



Oregon Department of
**Early Learning
and Care**

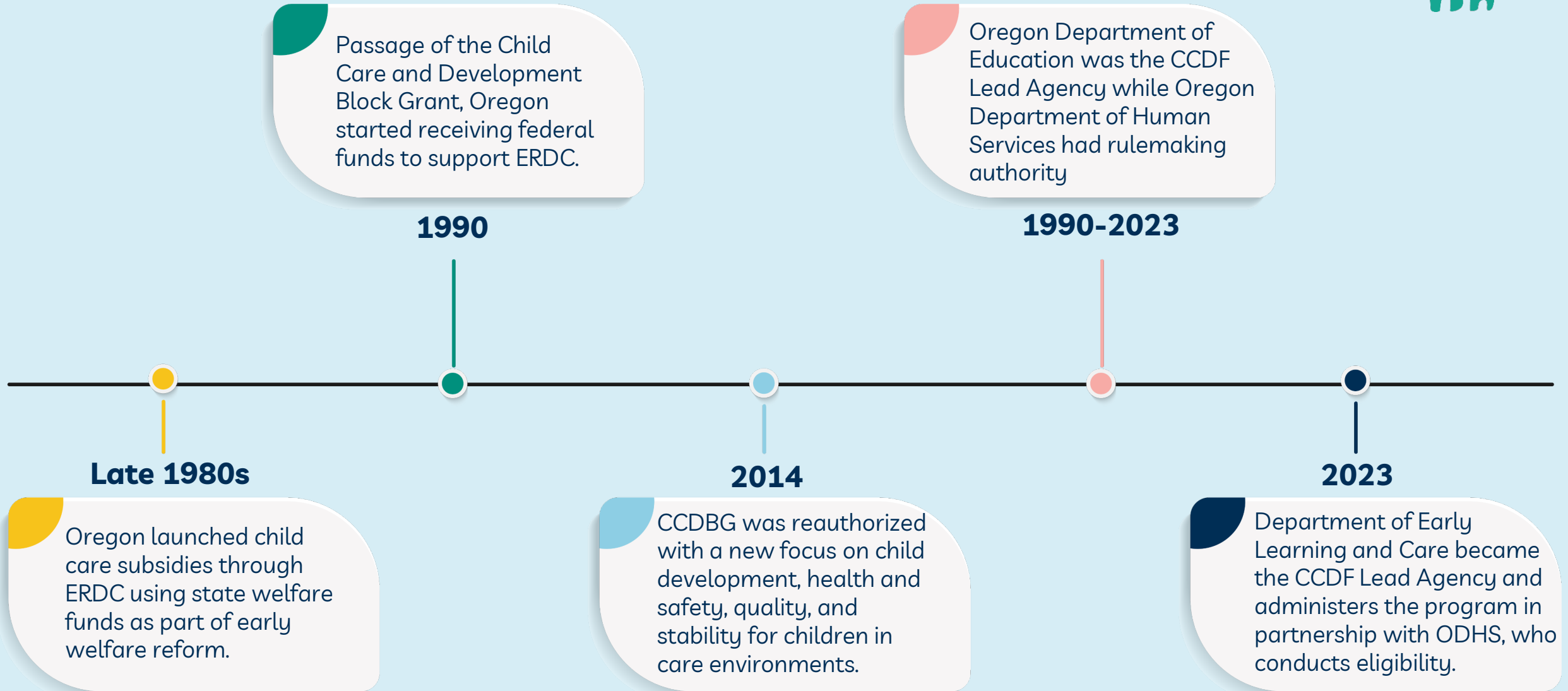
Employment Related Day Care

Presenters:

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Legislative History



Federal CCDF Framework



About **45%** of ERDC funding is from the federal Child Care and Development Fund (CCDF), authorized by the Child Care and Development Block Grant Act (CCDBG). Oregon has received CCDF dollars since its creation in 1990.

CCDF sets **broad policy parameters** and CCDF Lead Agencies set specific policies **within that framework** with approval through their CCDF State Plans, the triennial application for federal funding.

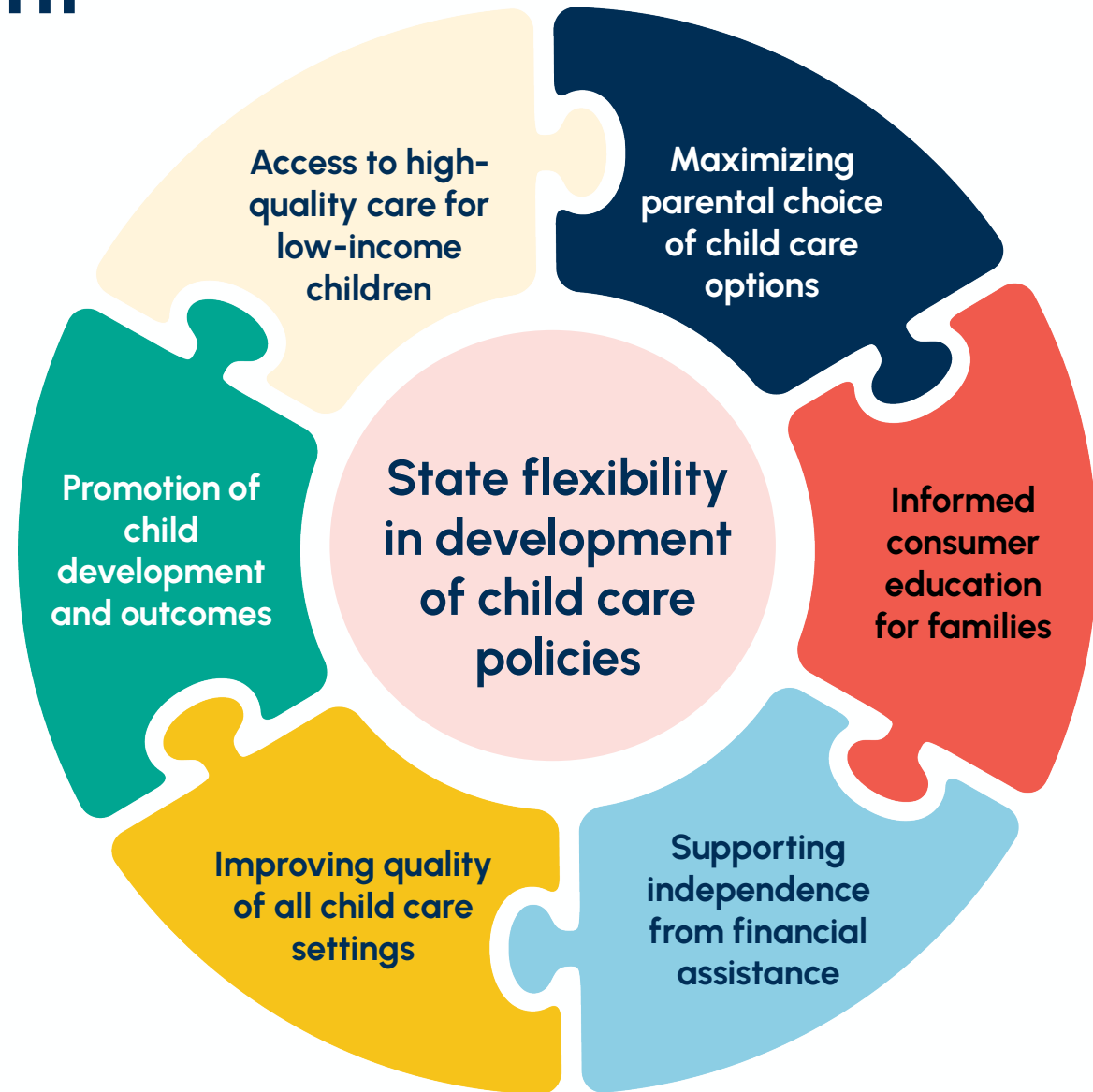
ERDC is required to follow the CCDF policy framework, including but not limited to establishing guidelines in Oregon's CCDF State Plan for:

- Rate-setting, copayment amounts, and income eligibility thresholds
- Health and safety, background checks, and required pre-and post-service trainings, and child care licensing requirements
- Payment practices & family eligibility criteria
- Activities to improve the quality of child care in the state

Program Purpose & Intent



Employment Related Day Care is authorized by the federal Child Care and Development Fund from the U.S. Department of Health and Human Services, Administration for Children and Families, which has seven purposes via 45 CFR 98.1 and the Child Care and Development Block Grant Act of 2014



How does ERDC work?



Follows the family based on income eligibility of 200% FPL + requirements to be working, enrolled in school, receiving TANF, or on leave due to medical reasons.

ERDC is flexible to meet family care needs. It can be used as a standalone support or to augment program hours for a family that has a child enrolled in another program.

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 at DELC or their eligibility worker at OEP



The Direct Pay Unit sends billing forms 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

ERDC Policy Changes



2021

- Co-pays reduced to <7% household income
- Expanded absent day policies & allowance for providers to bill at the beginning of the month

2022

- Initial income limit was increased from 185% FPL to 200% FPL to align with SNAP changes

January 2023

- Expanded student eligibility
- Part-time/full-time child care authorizations
- Expanded medical leave

July 2023

- ERDC Moved to DELC
- Protected 12-month eligibility

January 2024

- Provider rate increases

May 2024

- Expanded to children regardless of immigration status

October 2024

- Baby Promise Waitlist Bypass created

July 2025

- HB 2683 (2023) expansion to families using or at risk of using child welfare services

August 2025

- Waitlist Refresh Process Started

January 2026

- Provider rate increases

August 2026

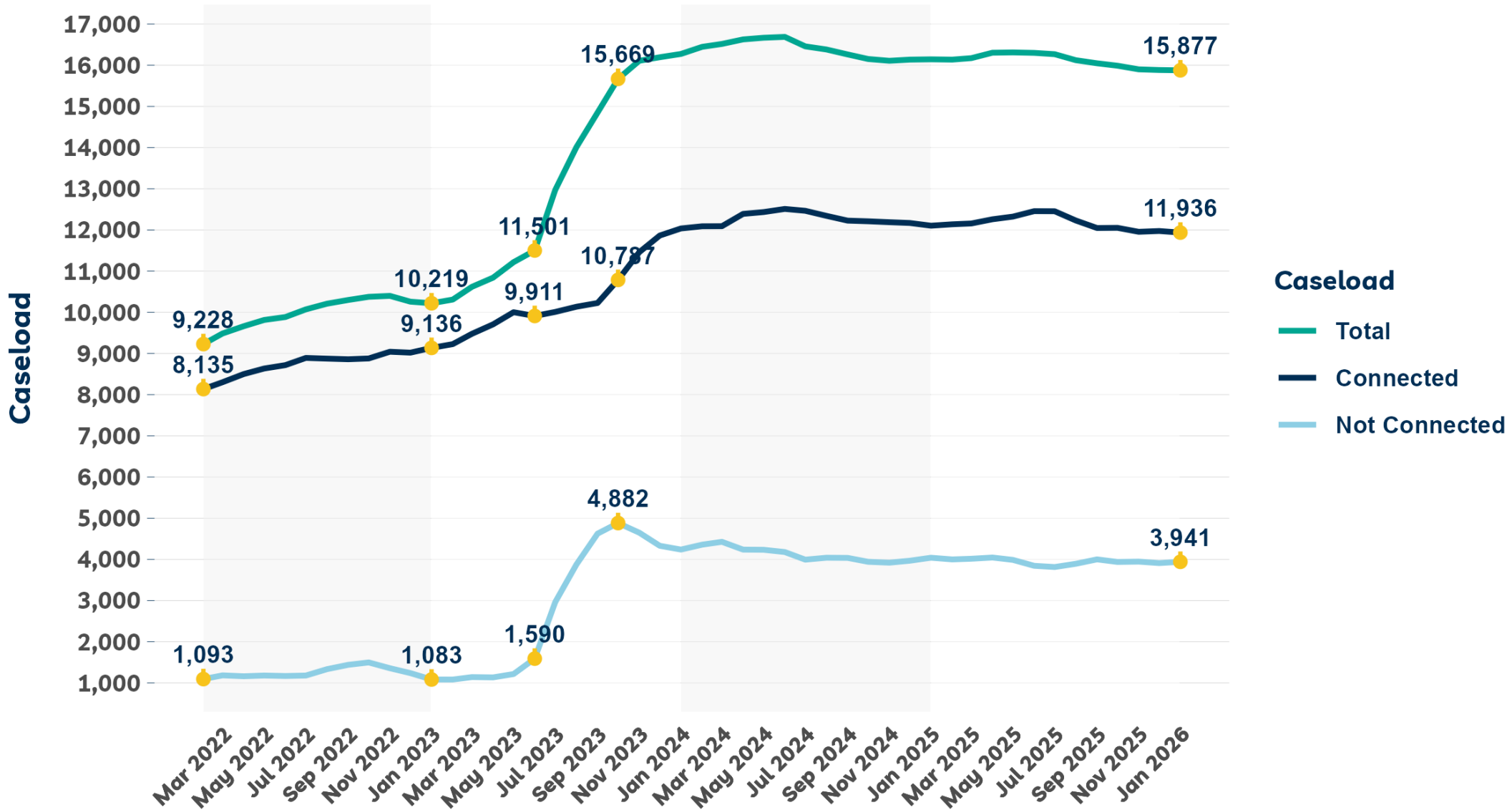
- New CCDF rules implementation date: prospective payment, enrollment-based payment

January 2027

- Provider rate increases

ERDC Caseloads Over Time

February 2022 to January 2026



ERDC Caseload Breakdown

Current activity	Active	Inactive	Total Caseload
Employment	5998	682	6680
Education/Training	115	15	130
Both Employment and Education	1841	202	2043
Child Welfare	193	122	315
TANF - Job eligible	2473	2345	4818
TANF - Jobs volunteer	378	228	606
TANF - Jobs Exempt	226	205	431

ERDC Policy Change Impacts



Since DELC took over the program on July 1, 2023, ERDC is serving more families than ever, having nearly doubled the number of families served.

- In alignment with federal requirements, families now have a full **12 months of continuous eligibility**. This means stable spaces for children and reliable payments for providers.
- DELC and ERDC are over two years in to serving TANF families per HB 3073, one of Oregon's most vulnerable populations, and **increased access to child care by 425% for TANF families**.
- ERDC has reduced the copay burden on families and is legislatively required to cap **copays no higher than 7%**, allowing families to have more available resources to pay for costs such as groceries, and housing.
- Most **students accessing ERDC** are connected to a provider and using their benefit
- Overall, in the general ERDC approved population, **75% of approved families are using their child care assistance benefit**.

ERDC Waitlist



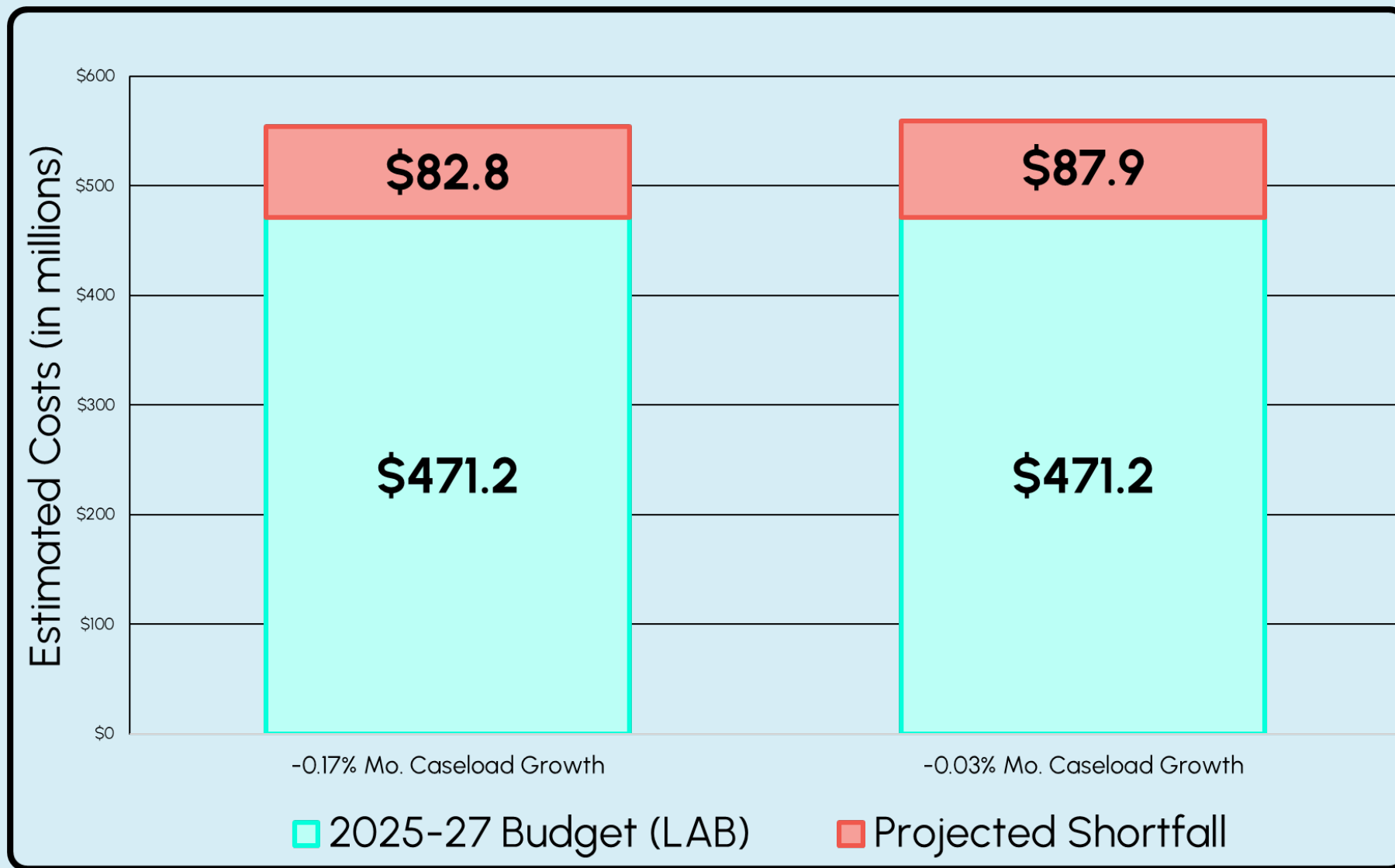
Since November 2023, ERDC has implemented a waitlist to manage caseload growth as a result of program expansion in HB 3073.

Families with specific needs can skip, or bypass, the waitlist.

- Families reapplying for ERDC
- Families receiving or recently receiving TANF (cash assistance)
- Families receiving or recently receiving TA-DVS (Domestic Violence grant)
- Children qualifying for a contracted slot through Head Start or Baby Promise
- Families who receive a referral from Child Welfare when child care is needed to keep a child home, return a child home, or place a child with a known adult.

The waitlist has stabilized caseload growth, but the caseload remains higher than what is sustainable for the legislative approved budget.

ERDC 25-27 Initial Projected Shortfall



Projected costs as of Jan 2026 - adjusted quarterly, seasonally adjusted based on historical data trends

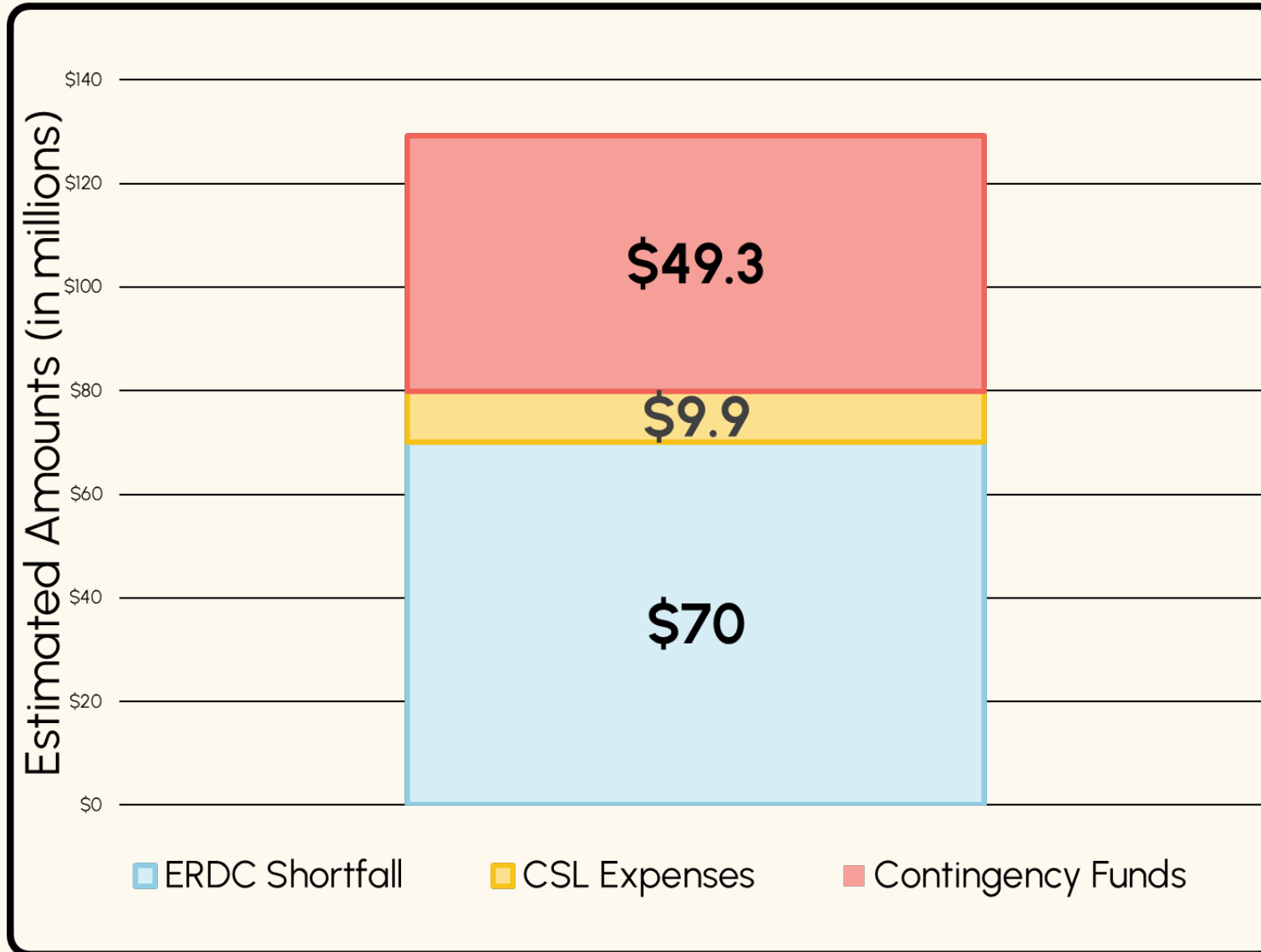
Maximizing Federal Funding



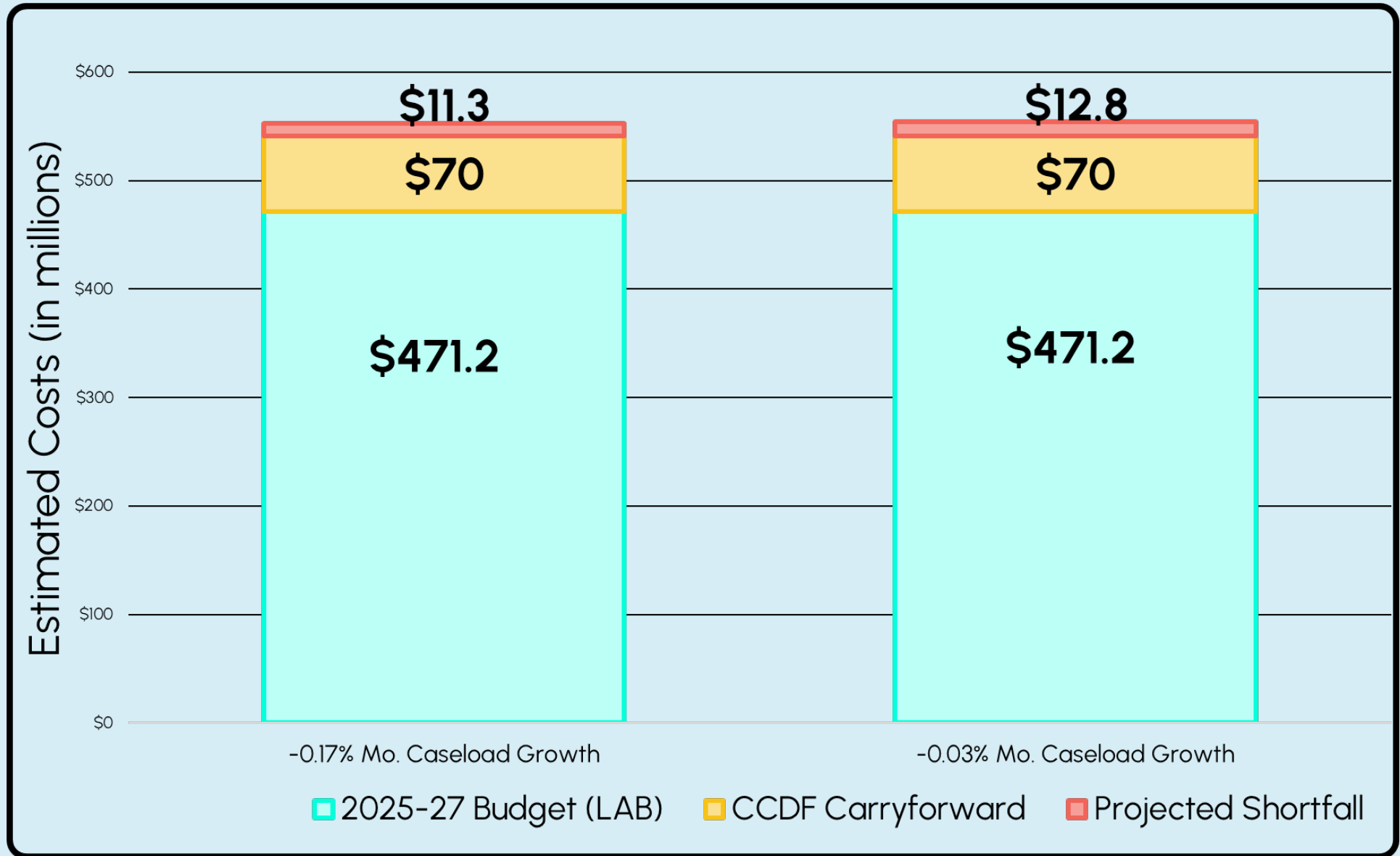
- Carryforward between state fiscal years is an allowable and recommended practice with federal funding within grant timeframes
- Oregon received significant pandemic relief funds to address the needs of child care providers and stabilize Oregon's child care system
- CCDF carryforward was leveraged to address the projected shortfall in the 2023-2025 biennium
- Remaining one-time carryforward funding could address the projected shortfall in 2025-2027 biennium.

Funding Source	Amount
CARES Act	\$38.6m
CRRSA Act	\$104m
ARP Stabilization	\$248.5m
ARP Supplemental	\$155.5m

CCDF Carryforward



ERDC 25-27 Funding Plan



Caseload Management Strategies



Funding is one part of the problem – DELC needs to bring the caseload down to a sustainable level for next biennium

- Improve fiscal management
- Prioritize Access
- Strengthen program integrity
- Continue to improve customer service and make navigation easier for families and providers.

HB 3073 (2021)

ORS 329A.500 (5)(b)(B) Shall, for a child who met the initial eligibility requirements prescribed under subsection (4) of this section, continue for a minimum of 12(B) Shall, for a child who met the initial eligibility requirements prescribed under subsection (4) of this section, continue for a minimum of 12 months from the date of initial eligibility unless the child's family leaves this state or requests a termination of benefits or for any other reason identified by the council. **Rules adopted under this subparagraph shall give priority to families receiving temporary assistance under the temporary assistance for needy families program described in ORS 412.006.**




SB 1535: What it means



SB 1535 gives DELC authority to pause the TANF bypass in alignment with the authority currently available to other bypass populations



SB 1535 does not require DELC to pause the TANF bypass.



SB 1535 does not remove access or end services for families on TANF currently receiving ERDC.

What would a bypass pause mean?



If a waitlist bypass is paused:

- Families currently receiving care will continue to receive care.
- Families who do not recertify timely will not be able to rejoin the caseload.
- No new families will be able to join the caseload through the paused bypass.
- Other state funded early childhood programs, like Head Start, Oregon Prenatal to Kindergarten, and Preschool Promise, continue to be available to families with children under age six.

The CSL budget for the ERDC program supports a sustainable caseload of approximately 10,000 families.





Looking ahead



- Sharing information of TANF families with young children in need of care with Oregon Prenatal to Kindergarten & Head Start programs



- Leveraging federal Preschool Development Grant to create an early childhood education resource page and screening tool



- Continuing to explore long term budget and policy opportunities for caseload management



- Continuing to improve customer service and make navigation easier for families and providers through launch of Oregon ELMS



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Thank you!

