

Child Care & Education: Building a Firm Foundation for Oregon's Families & Oregon's Economy

Executive Summary



Oregon Commission for Child Care
Report to the Governor
& the Legislature 2007

Child Care and Education in Oregon 2007: An Overview and Call to Action

The pivotal importance of child care and education continues to be documented across the nation. Studies on early brain development have shown how critical early childhood experiences are for young children; in a nutshell, these experiences will shape the course of their lives. Research on the economic impact of the child care and education industry has pointed not only to the direct economic benefit for working families and child care providers, but to a powerful, wide-ranging ripple effect bolstering the overall state economy.

With all of the information that is now at our disposal, we have a very real responsibility to act upon it. We on the Oregon Commission for Child Care are clear: We envision a child care and education system for our state that meets the needs of all Oregon families, and we are committed to achieving this goal.

The partners that comprise Oregon's child care and education system have made great progress over a period of years. Even while grappling with lean budgets and enormous need, they have worked intensively together in a coordinated fashion to keep us moving forward. This has been a truly amazing effort that merits recognition.

We can also be proud of the state's recent accomplishments: We have done intensive study of the significant role that child care and education plays in Oregon's economy. We have established indicators of high-quality care and have begun to measure them. Soon we will launch the Virtual Degree Program, which will provide much-needed access to early childhood education training for child care providers across the state. Additionally, with leadership from the Commission, key partners have focused their attention on bridging the affordability gap; the fruit of this work can now be found in budget initiatives that are currently before the legislature.

**"Strengthening access to affordable, quality child care should be one of Oregon's top priorities."
—State Representative Tina Kotek**



It's Time to Build on Our Accomplishments

Our child care and education infrastructure has accomplished much but we have a long way to go before every parent in Oregon has access to safe, affordable, and high-quality child care. How can we move forward from here? The commitment of leaders in child care and education is strong. Let's match it with an equal commitment on the part of state government.

Taking Action

We are extremely pleased to see that important steps forward have been proposed. The Commission fully supports Governor Kulongoski's budget items related to child care, and we thank him for the broad vision and strong leadership he has demonstrated on behalf of Oregon's children. The increased funding for Oregon Pre-K (Head Start) included in the budget is a wise investment for the state. It will not only improve individual students' achievement levels, but will return the dollars invested manyfold by eliminating future expenditures for such costly items as special education, public assistance, and incarceration. The governor's budget initiatives to increase affordability for low-income parents and students will give more parents access to the child care and education their children need.

We ask the state's legislators to join us in supporting these budget items and other ways to better fund the system, including continuation and expansion of the Child Care Contribution Tax Credit. We also urge that any economic development strategies under consideration include a plan for access to high-quality, affordable care. Finally, we ask that you review the priorities the Commission has identified for 2007 (see page 5), and support the programs and initiatives that address them.

Taken together, movement in each of these areas will bring Oregon's child care system much closer to its goal of meeting the needs of all Oregonians. This will not only improve the child care and education picture for families in every legislative district throughout the state; it will further fuel the engines of the state's economy. We have learned what we need to do. And now, with the support and attention of our state leadership, we are well positioned to take a quantum leap into the future.



The Four Essentials of Child Care and Education

An effective child care infrastructure must address the following four areas:

Quality

Children in high-quality child care settings demonstrate better cognitive function and social skills and have fewer behavioral problems than those in lower-quality care. They are also more likely to be successful in school and later life.

Quality is dependent upon: the ratio of children to adults; the size of the group; the education or specialized training of the site's caregivers; whether it is accredited; staff turnover; and whether there have been substantiated complaints.

Safety

Safety issues range from making sure that all caregivers pass a criminal background check to eliminating on-site hazards.

Accessibility

For parents who work odd hours or live in a rural area, or have an infant or a child with special needs, a disability, or behavior problems, options may be severely limited—or nonexistent.

Affordability

Parents shopping for child care the first time can suffer sticker shock. Many parents have difficulty affording the level of child care and education that their children need.

The Economic Impact of Child Care and Education

Generating Wages, Sales, and Revenue

While the child care and education industry often goes unnoticed, it contributes significantly to the health of Oregon's economy. Consider the following:

There are 14,420 jobs in child care. Child care purchases support 5,900 jobs and \$256 million in sales in other industries, with a total of 20,320 additional jobs being linked to the child care industry. 7,900 child care businesses employ people, pay wages, and make purchases. Direct revenue from outside Oregon exceeds \$122 million in the form of federal expendi-

tures, as well as business and philanthropic expenditures. This effectively supports nearly 4,000 jobs. The 90,297 parents who pay for child care earn taxable wages of \$2.6 billion annually. Of the parents who use child care, some 26,257 produce exports for sale outside the state. This accounts for \$5.75 billion in annual sales, supporting 52,000 Oregon jobs and generating incomes of nearly \$2 billion.

Taxpayer Savings

Several long-term studies have shown that quality programs, particularly for low-income and disadvantaged children, decrease the likelihood of special education enrollment, juvenile delinquency, adult incarceration, and public assistance. This saves tremendous sums of taxpayer dollars. The Committee for Economic Development, an independent research and policy organization of business leaders and educators, found that for every dollar spent on quality early care and education, the state receives between \$2 and \$16 in benefits.

Expanding Oregon's Future Economic Capacity

Since Oregon's economic success is inextricably tied to an educated workforce, child care and early education is a critical component of that success. In fact, many economists argue that economic development goals are best met in the long run by investments in early childhood. Such expenditures jump-start the education of the entrepreneurs and community leaders who will create tomorrow's wealth.

Oregon's Child Care Challenges

Even as employment grows within the child care and education industry, child care workers remain among the most poorly paid in the state. This affects worker retention, which in turn affects the quality and consistency of care.

Another factor affecting quality is that child care providers often lack both child development-specific education and general education.

Supply has not kept pace with demand. As a result, there is a shortage of services.

Child care is affordable for only 61 percent of families of all income levels who purchase it.

These are all serious impediments to a strong child care and education system. The partners and initiatives listed below are doing their best to address them, given current resources. Fully resolving them will require additional commitment on the part of the state.



Partners and Initiatives

The state of Oregon has developed an infrastructure that helps parents find the right child care and education for their particular situation, ensures that child care facilities are safe, encourages improvement in the quality of care, increases access to care, and helps make child care affordable.

This infrastructure is an efficient, collaborative system that has a tremendously beneficial impact on the working families of the state. It enables tens of thousands of parents to contribute to the economy and affords Oregon's children developmentally appropriate experiences to prepare them for school.

Partners

The Child Care Division of the Employment Department is the state's lead agency and dispenses federal funds (the majority of money available for the system).

The Department of Human Services helps low-income families gain access to care.

The Department of Education works with public school districts to enhance the availability of child care for teen student-parents.

The Oregon Child Care Resource and Referral Network is the primary infrastructure for supporting families in choosing child care and supporting child care providers in improving the quality of care.

The Oregon Commission on Children and Families is the largest umbrella advocacy group for the state's children and families.

The Oregon Child Care Research Partnership ensures that information about childhood care and education is current, accurate, and accessible to all decision makers.

The Oregon Center for Career Development in Childhood Care and Education provides leadership in the development and operation of integrated and statewide professional development standards and systems.

Initiatives

Oregon CARES (Compensation And Retention Equals Stability) promotes education and professional development for Oregon's child care providers.

The Child Care Quality Indicators Project measures and disseminates information on child care quality so parents can make informed decisions and providers can improve their services.

The Child Care Contribution Tax Credit creates an incentive for businesses and individuals to invest in child care. The resulting support promotes and sustains affordable, high-quality child care businesses while making these services more affordable for low-income parents.

The Lane County Child Care Enhancement Program is a pilot program that addresses the issues of affordability, provider compensation, and quality.

Oregon After School for Kids (Oregon ASK) supports, expands, and advocates for quality out-of-school time programs and activities for children, youth, and families throughout Oregon.

The Oregon Registry: Pathways for Professional Recognition in Childhood Care and Education is a voluntary statewide program to document and recognize the professional achievements of people who work in the childhood care and education profession.

The Child Care Health Demonstration Program provides a framework for communities to address children's mental and physical health needs by developing health consultation services for child care providers.

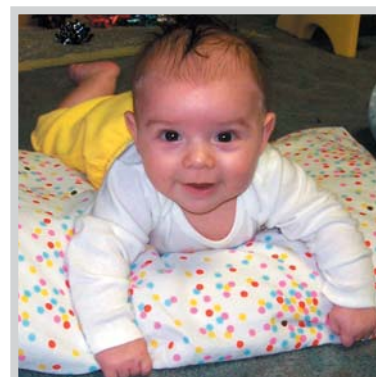
The Inclusive Child Care Program serves families who have children with disabilities, special health care needs, or emotional/behavioral disorders.

The Virtual Degree Project was created to facilitate the transition of child care providers from community-based training to community college credit training.

In addition to these partners and initiatives, Oregon's child care and education system receives invaluable support from parents and other concerned citizens throughout the state.

“Enhancing affordability and access to quality child care is critical for Oregon families. The Child Care Tax Credit and other programs are great ways to give parents more choices and flexibility when deciding what is best for their kids. We also need to keep in mind, child care settings are among the first places our children enter the learning process and these programs are very important to early childhood development.”

—State Representative Linda Flores



About the Oregon Commission for Child Care

OCCC's Mission

The mission of the OCCC is to advise the governor and legislature on the issues, problems, and solutions related to the development of accessible, affordable, and quality child care in Oregon, and advocate for the availability of safe, quality, and affordable child care. In addition, OCCC acts as an oversight body, ensuring accountability for Oregon's children.

Membership

The Commission for Child Care consists of 18 members who are appointed by the governor, president of the Senate, and Speaker of the House.

Recent Forums

Since our last report in 2005, the Commission has held community forums in Bend, Portland, Salem, Eugene, and Medford. Forums such as these have proven to be very fruitful; for example, a bill that passed last legislative session, expanding certified family child care from 12 to 16 children per site, was an outgrowth of a community forum held in Pendleton in 2004. This legislation has made a tremendous difference, increasing the availability of child care throughout the state, but particularly in rural areas where child care centers are rare.

Chronology

Since its creation in 1985, the Commission has successfully advocated for major building blocks of Oregon's child care system, including the following:

1987: State parental leave law; tax credits for companies that assist with dependent care expenses.

1989: State-funded program for child care resource and referral.

1993: Creation of the Child Care Division in the Employment Department to oversee the administration of federal child care block grants; homeowner's insurance coverage and mandatory registration and training for family child care providers.

1995: Refinements to parental leave law.

1996: "Big Change" campaign promoting awareness of work/life programs.

1997: Increased standards for health and safety requirements for family child care.

1996-98: Collaboration in producing an employers' tool kit that provides how-to information on work/life issues.

1999: In-home health and safety review visits for newly registering family child care providers.

2003: Passage of HB 2191, which includes the Employment Department in the development of a statewide early childhood system.

2005: Passage of HB 2999. Expands the definition of certified family child care from 12 to 16 children per site.

Commission Priorities

The Commission fully supports Governor Kulongoski's budget items related to child care. We thank him for the broad vision and strong leadership he has demonstrated on behalf of Oregon's children. In addition, the Commission urges movement in the following areas:

Priority A: Children Experience High-Quality Child Care

Restore funding for CARES (Compensation And Retention Equals Stability). CARES pilot projects have had strong positive effects. They have given providers access to and incentives for professional development and encouraged them to stay in their child care settings. Thousands of children have benefited from this combination of greater stability and additional training. CARES has proven to be an efficient and effective method for addressing the issue of child care quality.

Priority B: Child Care Is Accessible for All Families

Address hard-to-find care. It is often difficult to find quality care for infants, toddlers, and children with special needs. Parents who live in rural communities or who work odd hours also face challenges in finding appropriate care.

Priority C: Child Care Is Affordable for All Families

Expand the Child Care Enhancement Program (CCEP) statewide, funded by the Child Care Contribution Tax Credit that is before the legislature this session. The Lane County CCEP pilot project has successfully addressed affordability by subsidizing the cost for parents.

Support the governor's budget initiatives to increase affordability for low-income parents and students.

Priority D: Child Care Is Safe and Healthy

Raise licensing standards for registered and certified child care facilities.

Priority E: Support an Efficient and Collaborative Child Care System

Support public and private partnerships and maintain Oregon's collaborative structure. The partners that comprise Oregon's child care and education system have made great progress over a period of years. The state's child care infrastructure is an efficient system that has a tremendously beneficial impact on the working families of Oregon.





Commission Members

Rosetta Wangerin, Chair
State and Local Government—Senate

Lynne Angland, Vice Chair
Tax/Legal—Governor

Katie Larive
Children's Health—Governor

Pat Farr
Non-Profit—Speaker

Philip Anderson
Business—Senate

Senator Jackie Winters
Senator—Senate

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Consumer—Speaker

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Labor—Speaker

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At Large—Governor

Kitty Piercy
At Large—Governor

Cheryl Reece
Provider—Governor

Deborah Murray
Provider—Governor

Representative Linda Flores
Representative—Speaker

Representative Tina Kotek
Representative—Speaker

Nina Roll, OSU Extension
Family Care Connection
Resource and Referral—Governor

Heidi East McGowan
Executive Officer

Teresa Stevenson
Executive Assistant

Oregon Commission for Child Care

875 Union Street NE

Salem, Oregon 97311

www.emp.state.or.us/occc