



Oregon

Theodore R. Kulongoski, Governor

Employment Department

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May 4, 2009

The Honorable Margaret Carter, Co-Chair
The Honorable Peter Buckley, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



Re: CCDF (Child Care Development Fund) ARRA Funds

Dear Co-Chairpersons:

This is to provide joint notification from both Oregon Employment Department (OED), and Department of Human Services (DHS), of the recent award of American Recovery and Reinvestment Act funding (ARRA), to the OED Child Care program.

The Employment Department is Oregon's designated child care lead agency. Its Child Care Division (CCD) receives and administers the federal funds, coordinates services, and regulates the child care industry. CCD serves Oregon's working families by ensuring the child care system in the state meets all health and safety requirements, and provides high quality, affordable and accessible child care to families.

The ARRA is providing \$22.5 million in additional Child Care and Development Fund (CCDF) discretionary funds to OED. Of this, \$2.9 million is dedicated to infant and toddler and quality child care expansion services and \$19.5 million to child care assistance. There are no matching funds required. OED and DHS have been working together to ensure contracts are amended so that services can be quickly delivered to our clients. OED expects to make special payments of \$19.5 million to DHS to provide much needed direct child care subsidy payments to clients during the remainder of the 2007-09 biennium. The CCDF base funding level in 2007-09 was \$95,421,058 and is expected to remain the same for 2009-11.

As these ARRA funds are considered Formula or Entitlement funds, there is no formal application required from OED to receive the funds. However, there are stringent reporting requirements and prohibitions on using the funds to "supplant" state general funds. OED and DHS have worked to ensure that all requirements are met. Separate letters have been sent providing notification of ARRA funds received to date by OED and OED's request for additional limitation to spend such funds.

Sincerely,

Laurie A. Warner,
Employment Department Director

Bruce Goldberg
Department Human Services Director

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The Honorable Peter Buckley, Co-Chair

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- c: William McGee, Dept. of Administrative Services Budget and Management Division
- Michelle Deister, Legislative Fiscal Office
- Kate Cooper-Richardson, Governor's Economic Recovery Team
- Courtney Warner, Governor's Economic Recovery Team
- Blake Johnson, Dept. of Administrative Services Budget and Management Division
- John Britton, Legislative Fiscal Office
- Sheila Baker, Legislative Fiscal Office