

2012

Early Learning Council
Comprehensive Children's Budget
Required per HB 4165



Early Learning Council
775 Court Street
Salem, Oregon 97301

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WHAT IS A COMPREHENSIVE CHILDREN'S BUDGET?

A comprehensive budget can set the stage for targeting investments, new or existing, as well as better aligning, leveraging, and streamlining investments. According to the National Center for Children in Poverty¹ a Children's Budget can help policymakers and communities to:

- Foster Informed decisions among policymakers
- Understand the amount and purposes of current spending young children and trends over time
- Identify gaps and unnecessary or duplicative spending
- Nurture collaboration and/or partnerships among state entities pursuing similar goals or program objectives
- Help identify opportunities to increase investments in prevention and early interventions, as well as to blend and braid funds
- Guide private sector spending for child and family services and supports
- Design results-based accountability projects that align strategic plans, fiscal analyses, and desired outcomes

As an example, Oregon's multiple investments in programs built around home visiting have not been considered together in any budget process previously: Healthy Start (\$8,400,000), Early Intervention (\$16,960,000), Early Head Start (\$770,000), and Babies First (\$13,890,000) represent a significant investment in a common strategy, but have not historically operated together at the state level. In addition, other programs focused on early childhood support also have strong home visiting components (Oregon Pre-Kindergarten, Relief Nurseries, Early Childhood Special Education, etc.).

A comprehensive budget shows the relative size of state and federal investment in key areas of child development (e.g., health, childcare) on an annual basis (though Oregon uses a biennial budget, an annual snapshot aligns better with budgeting in the local government and non-profit sectors). It will not capture the substantial investments of individual families, nor the non-profit, business, and non-government organizations across Oregon. Such a statewide cataloging may seem an impossible task. However, it may be worthwhile as the legislature and the Early Learning Council consider community based coordinators of early learning services to bring together all community assets to the figurative table to deliver maximum results for children. The Center for Law and Social Policy (CLASP) recently published a document² that provides useful guidance to this approach at a state and local level.

¹ Johnson, K (2006). Developing fiscal analyses and children's budgets to support ECCS. *National Center for Children in Poverty*, Short Take No. 3. Accessed at: www.nccp.org/publications/pdf/text_677.pdf

² Johnson-Staub, C (2012). Putting it Together: A guide to financing comprehensive services in child care and early education. *Center for Law and Social Policy*. Accessed at: www.clasp.org/admin/site/publications/files/A-Guide-to-Financing-Comprehensive-Services-in-Child-Care-and-Early-Education.pdf

HB 4165

Requires Submission of a Report Describing a Comprehensive Children's Budget



Oregon has not historically approached its multiple spending streams for young children as a single investment toward a common goal or goals. Programs and funds have traditionally been managed in multiple agencies without a unifying policy objective or outcome expectation. The legislative budget

processes deal with these funds and programs separately as well, resulting in early learning conversations happening in some committees but not others, with some connections some of the time, and others not at all. At the same time, policy discussions are scattered among health, human services, and education committees.

An example:

As the Childcare Division is housed within the Employment Department, its budget has been heard by the Transportation and Economic Development Subcommittee of Ways and Means, which otherwise does not deal with early childhood issues. Meanwhile, Oregon Pre-K/Head Start is within the traditional education structure of the Department of Education, and handled in the Education subcommittee.

Governor Kitzhaber's Early Childhood and Family Investment Transition Team made an initial compilation of early childhood spending based on the 2009-2011 legislatively adopted budget, arriving at a \$380 million annual total investment. Similarly, Governor Kitzhaber's recommended 2011-2013 budget grouped early learning related investments across agencies in order to begin approaching this spending, and these efforts, as an integrated, strategic investment with a common outcome. The creation of the Early Learning Council under the Oregon Education Investment Board aligns with this goal – looking across line items and silos towards the outcome of readiness for kindergarten – and recommending operational improvements and policy considerations in achieving those outcomes.

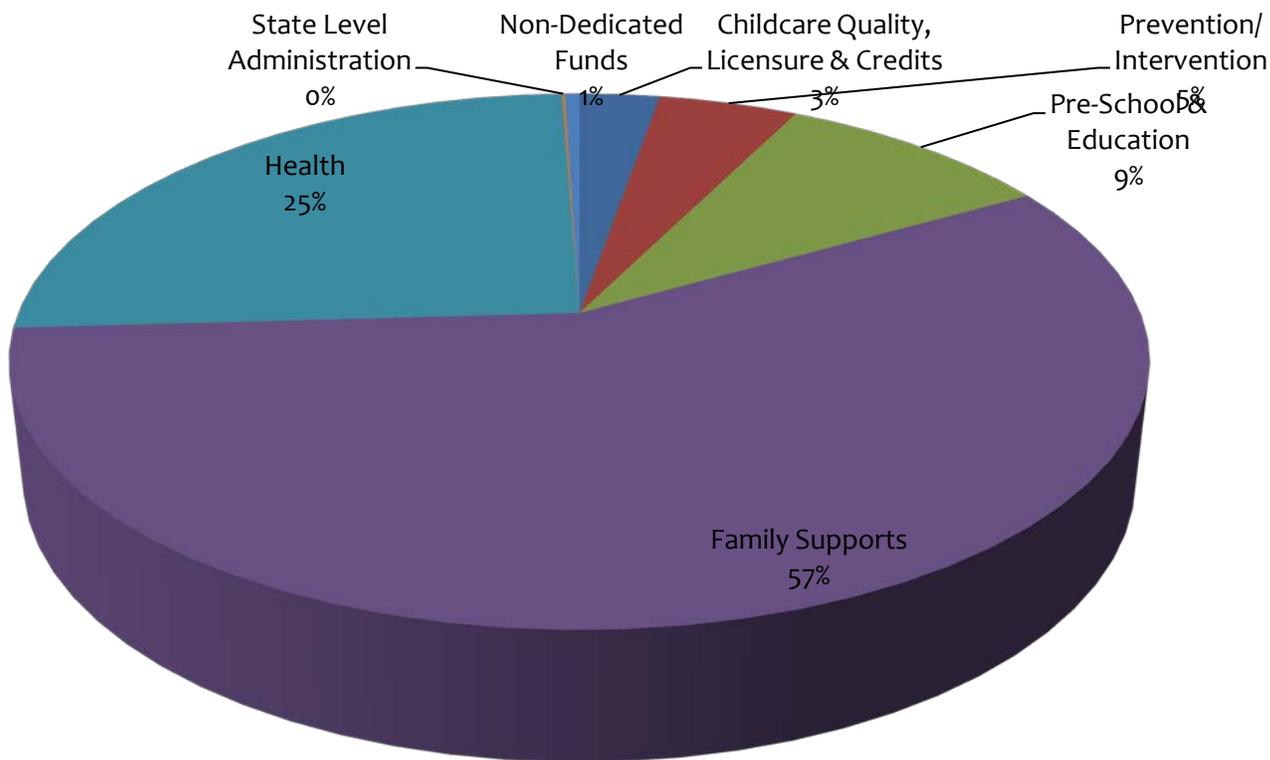
This document attempts to group the state's investments in children under age six together to provide a high level snapshot of the overall government investment through the state. As an overall investment view, this also include tax expenditures (tax credits) that have been established, in whole or in part, to impact policy goals for early learning and family stability.

One approach below (Table 1 & Figure 1) represents an example of possible groupings and is only an example, not a definitive recommendation. Programs and funds are not ranked in any way below, but are simply listed. All figures are rounded.

Table 1. Sample Grouping of Outcome Budget

Service	Budget
CHILDCARE QUALITY, LICENSURE & CREDITS	
Childcare Division	\$17,660,000
Working Family Child Care Tax Credit	\$21,450,000
Child Care Contribution Credit	\$500,000
Child and Dependent Care Tax Credit	\$7,650,000
Total	\$47,260,000
PREVENTION/INTERVENTION	
Relief Nurseries	\$9,060,000
Healthy Start	\$8,400,000
Family Support & Connections	\$1,030,000
Child Welfare Services	\$62,870,000
CASA	\$400,000
Total	\$81,760,000
PRE-SCHOOL & EDUCATION	
Early Intervention	\$16,960,000
Early Childhood Special Education	\$54,200,000
Oregon Pre-Kindergarten	\$61,070,000
Early Head Start	\$770,000
Employment Related Daycare	\$27,730,000
Ready to Read	\$3,190,000
Total	\$163,920,000
FAMILY SUPPORTS	
Child Nutrition	\$164,500,000
TANF	\$127,390,000
SNAP	\$567,730,000
Developmental Disability Programs	\$2,280,000
Earned Income Tax Credit	\$30,900,000
Women Infants and Children	\$106,720,000
Total	\$999,520,000
HEALTH	
Babies First	\$13,890,000
Maternal and Child Health Block Grant	\$6,040,000
Medical Assistance Programs/Oregon Health Plan	\$405,180,000
Healthy Kids Connect	\$12,000,000
Children's Mental Health Services	\$4,290,000
Total	\$441,400,000
STATE LEVEL ADMINISTRATION	
Early Learning System Director and Staff	\$1,100,000
Head Start Collaboration	\$140,000
Early Childhood Program Unit	\$510,000
Total	\$1,750,000
NON-DEDICATED FUNDS	
System Development and Planning Funds (basic capacity)	\$5,000,000
Children Youth and Families	\$800,000
Great Start	\$790,000
Family Preservation and Support	\$1,910,000
Total	\$8,500,000

Figure 1. Early Childhood Budget by Focus



This document is not a proposed budget (i.e. the Governor’s Recommended Budget), and does not recommend specific programs or funding levels, or evaluate results. It is the broadest grouping of all state investments that provide any service to children under age six.

The budget figures in this document are combined state and federal investment, representing a total figure passing through the state budget to services on an annual basis. In the end, not all of these are primary or secondary investments, and may not be the best “fit” should the Governor or legislature further pursue this approach.



Adequate Funding

HB 4165 calls for using the Comprehensive Children’s Budget to assist in determining the level for “adequately funding” early childhood education and development services. A particular challenge in meeting this charge is the lack of common outcome metrics and coordination across programs, and the vast combination of funding streams and sources.

In addition, the average costs per child in each service or program do not consist of the same components. One example is in Early Intervention and Early Childhood Special Education, where the current cost per child is based on an increase in children served within a smaller overall budget—more children are served but are receiving fewer services on average resulting in a lower cost per child.

Finally, arriving at adequacy simply based on current expenditures presumes that all existing models and operations are nearly perfect in efficiency, coordination, and outcomes and that those costs need only be multiplied by the number of children and families deemed “at risk.” The policy direction undertaken by the Governor and the legislature demonstrates that there is widespread belief, even among service providers, that how Oregon currently spends money on young children is not the formula for success and more complicated than simply multiplying current expenditures.

In the most simple terms, the state can calculate current average cost per child multiplied by unmet need (either projected based on population, or based on waiting lists) as defined by a given program model. However, this quickly turns into an abstraction: an “adequate” budget becomes a multi-billion dollar figure that is simply not attainable. The estimated “need” that programs submitted numbers for this exercise (wait lists, estimates), when multiplied by the cost per child, totals over \$2.5 billion.

Likewise, when looking at current figures for children served, there is no consistent definition of level of service provided, connection to common expectation for results, or the role that the given expenditure or service played in contributing to or achieving the desired outcome. Even something as seemingly straightforward as “children served” provides inconsistent and misleading information. For example, Oregon Pre-K has clear definitions (due to the connection to Head Start) for precisely the service array provided and services purchased for exactly how many children (7,290) in a manner that is verifiable, quantifiable, and traceable back to the expenditure by the taxpayer at a cost of \$8,377 per child. In contrast, Children Youth and Families and Great Start funds (formerly under the State Commission on Children and Families and passed through County Commissions on Children and Families) have no consistent expectations, definition, or connection to outcomes and in total report “serving” over 100,000 children at an average cost per child between \$11 and \$30. This is plainly not an accurate comparison between funds, either in terms of service definition, expected outcome, or average cost per child (it is included this document only to demonstrate the current state of reporting).

HB 4165 calls for using the Comprehensive Children’s Budget to assist in determining the level for “adequately funding” early childhood education and developmental services.



An adequate budget for Early Childhood Development Services could instead focus on an integrated array of services to produce the desired outcomes at the child/client/family level, culminating in Kindergarten Readiness. Research suggests that strong, integrated management of evidence-based services in a performance-based contracting system (defined by activity and intended child development outcome, not program) results in better child and family outcomes.

It should be noted that there are not “clean” or definitive lines between all of these funds and programs, as most are not limited to particular age groups or even children (e.g., SNAP, TANF). However, grouping by category gives a sense of overall investment and scale as well as the full picture of state investment. A budget compilation such as this is not an accounting tool. It should be used to look at budgets and programs in combination to achieve policy goals and to provide overall context for discussion. In the future, this exercise should be expanded to include programs for housing and food (such as food banks) that provide critical developmental supports for families and children.

Should the state choose to further develop this approach either as part of the Legislatively Approved Budget process, or a stand-alone exercise between legislative sessions, a more complete and in-depth analysis will require improved analytic capacity.

In order to achieve “adequacy” (defined as the cost to provide opportunities, services, and supports to at-risk children and families), and achieve the goals of Kindergarten Readiness as well as the multiple goals for child and family wellbeing currently in statute—perhaps best summarized as “Stable and Attached Families”—Oregon must clearly develop and arrive at funding, payment, and contracting structures tied to these goals via outcomes in the following areas:

- Child Outcomes
- Service Outcomes
- System Outcomes

Development and implementation of these outcomes is underway through the Early Learning Council and should be reviewed and improved regularly.

HB 4165 further directs that a Comprehensive Children’s Budget should contain “analysis for maximizing”:

- Existing evidence-based programs & services serving at risk children
- Existing programs & service that facilitate early childhood development by supporting the financial stability of low-income families



Recommendations

Based on legislative charges, this report recommends that the state maximize its investments on early engagement with at-risk children and their families. Evidence is clear that there is a strong and graded relationship between risks and adverse experiences in childhood and school success, health status, and wellbeing later in life. Research is also clear that supports in the early months and years of life have a powerful and positive lifelong influence on the cognitive, social, and emotional development of children.

EARLY IDENTIFICATION & SCREENING

The Early Learning Council estimates that 40% of Oregon children experience risk factors (physical, environmental, social or developmental) that compromise their natural ability to be ready to learn when they enter school. Organizations such as the CDC and American Academy of Pediatrics recommend regular and periodic developmental screening to identify children at high-risk. Early identification, through consistent and seamless screening for needs, strengths and risks is a crucial first step to link every child and family with the appropriate level of care, attention, and support needed to remain on their individual trajectory for lifelong success. Early screening opportunities should:

- Be available statewide using natural family touch points (such as healthcare, childcare, families, and community resources)
- Include incentives for healthcare providers and early childhood professionals to conduct regular screenings
- Result in a seamless system with appropriate referrals made as early as possible for all children and families with identified needs. Timely intervention is critical to ensure all children with developmental concerns receive optimal services that will address delays and increase the likelihood that they will be successful learners in kindergarten and beyond.
- Utilize consistent and validated approaches to early identification
- Be consistent with, and follow the Kindergarten Readiness Assessment as the fulcrum between early learning and K-20 education

HOME VISITING

Home visiting strategies, which have a substantial evidence base, should be an area of intentional focus and improvement for Oregon at a state level. Oregon has multiple programs which are either solely structured around home visits, or that have significant home visiting components. Work undertaken at the agency and provider level through the Home Visiting Framework Steering Committee is an excellent start toward bringing consistency, alignment, and shared focus to these multiple efforts. This work should continue and should be raised in its profile at state system level through the Early Learning Council, and focused on shared policy objectives. Home visitation can be an expensive cost model; therefore a thoughtful approach to home visiting models is needed to ensure an efficient system of support. This should include:

- Cross training with other services and domains to maximize the publicly paid “touch points” for basic screening, assessment, and referral to services
- Focus on highest risk families
- Flexibility for local communities to combine or blend home visiting resources to ensure that those who are at highest risk have home-based services available, and eliminate duplication
- Add an explicit focus for home visiting in the areas of early literacy and school readiness



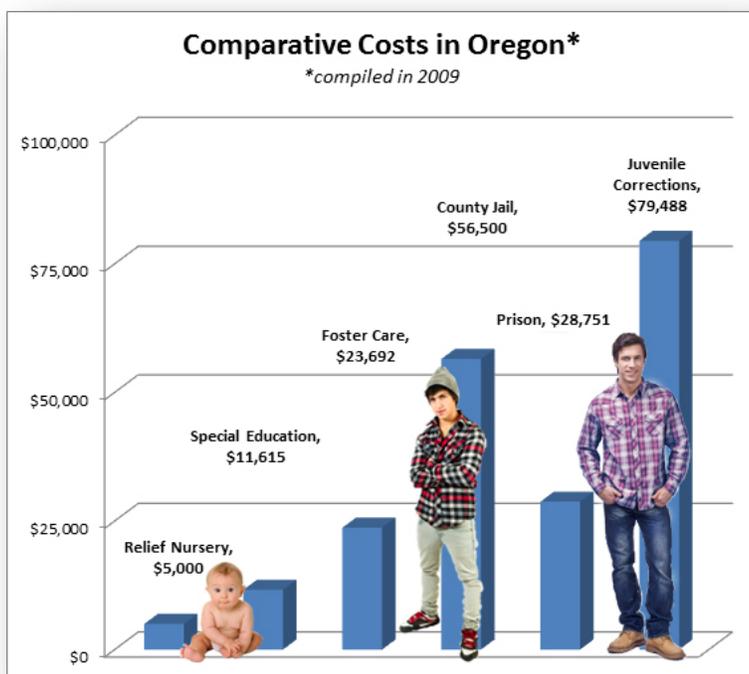
Sample Opportunities to Leverage Home Visits

- When state resources pay for someone to enter a home, those dollars could also help to connect the child and family to information, opportunities, and services that will improve child and family outcomes
- Connect home visiting to the family unlicensed childcare providers commonly known as FFN (Family Friend and Neighbor) care as an additional touch point for support for children, families, and caregivers

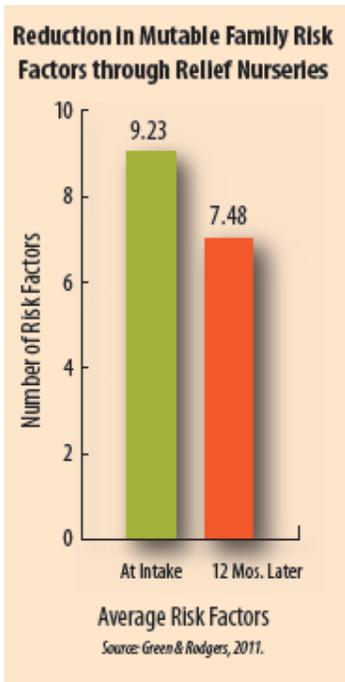
RESPIRE CARE, FAMILY SUPPORT, FOSTER REDUCTION

Relief Nurseries are comprehensive therapeutic family support programs serving children under age six in families experiencing multiple stresses related to abuse and neglect. Relief nurseries are a proven, cost effective, multi-domain intervention and support for these high-risk children and families. Relief Nurseries intervene to keep children safe in their homes and reduce the number of children in foster care using therapeutic early childhood classrooms and home visits.

Figure 2. Comparative Costs for Care in Oregon, 2009



Like home visiting, the Relief Nursery Intervention should explicitly connect to the highest risk families and reduce the state’s cost for later interventions, such as foster care. Relief Nurseries have found cost effective ways to expand in Oregon without increases in administrative overhead by opening satellite locations in nearby communities. To truly maximize this investment, the state, through the Early Learning Council, should:



1. Align relief nurseries with the state’s efforts to reduce foster care through Differential Response and the Preserving, Strengthening, and Reunifying Families program created by SB 964 (2011). The Early Learning Council recommends that in communities that have Relief Nurseries, they be designated as the referral point for families who, after an assessment by child welfare workers, could receive services in their own community rather than placing the child in foster care.

2. Add an explicit focus for Relief Nurseries in the areas of early literacy and school readiness. In a recent evaluation of Relief Nurseries, the percentage of enrolled parents reading to their children at least three times per week increased from 32% before enrollment to 52% after six months.

In addition to Relief Nurseries, Oregon should continue to better array interventions with community-based supports for families before, during and after involvement with the Child Welfare system, including strategies to safely and equitably reduce the number of children who experience foster care. This includes available services and supports so children and their families who are

not at risk for re-entry into foster care can be stabilized. Oregon should specifically improve services for children and families of color by targeting strategies to address issues such as overrepresentation in foster care, underrepresentation in family support and family preservation services, and potential disparities in decision-making. Key strategies include:

- Changing the state’s upfront intervention to more fully engage families through differential response, building on their strengths and engaging them in outcomes that remediate the issues that are challenging the family
- Designing programs to strengthen, preserve, and reunify families involved in the child welfare system and after involvement
- Assisting more families in extreme poverty at risk of involvement with Child Welfare

QUALITY EARLY LEARNING & DEVELOPMENT

Participation in high-quality early learning programs builds a strong foundation that enables children to do better in school, be good problem solvers, work well with others, and grow to become productive adults. Experiences during the first five years set the stage for a child’s entire life. Science shows us that children’s brains are constructed through an ongoing process that begins before birth and continues into adulthood. Fewer children per adult, educated and experienced caregivers, nurturing and dependable relationships between adults and children, and safe and stimulating environments characterize high-quality early learning and development experiences. Research on early care and education reveals strong associations between these quality elements and children’s developing skills and well-being.

“Among day-to-day experiences, the quality of interaction between providers and child has the most significant influence on development outcomes when these interactions are influenced by the skill and stability of the provider” – NACCRRRA (2011)

The state should continue to maximize its investment in, and expectations for, child care subsidies including Employment Related Day Care (ERDC) delivered by vouchers and contracted slots, as well as special population subsidies. Subsidy programs should ensure low-income children are able to access quality early learning programs. As Oregon is only serving, on average, 20% of income-eligible families, the state should work to ensure expansion of subsidies above its current caseload.

Subsidies remain a critical work support to low-income working parents, yet Oregon recognizes the need to support the developmental needs of children in care. Accordingly, performance standards should be set for the percentage of subsidy dollars delivered by contracted slots into quality early learning and development programs. This also capitalizes on the funding provided by Oregon’s Race to the Top Early Learning Challenge Grant application and the performance goals established in the grant. A significant percentage of subsidies should continue to be delivered via voucher in order to support parental choice and to ensure low-income parents working odd hours have safe and nurturing care for their children.

Oregon should continue to capitalize on the Race to the Top funding and continue its investment in quality improvement including a Tiered Quality Rating and Improvement system, a comprehensive early childhood professional development system, and consumer information on childcare and early childhood development available to Oregon parents. Parent education and engagement should be focused among at-risk populations and geographic areas.

Eighty-percent of the costs of early childhood education in our state are borne by parents, and Oregon is one of the highest states for the cost of child care. On average, parents of young children pay more for a childcare center than what is paid for a year of in-state public university tuition. As the vast majority of low-to moderate-income families cannot access centers and other types of formal arrangements, Oregon should continue to undertake efforts to improve affordability as well as analyze the use of school readiness tax credits to help offset costs to parents.

INCOME SUPPORTS

For decades, public policy has reflected the understanding that a child in poverty is at much higher risk for lower achievement levels in school and ultimately reduced opportunities in life. Even small increases in family income have a modest impact on child development for low-income families. The Earned Income Tax Credit (EITC), in particular, has a positive impact on child brain development as it increases a low-incomes families assets on a year after year basis³.

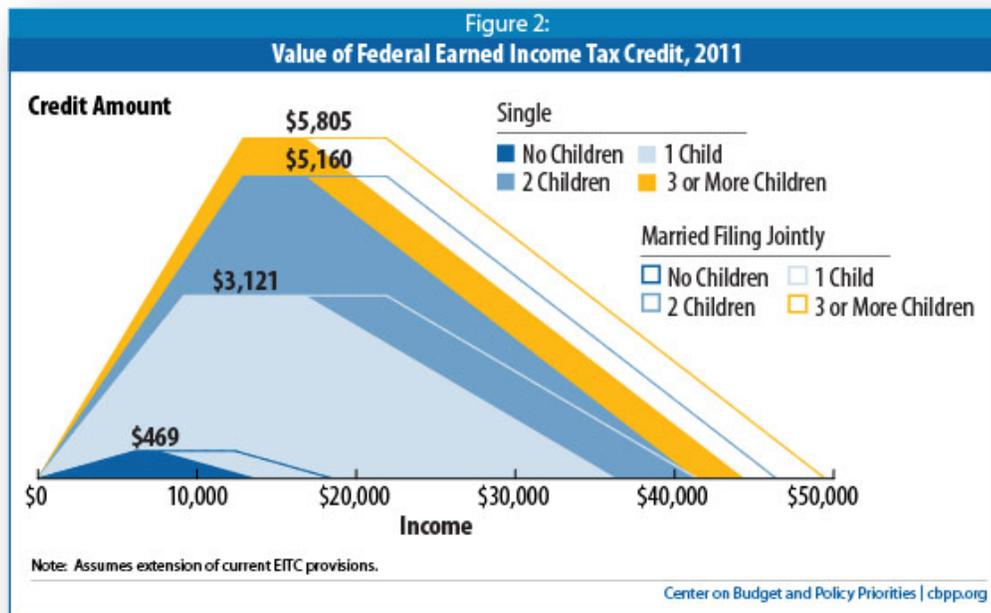
“We generally find stronger effects of income on both math and reading achievement among younger children.” – Dahl & Lochner (2009)

Oregon’s Earned Income Tax Credit is only 6% of the federal EITC, and presents a cost effective, proven, bi-partisan opportunity to invest in children and families. Moreover, as Oregon’s EITC is refundable (if the amount of the credit exceeds annual income taxes it is paid as a refund) it puts real money in family pockets when their income is too low for state income tax liability. Estimates show that a \$1000 increase in income

³ Dahl, G & Lochner, L (2009). The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit. *Institute for Research on Poverty*, Discussion Paper No. 1361-09.

raises math and reading scores by 6% of standard deviation, and that the Earned Income Tax Credit is a particularly effective means of achieving this income support³.

Figure 3. Value of Federal Earned Income Tax Credit, 2011



Oregon should include tax expenditures and income supports within its early learning investment strategy and should initially focus on maintaining and expanding Oregon’s Earned Income Tax Credit.

LITERACY

Early childhood literacy is a critical indicator of future school success and should be a key focus of state investments for outcomes expected across settings. Oregon can maximize its state investments by leveraging funding in childcare, home visits, Relief Nurseries, basic family support and human services with efforts to increase awareness among the general public and high-risk families about the importance of early literacy and reading. Local libraries and the private sector are key partners in this effort. The state should:

- Make Ready-to-Read and library engagement a key component of its service and outcome strategy for addressing early childhood literacy
- Invest in a statewide reading strategy for all children

According to the Campaign for Grade Level Reading⁴, children from high-risk, low-income, high-stress environments:

- Are less likely to be read or spoken to regularly, or to have access to books, literacy-rich environments, high-quality early care, and pre-kindergarten programs
- May hear as many as 30 million fewer words than their middle-income peers before reaching kindergarten

⁴ Campaign for Grade Level Reading (2012). School readiness. Accessed at: gradelevelreading.net/our-work/school-readiness





Summary of Funds by Agency

Early Learning Council

(fund responsibilities inherited from Oregon Commission on Children and Families)

Healthy Start~Healthy Families (HS~HF)

Current annual funding \$8,400,000

Healthy Start~Healthy Families (HS~HF) Oregon is a fully accredited, evidence-based, statewide home visiting program shown to reduce child abuse and neglect. It is a Multi-Site System accredited by Healthy Families America (HFA) and also impacts outcomes related to school readiness, child health, wellness and safety, and family self-sufficiency.

Healthy Start~Healthy Families Oregon serves high-risk, first-time parents with an intensive home visiting model focusing on children ages 0-3. Families identified to be at high risk for adverse childhood outcomes through the use of a standardized research-based screening tool are offered intensive home visiting services. The latest brain development and early learning research is incorporated into services. Visits by highly trained home visitors occur weekly for a minimum of six months, decreasing over three years of services based on family progress. In some circumstances, services continue through age five.

Healthy Start~Healthy Families Oregon is an integral part of a Statewide Home Visiting System Framework currently under development that includes Nurse Family Partnership, Early Intervention, Head Start, Early Head Start, EI/ECSE and Relief Nurseries, among others.

All Healthy Start~Healthy Families programs participate in Medicaid Administrative Claiming (MAC). In addition, each local provider is required to have local match of the HS~HF GF of 25%, of which 5% must be cash or cash equivalent.

Relief Nurseries

Current annual funding \$9,060,000

Relief Nurseries are comprehensive therapeutic family support programs serving children under age six in families experiencing multiple stresses related to abuse and neglect. Relief Nurseries intervene to keep children safe in their homes, reduce the number of children in foster care, enhance early literacy, and increase school readiness in therapeutic early childhood classrooms and home visits.

Relief Nurseries work to stop the cycle of child abuse and neglect through interventions that strengthen parents, build successful and resilient children and preserve families. Ongoing core services for children

under age six include therapeutic early childhood classrooms and home visits. Additional services may include counseling for children, parents and families, crisis response for families in urgent need, outreach for isolated families, parent respite, education and support, transportation and basic needs assistance, alcohol and drug recovery support, and mental health screening and assessment.

Children served in this program live in multi-stressed home environments requiring multiple services for the children and family. Children may present with significant developmental and mental health challenges, such as attachment disorders, delay in social/emotional growth and development, speech delays, hyper-vigilance, post-traumatic stress reactions, other developmental delays, and poor nutrition.

Currently, every Relief Nursery has a waiting list of children and families wanting to participate in these programs. There are 15 Relief Nurseries operating around the state in local communities. Referrals are received from various community partners including Healthy Start, Early Intervention, Head Start programs, and public health programs. Relief Nurseries are an integral part of a Statewide Home Visiting System Framework currently under development.

The families served by the Relief Nurseries are among the highest risk, averaging 16 risk factors associated with child abuse and neglect. During 2008-2010, 98.6% of the children served by Relief Nurseries avoided entry into DHS's Child Welfare system.

Relief Nurseries are required by statute to raise 25% match for all state investment.

Children Youth and Families Funds

Current annual funding \$800,000

Children, Youth and Families (CYF) funding is a community grant that provides evidence-based/best practice community prevention and intervention services for youth, ages 0-18 years, and their families. One hundred-percent of the funds are state general funds that have been directed through count commissions on children and families. Use of the funds varies substantially from county to county, and neither state statute nor budgets have tied these funds to common outcomes other than use of the funds is intended to be for evidence-based or best or promising practices. During 2011-2012 54.7% of services or activities were evidence-based.

Great Start

Current annual funding \$790,000

Great Start funds are utilized to support community-based programs for children who are newborn through eight years of age, and meet community needs. Programming is focused on providing research-based early childhood programs and services that ensure Oregon's youngest children maintain healthy physical, social, intellectual, and emotional development resulting in readiness to learn by first grade. Local activities may include community/afterschool programming, preschools, parent education and respite, early literacy services/initiatives, childcare enhancement, health services, and family counseling/support services.

Great Start funding provides early childhood services and support to families with children aged prenatal to eight years. The intent of the program is to promote healthy physical, social, emotional and cognitive development to ensure children enter school ready to learn. One hundred-percent of the funds—all state general funds—are passed through to County Commissions on Children and Families, without consistent

outcome expectations by the state. Program/service delivery is primarily done through community-based nonprofit providers, but can also include local governmental entities such as school districts and county departments.

Family Support Title IV-B2

Current annual funding \$1,910,000

The intent of this program is to promote the well-being of children and families by increasing the strength and stability of families (including adoptive, foster, and extended families), increasing parents' confidence and competence in their parenting abilities, ensuring children have a safe, stable and supportive family environment, strengthening parental relationships and otherwise enhancing child development. These funds serve children and families for the age range 0-18, and therefore are also connected to the new Youth Development Council. Like other funds associated with the former State Commission on Children and Families, these have been passed through to local commissions and tribes with a high degree of flexibility and inconsistent outcome expectations. These funds are 100% federal and highly flexible

System Development and Planning Funds (Basic Capacity)

Current annual funding \$5,000,000

These are completely flexible, 100% state general funds that have historically been passed through to County Commissions on Children and Families for their infrastructure and planning activities. These funds have not been direct service funding, and have not been connected to state level outcomes (the primary statutory requirement of the Commission was production of a local plan, not results). County Commissions on Children and Families are set to expire June 30, 2013.

Oregon Department of Education

Early Intervention

Current annual funding \$16,960,000

Early Intervention (EI) services are designed to enhance children's development in the areas of physical development, cognitive development, communication development, social and emotional development and adaptive development.

All children who qualify receive services. The number of children receiving services continues to increase. The most recent data show a 3.73% caseload increase from last year (calculated in April 2012 using a 12-month rolling average).

Early Intervention services are designed to assist infants and toddlers with disabilities, developmental delays or conditions likely to result in developmental delay to improve developmental functioning. The purpose of the EI program is to:

- Intervene as early as possible to lessen the impact of the disability for future growth and development
- Assist families in understanding their child's disability and the impact on learning
- Prepare the child for the next phase of their education

Program Delivery

Most children receive services in their home or childcare setting where parents and/or childcare providers are taught the interventions necessary to improve the child's functioning. Services are provided in this way so interventions can be implemented on a daily basis during every-day routines with the infant or toddler.

Services are provided to children and their families by professionals and paraprofessionals including: service coordinators, early intervention teachers, physical therapists, occupational therapists, speech/language pathologists, teaching assistants and specialty teachers. Service coordinators are appointed to, and work with, individual children and their families to coordinate all services across agency lines and act as a single point of contact in helping parents obtain the services and assistance they need.

The program is administered by Oregon Department of Education (ODE) through contracts with nine Education Service Districts (ESDs) across the state to provide services in 35 local programs. It is a single system of Early Intervention and Early Childhood Special Education services that minimizes transitions for families and creates efficiencies for program operation. The programs are monitored by ODE.

Early Childhood Special Education (ECSE)

Current annual funding \$54,200,000

Early Childhood Special Education (ECSE) is a federally mandated special education program for preschoolers, age three to kindergarten, with disabilities or developmental delays. Currently the state serves about 8,400 children through in these programs. Research shows early intervention can lessen the impact of the disability or delay on the child's future growth and development, and success in school.

ECSE services are designed to enhance the child's development in the areas of: physical development, cognitive development, communication development, social and emotional development, and adaptive development. All children who qualify receive services.

Children receive services in a variety of settings, including childcare, public and private preschools, Oregon Pre-Kindergarten (OPK), special education preschools, home, and community settings such as local libraries. The setting is determined by each child's specific special education needs.

Services are provided to children and their families by professionals and paraprofessionals including: ECSE teachers, teaching assistants, physical therapists, occupational therapists, speech/language therapists, and specialty teachers. Service coordination (coordinating all services across agency lines) is an optional service that is provided by most ECSE programs.

The program is administered by ODE through contracts with nine Education Service Districts (ESDs) across the state to provide services in 35 local programs. It is a single system of Early Intervention and Early Childhood Special Education (EI/ECSE) services that minimizes transitions for families and creates efficiencies for program operation. The programs are monitored by ODE.

Currently 8,418 preschoolers are eligible and receiving ECSE services in the state. In April 2012, the growth rate of this population was calculated at 5.59% per year. In April 2013, an additional 470 children are anticipated to be in the program.

All ECSE programs in the state are required to report pre and post-assessment data on preschoolers who have been in the program at least six months. The assessment is conducted at program entry and again

when they exit the program (become eligible for kindergarten, move, or no longer qualify for ECSE services). Data are reported in three outcome areas:

- Social Emotional Skills
- Knowledge and Skills (includes early language and literacy)
- Actions to Meet Their Needs

Funding is made up of: Federal IDEA Part B (17%), Medicaid reimbursement funds (1%), and State General Fund (82%).

Note: Oregon must meet Maintenance of Effort requirements with its General Fund to continue receiving federal funds.

Oregon Pre-Kindergarten

Current annual funding \$61,700,000

In 1987, the Oregon Legislature created the Oregon Pre-Kindergarten program (OPK)⁵, modeled after and designed to work side by side with federal Head Start. Twenty-one programs receive federal and state funds and seven programs are state funded only. ODE and the federal Office of Head Start in the U.S. Department of Health and Human Services (DHHS) work together to administer the 21 jointly funded programs.

The DHHS distributes federal Head Start funds directly to local public agencies, private non-profit and for-profit organizations, American Indian tribes, and school systems. The Oregon Department of Education distributes the state OPK funds through grants to local programs. Federal Head Start requires a 20% non-federal match. OPK requires no match and is used by programs to meet the federal match requirement.

Currently the state funds 7,290 child enrollment slots through the OPK program. Federal Head Start funds 6,074 child enrollment slots and “other sources” fund four slots for a total of 13,368 enrollment slots. The average state cost is \$8,376 and the average federal cost is \$9,569 per child enrollment slot.

Grant fund recipients operate programs in local communities following all federal Head Start Performance Standards.

Early Head Start

Current annual funding \$770,000

Early Head Start (EHS) was created by the federal government in 1994 to provide comprehensive child development services for infants, toddlers and expectant mothers who live in poverty. In 2011 the Oregon Legislature appropriated funds to support additional EHS enrollment slots in existing federally funded programs following all federal Head Start Performance Standards.

Currently, the state funds 59 enrollment slots through this program with general funds. Federal Head Start funds 1,645 child enrollment slots for a total of 1,704 enrollment slots (federal funds go directly to programs and do not flow through the state).

⁵ ORS 329.175

As with Head Start, Federal Early Head Start requires a 20% non-federal match. Oregon requires no match and its investment is used by programs to meet the federal match requirement.

State Level Staff Early Learning Staff (ELC and Department of Education)

Current annual funding \$1,750,000

Funds previously used for administration of Early Learning related activities at the former Commission Children and Families were transferred to the Early Learning Council. Additionally, ARRA funds currently provide operational support for the start-up and development of the Early Learning Council as the state’s federally required Advisory Council on Early Childhood and Development under the Head Start Act, including the Early Learning System Director. These funds expire in the fall of 2013.

The Head Start Collaboration Director is a federally required and defined position, funded 80% by the federal government, as a liaison and system development position working with state, local, and federal partners on Head Start.

Oregon Department of Education Early Childhood Unit consist of four people who provide program development, data support, technical assistance, fiscal support and oversight/monitoring to Early Learning Programs housed in or funded by the Oregon Department of Education.

Child Nutrition Programs

Current annual funding \$164,500,000

The Oregon Department of Education’s Child Nutrition Programs provides children (and some adults) access to food, a healthful diet, and nutrition education in school-based and/or community-based settings, giving participants a nutritional boost where they learn and play. For many Oregon children, the only reliable meal of the day comes from their school or community program.

Oregon Child Nutrition Programs estimates it will reimburse programs for serving 195,516,037 meals and snacks during the 2013-15 biennium. The funding required to do so, and requested for 2013-15, totals \$363.1 million. This figure comprises \$357.3 million in Federal Funds expenditure authority, \$3 million in Other Funds expenditure authority, and \$2.8 million in state support (General Fund).

Table 2. *Children Served by Meal Programs*

Program Group/Program Type	Total Meals Served	Total Children Served
Child and Adult Care Food Programs (CACFP)	17,100,143	87,102
After School At Risk Meals and Snacks Center	1,216,403	36,047
Child Care Center	2,783,917	9,555
Day Care Home	10,050,575	13,864
Head Start Center	2,925,663	25,033
Homeless Shelter	38,211	1,409
Outside School Hours Center	85,374	1,194
School Nutrition Programs (SNP)	40,158,156	269,070
Charter School	659,514	5,666

Regular School	39,416,116	263,243
Residential Child Care Institution	82,526	161
Summer Food Service Programs (SFSP)	2,029,965	43,716
Closed Migrant Site	220,625	2,089
Day Camp	2,220	28
Enrolled Site	10,216	462
Housing Authority	34,359	824
National Youth Sports Program	9,020	257
Open Migrant Site	170,391	2,982
Open Site Based on Economic Need	804	21
Open Site Using Census Tract Data	99,639	2,177
Open Site Using School Data	1,342,687	32,490
Residential Camp/Upward Bound	83,267	1,053
Restricted Open Site Using Non-School Data	3,089	84
Restricted Open Site Using School Data	53,648	1,250
Grand Total	59,288,264	399,889

The above data are averages/total from the Oct. 2010-Sept. 2011 federal fiscal year. No data in Child Nutrition Programs are linked to specific individuals. While some program types are required to indicate which age groups will be eligible, no site reports information about which age groups did participate.

Nearly all funding for meal reimbursements is federal (about \$300 million budgeted in 2011-13, the expectation is actual reimbursements will be higher). State funds in 2011-13 for programs such as Farm to School, Summer Food Service and School Breakfast total about \$2.6 million.

Employment Department Childcare Division

Current annual funding \$62,500,000 (\$55.1 million is transferred to DHS & \$0.4 million to DOE)

Three out of four children will be in paid childcare before entering kindergarten. School readiness can only be achieved when the coordination towards achieving early education goals includes childcare and childcare subsidies.

Licensing Child Care Businesses

The Child Care Division licenses and regulates approximately 6,000 childcare businesses across the state. The Division oversees a registry of childcare providers, volunteers and adults which annually includes over 29,000 background checks and determinations of fitness for those working with young children. Licensing specialists of diverse geography and sociocultural and linguistic backgrounds inspect childcare programs, assist providers in moving up in the professional development registry, and provide technical assistance to improve quality, health, and safety.

Child Care Subsidies

Oregon parents in need of childcare often pay more for care than what they pay for their children to attend Oregon public universities. The Child Care Division (CCD) in partnership with Department of Human Services (DHS) provides childcare subsidies for children in low-income working families through the Employment Related Day Care, currently capped at 8,500 participants. CCD provides approximately 1,000 childcare subsidies for children of targeted low-income populations, including children of teen parents in high school, children of parents in chemical dependency treatment programs, children with special needs, and children of migrant/seasonal farm workers.

Quality Rating and Improvement System

A Tiered Quality Rating and Improvement System (TQRIS) gives a simple star-rating to serve as a consumer guide for parents in making decisions about the programs for their young children. It establishes statewide program standards including early educator standards. Further, the TQRIS assists policymakers to align childcare subsidies for low-income families with the need for young children to access quality early childhood education to be ready for school.

Department of Human Services

Child Welfare

Current annual funding \$62,870,000 (\$5.9 million to Early Learning Council for Family Preservation and Support program)

This program is the field structure that supports the safety of children across Oregon who are abused or neglected. There are 1,257 child welfare caseworkers across Oregon responding to over 75,000 reports of abuse and neglect, and serving approximately 13,000 abused children annually that experience foster care. The program also finalizes approximately 800 adoptions a year, creating a permanent home for children in foster care who cannot return to their parents' custody.

The foster care program operates 24 hours a day, seven days a week to accept and care for children and youth who cannot remain safely in their family homes. The program serves approximately 13,000 children annually who are abused or neglected. The figure also includes about 50% of the developmentally disabled children in Comprehensive Care. DHS partners with community members and organizations representing diverse linguistic and cultural perspectives to deliver foster care services to children and youth across the state. The agency is mandated to provide reasonable efforts to return children to their parents. Currently, approximately 64% of children entering foster care return home to a parent. More than 50% of foster families are relatives or friends of families with children in foster care. There are approximately 45 licensed private child placing agencies in Oregon who are caring for children and youth, most often because the child or youth has a significant behavior or mental health need. An average of 8,778 children are in substitute care programs on any given day with 38% being cared for by relatives—a 15% increase in the last five years. Substitute care also responds to the overall wellbeing of the child or youth in care. Wellbeing is identified as caring and attending to a child's behavioral, emotional and social functioning. This is best identified through meeting the core educational needs, physical and mental health needs, and needs for family and community connections.

To be successful in meeting the safety and wellbeing needs of children and youth we support current programs while expanding the available service array. DHS works in collaboration with multiple state and local governmental agencies such as the Oregon Health Authority, Oregon Department of Education, and local law enforcement, community programs, schools, the faith community and volunteer programs. The Child Welfare Program has a strategic plan to safely and equitably reduce the number of children that enter the foster care system, and provide for the care and wellbeing of children who enter the system. Those children who must enter the foster care system generally have greater needs than those who can remain at home or with relatives. The ability of staff to meet the needs of these children and adequately support the foster families caring for them is directly related to staffing levels in the program.

Child Welfare is in the third year of a five-year strategic plan to safely and equitably reduce the number of children in the foster care system. A critical element of that strategic effort is the implementation of Differential Response. This effort will create the ability of the Child Welfare system to tailor the system response to the needs of families. In states where the response options have been increased beyond the traditional model, more children are able to remain with their parents while their families receive services that will increase their capacity to keep their children safe. Studies demonstrate that children who are not subjected to the trauma of a foster placement fare better on long-term outcomes than children who experience foster care. Children who age out of foster care have higher rates of homelessness and involvement with the criminal justice system than the general population. Differential Response is a critical part of the DHS strategy to eliminate areas of disparities and ensure equitable outcomes. A critical element of successfully implementing this transformation of the child welfare system is staffing at a level adequate to do the work.

Services to Developmentally Disabled Children

Current annual funding \$2,280,000

The General Family Support Program support services are offered to any family of a child under age 18. The program offers minimal support services with the most common request being for respite services. The average amount spent per family is \$625 per year. Children in these programs have case managers through their county Community Developmental Disabilities Program (CDDP) and support services are allocated based on need. Most children are also in school programs and the case manager coordinates between school and home.

Long Term Family Support Program services are offered to a family whose child is in a crisis status and without support to the family the child would have to enter more expensive out-of-home services. This program is limited to a maximum of 250 families and each family cannot exceed a service cost of more than \$1,000 per month.

Family-to-Family Networks are family-driven networks that provide training, information, referral, and general support from one family to another. Just having another family to connect with or problem solve is often what it takes to be supported. Networks also help if a child cannot continue to live with the family because of their care needs or the family circumstances change. Often, once a child moves out of the family home into a foster care or group home care, they stay in 24-hour care for the remainder of their lifespan.

In-Home Comprehensive Services are also provided in some specific situations. For children, there are three specialized in-home programs, each with limited capacity for no more than 200. Collectively these services are known as the Children's Intensive In-Home Services (CIIS). One of these programs is for children with intensive behavioral issues and without supports would require specialized out-of-home services. The second program is for children with medical issues that without support would require nursing home services. The third program is for children with intense medical needs. These are children that are dependent on life support technology such as ventilators and without these in-home services would require services in a hospital setting.

Children with disabilities enter comprehensive service as a voluntary placement because the intensive needs of the child cannot be met in the family home or is involuntary through Child Welfare action. Fifty-percent of

the children in comprehensive care come in through the Child Welfare system. Child Welfare programs maintain responsibility for court relationship but DD provides the specific disability related care.

Self Sufficiency Programs

Employment Related Daycare

Current annual funding \$27,730,000

The Employment Related Day Care program (ERDC) helps very low-income working families from a variety of cultural and linguistic backgrounds arrange and pay for quality childcare. ERDC provides low-income families with the same opportunity to quality childcare as other families with higher incomes.

To be eligible for the program, a family's income must be less than 185% of the 2012 Federal Poverty Level. For a family of three, this amounts to a \$2,944 gross income per month. ERDC and families share the cost of childcare. Families choose their childcare provider and ERDC pays the provider directly for the state portion of the payment. The amount ERDC pays is based on the type of care and hours needed. Families pay a portion, called a copayment, of the childcare bill. The copayment is based on a sliding scale depending on family income and size. Families often pay additional costs, depending on the provider rates and the amount they are eligible through the program. As the family's income increases, the parents' share of the childcare cost increases while still remaining affordable. Co-payments and additional costs paid by the family are also paid directly to the provider by the parents. Parents must pay their portion to remain eligible in the program.

ERDC helps families find childcare and connects childcare providers to those needing care. This service is provided through the DHS offices in every county. Most childcare providers are self-employed. They have passed a background check including a criminal history and child protective services check. Most are required to register with the Oregon Employment Department Child Care Division and the DHS Direct Pay Unit. Licensed childcare providers are represented by the American Federation of State, County and Municipal Employees Council 75 (AFSCME). The Service Employees International Union Local 503 (SEIU) represents family childcare providers who are exempt from licensing. These providers are referred to as Family, Friends and Neighbor (FFN) providers.

DHS coordinates services across its program areas in order to be as efficient as possible in our service delivery. Families receiving services generally are clients of other programs. Maintaining employment for these families is important as they work towards long-term self sufficiency. In March 2012 there were:

- 7,140 ERDC cases and 6,969 (97.6%) were receiving food benefits through the Supplemental Nutrition Assistance Program (SNAP)
- 5,079 ERDC cases that had a companion medical case, which included 13,079 children receiving Oregon Health Plan or insurance through the Healthy Kids program

Today childcare providers enter daily attendance hours and calculate monthly billing amounts manually. DHS is developing an automated Child Care Billing and Attendance Tracking (CCBAT) system to increase program efficiencies. This solution will allow for the electronic capture of attendance and authorization data. CCBAT will provide cost savings, improve program management and accountability, reduce the number of payment

adjustments and provide better outcomes for providers and parents. Implementation of the system begins in the fall of 2012.

Temporary Assistance to Needy Families (TANF)

Current annual funding \$127,390,000

Temporary Assistance for Needy Families (TANF) is a critical safety net program for families with children living in extreme poverty. TANF helps families, including over 63,000 children, from a variety of diverse backgrounds to address their most basic needs. Young children make up a large number of those served within TANF. Half of all children in TANF are between 0-5 years old. TANF provides eligible families with cash assistance, connections to support and community resources, case management, and employment and training services. Safety net programs are usually the last step for families with few or no resources left, and any assistance can have an immediate impact on their health, safety and well-being. These families typically use TANF funds to prevent homelessness and to help with other factors contributing to family instability. The goal of the program is to help families address barriers, and gain skills and access to employment opportunities to become self-sufficient.

TANF is a collection of programs directed at improving the lives of very low-income Oregon families with children. Our overall TANF program provides immediate cash assistance at a point when families have exhausted all other resources. DHS also provides employment and training services, linkages to services in the community and short-term interventions such as support to strengthen parenting skills or the healthy development of children. Most parents and caretaker relatives must meet additional requirements to receive TANF services, such as participating in the Job Opportunity and Basic Skills (JOBS) program. These individuals must participate in JOBS to gain the skills necessary to join the workforce and retain a job or face possible sanctions, including losing benefits. A TANF family may participate in the JOBS program and access a variety of other programs and services as part of the plan to move a client towards self-sufficiency.

To qualify for TANF families must be below 40% of the Federal Poverty Line (FPL). For a family of three, this means an income below \$616 per month. Currently the maximum monthly benefit for a family of three is \$506 (approximately 33% of FPL). There is a 60-month time limit for adults to receive TANF.

Supplemental Nutrition Assistance Program (SNAP)

Current annual funding \$567,730,000

The Supplemental Nutrition Assistance Program (SNAP) is a federally funded food benefit program. SNAP provides supplemental food benefit dollars to low-income families, seniors, single adults, persons with disabilities, and children to help purchase food to meet their nutritional needs. Currently, one in five Oregonians receive these benefits. Benefits to clients are 100% federally funded, and the administration of the program requires a 50% state match. Recent research has shown that SNAP benefits reduce the depth and severity of poverty, and have a particularly strong effect on reducing the depth and severity of child poverty.

The goals of the SNAP program are to ensure that benefits are delivered accurately and in a timely manner to those who are eligible for the program. It also aims to ensure those who are eligible for the program have access to program benefits. Oregon's program has enabled the state to maintain a high participation rate

along with a high Federal Quality Control (QC) rate. Oregon's SNAP program has continually performed above the national average and not paid a performance penalty in seven years.

Oregon has received three Federal bonuses because of the state's high SNAP participation rate and has also been the recipient of multiple competitive national grants. Oregon also was one of six states recognized for the timeliness of SNAP application processing. The two awards come with performance bonuses totaling \$5 million. This is in addition to a \$1.5 million award received in June 2011 for accurate payment of benefits to SNAP clients. This is the fifth year in a row Oregon has been among the best in the nation. The bonus award funding has been used over the years to support partner agencies, help meet the program's goals and, frequently, to shore up needs in other programs through the State General Fund. Oregon is considered a model state by FNS in terms of timeliness and commitment to customer service.

In 2009, Congress enacted an economic stimulus package known as the American Recovery Reinvestment Act (ARRA) that increased SNAP benefits nationwide. Effective April 2009, SNAP benefits increased 14%. The minimum increase in benefit for a one- or two-person group is \$16 a month.

Benefits are expected to be reduced overall when the ARRA ends in Federal Fiscal Year 2013 and the Thrifty Food Plan Benefit level recalibration (an effort to recalculate benefits across the board) will reset SNAP benefit levels. This is expected to result in a net reduction in benefits for households.

Family Support & Connections

Current annual funding \$1,030,000

Family Support and Connections (FS&C) is a child abuse and neglect prevention program that provides services through home visits. These families are eligible for the Temporary Assistance for Needy Families (TANF) program, a safety net program that provides cash assistance to parents. FS&C services are generally provided to families with barriers or issues that put them at a higher risk of involvement with the Child Welfare system. Services are provided through contracts with local community organizations. The services focus on strengthening parenting and family stability, and decreasing the risk factors for child abuse and neglect to prevent children on TANF from entering the foster care system. Through home visits, families develop relationships with a community organization that can effectively assess the family's environment to best understand its needs and connect the family with the appropriate resources in its community.

FS&C is part of the continuum of community supports to prevent child abuse and neglect. This program focuses on TANF families who may be at risk for involvement with the foster care system. DHS collaborates with numerous local and state, and informal and formal prevention services and activities to meet families' needs. Program staff work within the existing community structure to coordinate referrals and offer some direct services where gaps or needs exist for a family. For example, the FS&C home visitor may facilitate a parenting support group, and also help with referrals to community services for assistance with rent and other needs.

Services are designed to increase parental protective factors and decrease the risk factors of child abuse and neglect. Families receive weekly home visits for approximately six months. The program served 7,336 families during the 2009-2011 biennium. This program provides voluntary home visiting services in all 36

counties and works collaboratively with Self Sufficiency and Child Welfare program staff, contracted staff and other community partners.

Oregon State Library Ready-to-Read Program

Current annual funding \$3,190,000

The Ready-to-Read Grant general funds that are distributed through the State Library focus state investment directly in evidence-based programs and practices that ensure all children are ready for school and do not suffer summer learning loss. The grants are available to any legally-established public library in Oregon and must be used to provide early literacy services to families and care providers and/or summer reading programs for youth. In addition to funding that goes directly to local libraries, the youth services consultant in Library Development provides training, consulting, and resources about youth services in libraries to local library staff. In our efforts to promote research-based best practices, a key performance measure of the program is the number of libraries that adopt all three best practices in library service to children as identified by the State Library. Those three best practices are library summer reading programs, library outreach to childcare providers, and early literacy training for parents and caregivers.

Oregon Health Authority

Babies First

Current annual funding \$13,890,000

Babies First provides services to those families at highest risk for developmental, social, medical or emotional problems. This program is delivered by county health department-based public health nurses.

Program eligibility is based on well-defined, evidence-based medical and social risk factors. During these home visits, county health department public health nurses provide evidence-based assessments of mother and infant attachment and the home environment, screening and referral for developmental delays, vision and hearing, and case management, advocacy and education for the families. Currently about 7,000 children receive this service each year and this number represents only a small portion of the total number of children with potential health and development risks that would be eligible for the services.

Maternal and Child Health Block Grant

Current annual funding \$6,040,000 (transfers \$1.3 million to OHSU)

The Title V Maternal, Child and Adolescent Health Federal Block Grant is a federal program that provides funding to states' lead health agencies to provide preventive and primary care health services for pregnant women, children, adolescents, and children and youth with special health needs. Activities include health needs assessments (for individuals or at a population health level), health outcomes, priority setting, and collaborative leadership in maternal and child health policy and program development, implementation and evaluation.

- At least 30% is earmarked for child and adolescent health prevention and health services
- At least 30% is earmarked for health services for children with special health care needs (statute requires that OHSU deliver these services)
- Any balance may be used to provide services and supports for any MCH population group

Women, Infants, and Children (WIC)

Current annual funding \$106,720,000

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program provides vouchers for healthy foods for pregnant women, postpartum women and children under age 5 years in 104 clinic locations across Oregon. WIC visits also provide important assessments and referrals for a variety of health services for women and children, including screening for development delays, growth problems, anemia, family violence and substance abuse, nutrition education, and breastfeeding promotion and support. During 2011, Oregon WIC served 51% of women who gave birth in Oregon and 61% of women giving birth in rural counties. WIC funding comes almost entirely from the U.S. Department of Agriculture (USDA), which has strict guidelines about which foods may be purchased with WIC vouchers and how USDA funds may be spent.

Eligibility criteria include: pregnant, postpartum or breastfeeding women, infants and children up to the age of five who have a health or nutrition risk as defined by the USDA, household income of less than 185% of federal poverty level, and live in Oregon. In March 2012, Oregon provided WIC benefits to 11,980 pregnant women, 15,195 postpartum and breastfeeding women, 24,340 infants, and 64,863 children last biennium.

Participants receive program benefits at an initial visit where they are “certified,” and afterwards must be seen at least quarterly and “recertified” according to a schedule required by USDA. At each certification visit a participant receives health screening, nutrition education and appropriate referrals as necessary. Visits include:

- Measurement of height and weight and calculation of BMI and assessment of growth patterns
- Blood sample taken to check for iron deficiency
- Health history and dietary screening to determine nutritional risk using nationally defined, evidence-based risk categories
- Individualized nutrition counseling; high-risk participants see a Registered Dietitian
- Immunization screening and referral
- Screening and referral (as needed) to domestic violence, alcohol, drug and/or tobacco intervention services
- Referral to Oregon Health Plan or Healthy Kids, prenatal care, patient-centered primary care homes

Oregon Health Plan & Healthy Kids

Current annual funding \$405,180,000 (transfers \$2.5 million to Early Learning Council for Healthy Start)

Oregon Health Plan (OHP) provides health care coverage to low-income seniors, people with disabilities, children, pregnant women, and adults living at or below 100% of the Federal Poverty Level. Nearly half of all children born in Oregon are on the Oregon Health Plan. Clients receive coverage through two benefit packages which are based on the prioritized list of health services:

- The OHP Plus benefit package provides a comprehensive set of services to those individuals who qualify under traditional Medicaid and the Children’s Health Insurance Program (CHIP) eligibility categories
- The OHP Standard benefit package provides a limited set of services to uninsured adults who would not otherwise qualify for Medicaid except by virtue of the OHP Medicaid demonstration waiver

Today, most clients of the program receive their benefits through managed care organizations. OHA contracts with fully capitated health plans, mental health organizations, and dental care organizations to provide clients with needed services. While the managed care organizations have done a good job in keeping health care costs down, their current structure limits their ability to maximize efficiency and value by effectively integrating and coordinating person-centered care. The state pays each entity separately to manage elements of a person's health as though they are distinct.

In 2011, the Oregon Legislature and Governor Kitzhaber created Coordinated Care Organizations (CCOs) in House Bill 3650 with the goal of achieving the Triple Aim of improving health, improving health care, and lowering costs by transforming the health care delivery system. CCOs are local networks of all types of health care providers working together to deliver care for Oregon Health Plan clients. Care is coordinated at every point – from where services are delivered to how the bills are paid.

Healthy Kids Connect

Current annual funding \$12,000,000

Healthy Kids Connect (HKC) is the private market insurance component of Healthy Kids, Oregon's health care program for children. Administered by the Office of Private Health Partnerships, HKC is for families that earn too much to qualify for the Oregon Health Plan, but cannot afford private health insurance. The office also administers the Employer Sponsored Insurance (ESI)/group component. Those with access to ESI up to 300% of the Federal Poverty Level (FPL) can receive premium assistance in the form of a reimbursement, as long as the employer plan meets federal guidelines.

Children's Mental Health Services

Current funding \$4,290,000

The Community Mental Health Programs receive a mixture of general fund and federal block grant funds through a Financial Assistance Agreement (FFA) from the Addictions and Mental Health Division. The primary purpose is to provide mental health services for children who are not eligible for OHP or have other forms of sponsorship, and for services and functions that are not reimbursed through these resources. The funds assist counties to provide a framework for mental health services in collaboration with other child serving systems in each community. A large majority of children's mental health services are reimbursed through OHP so it is vital that there is strong collaboration between the funding sources of the FFA and OHP. The Service Element Description in the CMHP Financial Assistance Agreement states that "MH services delivered to individuals under age 18 (or under age 21 if Medicaid-eligible) who have primary mental, emotional or behavioral conditions. Includes screening, assessment and level of need determination services; and referral and care coordination services. Services may be delivered, as appropriate, in clinic, home, school or other settings familiar and comfortable for the individual receiving such services."

Oregon Housing and Community Services/Oregon Volunteers – Court Appointed Special Advocates

Current annual funding \$400,000

Federal and state laws mandate that the court shall appoint a special advocate (CASA) for every abused and neglected child involved in a dependency case. In 1987, the Oregon Legislative Assembly enacted what is now [ORS 419A.170](#), mandating the appointment of CASA for each of these children.

A CASA is a trained citizen volunteer who is a party to the case, and, subject to the direction of the court:

- Investigates all relevant information about the case
- Advocates for the best interests of the child, assuring that all relevant facts are brought before the court
- Facilitates and negotiates to ensure that the court, Department of Human Services, if applicable, and the child or ward's attorney, if any, fulfill their obligations to the child or ward in a timely fashion
- Monitors all court orders to ensure compliance and to bring to the court's attention any change in circumstances that may require a modification of the court's order

A CASA volunteer's primary responsibility is to represent the best interests of the child and work to assure that each child safely returns to, or finds, a safe and permanent family as soon as possible. CASAs visit children regularly, review records, interview parents and relatives, consult with teachers, neighbors and foster care providers, and work closely with community service providers. They advocate for the children and families to gain access to needed support and services.

Tax Credits

While not a program expenditure in terms of direct payment from the state for services, tax credits do represent an investment decision by the state in two respects:

- 1) While not expended in the same manner, credits do represent foregone revenue, and therefore the amount of credit can be viewed as a choice to pursue policy results (in this case for children) by foregoing revenue rather than spending it
- 2) The credits are targeted to specific policy goals

In terms of early learning, these credits are not precisely aligned with the 0-6 age group, and therefore these credits should be viewed as part of the context of the investment environment, rather than a dedicated or programmed early learning only tool.

Working Family Child Care Tax Credit

Current annual revenue impact \$21,450,000

The working family child care credit is a refundable tax credit for low-income working families. The credit is based on:

- Qualifying child care expenses
- The number of people in the family (household size)
- Adjusted gross income
- The Working Family Child Care Credit is available only on the Oregon tax return. While this credit seems similar to the child and dependent care credit, it stands alone under Oregon law.

The Working Family Child Care Credit is a refundable credit: if the credit is more than your tax, you will receive the difference. The Working Family Child Care Credit is also different from the child and dependent care credit because you do not have to reduce the credit by the amount of expenses paid with pre-tax dollars.

Child and Dependent Care Credit

Current annual revenue impact \$7,650,000

Oregon is among 20 states in the nation that offer a state tax credit for dependent care assistance provided to employees. Oregon's tax credit permits an employer to offset 50% of its childcare expenditures against its state tax liability. The credit allows an annual limit of \$2,500 per employee.

The state tax credit for childcare applies to these costs:

- Contracting with a third-party child care provider
- Purchasing employees' child care through payments to a third-party child care provider
- Providing direct subsidies or vouchers to employees
- Contracting for child care resource and referral services

Oregon Child Care Contribution Credit

Current annual revenue impact \$500,000

In 2003, the state legislature recognized this disparity in the childcare system by enacting the [Oregon Child Care Contribution Tax Credit](#). By making a contribution to the program, taxpayers receive an Oregon state tax credit of 75 cents for each dollar contributed. Contributions made to the program are accounted for in the Childcare Division Budget. Funds are restricted to be used for improving the quality, affordability and accessibility of childcare.

Earned Income Tax Credit

Current annual revenue impact \$30,900,000

The Earned Income Tax Credit (EITC) is designed for lower income working families and individuals, and is based solely on income. Taxpayers eligible for the federal EITC can also claim the Oregon EITC. The federal EITC is credited with reducing poverty for millions of low income families and individuals.

Oregon's EITC is 6% of the federal EITC and is refundable (if the amount of the credit exceeds annual income taxes it is paid as a refund)—putting real money in family pockets when their income is too low for state income tax liability. In 2008, \$12.4 million of the claimed credits exceeded tax liability and were refunded.

Table 3. 2012 Early Learning Council – Current Services Children Under 6

Current Agency/Program Structure	Number of Children Served	Currently Funded Annual Total Costs	Sample Annual Budget by Focus	Currently Funded Annual Costs
EARLY LEARNING COUNCIL			CHILDCARE QUALITY, LICENSURE & CREDITS	
Healthy Start	3,523	\$ 8,400,000	Childcare Division	\$17,660,000
Relief Nurseries	3,251	\$9,060,000	Working Family Child Care Tax Credit	\$21,450,000
Children Youth and Families	74,386	\$ 800,000	Child Care Contribution Credit	\$500,000
Great Start	27,526	\$790,000	Child and Dependent Care Tax Credit	\$7,650,000
Family Preservation and Support	58,772	\$1,910,000	Subtotal	\$47,260,000
System Development and planning funds (basic capacity)		\$5,000,000	PREVENTION/INTERVENTION	
Early Learning System Director and Staff		\$1,100,000	Relief Nurseries	\$9,060,000
Subtotal		\$27,060,000	Healthy Start	\$8,400,000
DEPARTMENT OF EDUCATION			Family Support and Connections	\$1,030,000
Early Intervention	2,867	\$16,960,000	Child Welfare Services	\$62,870,000
Early Childhood Special Education	7,762	\$54,200,000	CASA	\$400,000
Oregon Pre-kindergarten	7,290	\$61,070,000	Subtotal	\$81,760,000
Early Headstart	59	\$ 770,000	PRE-SCHOOL & EDUCATION	
Head Start Collaboration		\$140,000	Early Intervention	\$16,960,000
Early Childhood Program Unit		\$510,000	Early Childhood Special Education	\$54,200,000
Child Nutrition Program	389,889	\$164,500,000	Oregon Pre-kindergarten	\$61,070,000
Subtotal		\$298,150,000	Early Headstart	\$770,000
EMPLOYMENT DEPARTMENT			Employment Related Daycare	\$27,730,000
Childcare Division	96,496	\$17,660,000	Ready to Read	\$3,190,000
DEPARTMENT OF HUMAN SERVICES			Subtotal	\$163,920,000
Child Welfare			FAMILY SUPPORTS	
Substitute Care	5,168	\$59,940,000	Child Nutrition	\$164,500,000
Adoption/Guardian Assistance	500	\$2,930,000	TANF	\$127,390,000
Child Safety	1,011		SNAP	\$567,730,000
Developmentally Disabled Programs			Developmentally Disability Programs	\$2,280,000
Family Support	54	\$120,000	Earned Income Tax Credit	\$30,900,000
Long Term Diversion	6	\$50,000	Women Infants and Children	\$106,720,000
Foster Care Children	56	\$2,110,000	Subtotal	\$999,520,000
Self Sufficiency			HEALTH	
Employment Related Daycare	7,025	\$27,730,000	Babies First	\$13,890,000

TANF	22,491	\$127,390,000
SNAP	117,983	\$567,730,000
Family Support and Connections	834	\$1,030,000
Subtotal		\$789,030,000

OREGON STATE LIBRARY

Library Development (Ready-to-Read Grant Program)		\$3,190,000
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OREGON HEALTH AUTHORITY		
Babies First	6,511	\$6,040,000
Maternal and Child Health Block Grant		\$106,720,000
Women, Infants, and Children	125,111	\$405,180,000
Medical Assistance Programs/Oregon Health Plan	136,700	\$12,000,000
Healthy Kids Connect	2,455	\$6,040,000
Children's Mental Health Services		
Child & Adolescent Mental Health	8,548	\$2,530,000
Community Crisis	81	\$90,000
Parent/Child Interactive Therapy	547	\$1,670,000
Subtotal		\$548,120,000

OREGON HOUSING AND COMMUNITY SERVICES

CASA	1,758	\$400,000
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TAX CREDITS		
Working Family Child Care		\$21,450,000
Child Care Contribution Credit		\$500,000
Child and Dependent Care		\$7,650,000
Earned Income Tax Credit		\$30,900,000
Subtotal		\$60,500,000

TOTAL \$1,744,110,000

Maternal and Child Health Block Grant	\$6,040,000
Medical Assistance Programs/Oregon Health Plan	\$405,180,000
Healthy Kids Connect	\$12,000,000
Children's Mental Health Services	\$4,290,000

Subtotal \$441,400,000

STATE LEVEL ADMINISTRATION

Early Learning System Director & Staff	\$1,100,000
Head Start Collaboration	\$140,000
Early Childhood Program Unit	\$510,000

Subtotal \$1,750,000

NON-DEDICATED FUNDS

System Development & Planning Funds (basic cap.)	\$5,000,000
Children Youth and Families	\$800,000
Great Start	\$790,000
Family Preservation and Support	\$1,910,000

Subtotal \$8,500,000

TOTAL \$1,744,110,000