



Employment Related Day Care

Information Session #1
February 23, 2023



Agenda

Introductions & Purpose of Meeting Series (5 min)

What is DELC? (10 min)

What is ERDC and why is it moving? (15 min)

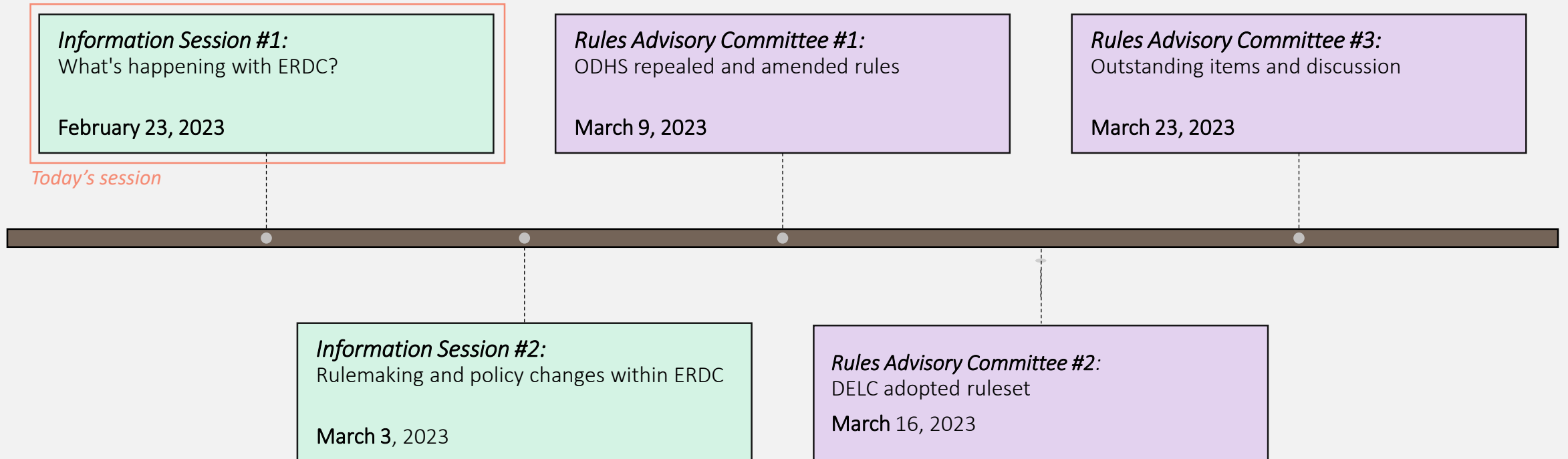
How will ERDC function under DELC? (15 min)

Time for Questions (10 min)



ERDC Meeting Series

The Oregon Early Learning Division (ELD), in partnership with the Oregon Department of Human Services (ODHS), will host a five-meeting series for the public to learn about the transition of the Employment Related Day Care (ERDC) program to the Department of Early Learning and Care (DELIC). There will be **two information sessions** to discuss the movement of the program and how policies may be changed after ERDC's migration to DELIC. Additionally, there will be an opportunity for the public to participate in **three Rulemaking Advisory Committee (RAC) meetings** to adopt ERDC-related rules.





What is DELC?

The Oregon Legislature passed House Bill 3073 in 2021, which included the establishment of a new early learning agency named the Department of Early Learning and Care (DELC). The bill directs movement of the Employment Related Day Care program (ERDC) to DELC by July 1, 2023. **ERDC eligibility determinations will remain with ODHS staff and benefits will stay in the ONE system to allow families to apply for multiple programs at once.**

DELC will consolidate all child care and early learning programs under one state agency.



Oregon Department of Human Services



New Back Office and Shared Service Teams

(IT, Accounting, Procurement, HR, PMO, Data Analytics, etc.)



Department of Early Learning and Care (DELC)

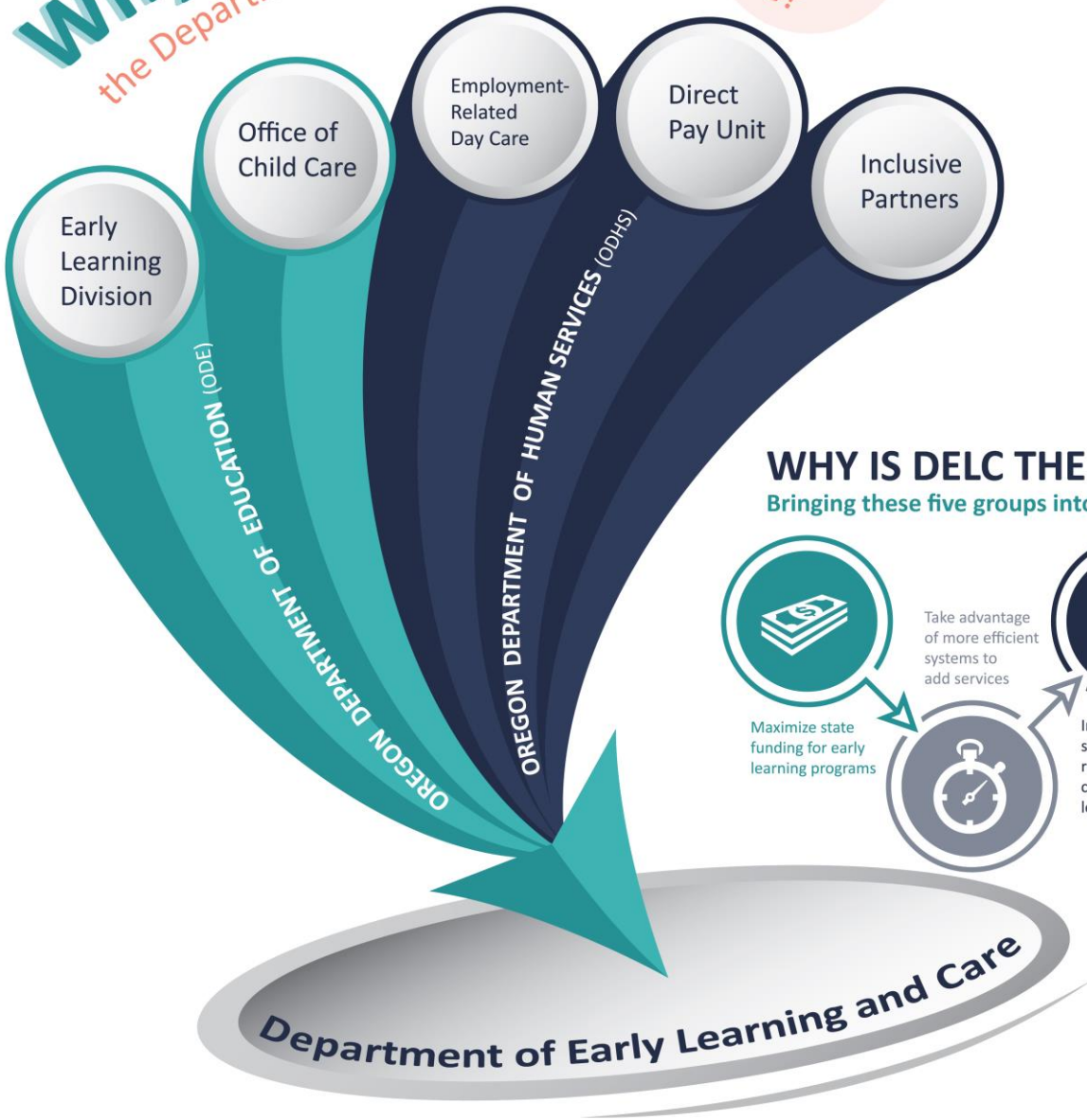
Launches July 1, 2023

- **ERDC Program (not eligibility determination)**
 - Child Care Policy Analysts
 - Subsidy Suspensions
 - Direct Pay Unit (DPU)
- **Inclusive Partners** (migrated 7/1/22)

Inclusive Partners is a CCDF funded team with responsibilities including assessing eligibility for the ERDC High Needs Rate

Why are we creating the Department of Early Learning and Care?

Simply put, House Bill 3073 requires this change. But the real answer is that creation of DELC allows us to expand and strengthen early learning systems to better serve Oregon's children and families.



HOW DOES THIS AFFECT...?



PROVIDERS

DELC will be better for all types of providers, including license-exempt providers. The new agency will mean more training sessions for license-exempt providers as well as access to other supports. Plus, these changes will expand the types of providers and programs under the agency's umbrella while also prioritizing mixed-delivery of early care and education.



CHILDREN AND FAMILIES

By organizing early learning and child care services under one agency, families will have an easier time searching for and finding high-quality and affordable early care and education.

Programs such as **Preschool Promise** or **Baby Promise**

The move to DELC does not change the way publicly funded early care and education programs such as Preschool Promise or Oregon Pre-Kindergarten are administered.

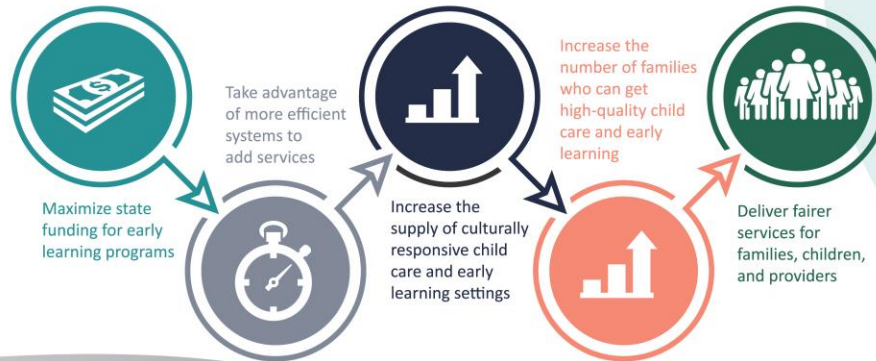
EMPLOYMENT RELATED DAY CARE (ERDC)

Oregon will have a central agency for early care and education policy and program administration.

- Basic eligibility will expand, and 12-month program eligibility would be guaranteed
- Family copayments will be no more than 7% of family income (in effect 10-1-22)
- More financial incentives for providers to offer special service
- DELC will use the "true cost of care" rate to set provider reimbursement
- Providers will be reimbursed based on enrollment, not attendance (in effect 10-1-22)

WHY IS DELC THE BETTER OPTION?

Bringing these five groups into one agency lets us:



QUESTIONS or COMMENTS?
DELC.Info@ode.oregon.gov

WANT TO KNOW MORE ABOUT DELC?
OregonEarlyLearning.com/HB3073





What is the Employment Related Day Care Program?

Employment Related Day Care (ERDC) is Oregon's primary child care assistance program. It helps eligible families pay for their child care costs by making payments directly to their child care provider. Families pay a small copayment to their provider and the state pays a set rate to the provider for the number of hours the child is scheduled to be in care.

The program is funded by the federal Child Care Development Fund and subject to 45 CFR Part 98.

- CFR establishes baseline eligibility criteria, such as age, income limits, and work requirements
- CFR sets standards for how states distribute payments and establish provider rate and family copayment structures

Program is funded with both federal dollars and state general fund

- Biennial Budget for 21-23: a little over \$300M, including ARPA funds
- The program exists within a "budget box" – meaning there is limit to the amount of families that can be served at any one time



Who does ERDC serve?

Recent changes to both eligibility requirements for ERDC and available funding are expected to increase the number of families served by the program.

Over 17,000
children

Over 9,000
families

Over 3,000
providers

Avg. cost per
case: \$1,538*

Avg. copay per
family:
\$14.51/month

December 2022 Case Data – Deloitte ERDC Master Report

December 2022 Provider and Payment Data – Active Providers Monthly Report, December Budget Actuals

**This figure is based on connected cases; avg cost/case for all families, including unconnected, is \$1,352 (more than 10,000 families)*



Which families might be eligible for ERDC?

Eligible families must:

- Have income beneath 200% of the Federal Poverty Level (FPL) at application
 - During their certification and at re-certification: 250% FPL/85% State Median Income (whichever is higher, based on family size)
- Make sure that their chosen provider is already listed or becomes a listed provider through the Direct Pay Unit
- Be working or in school
- Children in need of care must meet immigration/citizenship requirements*

Additional eligibility criteria can be found [here](#).

*Changing in future



Recent and Upcoming ERDC Eligibility Changes

HB 3073 expands ERDC eligibility, with changes going into effect Jan. 1 and July 1, 2023. **On Jan. 1, ERDC began serving students who are not working and expanded child care hours for many families.** Summary of expansions below:

As of January 1

Part- or Full-time Authorization: Many families participating in ERDC are now eligible to receive more child care hours per month. Child care hours are now automatically rounded up to part- or full-time. Hours will still be added for travel time and for caretakers who need more than full time child care.

Student Eligibility: Students no longer need to be employed to get child care through ERDC. Non-working students—in high school, a GED program, or college—can now qualify to receive child care support if they meet other eligibility requirements for ERDC.

Study Time: Students now get five to 10 additional child care hours a week for study time, depending on the number of credits they are taking.

Sleep Time: Families with two caretakers may now get sleep time when a caretaker works a night shift. Households can get five hours of child care per night shift, promoting family wellbeing and stability.

Authorized Medical Leave: Caretakers are now eligible for authorized medical leave (AML) when they are on leave for the birth of a child or caring for a sick child. Additionally, applicants may now be on medical leave when they first apply for ERDC. Finally, caretakers may now continue using ERDC if they are away from work to care for someone outside their household.

Coming soon: July 1 and beyond

Reduction in the number of reasons a case may close mid-certification, resulting in a truer 12-month eligibility period and more stability for families and providers

Categorical eligibility for TANF recipients, resulting in dual TANF-ERDC enrollment

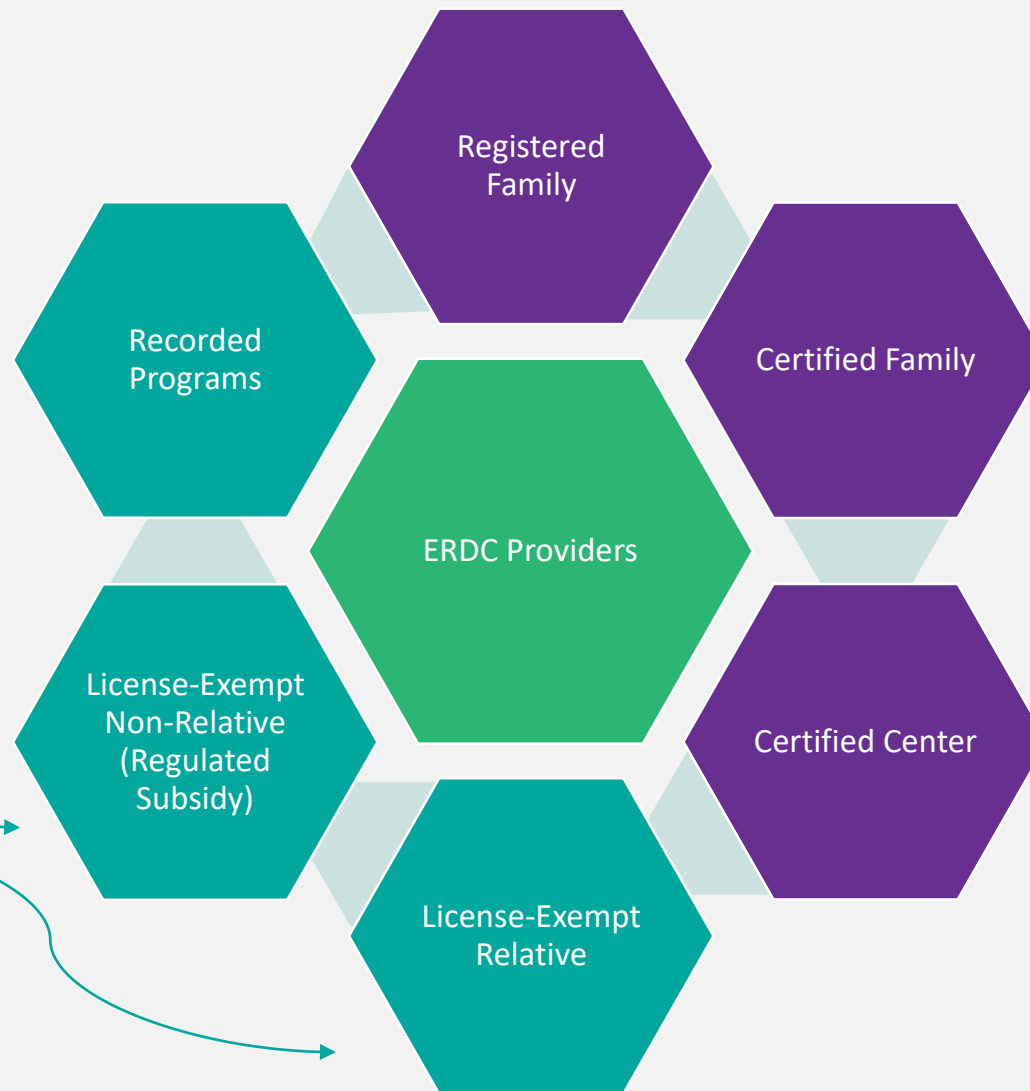
Eligibility for all children, regardless of immigration or citizenship status



Who can be an ERDC provider?

ERDC providers can either be **licensed** or **license-exempt**. Providers must be listed and approved with the Direct Pay Unit (DPU) to receive payment.

Family, Friend, and Neighbor (FFN) providers continue to serve a significant portion of ERDC families.





What does it mean that ERDC will be under DELC?

The priority for both ODHS and ELD is continuity of service for families and providers during the transition. To help with this, the Departments are not changing connection points for families, providers, and community partners.

- **Families** will continue to connect to eligibility field offices, ONE virtual eligibility centers, and the Direct Pay Unit (under DELC).
- **Providers** will continue to connect with the Direct Pay Unit (under DELC), and other shared services in ODHS (as needed), and the way payments are made to providers will not change on July 1.
- **Community partners** will continue to connect with the Child Care Policy team for data access and other program administration needs.



How will families and providers access ERDC once the program moves to DELC?

The way families access ERDC will not change on July 1. The steps that providers currently take will not change, although DPU will become part of DELC.*

Family applies for subsidy via the ONE system and is determined eligible

Family reports their chosen child care provider to the Direct Pay Unit or their eligibility worker**

Billing forms are sent to the family's chosen child care provider***

Provider submits billing form to Direct Pay Unit for payment on family's behalf**

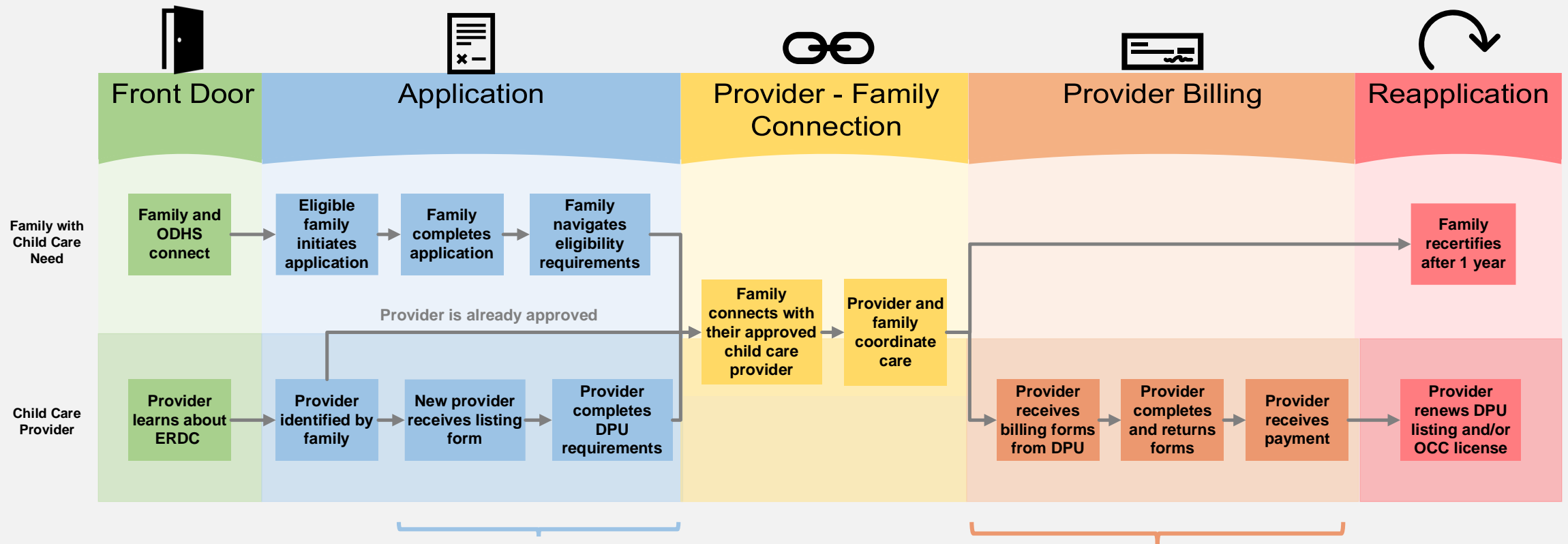
*DELC is looking into the future creation of a new, easy-to-use provider management platform.

**Providers must be listed and approved through ODHS Direct Pay Unit for payment.

***Payments are made up to state maximum child care rates based on child age, family's eligible hours/provider's billed hours, region of the state, and child care provider type.



A deeper dive on preserving the status quo for accessing ERDC benefits



Process does not change, but connection point is to DPU at DELC



What about the migrating units?

HB 3073 transferred the Child Care Policy, Subsidy Suspensions, and Direct Pay Unit teams from ODHS to DELC to support the ERDC program. The teams will migrate on July 1, 2023. Below is a description of what each team does to support ERDC:

- The **Child Care Policy** team helps develop and administer child care programs and coordinates with other state staff to make sure families can access care.
- The **Direct Pay Unit** helps providers become approved to receive child care subsidy payments and offers customer service to providers and families who receives child care benefits.
- The **Subsidy Suspensions** team analyzes complaints and compliance matters related to listed providers.



Summary of Teams Supporting ERDC

ELD/DELDC	ODHS/Shared Services ODHS-OHA	Other Entities
<ul style="list-style-type: none"> • 211 [ODHS, ELD] • Inclusive Partners (IP) • Oregon Registry Online (ORO) [Contracted Service] • The Research Institute (TRI) [Contracted Service] • Early Learning Hubs • Child Care Resource and Referral Agencies (CCRRs) • Oregon Office of Child Care (OCC) • Policy & Research Team • Legal Affairs Team • Communications Team • Child Care Policy Team • Subsidy Suspensions Team • Direct Pay Unit (DPU) 	<ul style="list-style-type: none"> • Fraud and Investigation Unit (FIU) • Information and Records Management (IRMS) • Office of Payment, Accuracy, and Recovery (OPAR) • Office of Training, Investigation, and Safety (OTIS) • Quality Control (QC) • OIS and Mainframe Systems, Business Analysts (BA) • Field Office Staff & Storefront Offices • Office of Financial Services (OFS) • Office of Reporting, Research, Analytics, and Implementation (ORRAI) • Quality Assurance (QA) • Self-Sufficiency Training Unit (SSTU) • Oregon Eligibility Program (OEP) • Virtual Eligibility Centers (VEC) • Hearings Unit 	<ul style="list-style-type: none"> • Department of Justice (DOJ) • Department of Revenue (DOR) • Office of Administrative Hearings • SEIU/AFSCME (unions) • USDA • Federal partners

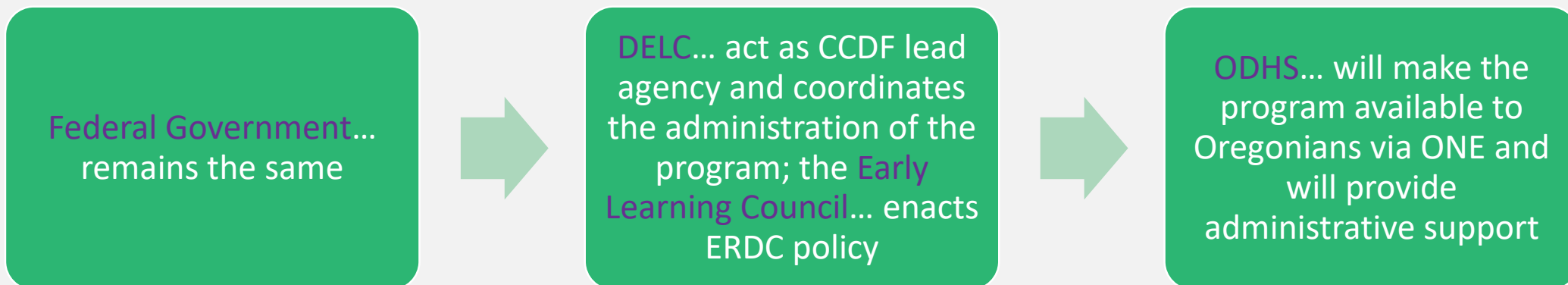


How will DELC and ODHS work together to administer the ERDC program ?

The way ERDC is governed today:



The way ERDC will be governed:





What is changing?

Operationally, very little is changing. In the short term, some important changes to note:

- Email addresses for the Direct Pay Unit, Child Care Policy Team, and Subsidy Suspensions teams will change to ...[@delc.oregon.gov](mailto:delc@delc.oregon.gov)
 - Phone numbers and the DPU PO Box are expected to remain the same
- Access to ONE or other programs for community partners may have a slightly different process
- Data reporting for ERDC will be done predominately by DELC (TBD, after July 1)

Policy-wise, DELC and the Early Learning Council will set ERDC policy after July 1.

In the long run, more changes are on the horizon:

- DELC will stand up a Provider Management Platform so providers have a centralized platform for vouchers, billing, etc.



Next Week & Contact Information

At next week's session on March 2nd, we'll talk about what partner engagement will look like for policy and programmatic changes to ERDC at DELC.

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Questions

With the new recent changes to the provider listing process (CBR requirement & FFL training) has ODHS seen a decrease in number of license exempt child care provider applicants this year? What is the current timeline for FFN providers to get approved? There are several components to the approval process, between the processing of listing forms, conducting of background checks, and inspections for Regulated Subsidy providers. If listing forms are submitted as complete and not missing any information and fingerprints are completed by the provider timely, the process can take less than four weeks, although factors such as the provider's criminal history and whether they have lived out of state in the last five years may delay this timeframe.

Will the ODHS Orientation Training for Listed Providers remain with CCR&R?/Will the training materials for ODHS subsidy change with this move? **We are not anticipating any planned changes to trainings nor the existing contracted work with CCR&Rs apart from a change in branding from ELD/ODHS to DELC. The DPU will be debuting a new provider guide soon; more information to come.**

Will the current provider data that CCR&R's receive have a stopgap during this transition? **No, the current provider data will continue to be sent to CCR&R's with no gap in service.**

Is there a timeline when families and providers will be made aware of these changes? **There is a communication plan currently under development in collaboration between ELD and ODHS Communications teams. More information will be provided as it is made available.**