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Joint Task Force on Access to Quality Affordable Child Care

Report pursuant to House Bill 2346 (2019)

December 2020

TASK FORCE MEMBERS

Legislative Branch Appointees (nonvoting)

Senate

1. Kathleen Taylor, State Senator, District 21, Oregon Legislative Assembly
2. Tim Knopp, State Senator, District 27, Oregon Legislative Assembly

House

1. Cedric Hayden, State Representative, District 7, Oregon Legislative Assembly
2. Karin Power, State Representative, District 41, Oregon Legislative Assembly

Executive Branch Appointees (voting)

1. Regan Gray, Child Care Policy Advisor, Family Forward
2. Swati Adarkar, Cofounder, President and Chief Executive Officer, Children's Institute; replaced by Dana Hepper, Director of Policy and Advocacy, Children's Institute, effective by August 11, 2020 meeting
3. Jenny Lee, Deputy Director, Coalition of Communities of Color
4. Ron Herndon, Director, Albina Head Start
5. Elanna Yalow, Chief Academic Officer, KinderCare Education
6. Josie Emmrich, Owner and Child Care Provider, Loving Beginnings Certified Family Child Care
7. Natalie Jackson, Owner and Child Care Provider, Bear Bear Regulated Subsidy Child Care
8. Yolanda Morales, Parent, Refugee Welcome Center
9. Parent vacancy; Celese Williams effective by September 8, 2020 meeting
10. Brenda Comini, Director, Early Learning Hub of Central Oregon
11. Marie Simonds, Executive Director, Wild Rivers Coast Alliance
12. Miriam Calderon, Early Learning System Director, Oregon Early Learning Division
13. Dan Haun, Self Sufficiency Programs Director, Oregon Department of Human Services

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Natalie Jackson
Jenny Lee
Yolanda Morales
Marie Simonds
Celese Williams
Elanna Yalow

80th LEGISLATIVE ASSEMBLY
JOINT TASK FORCE ON ACCESS TO QUALITY AFFORDABLE CHILD CARE

State Capitol
900 Court St. NE, Rm. 453
Salem OR 97301
503-986-1813

December 31, 2020

Honorable Senate President Peter Courtney, Honorable House Speaker Tina Kotek, and members of House and Senate interim committees concerned with education:

Submitted herein is the executive summary and report of the Joint Interim Task Force on Access to Quality Affordable Child Care (the Task Force) that was established by House Bill 2346 (2019). The child care crisis and the child care system are complex, involving hundreds of moving parts and a broad coalition of stakeholders and critical partners. Legislators on the Task Force would like to acknowledge and thank the other members for their commitment and diligence under extraordinary circumstances: only eight months to work, and all work was conducted remotely during a worldwide pandemic. Many members were only able to participate by phone, so they could not see, or be seen by, their fellow members. This report is not perfect, and conversations will continue, but hopefully it reflects their many voices, concerns, and contributions.

EXECUTIVE SUMMARY

The Task Force offers the following recommendations, organized from short- to long-term, although many recommendations overlap or are intertwined. Not all of the Task Force's recommendations are presented as part of this executive summary: please refer to the full report for detailed discussion and a complete list of Task Force recommendations.

Short-term Recommendations (within the next 12 months)

Legislative

- Consolidate governance and funding for child care subsidy into one agency (pages 21, 24);
- Protect current state investment in child care (pages 21, 23, 25);

- Ensure existing child care subsidy funds serve families well by updating child care subsidy statutory framework to:
    - expand eligibility to more children (broaden in terms of income, immigration status, disabilities, and reasons parents are unavailable for care) and for a minimum of 12 months (page 22)
    - connect reimbursement rates paid to child care providers with the true cost of care and eliminate delays (pages 17, 22)
    - ensure parent copays are not a barrier to receiving child care assistance (pages 17, 22)
    - increase the utilization of contracted slots with child care providers (this is a medium-term recommendation, included here because it follows the preceding bullets chronologically, pages 17, 22);
- Identify/support federal opportunities to increase public investment (page 23);
- Support the federal Child Care for Working Families Act (page 23);
- Spend existing funding well (page 23);
- Embed supports for providers (short-, medium- and long-term, page 18); and
- Require the executive branch organization responsible for child care to present to the legislature every odd-numbered year during session regarding the current rate-setting rules and copay calculations and how those compare with actual child care business costs.

Administrative

- Conduct a review of child care rules and licensing standards (pages 17, 19); and
- Revise administrative rules to align with updated child care subsidy statute (page 22).

Medium-term Recommendations (within the next biennium)

- Have localized, centralized, child care regulation experts (page 17);
- Use contracted slots (pages 17, 22);
- Reduce barriers for child care businesses (page 18);
- Allow/credit on-the-job training (page 19);
- Support improved administration of child care subsidy (page 22); and
- Identify/support state opportunities to increase public investment (medium- and long-term, page 23).

Longer-term Recommendations

- Modernize and centralized data collection and maintenance over time (page 25);
- Have a web portal to access ERDC (page 18); and
- Significantly increase federal and state public funding over time (page 23).

Members of the Legislative Assembly may obtain a copy of this report from the Legislative Policy and Research Office and from the Task Force's web pages on the Oregon Legislative Information System (OLIS).

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BACKGROUND[1]

Creation

The Joint Task Force on Access to Quality Affordable Child Care (the Task Force) was established pursuant to House Bill 2346,[2] which was enacted during the 2019 regular legislative session. Given the large number of participants required by the measure, the appointments took some time to complete. Task Force formation was also delayed by the occurrence of the 2020 regular legislative session, and the ongoing worldwide pandemic outbreak of COVID-19.

The Task Force convened its first meeting on April 29, 2020.[3] Its members organized themselves, committed to a regular meeting schedule of every other week, and immediately began the first of many discussions probing the relevancy of the originating legislation and its specific directives in light of the pandemic. The members met remotely a total of 17 times over the course of eight months, never in person.

Mandate

House Bill 2346 directed the Task Force to make recommendations to the Legislature by December 31, 2020, to achieve the following:[4]

- Increase eligible families' use of child care subsidies; and
- Expand access to high-quality, subsidized child care for families that are not currently eligible for subsidized child care who cannot otherwise afford or access child care.

The measure further required specific consideration of the following items as the Task Force developed its recommendations:[5]

- Availability of high-quality child care providers that meet the needs of families, including culturally specific care and workable hours of operation;
- Copayments;
- Burdensome administrative practices and requirements;
- Reimbursement rates;
- Economic stability of families receiving child care subsidies;
- Access to professional development and quality supports; and
- Access to child care that allows parents to work and provides positive development opportunities for children.

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1 All links provided herein were last accessed December 2020.
2 Enrolled House Bill 2346 (2019), Oregon Legislative Information System (OLIS), https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/HB2346.
3 All meeting records are accessible through the Oregon Legislative Information System (OLIS) on the Oregon Legislature's website: https://olis.leg.state.or.us/liz/2019I1/Committees/JTFACC/Overview.
4 Enrolled House Bill 2346 (2019) p. 1.
5 Enrolled House Bill 2346 (2019) p. 2.

PROCESS

The Task Force agreed to allow for flexibility to deviate from the directives contained in the originating legislation as appropriate to accommodate pandemic-related discussions, participant's spontaneous suggestions, and other *ad hoc* changes in emphasis or direction. To that end, a loose and adaptable work plan was developed; regular COVID-19 updates were incorporated at the beginning of almost every meeting; and the Task Force sought feedback from both the Governor's office[6] and Legislative branch leadership regarding its utility, best use, and potential shift in focus. The Task Force also extended the deadline for receipt of a report on child care supply/demand and barriers to subsidies, from June 30th (as required by the originating legislation) to September 30th. A small library of resource materials accumulated,[7] and the Legislative Revenue Office was asked to survey materials relevant to economic recovery and economic development, and to provide an economist's perspective on the connection between child care and Oregon's economic recovery.

ACTIVITY

The Task Force received a wide variety of presentations and information, including: overviews of the general child care landscape in Oregon and other states (both pre-pandemic and ongoing); receipt of a December 2019 report required by the originating legislation on existing child care subsidy programs;[8] the economics of child care;[9] Oregon's revenue forecasts;[10] the merits of developing a problem statement, and/or guiding principles, and/or short- and long-term recommendations; proposed investments to meet immediate child care needs;[11] provider experiences and perspectives; parent perspectives; the needs of vulnerable populations and other equity considerations;[12] governance models in other states;[13] subsidy administration in other

[6] A letter was received from the Governor dated December 14, 2020: https://olis.leg.state.or.us/liz/2019I1/Downloads/CommitteeMeetingDocument/227378.

[7] See the list of resources at page 23.

[8] *The State of Early Care and Education and Child Care Assistance in Oregon* aka "Study A" (2019), Early Learning Division, Oregon Department of Education, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/221824; see also "The State of Early Care and Education and Child Care Assistance in Oregon: Presentation to the Child Care Taskforce" (2020), Early Learning Division, Oregon Department of Education, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/221881.

[9] Workman, Simon, "The Economics of Child Care" (2020), Center for American Progress, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/222193.

[10] "Economic and revenue forecasts" (2020), Office of Economic Analysis website, https://www.oregon.gov/das/OEA/Pages/forecastecorev.aspx.

[11] Early Learning Division, "CRF Funding Plan" (2020), Oregon Department of Education, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226696.

[12] Early Learning Division, "CARES Act and CRF Funding: Equity Lens" (2020), Oregon Department of Education, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/225834; see also Olivier, Heather, and Cori Mielke, "Legislative Child Care Task Force" (2020), FACTOregon, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/224692.

[13] Administration for Children and Families, "Early Care and Education: State and Territory Governance Structures" (2015), U.S. Department of Health and Human Services, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/225791; Dichter, Harriet,

states; regional collaborations within Oregon;[14] receipt of a two-part September 2020 report on the supply of and demand for child care required by the originating legislation;[15] receipt of a third report on the barriers to accessing existing child care subsidies as required by the originating legislation;[16] and, shared-services models for child care businesses.[17]

Some novel impediments arose as a function of meeting only by phone and video, not only regarding Task Force connectedness and communications, but also with report drafting. With only a handful of meeting dates remaining by late September, the Task Force attempted to organize itself into small groups to expedite development of feedback and suggestions for discussion and consideration by the larger group, as follows:

Child Care Businesses – including start-up barriers, administrative barriers, reimbursement

1. Marie Simonds
2. Josie Emmrich
3. Natalie Jackson
4. Yolanda Morales

"Governance in Early Care and Education" (2020), The BUILD Initiative, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226173; Regenstein, Elliot, and Katherine Lipper, *A Framework for Choosing a State-Level Early Childhood Governance System* (2013), The BUILD Initiative, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/225792; Regenstein, Elliot, "Early Childhood Governance Decision Guide" (2020), Foresight Law+Policy, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/225793; Regenstein, Elliot, *Early Childhood Governance: Getting There from Here* (2020), Foresight Law+Policy, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/225795.

[14] Governor's Child Care Work Group, *Executive Summary* (2020), Regional Solutions and Early Learning Division, Office of Governor Kate Brown, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226174; see also East McGown, Heidi, *Bandon Community Child Care Center Assessment* (2020), East Consulting and Associates, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226835.

[15] Pratt, Megan, et al., *School-age Supply and Demand: Child Care Access and Equity* and *Supply and Demand in Oregon: How Equitable is Child Care Access?* aka "Study B"(2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226749 and https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226750, respectively; see generally Pratt, Megan, "Overview of Child Care Reports conducted by Oregon State University" (2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226752.

[16] Pratt, Megan, et al., *Barriers to Accessing Child Care Subsidies in Oregon* aka "Study C" (2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226751; see generally Pratt, Megan, "Overview of Child Care Reports conducted by Oregon State University" (2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226752.

[17] Stoney, Louise, and Heidi East McGowan, "Shared Services: An Innovative Approach to Reinventing Child Care" (2020), Opportunities Exchange and East Consulting and Associates, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226784; Stoney, Louise, *Rate Setting in Reality: Moving Beyond the Myth of Market-Based Pricing* (2020), Opportunities Exchange, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/225956; and Stoney, Louise, "Reinvent vs. Rebuild: Let's Fix the Child Care System" (2020), Opportunities Exchange, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/222110.

5. Celese Williams
6. Dan Huan

Child Care Workers – including wages, career progression, training, continuing education

1. Jenny Lee
2. Josie Emmrich
3. Elanna Yalow
4. Yolanda Morales
5. Natalie Jackson
6. Miriam Calderon

Funding/Cost – including subsidies, copays, funding sources/financing, affordability

1. Brenda Comini
2. Dana Hepper
3. Regan Gray
4. Dan Huan
5. Elanna Yalow
6. Ron Herndon

Governance – including regulatory schemes, oversight, controlling agency or agencies, administration

1. Brenda Comini
2. Dana Hepper
3. Regan Gray
4. Marie Simonds
5. Celese Williams
6. Miriam Calderon

Small group activity was informal and not uniform across groups or participants: some groups organized multiple meetings while others did not; some participants attended multiple meetings, while other participants did not. Task Force members representing Executive branch entities participated in small group discussions as resources only. They did not advocate for a particular position nor express any opinions. The Department of Human Services also provided supplemental clarification and analysis following discussion of feedback from the small groups.[18]

[18] See analysis of "Child Care Task Force Policy Proposals," https://olis.leg.state.or.us/liz/2019I1/Downloads/CommitteeMeetingDocument/226919, and clarifying information, https://olis.leg.state.or.us/liz/2019I1/Downloads/CommitteeMeetingDocument/226920 and https://olis.leg.state.or.us/liz/2019I1/Downloads/CommitteeMeetingDocument/227392.

GOALS

Oregon's child care system should be universally accessible and equitable, and truly work for all families, prioritizing children and families who have been historically marginalized. It needs to provide access to developmentally appropriate, culturally relevant and inclusive child care for children and families across race, ethnicity, language, geography, disability, and income levels, as recommended by *Raise Up Oregon*.[19]

To accomplish this, Oregon's child care assistance programs must:

- Be affordable for families (cost less than seven percent of a family's income);[20]
- Offer the types of care that children and families need/want *when* needed and in the preferred child care setting;
- Be easy to navigate (for enrollment and coordination for those using multiple programs); and,
- Support child development.

Child care businesses and child care workers must be supported as the critical partners they are, to accomplish system goals. The system must provide a viable, sustainable financial model for child care businesses, and accessible professional development and training pathways for workers. Paramount are: a comprehensive review of licensing standards, and compensation[21] that is commensurate with the service provided.

The stated goals of Oregon's child care system should be modified to include:

- Affordability and accessibility for families;
- Culturally relevant, inclusive, and developmentally appropriate care for children;
- Sustainability for child care providers;[22] and
- A child-centered approach.

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[19] Oregon Early Learning Council, *Raise Up Oregon: A Statewide Early Learning System Plan 2019-2023* (2019), Oregon Department of Education, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/222460.
[20] "Seven percent" refers to the current federally recommended copay ceiling to participate in subsidy under normal/pre-pandemic circumstances. Pratt, et al, "Study C" (2020), p. 5. The actual percentage of family income spent on child care copays in Oregon before COVID-19 was significantly higher. Copays during the COVID-19 state of emergency have been zero, and conversations are ongoing to transition away from policies implemented to bridge the current state of emergency.
[21] "Compensation" includes both pay and benefits.
[22] "Providers" is intended to be inclusive throughout: meaning child care workers and/or child care businesses, including sole proprietors that may be exempt from licensing requirements.

FINDINGS/PROBLEM STATEMENTS[23]

The System

Oregon's child care system is failing. Achieving the goals stated above is necessary for Oregon's children, parents, child care businesses and workers, and the economy.

Funding. The system is chronically underfunded. Quality care is not uniformly available or affordable. System gaps cause disparities by race/ethnicity, language, geography, disability, and income, and these disparities compound (i.e., the barriers to access are greater if you are Native American and live in remote, rural Oregon, than if you are Caucasian living in an urban area).[24] Oregon's children, parents, providers, and communities – particularly those that are already marginalized or disadvantaged – as well as Oregon's employers, economy and education system, are all adversely impacted by poor quality, inaccessible, unequitable, unaffordable child care.

Public financing for child care is required to enable the achievement of the Goals stated above; to ensure quality, affordability, and availability statewide.[25]

Governance. Immediate preparation in the form of centralized governance is necessary in advance of additional public investment to ensure the most efficient and effective administration of public funds, in order to maximize the benefit. Bifurcated governance is confusing and inefficient. Decentralized structure inhibits the expansion that is needed to increase supply and serve more families effectively. The state's largest child care program, Employment-Related Day Care[26] (ERDC), and Inclusive Partners[27] are both administered by the Department of Human Services (DHS), while the Early Learning Division (ELD) within the Department of Education (ODE) regulates child care, implements strategies to increase the supply of quality care, and administers PreSchool Promise,[28] Oregon PreK Head Start,[29] and Baby Promise[30] programs.

[23] The Task Force worked on problem statements, goal statements, and principles over the course of multiple meetings in May and June 2020 that are incorporated in this section. The last draft of the original document can be found here: https://olis.leg.state.or.us/liz/2019I1/Downloads/CommitteeMeetingDocument/223358.
[24] Pratt, et al., "Study B" and "Study C" (2020); see generally Pratt, "Overview" (2020).
[25] *Transforming the Financing of Early Care and Education* (2018), National Academies of Sciences, Engineering, and Medicine, et al., https://www.ncbi.nlm.nih.gov/books/NBK518907/; see also Board on Children, Youth, and Families, "Highlights from Consensus Study Report entitled 'Transforming the Financing of Early Care and Education'" (2018), Division of Behavioral and Social Sciences and Education, The National Academy of Sciences, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/222112.
[26] "Child Care Assistance" (2020), Oregon Department of Human Services website, https://www.oregon.gov/dhs/ASSISTANCE/CHILD-CARE/Pages/index.aspx.
[27] "Opening Doors for Oregon's Children" (2020), Inclusive Partners website, https://inclusivepartners.org/.
[28] "Preschool Promise" (2020), Early Learning Division website, https://oregonearlylearning.com/preschool-promise.
[29] "Head Start" (2020), Early Learning Division website, https://oregonearlylearning.com/head-start-opk.
[30] "Baby Promise: Infant-Toddler Quality and Supply Building Pilot" (2020), Early Learning Division website, https://oregonearlylearning.com/baby-promise.

This decentralized structure is confusing to parents and providers, especially those enrolled in multiple child care assistance programs, and makes it impossible to enact a coordinated child care purchasing/spending and policy strategy that builds up the financial stability of the sector and increases equitable supply and affordability of child care for families. Inclusive Partners, funded by Child Care and Development Block Grants (CCDBGs) assists child care providers serving children with high needs. Co-housing all child care programs together would create better communication with providers and parents. In addition, since ELD is within ODE, it is reliant upon ODE for administrative and other functions such as human resources, engagement in the Governor's budget and policy development process, information technology development, and other services that are essential for ELD to achieve its mission.

Data. Necessary data about the real-time supply and need for child care is not current or useful, and its collection and maintenance is cumbersome and inefficient. Information about the supply of child care is collected manually through child care resources and referral entities (CCR&Rs) and self-reported by child care providers through emails or over the phone. This labor-intensive, delayed data collection to maintain a list of openings and monitor supply across the state, is usually not current.

When assisting families looking for child care, 211 gathers information from them and provides general referrals but no navigational assistance: 211 is limited in its ability to respond to geographically diverse requests, and to serve anyone whose primary language is not English. Overall, the information 211 gathers from parents is limited and does not include demographics. In addition, there is a network of unlicensed or unregulated providers with no reporting mechanisms that are not captured, so Oregon does not know how many children receive care in informal settings.

On the demand side, Oregon has no verifiable way to collect data on the number of parents needing/looking for care and no way to measure the demand by provider type or characteristics of child care settings. Oregon currently uses American Community Survey (ACS) and census data to *guess* the level of demand.

Without a better data system, it is difficult to help parents find child care providers with openings or make strategic investments to increase supply in areas of need. There is also a need for better enrollment/eligibility systems and payment systems for child care assistance programs. Current systems (legacy, Direct Pay Unit and ONE[31]) still limit ERDC program administration from implementing best policies for providers and parents.

[31] "DHS Integrated Eligibility Determination Project" (2016), Department of Human Services, https://www.oregon.gov/DHS/ABOUTDHS/DHSBUDGET/20152017%20Budget/Integrated%20Eligibility%20Determination-0116.pdf.

Children

A child's early years are critical to their physical, cognitive and socio-emotional development, yet *affordable, quality* child care (that does not exceed seven percent[32] of a family's income) *does not exist* for most families unless/until substantial public investment begins. (Public investment begins with publicly funded preschool, for the one-third of eligible children who have access, and for children at age five when K-12 public school starts.) Not all child care providers receive adequate support to foster child development.

Quality child care is what makes a difference in the trajectory of child development and effectively supports parents' work, college, and other essential activities.

Access to affordable, quality care is also starkly inequitable: Black and Latinx communities, parents of children with disabilities, low-income families, and those living in rural areas have even greater difficulty obtaining care. The supply of child care across the state for all ages and types of care needed is not sufficient. There is a mismatch between supply and demand, not just a shortage.

A lack of funding now for a system envisioned for the future does not mean progress cannot be made towards needed improvements to child care in Oregon. Failing to support early childhood development at the front end deprives children of equal opportunity and can contribute to increased societal costs on the back end.

Child Care Businesses

Splitting regulation and funding across multiple agencies with different missions and priorities is inefficient and confusing, and not having one clearinghouse for child care businesses and licensing regulation creates significant barriers for providers to start-up or sustain operations:

- Layers of state and local regulations are inconsistent and enforced by various authorities. Child care businesses must navigate numerous regulatory bodies to start a new child care setting. Local and state governments add additional requirements that hinder businesses from opening (bus fees, zoning, Fire Marshall, special use permits). It is not a coherent "system." It is hard to navigate and it disincentivizes supply-building. In addition, some licensing or regulatory standards in the Office of Child Care[33] are difficult for smaller communities to comply with and be financially sustainable, especially since they have a smaller

[32] "Seven percent" refers to the current federally recommended copay ceiling to participate in subsidy under normal/pre-pandemic circumstances. Pratt, et al, "Study C" (2020), p. 5. The actual percentage of family income spent on child care copays in Oregon before COVID 19 was significantly higher. Copays during the COVID-19 state of emergency have been zero, and conversations are ongoing to transition away from policies implemented to bridge the current state of emergency.

[33] There no longer appears to be an organizational element or structure named the Office of Child Care (OCC) within the Early Learning Division. The OCC was responsible for licensing. See "Sitemap" on the Early Learning Division website: https://oregonearlylearning.com/sitemap/.

employee pool to draw from. Providers report exemptions are inconsistently applied, and background checks are inconsistent across child care settings.

- There is misalignment between licensure requirements and the cost of providing quality child care with Oregon's per-child funding/financing approach. Child care businesses operate on razor-thin margins with no financial stability because providers set tuition rates based on what parents can afford, not what the true cost of providing care is. This means that child care businesses engage in a month-to-month struggle with no operating capital to spare, no ability to be flexible in support of children and parents, and no cushion to weather setbacks or difficulties of any kind.

Current payment practices of paying home-based and Family, Friends, and Neighbor providers (FFNs)[34] after services have been rendered (in DHS' Direct Pay Unit or DPU) create financial challenges for these providers. This is in stark contrast to how tuition is collected from parents. In addition, Oregon's high copays are not always affordable, creating an additional financial burden on all child care providers accepting subsidy.[35]

Child Care Workers

Child development is supported by a child's consistent relationships with nurturing, skilled child care workers. The adults caring for and educating young children in child care settings are the single most important factor in the quality of those settings. The child care workforce is 95 percent women and disproportionately women of color and immigrants. Systemic racism and sexism have contributed to the undervaluing of this workforce and the critical work they do. State and federal funding have historically been insufficient to guarantee that they receive adequate compensation, working conditions that align with economic, physical, and socioemotional well-being, and career pathways that facilitate access to education, training, and supports necessary to increase knowledge, skills, and degrees or credentials. Addressing these issues, along with recruitment and retention, will be key to ensuring Oregon's children and families have access to a child care system that meets their needs.

Child care workers perform an incredibly valuable job and an essential service for children, parents, and society. Many child care workers are among some of the lowest paid professions[36] whose compensation[37] is not commensurate with the services they provide and the work they perform. Providers that accept state reimbursement may be paid *sub*-minimum wage;[38] very few providers have robust benefits; families cannot

[34] Family, Friends, and Neighbor providers (FFNs) are exempt from licensing; see information on the Department of Human Services' website: https://www.oregon.gov/DHS/assistance/CHILD-CARE/Pages/providers.aspx.
[35] Pratt, et al., "Study C" (2020).
[36] Caregivers generally are among some of the most undervalued professions, including those who care for children, those who care for the elderly, in-home direct care providers and others.
[37] Compensation includes both pay and benefits.
[38] See "Child Care Rates" on the Department of Human Services' website: https://www.oregon.gov/dhs/assistance/child-care/pages/rates.aspx. Conversations within and between the Executive and Legislative branches of government are ongoing on this issue.

afford to pay the higher tuition needed to increase wages or benefits; and current subsidy (ERDC) rates are not targeted toward supporting robust pay or benefits.[39]

Child care workers need improved working conditions and support. Child care jobs need to be good jobs, including predictable hours, sick leave, and additional supports for child care workers to address the needs of children and families.

Current career pathways are not supported with community-based training; they are unrealistic with little to no support for formal educational attainment; higher education programs are not accessible to the current workforce; there are no clear ways to advance in one's career; and Family, Friend, and Neighbor providers have little access to professional development.

Due to often low pay and poor working conditions, one-quarter of the workforce turns over annually, meaning that 25 percent need onboarding and new training annually: many programs cannot find staff to hire that meet licensing requirements, leading to workforce shortages.

Parents

Child care is cost prohibitive for most families. Oregon relies more heavily on parental funding and less on public financing than many other states.[40] In Oregon, 70 percent of child care financing is paid by parents. There are many who need help with the cost of child care, but they are above the income threshold to receive help. Only 11 percent of families who are eligible for federally subsidized care actually receive support. Even those families who do receive a public subsidy often cannot afford the copay.[41]

Despite this overwhelming need, Oregon has ended the biennium in recent years with surplus funds remaining in the EDRC program due to under-enrollment. Barriers to enrollment include: high copays for parents, strict work requirements for families, and low reimbursement rates for providers. The average length of utilization of the current subsidy program is only four months.[42]

Parents seeking child care, whether utilizing subsidies or not, must often navigate a complex, competitive, and non-uniform system that fails to meet their needs. There is no comprehensive guide to the numerous programs, facilities and slots that are available. There are long wait lists. In some cases, parents spend hours calling facilities and submitting applications, to no avail. Even if all the legwork is accomplished and applications are submitted during pregnancy, it is not unusual for families to report

[39] See generally, Center for the Study of Child Care Employment website, https://cscce.berkeley.edu/topic/early-childhood-workforce-index/.
[40] Pratt, et al., "Study B" (2020).
[41] Pratt, et al., "Study C" (2020).
[42] Weber, R. B., et al., *Evaluating CCDBG in Oregon: Impact of the 2014 Act on Children, Families, and Providers: Report on Pre-Data* (2018), Oregon State University, https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/evaluating_ccdbg_in_oregon_-_impact_of_the_2014_act_pre-data.pdf.

having to quit a job, because a spot had still not opened up by the time the family and the child needed child care.

Once a child is accepted, the coveted spot may be lost for a whole host of reasons, many of them beyond a family's control: changes to a parent's work schedule or problems with transportation can force a family to start the process all over again. Some parents leave children with unregulated providers because there is no affordable, licensed alternative providing the kind of care that is needed, *when* a family needs it.[43]

Without access to affordable, quality child care, families can suffer a loss of earnings, delayed or damaged careers, and decreased earning potential over time. The impact on long-term financial security and stability disproportionately harms women as well as people of color who are already disadvantaged and/or marginalized.

The Economy[44]

Child care work allows all other work to happen. It is necessary for both: Oregon's COVID-19 economic recovery and Oregon's long-term economic health. Oregon employers and Oregon's economy suffer from lost productivity and job disruption that results from an under-funded, unavailable, and unstable child care system.

Failing to adequately support early childhood development at the front end, operates as a long-term drag on the economy, from the weight of increased societal costs on the back end. Lack of affordable, accessible, quality child care has a ripple effect on the whole economy.

COVID-19

The United States and Oregon faced a child care crisis even before COVID-19. The coronavirus pandemic has exacerbated this crisis. Women have been the most likely to drop out of the workforce due to lack of child care.

Most child care providers have been able to stay open during the pandemic in large part because of federal emergency relief funds Oregon was able to distribute. However, while 90 percent of licensed child care providers are currently open, the total capacity of those providers to serve children is at 60 percent of pre-pandemic levels. Simultaneously, vacancy rates are declining towards pre-pandemic levels, as parents once again struggle to find child care that meets their needs. While the percentage of child care providers that have been able to remain open is encouraging, there remains great uncertainty about the future supply of child care, particularly as federal financial resources they have relied on through the pandemic are depleted.

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[43] Woodworth, Whitney, "Child care crisis: Families struggle with rising child care costs, finding safe providers" (2019), Statesman Journal, https://www.statesmanjournal.com/story/news/2019/08/14/child-daycare-crisis-oregon-salem-families-struggle-find-pay-safe-child-care/1707514001/.
[44] Barfield, Julia and Kerri Briggs, "The Childcare Equation" (2020), U.S. Chamber of Commerce Foundation, https://www.uschamberfoundation.org/blog/post/childcare-equation.

Without access to a sufficient supply of safe, affordable, quality child care, Oregonians will not be able to return to work; economic recovery will stall, worsen, or fail; and the future, the potential, of more and more children, will be deprived or damaged.

RECOMMENDATIONS

Child Care Businesses[45]

Conduct a thorough review of child care rules and licensing standards to identify where there is opportunity to provide clearer language, reduce duplication, and elevate the standards that are most important for supporting children's health, safety, and development. Review barriers to hiring individuals in small communities, and operational difficulties that may be imposed by child care age cutoffs. Consider reducing barriers based on size. Consider allowing more classrooms in child care centers to combine. (Short-term.)

Align reimbursement rates with the actual cost of care and pay upfront. Use an alternative method to determine ERDC rates that shift to a cost estimation that determines a rate based on the actual delivery of care rather than based on current market rates. (Short-term.)

Eliminate or reduce parent copays. Permanently waive parent copays or revise how parent copays are determined with a specific focus on reducing high copays in rural Oregon. (Short-term.)

Eliminate or significantly reduce delays in the receipt of subsidy payments to child care businesses. Begin paying home-based and FFN providers at the beginning of the month, similar to how parents pay tuition and how center-based providers are paid. (Short- or medium-term.)

Use contracted slots. Explore the expansion of contracted slots, such as those administered through Preschool Promise and Baby Promise[46]. The contracted slot payment could follow the child to whatever location is selected by families that are part of the network. (Medium-term.)

Have local, centralized, child care regulation experts available to connect parents and providers, navigate licensing and other regulatory matters, and facilitate relationships. (Medium-term.)

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[45] Pratt, Megan, "Key Takeaways from the Research Reports … Providers" (2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226833; and "Small group feedback on child care businesses" (2020), Joint Task Force on Access to Quality Affordable Child Care, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226872.

[46] "Preschool Promise" and "Baby Promise: Infant-Toddler Quality and Supply Building Pilot" (2020), Early Learning Division website, https://oregonearlylearning.com/preschool-promise and https://oregonearlylearning.com/baby-promise, respectively.

Reduce and eliminate barriers for child care businesses. Coordinate program administration for providers in multiple programs. Make state and local regulations consistent to reduce barriers (timeliness, costs, streamline regulations to start up a business, and regularly review child care licensing requirements and exemptions). Reduce barriers for opening and maintaining child care businesses, while protecting children's health, safety, and development. (Medium-term.)

Allow/credit on-the-job training. Embrace job-embedded professional development to enable training to occur on-site, under supervision, while working towards teacher requirements. This builds on a state-of-the-art approach embraced by leaders in the field of early childhood education, such as the Ounce of Prevention[47], the University of Chicago[48], EarlyEdU at the University of Washington[49], the Lastinger Center for Learning at the University of Florida[50], and others. (Medium-term.)

Provide an automated, centralized web portal to access the ERDC system [51] for eligibility determinations, provider information, and payments, that enables communication between providers, parents and program staff.[52] Access to child care should be centralized for families to find and receive assistance and for providers to receive payments from the state, all through one access point. Explore piloting automated provider-based child care management systems (CCMS) so that ERDC billing can be electronically processed and tracked to increase efficiencies and simplify the process for families and child care programs. Also, automated systems will align referral with availability of child care slots. This is possible by enabling open academic performance indexes (APIs) with software vendors (such as Wonderschool[53]) or creation of a secure, web-based database. (Long-term.)

Embed supports for providers: including funding for startup costs and business planning services (it needs to be shown as a profitable business in order to incentivize providers); co-learning opportunities; supports for providers that care for kids with special needs; embedding trauma practices and supports for families. (Short-, medium- and long-term.)

[47] "Who We Are" (2020), Start Early website (formerly Ounce), https://startearly.org/who-we-are/.
[48] "Center for Early Childhood Research" (2020), University of Chicago website, https://voices.uchicago.edu/babylab/.
[49] "EarlyEdU Alliance" (2020), College of Education, University of Washington website, https://education.uw.edu/faculty-and-research/centers/earlyedu.
[50] "Who We Are" (2020), University of Florida Lastinger Center website, https://lastinger.center.ufl.edu/.
[51] This is one of a handful of recommendations in this report that concern technology modernization and/or designing information systems so that they are more efficient and responsive to a particular user's needs and experiences: parent needs, business needs, workforce needs. The Department of Human Services currently has one application and access point for all self-sufficiency programs, including ERDC, so that recipients of multiple services can use one system. Over time, public entities generally aspire to provide not only "one door" access across *program* areas as DHS has done, but interoperability across *entities*. The complexity of realizing such aspirations, of aligning access to all programs and designing information systems accordingly, cannot be understated and is not fully contemplated by this report.
[52] ERDC is one of many programs. Parents and providers have expressed a desire for centralized access to child care programs and information in total.
[53] "Wonderschool" (2020), website, https://www.wonderschool.com/about.

Streamline background checks. An exploration of solutions is needed so that background checks are conducted in a timely process and are transferable across other early childhood settings. To the extent possible, the K-12 system should align with the child care system.[54] This would not only enable a shared substitute pool but would also save time and money for all involved. (Unspecified implementation period.)

Allow short-term substitutes. Consider allowing short-term substitutes which would enable a substitute child care worker to work without meeting the teacher and hour requirements (modeled after the South Coast Education Service District[55] that provides this approach for K-12 substitutes). Consider a statewide pool of substitutes. (Unspecified implementation period.)

Convene an agency-led work group. (Unspecified implementation period.) Establish and convene an agency-led work group with diverse stakeholders to review and streamline current child care business licensing and regulation to reduce barriers and improve supports. The workgroup should include parents who access child care (subsidy), child care providers who utilize child care subsidy, organizations that advocate for child care subsidy with the state legislature and Congress, and individuals/organizations with expertise in business, land use, local government regulations that impact child care providers, and how other states have approached child care business regulation. A national expert or consultant could assist with facilitation. The goals of the workgroup should include:

- Review licensing requirements for various child care settings and communities around the state;
- Suggest statutory changes to create a single clearinghouse for child care businesses to start-up that reduces local regulations and multiple state agency approvals that are barriers to standing-up new businesses;
- Align background checks across programs that care for children; and,
- Review quality improvement measures for child care providers.

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[54] State agencies require child care providers to enroll in the Central Background Registry which requires a more robust and comprehensive background check than K-12: https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/229192. Enrollment is free to the applicant and portable across child care settings, but not across all K-12 educational settings (rather, individual school districts determine their respective background check requirements). Background check requirements for child care providers are governed by federal Child Care and Development Fund rules. Work is being done to standardize background checks for the early care and education workforce in one agency (ELD) as recommended by the Secretary of State's June 2020 audit entitled, "Oregon Should Improve Child Safety by Strengthening Child Care Background Checks and the State's Sex Offender Registry," found here: https://sos.oregon.gov/audits/Documents/2020-21.pd. Following the Secretary of State's recommendation to move the background checks for Recorded Programs and License-exempt providers receiving subsidy to ELD, a bill was drafted for the 2021 legislative session to address standardization.

[55] "About South Coast Education Service District" (2020), website, http://www.scesd.k12.or.us/about/.

Child Care Workers[56]

***Strive to provide competitive compensation (fair wages plus benefits) that reflects the value of the essential service provided and that continues to build on policy accomplishments to-date*.[57]** Pay child care workers fair wages, provide benefits, and support their professional development. Better wages for the early childhood education workforce will elevate their importance and compensate them for their vital work. Higher wages result in better retention and better service delivery.

- Strategic financing for the field needs to require or target increasing wages.
  - Base ERDC/child care subsidy payments on the cost of providing care, not market rates, and include a robust wage/benefit structure;
  - Utilize contracting/grants for child care that include wage requirements; and
  - Expand salary scales into all child care programs funded with public dollars.
- In the short term, the use of contracts should be expanded to reach living wage standards.
- Explore shared services models to increase ability to offer benefits to employees (e.g., insurance/retirement pools).
- Ensure financing covers paid time off for professional learning.

Make child care jobs good, stable jobs.

- Address intermittent scheduling – fix payment policies in subsidy (enrollment versus attendance; allowing ERDC to cover nontraditional work hours; etc.,) so that staff can be guaranteed hours/wages/benefits.
- Create a substitute pool – support paid leave, paid professional learning (pre-service and in-service).
- Increase supports for early care and education for providers to respond to children with challenging behaviors.

Create career pathways.

- Redesign career pathways in partnership with child care workforce and ensure Oregon Registry Online adapts to new career pathways.

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[56] Pratt, Megan, "Key Takeaways from the Research Reports … Workers" (2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226834; and "Small group feedback on child care workers" (2020), Joint Task Force on Access to Quality Affordable Child Care, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226874.

[57] ELD has been working to build compensation standards into program funding. Compensation and wage parity are currently addressed in contracts for Preschool Promise, OPK, and Baby Promise, based on standards established by the Early Learning Council. Oregon is currently conducting a Cost of Quality Study to gather data on the true cost of providing high quality early childhood education. The results of this study can be used to inform how the state sets rates for ERDC subsidy, and for grants and contracts for other publicly funded programs; and to understand the current and future investments needed to support a robust early childhood system. The cost model can also calculate the impact of increased educator compensation on the cost of child care, estimating the ERDC reimbursement rate providers would need in order to improve compensation. Results from the study should be available in March 2021.

- Work with higher education institutions to create programs that honor and count the experience of the current workforce.
- Respect Black, Indigenous, and other people of color who are child care workers and address bias and racism in higher education programs.
- Create robust scholarships for new workers and those returning to school and ensure institutions provide access to programs that contain the supports that meet the physical, socioemotional, learning, and other practical needs of students (e.g., offer child care, funding for transportation).
- Use technology to increase access to training/degree/credential programs.
- Support digital literacy and access to equipment for child care workers.
- Increase the number, quality, and affordability of community-based trainings.
- Ensure that Family, Friend, and Neighbor care providers have access to relevant professional development for their context.

Increase retention and recruitment efforts to ensure the field reflects the diversity of children and families served, including among educators and supervisory personnel.

- Implement the above recommendations in compensation, working conditions, and career pathways in order to make the field a better place to work.
- Include workers in the design of a campaign about respect for the profession and the opportunities available (funding is available in ELD current professional learning funding through SSA).
- Create pathways earlier in the education pipeline to attract new, diverse educators to the field.

Funding[58]

Implement the following five recommendations in the order listed, to maximize efficiency and effectiveness:

1. ***Consolidate funds.*** Bring the financing for childcare into one agency to allow for a more cohesive spending and regulation strategy to improve child care supply overall and braid funding streams together to utilize multiple funding streams to serve one child comprehensively. (Short-term, legislative.)

2. ***Protect current state investment*** in ERDC in the 2021-23 budget. Federal Child Care and Development Block Grant funds (CCDBG funds) require Oregon to meet a Maintenance of Effort (MOE) requirement, and a small General Fund cut to ERDC would bar the state from receiving supplemental CCDBG dollars in a federal recovery package. The federal government prohibits using CCDBG funds to backfill

[58] Pratt, Megan, "Key Takeaways from the Research Reports … Funding" (2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226831; and "Small group feedback on funding" (2020), Joint Task Force on Access to Quality Affordable Child Care, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226877.

General Fund cuts to ERDC. Oregon must maintain state funding to ensure it can take advantage of increased federal investments. (Short-term, legislative)

3. ***Update statutory language*** to more clearly articulate the above acknowledgment, the goals of the child care system, and goals for financing it (short-term, legislative):

- Expand eligibility for child care assistance to children:
    - Up to an income level where parents can afford child care independently;
    - Regardless of immigration status;
    - With developmental and intellectual disabilities; and
    - For any reason that a parent/caregiver is unable to provide care (i.e., work, school, health or disability, care for an ill family member, respite care, etc.).
- Ensure children are eligible for child care assistance for a minimum of one full year to ensure continuity of care for children, parents/caregivers, and providers.
- Increase rates paid to child care providers to reflect the true cost of providing developmentally appropriate, culturally relevant, and inclusive child care, regardless of location (i.e., statewide rates and not a separate rate for rural areas.)
- Appropriately differentiate rates to consider differential costs and shortage areas, such as:
    - Infant-toddler care;
    - Care for children with disabilities and delays;
    - Culturally and linguistically specific care; and
    - Evening, weekend, overnight care.
- Ensure that parent copays are not a barrier to receiving child care assistance and that they are below seven percent of family income.[59]
- Increase the utilization of contracts with child care providers as a strategy to stabilize child care providers, especially in key shortage areas (i.e., rural, infant-toddler care, culturally specific care).
- Increase wages and benefits for providers.

4. ***Support improved administration of child care subsidy*** (medium-term, administrative):
    - Align subsidy payments with tuition payments (i.e., pay providers at the beginning of the month, based on enrollment not attendance).
    - Adequately finance state infrastructure needed to support continuous quality improvement across provider types and regions, including agency infrastructure, CCR&Rs, and Early Learning Hubs.

[59] "Seven percent" refers to the current federally recommended copay ceiling to participate in subsidy under normal/pre-pandemic circumstances. Pratt, et al, "Study C" (2020), p. 5. The actual percentage of family income spent on child care copays in Oregon before COVID 19 was significantly higher. Copays during the COVID-19 state of emergency have been zero, and conversations are ongoing to transition away from policies implemented to bridge the current state of emergency.

- Finance a state strategy to support shared services approaches as a critical support for smaller providers to become more financially sturdy.[60]

5. ***Identify federal and state opportunities to increase public investment*** in child care (short-term, and medium-/long-term, respectively) to ensure that:
   - Child care is accessible to infants-toddlers, preschool age, school age, and older children significantly impacted by disability;
   - Solutions to increased child care access take into account the diverse and unique qualities of each community, including race/ethnicity, language, geography, income, work and other care needs, and single parenting;
   - Publicly financed child care is safe, healthy, and has support for quality in place; and
   - Families not currently eligible for child care subsidy can afford care (including further review of child care tax credits, expansion of direct subsidy, employer incentives, and other possible approaches).[61]

Secure adequate funding in the first instance, but ideally, significantly increase public funding. (Long-term, federal and state.)

Spend existing funding well/more effectively in the immediate future by creating a *quality* child care assistance program that works well, even while, at the outset, it may serve only a small fraction of eligible families. Spending available funds (like the ERDC surplus described on page 15) on a smaller number of families in the beginning, with a focus on creating stability and quality care for fewer children, will create a better system that is worthy of and ready for significant investment and expansion over the long term. (Short- term.)

Support the federal Child Care for Working Families Act[62] for a state-federal financing partnership, rather than relying solely on state General Fund dollars. (Short-term.)

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[60] Wisconsin's Early Education Shares Services Network provides an example. Information can be found on the Wisconsin Early Childhood Association's website: https://wisconsinearlychildhood.org/programs/weessn/.

[61] There were differences of opinion on the topic of child care financing approaches beyond subsidy in small group discussion because tax credits, even when refundable, only pay out once a year and therefore can be ineffective in supporting families and child care providers from balancing their budgets month to month.

[62] See "H.R. 136 – Child Care for Working Families Act" (2019-2020) on Congress' website: https://www.congress.gov/bill/116th-congress/house-bill/1364/text; see also Murray, Patty, and Bobby Scott, "Child Care for Working Families Act of 2019," https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226844.

Governance[63]

Consolidate/centralize administration of child care programs.[64] (Short-term.) ERDC and Inclusive Partners should be moved to a newly reconfigured Child Care and Early Learning Agency to house and coordinate all child care functions in state government. Housing all child care functions in one agency allows the state to:

- Coordinate current state and federal funding and make targeted and equitable investments to better serve those children least likely to afford or find the care they need;
- Braid programs together for families rather than families navigating multiple programs in different agencies;
- Reduce provider efforts to receive state payments from multiple agencies; and
- Provide one-door (one agency) access for families and for providers, eliminating the bureaucratic maze.[65]

Oregon, through Employment-Related Day Care (ERDC), is the largest single purchaser of child care, which affects the financial sustainability of child care providers, subsidy recipient families and the child care market as a whole. For the program and a new agency to succeed, relevant statutes and rules will need to be updated (short-term) to ensure that:

- Assistance is available for children when care is needed regardless of the parent activity;
- Family copays are lowered (they are now the second highest in the nation)
- Payment processes are revised to increase provider participation in the subsidy program;
- One year of continuous eligibility is provided; and

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[63] Pratt, Megan, "Key Takeaways from the Research Reports … Governance" (2020), Oregon Child Care Research Partnership, Oregon State University, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226832; and "Small group feedback on governance" (2020), Joint Task Force on Access to Quality Affordable Child Care, https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/226875.

[64] The general recommendation of the Task Force is to put all child care assistance programs together in one place to improve efficiencies, but with an understanding that this transition must be done in a way that does not cause greater obstacles for providers or families. For example, the application process to determine eligibility for all self-sufficiency programs administered by DHS (which includes ERDC) has been streamlined so families need only apply once. If administration of the ERDC program is shifted away from other self-sufficiency programs, some efficiencies with associated eligibility determinations may be lost in favor of increased convenience and/or other efficiencies that may be gained by consolidating child care programs all together. The Task Force favors improving streamlined eligibility determinations generally for families, across a range of assistance programs, with a holistic review to consider the implications of specific programs' consolidation under a new agency.

[65] This is one of a handful of recommendations in this report that concern technology modernization and/or designing information systems so that they are more efficient and responsive to a particular user's needs and experiences: parent needs, business needs, workforce needs. The Department of Human Services currently has one application and access point for all self-sufficiency programs, including ERDC, so that recipients of multiple services can use one system. Over time, public entities generally aspire to provide not only "one door" access across *program* areas as DHS has done, but interoperability across *entities*. The complexity of realizing such aspirations, of aligning access to all programs and designing information systems accordingly, cannot be understated and is not fully contemplated by this report.

- All income-eligible children are served regardless of documentation status or changes in parent work schedules.

Consolidate governance in advance to be ready for potential federal and state investment, to derive the greatest benefit for Oregon children and families. One administrative agency could:

- Ensure financing policies and practices are the most strategic and effective to increase supply, stabilize child care, attend to the diverse needs of parents, and support child development;
- Streamline collection and tracking of data and information needed to respond to supply and demand;
- Clarify administration of multiple programs (i.e., Preschool Promise, Baby Promise, Oregon PreKindergarten/Head Start, etc.);
- Identify the cost of care that meets needs and allows easier blending of funding streams;
- Streamline support for local infrastructure to support child care quality and access, including Child Care Resource & Referrals[66] and Early Learning Hubs;[67] and
- Improve implementation of existing funds as follows:
  - Update payment policies for providers to ensure payments are timely;
  - Align regulations and requirements across funding streams to enable blending and braiding of early care and education funding;
  - Update reimbursement rates to reflect the actual cost of care;
  - Increase utilization of child care contracts to stabilize and increase child care supply;
  - Provide for true continuous eligibility for a minimum of 12 months;
  - Further the development of a professional learning system for early care and education; and
  - Develop child care business support, such as shared services approaches that increase technology and automation and increase child care stability.

Modernize and centralize the collection and maintenance of information.[68] A new data system and the capacity for data collection and analysis is needed. One content management software system should be housed within the state's child care agency to collect data on need versus supply; to help families find care and allow providers to

[66] "Central Coordination of Child Care Resource and Referral" (2020), The Research Institute (TRI), Western Oregon University website, http://triwou.org/projects/ccccrr.
[67] "What Are Hubs?" (2020), Early Learning Division website, https://oregonearlylearning.com/administration/what-are-hubs/.
[68] This is one of a handful of recommendations in this report that concern technology modernization and/or designing information systems so that they are more efficient and responsive to a particular user's needs and experiences: parent needs, business needs, workforce needs. The Department of Human Services currently has one application and access point for all self-sufficiency programs, including ERDC, so that recipients of multiple services can use one system. Over time, public entities generally aspire to provide not only "one door" access across *program* areas as DHS has done, but interoperability across *entities*. The complexity of realizing such aspirations, of aligning access to all programs and designing information systems accordingly, cannot be understated and is not fully contemplated by this report.

report openings with ease. Better data collection will enable more accurate information to be shared with families, providers, program administrators, and decision makers. Start with systems needed for the new Child Care Assistance program (currently ERDC), with better enrollment and payment functions than the current system, and ensure data collection is built in pieces needed to equitably serve children, families and providers. ELD should collect input from stakeholders on the needs from a new system or a more formal oversight group. The new data system needs to address eligibility/enrollment, provider payment, quality improvement tracking and data collection on supply/demand and equitable access to care. (Medium- and long-term.)

CONCLUSION

> "I do child care for the poorest of the poor because I *was* that person, and I do child care because it is important. Really super poor children matter as much as anybody else's children matter. I do this job as a labor of love.
>
> *We* do it because it's our passion. Children are important."
>
> *Natalie Jackson, Owner and Child Care Provider, Bear Bear Daycare, and member of the Joint Task Force on Access to Quality Affordable Child Care*

Quality, affordable child care is foundational to the success of Oregon's children, families, communities, and economy. Child care allows families to work across all public and private sectors and supports the early learning and development of children. These ends produce substantial, lasting public benefits. Inversely, a *lack* of child care or *unstable* child care has the opposite, negative ripple effect: hampering the school readiness and success of children, inhibiting the success and stability of families, dragging against economic recovery, and disproportionately burdening women, minorities, and families living in rural areas.

Substantial investments in child care are necessary for the success of Oregon's children and for Oregon's economic recovery, growth and stability. Quality, available, affordable child care should be among Oregon's highest priorities. Families and children are Oregon's current and future workforce. Investing in the child care system is as important, and arguably more so, than any other investment the state might make in its economy, or in the success and stability of its children and families.

A publicly financed, universal child care system may be the ideal, but other improvements could be made in the near term to increase access to care and the quality of care that supports robust health and development of Oregon's children:

- Move toward consolidated governance and the elimination of inefficiencies, confusion, and navigational and regulatory barriers for providers and parents. One agency would better serve all involved and provide greater stability for children and families.

- Support sustainable business models for providers. Enable providers to share administrative functions, thereby lessening burdens on each discrete provider and improving overall efficiency. Provide navigational and technical assistance.

- Move toward the development of a high-quality system by spending existing funds on fewer families and enabling the improved system to expand so that it can receive and maximize additional funds.

- Support child care workers and the critical service they perform by ensuring their ability to earn a decent living.

Oregon needs to prioritize the development of a quality, affordable, available child care system in order to position its people and its economy for future stability and success.

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