M. Contracted Child Care

The majority of families on the Employment Related Day Care (ERDC) program are served under the standard voucher payment process. Contracted child care is another option for families who meet ERDC eligibility along with some additional requirements. Contracted child care is not available in all areas.

Families need to meet minimum working requirements and they need to be evaluated to ensure that the family is a good fit for a contracted slot. This includes looking at the parent or caretaker’s work hours to see if they are in line with the child care facilities business hours.

**Example:** A parent who works Thursday through Sunday would not be a good fit for a contracted site that is open Monday through Friday.

Contracted child care is offered through different types of providers. DHS has contracted child care with Head Start and providers participating in the Early Head Start Partnership (ESH-CCP). The programs must meet minimum requirements to qualify for a child care contract.

The goals of contracted child care are to help parents, children and providers succeed. This is done by increasing:

- Stability of child care to help the parent remain employed;
- Continuity of high quality care to help the child prepare for kindergarten; and
- Stability of funding for the provider to allow them to serve subsidy families without the risk of fluctuating payments or a sudden end to the child care subsidy.

Contracted child care cases are primarily carried and maintained by designated staff in each area, these staff serve as the contracted child care point person. Training is offered annually by Central Office Head Start Coordinators.

1. Head Start contracts

Head Start contracts providing child care services for DHS clients are developed and administered by DHS Central Office with feedback and assistance from the local DHS district. Not all Head Start programs have contracted slots. Only sites that are able to offer full-day, full-year care and meet other minimum requirements are eligible to contract with DHS.
Head Start contracted slots begin September 1, or October 1 (depending on the program) and end August 31 of the following year. A child can enter a contracted slot anytime throughout the year and children in a contracted slot will have the potential to renew the contracted slot the next year as long as they meet ERDC and Head Start eligibility requirements. For ERDC cases with Head Start contracts, the APR date on the case is extended to align with the contract end date (08/31/YYYY).

Head Start programs recruit existing or new ERDC eligible children, ages 0 through 5, to participate in the contracted slots. DHS workers may also refer families to Head Start.

To meet initial Head Start eligibility a family must be eligible for ERDC, and:

- Meet Head Start income standards (these are lower than ERDC income standards);
- The parent/caretaker must be working at least 25 hours per week;
- The parent/caretaker must agree to have the child attend the Head Start at least 136 hours per month.

Children in a Head Start contracted slot will have protected eligibility and can only be removed from a Head Start slot prior to the certification end date if:

- There is an unmet copayment.
- The child’s attendance hours at the program are less than full time (136) and efforts to increase attendance have failed.
- The family chooses to leave the Head Start Program.
- The parent or caretaker does not continue to actively seek employment or is not available to work during the hours the Head Start program is operating.
- The parent or caretaker of the child voluntarily quits their job or causes their own dismissal, and they do not meet the “good cause” criteria in OAR 461-135-0070(3).
- The parent or caretaker enrolls into school instead of continuing to seek employment or remaining available to work during the hours the Head Start program is operating.

Children served by a Head Start contract are not eligible for DHS to make payments to other providers directly. A billing form cannot be sent to a secondary provider for backup care. Head Start programs can offer subcontracted payments to DHS-approved providers who are registered or certified through the Office of Child Care. These subcontracted providers help cover care when the Head Start’s facility is closed due to in-service days, training days and inclement weather.
2. **Early Head Start**

In order for a provider to be eligible for an Early Head Start (EHS-CCP) contract, they must be working with one of four EHS grantees. The grantees work with providers to bring their sites up to Head Start standards including curriculum and staffing requirements. The grantees have agreed to ensure that the providers they work with will serve families on child care subsidy programs.

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3. **Contract coding**

Starting September 1, 2015, all contracted child care slots will utilize the PQC case descriptor and needs resource coding. PQC stands for Programs of Quality Care and will be a universal code that will be used for all contracted slots.

DHS field staff must use the PQC case descriptor and need/resource code for each child on the contract. This is needed to ensure the Direct Pay Unit will pay at the full time contracted monthly rate. This also notifies DPU that they cannot connect a secondary or back up provider for the child.

**Head Start and Early Head Start Income coding:**

Income is coded as $1.00 with the actual income amount coded in the note field. This allows the family to receive the $27.00 minimum copay. Each additional source of income (i.e., child support, SSI, a second job) will each be coded individually with $1.00.
Example:

| C/D | BAS | __ | __ | __ | __ | __ | __ | 1.00 | 1223.52 |
| N/R | EML | C   | __ | __ | __ | __ | __ |      |         |

The type of contracted slot and the end of the contract year will be noted on the PQC needs resource coding. Contract system coding should only be added or removed by the Contracted Child Care point person or as directed by the Contracted Child Care Coordinator in Central Office.

Examples of PQC case descriptor and needs resource coding:

**Head Start**

| C/D | PQC | __ | __ | __ | __ | __ | __ | 08/2016 | HS     |
| N/R | PQC | 08/2016 |     | OPQ |

**Early Head Start**

| C/D | PQC | __ | __ | __ | __ | __ | __ | 08/2016 | EHS |

**NOTE**

The former “CCC” coding is no longer valid and can be removed from ERDC cases. Cases with current year CCC coding should be referred to child care policy.

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**Children in the Head Start Program; ERDC and TANF Rule**

461-135-0405 — Children in the Head Start Program; ERDC and TANF

**Child Care Eligibility Standard, Payment Rates, and Copayments Rule**

461-155-0150 — Child Care Eligibility Standard, Payment Rates, and Copayments