

House Bill 3073 Fiscal Impact Report to the Interim Committees of the Legislative Assembly

OREGON DEPARTMENT OF HUMAN SERVICES IN
COLLABORATION WITH EARLY LEARNING DIVISION

EXECUTIVE SUMMARY

JANUARY 15, 2022



Executive summary

House Bill 3073 (2021) directs the transfer of the Employment Related Day Care (ERDC) program, which is currently housed in Oregon Department of Human Services (ODHS), to Department of Early Learning and Care (DELCO). ERDC is a childcare subsidy program, providing low-income families with access to stable, quality childcare. The program helps parents maintain stable employment on their path to self-sufficiency and allows children to access high-quality early care and education programs.

The legislation directs Oregon Department of Human Services (ODHS), in collaboration with Early Learning Division (ELD), to report to the appropriate interim committees to address the timelines and fiscal impact of eligibility requirements as provided by amendments to ORS 329A.500 by section 73 of the 2021 Act. The Early Learning Division (ELD) set the policy direction for the eligibility policy pricing. In addition, ELD requested ODHS provide additional pricing for other policies or information technology changes that may be considered for implementation.

Fiscal impact summary table

Policy Change	Program Fiscal Impact/Biennium	IT Fiscal Impact (Total Fund)
Expanded student coverage	\$111,789,600 to 147,576,000.	\$204,692
Children who are undocumented	\$12,880,358	\$254,054
12-month eligibility	\$86,988,164 to \$118,332,760	\$1,201,273
Parent availability	\$3,231,358	\$230,547
Children in foster care	\$15,747,789 to \$27,280,028	\$255,516
Provider incentives	Unable to price at this time	\$991,880

In addition to the ERDC policy changes discussed in this report, ODHS has implemented an increase to the income level for ERDC eligibility from 185% of the Federal Poverty Level (FPL) to 200% FPL. This increase will be effective, January 1, 2022. This change is expected to increase access to the program and improve alignment and consistency with other benefits which simplifies the eligibility process for families.