing Hours by Month (Dec 2018 – Nov 2019)

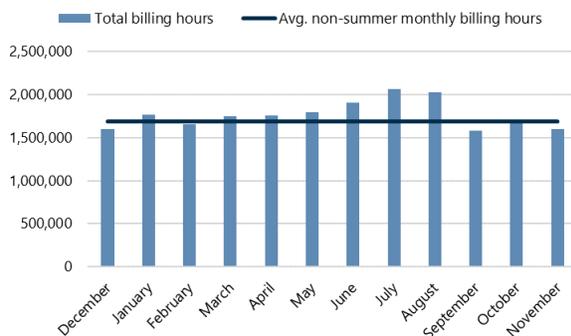
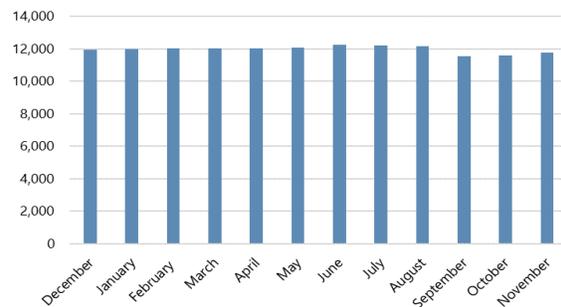


Figure 16: Total Family Claims by Month (Dec 2018 – Nov 2019)



is common across states, as many families rely on their children being in school to alleviate some of their child care needs. Because the number of monthly claims (measured by child) do not increase (see Figures

below), the observed summer spike in billing is likely primarily attributable to an increase in the number of care hours, not in the number of overall children served.

Manage Payment Integrity

The Office of Payment, Accuracy, and Recovery (OPAR) works to correct overpayments and comply with federal reporting standards. OPAR is a shared service between ODHS and OHA.

To correct overpayments OPAR engages in the following activities:

- Conduct spot checks and investigations
- Receive referrals for fraud/overpayment that needs to be recovered
- Complete auditing, program integrity reports, and direct referrals
- Review ERDC client eligibility
- Gather logs from providers

Overpayments can occur for three main reasons. Most commonly, overpayments are a result of client error. In these situations, the family might have misunderstood and miscommunicated their benefit levels to their providers, or they could have failed to report a change in household financial status that impacts their eligibility. Other overpayments are the result of ODHS administrative errors. At times, overpayments are the result of a fraudulent effort, which can be reported [here](#). Apart from overpayments that are the result of an administrative error, all overpayments are collected for up to a three-year period.

If a possible overpayment is identified, OPAR reaches out to the provider for their attendance logs. These communications are sent in English and Spanish, but not in other languages. Providers are given up to 45 days to return their attendance logs to ODHS via fax or email. If a log is not received, ODHS follows up with an additional attendance request. When the logs are received, OPAR adjusts their possible overpayment calculations and either establishes the overpayment or closes the case. If the log is never received, then an overpayment is established for collection.

Once an overpayment has been established, DPU sends a notice about the overpayment to the provider, and OPAR enters the case into JG Garnishment system. If a provider remains approved after the overpayment is identified, the amount is collected from the monthly provider payment. If a provider is not approved with ODHS at the time of identification, the case is referred to the Collections Unit.

The overpayment writers, the staff responsible for completing an overpayment case, often have eligibility experience, and at least four years of prior related experience is required. This experience and alignment with field eligibility workers are credited with increasing collections on overpayments. **OPAR estimates that they collect at least 50% more than the Department of Revenue (DOR) would, on average.**

To meet federal reporting standards, **the Quality Control (QC) team (located within OPAR) provides data summaries and collaborates with the Policy Team.** Currently, QC has an interagency agreement with ELD. QC completes the Error Rate Reporting every three years, and in between this three-year requirement, QC conducts internal reviews to train staff, catch patterns, identify errors, and make adjustments. QC shares their reports with the Policy Team who uses them to monitor patterns and address the field as needed based on common errors or items.

The Fraud Investigation Unit (FIU) investigates improperly paid benefits and potential fraud in SNAP, TANF, ERDC (recipient and provider), and Medicaid (recipient only). Investigators are assigned to geographic areas/districts located throughout the State.

Referrals come from several sources to include: the public (via fraud hotline and web portal), State of Oregon employees (typically from eligibility workers and case managers from offices around the State), USDA Food and Nutrition Services (FNS), US-OIG (Office of Inspector General), and local law enforcement.

FIU investigates recipient and provider fraud. While each case is different, the most common types of ERDC recipient fraud involves a beneficiary who may not have been eligible for child care benefits (i.e., failure to report accurate income or failure to report accurate household members). For child care providers, fraud may occur when payments are received for children not in their care or in excess of actual hours of care given.

Upon completion of an investigation, if fraud or improper payment is determined for recipients, reports are sent to the Overpayment Writing Unit (OWU) for calculation and determination of any moneys owed. If fraud or improper payment is determined for providers, there are a few outcomes to include: administrative sanctions for Intentional Program Violation (IPV) which may incur a penalty for participating in the provider program, referral to the district attorney for possible criminal sanctions, or overpayment/restitution for moneys owed.

When ODHS provider fraud is involved, FIU works with the Policy Team, OCC, child care provider union collective bargaining agreement, and other members associated with the Child Care Leadership Team (CCLT).

Manage Provider Integrity

Several units are responsible for ensuring provider integrity. Within ODHS, Hearings and Rules ensures due process for Oregonians and **is authorized to act as lay representatives through authorization by the Department of Justice (DOJ)**. DOJ handles provider payment cases that are greater than \$10,000, while Hearings and Rules manages hearings for ERDC family eligibility and other issues, provider suspension hearings, and provider overpayments less than \$10,000.

The Policy Team and the field provide critical support to Hearings and Rules as the unit works through cases. Much of the Hearings and Rules activity is a result of providers and families not understanding what they are supposed to do, missing a step, etc. Currently, the bulk of Hearings and Rules activity is driven by the SNAP program. However, many cases span multiple Self-Sufficiency Programs.

The Office of Training, Investigations, and Safety (OTIS) investigates reports of abuse and neglect for ODHS and OHA programs. Typically, their investigation work impacts all placements, including ERDC. If the provider has ERDC or ODHS child care subsidy children in their care, OTIS makes sure to share information with the ERDC or ODHS child care program. Every complaint gets cross reported to ODHS Child Care policy team, and Child Care policy analysts keep track of the investigations to identify issues and patterns. OTIS conducts joint investigations with the Office of Child Care. If the investigation demonstrates that a violation of an ODHS provider requirement occurred, it may result in a 6-month suspension of subsidy payments to the child care provider. They may re-apply to be listed and connected to ODHS families after this six-month suspension period ends.

Staffing⁵¹

Numerous teams and systems support Provider Billing. Systems costs related to Provider Billing are outlined in Section 6.6 of the report.

DPU

The Direct Pay Unit has 17.5 funded positions and two unfunded (non-budgeted) positions. DPU staff spend approximately 75% of their time working on payments and provider eligibility for the ODHS child care programs. So, if the DPU were to only focus on ERDC, they would need approximately 14.6 FTE to complete the work.

IRMS

Information and Records Management work fluctuates, with a huge spike at the beginning of the month when they are processing provider billing forms. This spike can require up to 20 staff (out of 40) to focus on ERDC in order to get the billing forms processed in a timely manner to facilitate provider payment. The rest of the month, typically only three staff are needed to process forms that are late or off cycle. IRMS has a flexible staffing model that allows scaling up to support the peak in ERDC-related work each month. Because of the workload fluctuations, it is difficult to determine the staffing requirements to solely support ERDC. Ten staff could manage the provider billing forms, but it would likely take longer than current timelines, and then the staff would have minimal work for the remainder of the month.

OPAR

The Office of Payment, Accuracy, and Recovery has staff who spend a portion of their time on ERDC. ERDC related overpayments are typically a small portion of the work OPAR completes. An estimated 5.5 FTE (out of 26) would be able to support ERDC, if this was their sole focus. OPAR currently has one referral specialist and one overpayment position that are fully dedicated to ERDC. The cost estimate included in the table is based on an estimated workload of the various positions in OPAR that support ERDC.

QC

For Quality Control, one full-time reviewer and a small percent of the time for one lead worker and one manager can be attributed to ERDC. The QC team completes quality control work for programs other than ERDC, and the ERDC-related work is only a small portion of the team's total workload.

FIU

The Fraud and Investigation Unit currently has a team of four investigators assigned to the ERDC provider team. Potential fraud regarding ERDC recipients and providers-only are assigned throughout the unit and usually involve additional benefit programs to include SNAP. It is estimated that 1.5 FTE could complete the work for ERDC if that was their sole focus.

Hearings and Rules

A small portion of the work that Hearings and Rules completes is due to ERDC cases. The pricing in the table is based on 3.66% of the team's time spent on ERDC cases. This was then rounded up to one FTE to account for fluctuations in case volumes.

⁵¹ Additional information regarding the estimated costs related to the ERDC program and these staff can be found in Section 6 of this report.

Transition Considerations

Category	Operational Element	Transition Consideration	Complexity
Process 	14. Program Integrity: Overpayments	<p><i>What team will investigate and collect ERDC overpayments?</i></p> <p>This function is critical to meet federal requirements and maintain program efficacy. Statutory authority is required to do this work. DOR could support this work but they would not recover as much money as OPAR currently does. The OPAR team estimates they are able to collect 50% more than DOR would. Very few cases are due to one program only - usually, a client will have an error that impacts SNAP, TANF, and ERDC. There are statewide accounts receivable processes that DELC would have to take on.</p>	Moderate
Staffing 	15. Provider Billing	<p><i>What team will bill providers? What billing processes do providers need to know about?</i></p> <p>Federal rules and Union CBAs govern how some aspects of the billing process must occur. DPU completes billing work for other programs. The billing process relies on several antiquated technology systems.</p>	Moderate
Process 	16. Providing Due Process	<p><i>Will DELC stand up their own hearings function or utilize DOJ?</i></p> <p>DELC could get this service from DOJ, but this would be much more expensive - lay representatives are much lower cost. Currently, Hearings and Rules only escalates cases to DOJ as needed based on the limitations of their authorization.</p>	Low

Improvement Opportunity	Supporting Information	Complexity
Process Modernization: Will DELC consider modernizing some aspects of the provider billing process?	<ul style="list-style-type: none"> The Provider Pay system may limit some of the operational changes that could occur. The IRMS imaging system can export files to any receiving mainframe/ database. Any process changes will require extensive stakeholder engagement and change management activities. ODHS' current CBA with providers requires the agency to process billing forms within 3-4 days. ODHS' current CBA with providers requires that if a new attendance and billing system is implemented, providers will have access to support via a hotline and training will be included in the Introduction to Registered Family. 	Moderate
Meeting Seasonal Demand: How might DELC respond to increased summer demand?	<ul style="list-style-type: none"> Might DELC increase ERDC capacity, particularly during the summer? Might DELC create distinct application processes for providers who would only serve children in the summer? 	Moderate

4.6 Re-Evaluation

This section provides an overview of the policies and activities that are a part of the family and provider reapplication and family re-evaluation process. The outcome of this step is a renewal of eligibility and service. A detailed process flow is available in the Appendix, Section 8.6.

Federal Policy

Federal policy prohibits states from requiring that families reapply more frequently than once every 12 months. The CCDF reauthorization in 2014 established a 12-month eligibility period for families, which Oregon adopted.

Operational Overview

Notify Families and Providers

ODHS sends reminders to families about the expiration of their benefits across multiple communication platforms. Families receive at least two notices in the mail before termination of services. Due to the multiple communications families are likely to receive from other programs while enrolled with ERDC, families may sometimes fail to reapply in a timely manner. This often results in a disruption in their benefits and increases the risk that a provider unknowingly provides care for an ineligible child.

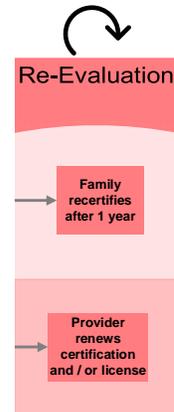
One common scenario that caused families not to reapply for ERDC is the renewal and receipt of SNAP benefits. There are a large number of dual beneficiaries, and SNAP and ERDC benefits are often applied for at different times. Despite having similar application processes, benefits have different re-evaluation processes. Families receive a notice of their SNAP benefit renewal and assume that their ERDC benefits are included in the renewal process. When this occurs, a child may stay in care with a provider who expects to be able to bill ODHS for the cost of provided services. Care could then be provided outside of the eligibility window and therefore would not be reimbursed. The payment issues related to failure to reapply are particularly burdensome for smaller providers that may absorb the cost of service without reimbursement. As of February 2021, the ONE system sends notifications to the provider if the renewal was not completed.

Assuming a family does seek to renew their ERDC benefits, they are required to complete the application process again and need to re-engage with the ODHS eligibility staff to comply with the requirements.

Providers must renew their status with ODHS every two years. They receive up to three notices related to re-evaluation. They are sent 90- and 45-day reminders prior to expiration, including the re-evaluation listing form. If the form is not received, then providers are sent a fail notice in the last month of their approval period.

Staffing

The functions previously mentioned in the Family and Provider Journey support the Provider-Reapplication and Family Re-evaluation work. The majority of this work is conducted by the eligibility staff and DPU.



Transition Considerations

Because of the nature of this work mimics the Application process, transition considerations are similar. In addition:

Improvement Opportunity	Supporting Information	Complexity
<p>Re-Evaluation Streamlining: Will DELC consider process changes that aim to decrease the burden of re-evaluation?</p>	<ul style="list-style-type: none"> • DELC and ODHS could consider analysis of cases with disrupted benefits to better understand process pain points. • DELC could focus accessibility efforts (languages, non-traditional forms of communication) on high-needs populations or other target groups. • There is an opportunity to clarify messages regarding the programs and services that will be offered by DELC and how families are notified of re-evaluation processes. 	<p>Moderate</p>

4.7 Other Cross-Cutting Program Support

There are a handful of functions and processes that support the ERDC program across the full journey of the family and provider. More detailed information about Technology Systems and Reporting and Budget can be found in Sections 5 and 6.

Cross-cutting Support



Communications and Stakeholder Engagement

The ODHS Communications Team, the ODHS Child Care Policy Team, and ELD collaborate to plan and create communications regarding ERDC. These teams also work with partners such as 211 and CCRR to make sure that they are receiving and disseminating accurate and up to date information. As mentioned previously in the report, these teams utilize websites, emails, physical mailed letters, and webinars to communicate with families and providers, in a variety of languages.

ODHS and ELD also hold meetings and conduct outreach specifically targeted at their stakeholders. For example, ODHS holds weekly online stakeholder meetings to share program updates for ERDC and other Self-Sufficiency programs. ELD hosts two meetings per month with partners (incl. ODHS, ELD, CCRRs, 211, PSU, TRI, and others). Both agencies also support quarterly union meetings, and collective bargaining discussions.

For larger programmatic changes, communication about legislation, etc., the ODHS Communications Team works with ODHS leadership, and often ELD, to ensure communications are carefully crafted and vetted before publication and distribution. They also identify instances where executive level communications need to be distributed to staff. Specific details and examples regarding communications can be found throughout the Family and Provider Journey Sections of the report.

However, there is currently no joint communication plan. With any changes due to the transition, it is important to ensure that rural, BIPOC, and families with disabilities have access to all the information about the program.

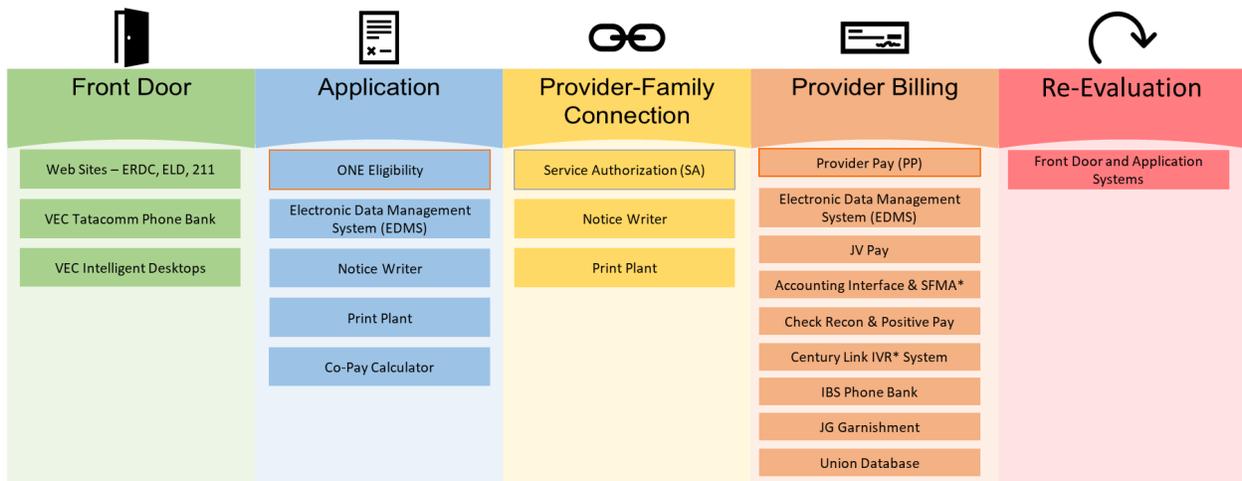
The ODHS Government Relations Team provides a variety of supports to ERDC including: Legislative Session preparation, Legislative Days preparation, specific asks from Legislators, and constituent concerns and feedback. When policy changes are made or bills are initiated that impact ERDC in some way, the team helps ODHS leadership and the Child Care Policy Team navigate the impacts and respond to legislative requests and/or reporting requirements.

5. Technology Systems & Reporting Summary

Several systems are used by ODHS to support staff, families, and providers navigating the ERDC program. Of these, the core systems are ONE Eligibility (Application), Service Authorization (Provider-Family Connection), and Provider Pay (Provider Billing). This section describes the role of each system that supports ERDC, including information regarding the “ownership” of the system. Some systems are shared across ODHS, OHA or other agencies. A preliminary assessment of transition complexity is also included.

Of note, the ERDC program is supported by several legacy systems utilizing mainframe technology with business rules and customer development layered over 30+ years. Any changes in these systems require careful analysis due to complexity built-up over the years and will need to access constrained technical resource supporting these systems.

Figure 17: Supporting Systems



5.1 Front Door

The Front Door is primarily supported by four websites that create awareness and provide access.

- 1. ODHS ERDC Website.** Provides information for the ERDC program to families and providers. It contains details on child care benefits, application process, provider listing process, child safety, child care rates and other information.

Shared System: No, supports ERDC and other ODHS child care programs.

Transition Complexity: Low, DELC may need this content to migrate to a new website.
- 2. ELD Website.** Primary online entry point for ELD - it connects families with the Child Care Safety Portal to check on the safety and quality of licensed child care programs in Oregon. It also enables families to search child care provider safety records, register a complaint against a provider, and access instructions on finding

quality child care through “Find Child Care Oregon.” Additionally, the ELD website provides detailed information on becoming licensed and license-exempt child care provider. The Child Care Regulatory Information System (CCRIS) is another service provided on the ELD website. It provides licensing status of child care providers and is frequently consulted by DPU staff to verify licensing status of a provider.

Shared System: No, supports only ELD

Transition Complexity: Low, DELC may need current ELD website refactored as DELC.

- 3. 211info Website.** Connects people with health and social service organizations. It enables families to search for child care providers and links to ELD and ODHS websites.

Shared System: Yes, 211 supports a broader landscape of child care providers.

Transition Complexity: Low, the 211 website may need to be adjusted to point to new web content on the DELC site.

- 4. The Oregon Registry Online (myORO).** Provides training services for child care providers. Providers can complete online trainings available through myORO. It enables providers to check their training hours. ODHS and ELD staff use reports from ORO to verify compliance with training requirements.

Shared System: Yes, myORO supports training needs of all child care programs.

Transition Complexity: Low, the myORO website may need to be adjusted to point to new web content on DELC site.

5.2 Application

The following systems support the Application process, including the first of the primary systems, ONE.

- 1. ONE System.** An integrated eligibility system for ERDC, Medical, Cash, SNAP, and TA-DVS benefits. It supports the following key capabilities -

- Public-facing application portal for families enables them to apply directly for benefits and check status
- Branch and VEC staff-accessible application portal and case records supports eligibility workers to help families through the application process
- Identity management establishes permissions and functionality of different users, including fields office staff, families, and providers
- Electronic submission of eligibility verification document by families
- Rules engine processes family inputs to determine eligibility
- Electronic and printed communications with families
- Integrated with many State and Federal systems to query databases to verify identity, income, and other data to determine eligibility using a rules engine
- Integrated with many ODHS systems (e.g., Provider Pay, EDMS, Service Authorization and other) for internal data flow

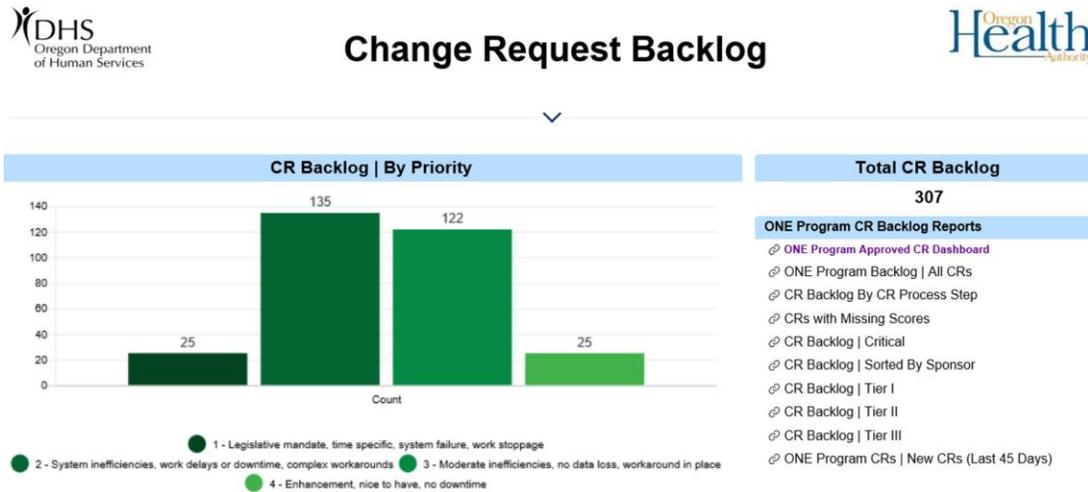
ONE is co-governed by ODHS and OHA, with participation of key stakeholder teams (Programs, Technology, Equity & Multi-culture, and others). The current governance structure for any change requires approvals by following three tiers of review:

- Tier-1: Preliminary review group does an initial review of the change request and its need.
- Tier-2: Stakeholder and recommendation group confirms need of the requested change and scores it based on defined guidelines.
- Tier-3: Final decision maker group takes the decision on approval of the requested change.

Each group is expected to meet monthly in order of the tier level, followed by a work week. Each subsequent tier will review the output work product of its preceding tier, resulting in a standard three-week change request management lifecycle.

As illustrated by the diagram below, at present there is a significant backlog of change request (total 297) waiting for development and implementation in ONE.

Figure 18: Change Request Backlog



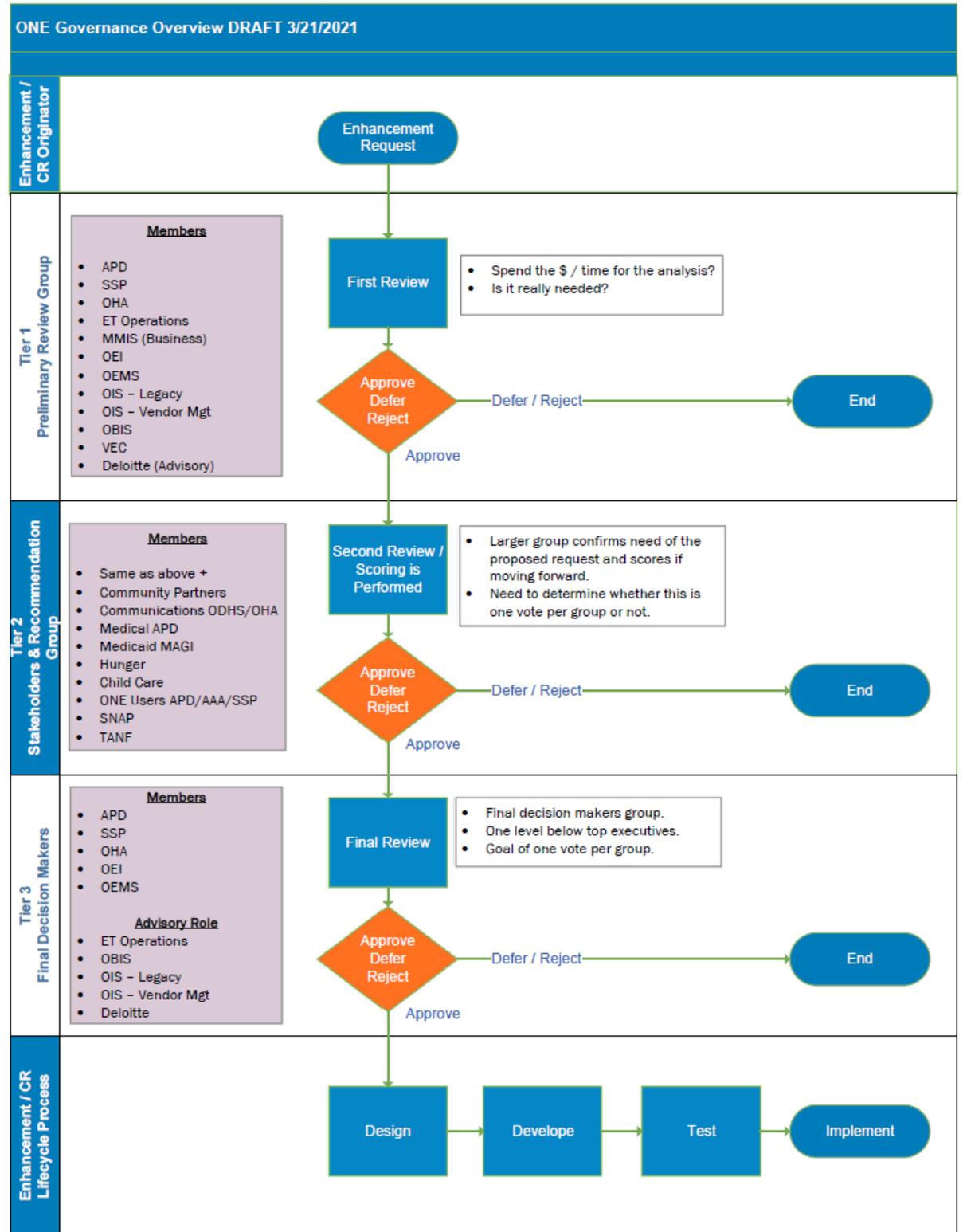
The current governance structure is limited to the original scope of the ONE system. The addition of a new program and/or department would require establishing a separate, process to identify business requirements and leadership alignment needed. Significant IT enhancements would likely involve a multi-year project to design, develop, and implement the expansion.

The ONE system has been developed and is contracted to support many maintenance and operations functions by Deloitte, a third-party contractor. It is technologically a complex system, hosted over hundreds of servers in the State Data Center and is integrated with many State and Federal systems. The complexity of the system necessitates thoughtful consideration before any changes are made and would require long lead-times. Most changes, also, require legacy systems to be analyzed for impact and changes made, as appropriate.

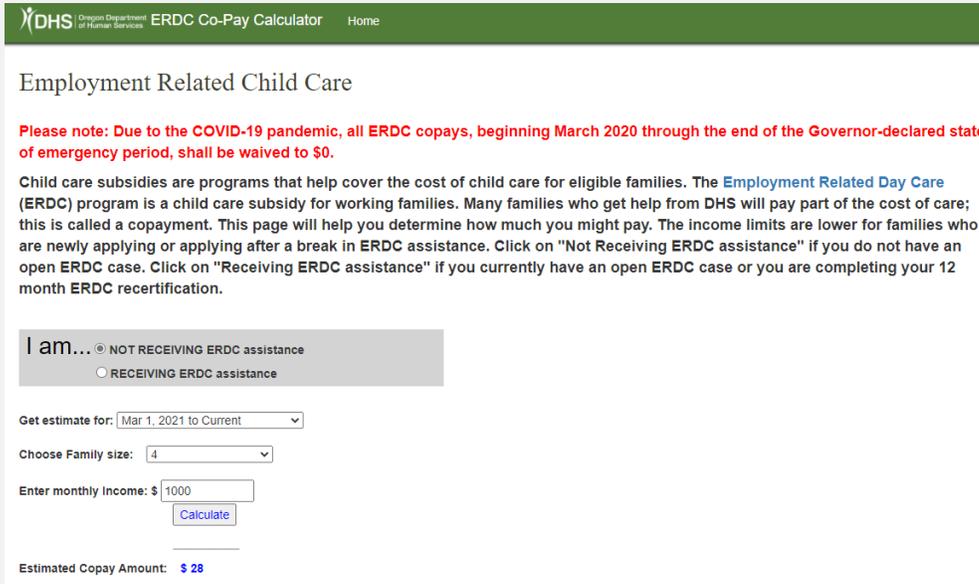
Shared System: Yes, ONE is shared system between ODHS and OHA.

Transition Complexity: High, ONE is highly complex and supports multiple programs.

Figure 19: ONE System Governance - Change Requests



2. **Co-pay Calculator.** A self-service tool (illustrated below). It is used by families to estimate the copay they will owe after the subsidy. Families need to choose if they are currently receiving ERDC assistance, provide the size of the family, and input their current monthly income for the calculator to estimate copay amount. This calculator is currently hosted and accessed within ODHS website.



Employment Related Child Care

Please note: Due to the COVID-19 pandemic, all ERDC copays, beginning March 2020 through the end of the Governor-declared state of emergency period, shall be waived to \$0.

Child care subsidies are programs that help cover the cost of child care for eligible families. The [Employment Related Day Care \(ERDC\)](#) program is a child care subsidy for working families. Many families who get help from DHS will pay part of the cost of care; this is called a copayment. This page will help you determine how much you might pay. The income limits are lower for families who are newly applying or applying after a break in ERDC assistance. Click on "Not Receiving ERDC assistance" if you do not have an open ERDC case. Click on "Receiving ERDC assistance" if you currently have an open ERDC case or you are completing your 12 month ERDC recertification.

I am... NOT RECEIVING ERDC assistance
 RECEIVING ERDC assistance

Get estimate for:

Choose Family size:

Enter monthly income: \$

Estimated Copay Amount: \$ 28

Shared System: No, ERDC use only

Transition Complexity: Low, effort could be required to update branding and rehosting on the DELC website

3. **Electronic Data Management System (EDMS).** Used by IRMS to process inbound mail and faxes sent by families and providers. The EDMS is required to submit any documentation required to engage with ERDC program activities. The EDMS creates an electronic case file for consumers via either a front-end or back-end process. Front-end scanning refers to documents received at the front desk or via mail and scanned into a shared file for immediate use by staff to determine eligibility for benefits and services. Back-end scanning refers to documents received and used in their original paper form by staff to determine eligibility for benefits and services. After work on the case is complete, documents are categorized, scanned, and uploaded to IRMS for storage in the EDMS.

Shared System: Yes, EDMS is shared across ODHS programs.

Transition Complexity: Medium, assuming scanning, electronic document storage, and case linking capabilities are either available at DELC or can be easily procured.

4. **Notice Writer and Claim Notice.** Two legacy applications help in generating print files with applicable template of the forms e.g., Billing Form, Provider Listing Form etc. to send to Print Plant application for any printed communication to families or providers.

Shared System: Yes, Notice Writer and Claim Notice are shared across ODHS programs.

Transition Complexity: Medium, assuming the capability to print templated forms is available at DELC or can be easily procured.

5. **Client Index (CI) System.** A legacy system for common identity index of families before the launch of the ONE system. It provides a single point for lookup of client information by several other ODHS systems. The CI system is integrated with the Master Client Index (MCI) database on ONE. Client information on ONE and the legacy CI system is kept in synchronization through an automated interface. The Client Maintenance Unit team

actively manages data in the CI system for any merge or split of identity records. Other agencies can get limited access to the CI data.

Shared System: Yes, Client Index is a shared system for ODHS and OHA programs.

Transition Complexity: High, CI system is heavily integrated with other systems including ONE, Provider Pay, and Service Authorization.

- 6. VEC Phone Bank and Call Routing System.** A system used by eligibility workers at VEC to provide customer service to ERDC families throughout their journey. Phone bank and call routing acts as a call center system to direct incoming phone call from families to an available eligibility worker.

Shared System: Yes, VEC is a shared service for ODHS and OHA.

Transition Complexity: Low, assuming if DELC decides to develop VEC like capability then either it has access to call center systems or can easily procure it.

- 7. VEC Intelligent Desktop.** A virtual desktop used by eligibility workers at VEC to access ODHS and other systems supporting ERDC program.

Shared System: Yes, VEC is shared service for ODHS and OHA.

Transition Complexity: Low, assuming if DELC decides to develop VEC like capability then either it has access to virtual desktop capability or can easily procure it.

- 8. Print Plant.** A Department of Administrative Services (DAS) shared service supported by the Publishing and Distribution team. It is utilized by ODHS for printing, mailing, and distribution of notices and communications to families and providers. This service takes in electronic files generated by Notice Writer for printing and mailing.

Shared System: Yes, Print Plant is a statewide shared service.

Transition Complexity: Low, DELC could continue to leverage this statewide shared service.

- 9. Child Care Safety Portal.** This web portal provides families with information about the safety, health, and quality of licensed child care facilities. The portal contains a searchable directory of licensed providers along with license details, history of inspection, civil penalties, and any legal action.

Shared System: No, this portal is operated by ELD only for provider safety information.

Transition Complexity: Low, DELC could continue to operate this portal in its current state.

5.3 Provider Family Connection

This stage of the Family/Provider journey is supported by the Service Authorization system. The Notice Writer and Print Plant systems, described in the previous section, support this stage with printing and mail distribution capability.

- 1. Service Authorization (SA)** is used by DPU staff to establish a connection between the ERDC case and the provider selected by the family. Then, billing forms are printed and mailed to the provider. The following are key characteristics of this system:
- SA system is only used for ERDC – it is the only non-shared application in the ERDC landscape.
 - It is connected with ONE, Notice Writer, Client Notice, Client Index, and Provider Pay (PP) system. SA gets the provider information from PP systems for establishing a connection between the case and provider.
 - SA is 30+ years old legacy system and was developed on platforms that are now antiquated technology (Knowledgeware COBOL code generator).
 - Technical resources maintaining this system are capacity constrained. At present, a small number of development team members are familiar with these systems.
 - A formal governance structure has been implemented for mainframe applications. At present, an SSP business analyst coordinates with the development team for any change in the SA system.

Shared System: No, the SA system us used by DPU staff only for ERDC.

Transition Complexity: Medium, careful consideration to any change is required due to the age of system with business rules layered over many years.

5.4 Provider Billing

The following systems support the process of provider billing once a bill is received by IRMS in the mail or faxed.

1. Provider Pay (PP). Used by DPU staff to process and approve payments for billing submitted by child care providers. After capture of provider's billing information by IRMS in the EDMS systems, information flows over to PP and is processed for payment. The following are key characteristics of this system.

- PP is a shared application for SSP programs and supports provider payments for ERDC, TANF, JOBs Plus, High Needs, and special payments.
- PP is also used by OPAR to look up provider payment information for overpayment review.
- This system is connected with multiple systems - SA, EDMS, JV, Automated Jobs, ONE, Notice Writer, Client Notice, Check Recon, Accounting Interface, Union Database, SEIU Systems, DPU IVR, CCRIS, OSP, along with manual upload of 1099s to DOR systems. This is not a complete list and is based on current knowledge of technology experts without full technical analysis.
- Similar to SA, this system is also 30+ years old with antiquated technology.
- Similar to SA, technical resources maintaining this system are capacity constraint.

Shared System: Yes, PP is used by DPU staff for ERDC, TANF, JOBs Plus, High Needs, and special payments.

Transition Complexity: High, PP is highly integrated with other systems and used for provider payment related to other child care programs.

2. Union Database. Used to store information related to union withholding, membership, payments, and other information. It is integrated with PP, which utilizes union information for withholding union dues.

Shared System: Yes, the union database information is used for supporting other child care programs.

Transition Complexity: Low, the union database is small in scale with connection only to PP.

3. Century Link IVR and IBS Phone Bank. Enables DPU to answer provider inquires over the phone. Self-service features within IVR enable providers to get answers to their most common inquiries.

Shared System: Yes, IVR and phone systems are used by DPU staff to support ERDC and other child care programs.

Transition Complexity: Low, assuming call center systems capability is available at DELC or can be easily procured.

4. Client Work Manager Application. Used by the DPU staff to manage work queues and is integrated with EDMS as part of billing workflow. BCU and OPAR also use this application.

Shared System: Yes, it is used by multiple units of ODHS.

Transition Complexity: Medium, Client work manager is integrated only with EDMS.

5. JG Garnishment System. Used by OPAR for garnishment and overpayment collections from providers related to ERDC and other programs.

Shared System: Yes, it is used by OPAR unit to support multiple programs.

Transition Complexity: Low, assuming overpayment collection capability is available at DELC or can be easily procured.

6. JV Pay System. Pays one-time payments based on request files. It processes payment to child-care provider for high-needs, incentive payments, and any one-time payment for ERDC.

Shared System: Yes, it is used for payment across multiple programs.

<p>Transition Complexity: Medium, assuming one-time payment capability is available at DELC or can be easily procured.</p>
<p>7. Check Recon and Positive Pay System. Used to disburse the payments through checks or electronic fund transfer by ODHS for ERDC and other programs. Shared System: Yes, it is used for payments by ODHS for multiple use cases. Transition Complexity: Medium, assuming payment disbursement capability is available at DELC or can be easily procured.</p>
<p>8. Accounting Interface. Used to send accounting information to the State Financial Management and Accounting (SFMA) system. Shared System: Yes, it is used for interfacing with SFMA by ODHS for multiple use cases. Transition Complexity: Medium, assuming capability to send accounting information to the State financial system is available at DELC or can be easily procured.</p>
<p>9. SFMA System. The State Financial Management and Accounting system. Shared System: Yes, statewide financial management system. Transition Complexity: Low, statewide capability will be available to DELC.</p>

5.5 Analytics Infrastructure

There are a number of reports produced that include details on providers and the use of services. Examples of reports generated by the ODHS Data Warehouse, ORRAI, for ERDC are: Total Cases by District and Branch, Open Cases, and Monthly Cases from ERDC to TANF. A detailed list of current ERDC reports is included in the Appendix, Section 8.4.

<p>1. The ODHS Data Warehouse and Analytics Infrastructure. ODHS’s Office of Reporting, Research, Analytics, and Implementation (ORRAI) provides reporting, research, and analytics to ODHS programs. It collects data from various transactional systems such as ONE, PP, SA, and others into a data warehouse. Standard and ad hoc reports are designed, developed, and generated by ORRAI reporting analysts.</p> <p>The analytics capability of ORRAI is enabled by ODHS data warehouse along with data pipelines from many source systems and analytics tools like PowerBI.</p> <p>Shared System: Yes, analytics infrastructure supports enterprise-wide analytics for ODHS. Transition Complexity: High, replicating analytic infrastructure at DELC along with data pipelines from source systems may need multiple data pipes to be developed along with the migration of historical data.</p>
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5.6 Staffing and Budget

ERDC is a small portion of multiple IT systems that do not solely support ERDC. Due to the relative size of ERDC compared to other ODHS programs, removing ERDC from ODHS will neither reduce any technology related workload, nor reduce levels of staffing within OIS. ERDC technology costs to support systems fall into the following broad categories (the table in Section C below outlines the current known costs for each of the categories):

- **Charges by the state’s centralized data center (ETS):** These are not charged directly to ERDC but are included in the aggregate charges to SSP.

- **Printing or other single-function system charges:** For notifications, check writing or other communications by the state’s Print Plant or centralized accounting systems managed by the Department of Administrative Services.
- **Cost allocation for OIS to support ERDC technology needs:** A cost allocation methodology was established and federally approved to distribute technology costs for various ODHS programs to the respective programs and sub-programs managed by the agency.

Table 5: Systems Cost Summary

Cost Category	ERDC Allocation	Allocation Methodology Notes
ETS Charges: hosting environment, management of jobs, system availability	\$600,000	Federally approved cost allocation plan. Less than 1% - based on 19-21 actuals to date.
Print Plant & other single-function system charges: direct charges for printing of notifications, checks, letters, etc.	\$125,000	Federally approved cost allocation plan. Less than 1% - based on 19-21 actuals to date.
OIS Services: IT services including system support for eligibility, case management, service authorization, provider payments, centralized client identification, check generation interface, file formatting, garnishment/overpayments, co-pay estimating tools, employment tracking, etc. OIS support including the service desk, IT Asset Management, etc.	\$950,000	Federally approved cost allocation plan. Less than 1%. Based on 19-21 actuals to date.
Integrated ONE M&O NOTE: This does not include any updates or enhancements outside of standard M&O.	\$1,200,000	FY 22 cost allocation model for IE to ERDC is at .8%, based on 21-23 projections of approved IE M&O budget.
TOTAL	\$2,875,000	

Additionally, 1-2 ORRAI reporting staff and 1-2 data engineers supporting ERDC reporting needs, although they do not focus exclusively on ERDC. One primary SSP business analyst acts as the conduit between the ERDC program team, ORRAI, and OIS. Business analysts verify the business needs related to systems or reports, coordinate with IT to prioritize, and facilitate testing and rollout after completion of development.

6. Budget Summary

6.1 Overview

ODHS does not receive CCDF administrative funding to support ERDC operations: ODHS carves out support, leveraging staff from other programs, to manage and deliver ERDC.

As mentioned throughout the Provider and Family Journey, **since there is no operations budget for the program, it is difficult to estimate the financial impact.** ERDC is a very small program compared to the other programs and services in ODHS and as such, when ERDC moves, there will be no budget savings. Shared services and other program administration costs currently allocated to ERDC will be spread out among the other programs, per the federal cost allocation plan. Staff that currently spend a small percent of their time supporting ERDC may refocus on other funded programs.

ERDC is able to benefit from economies of scale. Because ODHS is such a large agency with robust program administration services and supports, much of the ERDC program can be managed with a relatively small additional workload. Many of the budget items listed throughout the document rely on this expansive system of services and would cost more if they had to be stood up just to support ERDC.

The table summarizes the primary costs incurred by ODHS that can be attributed to ERDC. There are a few other costs that are so small they are not captured here, such as ERDC's "share" of OTIS or support from ODHS to execute and maintain contracts. Additionally, some ODHS program administration costs are funded by grants or other funding sources, such as the Office of Financial Services.

Funding of program services and cost of program operations must manage the following funding constraints and considerations.

Table 6: Total Estimated Program Costs of Major Functions

Function	FTE / POS	Estimated Cost ⁵²
Eligibility	24	\$3,813,048
Training	1.5	\$333,119
Publications & Distributions	N/A	\$81,000
QA	1.6	\$373,655
Policy Team	5.5	\$1,649,632
BCU	1.5	\$288,530
DPU	14.5	\$2,563,578
IRMS	10	\$1,669,910
OPAR	5.5	\$1,000,645
Hearings and Rules	1	\$92,689
QC	1.25	\$270,337
Systems	N/A	\$2,875,000
Reporting	1	\$282,570
Data Engineers	2	\$615,522
Business Analyst	1	\$239,849
TOTAL	N/A	\$16,149,084

⁵² Approximate cost per biennium, including both general (GF) and federal fund (FF) contribution. These costs assume the current 21-23 service level and do not assume any ramp up time. Costs are total funds - some positions are funded by GF and others by FF. These estimates assume GF/FF proportions remain the same. GF/FF proportions may have to change due to maintenance of effort (MOE) and cost allocation requirements.

6.2 Child Care and Development Fund (CCDF)

CCDF funding for the ERDC program is managed by ELD, the lead agency for the CCDBG Grant (also known as CCDF). Not more than 5% of the aggregate amount of Discretionary, Mandatory, and Federal and State shares of matching fund expenditures from each fiscal year's allotment may be used for administrative activities. This 5% is utilized by ELD to support the activity related to the management and administration of the CCDF funds. **ODHS does not receive any CCDF funding to support ERDC program administration.** The CCDF program has a number of fiscal requirements associated with multiple funding streams that comprise the block grant and ODHS works with the CCDF team at ELD to fulfill reporting requirements and coordinate subsidy administration. CCDF funds are categorized as follows⁵³:

- **Mandatory Funds:** Appropriated under section 418(a)(3) of the Social Security Act (SSA), 42 USC 618(a)(3). Mandatory funds are 100% Federal funds and are available until expended.
- **Matching Funds:** The State share of Matching expenditures must be for allowable services or activities as described in the approved State Plan as appropriate, that meet the goals and purposes of the Child Care and Development Block Grant Act of 1990. A State must:
 - (1) expend its Maintenance of Effort (MOE) requirement by the end of the award year fiscal year; and
 - (2) obligate all Mandatory funds in the first year of the grant period.
- **Discretionary Funds:** 100% Federal funds. States may transfer up to 30% of their TANF grants to CCDF and these funds then take on the characteristics of Discretionary CCDF funds. States that choose to transfer funds back to the TANF block grant must do so within the two-year obligation period for discretionary funds.
- **Maintenance of Effort (MOE):** States are required to spend a specified amount of non-Federal funds on child care in order to claim Federal match from the Matching Fund. The MOE must be expended on allowable services or activities as described in the approved Child Care State Plan as appropriate that meet the goals and purposes of the CCDBG Act.
- **Additional Categories:** Discretionary Disaster Relief Funds, Discretionary Disaster Relief Funds—Construction and Major Renovation, Discretionary CARES Act Funds

6.3 Maintenance of Effort (MOE) Requirements

An important consideration with the transition of ERDC to DELC is the management of MOE requirements. Currently \$5.9M per year (\$11.8M per biennium) of the ERDC General Fund (GF) is counted as TANF MOE for ODHS and is also counted towards the CCDF MOE requirement at ELD. Per federal regulations, the agencies can double count the expenditures to meet CCDF MOE requirements as well as TANF MOE.

Due to reductions in third party TANF MOE at ODHS, ODHS has an increasing need to find TANF MOE and use ERDC GF, not used for match, to ensure the State meets TANF MOE requirements and to avoid Federal penalties. ODHS will require a GF investment in TANF for MOE purposes if they are no longer able to count more than what is mentioned above. If the funding resides in DELC, ODHS is still able to count this funding if it is not otherwise matched. This would require an MOE certification quarterly to report

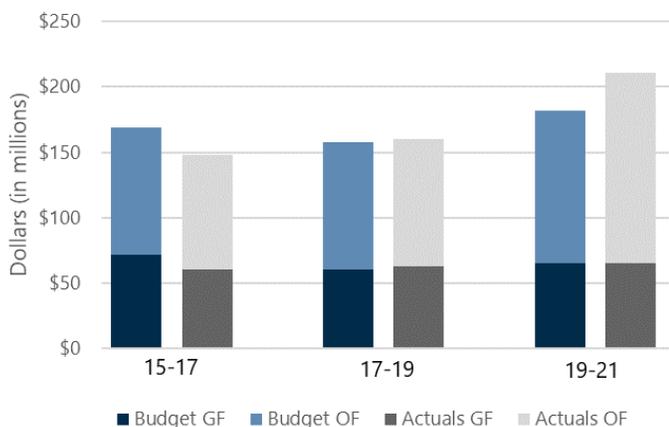
⁵³ "Instructions for Completion of Form ACF-696 Financial Reporting Form for the Child Care and Development Fund (CCDF)," The Administration for Children and Families (U.S. Department of Health & Human Services, September 9, 2020), accessed July 21, 2021. https://www.acf.hhs.gov/sites/default/files/documents/occ/acf_696_form_completion_instructions_20200914.pdf

those countable expenditures. **In summary, ODHS will need to continue counting appropriate GF expenditures as TANF MOE, if the funding is ultimately moved.**

6.4 Subsidy Management and Administration

The Budget Team reviews and reports on monthly expenditures compared to projections and month-to-date and biennium-to-date totals. They also review the Inter-Agency Agreement with ELD ensure ODHS is following the spend plan for the CCDF Revenue Transfer monthly. The spend plan is adjusted as necessary to meet the requirements and financial needs of both agencies. Additionally, the Budget Team reviews and creates a co-pay report monthly to keep up on the Average Co-Pay Cost every month for future pricings. To ensure compliance with audit requirements, the team confirms expenditures are directed to the proper funding for tracking. Every few years, they create Provider Rate Table Models for rate negotiations, including reviewing data of cases by age and rate area for both Licensed and License-Exempt Providers. To support monthly reports, the Budget Team reviews the cost per case and cost per child for ERDC. Lastly, they support all pricings during legislative sessions that have to do with ERDC.

Figure 21: ERDC Program Budget Versus Actual Spend



The ERDC program is in a “budget box” – ODHS manages caseloads up to a capped number of subsidies. Due to this constraint, ODHS has not been able to actively grow the program. Any program expansion would require more money to be committed from the Legislature.

In the three budget cycles shown in Figure 21, the budget versus actual dollars spent varied. In April 2017, there was a rebalance conducted to reflect savings in caseload actuals. ELD also took over some contracts that allowed less spending of the operating fund budget. In the 2015-2017 budget cycle, actual spend was about \$20M less than budgeted due to these rebalance actions. In the 2017-2019 budget cycle, HB5201 appropriated additional GF money to support investments in training. The 2019-2021 budget cycle actual spend was the most “over budget.” ELD made \$22.7M in investments to support ELD policy changes, and an additional \$3.5M investment was made specifically for Provider Grants. Most of the investments came from one-time Coronavirus Relief Funds⁵⁴, CARES and CRRSA funds.

The table below outlines the 2021-23 budget for ERDC subsidies and provider payments.

⁵⁴ “Assistance for State, Local, and Tribal Governments,” U.S. Department of the Treasury (n.d.), accessed July 21, 2021. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>.

Table 7: ERDC Subsidy and Provider Payments (2021-23 Legislatively Adopted Budget)

Fund Type	Total Subsidies and Provider Payments	Related to TANF Transitions	Related to Non-TANF Transition	BOLI Child Care
GF	\$68,271,347	\$68,271,347	-	-
OF	\$211,635,929	\$21,112,555	\$190,223,374	\$300,000
TF	\$279,907,276	\$89,383,902	\$190,223,374	\$300,000

6.5 Transition Considerations

Category	Operational Element	Transition Considerations	Complexity
Budget \$	17. Program Administration Costs	<p><i>How much would the various systems and services required to administer the program cost if they had to be stood up or procured?</i></p> <p>As a smaller program in the larger SSP portfolio of ODHS, ERDC is able to benefit from economies of scale. Because ODHS is such a large agency with robust program administration services and supports, much of the ERDC program is able to be managed with a relatively small additional workload. Many of the budget items listed throughout the document rely on this expansive system of services and would cost more if the service had to be stood up just to support ERDC.</p>	High
Budget \$	18. Managing MOE Requirements	<p><i>How will ODHS continue counting appropriate expenditures as TANF MOE if the funding is ultimately moved?</i></p> <p>ODHS has an increasing need to find MOE and ERDC GF not used for match to ensure the State meets MOE requirements and avoids Federal penalties. If the funding resides in DELC, ODHS is still able to count this funding if it is not otherwise matched.</p>	Low

7. Transition Considerations Summary

In the process of creating the ERDC Current State summary, the teams involved identified a number of transition considerations that should inform the design of the new DELC agency. These transition considerations have been included throughout the document but are consolidated here with additional details on their priority and alignment with each other to support planning. Many ERDC functions are supported by teams that are distributed across ODHS and other agencies. Those teams and their roles in supporting ERDC are also summarized here. Technology system considerations are included in Section 5.

Please note that these considerations are reflective of a current state review and were not intended to try to anticipate service or organization design decisions for DELC.

Transition Considerations Summary

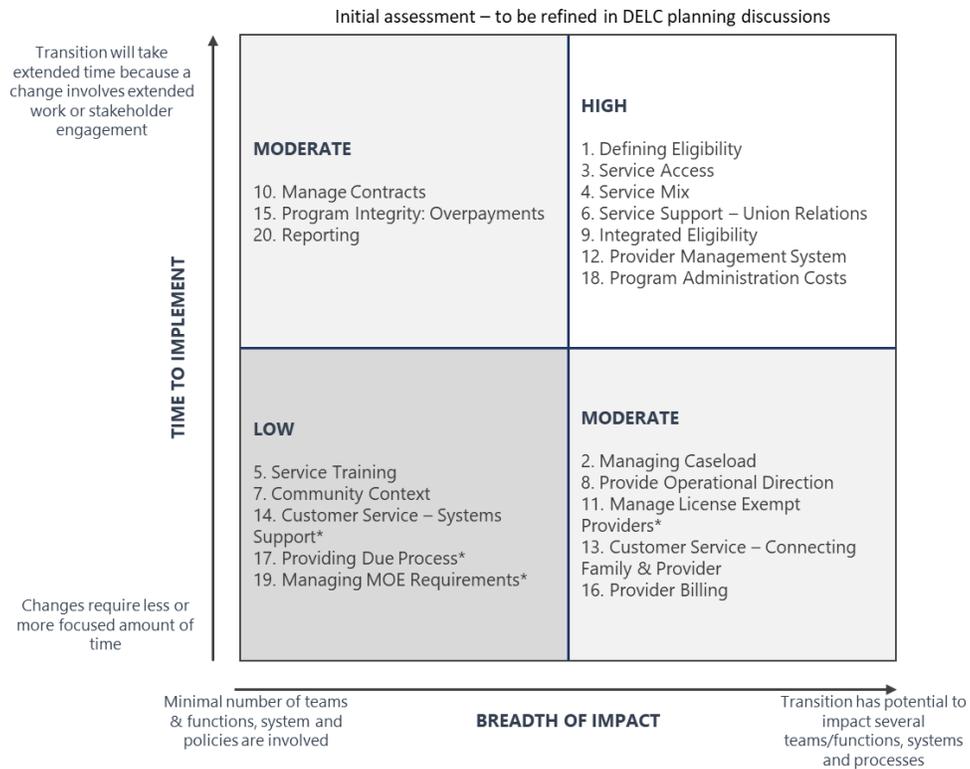
Category	Operational Element	Transition Consideration	Complexity
Strategy	1. Defining Eligibility	<i>What is DELC's plan to re-promulgate ERDC regulations that define the ERDC eligible population?</i>	High
Strategy	2. Managing Caseload	<i>What service strategy will DELC use to manage caseload volume?</i>	Moderate
Strategy	3. Service Access	<i>How will families find ERDC when it is a part of DELC?</i>	High
Strategy	4. Service Mix	<i>What suite of programs will align and/or integrate with ERDC in the future?</i>	High
Staffing	5. Service Training	<i>How will DELC train eligibility staff?</i>	Low
Staffing	6. Service Support - Union Relations	<i>How can DELC optimize across labor relations and family service to support ERDC?</i>	High
Strategy	7. Community Context	<i>How will Community Partners and aligned organizations engage with ERDC when it's part of DELC?</i>	Low
Staffing	8. Provide Operational Direction	<i>What policy team will guide and interpret rules for the field office and VEC staff?</i>	Moderate
Systems	9. Integrated Eligibility	<i>How will ERDC support in the ONE system adjust when ERDC moves to DELC?</i>	High
Project Management	10. Manage Contracts	<i>What team will manage ERDC-related contracts? When will these contracts be transitioned?</i>	Moderate
Process	11. Manage License-Exempt Providers	<i>What requirements and processes for license-exempt provider management will be supported in DELC? How will any changes be communicated?</i>	Moderate
Systems	12. Provider Management System	<i>What provider management software changes or improvements might DELC consider and when?</i>	High
Process	13. Customer Service - Connecting Family & Provider	<i>Who is/are the main points of contact to support a family as they connect to a provider?</i>	Moderate
Systems	14. Customer Service – Systems Support	<i>What systems are available to DELC to support family and provider inquiries?</i>	Low
Process	15. Program Integrity: Overpayments	<i>What team will investigate and collect ERDC overpayments?</i>	Moderate
Staffing	16. Provider Billing	<i>What team will bill providers? What billing processes do providers need to know about?</i>	Moderate
Process	17. Providing Due Process	<i>Will DELC stand up their own hearings function or utilize DOJ?</i>	Low
Budget	18. Program Administration Costs	<i>How much would the various systems and services required to administer the program cost if they had to be stood up or procured?</i>	High

Budget	19. Managing MOE Requirements	<i>How will ODHS continue counting appropriate expenditures as TANF MOE if the funding is ultimately moved?</i>	Low
Project Management	20. Reporting	<i>What data points will be required for ongoing legislative reporting, research and operations management?</i>	Moderate

Priority

The complexity of these transition items is based on a preliminary set of assumptions around the length of time required to implement and breadth of impact. Several stakeholder working groups will be assembled to review these transition considerations and other design questions to inform an implementation roadmap that is inclusive of and reflective of many teams, impacted Oregonians, and the intent of HB 3073.

Figure 22: Transition Considerations Complexity



Alignment:

ELD and ODHS leadership plan to develop a governance structure to work through a number of design decisions for DELC. The following groupings of transition considerations may facilitate these discussions. High-complexity transition considerations are marked in green.

Figure 23: Transition Considerations Groupings



Summary of Teams Supporting ERDC

As identified in this current state review of the ERDC program, a broad number of teams contribute their capabilities and experience to support service to families and providers. Almost every operational aspect of ERDC relies on contributions from multiple groups. Transition planning will need to consider impacts across the functions summarized in the table below.

Table 8: Descriptions of ERDC Supporting Functions

Team	Group	Primary ERDC Activities
211	Contracted Service (ODHS, ELD)	<ul style="list-style-type: none"> ODHS contracts with 211 to support families navigating multiple benefit programs (program navigation) ELD contracts with 211 to support families in finding providers (referrals)
Background Check Unit (BCU)	ODHS / OHA Shared Service	<ul style="list-style-type: none"> Conduct background checks for the license-exempt providers, including household members
Budget	ODHS	<ul style="list-style-type: none"> Reviews and reports on monthly expenditures compared to projections and month-to-date and biennium-to-date totals. Ensures compliance with various budget and audit expectations, including the spend plan for the CCDF Revenue Transfer. Supports other reporting and budget tracking activities.
Business Analysts (BA)	ODHS	<ul style="list-style-type: none"> Connect ERDC program team, ORAI, and OIS teams Verify business needs related to systems and reports; document requirements; coordinate with IT to prioritize and facilitate testing and rollouts
Child Care Policy Team (Policy Team)	ODHS	<ul style="list-style-type: none"> Develops and disseminates policy (works with ELD to interpret federal and state rules, issue guidance, and develop new regulatory policy) Contract management for contracted child care slots Provider Unions, 211info, PSU and Child Care Resources & Referral liaison Reports and data creation, validation and submission ONE coordination and change request submission. Communications to parents, providers, agency staff and stakeholders Form and publication maintenance
Child Care and Development Block Grant Agency	ELD	<ul style="list-style-type: none"> ODHS works directly with this team to coordinate and track subsidy payments for ERDC
Child Care Resource and Referral Agencies (CCRRs)	Contracted Service (ELD)	<ul style="list-style-type: none"> Community resource for families seeking child care; technical resource for providers Contracted to recruit and retain child care businesses, both home and center-based, to help build the supply of high-quality child care across Oregon Develop and provide training to help providers meet and maintain requirements and quality markers. Encourage providers to accept child care subsidies
Communications	ODHS	<ul style="list-style-type: none"> Plans, creates, and distributes ERDC related communications Collaborates with Policy Team and ELD
Department of Justice (DOJ)	Statewide Shared Service	<ul style="list-style-type: none"> Handles any provider overpayment cases greater than \$10,000 Hearings and Rules escalates cases to DOJ as needed
Department of Revenue (DOR)	Statewide Shared Service	<ul style="list-style-type: none"> Accounts Receivable team uses DOR for provider collections recovery
Direct Pay Unit (DPU)	ODHS	<ul style="list-style-type: none"> Processes child care provider listing forms for licensed and license-exempt providers to approve receipt of subsidy payments Controls the billing process for ODHS providers and serve as a customer service unit for providers, families, and partners
Early Learning Hubs	ELD	<ul style="list-style-type: none"> Community resource for families seeking child care Administers coordinated enrollment for the Preschool Promise program
Field Office Staff	ODHS	<ul style="list-style-type: none"> In-person and virtual point-of-contact for families Complete mandatory eligibility and interviews for families
Fraud and Investigation Unit (FIU)	ODHS / OHA Shared Service	<ul style="list-style-type: none"> Works with OPAR to investigate potential cases of program fraud

Government Relations Team	ODHS	<ul style="list-style-type: none"> Provides a variety of supports to ERDC including: Legislative Session preparation, Legislative Days preparation, specific asks from Legislators, and constituent concerns and feedback
Hearings and Rules	ODHS	<ul style="list-style-type: none"> Acts as lay representatives for beneficiaries Manages hearings related to provider overpayments less than \$10,000, provider suspensions, discrepancies with family eligibility, and other issues
Inclusive Partners (IP)	Contracted Service (ELD)	<ul style="list-style-type: none"> Approves families for the high-needs rates and provides technical assistance for providers
Information and Records Management (IRMS)	ODHS / OHA Shared Service	<ul style="list-style-type: none"> Images (high-effort scan) child care billing forms and provider listing forms Enters forms into the client work manager (CWM) so that DPU can proceed with the payment and billing process
Office of Administrative Hearings	Statewide Shared Service	<ul style="list-style-type: none"> Provides occasional assistance on ERDC-related hearings
Office of Child Care (OCC)	ELD	<ul style="list-style-type: none"> Manages licensed providers Conducts health and safety inspections for licensed exempt (Friend and Neighbor) providers
Office of Financial Services (OFS)	ODHS	<ul style="list-style-type: none"> Supplies accounting codes and functions to ensure child care payments are made through the correct accounting system where the ERDC funds are located Work with DPU to process a duplicate check when the original child care payment has been lost or stolen Enters provider information to collect provider overpayments
Office of Information Services (OIS)	ODHS / OHA Shared Service	<ul style="list-style-type: none"> Shared technology service provider for the ODHS and OHA Provides information technology (IT) systems and services for agency staff, volunteers, and partners, and manages ~250 business applications
Office of Payment, Accuracy, and Recovery (OPAR)	ODHS / OHA Shared Service	<ul style="list-style-type: none"> Conducts program integrity reviews via random selection of 150 ERDC cases Validates attendance records and families' work schedules.; monitors for overpayments
Office of Research, Reporting, Analytics, and Implementation (ORRAI)	ODHS	<ul style="list-style-type: none"> Provides analytics and reporting services for all ODHS programs by collecting data from various systems (ONE, Service Authorization, Provider Pay) Makes information available to the ERDC policy team, DPU, and other support functions
Office of Training, Investigations, and Safety (OTIS)	ODHS / OHA Shared Service	<ul style="list-style-type: none"> Investigates reports of abuse Coordinates with DPU and the Child Care Policy Team to ensure they are informed of outcomes and potential impacts
Oregon Registry Online (ORO)	ELD Contracted Service	<ul style="list-style-type: none"> Shared platform between ODHS and ELD Offers trainings for child care providers (both licensed and license-exempt) Manges training records for licensed exempt providers, which DPU then downloads, to verify eligibility for the enhanced rate program
Publications and Distribution	ODHS	<ul style="list-style-type: none"> Develops public-facing materials (child care provider listing forms, applications, child care provider guide, policy manuals, etc.) with the policy team Translates materials and coordinates mailing and distributions to customers and field staff
Quality Assurance (QA)	ODHS	<ul style="list-style-type: none"> Provides systematic reviews of field office processes and eligibility determinations
Quality Control (QC)	ODHS / OHA Shared Service	<ul style="list-style-type: none"> Has interagency agreement with ELD Completes Error Reporting Rate every three years to meet federal reporting standards

		<ul style="list-style-type: none"> • Collaborates with policy team
The Research Institute (TRI)	Contracted Service (ELD)	<ul style="list-style-type: none"> • Keepers of SPARK, a quality improvement system • Central coordination for CCRR. Manage Find Child Care Oregon (online referral system) • Sends DPU monthly reports on SPARK ratings • Reimburses license-exempt providers for lead testing, health and safety products, and training costs
SEIU / AFSCME (Unions)	Contractual Agreement (DAS)	<ul style="list-style-type: none"> • Represents provider and staff interests
Self Sufficiency Training Unit (SSTU)	ODHS	<ul style="list-style-type: none"> • Trains field office staff – approximately 2 cohorts each month • Coordinates with the Policy Team for training updates and reviews.
United States Department of Agriculture Food Program	Federal Agency	<ul style="list-style-type: none"> • DPU manages a MOU with USDA so that USDA can reimburse certain license-exempt providers via CACFP
Virtual Eligibility Centers (VEC)	ODHS	<ul style="list-style-type: none"> • Virtual point-of-contact for families (eligibility) • Completes mandatory eligibility and interviews for families

8. Appendix

8.1 High-Impact Regulations

As DELC plans for the transition, the following nine regulations are the most critical. These regulations define eligibility, rates, provider requirements, and critical program interactions. Outside of these 9, DELC will still need to promulgate content from the current regulations. Reviewing and consolidating information from the existing 220 regulatory sections related to ERDC will be burdensome. As a part of the review, there may be opportunities for streamlining regulatory requirements. At minimum, the policy working group conservatively anticipates the process will take six months. This will include the solicitation of public input and development of supporting analyses.

Table 9: Key Regulations Summary

Rule Title	Policy Questions
Child Care Eligibility Standard, Payment Rates, and Copayments	<ul style="list-style-type: none"> • What families and children will be eligible to receive ERDC support? • What amount of support will eligible families receive? • How does the child care setting influence support? • What is the maximum amount of assistance a family can receive in a month?
Dependent Care Costs; Deduction and Coverage	<ul style="list-style-type: none"> • What work, training or education requirements are appropriate for families? • What alternatives might impact eligibility? (e.g., Availability of free care)
Use of Income to Determine Eligibility and Benefits for ERDC	<ul style="list-style-type: none"> • What families will be eligible to receive ERDC support? • What income will be included or excluded?
Concurrent and Duplicate Program Benefits	<ul style="list-style-type: none"> • How should TANF and ERDC work together to support families?

Direct Provider Payments; General Information	<ul style="list-style-type: none"> • What requirements must a provider satisfy to be eligible for ERDC subsidies?
Eligibility of Child Care Providers	<ul style="list-style-type: none"> • What requirements must a provider satisfy to be eligible for ERDC subsidies? • What makes a provider ineligible? • What exemptions are appropriate?
Intentional Program Violation (IPV) Hearings; ERDC, REF, REFM, SFPSS, SNAP, and TANF programs	<ul style="list-style-type: none"> • What will happen in the event of an intentional program violation?
Direct Provider Payments; Payment Forms	<ul style="list-style-type: none"> • What are the mechanics of the billing process?

8.2 Eligibility Position Descriptions

As mentioned throughout the report, Benefit and Eligibility staff and Virtual Eligibility Center staff provide the majority of support and customer services to families seeking ODHS benefits, including ERDC.

Human Services Specialist 3 – Benefit and Eligibility Workers:

- Determine initial eligibility for Medicaid, APD Financial Eligibility, TANF, Domestic Violence services, SNAP, Medical and Employment Related Day Care applicants and / customers by:
 - Interviewing applicants in person or by phone to gather information needed to assess and determine if there is a need for services and benefits.
 - Assessing client family strengths and needs, connecting families to other resources and programs.
 - Updating narrative report summarizing new information from client and collateral sources, findings of home visit, and conclusions.
 - Performing other duties as assigned.

Human Service Specialist 1 – Support Staff :

- Work with Oregonians to support the online Oregon Eligibility system, SNAP, TANF, and ERDC and Medicaid, by phone to resolve any questions or concerns.
- Contact, by phone and/or email, participants, advocates, providers, coordinated care plans, outreach facilities, medical professionals, and agency staff.
- Assist individuals with their online applicant portal eligibility account by resetting their passwords, unlocking accounts, providing the username (ONE), setting up new accounts or disabling/deleting existing accounts, troubleshooting known errors or basic support questions.
- Work with individuals to identify new errors and escalate issues to ONE Triage teams, capturing screenshots and ensuring the client is able to complete the application process.
- Perform other duties as assigned.

8.3 Union Representation

SEIU

The Service Employees International Union, Local 503, Oregon Public Employees Union: License-Exempt Family Child Care Providers (SEIU Providers) represents the license-exempt providers (Family, Friends and Neighbor) that provide care to ERDC families. ODHS and ELD have contract responsibility for the 2019-2023 CBA. Key elements of that agreement are summarized below.

Table 10: SEIU Providers, 2019-2021 Transition-Related CBA Summary

Operational Activity ⁵⁵	Contract Agreement
Agency Reorganization	<ul style="list-style-type: none"> If ERDC's administering structure changes, the union shall continue to be recognized as the certified representative of license-exempt providers.
Orientation and Training	<ul style="list-style-type: none"> The State is responsible for providing a virtual and in-person orientations within 90 days of a provider becoming approved. \$160K may be used to improve training accessibility and affordability. \$250K may be used to develop training courses and provide scholarships to providers. Providers may access computers in the ODHS field offices that are available to the general public.
Information Sharing	<ul style="list-style-type: none"> ODHS will provide the union with a monthly list of all license-exempt providers that are active in the PP system. ODHS will provide the union with a monthly list of all recently activated providers. ODHS must provide 90- and 45-day notice before the provider must apply for re-evaluation.
Billing/Overpayments	<ul style="list-style-type: none"> ODHS will process billing forms within 4 days. Overpayments related to an administrative error will not be recouped at more than 5% of the provider's subsidy payment. Providers may bill ODHS for up to five absent days per month (if certain criteria are met).
New Attendance/ Billing Systems	<ul style="list-style-type: none"> If a new attendance and billing system is implemented, providers will have access to support via a hotline. Providers will have access to client computers in the field offices.

The Service Employees International Union, Local 503, OPEU (SEIU) represents many groups of employees in Oregon, including the ODHS eligibility staff. ODHS maintains contract responsibility in the 2019-2021 Collective Bargaining Agreement. Key elements of this contract are summarized below.

Table 11: SEIU, 2019-2021 Transition-Related CBA Summary

Operational Activity	Contract Agreement
Managerial Activity⁵⁶	<p>Rights of management include the ability to:</p> <ul style="list-style-type: none"> Direct employees, Hire, promote, transfer, assign, and retain employees, Suspend, discharge, take disciplinary actions, Reassign employees, Relieve employees from duty because of lack of work, Schedule work, and Determine operational methods.
Contracting-Out⁵⁷	<p>Only work that cannot be done by agency workers for a lower cost with equal benefits can be contracted out.</p>

⁵⁵ Department of Administrative Services and Service Employees International Union, Local 503, OPEU: License-Exempt Family Providers, 2019. *Collective Bargaining Agreement 2019-2023*. State of Oregon, 2019.

⁵⁶ Department of Administrative Services and Service Employees International Union, Local 503, OPEU. *Collective Bargaining Agreement 2019-2021*. State of Oregon, 2019. p.3.

⁵⁷ Department of Administrative Services and Service Employees International Union, Local 503, OPEU. *Collective Bargaining Agreement 2019-2021*. State of Oregon, Article 13, 2019, p.13.

	<ul style="list-style-type: none"> If the contract value exceeds \$60K, or if the contracting-out will displace union members, the agency must conduct a formal feasibility study. <p>If pursuing contracting-out bargaining unit work, ODHS must:</p> <ul style="list-style-type: none"> Notify the union at least 30 days in advance that the agency intends to contract out bargaining unit work. During this time, the agency can accept no bids or proposals, and the union shall have the opportunity to counter. Meet with the union to discuss the contract-out impacts if a full-time union member will be displaced. <p>Once contracting, the agency has three options:</p> <ul style="list-style-type: none"> Require contractors to hire displaced union employees at the same rate of pay for at least 6 months, with state provided health and dental insurance Place displaced union employees elsewhere in state service Offer employees the option to exercise layoff related rights
Operational Needs Transfer⁵⁸	The agency has the right to reassign employees as necessary to meet the operations needs of the agency. The reassignments occur in the following order: 1) volunteers in order of seniority, 2) volunteers regardless of seniority, and 3) other qualified staff in order of reverse seniority. Entire programs may be transferred.
Technological Change/ Retraining	<p>When new technology is considered, the agency must:</p> <ul style="list-style-type: none"> Give the union enough notice, Establish a committee (three union members, 3 management members) to study the impact of the change on union members, Make good faith efforts to reduce the negative impacts of the technology change on the union, and Offer retraining, or place displaced employees in another state service position.

AFSCME

The American Federation of State, County & Municipal Employees Child Care Providers Together (AFSCME) represents Certified and Registered Family Child Care Providers. These providers are licensed by ELD, but ODHS and ELD both share contract responsibility in the 2017-2021 Collective Bargaining Agreement. The contract agreements most relevant to any changes to the ERDC program are summarized in the table below.

Table 12: AFSCME, 2017-2021 Transition-Related CBA Summary

Operational Activity ⁵⁹	Contract Agreement
Training	<ul style="list-style-type: none"> The union and the agency will form a training committee to develop training recommendations. Agencies will use the Oregon Registry Online (ORO) to disseminate training information. The State will make First Aid and Infant / Child CPR training and repeat training of Recognizing and Reporting Child Abuse and Neglect available at no cost to providers. \$500K will be set aside for the professional development of AFSCME members.
Billing/ Overpayments	<ul style="list-style-type: none"> ODHS will process billing forms within 3-4 days. Overpayments related to administrative error will not be recouped at more than 5% of the provider's subsidy payment
Translations	<ul style="list-style-type: none"> Provider materials must be translated into Spanish, Russian, Vietnamese, and Chinese.

⁵⁸ Department of Administrative Services and Service Employees International Union, Local 503, OPEU. *Collective Bargaining Agreement 2019-2021*. State of Oregon, Article 44, 2019, p.50.

⁵⁹ Department of Administrative Services and American Federation of State, County, and Municipal Employees Child Care Providers Together. *Collective Bargaining Agreement 2017-2021*. State of Oregon. 2017.

Technical Assistance	<ul style="list-style-type: none"> • Before any revisions are implemented to child care requirements (or rules interpretations change), the State will collaborate with providers. • When a provider requests technical assistance, the State must respond within 5 business days.
New Attendance/ Billing Systems	<ul style="list-style-type: none"> • ODHS agrees to research a notification system that providers can use to notify ODHS of unmet copayments. • If a new attendance and billing system is implemented, providers will have access to support via a hotline and training will be included in the Licensed Provider Orientation.

8.4 Key Reports

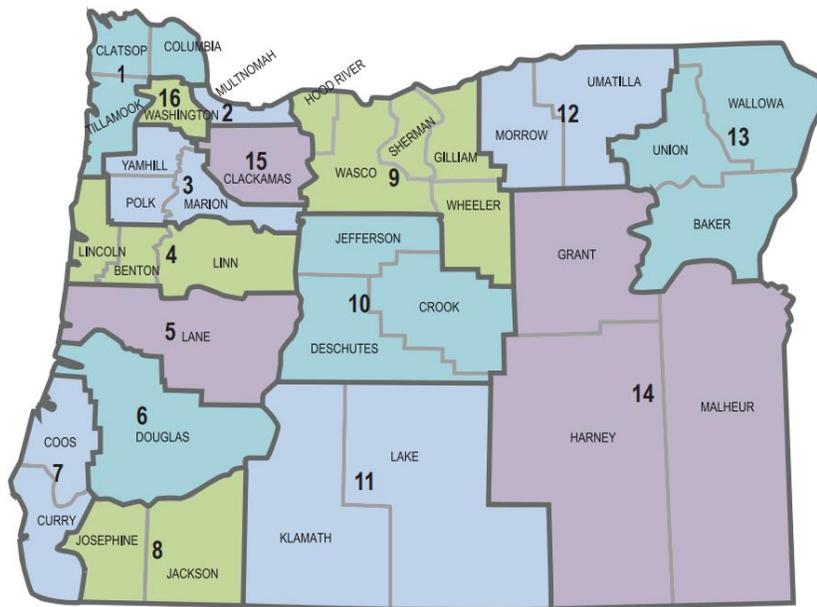
The Data and Systems working group identified at least 37 distinct reports that are related to the ERDC program. This list of reports was generated during the State’s transition to the ONE-system, and the current utilization of these analytical tools has not been verified. The current list is likely inclusive of mandatory reports that meet federal requirements, operationally necessary reports that individuals rely on to complete their work, optional reports that help inform big-picture decision making, and defunct reports that may not generate correctly, or be needed by their recipient. Further work is needed to understand which reports are necessary for ERDC to operate, and how the new agency will support these analytics.

Table 13: Key ERDC Reports Generated by ORRAI

#	Report Title & Description	Report User Team
<i>Provider Focused Reports</i>		
1	ERDC 1002 Active Providers Monthly	CCR&R, 211 Info, CC Policy, DPU
2	ERDC 1040 Count of Providers by Type and Count of Child and Age	CC Policy
3	ERDC Active Center Provider Monthly	CC Policy, DPU
4	ERDC Active Family Provider	CC Policy, DPU
5	ERDC Change from Non-Licensed to Licensed Provider	CC Policy (IAA with ELD obsolete)
6	ERDC Enhanced and Licensed Providers (ANCH) (ERDC-1047)	CC Policy
7	ERDC Licensed Certified Provider with 19 or more Children	DPU
8	ERDC Licensed Providers Two Year Reevaluation	DPU
9	ERDC Licensed Registered Provider with 14 or more Children	DPU
10	ERDC Newly Listed Provider	CCR&R
11	ERDC Non-Licensed and non-Enhanced Providers (CNCH) (ERDC-1049)	CC Policy
12	ERDC Non-Licensed Providers Two Year Reevaluation	DPU
13	ERDC QRIS Providers Total Children	CC Policy
14	ERDC QRIS Providers	CC Policy
15	ERDC USDA Providers List (ERDC-1021)	DPU
16	ERDC 9986 Providers Cases kids amount	CC Policy
17	ERDC 9984 Non-Licensed Reevaluation 2 years back	DPU
18	ERDC Providers Denied in Prior Month	CCR&R

19	ERDC-1061 Active Providers Mailing List	CC Policy, DPU, ELD
<i>Program Performance Focused Reports</i>		
20	ERDC 9882 Monthly Cases from ERDC to TANF	CC Policy (IAA with ELD)
21	ERDC 9985 Cases re-certification 6 month at a time	CC Policy
22	ERDC 9990 SNR SNA SSI Monthly	CC Policy
23	ERDC 9995 SNR Monthly	CC Policy
24	ERDC Cases and People (ERDC-1028 Case and People)	CC Policy
25	ERDC Open Cases with Detail (ERDC-1032 Open Cases with Detail)	CC Policy
26	ERDC QRIS All Rating Code 345	CC Policy
27	ERDC QRIS Payment Detail	CC Policy
28	ERDC Total Cases by District and Branch (ERDC-1045 ERDC total cases by District and Branch)	CC Policy
29	ERDC Total Cases by FIPS (ERDC-1018 Total Cases by FIPS)	CC Policy
30	ERDC_1064 Monitor Visit for Regulated Subsidy Provider	DPU
31	ERDC monthly approval from ONE	CC Policy
32	Quarterly Financial Report (ACF-696)	ELD / CCDF Administrator
<i>Family / Beneficiary Insights Focused Reports</i>		
33	ERDC 9991 Kids 0 5 by County	CC Policy
34	ERDC Income by Family Size	CC Policy
35	ERDC Weekly Alert Report of Alleged Abuse Occurring	CC Policy
36	ERDC QS Sample Universe query from data warehouse ((list of children associated with a subsidy payment during the review month)	QC
37	ERDC Parent Mailing List	CC Policy

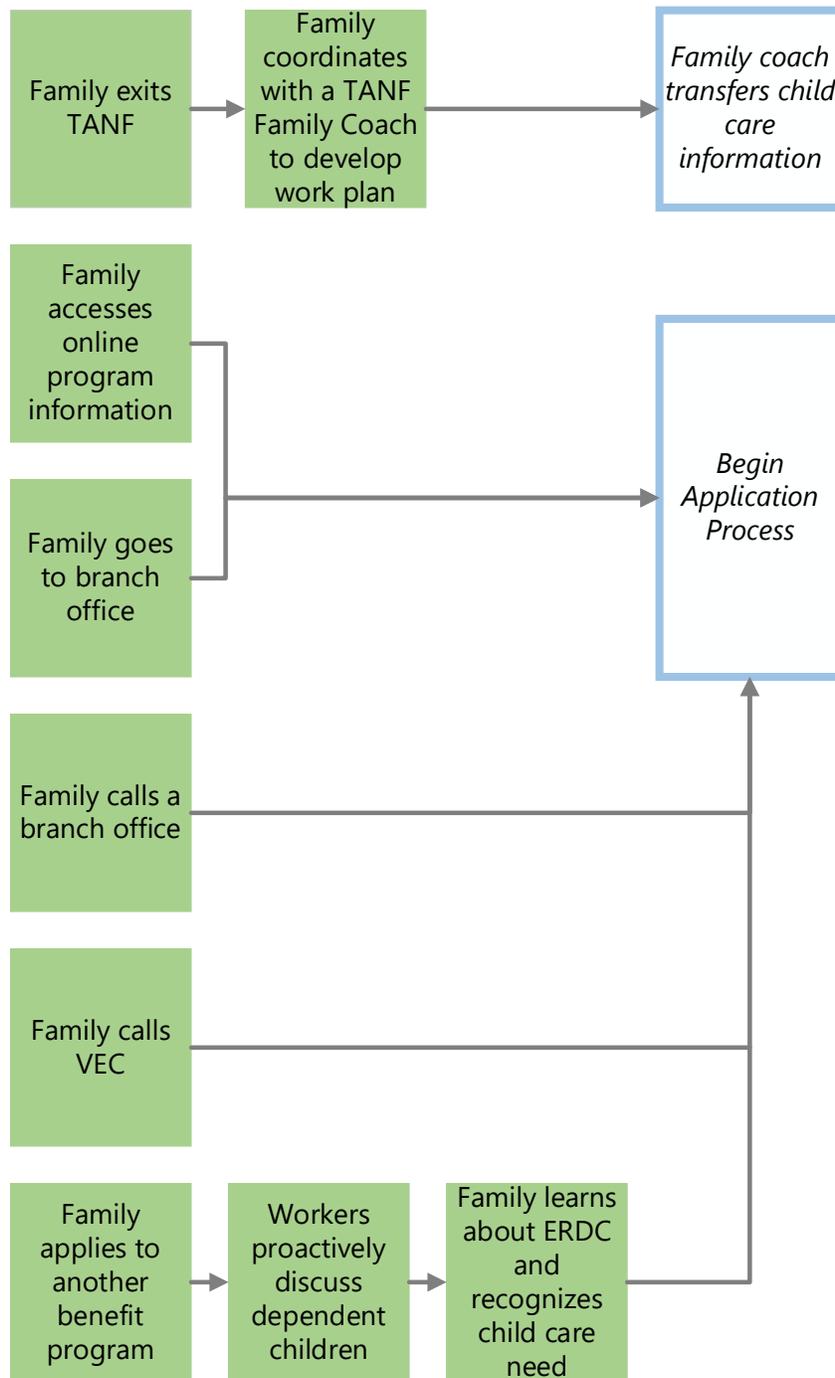
8.5 ODHS Districts Map

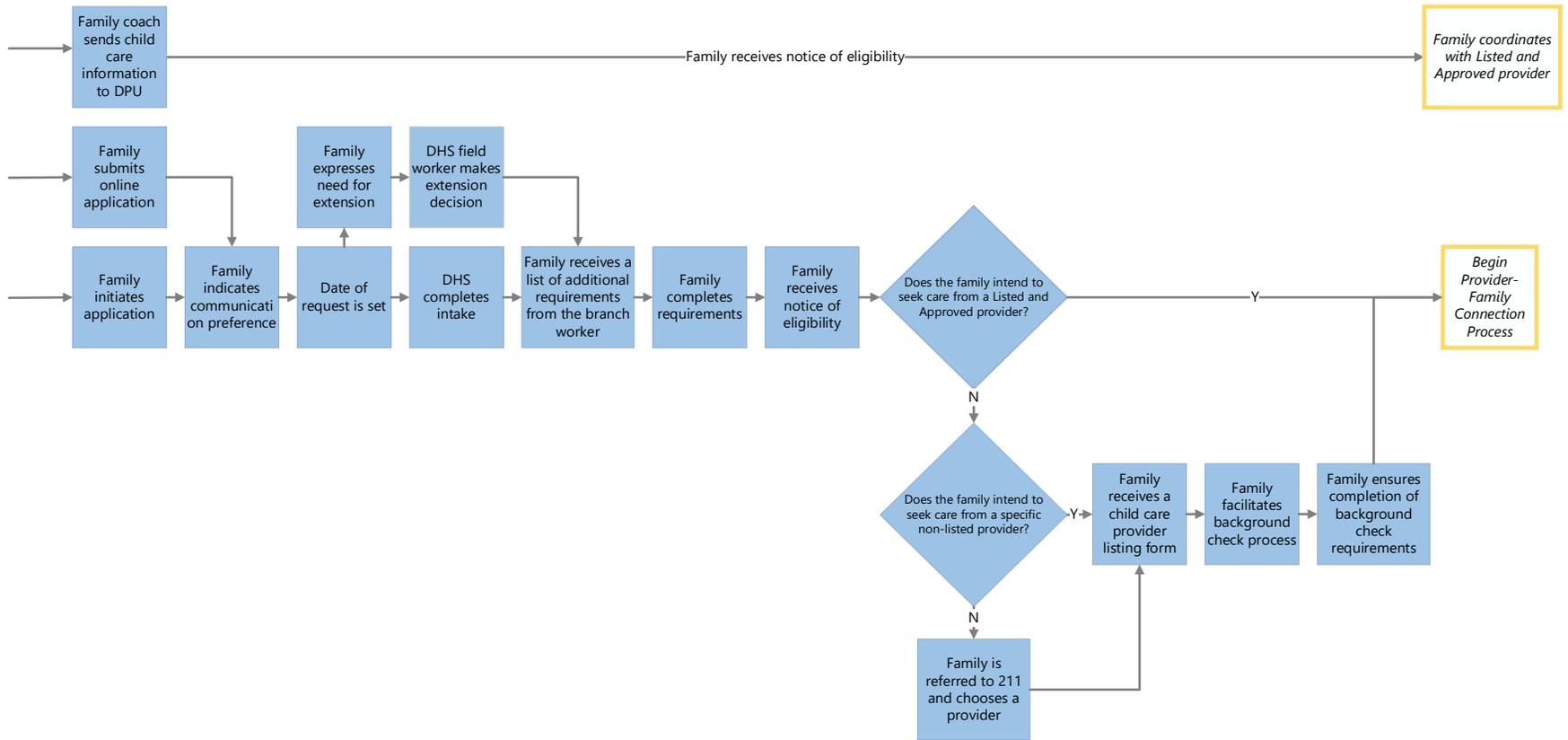


8.6 Detailed Family and Provider Journey Process Maps

The process maps below provide more detail on the Family and Provider Journey. Due to unique circumstances, it is possible that a family or provider might have a slightly different experience than what is outlined here. ODHS and their partners work to “meet the family where they are at”, which at times necessitates additional steps in the process. Due to the length of the maps, they continue across pages.

Figure 24: Detailed Family Journey





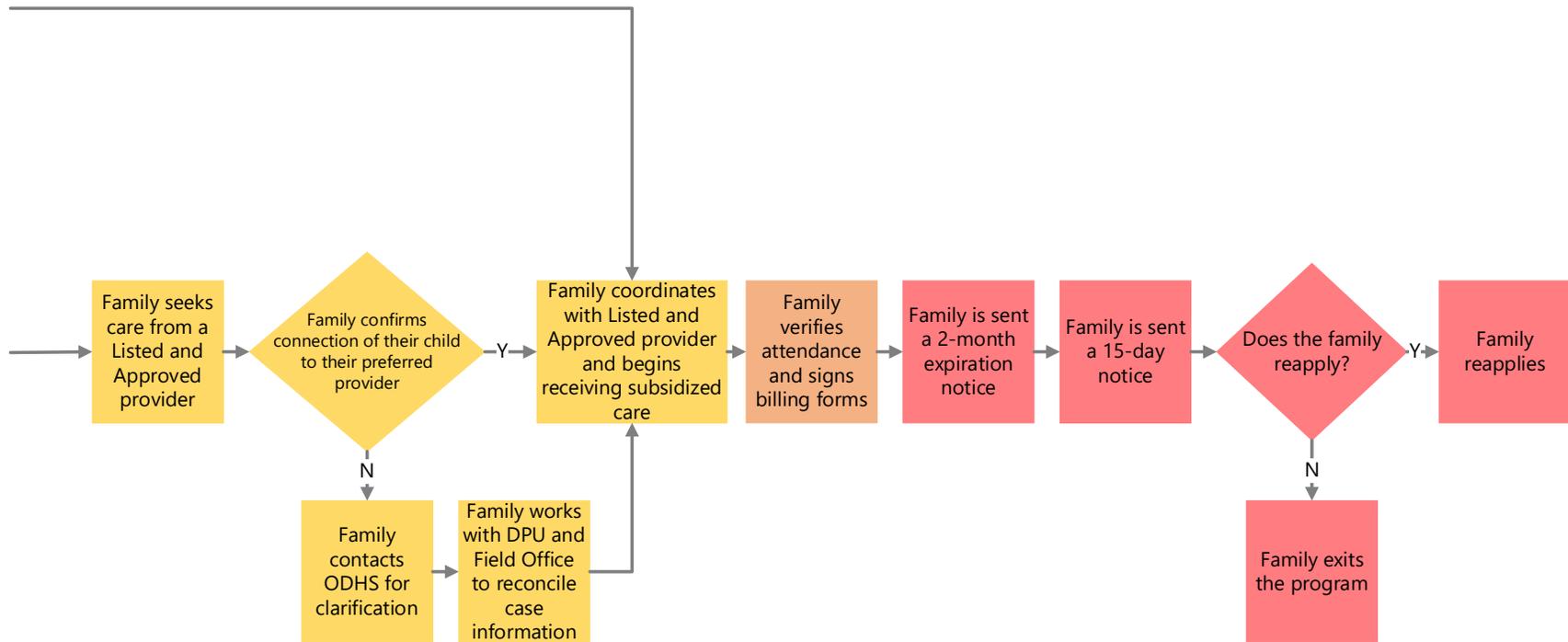
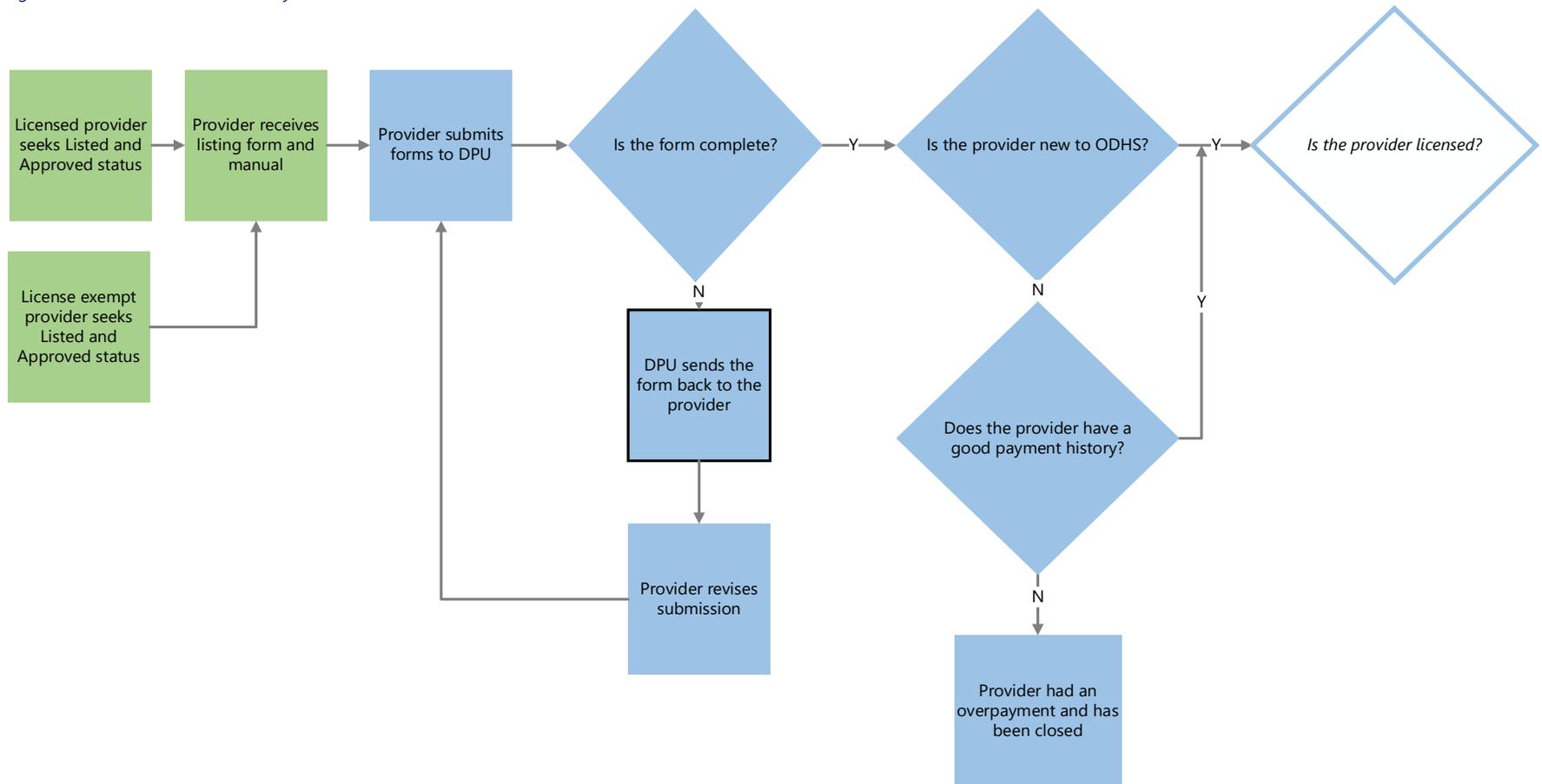
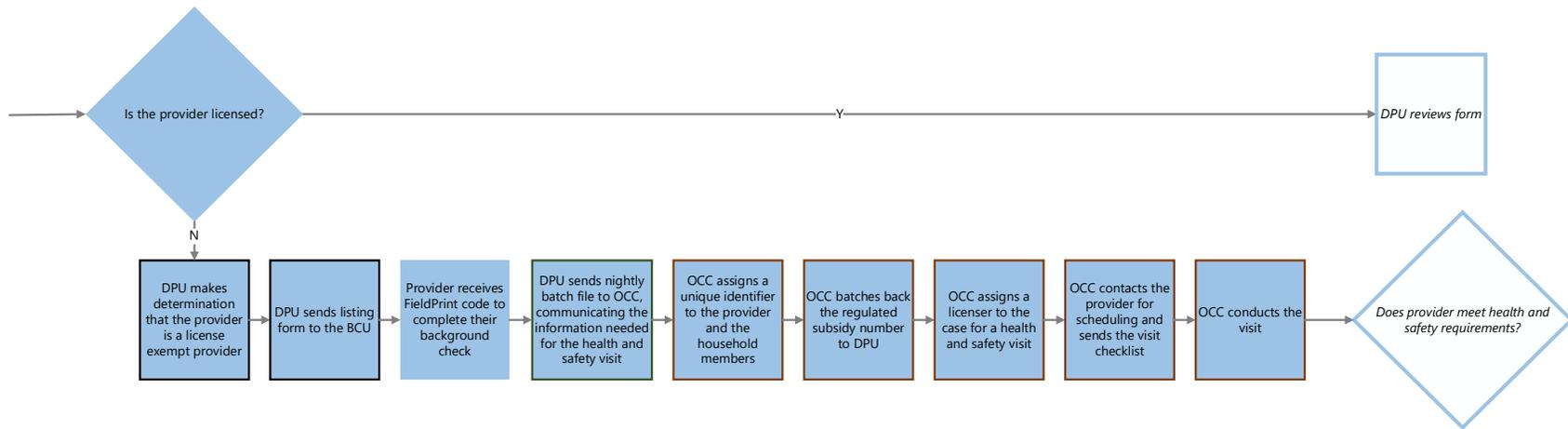


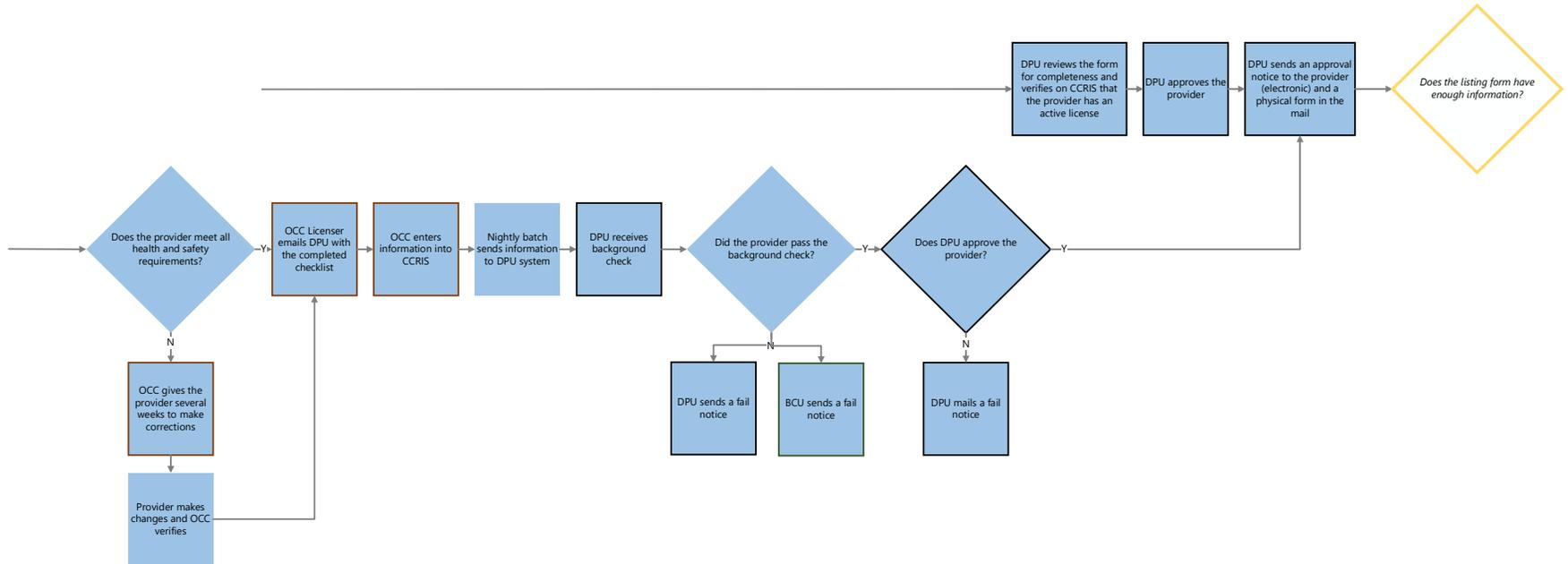
Figure 25: Detailed Provider Journey



KEY

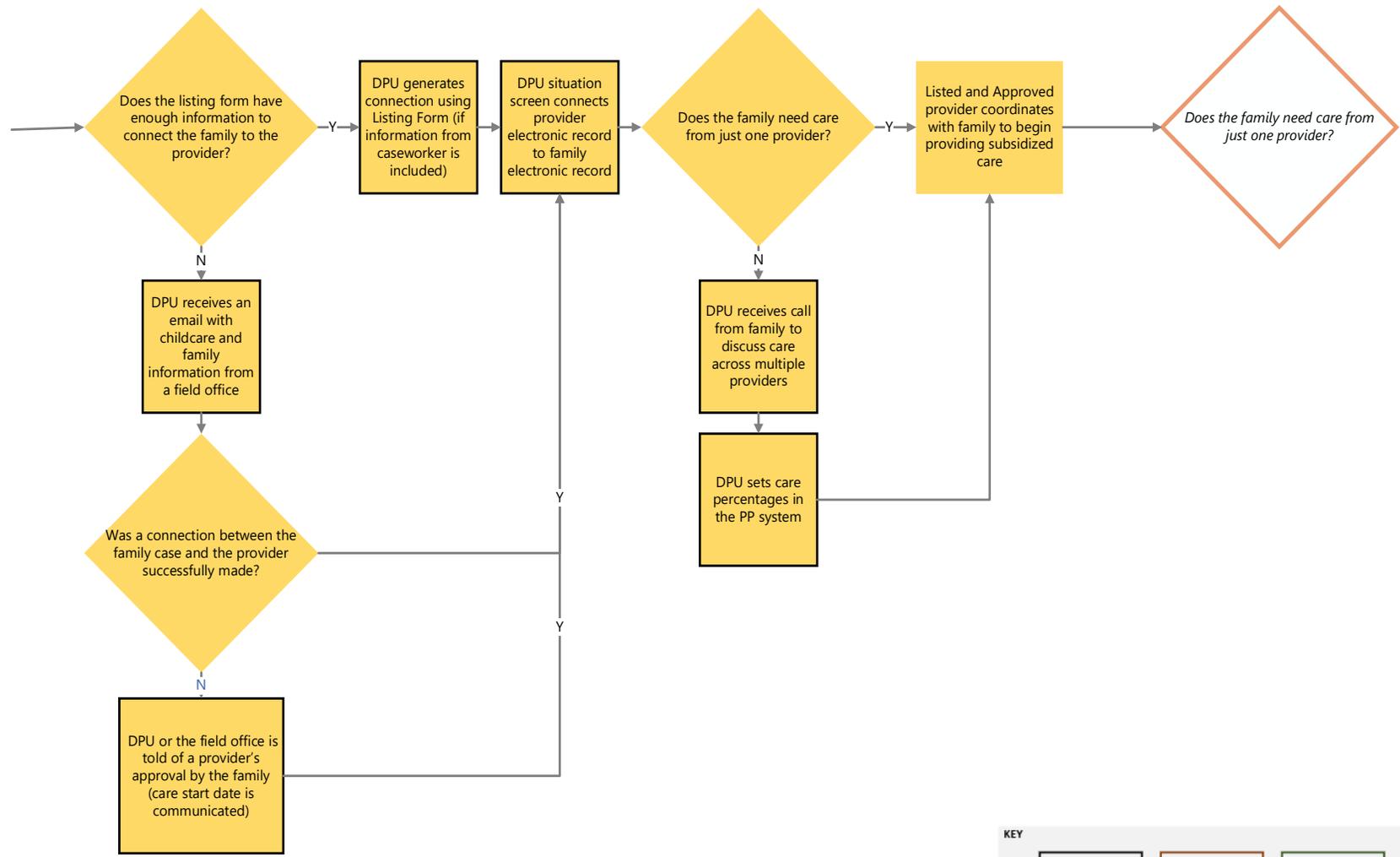


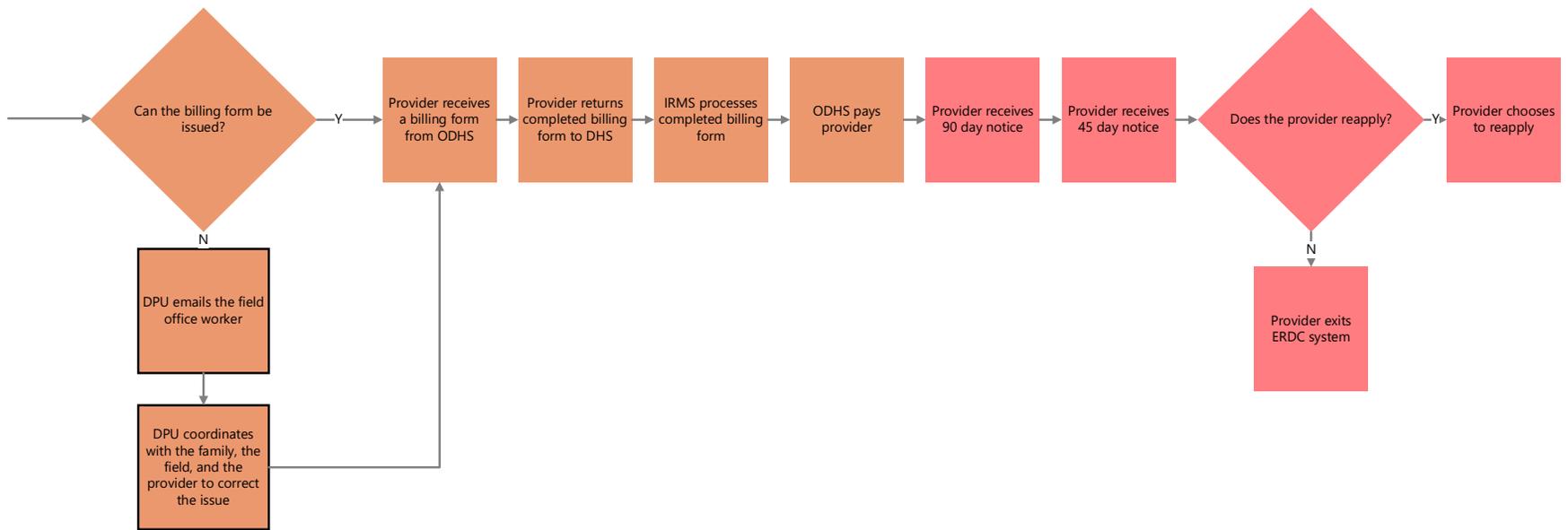




KEY







Appendix B

Oregon Department of Education: Early intervention/early childhood special education policy review and state scan



Prepared for ODE
June 30, 2021

Background

The Oregon Department of Education (ODE) asked Education Northwest to gather information on best practices for designing and structuring an improved system for early intervention and early childhood special education (EI/ECSE) programs.

Guiding questions

1. Governance and funding:
 - a. Where are EI/ECSE programs housed in Oregon and other states—what is the governance structure?
 - b. Is there any evidence that housing EI/ECSE programs in certain agencies or divisions produces better outcomes for children?
 - c. Is there any evidence that consolidated or dispersed¹ EI/ECSE systems produce better outcomes for children?
 - d. How is funding for EI/ECSE allocated and accessed in Oregon and other states?
2. Program delivery:
 - a. How are EI/ECSE programs delivered in Oregon and other states from the perspective of the community?
 - b. How does the community access EI/ECSE programs in Oregon and other states?
 - c. What are best practices for ensuring equity, linguistic diversity, cultural responsiveness, and placement in least restrictive environments (i.e., inclusive environments) in EI/ECSE programming?
3. What best practices in governance, structure, funding, community engagement, and program delivery could ODE consider implementing?

¹ Consolidated systems group programs in one agency whereas dispersed systems spread programs and services across agencies (Jenkins & Henry, 2016).

Methodology and overview

Education Northwest addressed these questions through two processes. We reviewed the literature, including grey literature² and research journal articles, to identify best practices for designing and delivering a high-quality EI/ECSE system (guiding questions 1b, 1c, 1d, 2b, 2c). We also conducted a scan of 12 states to gather information about how they structure and deliver EI/ECSE programs (guiding questions 1a, 1d, 2a, 2b). The states examined were: California, Colorado, Georgia, Illinois, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Oregon (for purposes of comparison), Pennsylvania, and Washington. Education Northwest then reviewed findings from the state scan and literature review to develop recommendations (guiding question 3). Education Northwest staff members met regularly with ODE staff members (Carmen Xiomara Urbina, Cynthia Stinson, Kara Williams, and Sara Green) to provide progress updates, discuss findings, and refine next steps.

This memo reviews best practices for governance and program delivery for EI/ECSE systems with examples and trends identified in the state scan provided at the beginning of each section. The document concludes with recommendations drawn from the literature and state scan. The memo includes references, resources, and a spreadsheet of state scan information (Appendix A).

Governance

This section reviews the various ways states structure their EI/ECSE systems, followed by best practices drawn from the literature.

State scan findings

States structure their EI/ECSE programs in a variety of ways. Out of 12 states scanned, seven states (California, Colorado, Illinois, New Mexico, North Carolina, New York, and Washington) house the EI and ECSE programs in separate agencies. Two states, Georgia and Massachusetts, have a hybrid system in which one agency manages screening for EI/ECSE services from birth to age 5 (B–5) and refers families to different agencies for services depending on the age of the child. Three states, Oregon, Minnesota, and Pennsylvania, have a consolidated system with EI and ECSE programs housed in the same agency.

Among states with separate or hybrid systems, there is a lot of variability in where EI programs are housed. Agencies included the Department of Children, Youth, and Families (Washington), the Health and Human Services Agency (California), the Department of Human Services (Colorado, Illinois, and Pennsylvania), and the Department of Public Health (Georgia, Massachusetts, New Mexico, New York, and North Carolina). In contrast, nearly all the ECSE programs are housed in the state education agency. However, in some states the ECSE program is managed by a special education division (California, Massachusetts, New Mexico, New York,

² Grey literature includes materials and research, such as technical reports, policy briefs, and government documents, produced by organizations outside of traditional academic publishing channels.

and Washington) and in others, it is run through an early childhood division (Colorado, Georgia, Illinois, and New Mexico). For states with a hybrid system, the B-5 referral agency is either the Department of Public Health (Georgia) or a separate Department of Early Education and Care (Massachusetts). For states with a consolidated system, both EI and ECSE programs are housed in the state education agency in either an early childhood division (Minnesota) or the special education office (Oregon; called the Office of Enhancing Student Opportunities). In Pennsylvania, the EI/ECSE program is run through the Office of Child Development and Early Learning in the state education agency; the office is a collaborative effort with the Department of Human Services.

Literature review: Governance structure best practices

There is limited research on best practices for structuring EI/ECSE programs. The exception is a single study that found children were more likely to enroll in Part C (early intervention) services in states where these services were housed in the health department, compared to states where state education agencies manage EI. This is likely because primary care physicians are the most common source of referrals to EI services for children younger than 3. By housing the EI program in the health department, these states were able to streamline the process by which families access services for their young children (Twardzik, et al., 2017b). However, this study did not review other outcomes, such as the transition between Part C and Part B, which may be more streamlined for states that house EI and ECSE programs in the same agency.

Strengths and challenges of different systems

The literature on governance in early childhood education (ECE), while more extensive, does not point to a clear recommendation on whether early childhood programs should be housed in one agency or multiple agencies (Howard & Garcia-Arena, 2020). This is because families with young children are often served by a variety of agencies depending on their needs (health, nutrition, child welfare, child care, etc.) and because ECE programs (and EI/ECSE services) are delivered through regional structures.

Both consolidated and dispersed models of ECE governance have strengths and challenges. Consolidating various programs within existing agencies, or creating new agencies to house early childhood programs, can sometimes increase alignment in the cohabitating programs. However, it is not possible to include all programs that serve families with young children, and attempts to consolidate can disrupt alignment with programs in other agencies (Jenkins & Henry, 2016; Bruner et al., 2004). For example, state education agencies that manage EI or ECSE may face challenges collaborating with community providers who more often work with the state's human services agency (Regenstein, 2020). Additionally, while some states have a separate department for early childhood, it does not always house EI/ECSE programs (see state scan). Conversely, a model in which programs are managed by multiple agencies can increase coordination and communication across agencies, but present challenges for decision-making about funding and policies (Howard & Garcia-Arena, 2020).

There are also strengths and challenges in housing programs in small, specialized agencies as compared to larger agencies. Larger agencies may have more power and funding, but agency leadership may be less familiar with program needs and regulations. Smaller agencies may be more efficient, innovative, and nimble, but have limited access to funding and less ability to enact broader changes (Hood, 1991; Regenstein, 2020).

System goals and best practices

In sum, regardless of the specific system used, an effective multi-agency approach is needed to support the following system-wide goals:

- Provide high-quality and comprehensive services including health care, child care and education, early intervention and special education, family support, and nutrition (Bruner et al., 2004; Regenstein, 2020).
- Reduce barriers to access for families, which is of particular concern when programs are housed in multiple agencies (Regenstein, 2020).
- Streamline processes for regional agencies and providers while maintaining consistent, high-quality provision of services and accountability (Regenstein, 2020).

The literature identifies a variety of best practices for states to adopt to support successful EI/ECSE and ECE programs across different governance structures:

- Coordinate across different programs and streamline processes to identify and rectify gaps in access and quality (Atchison & Diffey, 2018; Demma, 2010, ETCA Center, 2015).
- Ensure that state leaders have a deep understanding of all relevant programs, needs, and regulations (Kasprzak et al., 2020).
 - For example, EI/ECSE leadership should have an understanding of both programs serving young children and families and programs serving individuals with disabilities (Kasprzak et al., 2020).
- Create an integrated system that aligns data collected from families, children, and providers in different programs (Atchison & Diffey, 2018, Demma, 2010).
 - For example, link child-level data from EI/ECSE programs to data collected by early childhood or health data systems to identify gaps and strengths in how programs work together to serve children and families (Derrington et al., 2013).
- Reduce silos in program administration or funding to increase efficiency and reduce redundancies (Atchison & Diffey, 2018).
- Create an integrated professional development system that aligns standards and facilitates recruitment into high-need career pathways (Demma, 2010).
- Strengthen connections between state and local agencies and empower and increase capacity of local agencies and regional service providers to make decisions and engage families (Regenstein, 2020).
- Connect with families and communities at every level of the system, and provide opportunities for input and leadership (Demma, 2010, ECTA Center, 2015).

These strategies can be implemented by both dispersed systems (e.g., through creating advisory councils that span agencies; Demma, 2010) or consolidated systems (e.g., through creating a

separate office of early learning; Atchison & Diffey, 2018). Regardless of the structure put in place to facilitate coordination, it is essential that the governing body is able to set policies, make funding and program decisions, and evaluate the effectiveness of the programs (Atchison & Diffey, 2018; Caron et al., 2017; ETCA Center, 2015). To track progress on each of these strategies in the domain of EI/ECSE, the Early Childhood Technical Assistance Center provides a framework with clear indicators and elements of quality around governance, finance, personnel/workforce, data systems, accountability, and quality standards (ECTA Center, 2015).

EI/ECSE funding

State scan findings

Only a few states provided information about how EI/ECSE programs are funded. In addition to Individuals with Disabilities Education Act (IDEA) Part C and B funds, a few states identified other federal funds, such as the Child Care Development Fund (CCDF) in Georgia, or state initiatives (as in California, Colorado, Minnesota, and Oregon), and Colorado provided a detailed funding hierarchy for providers that included Medicaid, child welfare, Temporary Assistance for Needy Families, and private health insurance.

Literature review: Funding for EI/ECSE programs

The state scan findings align with the literature on funding for EI/ECSE programs, which finds that funding for EI/ECSE programs is variable and not well tracked across states. A study from 2011 found that while many states could identify all funding sources, only 15 states could identify the number of dollars from each source (Hebbeler et al., 2011). While every state has a set amount of federal funding through IDEA Part B and C, this has decreased in recent years relative to caseloads, and states are using various strategies to fill the gap. The Early Childhood Technical Assistance Center (ECTA) provides a framework for evaluating the financial strength of the EI/ECSE system around a set of quality indicators (ECTA Center, 2015):

- Finance planning and forecasting: EI/ECSE leaders engage in strategic and finance planning to identify current and future resources for meeting program needs at the state and regional level.
- Fiscal data: EI/ECSE leaders use fiscal data at the state and regional level to manage the budget.
- Procurement: EI and ECSE programs coordinate with other state agencies to align resources, maximize funding streams, and improve efficiency.
- Resource allocation: State and local agencies disperse funds in a timely and equitable manner.
- Monitoring and compliance: State and local agencies ensure compliance with requirements.

By working on these quality indicators, states may identify opportunities for tapping into additional federal funding streams and for creating state funding streams. In addition to IDEA funds, states can also use state and local education funds, Head Start, Medicaid, Title I, and Temporary Assistance for Needy Families to support special education services. States can

blend, braid, or layer these federal funds with monies from private or philanthropic donations and community funds (Cate, 2018; Kelley et al., 2020). When blending, braiding, or layering funds, states should consider the following:

- Each funding source can be used for specific categories, such as staff, space, transportation, administrative costs, equipment, and materials (Cate, 2018).
- There cannot be duplicate funding of costs and some funds cannot be blended (for example, IDEA funds cannot be comingled with state funds; Cate, 2018).
- Each funding source is subject to different accounting regulations (Cate, 2018).
- When funds can be blended, track eligibility of all participants in the program for all possible funding sources, then use the least flexible funding sources first and save the most flexible funding sources for last (Flynn & Hayes, 2003).
- When funds cannot be blended, braid funds by designing programs to maximize use of funds from each source (Flynn & Hayes, 2003).

EI/ECSE programs often face difficulties in expanding access to programs, due to limited funding. The literature highlights a few strategies that allow states to maximize funding while increasing inclusion:

- In-kind sharing: states can provide resources or incentives for programs to share resources such as physical classroom space or transportation (ECTA Center, n.d.).
- Class size waivers: states can allow smaller programs to receive more money and include children with Individualized Education Programs (ECTA Center, n.d.).
- Holding slots: states can pay programs to hold slots for children with disabilities (ECTA Center, n.d.).
- Federal Head Start funds: states can allow Head Start programs that have difficulty meeting the 10 percent disability mandate to use the income waiver to enroll children with special needs whose parents' income exceeds the Head Start criteria (Wolery & Odom, 2000).
- Tiered reimbursements: states can use different reimbursement rates to increase access to quality childcare services for children with special needs through different base payment rates or add-ons, as encouraged by the Child Care Development Fund (CCDF; Child Care Aware of America, 2017).
- CCDF quality set-aside funds: states can use these funds to offer specialized trainings to providers caring for children with special needs (Child Care Aware of America, 2017).
- Child Care & Development Block Grant funds: states can use these funds to give providers grants and contracts to meet the requirement of increasing the supply and quality of services for children with special needs (Child Care Aware of America, 2017).
- Title I funds: states can increase use of Title I funds for preschool (Barnett & Hustedt, 2011).
- Streamline provider trainings: states can align personnel standards and requirements for practitioners across programs and agencies (e.g., Head Start, ECE, EI, and ECSE) to create cost-efficient professional development programs and consistency in preparation programs (Hebbeler et al., 2012).
- Increase flexibility: states can streamline processes to allow providers maximum flexibility and efficiency—for example, allow providers to jointly apply for waivers for different programs (Barnett & Hustedt, 2011; Hustedt & Barnett, 2011; Kelley et al., 2020).

Individual states have also adopted additional strategies for obtaining funding for EI/ECSE or ECE programs, such as (Hustedt & Barnett, 2011):

- “Sin” taxes (e.g., beer, cannabis, gambling, tobacco).
- Sales taxes.
- Unspent Temporary Assistance for Needy Families funds.
- State investments in publicly funded preschool.

Some states have addressed limited funding for EI/ECSE programs by taking a targeted approach that engages in outreach only for children or families with the highest risks or needs, or implements restrictive criteria for EI, ECSE, or ECE (Hebbler et al., 2012). However, the literature on funding for EI/ECSE supports a recommendation for increasing access to EI/ECSE services, high quality ECE, and family support services (Hustedt & Barnett, 2011). The recommendation to increase access to high-quality EI/ECSE is predicated on the finding that EI/ECSE programs can reduce the need for special education in some populations by grade 3, which results in substantial cost savings. One study examined the impact of two early childhood initiatives in North Carolina: One initiative provided funding to local agencies to deliver early childhood services such as childcare vouchers, health and family supports, and expanding partnerships with agencies that screen for disabilities, and the other was state-funded pre-k. In both cases, counties that participated in early pilots of the programs had fewer special education placements in grade 3. A cost analysis revealed that around \$1000 invested per child from B–5 resulted in a 10–32 percent reduction in grade 3 special education placement (\$338–\$1348 per student in 2005), depending on the program (Muschkin et al., 2015).

Program delivery

The next section reviews findings from the state scan and literature review around program delivery, including access to programs (i.e., referral and screening), and best practices and innovative examples of practices to support equity, linguistic diversity, cultural responsiveness, and placement in least restrictive environments.

State scan findings: Trends in program delivery

Most states provided access to EI programs through local or regional agencies. Most states listed a phone number (or multiple phone numbers based on location) and a few provided additional contact methods such as an email address or online form. Many states also provided resources for families and outlined steps in the EI process. Across all states scanned, EI referrals could be made by a variety of individuals including family members, medical professionals, teachers, social workers, or anyone else with concerns about a child. Some states also included homeless or domestic violence agencies and staff in the child welfare system as primary referral sources. Some states noted clear timelines between initial identification and referral (five days in Illinois and seven days in Minnesota, for example).

ECSE programs are provided through local education agencies, community early childhood settings, or Head Start programs. In general, ECSE websites were more difficult to navigate and

less clear about how to request an evaluation. When information about how to schedule an evaluation was available, parents were typically directed to reach out to their local education agency (often a school district). In two states, Georgia and Massachusetts, screening and referral is coordinated by the same program from B–5, after which point EI and ECSE services are delivered by different agencies.

State scan findings: Innovative or noteworthy examples of program delivery

Some states provided information about innovative practices for supporting access, equity, linguistic diversity, cultural responsiveness, and placement in least restrictive environments. These are provided in the “Program Features and Other Notes” column of the state scan. Notable findings include legislation to expand access to inclusive educational settings, professional development opportunities for providers, practices to support and engage families, and strategies for increasing cultural responsiveness. A few highlights are listed below.

Legislation:

- California and Colorado both have Inclusive Early Education Expansion Programs (IEEEP) that provide grants to local educational agencies to increase access to inclusive early learning and care programs for children with disabilities.

Professional development and support for providers:

- California provides an Early Start Training and Technical Assistance Development Leadership Group that implements a multi-modal personnel development system with online courses, scholarships and training grants, and a web-based community.
- Massachusetts supports a Building Inclusive Communities in Early Childhood Initiative and contracts with the Collaborative for Education Services to provide professional development and coaching for school and local education agency leaders around improving educational supports for preschool-age children with disabilities.
- Minnesota provides supports through the Metropolitan Educational Cooperative Service Unit (a nonprofit educational cooperative established by the Minnesota legislature) which coordinates the Minnesota Low Incidence Projects, designed to provide technical assistance to school districts across the state in fulfilling federal IDEA requirements for professional development and insuring the availability of high-quality staff in the low-incidence areas of special education.
- New York’s largest investment of IDEA Part B funds support 10 Regional Special Education Technical Assistance Support Centers staffed with teams of highly trained special education specialists (such as special education school improvement specialists, behavior specialists, regional special education trainers, bilingual special education specialists, and transition specialists) who provide training and embedded professional development to school personnel on research-based instructional strategies. School improvement specialists also participate in reviews of low-performing schools, identified based on results for students with disabilities, and use research-based tools to guide instructional improvement.
- North Carolina provides an Inclusion Planning Guide that outlines steps a collaborative leadership team would take to explore, develop, implement, and sustain an intentional plan

for increasing inclusive opportunities for young children with disabilities within high-quality early childhood programs, leading to increased positive child outcomes.

Support for families and practices that promote family engagement:

- California Early Start (the early intervention program) provides a graphic describing how different elements of a child's community, including family resource centers, child care, libraries, and pediatricians, can work together to provide a network of support.
- Many states provide information and support for the transition from Part C to Part B services. One example is New Mexico's Early Childhood Transition Initiative, which provides a variety of resources to support community teams that work with families.
- Some states provide online resource centers for families. One well-organized and user-friendly example is the EI clearinghouse in Illinois, run through the University of Illinois at Urbana-Champaign College of Education's Early Childhood Collectives, which includes research-based and best-practice information, a free lending library, and a newsletter.
- Massachusetts provides a collaboration tool for families, early childhood providers, and early intervention specialists, and a separate framework for family engagement for practitioners working with families across health, human services, and education organizations.
- North Carolina's Early Intervention program coordinates with community-based advisory groups (called Local Interagency Coordinating Councils) for the implementation of a B-5 interagency system of early intervention services. Local service providers and parents (at least 20 percent of membership) in each county develop and distribute county-specific public awareness and child-find materials, support interagency partnerships and information sharing, promote parent and family involvement in all community events, and support community efforts that involve children with special needs and their families. Parents receive a stipend, reimbursement, or provision of travel and parking, child care costs, or child care.
- North Carolina provides an Exceptional Children Information for Parents Listserv which forwards information on the work of the Exceptional Children Division at the North Carolina Department of Public Instruction and allows opportunities for input, feedback, and participation in division activities. There is a full-time parent liaison as of 2019.

Equity, linguistic diversity, and cultural responsiveness:

- Minnesota's Metro ECSU coordinates Greater Minnesota Launch PAD, a program that provides culturally affirmative psychological assessments to students (ages 0-21) who are deaf, hard of hearing, or deafblind.
- Washington's Department of Children, Youth, and Families has a section of its website on activities related to racial equity, diversity, and inclusion and an office of Tribal relations to support access and delivery of services to Tribes. The office is staffed with a director of Tribal relations, and there is a Tribal specialist in the state-funded preschool office and an Indian Policy Early Learning Committee.
- Most websites provide some materials in another language (typically Spanish) or provided a link to translate the website, but there is limited information about other support for linguistically diverse families.

Literature review: Best practices for expanding access, equity, linguistic diversity, cultural responsiveness, and placement in least restrictive environments

Families have a many entry points into the EI/ECSE system, and the literature identifies a variety of strategies that can facilitate access, particularly for underserved communities.

Expanding access to EI/ECSE services and programs

Although pediatricians are well positioned to conduct screenings and provide families access to EI/ECSE services, a focus on physicians ignores a potentially powerful entry point into the system for families: child care providers. Moreover, research has found that well-child screenings do not predict ECSE participation, whereas non-parental care does (Farnsworth, 2018). This finding highlights the importance of trusted child care providers and their potential role in facilitating family knowledge about, access to, and entry into EI/ECSE programs. It also aligns with the recommendation to focus on expanding access to child care and family support in general, and EI/ECSE programs in particular, as states with narrower eligibility criteria for EI have significantly lower enrollment rates than states with broader criteria (Twardzik et al., 2017a). However, as family support and early childhood programs are expanded, it is essential to monitor whether they are identifying and reaching children with special needs. For example, one study found that children with special needs were less likely to participate in child care subsidy programs, potentially because subsidy criteria, such as job search requirements, can be challenging for their families to meet (Sullivan et al., 2018). The literature provides the following best practices for facilitating and expanding access to EI/ECSE programs:

- Invest in programs that support all families and children from birth to age 5 (voucher programs, family support programs, etc.) and build in partnerships with agencies that provide IDEA Part B and C screenings (Muschkin et al., 2015).
- Monitor participation in family support programs to ensure they are serving families in different racial and ethnic groups and families whose children have special needs (Sullivan et al., 2018).
- Require and facilitate trainings for all staff in all agencies that provide services for families with young children to support identification and referral for IDEA Part B and C (Child Care Aware of America, 2017).
- Require and offer training and support for providers (with a focus on home-based providers) to conduct developmental screenings, discuss results, and support families with referrals (Child Care Aware of America, 2017; Chödrön et al., 2021).
- Expand access to alternative support programs, such as early childhood family education programs, to ensure that families who prefer to care for their children in the home have contact with trained early childhood professionals (Farnsworth, 2018).
- Identify other key points of contact who could engage in both identification and screening for IDEA Part B or C for families. When possible, determine where identification or referral commonly occurs, and provide training on screening to integrate the process for families (Chödrön et al., 2021).

- Establish policies and guidance to ensure that families can stay in existing early childhood programs, and use early intervention or special education services, once their children are identified as having special needs (Cate et al., 2017).
- Establish policies and guidance for children who are placed in more than one program to facilitate transitions between service providers (Cate et al., 2017).

Expanding access to inclusive ECE

Although increasing access to EI/ECSE services is an essential first step, states must then ensure that there are adequate supports in place to provide these services. Inclusive ECE is a key support for families but there are often not enough slots or limited ability for families to access high-quality care. Research shows that inclusion programs benefit all children (with or without special needs), that programs seeking to become inclusive often only need to make minimal modifications (especially for younger children), and that additional assistance and support is often available for providers who wish to begin enrolling children with special needs (California Department of Education, 2009; Odom et al., 2004; Wolery & Odom, 2000). States can therefore increase the number of ECE providers that provide inclusive care through training and professional development opportunities, and opportunities for collaboration with specialists, particularly for programs that are newly adopting inclusion. For new inclusion settings, training should include:

- Opportunities to observe existing inclusion programs (Wolery & Odom, 2000).
- Small-group discussions about how to handle new situations that might arise (Wolery & Odom, 2000).
- Support from a trainer who can model inclusive practices and provide follow-up support once a program has begun (Lawrence et al., 2016; Wolery & Odom, 2000).
- Micro-teaching where trainees are recorded and receive feedback on specific practices (Wolery & Odom, 2000).
- Collaboration with families and other professionals supporting children with special needs (Cummings et al., 2015).
- Information that supports positive beliefs and attitudes about inclusion, as positive teacher beliefs about inclusion are associated with increased use of effective inclusion practices (Lawrence et al., 2016).
- Strategies for creating an environment that allows for successful partnership with consultants, including establishing guidelines for services, planning, and consultation; encouraging specialists to provide recommendations for classroom routines and curriculum; and ensuring that teachers and staff have sufficient training to learn and adopt strategies from specialists (Wolery & Odom, 2000).

For ECE providers that serve children with special needs, access to trained special education consultants is beneficial to establish appropriate modifications to the physical space and curriculum and to set appropriate goals and strategies for children with special needs. Various models of collaboration can be used in ECE settings:

- Itinerant-consultation model: In this model, a consultant serves a caseload of children in different programs and makes periodic visits to each setting. During these visits, the

consultant delivers services directly to the child and indirectly through the child's teachers (Eisenberg et al., 2018; Wolery & Odom, 2000).

- Team model: In this model, a collaboration team is formed by individuals from several disciplines, including educators, disability specialists, and, potentially, health care and social services representatives (Wolery & Odom, 2000).
- Co-teaching: In this model, two teachers, including a special education teacher, collaborate to develop and deliver instruction (Eisenberg et al., 2018; Wolery & Odom, 2000).
- Reverse inclusion: In this model, a special education classroom recruits typically developing children to attend so they can learn together. This allows typically developing children and children with special needs to benefit from inclusion when traditional inclusion settings are unavailable (Eisenberg et al., 2018).

There are various ways that states and programs can fund collaboration with trained special education consultants:

- Special education and related services named in a child's individualized education program (IEP) may be funded through IDEA Part B for general education (Section 22) and preschool (Section 619; Eisenberg et al., 2018). There are two considerations for how to share costs in this situation:
 - "(a) when a child with an IEP is eligible and enrolled in the program, special education funds would not pay the cost per child, but pay only the excess costs of supplemental special education services required, (b) when a child with an IEP is not eligible for the program (e.g., family is over income) special education funds may be used to pay the cost per child in addition to the excess costs of supplemental special education services required" (Eisenberg et al., p. 19, Virginia context).
- Use direct and indirect services that can be covered by Medicaid or other third-party insurance providers (Wolery & Odom, 2000).
- Hire therapists, rather than contracting for services, learn what is reimbursable through Medicaid or third-party insurance companies, and create opportunities for therapists to provide reimbursable direct services whenever possible to maximize cost efficiency (Wolery & Odom, 2000).
- Use federal and state funds to support children with special needs. There are some restrictions on these funds (e.g., they cannot be used for typically developing children); however, they can be used to support children with special needs in a variety of settings including church-run child cares, family child cares, and child care centers (Wolery & Odom, 2000).
- Some state agencies or local education agencies fund preschool programs (often through public school) for children who may be at risk for failure in kindergarten. Depending on eligibility criteria or entry processes, these programs can also support inclusion of children with special needs. Examples include Head Start, Early Head Start, and programs funded through Title I (Wolery & Odom, 2000).

Family involvement

Research has shown that family involvement is a key predictor of a successful family experience with EI/ECSE programs. Children whose families are more involved spend more time in general education classrooms, and parental involvement predicts parents' perceptions of the quality of the services they and their children receive, likely because they are more familiar with the services and indicators of quality (Banerjee et al., 2017; Bruder & Dunst, 2015). These findings reinforce the importance of creating opportunities for families to be involved. Best practices include:

- Build EI/ECSE programs around family-centered practices using the family empowerment model (Coleman et al., 2020). This model sees the family as the point of service delivery, and families are served as whole entities with consideration of the needs, priorities, and strengths of every family member. Families are empowered to make choices and decisions about their child (Coleman et al., 2020; Pang, 2010).
- Provide professional development, in-service, and pre-service training for providers about how to support and engage parents (Banerjee et al., 2017) and promote meaningful involvement (Bruder & Dunst, 2015).
 - This includes "...using a more personalized approach, having respectful verbal and non-verbal interactions, simplifying educational jargon, and ensuring parents comprehension of their rights and special education procedures (Harry, 2008). Moreover, professionals can consider inviting community liaisons to parent-teacher meetings, providing alternate forums for parents to voice their opinions and concerns (i.e., group meetings or family advisory boards), and meeting parents in "neutral" or family-friendly places in order to encourage more open and informal styles of communication (Parette & Petch-Hogan, 2000)" (Hughes & Valle-Riestra, 2012, p. 71).
- Facilitate a smooth transition from EI to ECSE services that maintains high levels of family involvement and support (Bruder & Dunst, 2015).
 - Create a transition process that supports families and promotes their participation through considerations of culture, socioeconomic status, and the nature of the disability. Professionals that support families through transition planning should begin by considering each family's situation, their need for information and support, and their readiness for transition planning (Pang, 2010).
- Support collaborative relationships with adults who are working together to support the child and family by exchanging expertise and information, jointly solving problems, and facilitating streamlined communication with families (DEC, 2014).

Equity, linguistic diversity, cultural responsiveness

In addition to a general focus on creating opportunities for parental involvement, EI/ECSE programs should seek to identify and address gaps in family involvement, especially those that align with race/ethnicity, language, education, and/or socio-economic status. Although children from disadvantaged groups are often overrepresented in special education classrooms in elementary school, they are underrepresented in EI and ECSE programs. This is concerning as EI and ECSE programs provide vital services that support positive outcomes in early childhood

and reduce later disparities in IEP status (Morgan et al., 2012). There are a variety of challenges associated with providing high-quality services for families from a different cultural background, or who speak a different language, than the service provider (Banerjee & Luckner, 2014). The following best practices can be used to support cultural sensitivity and equity in structuring EI/ECSE programs:

- Review data on EI/ECSE involvement at each step of the process—identification, screening, and enrollment—and identify gaps in access. Use an equity lens in reviewing the data to ensure that risk factors are accounted for as some groups, such as those with greater exposure to environmental risk factors, should be overrepresented (Morgan et al., 2012; Sapiets et al., 2020).
- Consider identification, referral, and screening procedures and review how each step might advantage or disadvantage different groups. For example, groups with less access to health care might face barriers to referral and screening if well-child visits are a primary source of referrals in a state. Culturally and linguistically sensitive community outreach strategies may be needed (Morgan et al., 2012).
- Create culturally responsive and family-centered action steps to address gaps or leaks at each stage of the process. These could include parental awareness campaigns, training for professionals to address gaps in identification or referral, simplifying screening and diagnostic processes, and making receipt of services more accessible (Sapiets et al., 2020).
- Ensure that policies and guidance promote and support coordinated, culturally and linguistically responsive, comprehensive services across early childhood programs including health, mental health, and other social services (Cate et al., 2017).
- Ensure that all professionals have training on stereotypes and bias, language development for linguistically diverse children, how to evaluate bilingual children, how to work with interpreters, and how to select appropriate tools (Banerjee & Guilbersson, 2012; Banerjee & Luckner, 2014; Coleman et al., 2020).

Within a system designed to support families from underserved groups, service providers can adopt a variety of practices to ensure culturally responsive care:

- Work with families to identify assessment preferences, concerns, priorities, and resources; ensure the assessment is developmentally and culturally appropriate; and then provide families with results (Coleman et al., 2020; DEC, 2014).
- Respect and support home-language use during referral and screening by using trained interpreters and avoiding the use of family members as interpreters (Banerjee & Guilbersson, 2012). In addition to translation, well-trained interpreters can serve as cultural guides who can provide input into broader communication and interaction customs and norms including who to address, how and when to provide information, and how information is gathered. When this information is not available, service providers should not rely on stereotypes, but instead follow families' lead (Hanson & Espinosa, 2016).
- Use standardized assessment tools that have been validated for use in other languages and cultural backgrounds to prevent problems with fidelity of translation or cultural bias. If such tools are not available, look for authentic assessment methods that include play-based or observation-based methods, or interviews with families (Banerjee & Guilbersson, 2012).

- Provide results in a clear and culturally sensitive format, with an understanding that beliefs or assumptions about disabilities differ across cultures (Banerjee & Guilberson, 2012).
- Provide services in a linguistically and culturally appropriate manner. This might include providing interventions in a child’s home language or bilingually (Hanson & Espinosa, 2016).

Placement in least restrictive environments

The literature on placement in least restrictive environments primarily focuses on understanding gaps in access to inclusive settings and providing professional development to providers and other key stakeholders who care for children and work with families. This guidance may cover identification of placement opportunities and how to increase capacity within ECE settings to provide high-quality, inclusive care. Best practices include:

- Develop data collection systems and methods to count children with special needs, measure baseline access and quality, and track progress for children in different settings (Child Care Aware of America, 2017).
- Ensure that Quality Rating and Improvement Systems address children with special needs in each level of the framework (Cate et al., 2017) and include requirements specific to inclusion and working with children with special needs (Lawrence et al., 2016).
- Provide training on and incentivize universal design for learning (UDL) in ECE. Teachers can use UDL to provide developmentally appropriate practices and support a diversity of learners. UDL provides multiple ways in which students learn, demonstrate knowledge, and engage with the curriculum. Engagement strategies include problem-based learning, providing materials that reflect student culture, and building relationships with students. UDL aligns with the National Association for the Education of Youth Children’s Developmentally Appropriate Practice and the Division of Early Childhood (DEC)³ recommended practices for working with children with disabilities (Lohmann et al., 2018).
- Ensure early childhood teacher preparation programs support positive views of inclusion and include the use of evidence-based practices for working in inclusive settings (Lawrence et al., 2016). For example, various studies have found that inclusive programs are no more expensive than segregated programs and benefit both children who are developing typically and children with special needs (Child Care Aware of America, 2017; Yang & Rusli, 2012).

Recommendations

Across the literature review and state scan, we identified recommendations for consideration by ODE in three areas: data use to increase access, equity, linguistic diversity, cultural responsiveness, and placement in least restrictive environments; collaboration across the system; and family involvement.

³ DEC is one of 17 divisions of the Council for Exceptional Children (CEC), the largest professional organization dedicated to improving the educational success of individuals with disabilities and/or gifts and talents.

Data use to increase access, equity, linguistic diversity, cultural responsiveness, and placement in least restrictive environments

Across all topics, the use of data to identify gaps in services was a key initial step that should be taken to guide clear and targeted action steps. This includes:

- Reviewing demographic data on identification and referral sources for children, disaggregated by race/ethnicity, language spoken, disability type, and geographic location. This analysis could highlight whether there are regions or groups of parents that might benefit from awareness campaigns or outreach strategies, and whether additional support could be provided to regional intake coordinators to facilitate equitable access. This analysis might also reveal whether additional referral sources such as community outreach specialists might be needed to support families that might not have access to primary referral sources such as doctors.
- Reviewing demographic data on screening, enrollment, and use of services, disaggregated by race/ethnicity, language spoken, disability type, and geographic location. This analysis could highlight whether families from particular groups or regions are less able to participate, or interested in participating, in programs. If gaps emerge at any point in the system (for example, families that speak languages other than English enroll at lower rates than they are screened), this could determine action plans and strategies. Strategies might include a review of culturally responsive training for service providers, increasing availability of trained translators, and simplifying processes for families to receive services.
- Reviewing demographic data on placement of children in ECSE programs, and time spent in general education settings, disaggregated by race/ethnicity, language spoken, disability type, and geographic location. This analysis could reveal whether and how children from different groups are served, and the ability of the system to support inclusive care arrangements for children with special needs. If there are gaps in access to care, action strategies could include awareness campaigns for providers about supporting inclusion and a review of available funds to incentivize providers considering inclusive care.
- Creating a data system that links child-level data across EI, ECSE, and ECE programs and aligns with other family support programs, including those run through Oregon Health Authority (OHA), such as Women, Infants, and Children (WIC), and Oregon Department of Human Services (DHS), such as Child Welfare, to gain a full picture of gaps in access and outcomes associated with participation in EI/ECSE programs. If there are gaps in access associated with participation in particular programs, action strategies could include increasing communication and collaboration with program staff and training staff on referral and screening.

Collaboration across the system

Oregon currently uses a consolidated program, with EI/ECSE programs housed in the state education agency. This system likely supports improved transitions across EI and ECSE, however, ODE could review opportunities for collaboration and communication with other agencies, such as OHA and DHS, and programs run through OHA and DHS at the regional level. OHA and DHS might be well positioned to support efforts to expand identification and

referral for young children, particularly young children served by programs housed by these agencies, such as WIC or Child Welfare. Collaboration with OHA and DHS might include:

- Providing training or professional development for OHA or DHS service providers about IDEA referral and screening.
- Evaluating the potential to streamline processes across programs for families served by multiple agencies.
- Creating opportunities for service providers from different agencies to collaborate and share knowledge and best practices for serving families.
- Identifying opportunities to streamline processes for providers who may need to monitor, report, or fulfill requirements that vary across programs.
- Exploring opportunities for increasing cost effectiveness by ensuring efforts are not duplicated and seeking opportunities to blend, braid, or layer funds.
- Reviewing ECE professional development and pre- and in-service programs for information about identification, referral, screening, and supporting inclusion.

Family involvement

Although many family involvement and outreach efforts should be guided by the data reviews described above, ODE could consider a few strategies for increasing family involvement in the EI/ECSE system:

- Include family voices in data collection and review processes to identify gaps in the system and unmet needs.
- Explore opportunities to include families at various levels of the system to provide input and leadership. These opportunities could include expanding parental membership on the State Interagency Coordinating Council, creating regional councils with parents, or hiring parent liaisons.
- Engage stakeholders who have existing relationships with families (e.g., ECE providers, community members, service providers) to provide input and guidance.
- Ensure that all processes for including families are culturally and linguistically responsive to the communities involved.
- Provide information on the website to increase parental knowledge and awareness about community resources and the EI/ECSE system in Oregon.

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Additional resources

- **The Center for Disease Control's *Learn the Signs. Act Early*** webpage provides resources for families and providers about key milestones and actions to take if there are concerns. This information could be integrated into resources for families or awareness campaigns. <https://www.cdc.gov/ncbddd/actearly/index.html>
- **The DaSy Data System Framework** is the Data Systems Component of the larger Early Childhood Technical Assistance (ECTA) System Framework for Part C & Section 619. The purpose of the DaSy framework is to assist Part C and Section 619 programs in developing and enhancing high-quality state data systems and in improving the quality of their IDEA data. <https://dasycenter.org/resources/dasy-framework/>
- **The ECTA Center System Framework** addresses the question, "What does a state need to put into place in order to encourage/support/require local implementation of evidence-based practices that result in positive outcomes for young children with disabilities and their families?" The purpose of the ECTA System Framework is to guide state Part C and Section 619 Coordinators and their staff in: evaluating their current systems; identifying potential areas for improvement; and developing more effective, efficient systems that support implementation of evidence-based practices. https://ectacenter.org/~pdfs/pubs/ecta-system_framework.pdf
- **The Early Childhood Personnel Center (ECPC)** is focused on building awareness that an integrated, comprehensive system of personnel development for the early childhood workforce in every state—one that is cohesive with state and national personnel standards, competencies, and recommended practices—will produce the most successful outcomes for children and families with disabilities. <https://ecpcta.org/>

- The ECPC includes a national database of state-by-state personnel standards for all professional disciplines serving children with disabilities, age birth to five, and their families. <https://ecpcta.org/personnel-standards/>
- **The National Early Childhood Technical Assistance Center’s Technical Assistance Model for Long-Term Systems Change** includes the most effective strategies relating to the development and implementation processes for producing better results for state Early Intervention and Preschool Special Education programs served under the early childhood provisions of IDEA. <https://ectacenter.org/~pdfs/pubs/tamodel.pdf>
 - Citation: Kahn, L., Hurth, J., Kasprzak, C. M., Diefendorf, M. J., Goode, S. E., & Ringwalt, S. S. (2009). The National Early Childhood Technical Assistance Center model for long-term systems change. *Topics in Early Childhood Special Education*, 29(1), 24-39. <https://eric.ed.gov/?id=EJ840940>
- **The Early Childhood Systems Working Group** is a volunteer group of national leaders engaged in technical assistance to state policymakers in the development of comprehensive early childhood systems. They have a few tools for building an early childhood system:
 - A Framework for State Leadership and Action in Building the Components of an Early Childhood System
https://www.buildinitiative.org/Portals/0/Uploads/Documents/Four_Ovals_paper.pdf
 - A Tool to Inform Discussions on Collaborative, Cross-Sector Planning
https://www.buildinitiative.org/Portals/0/Uploads/Documents/ECSWG%20Systems%20Planning%20Tool_2014.pdf