

# A Precarious Time

## Oregon's Child Care and Early Education System Faces a Down Economy



Oregon Commission for Child Care  
Report to the Governor and Legislature 2009

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# Acknowledgments

The Oregon Commission for Child Care acknowledges the many individuals who work with children in child care and early education settings throughout the state. We commend those professionals who are committed to caring for children, actively seek opportunities to expand their knowledge and development, and make the benefits of their training available to others in the field. They help create quality child care environments that will yield a brighter future for Oregon's children.

The Commission also acknowledges the work of the state's child care system partners profiled in this report. Their ongoing efforts create improvement in the safety, affordability, accessibility, and quality of the child care available to Oregon's families.

Finally, we thank the child care centers that opened their doors to our photographers and contributed photos of their own so we could glimpse child care and early education as it takes place: Little Beavers Preschool in Corvallis, the Umatilla Tribal Center in Pendleton, and Peninsula Children's Center in Portland.

## A Note About Terminology

### Child Care and Early Education

This term is used throughout this report because, in the early years of children's development, child care cannot be separated from education. Good caregivers are constantly teaching. Quality child care takes advantage of the rapid brain development of the very young and prepares young children for school, a lifetime of learning, and a successful place in the economy.

### Categories of Child Care Facilities

Licensed care includes certified and registered facilities. A **certified center** can care for more than thirteen children, usually in a facility designed for that purpose. A **certified family home** can care for up to sixteen children, including the provider's own, in a single-family dwelling. **Registered family child care businesses** can take care of up to ten children, including their own, in their own homes.

Some care is **exempt** from licensing. Examples are providers caring for three or fewer children; programs operated by public schools, colleges, or universities; and many summer recreation programs.

# A Letter from the Chair

Dear Governor Kulongoski and state legislators,

One of the Oregon Commission for Child Care's roles is to advise you about the state's child care and early education system: its structure, issues, problems, and solutions. That is the purpose of this report.

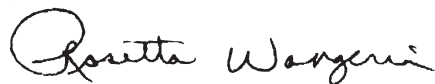
Here, we orient you to the state's child care system, introduce you to the partners that work collaboratively to implement it, draw your attention to some of its recent successes, and outline its perennial challenges. We continue to believe it is important for the state's leaders to gain a current overview of the ongoing efforts that are being made on behalf of Oregon's working families. We have devoted much of this report toward that end.

One aspect of this publication represents a departure from previous ones because 2009 will be no ordinary legislative year, and we must speak to that reality. We know that you are facing severe budget constraints and intense pressures from many quarters. As you consider your available options and choices, it is our responsibility to see that you can give informed consideration to Oregon's child care and early education needs. We will share with you critical data regarding the importance of the child care industry to Oregon's economy, describe the likely impacts of the deepening recession, and alert you to some very difficult realities that may be on the horizon concerning one program in particular—the Department of Human Service's Employment Related Day Care (ERDC) program.

In the last biennium, you accomplished a significant increase in ERDC funding. This has had enormous impact, both for the working families who have made use of the program and for the health of the child care industry as a whole. We understand that one of the many difficult things you must grapple with this year is the amount of funding this specific area of the child care system will receive. In this report we will describe the critical gains this increased funding has supported—and what would be lost with reduced funding. OCCC continues to be a resource for you if you need further information on child care and early education in Oregon.

The entire nation is now focused on putting people back to work, and Oregon is no exception. Parents cannot return to work if there is no one to care for their children. We believe affordable, quality, and reliable child care is a *necessary prerequisite* to accomplishing this goal. We encourage you to keep this truth in mind as you deliberate this year.

Sincerely,



Rosetta Wangerin  
Chair, Oregon Commission for Child Care

*This report is dedicated to Commission member Lynne Angland, who passed away last fall.*

*Lynne was a loving mother and grandmother who gave of herself both at the state and local level to create a better world. Through her valued participation on the Commission for Child Care over the past four years, she helped shape the face of child care in Oregon. We will always be grateful.*



Lynne Maureen Angland  
August 16, 1949–November 21, 2008

# Contents

Oregon Commission for Child Care Priorities 2009–2010 . . . . .	8
Introduction . . . . .	9
Progress! . . . . .	11
A Precarious Time . . . . .	14
Recession: The Impact of the Economic Downturn . . . . .	14
The Importance of Employment Related Day Care to the Health of Oregon’s Child Care System . . . . .	15
What You Should Know About the Impact of Quality Child Care . . . . .	18
Child Care Is an Income-Generating Industry . . . . .	18
Return on Investment (ROI) . . . . .	18
Increased Productivity . . . . .	19
Education When It Counts Most . . . . .	19
Perennial Challenges Oregon’s Child Care Partners Strive to Address . . . . .	21
Affordability . . . . .	21
Compensation . . . . .	21
Access . . . . .	21
Professional Development . . . . .	22
Oregon’s Child Care System at a Glance . . . . .	24
Partners and Initiatives . . . . .	25
Partner: Child Care Division (CCD), Employment Department . . . . .	25
Partner: Department of Human Services (DHS) . . . . .	26
Partner: The Oregon Child Care Resource and Referral Network (OCCRRN) . . . . .	27
Partner: Oregon Center for Career Development in Childhood Care and Education (OCCD) . . . . .	28
Partner: Oregon Department of Education (ODE) Teen Parent Programs . . . . .	28
Partner: Oregon Commission on Children and Families (OCCF) . . . . .	29
Partner: Oregon Child Care Research Partnership . . . . .	30
Partner: Oregon Community Foundation (OCF) Early Childhood Program . . . . .	30
Initiative: Child Care Quality Indicators (CCQI) Program . . . . .	30
Initiative: Child Care Contribution Tax Credit . . . . .	31
Initiative: Child Care Enhancement Program (CCEP) . . . . .	32
Initiative: Oregon ASK . . . . .	33

Initiative: Child Care Health Consultation (CCHC)	
Demonstration Program . . . . .	33
Initiative: The Inclusive Child Care Program . . . . .	34
Initiative: The Virtual Degree Project . . . . .	35
About the Oregon Commission for Child Care . . . . .	36
The OCCC's Mission . . . . .	36
Membership . . . . .	36
Recent Forums . . . . .	36
History . . . . .	36
Commission Members . . . . .	38
Notes . . . . .	39

***Right now we've got kids who are starting behind the first day they come to school.***

*In Chicago when I'd visit first grades and kindergartens, I'd meet children who don't know colors, don't know letters, don't know the alphabet, are not accustomed to sitting still and being read to.*

*And children aren't stupid. They show up at school and start feeling that they're behind; over time that leads them to push away from education because it's embarrassing to them. So we've got to do everything we can to not just provide pre-K ... I'd like to see us also provide better support for zero-to-three learning.*

—Barack Obama, December 1, 2007<sup>1</sup>



# Oregon Commission for Child Care Priorities 2009–2010

## **A: Children Experience High-Quality Child Care**

1. Support the Childhood Care and Education Quality Improvement Project
2. Continue supporting compensation initiatives

## **B: Child Care Is Accessible for All Families**

Address hard-to-find care

## **C: Child Care Is Affordable for All Families**

Maintain Employment Related Day Care gains from previous session

## **D: Child Care Is Safe and Healthy**

Pass legislative initiatives concerning criminal background checks

## **E: Support an Efficient and Collaborative Child Care System**

Track the impact of the financial crisis and watch for available economic stimulus opportunities for Oregon



# Introduction

The Oregon Commission for Child Care created this report to inform you—the governor and legislators of Oregon—about the state of our child care and early education system today, and what we anticipate for the near future. Ours is an advisory role, and this report is one way in which we fulfill that responsibility.

Since the governor and the legislature established the Commission in 1985, we have steadily advanced the interests of the state’s children and families, building improvements step by step while developing, refining, and sustaining a clear vision of ultimate success: *all of Oregon’s families have access to safe, quality, and affordable child care.*

## The Commission’s Priorities for This Biennium

Our priorities for this biennium appear on the facing page. You will learn more about them as you proceed through the report. But before we get into the details, we want to underscore the central conviction that informs these priorities: *first, we must do no harm.* We understand that although there are still far too many working families who do not have access to quality care, increasing state funding of child care to meet this need will not be possible at this time. Because of our extensive knowledge of this field—informed and echoed by child care experts and practitioners throughout the state—we also understand the ramifications of any *loss* of child care funding. And we believe it is our charge to share with you what we know: if existing funding is cut and programs curtailed, children, families, and the state’s economic health will all suffer. Families will face painful choices and Oregon’s economic recovery will be hobbled: more parents will be unable to work and may find themselves needing other forms of assistance from the state.

Our eyes are open. We recognize that this is no ordinary year for state government—the nation’s economy is in crisis. The state has yet to learn the magnitude of the impact that job losses and the credit freeze will have on our fiscal health. We know that a federal recovery plan is in the works, but we do not yet know what share of those dollars Oregon may receive, how they will be targeted, or when they might reach us.

There are two facts about the economic crisis, however, of which we are certain: **If we are to succeed in putting people back to work, we need to have places where their children can receive safe, stable child care. And to ensure a *sustainable* return to economic health, these places need to be high quality, setting children up for success in school, business, and life.**

---

*If we are to succeed in putting people back to work, we need to have places where their children can receive safe, stable child care.*

*And to ensure a sustainable return to economic health, these places need to be high quality, setting children up for success in school, business, and life.*

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## What You Will Find in This Report

This year, as we look back to the immediate past, we find we have good news to report. The partners that make up the state’s child care and early education system represent a wealth of talent and dedication. They pull their weight unfailingly and collaborate closely in ways large and small on behalf of all of Oregon’s working families. In the next section, **Progress!**, we will celebrate—and catch you up on—some of their successes.

In **A Precarious Time**, we will inform you of some stark truths that we must all squarely face. While we have made meaningful strides in many areas, we confront chronic obstacles to achieving our goals. This means that great numbers of our working families struggle to find child care—and many fail. And this coming year in particular, we are in danger of seeing recent critical gains reversed, with serious consequences for working parents.

We follow these stark truths with a section called **What You Should Know About the Impact of Quality Child Care**. The field has been thoroughly studied, and its benefits for children and families, importance as an industry, and high return on investment have been clearly demonstrated. This section informs you of the benefits of investing time, attention, and dollars in child care and early education.

**The Perennial Challenges of Child Care** summarizes the long-standing imbalances that reduce access to quality care.

**Partners and Initiatives** includes brief descriptions of the work of the various entities that make up Oregon’s child care system. Caring for children is a multifaceted endeavor, and it takes many hands to address all the aspects that add up to quality care. We will walk you through the state’s major programs and initiatives.

Finally, we offer background on the Commission and a brief history of its work advancing legislation.

This report covers a lot of ground. Our purpose is to give you a comprehensive overview of Oregon’s child care and early education landscape; a solid summary of what is being done to advance our goal of all Oregon families having access to safe, quality, and affordable child care; and a sense of the urgent needs that remain.

We look forward to working with you in this legislative year. We will gladly make ourselves available to discuss anything contained in this report or any other information you may need regarding child care in Oregon. You may contact us at

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*Great numbers of our working families struggle to find child care—and many fail.*

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# Progress!

Oregon's child care and early education partners continually strive to improve the quality of the care our children receive. Here are a few of their recent successes.

## Expansion of the Employment Related Day Care (ERDC) Program

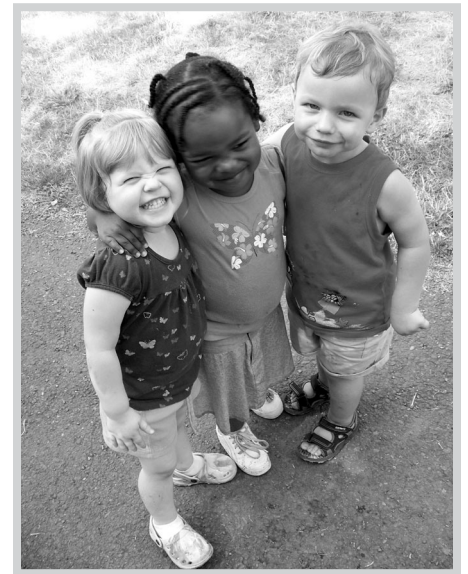
The ERDC Program assists low-income families with their child care costs. The 2007 legislature made a substantial investment in ERDC, increasing the program's ability to support employment and produce positive child outcomes. Specific changes included increasing income limits in order to serve more working poor families, decreasing parent co-payments to bring child care expenses closer to the state goal of 10 percent of household income, and increasing maximum subsidy payment rates to providers so that parents have access to the child care in their communities. For details, see pages 15 and 26.

## Expansion of the Child Care Quality Indicators (CCQI) Program

A unique, highly efficient national model for measuring the quality of child care facilities, the Quality Indicators Program assesses child care settings based on seven research-based indicators. It has completed its pilot stage and is being rolled out statewide. In January 2009, the program expanded from a select group of centers in Multnomah, Coos, and Curry counties to all licensed child care centers across the state. In 2010, it will expand further to include family child care homes. For further details, see page 30.

## Strong Results for the Child Care Enhancement Program (CCEP)

This program in Lane County was designed to decrease parents' cost of child care, increase and stabilize child care provider wages, and improve child care quality through professional development and other enhancements. After an initial three-year period of intensive intervention and evaluation, the program has demonstrated great success and now provides ongoing support to the providers and families from the pilot project. (For more information, see page 32.) The program is funded through the Child Care Contribution Tax Credit (see page 31).



## Expansion of the Child Care Health Consultation (CCHC) Program

The CCHC Program was created to address children's mental and physical needs through consultation services for providers. Last year, the Eastern Oregon CCHC program was able to expand services from two counties (Baker and Union) to six (adding Wallowa, Grant, Malheur, and Harney). For more information, see page 33.

## Family, Friend, and Neighbor (FFN) Trainings

Many parents receiving DHS subsidies use family, friend, and neighbor care because it is all that is available during their nontraditional work schedules or because they prefer it. Now, FFN trainings orient these providers to DHS's procedures, as well as the USDA Food Program and other community resources, and help them qualify to receive the DHS Enhanced Rate (7 percent above standard). As of January 2009, 692 providers had attended orientations and 311 had completed the training requirements to receive the higher rate. For details, see page 26.



## Statewide Forums

In 2007 the Child Care Division requested guidance from the Commission regarding the working definition of exempt school-age care. It has many gray areas because of the variety of programs and facilities available to school-age children.

The Commission held five community forums and posted an online survey. We learned that the community would like to see the following:

- Employees and volunteers of exempt programs should have criminal background checks.
- Parents should be informed of whether a program is licensed or not.
- Exempt programs should sign up by mail with the Child Care Division of the Employment Department.

The concerns expressed at these forums about criminal background checks were the impetus for the legislation we are supporting this biennium.

## Oregon Head Start Prekindergarten Funding

Oregon Head Start Prekindergarten is a publicly funded program for three- and four-year-olds living in poverty. In addition to class-based early education, it includes comprehensive family support, including home visits, referrals to other services such as health and dental care, and nutritional programs. Head Start teachers must meet specific education standards concerning child development and best practices, and these are subject to monitoring and review.

The 2007–09 legislature added \$39 million in funding to the program, enabling an additional 3,000 children and their families to access it and bringing the total served, with state and federal funding combined, to 12,500.

## The Childhood Care and Education Quality Improvement Initiative

This unique new program, launched in the spring of 2008, was designed to integrate and expand Oregon’s professional development and quality improvement programs. A central feature is an online professional development database (currently under construction) that will track providers’ training and education throughout the state. Other features of the program include establishing an “excellence model” that child care facilities will be incented to achieve; improving training techniques to reflect the latest research on best practices; and making incentives available for providers to enroll in and advance on the Oregon Registry. A public/private partnership will be created to help fund quality improvements. This project pulls together, enhances, and builds upon quality efforts already under way. It is now in a three-year implementation phase, and more information about its development will be available for the 2011 legislative session.



# A Precarious Time

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*Child care in Oregon employs thousands of people and purchases millions of dollars' worth of goods and services.*

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## Recession: The Impact of the Economic Downturn

### Pain for Child Care Businesses

Child care is an important sector of Oregon's economy, employing thousands of people and purchasing millions of dollars' worth of goods and services in their local communities.

When parents lose their jobs and can't afford to pay for child care, child care facilities suffer. Their financial viability is dependent upon labor and other costs, enrollment, state reimbursement fees, and what the market will bear (in terms of pricing). Losing even one or two children may seem like a small loss of enrollment, but this could represent their small profit margin or the break-even point to meet their operating costs.

Children need consistent caregivers. And when they transition in and out of care due to their parents' employment status, not only is it hard on the children, it is also hard on child care businesses. It is very difficult for facilities to manage their budgets and project staffing needs when enrollments decline. In a recessionary period, many child care businesses will fail entirely, exacerbating the spiraling unemployment that is endemic to an economic downturn.

Those businesses that do survive may experience losses in revenue that impact the quality, safety, and stability of care: cuts in wages and benefits will increase staff turnover; staff-to-child ratios will decrease; fewer supplies will be available; and even nutrition may suffer.

### Unemployed Parents as Providers

There is another aspect of the economic downturn to consider with respect to child care. Parents who lose their jobs may decide to become family child care providers themselves. They enter the system for short periods of time, then exit it because there are not enough children in their facilities or homes. Neighboring parents are either out of work themselves or can't afford to pay much for care, and the providers can't charge enough to stay open. The net result is that many of these fledgling businesses fail. In mid-January, Kimberly Cardona, Childhood Care and Education Specialist of the Oregon Commission on Children and Families, noted: "I'm already hearing about this from around the state."

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## Job Hunting and Child Care Dilemmas for Affected Parents

When single parents lose their jobs and can no longer afford child care, it becomes very difficult for them to find new jobs—it's hard to look for work with a baby on your hip. The longer the job search takes, the more likely it is that the family will require some kind of help, such as food stamps—and ultimately wind up on public assistance.

When one parent in a two-parent household that has been able to purchase high-quality child care loses a job, that level of care may become impossible to maintain. The family may need to make other arrangements so the laid-off parent can look for another job; all such options add risk that the child will lose ground in his or her early education.

If parents can still afford some kind of care, they might have to rely on lower-quality, less expensive care, or ration the care they buy. If the income loss is severe, they might seek help from friends or relatives. Some will try to get by with having their older children watch the younger ones—an option that may threaten the older child's educational success—or even leave children alone for periods of time while the job search continues.

## The Importance of Employment Related Day Care to the Health of Oregon's Child Care System

As we mentioned in the earlier section on recent successes, in the last biennium, the legislature approved important changes to the Department of Human Service's Employment Related Day Care (ERDC) program. Specifically, the parent co-pay was reduced by an average of 20 percent and the income limit to qualify was raised from 150 to 185 percent of the federal poverty level, enabling more families to qualify. Provider reimbursements were raised from the 25th to the 75th percentile of the 2006 Oregon Child Care Market Rate Study. The combination of parent co-payments and subsidy payments covers the fees of most providers. Under the old policies, parents using the subsidy program could only access the cheapest care.

### Positive Outcomes for Families

The impact of these changes has been profound. The 2008 Child Care Market Price Study found that current DHS reimbursement rates have greatly improved low-income families' access to affordable quality care. These families have gone from having access to just 26 percent of the child care market to 68 percent—a clear indication of how much easier it has become for them to find care that fits their work schedules and other considerations. And the number of families served has jumped nearly 20 percent since July 2007.

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*It's hard to look for work with a baby on your hip.*

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*Under the old policies, parents using the subsidy program could only access the cheapest care. Now, ERDC families have gone from having access to just 26 percent of the child care market to 68 percent.*

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## Positive Outcomes for Child Care Businesses

Another important impact of these changes has been greater sustainability for providers. With the increase in reimbursement rates, more providers have been able to stay in business and offer adequate food and early education supplies. Some have even been able to raise staff wages and pay for training, which positively affects retention (resulting in greater stability for children in care) and improves the quality of care.

## The Projected Impact of a Decrease in Employment Related Day Care Funds

As we said in the introduction, we know what you're up against this year; we are well aware of the extraordinary fiscal pressures the state faces. But we are also aware of what will happen if these funds are cut according to the current budget proposal. We believe it is our responsibility to make sure you know what we know—and to urge you to keep as much of this funding in place as possible.

Of particular concern is that the proposed change limiting subsidy receipt to parents with prior TANF experience will punish low-income working families who have succeeded in staying off TANF, may increase the necessity of going on TANF for others, and may create an incentive to receive TANF (the only route to eligibility for child care assistance).

Other projected effects are:

- Co-pay increases would affect 4,500 families each month, compromising their ability to stay employed.
- Reductions could cause the loss of millions of dollars in federal matching funds, creating a further drain on Oregon's economy.<sup>2</sup>

## What Increased Co-Pays Will Mean for Parents

Increases in co-pays will leave many parents with few good options.

I'm a single mom—his dad is not in the picture. The drop in co-pay enables me to have him in child care I trust, a place I know will help him grow, and it allows me to work. I just graduated from college last year and I'm working in the social services field: I don't make a lot of money. I'm almost off all other forms of DHS help now. If the co-pay goes up, I'll need to depend on that again. I think a lot of people will.

—Alyssa F., mother of a four-year-old

I'm a single mother of three. The full-time, year-round care my kids are getting is such a blessing. Day care bills can hit \$700 per child—with three kids, that's more than I even make in a month. With what I get paid, [without the subsidy] I can't afford to have even one of my kids go for an entire month. But with my co-pay what it is now, I can afford for all three to go when I need them in care—including my oldest two in the summer when school is out.

—Brittany J., mother of three, ages four, five, and six

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*“Before the increase in reimbursements, we were having conversations about putting a quota on how many DHS kids we could take ...”*

*—Director, Portland-area center*

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*“[The subsidy] makes a huge difference for me. I couldn't afford to keep my two kids where they are if I didn't have it—it's a good place. It's nice not to have to worry all day about whether my kids are being cared for. If I didn't have it, I don't know if I could even work—or what kind of place I'd have to take them to if I could.”*

*—Angie D., mother of five-year-old and ten-month-old*

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### *What Decreased Reimbursements Will Mean for Providers*

On the provider side, subsidy and reimbursement reductions have the greatest impact on those child care businesses that serve low-income families. Thus, it will not only negatively impact those businesses but the large number of low-income families who depend on them to continue working.

ERDC cuts would also reverse some of the gains providers have made in financial stability and their ability to offer teacher training incentives.

*“We decided to invest the reimbursement increase in wage enhancements and incentives for professional training—hoping it was hard money. Twelve of our teachers have stepped up to participate in the trainings, and we’ve given out raises. I don’t even want to think about what will happen if we have to roll that back.”*

*—Director, Portland-area center*

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*“I speak with other family child care providers on a daily basis and I hear their concerns, frustrations and uncertainty as they ponder their future in caring for children. The rollbacks in ERDC would be devastating for both licensed family child care providers and the families they serve.”*  
*—Milwaukie family child care business owner*

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# What You Should Know About the Impact of Quality Child Care

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*Child care produces at least as many jobs as greenhouses and nurseries.*

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## Child Care Is an Income-Generating Industry

Oregon's child care industry makes it possible for tens of thousands of parents to work. And it is a large industry in its own right, producing at least as many jobs as greenhouses and nurseries or private colleges, universities, and junior colleges.

The child care industry:

- Includes 7,900 businesses, paying wages and making purchases
- Employs 14,420 people directly and 5,900 jobs linked to the industry
- Generates \$167 million in income and \$639 million in revenue
- Purchases more than \$256 million in goods and services annually

In addition:

- Direct spending on child care from federal expenditures, private foundations, and businesses totals \$122.5 million annually.
- Over 90,000 parents pay for child care and earn wages of \$2.6 billion annually.<sup>3</sup>

## Return on Investment (ROI)

At a time when resources are scarce, it makes sense to invest in those things that are known to generate results. Numerous studies have shown that investments in early education reap big fiscal benefits. The ROI numbers vary: President Obama cites a ratio of \$10 for every \$1 invested. A cost-benefit study in Michigan cited an even greater return. It tracked the investment in a high-quality preschool program for low-income three- and four-year-olds: the study found a \$13 benefit for each dollar spent—through savings on future expenditures such as special education, welfare, and crime.<sup>4</sup>

A study conducted by the Committee for Economic Development, an independent research and policy organization of business leaders and educators, determined that every dollar spent on quality early care and education means a benefit to the state of between \$2 and \$16.<sup>5</sup>

When children get off to a good start and enter kindergarten prepared to learn, they are less likely to drop out, get pregnant, or face arrest. Consider these sobering facts about our state:

- In 2004, there were 1,897 teen pregnancies: roughly the population of John Day.
- In 2005, there were 34,140 juvenile arrests: roughly the population of Keizer.




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*An accumulating body of evidence suggests that early childhood interventions are much more effective than remedies that attempt to compensate later in life for early neglect.*

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- In 2005, 7,923 kids dropped out of school: approximately the population of Lincoln City.<sup>6</sup>

These figures point to costly outcomes: public assistance expenditures for teen mothers; running 34,000 kids through the court system—and incarcerating a portion of them; and reduced earning potential (and taxpaying potential) for Oregon adults seeking jobs without a high school diploma. Much of this could be avoided if all children had access to quality care beginning very early.

Even in better years than the one we are facing, it can be tempting to focus primarily on near-term financial pressures. But the cost of failing to educate the very young is a long-term proposition: when it comes to discussions about funding early childhood care, Oregon's *future* budgets need a place at the table too.

## Increased Productivity

When parents have access to quality child care, their employers benefit: productivity improves, and absenteeism and turnover decrease.

Among 1,483 employees surveyed at American Business Collaboration (ABC) companies in 10 communities across the country, 63 percent reported an improvement in productivity because of Collaboration programs. The study looked at productivity measures among employees and found:

- 40 percent felt less stressed by family responsibilities and spent less time at work worrying about their families.
- 35 percent were better able to concentrate on work.
- 30 percent had to leave work less often to deal with family situations.<sup>7</sup>

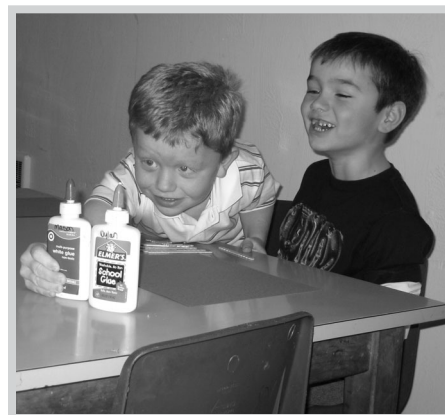
Fifty-four percent of employers reported that child care services had a positive impact on employee absenteeism, reducing missed workdays by as much as 20 percent to 30 percent.<sup>8</sup>

## Education When It Counts Most

**Ninety percent of brain growth occurs by age six.**<sup>9</sup> Yet paradoxically, most of our major public investment in children begins *after* the time of their greatest brain development. When children wait until kindergarten to enter a learning environment, they start out behind their peers—and they are likely to remain there.

**Nearly one in five Oregon kindergartners is not ready for school.**<sup>10</sup> In the U.S. as a whole, children who fall behind in first grade have a less than 13 percent chance of catching up to grade level.<sup>11</sup> This figure demonstrates that the educational opportunities that are available when children's brains are at the height of their development cannot be replaced.

We cannot make up in later years for weak investment in children's early education. And we will never know what our communities and



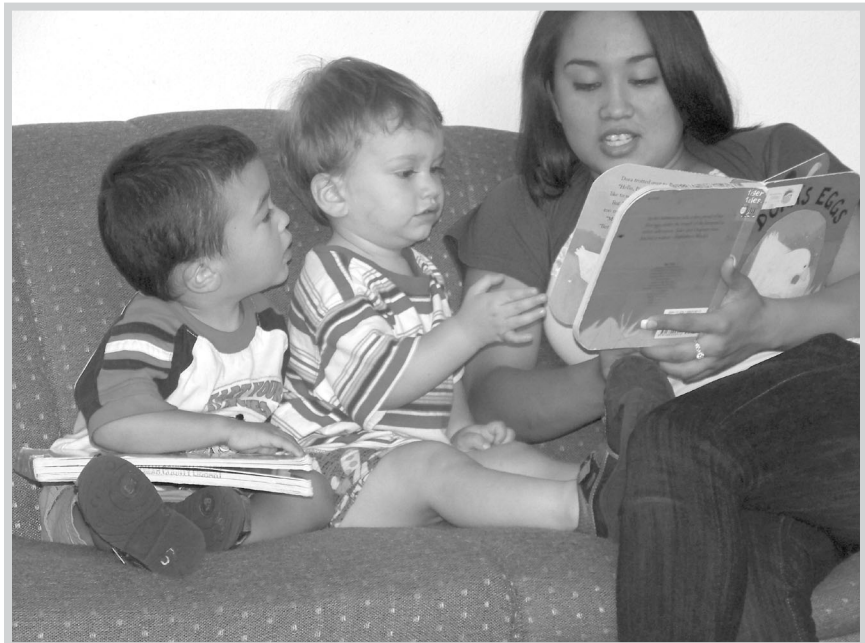

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*A preschooler has twice as many brain synapses as her pediatrician.*  
 —Helen J. Neville,  
 Director, Brain Development Lab, University of Oregon<sup>12</sup>

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the state's economy might have gained from the gifts and talents our children did not have the opportunity to develop.

An accumulating body of evidence suggests that early childhood interventions are much more effective than remedies that attempt to compensate later in life for early neglect... The best way to improve the schools is to improve the early environments of the children sent to them.<sup>13</sup>



# Perennial Challenges Oregon's Child Care Partners Strive to Address

## Affordability

Quality child care is simply unaffordable for far too many Oregon families.

Oregon has an Affordable Child Care Benchmark, defined as a family spending less than 10 percent of its household income on child care. Costs vary depending on the age of the child and where the care takes place. In 2008, in Oregon's metropolitan child care centers, the average annual price of school-age care was \$4,200. For infants, the average price was \$10,750.<sup>14</sup>

2005 figures showed that 39 percent of families who paid for child care had expenses exceeding 10 percent of their budgets.<sup>15</sup> Low-income families spent about a quarter of their income on child care, and single parents spent closer to one-third of their incomes.<sup>16</sup>

What we cannot know is how many families cannot spare any income at all for child care and make unwise or unsafe choices.

## Compensation

Despite its critical importance in early education, early childhood care is a low-wage business. Nearly three-quarters (73 percent) of family child care providers gross less than \$25,000 annually.<sup>17</sup> The U.S. Bureau of Labor Statistics found child care workers averaging \$9.46 per hour and \$19,670 per year in 2007, while construction laborers averaged \$14.88 per hour and \$30,950 per year.<sup>18</sup> In addition, most child care providers do not receive health or dental insurance benefits.

As a result of poor compensation, turnover among providers is high. And that's tough on children: they need stability and consistency in order to develop to their highest capacity.

## Access

There are some categories of children who are hard to place in care: there simply aren't enough slots available. Among these are infants, toddlers, and children with special needs—physical or emotional. All require more attention than other children. Another factor limiting access is parent work schedules. Parents who work odd hours often find no care available at all during their shifts.



## Professional Development

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*From parents to researchers, there is agreement that warm, nurturing, and stimulating interactions between teachers/caregivers and children is the single most important predictor of positive child outcomes...<sup>19</sup>*

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If there is a single key to *quality* child care and early education, it's professional development for the people who work with the children: learning how they develop and how best to interact with them to create an optimal educational experience.

There are two kinds of child care workers: teachers (who primarily work in child care centers) and caregivers (who are more likely to work in homes). Both need education to do their jobs effectively.

Oregon's partners, and child care entities nationwide, have long sought to address this need in tandem with the compensation issue, putting systems and initiatives in place designed to reward professional development with greater earning potential. Offering incentives for advancement on the Oregon Registry (see page 28) is one way this is being done.

Through a recent review of nationwide research literature on professional development in child care and early education, we have learned more about best practices. One trend that has emerged is augmenting group education and training programs with individual instruction and mentoring—a technique known as Relationship-Based Professional Development (RBPD). RBPD appears to enhance and reinforce other efforts and is now considered a “potent tool” for generating positive changes in teacher/caregiver behavior.<sup>20</sup> This revealing research will inform professional development efforts going forward.

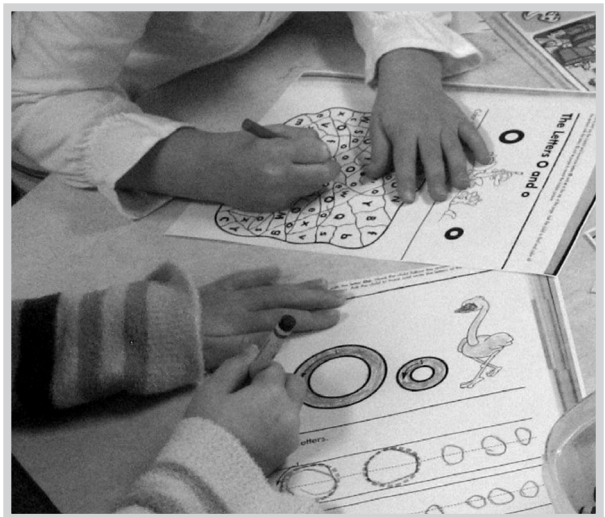
### The Need to Link Community-Based Training and Higher Education

Education and training efforts are taking place on many fronts, but an important linkage is often missing. Continuing education for teachers and caregivers at higher and higher levels results in better quality care—and improved outcomes for kids. But too often, teachers and caregivers find that the knowledge they've gained through community-based training or mentoring does not translate into college credits. There are now efforts under way to make such linkages, including training certificate programs that earn college credits and meet training-hours requirements. (The Virtual Degree Project is one such program; see page 35.)

But there is still a great need to continue to forge and streamline these connections. Ideally, those wishing to advance professionally would find that each building block of training they attain stacks upon previous ones, with community-based training flowing into community college credits, and community college credits flowing into higher education.



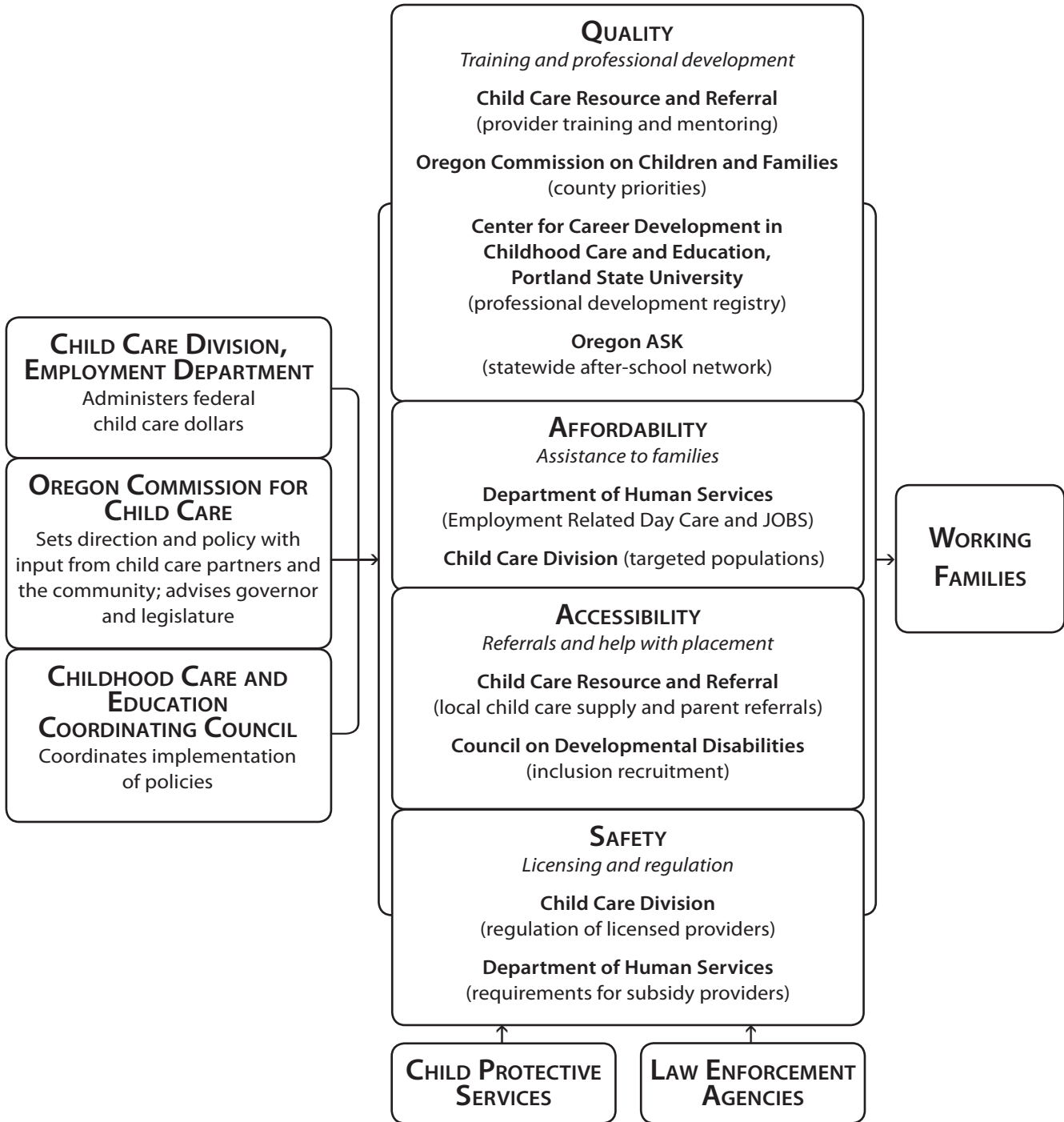
*Our vision of success: all of Oregon's families have access to safe, quality, and affordable child care.*





# Oregon's Child Care System at a Glance

The state addresses child care needs through a coordinated system of strong, collaborative partnerships. Working together, these partners address the four key elements of child care and early education: quality, affordability, accessibility, and safety.



# Partners and Initiatives

Following are brief descriptions of Oregon's key child care and early education partners and initiatives, including recent developments.

## Partner: Child Care Division (CCD), Employment Department

In 1993, the Child Care Division became part of the Employment Department, which reflected the view of advocacy groups and the legislature that child care is a critical component of a workforce support system. In fact, without some form of child care, over 90,000 Oregonian parents would be unable to work.

In broad strokes, as the state's designated lead agency for the child care system in Oregon, the Division:

- Administers the federal Child Care and Development Fund (CCDF) block grant, which provides over 90 percent of the public financial support the child care system receives
- Regulates more than 5,000 child care businesses in Oregon
- Provides a lead role in statewide child care improvement initiatives
- Provides leadership for a strong and collaborative statewide partnership of child care agencies and community-based organizations
- Administers Child Care Contribution Tax Credit projects

## Funding Child Care Statewide

Through performance-based contracts, the Division funds:

- The Oregon Child Care Resource and Referral Network (see page 27)
- Employment Related Day Care/JOBS subsidies, Department of Human Services (see pages 26–27)

- Inclusive Child Care Program, Council on Developmental Disabilities (see page 34)
- Department of Education Teen Parent Programs (see page 28)
- State and Local Commissions on Children and Families (see page 29)
- Child Care Enhancement Program, Lane County (see page 32)
- Targeted High Risk Populations subsidies, through over 200 community-based organizations
- Center for Career Development in Childhood Care and Education (see page 28)
- Oregon ASK (After School for Kids) (see page 33)
- Child Care Health Consultation Program (see page 33)
- Child Care Research Partnership (see page 30)
- Child Care Quality Indicators Program (see page 30)

## Regulating and Monitoring Oregon's Care Providers

CCD has licensing staff located throughout the state to inspect child care facilities, investigate complaints, and give technical assistance to child care providers. There are two categories of licensing:

### *Certified Care*

The division certifies 1,018 child care centers and 458 certified family homes through a process that includes a criminal background check of all facility staff, annual announced and unannounced inspections by division staff, and ensuring compliance with local sanitation and fire regulations.

### *Registered Care*

The Division licenses 3,662 family child care businesses. Providers must meet basic training

requirements and undergo an on-site health and safety review before beginning care for children and renewing their licenses. All providers and anyone over eighteen who resides in or frequents the home must pass a criminal background check.

### **Partner: Department of Human Services (DHS)**

DHS child care subsidy programs help low-income families achieve self-sufficiency by providing assistance with the cost of child care necessary for parents' employment and other activities that promote self-reliance. DHS also helps families find and maintain safe, reliable child care that supports children's development.

The 2007 legislature made a substantial investment in the DHS Child Care Programs. Effective October 1, 2007, over \$34 million in child care improvements gave low-income families access to better care. Improvements included restoring the Employment Related Day Care (ERDC) income limit from 150 percent of the Federal Poverty Level to 185 percent, and reducing co-payments by an average of 20 percent. This affected most families at the higher income levels, where co-pays rose sharply as income increased.

In addition, child care reimbursement rates increased significantly, to the 75th percentile of the 2006 Child Care Market Rate Study, bringing state payments into line with rates charged by the majority of providers, and with federal recommendations. The 2008 Child Care Market Price Study found that current DHS reimbursement rates have greatly improved low-income families' access to affordable quality care, from 26 percent of the child care market to 68 percent.

Following are descriptions of child care-related DHS programs, our partnerships with other child care entities, and efficiencies we have gained since the last biennium's report.

#### **Employment Related Day Care (ERDC)**

The ERDC program helps approximately 11,050 low-income working families with their child

care costs. This is an increase of almost 20 percent since July 2007. There are approximately 20,600 children receiving help through ERDC throughout Oregon. DHS helps families find and keep appropriate child care, and works with providers and child care partners to improve the quality and stability of the child care arrangements parents make.

#### **Family, Friend, and Neighbor (FFN) Training Project**

Improvements for 2007–09 included funding for training unlicensed family child care providers, implemented in January 2008. This training encourages providers exempt from licensing (also known as family, friend, and neighbor, or "FFN," providers) to attend orientations about DHS listing and billing processes and the USDA Food Program, and trainings that can enable them to become licensed and receive the DHS Enhanced Rate. (The DHS Enhanced Rate is 7 percent higher than the standard reimbursement rate.)

DHS also partners with the Oregon Commission for Children and Families (OCCF) to distribute FFN Tool Kits to providers at FFN orientations. These kits aim to improve child care outcomes by supplying health, safety, child development, and literacy materials to providers, as well as offering a link to support and additional resources in the providers' communities.

As of January 2009, 692 providers have attended orientations; 311 providers have completed the training requirements to receive the DHS Enhanced Rate.

#### **ERDC Program Alignment**

In January 2009, the ERDC program made changes to simplify services and application processes for clients; several forms, rules, and policies were revised to streamline the program. Among these changes, ERDC income budgeting policy now aligns with the Food Stamp program, eliminating the additional income verification requirements that had been in place. Further program alignment changes are scheduled to take effect in April 2009.

**quality, accessibility,**

## Temporary Assistance for Needy Families (TANF)

TANF provides child care assistance for working parents who receive TANF cash benefits. These clients do not need to make co-payments.

## Jobs Opportunity and Basic Skills (JOBS)

This program helps parents receiving TANF pay for child care so they can participate in DHS-approved self-sufficiency activities. On October 1, 2008, DHS changed the internal process for issuing JOBS child care billing forms, shifting the workload from field staff to the central office and making it easier for clients to resolve billing issues. This has increased efficiency, improved relations with providers and advocates, and resulted in better client service.

## Partnerships

DHS works with the OCCR&R Network (see below) to provide DHS services through local CCR&R agencies, and with OCCD (see page 28) to certify providers who have met DHS Enhanced Rate training standards.

## Partner: The Oregon Child Care Resource and Referral Network (OCCRRN)

The Oregon Child Care Resource and Referral system is the primary infrastructure for supporting families in choosing child care and supporting child care providers in improving the quality of care. Child care resource and referral agencies (CCR&Rs) form a community-based conduit that links parents, child care providers, government agencies, schools, employers, health care providers, and other resources to help families meet their child care needs. Mandated by the legislature in 1989, the system now has seventeen CCR&Rs serving all thirty-six of Oregon's counties.

## Supporting Families

CCR&Rs offer one-on-one assistance in choosing quality child care; refer families to child care providers, both center- and family-based, including hard-to-find care; connect families

with community resources, and reach out to parents with trusted local information that enables them to make informed choices.

## Building the Supply and Improving the Quality of Child Care

CCR&Rs support child care providers by offering training in diverse topics including health and safety, child development, and sound business practices, and offering ongoing technical assistance for the improvement of child care and the encouragement of professional development. This results in improved quality and increased supply of child care.

## Documenting Community Child Care Needs and Trends

CCR&Rs are the primary source of information about the local supply and cost of child care. They provide data for planning and policy making, track trends about families' changing needs, and advocate for a high-quality child care system.

## Consulting with Employers

CCR&Rs work with employers to address the child care needs of their employees and to identify the link to the recruitment, retention, and productivity of their workforce.

## By the Numbers (FY 2007–2008):

### *For Families*

CCR&R staff provided 17,844 referrals to parents, 47 percent of whom were eligible for the DHS subsidy. CCR&R staff had an additional 29,653 contacts with parents, answering questions on child development and child care issues and providing linkages to community resources.

### *For Child Care Providers*

CCR&Rs maintain a current database of 6,194 child care providers. Of these, 4,419 are listed on a statewide Internet searchable database. CCR&R staff conducted and/or coordinated 2,251 trainings, attended by 22,234 child care providers.

**affordability, safety**

## Strategic Planning

In June 2006, the Board of Directors of OCCRRN approved a plan to develop recommendations for changes in how the Oregon CCR&R system operates. As a result of the recommendations, the number of CCR&R Service Delivery Areas (SDAs) will be reduced from seventeen to thirteen by July 2009. Lane and Douglas counties joined to become one SDA on January 1, 2009; this SDA is serving as a model for future SDA mergers. The purpose of this change is to:

- Combine smaller CCR&R programs into larger service areas
- Reduce administrative tasks for SDAs, providing additional time for direct services to parents and providers
- Increase the degree of specialization and diversity of staffing

## Partner: Oregon Center for Career Development in Childhood Care and Education (OCCD)

Portland State University's Oregon Center for Career Development in Childhood Care and Education (OCCD) provides leadership in the development and operation of integrated and statewide professional development standards and systems. OCCD promotes professional development to achieve high-quality care and education for children and youth, and creates and supports training and education. OCCD houses and coordinates the Oregon Registry (see below) and the Oregon Registry Trainer Program along with a scholarship program funded by the Oregon Community Foundation that provides financial support for providers participating in professional development opportunities.

### The Oregon Registry

The Oregon Registry: Pathways to 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 Registry recognizes two pathways for professional development: 1) a degree or cer-

tificate and 2) college-credit training and/or community-based training. The Oregon Registry comprises twelve steps, each representing increased training and education across several core knowledge categories. Ten of these make up what is defined by the field as the Core Body of Knowledge that providers should know. They include diversity; families and community systems; health, safety, and nutrition; human growth and development; learning environments and curricula; observation and assessment; personal, professional, and leadership development; program management; special needs; and understanding and guiding behavior.

The registry also provides a mechanism to increase the visibility and recognition of childhood care and education as a profession.

## Partner: Oregon Department of Education (ODE) Teen Parent Programs

The Oregon Department of Education, through an agreement with the Child Care Division, works with Oregon public school districts to increase the availability of child care for, and services to, teen student-parents. The quality of these programs is improved through grants to certified school-based programs to make quality improvements using the Revised Oregon Program Standards for the Child Development and Parenthood Education Program, Career-Based Childhood Care and Education Programs, and School-Based Teen Parent Programs. Grant funds are used for:

- Enrolling staff in the Oregon Registry: Pathways to Professional Recognition in Childhood Care (see above)
- Assessing programs using the Revised Oregon Program Standards
- Determining additional staff training based on assessment findings
- Determining equipment updates or purchases needed to meet health and safety standards based on assessment findings

Grant funds are also used for technical assistance to school districts to improve child development and parenthood education.

quality, accessibility,

Collaborative community partnerships to provide additional resources for teen student-parent programs are established with local child care resource and referral agencies, Education Service Districts, and the Department of Human Services.

Since July 2008, all public school districts funded with Child Care and Development Fund block grants have had child care centers certified by the Child Care Division.

## **Partner: Oregon Commission on Children and Families (OCCF)**

The Oregon Commission on Children and Families was established to determine what works best for all of Oregon's children and families, by joining with other state agencies and local communities to maximize their input and recognize their individualities. Created by legislation in 1993, and further defined by SB 555 in 1999, OCCF promotes positive outcomes for children and families through a process driven by local decision making.

The Commission works with the governor, legislature, boards of county commissioners, and other public officials to identify obstacles to the efficient and comprehensive delivery of services, and to recommend policies to improve the lives of Oregon's children and families.

The Commission focuses on prevention and getting results through what works. It measures performance by collecting, evaluating, and reporting program data to ensure accountability and ongoing improvement.

### **State Commission**

The State Commission uses locally coordinated plans to advise state agencies, the governor, and the legislature of policies that offer solutions to problems facing children and families. There are seventeen commissioners: three from state agencies, two from the legislature, and twelve members appointed by the governor from local business communities, local commissions, social services, juvenile justice, and children's advocates.

### **Local Commissions**

All Oregon counties have local Commissions on Children and Families that lead a comprehensive planning process, mobilize communities around issues of local concern, engage the community to invest both resources and time, and ensure accountability by measuring results. Local Commission members are appointed by each county's Board of Commissioners.

### **Goal**

The goal of the Commission's work in child care is to provide communities with resources and capacity to meet families' child care needs.

### **The Role of OCCF in Child Care and Education**

OCCF facilitates the development of a local community plan for children and families in each county. In every community, the quality and supply of child care are recognized as key needs. Federal child care funds distributed through the OCCF system address local child care needs as they are identified in the local plan and focus on the continued development of an integrated system of early care and education in each county. These funds provide a way for communities to extend the reach of CCDF dollars beyond families who are eligible for subsidies. Strategies contracted by local Commissions on Children and Families include:

- Increasing the availability and quality of hard-to-find child care, and
- Improving child care quality through provider-focused efforts and development or enhancement of the local child care infrastructure.

These strategies involve activities such as provider professional development, quality enhancements for after-school programming, and provider compensation initiatives.

OCCF works closely with child care partners across the state. Staff from the State Commission convene the Early Childhood Matters Committees and participate in the Childhood Care and Education Coordinating Council and its subcommittees.

# affordability, safety

## Recent Findings

Most counties in Oregon identified a need for more accessible and affordable, higher-quality child care in their 2008 Community Comprehensive Plans. Of special concern were:

- Before- and after-school care
- Infant/toddler care
- Affordable care options
- Quality care that prepares children for school

## Partner: Oregon Child Care Research Partnership

The Oregon Child Care Research Partnership's mission is to ensure that basic information about childhood care and education in Oregon is current, accurate, and available on local, regional, and state levels and is accessible to all decision makers. It operates as a part of the Family Policy Program of Oregon State University.

The Partnership brings together university-based researchers, state agency child care staff, the Oregon Child Care Resource and Referral Network, and child care practitioners. The group engages parents in its research activities whenever possible. Working together, partners identify research that is needed to support child care decisions, carry out such research projects, and then disseminate their findings. The Partnership produces data for both affordability and supply benchmarks. It also provides biennial estimates of child care usage by Oregon families.

## Partner: Oregon Community Foundation (OCF) Early Childhood Program

The mission of the Oregon Community Foundation's Early Childhood Program is to make sure all children can experience quality care and learning opportunities at home and in other settings. To achieve this, the program:

- Supports parents in their role as their children's first teachers by: making grants to community-based organizations that provide best-practice parent education programs; and supporting training for parent educators
- Improves access to quality early care and

learning by: helping early childhood professionals pursue training and education through scholarships; supporting family child care provider networks in two communities; supporting the Quality Indicators Program (see below); and working with partners to explore enhancements to Oregon's professional development system

- Promotes early literacy and language development by: making grants to community-based organizations that teach parents and child care providers about nurturing early literacy development; making it possible for thousands of quality children's books to be distributed to families and care providers; and in partnership with the Paul G. Allen Family Foundation, supporting "Reading for Healthy Families," a three-year initiative to reach high-risk families with books and literacy information

OCF's Early Childhood Program accomplished the following in 2007–2008:

- Awarded approximately \$1.3 million in grant funds, supporting over thirty projects in communities around the state
- Reached hundreds of parents, child care providers, and children through parenting and literacy programs
- Helped plan the Governor's Early Childhood Summit and participated in other efforts to strengthen Oregon's early childhood system
- Was a major supporter of Oregon's first statewide conference for parent educators
- Helped over 900 current and prospective early childhood professionals pursue training and education in the field through scholarships

## Initiative: Child Care Quality Indicators (CCQI) Program

Studies have shown that 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. But until recently we have known very little about the quality of Oregon's child care facilities. This leaves parents without basic

quality, accessibility,

information when it comes to selecting the best setting for their children. It also makes it impossible for child care providers to know how their setting's quality stacks up in the marketplace. And, absent any means of measuring outcomes, funding entities can be reluctant to invest in improving quality.

CCQI was launched to fill this information vacuum. It is spearheaded by the Child Care Division of the Employment Department and the Oregon Child Care Resource and Referral Network, and has been conducted in collaboration with other agencies and private foundations. It began as a pilot project in Multnomah County, then expanded to Coos and Curry counties.

### What CCQI Measures

CCQI collects data from child care centers to measure seven research-based structural indicators: adult-child ratio, group size, education, specialized training of teachers and other caregivers, teacher and caregiver compensation, staff turnover (a measure of caregiver-child relationship stability), and accreditation.

### Progress Report

The CCQI was expanded to include all child care centers (approximately 1,000) in January 2009. Approximately 3,300 family child care homes will be added in January 2010.

### How the Data Is Disseminated, and How It Will Help

Providers in the pilot program have received reports indicating how well they have done in the seven structural indicators. All providers will have the option of sharing their information with parents and community members who inquire about child care. As more of this much-needed information becomes available, parents will better understand what to look for in a facility and what questions to ask. Child care providers will have a clear and meaningful way to measure their performance against others in the field, as well as a built-in incentive to improve if necessary in order to remain competitive. And both policy makers and funders will at last have a yardstick with which to measure the impact of their efforts to improve quality.

## Initiative: Child Care Contribution Tax Credit

### Background

Oregon's child care industry has been described as a classic case of market failure. Although child care providers are among the state's lowest-paid workers, parents still have difficulty affording care.

There are two types of tax credits available to alleviate this problem in Oregon. One is a credit for businesses that provide child care subsidies to their employees. The tax credit we describe here, however, is available to any taxpayer who chooses to contribute.

In 2003, the state legislature enacted the Oregon Child Care Contribution Tax Credit. Oregon taxpayers—individuals and corporations—who contribute to the program receive a state tax credit of 75 cents for each dollar that they contribute. A total of \$500,000 in tax credits has been available each calendar year for five years, beginning with tax year 2004.

### Goals of the Legislation

- Create an incentive for businesses and individuals to invest in child care.
- Create a funding pool of private contributions that will promote and sustain the operation of quality, affordable child care businesses.
- Target specific community needs, such as infant and toddler, preschool, and school-age after-hours care.
- Assess the actual cost of quality child care by addressing quality, affordability, and compensation simultaneously.
- Strengthen child care businesses while making child care services more affordable for low-income parents.

### Progress Made and a Look Ahead

To date, proceeds from the tax credits have supported a successful pilot project that is now ongoing (see CCEP, page 32). A second pilot, the Child Care Community Fund, is being administered through Neighborhood House in Multnomah, Washington, and Clackamas counties. This three-year research study is in its second year. When the second study is complete, the

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combination of findings from the evaluations of the two programs will provide needed data on the effectiveness of quality investments.

- Funds are used to increase provider wages and professional development, decrease parent cost to no more than 10 percent of family income, and improve the quality of care children receive.
- The funds are distributed to qualified community agencies selected as demonstration sites through a competitive process. There is no geographic link between the location of the investor and those of the demonstration projects.
- All monies are deposited in the state's Child Care Fund, managed by the Child Care Division of the Employment Department, and annually distributed to the demonstration projects.

By simultaneously addressing quality, affordability, and compensation, this innovative program is revealing the true cost of quality child care and is helping restore balance in this critical sector of Oregon's economy.

### **Initiative: Child Care Enhancement Program (CCEP)**

The Lane County Child Care Enhancement Project (CCEP) began in 2005 and is administered by Lane Community College, utilizing funds from the Oregon Child Care Contribution Tax Credit (see above). The first three years of the project (2005–2008) included extensive evaluation from NPC Research. It is now an ongoing program in a maintenance phase.

CCEP was designed to further three goals: decreasing parents' cost of child care, increasing and stabilizing child care provider wages, and improving child care quality through professional development and other enhancements.

The program consists of three components: parent subsidies to limit child care expenses to 10 percent of family income; wage enhancements and financial support for providers, including scholarships and facility improvement grants; and mentoring, networking, and technical support for providers.

Over the course of the pilot project, CCEP

has served thirteen facilities and thirty-four providers. CCEP facilities served 268 families and 327 children.

NPC Research evaluated the project at the three-year mark and found several positive outcomes for child care providers, families, and children:

#### **Providers experienced improvement in child care quality**

Compared to those not receiving the program (a control group), CCEP facilities provided:

- Higher-quality (and more available) developmentally appropriate equipment for children
- Safer furnishings and materials
- Higher-quality (and more available) materials to support language and literacy
- Higher-quality support for children's social-emotional development
- Higher-quality support for children's cognitive development
- Higher-quality support for children's language development and early literacy

#### **CCEP parents showed:**

- Fewer changes in child care placements for their children
- Higher satisfaction with the quality of child care
- Increased ability to keep their children in these high-quality child care settings for more hours than would otherwise have been possible.

#### **Provider support and training increased**

Compared to a control group, providers:

- Were more likely to be enrolled in the Oregon Registry, and to advance their level of qualifications on it
- Were less likely to report income instability
- Were less likely to report stress about working with children who had challenging behaviors
- Enjoyed improved provider stability: CCEP family child care facilities were less likely to close than were control family child care facilities

# quality, accessibility,

## Initiative: Oregon ASK

Oregon ASK (After School for Kids) is a collaboration of public and private organizations and community members that seeks to address common issues and concerns across all out-of-school-time services—child care, recreation, education, and youth development. An outgrowth of the Oregon Out-of-School-Time Network, Oregon ASK was created in 2006. Its mission is to support, expand, and advocate for quality out-of-school-time programs and activities for children, youth, and families throughout Oregon.

### Oregon ASK's Vision

All Oregon children, youth, and families will have access to quality out-of-school-time options within their communities. All services will enhance children's positive development and future opportunities while keeping them safe from harm. All programs, services, and activities will be of high quality and contribute to strong communities and schools. To accomplish this vision, Oregon ASK has established the following goals:

- Develop, gather, and share resources—including information and technical assistance—that support and sustain high-quality out-of-school-time programs.
- Promote professional development, program standards, child/youth outcomes, best practices, and program evaluation.
- Affect policy and public will at both state and local levels.
- Communicate effectively with and provide meaningful ways for partners, stakeholders, consumers, beneficiaries, and champions to become involved.

## Initiative: Child Care Health Consultation (CCHC) Demonstration Program

Healthy Child Care Oregon is a statewide initiative that offers health information to child care providers and parents; technical assistance and training to communities across the state with an interest in child care health; and the Child Care Health Consultation program at four sites

(Eastern Oregon and Clackamas, Lincoln, and Multnomah counties).

The CCHC program is designed to improve health and safety for children in child care. Its services are offered to all child care providers within the designated counties. It reaches out to those providers who care for children from populations known to have barriers to health care (such as low-income families, children with special needs, and families with cultural and language diversity), and to home-based providers and those who serve infants and toddlers.

The CCHC program's goals are to:

- Improve child care environments and child care providers' health knowledge and practices
- Encourage child care providers' use of child health and safety policies
- Improve the health of children in child care by increasing both their rates of immunization and their access to health care
- Increase interagency collaboration in the early childhood system

This program's strategies are rooted in community and state health and child care priorities and built upon community assessments. It provides its services through on-site assessment-based comprehensive consultation, phone and e-mail contacts, and health trainings and events. These services address children's physical, social, emotional, and developmental health as well as safety through consultation on preventive practices, including:

- Preventing illness with hand-washing and sanitation practices
- Ensuring child wellness by maintaining up-to-date records of children's immunizations and current medical and dental care providers
- Creating nurturing environments that meet children's social and emotional needs
- Creating safe child care sites free of safety hazards and environmental toxins
- Increasing access to health care for families and children through connection to community health resources and the Oregon Health Plan

affordability, safety

The Child Care Health Consultation Program, now an ongoing effort, began as a four-year pilot (July 2003–June 2007) that demonstrated positive results in the areas of child care provider knowledge and practices, parents' satisfaction with their child care providers, access to health care, and providers' use of health policies. Local program teams consisting of health, mental health, and early care and education partners achieved a high level of collaboration that achieved results. The report evaluating this program, "Improving the Health & Safety of Children in Oregon's Child Care," is available for download at <http://egov.oregon.gov/DHS/ph/ch/hcco/index.shtml>.

### Plans for the Future

CCHC aims to:

- Sustain funding for the current program
- Continue to strengthen the mental health component of the services and build capacity among mental health partners
- Engage partners surrounding the four local program sites to plan for expansion of services incrementally as funds are available, with eventual expansion to all child care providers in the state

These plans for continuing the Child Care Health Consultation Project, and increasing its efficacy, face serious challenges because of the current economic downturn.

### Initiative: The Inclusive Child Care Program

Families of children and youth with disabilities, special health care needs, or emotional or behavioral disorders often face major challenges to finding and keeping appropriate child care. According to the Americans with Disabilities Act, most child care centers and family child care homes must make reasonable accommodations to serve children with special needs. But providers sometimes need additional support to make accommodations for safe and effective care.

The Inclusive Child Care Program, a program of the Oregon Council on Developmental Disabilities, supports care for children with

special needs through:

- Individualized child care subsidies for lower-income working families to assist with higher costs of care
- Training, consultation, and information for providers and parents to enable children to be in inclusive child care and after-school settings with their peers

### Inclusive Child Care Defined

An inclusive child care setting is one in which children with and without special needs are cared for together. When inclusive care is supported, everyone benefits: children have important personal and social experiences, with a resulting increase in their social skills and understanding of others, and parents benefit by having more child care choices.

### The Inclusive Child Care Program Supplemental Child Care Subsidy

Child care costs can be higher when children require special accommodations or an exceptionally high level of care and supervision. Through an agreement with the state's Child Care Division, the Council's Inclusive Child Care Program offers supplemental subsidies to help a limited number of lower-income working families who face higher costs of care. To qualify, a family's income must be less than 85 percent of Oregon's median income. Parents pay the provider's customary fee; the subsidy is paid to the child care provider to help with higher costs related to the child's special needs. The subsidy may be used to cover specific accommodations, such as maintaining a smaller group or having an extra adult on site when the child is in care. The subsidy varies with each child and is based upon an assessment of the child's individual needs and the extra things a provider must do to provide safe and appropriate care.

Inclusive Child Care Program staff also complete assessments for children served by Department of Human Services/Self Sufficiency child care subsidies. These assessments are used to determine individualized rates for children with exceptionally high care needs.

Regardless of the source of subsidy, Inclusive Child Care Program staff consult with parents and providers to identify additional ways

quality, accessibility,

to support and stabilize child care placements.

### The PICCE Project

The overall goal of the Partners for Inclusive Child Care and Education (PICCE) Project is to increase the number of providers including children with higher-level needs in their settings. The project offers training and support to build child care providers' skill and comfort level in serving children with diverse abilities and needs. The project uses the TRAC curriculum developed at Western Oregon University. A well-evaluated model that has been used nationally, TRAC combines in-depth training in developmentally appropriate care with training in inclusion values and skills. Through combined community and state support, training is provided at little or no cost to child care providers. Since the training requires a major time commitment from providers, a variety of incentives are available to encourage provider participation.

Research shows that follow-up support is important for positive training outcomes, and the PICCE Project includes such support for participating providers. In addition, the Western Oregon University Teaching Research Institute has been contracted to offer technical assistance and support to community trainers. The third phase of the project includes partners in Baker, Benton, Clackamas, Coos, Crook, Curry, Deschutes, Gilliam, Jackson, Jefferson, Josephine, Linn, Lincoln, Marion, Polk, Union, Washington, and Yamhill counties, with five of these counties having been added since the last biennium.

### Inclusive Child Care Inventory Project

The Inclusive Child Care Inventory Project has identified an array of resources that can support child care and after-school care for children and youth with special needs. The information is available on Disability Compass, a web-based searchable database ([www.disabilitycompass.org](http://www.disabilitycompass.org)). A print report of the project's process and findings is also available from the Inclusive Child Care Program ([www.ocdd.org/index.php/ocdd/whatwedo/15/](http://www.ocdd.org/index.php/ocdd/whatwedo/15/)).

## Initiative: The Virtual Degree Project

The Virtual Degree Project was created to facilitate the transition of child care providers from community-based training to community college credit training. The project now provides options for students to:

- Receive community college credit for achieving Step 7 on the Oregon Registry
- Take classes at nontraditional times or via distance-delivery methods
- Take classes at other Oregon community colleges and transfer the credit to their home institution in order to complete a degree

The goal of the project is to give child care providers increased flexibility, and therefore encouragement and support, in obtaining a higher level of education.

Community colleges in Oregon have greatly increased their online program offerings since this project began. Several community colleges make most or all of their classes available online. All but one with early childhood education programs now provide for awarding credit for prior community-based training, either toward the national Child Development Associate Credential (CDA) or the Oregon Registry Step 7 Certificate. Access to statewide early childhood education programs gives child care providers maximum scheduling flexibility and connection to their "home" community colleges, and preserves their financial aid packages.

The project continues to encourage increasing flexibility and recognition of child care providers' needs. It is now entering the third phase of increasing the articulation of community college early childhood degrees into the four-year college and university system. This will enable more child care workers to achieve bachelor's degrees, and research shows that a bachelor's degree can make a difference in child outcomes.

Current challenges to the Virtual Degree Project include increasing efficiencies, avoiding duplication of effort, and identifying how to reach more child care providers and help them move through the education system.

# affordability, safety

# About the Oregon Commission for Child Care



The Commission for Child Care was created within the Employment Department to address the issues, problems, and alternative solutions that are critical to the development of accessible, affordable, and quality child care services. (ORS 657A.600 to 657A.630)

## The OCCC's Mission

Our mission 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 consists of eighteen members who are appointed by the governor, president of the Senate, and speaker of the House. Fifteen voting members serve three-year terms as volunteers. They are child care providers and consumers, medical and legal professionals, and representatives of business, labor, government, and the public at large. Three non-voting members are representatives of the Oregon Legislative Assembly; they serve two two-year terms. The governor appoints the chair for a one-year term.

## Recent Forums

Since our last report, the Commission has held community forums, having discussions about exempt school-age care (for further information, see page 12).

## History

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.

1998: Creation of advisory committee on making child care more affordable.

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

2001: Establishment of a task force on financing quality child care.

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 twelve to sixteen children per site.

2007: The Commission worked to extend the Child Care Contribution Tax Credit to 2014.

2008: The Commission worked with the Child Care Division to create an online history of child care facility complaints, accessible to parents.



# Commission Members

Rosetta Wangerin, Chair  
State and Local Government—Senate

Janice East  
Business—Governor

Randy Fishfader  
At Large—Governor

Representative Tina Kotek  
Representative—Speaker

Katie Larive  
Children’s Health—Governor

Heidi East McGowan  
Executive Officer

Senator Rod Monroe  
Senator—Senate

Meghan Moyer  
At Large—Governor

Deborah Murray  
Provider—Governor

Kitty Piercy  
State and Local Government—Governor

Cheryl Reece  
Provider—Governor

Nina Roll  
Resource and Referral—Governor

Teresa Stevenson  
Executive Assistant

Stephanie Swan  
Labor—Speaker

Gary Taylor  
Consumer—Senate

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*There are two facts about the economic crisis  
of which we are certain:*

**If we are to succeed in putting people back to work,  
we need to have places where their children can  
receive safe, stable child care.**

*and*

**To ensure a *sustainable* return to economic health,  
these places need to be high quality, setting children  
up for success in school, business, and life.**



**Our vision of success:**  
*all of Oregon's families have access to  
safe, quality, and affordable child care*

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