



Oregon

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April 24, 2015

The Honorable Alan Bates, Co-Chair
The Honorable Nancy Nathanson, Co-Chair
Ways and Means Subcommittee on Human Services
900 Court Street NE
Salem, OR 97301



Dear Co-Chairs:

Please accept this letter as our response to the Committee's questions raised during the DHS POP presentations on April 16th and 20th of 2015.

DAY 1

Question: Pay for Prevention has a correction to slide 18 of the presentation.

Answer: See Attachment A for the replacement slide with the correct labeling.

Question: How many states are in an order of selection?

Answer: In 2015 there were 34 of 80 Designated State Units (DSU) in an Order of Selection, one more than the prior year according to the recent Federal Proposed Regulations published by the Rehabilitation Services Administration.

This represents 8 percent of the 24 Agencies for the Blind and 57 percent of the remaining 56 DSUs.

Question: Do you have turnover and rate data for non-bargained providers to the Intellectual and Developmental Disabilities provider community?

Answer: See separate letter and attachments response for this question.

DAY 2

Question: How many less Employment Related Day Care (ERDC) cases would there be if it included the mandatory sections of HB 2015?

Answer: Current case service load (CSL) is 7,700 cases. The \$49.6M at a cost per case (CPC) of \$670 would bring the ERDC caseload to 10,800. Adding the 12 month eligibility at a cost of \$7.7M would reduce the caseload to 10,300.

Note: The CPC used to determine the caseload projection is fluid. The projected CPC for next biennium is \$702, it could go higher due to the current trend of more families moving to licensed care, or more families accessing full time jobs. Using a CPC of \$702 and including the 12 month eligibility to the \$49.6M would allow for an ERDC caseload of about 9,850.

Question: Please provide the matrix of overlap between the POP and HB 2015.

Answer: See Attachment B for the matrix.

Question: What percent of eligible families would this ERDC investment cover at an average of 10,800 cases?

Answer: At a caseload cap of 10,800 the program would be assisting about 21 percent of Oregon children eligible for ERDC.¹

Question: Please provide the TANF cliff graph mentioned during the hearing.

Answer: See Attachment C for the aforementioned graph.

Question: Approximate number of ERDC providers that are related to the child they are caring for.

Answer: Based on the March 2014 data it is estimated 20 percent of the DHS approved providers are related to the child in their care.

¹ From OSU based on the following:

Estimate of the number of children eligible under Oregon subsidy rules as of 2011 supplied by the Assistant Secretary for Planning and Evaluation (ASPE), US Administration for Children and Families. ASPE uses data from a TRIM model provided by Urban Institute to create the estimate of the number eligible. The model takes into account parents age, employment, number of children, and other factors that affect eligibility. ASPE uses Oregon ERDC rules in addition to the data they receive from Urban Institute. Using 2011 Oregon eligibility rules the estimate of those eligible is 91,780. Therefore, 10,800 cases would be about 21.2% of the eligible population.

Question: How does Oregon compare to other states?

Answer: Please see ‘Turning the Corner: State Child Care Assistance Policies 2014 | National Women’s Law Center’ link:

<http://www.nwlc.org/resource/turning-corner-state-child-care-assistance-policies-2014>

We hope this letter, and the separate letter addressed the identified questions adequately. If you have additional questions or concerns, please do not hesitate to contact me at 503-884-4701 or email, eric.l.moore@dhs.ohio.gov.

Sincerely,



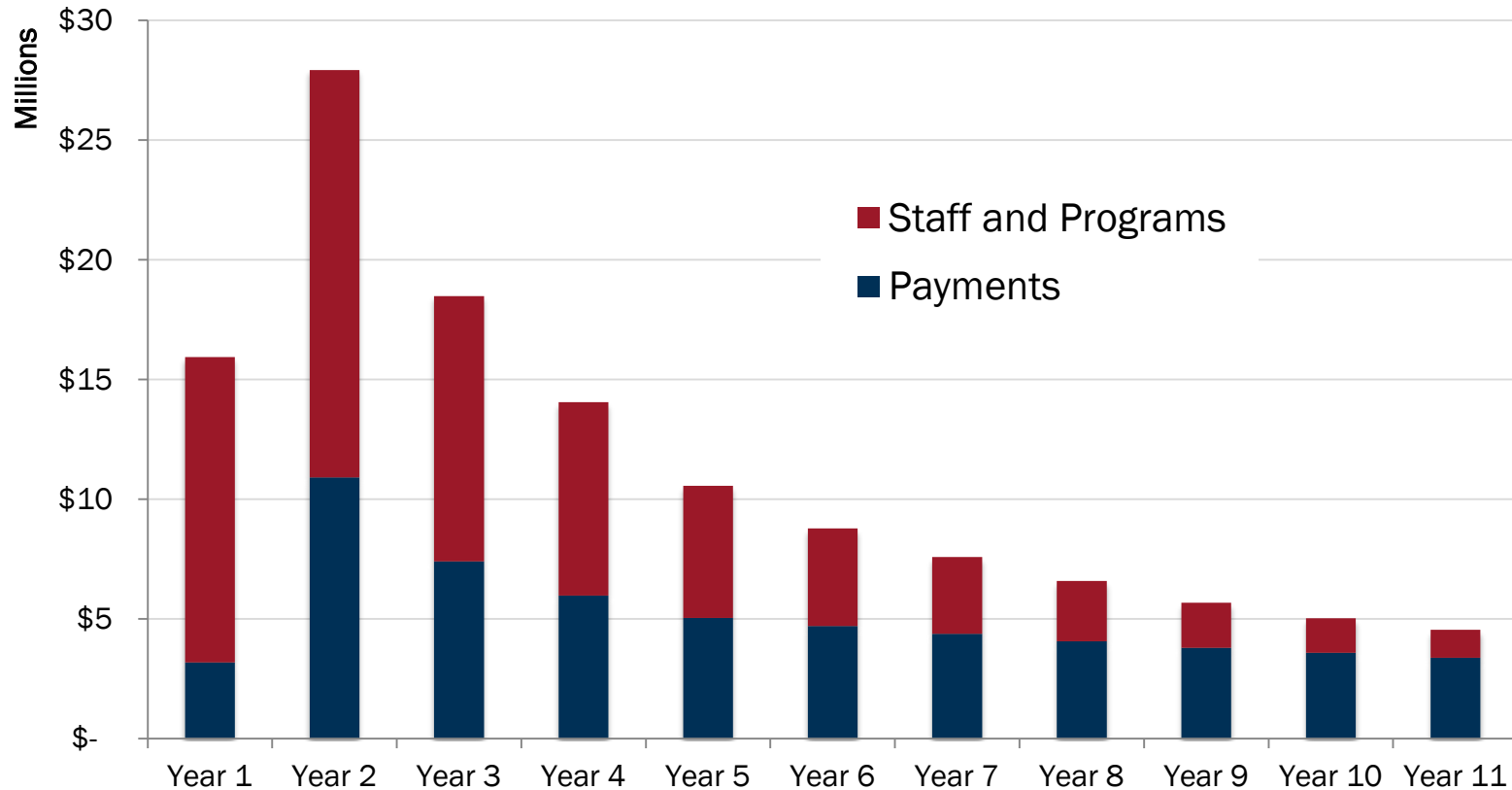
Eric Luther Moore
DHS Chief Financial Officer

Enclosures

cc: Laurie Byerly, Legislative Fiscal Office

Pay for Prevention | *Preliminary Results*

Sample Marginal Costs to Oregon:
one cohort of children 11 years after first entry



ERDC Proposed Investments

	Proposal	Benefit	Pricing 2015-17
Governor's Recommended Budget 2015-17	Investment in ERDC that includes increasing the number of families served.	Provides more families access to quality child care increasing family stability and supporting parents' employment Increases average ERDC caseload from 7,800 families to about 10,800 families	\$49.6M
		Total	\$49.6M
HB 2015	Protects eligibility for families for 12 months, when there is a job change or loss.	This will allow children to remain in stable, quality care while the parent is engaged in work search and enables continuity of care.	\$8.98M
	Allow working students to use child care subsidy to cover both work hours and school hours, thus removing some of the burden from our working parents who are enrolled in higher education.	This benefits working parents by broadening their options to attend higher education as they work towards self-sufficiency by increasing their options in the employment market.	\$1.55M
	Allows ERDC to cover work hours for those parents who are self-employed	Restores ERDC to parents who are self-employed and meet eligibility criteria. This allows children from these families access to quality child care. In 2009 program reductions removed self-employed families from being eligible for ERDC. Over 200 families with self-employed parents lost their child care subsidy.	\$1.89M
	Provides a lower copay incentive for parents who use providers that meet minimum standards for the tiered quality rating and improvement system.	More low income children will receive quality child care that helps prepare them for school. Lower copays benefit the family.	\$1.09M
	Provides incentives for child care providers who meet the specified minimum standards of the tiered quality rating and improvement system and care for subsidy children.	This positively impacts providers who care for subsidy children. Increases opportunities for low income children in more demographic areas to have access to quality child care programs.	\$2.75M

ERDC Proposed Investments

	Allows monitoring visit by the Office of Child Care (OCC) for license-exempt child care providers who care for subsidy children.	Increases the safety of children in care by ensuring providers are complying with State and federal laws when providing child care through on-site inspections of child care premises, including those exempt from licensure	TBD
		Total	\$50.0M*
HB 2015 - 3			
	<p>The department will work to meet federal recommendations for income eligibility.</p> <p>Exit eligibility and copays must be structured to mitigate the financial impact of families.</p>	<p>A higher exit income limit will assist in reducing the cliff effect for families who are receiving child care assistance. The higher exit income keeps families on ERDC longer and gradually increases their copay. This allows the family to adjust to paying the full child care cost. ERDC will continue after SNAP benefits have closed.</p> <p><i>DHS may increase exit income limit through a rule change to 250% FPL (family of three exit income \$4,123). No additional copay reductions other than what was included in the original bill.</i></p>	\$.82M
	The department must work to meet federal recommendations for market access.	This benefits subsidy families and providers. The amendment recommends DHS subsidy payments meet or exceed the federal instruction that rates be set at the 75th percentile. Currently, the rates are set at the 69 th percentile. This allows more access to quality providers and increases the providers supply for subsidy families.	
		Total	\$50M*

*Includes additional funding of \$14.2M to increase the average caseload to 9,000 or possibly more that has not been added to the bill and not reflected in the chart.

But Oregon's income cutoff for families that go to work is one of the lowest in the country

