



Oregon Department of
**Early Learning
and Care**

ERDC Update

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How does ERDC work?

ERDC helps families with the cost of child care by making payments on their behalf to their chosen child care provider.



one

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 at the beginning of each month to the family's chosen child care provider



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

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.



Families who are eligible for ERDC

- Live in Oregon
- Are working or in school or receiving TANF
 - In a two-parent households, both parents must be working or in school, and have overlapping hours. Some exceptions for medical conditions
- Need child care to keep working, attending school, or participating in family well-being activities.
- Have a child who is:
 - A US Citizen or qualifying non-citizen. After May 1, 2024, will extend this to children regardless of citizenship (HB 3073).
 - Under 13 years old and needs child care, or
 - 13 to 17 years old and needs care because of special circumstances
- Meet income limits
 - Entry limits set at 200% of FPL
 - Exit limits set at 250% of FPL



ERDC Waitlist Started after Nov. 3

More families are benefiting from ERDC, but there is not enough program funding to support ERDC's growth.

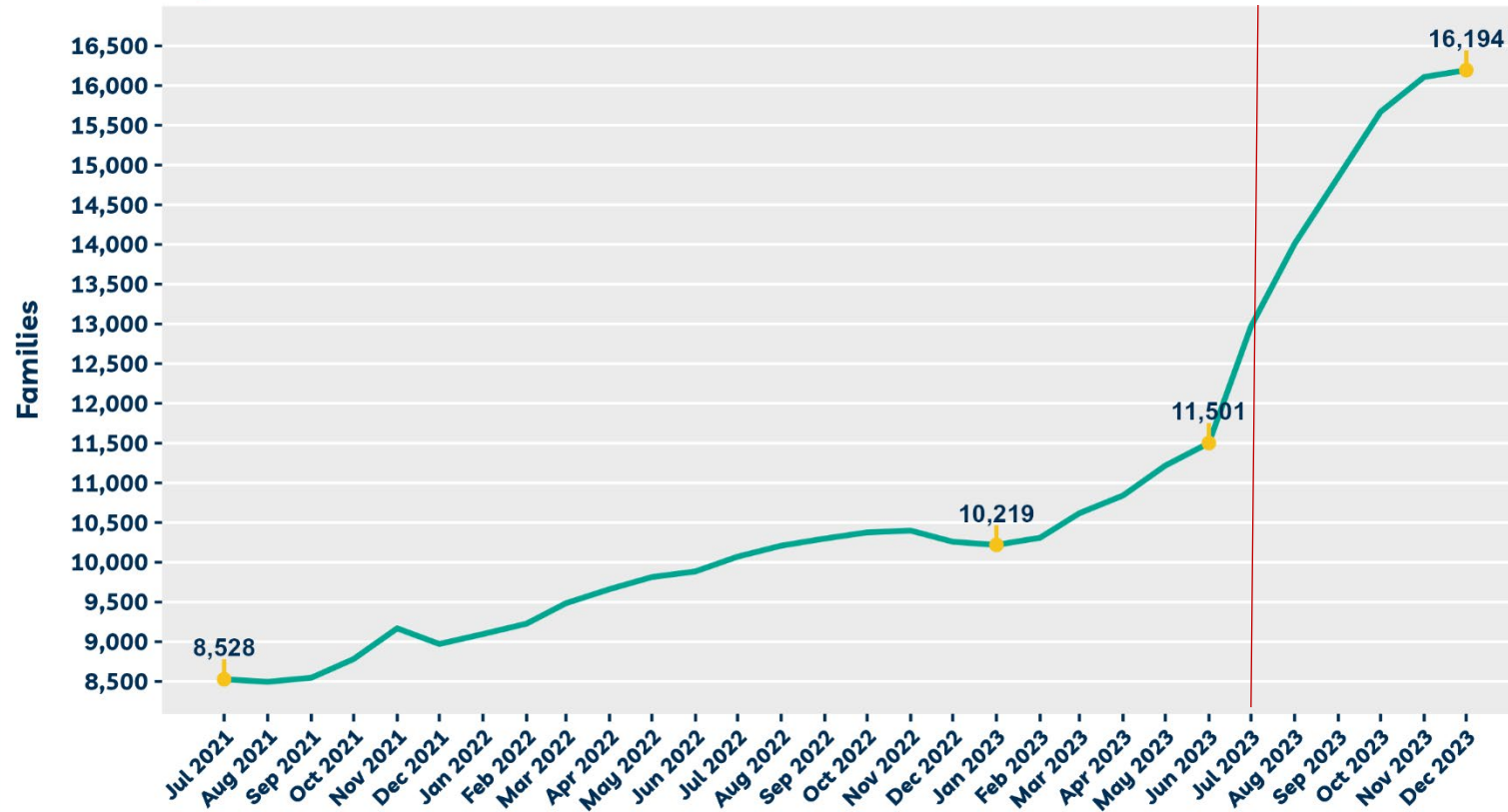
- Due to increased demand and limited funding, DELC announced on September 20th that there would be a waitlist for most new families applying to ERDC after November 3, 2023. This will not impact families currently receiving ERDC or exempt populations.
- Anyone who applied for ERDC by 11:59pm on November 3, 2023, could be screened for ERDC eligibility as usual and was not subject to the waitlist.
- TANF and some other families bypass the waitlist.
- Current budget means there is not sufficient funding to serve enrolled families for the full biennium.

ERDC Total Caseload

DELDC takes over ERDC and expanded eligibility takes effect (HB 3073)

Total Caseload Over Time

July 2021 to December 2023





What's Changed

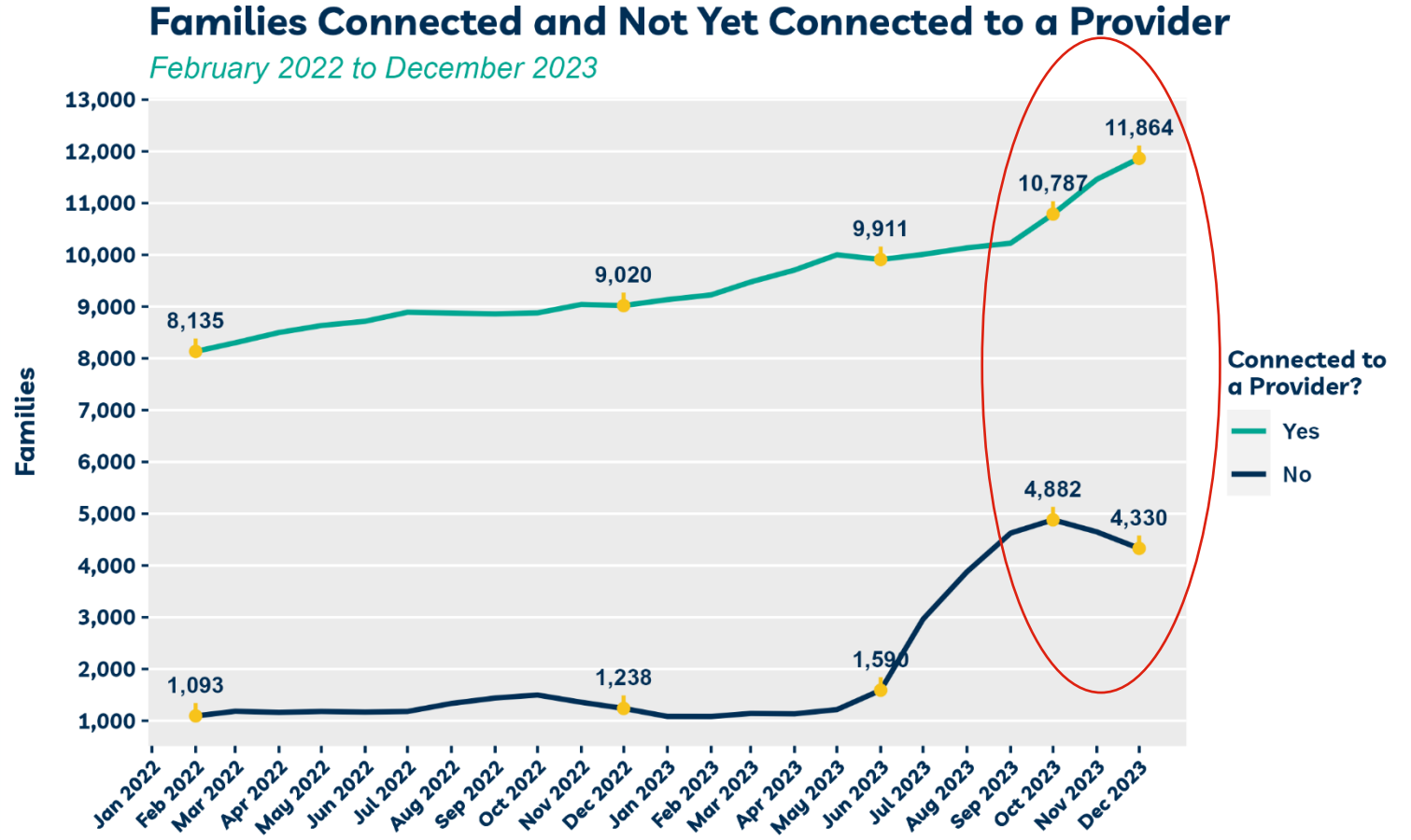
Since presenting on November 7th using October data, the following information has changed based on **December** data:

- 16,194 total families (increase of 525)
- 11,864 are connected to a child care provider and receiving services (increase of 1,077)
- 1,360 families on the waitlist as of 1/4/24
- 346 families bypassed the waitlist in December
- Budget shortfall has increased by \$40 million-\$77 million, depending on scenario (slide 10)
 - Subsequently, the program will run out of funds 1 month earlier (Jan 2025)

Families Actively Connected to Care

When discussing the caseload, we distinguish between families who are actively connected to a provider and receiving services, and families who are approved for benefits but have not connected to a provider.

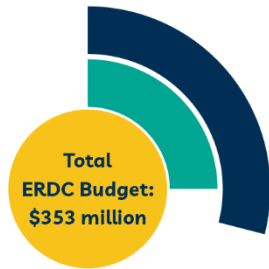
Because families have 12-month protected eligibility once approved, they can connect to a provider and start using their ERDC subsidy at any time in a 12-month period.





Monitoring the ERDC Budget

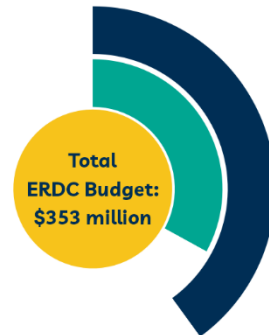
December 2023



Biennium Elapsed: 25%

ERDC Budget Spent: 29%

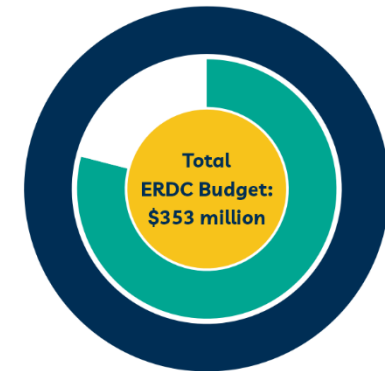
February 2024



Biennium Elapsed: 33%

ERDC Budget Spent: 40%

January 2025



Biennium Elapsed: 79%

ERDC Budget Spent: 100%

Current costs to date have outpaced the budget and are expected to continue outpacing the budget without additional funding. The budget is expected to be fully spent by mid-January 2025.



Budget Assumptions – Dec 2023

Caseload Scenario

Assumes

- Number of families connected to a provider stays at the current level (11,864 families)
- Projected biennial cost per case = \$1,636
- Average copay per case = \$9

Does not include

- Attrition (new active caseload balances with closed cases)
- Families not connected to a provider becoming connected
- Families that may bypass the waitlist

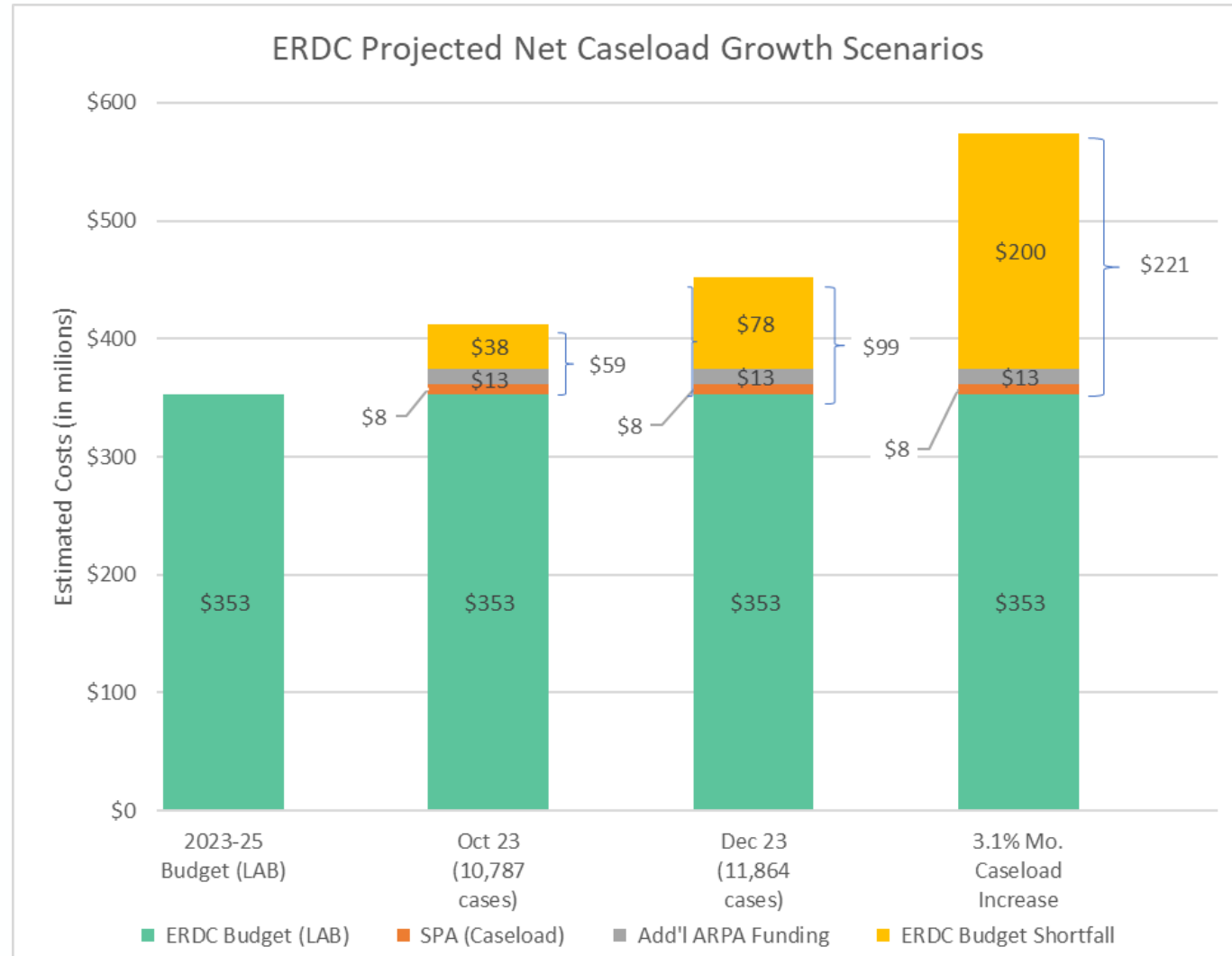


Projected Expenditure Scenarios

Based on Active Caseload Changes

As of October 27, 2023, the projected shortfall was \$59 million, assuming no additional families connected to a provider or were determined eligible for ERDC. As of December 2023, the projected shortfall grew to \$99 million.

If the active caseload continues to grow at the biennial average growth rates, the shortfall could be over \$221 million.





Risks to Budget Projections

- Natural attrition may not be realized
 - 12-month eligibility
 - Categorically eligible families will bypass the waitlist
 - 15,435 families with children ages 0-12 receiving TANF alone (Oct 2023)
- Families not yet connected to a provider may increase the active caseload with little notice
- Projected cost per case amounts could vary if the caseload demographics shift (age of child, billable hours, etc.)



Program Transparency: Data Dashboard

An official website of the State of Oregon [How you know >](#) Languages

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ERDC now has a waitlist for most families applying to the program. Families with specific needs ca

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Dashboards

- ERDC Program Data
- Questions & Feedback

Employment Related Day Care

The Employment Related Day Care (ERDC) program helps families who are working, in school, or receiving Temporary Assistance for Needy Families (TANF) pay for child care. Over the last year, ERDC has increased child care access and made care more affordable.

This page is updated monthly with data through to the preceding month. It was last updated December 2023.

State-Level Data **County-Level Data** **Upcoming Data**

Number of Families on ERDC

● Total ● Connected to a Provider

Recent changes to ERDC have made the program work better for families and providers. Before, families had a short time to find a child care provider before losing benefits. Starting July 1st approved families now have 12 months to find a provider that fits their needs. This federal requirement gives families time to find providers that fit their children, schedule, and preferences.

The expansion and improvement of the program have demonstrated what families already know: Oregon's economy depends on child care. When we invest in early learning and care, we invest in families, our workforce, and our collective future.

16,108
families are enrolled

4,339
providers accept ERDC

\$9.14
is the average copay

Number of families on the waitlist will be reported in January 2024

An ERDC waitlist opened on November 3, 2023, due to increased enrollment and limited funding. You can find more information about the waitlist [here](#).

This page houses data dashboards for agency programs and service information visit the links included with each dashboard. More research stay tuned!

<https://www.oregon.gov/delc/data/Pages/default.aspx>



Questions?

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