

To: House Early Childhood Committee
From: Dana Hepper, Director of Policy & Advocacy, Children's Institute
Date: February 3, 2021
Re: Strengths and weaknesses of Oregon's subsidized child care programs

Good afternoon Chair Power and members of the committee. My name is Dana Hepper. I am the Director of Policy & Advocacy at the Children's Institute, Oregon's birth through third grade advocacy organization. Children's Institute is the backbone organization for the Early Childhood Coalition, which includes 29 partners who have put forward a shared agenda for 2021 to advance child development and racial equity across Oregon.

Today my role is to summarize the strengths and challenges of Oregon's programs that provide publicly subsidized care for children. My remarks are informed by data and research and what we hear from community partners in the Coalition and across the state.

But before I get into the details, I want to thank you for taking the time to learn about Oregon's early care and education programs. This is so important because all children are born full of potential. Yet even young children experience barriers to opportunity rooted in racism, classism and other forms of discrimination, limiting their access to programs and services that support their early learning and healthy development. Children ages 0-5 are the most racially, ethnically, and linguistically diverse Oregonians, and they are the group of Oregonians most likely to live in poverty. Children born during the COVID-19 pandemic will be entering kindergarten just as we're climbing out of a recession, and decisions made during this session will influence the trajectory of their lives and Oregon's future.

To understand the magnitude of the challenges we face, I wanted to share the problem statement discussed at the Child Care Taskforce. Then, I promise to move quickly to name many concrete issues that need the attention of this Committee to make further progress on addressing these challenges.

Oregon's child care system is failing. It is chronically underfunded. Quality care is not uniformly available or affordable. Oregon's children, parents, providers, communities – particularly those that are already marginalized or disadvantaged – as well as Oregon's employers, economy and education system are all adversely impacted. A child's early years are critical to their physical, cognitive and social-emotional development. Yet, affordable quality child care does not exist for most families.

Access 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 for their young ones. Oregon's system of child care is also decentralized. Governance is bifurcated, inefficient, and confusing for parents and providers. Child care workers have no clear career path or professional progression and are paid poverty wages. Child care providers are required to deliver numerous services that parents cannot afford to pay for.

Oregon employers and Oregon's economy suffer from lost productivity, job disruption, and lost wages as a result of unavailable, deficient, or unstable child care. The COVID-19 pandemic has exacerbated the child care crisis, and without access to a sufficient supply of affordable, quality child care, Oregonians will not be able to return to work; economic recovery will stall; and fewer children will enter kindergarten ready to succeed.

Clearly the Child Care Task Force did not mince words.

But all hope is not lost. Oregon is doing some things well that we can be proud of and build on. The 2019 passage of the Student Success Act and the 20% dedication to an Early Learning Account were a significant positive step.

We also have you – the Early Childhood Committee – considering substantive changes this session that can continue moving Oregon in the right direction. We have strong Agency leadership, that you just heard from. We have committed Governor, who proposed investment in this sector despite a recession. We have ready advocates who are organized and aligned. There is a lot to do, and Oregon has, right now, the team who can get it done.

I'll talk about specific strengths and challenges connected to two of Oregon's system goals in Raise Up Oregon strategic plan.

1) Children are Ready for Kindergarten

A critical strategy to achieve this goal is access to affordable early care and education that is developmentally appropriate, culturally relevant, and inclusive. So, what are our strengths & challenges on this strategy?

On ACCESS,

- Oregon's strengths include expanded access through the Student Success Act. We have also made a commitment to serving as many children in 2 years of preschool (which is supported by the research). We serve fewer 4 year olds than most states, but more 3 year olds.
- In terms of challenges, we still have a long way to go to expand equitable access to programs. In ERDC, 11% of families who are federally eligible for this support actually receive a subsidy – and many families who aren't eligible are also unable to afford care. In preschool, 2 out of 3 eligible children lack access, and this is 30,000 children.
- These are access issues that need your attention.
 - Funding. Serving more children will require securing more federal, state, and local dollars.
 - Data. We need to build a data capacity to understand disparities in access race, ethnicity, language, disability, geography. [National data](#) points to equitable access being a mixed bag, with one study showing 60% of eligible Latino preschoolers with access to Head Start but only 1% of eligible Latino families receiving child care subsidy. To inform our path forward, Oregon needs to know, is this correct? If so, why? And what should we do about it?
 - Workforce. In conversations across Oregon with child care providers, the challenge of finding staff is widespread. Oregon needs to build stronger systems of support to recruit, train, retain, and fairly compensate this skilled and essential workforce. And we need a system for substitutes.

- Facilities. Oregon does not yet have a strategy to increasing the number of spaces that meet health & safety standards and support child development.
- Racial Equity. Conversation with families (during the Preschool Development Grant Needs Assessment) indicated that families of color were eager for greater access to early care and education providers who shared their families' language and culture. Financing, data, workforce, and facilities strategies we build in the coming years must be developed to build the type of care families want and need in every corner of Oregon.

We recently met with Mandy, a parent in Lane County who has 3 children aged 2, 4, and 6. She summed up issues of access when she said, *"We have seen in our family how important preschool is. It helped our daughter be ready for kindergarten. We were lucky, we were able to snag one of the last available affordable slots in preschool in the city of Eugene. We qualified for Preschool Promise, but there were none near our house. We want all children to be able to go to preschool. Thank you for your work to make that happen."*

On AFFORDABILITY,

- Oregon's strengths include our fully subsidized programs (Baby Promise, Early Head Start, Head Start/Oregon PreKindergarten, and Preschool Promise), which are available at no cost to Oregon's lowest income families, if they are lucky enough to get a slot.
- At the same time, Oregon faces a significant challenge in affordability in our Employment Related Daycare program. ERDC requires parents to pay a portion of the cost. Oregon's copays need your urgent attention. Federal guidance defines "affordable child care" as costing less than 7% of a household's income. In Oregon, a family of 3 earning \$30,000/year would be required to pay up to \$523 a month as a co-pay, or 20% of their family income. Oregon's co-pays are the 2nd highest in the nation, and way out of whack with other states. These high copays have an outsized impact in rural Oregon (Opportunities Exchange, [Rate Setting in Reality: Moving Beyond the Myth of Market-Based Pricing](#)).

On QUALITY, which we define as developmentally appropriate, culturally relevant, and inclusive of children with disabilities and delays,

- In terms of developmentally appropriate care, Oregon's fully subsidized programs (Baby Promise EHS, HS/OPK, Preschool Promise) contain many of the well-established components of quality that support children's healthy development and love of learning, getting them ready for kindergarten. This quality commitment comes with higher cost per child than lower quality programs, and cost means our investment is more likely to result in supporting children to reach their full potential (or, in financial terms: we can expect a return on investment that funding for low-quality programs just doesn't get).
- In terms of providing culturally relevant care, Oregon has migrant and seasonal Head Start programs designed to meet the needs of Latino families, who are most of those enrolled. In addition, Albina Head Start is designed to serve African American families. With Preschool Promise Funds, the Early Learning Division is funding a growing number of culturally specific providers. In addition, Oregon has launched a first-of-its kind Early Childhood Equity Fund. Oregon's early care and education

workforce closely mirrors the diversity of Oregon's children and families (relative to, say, K-12 and many other public systems).

- In terms of ensuring early care and education is inclusive of children with disabilities, Oregon also has some strengths. The Student Success Act has made a commitment to fully funding Early Intervention/Early Childhood Special Education, which is one important piece of the puzzle to support inclusion. We have high rates of participation of children with disabilities and delays in our publicly funded early care and education programs.
- Of course, we have plenty of room to improve in these areas as well. Issues related to QUALITY that need your urgent attention include:
 - As mentioned earlier, as we grow access through investments in workforce, data, and facilities, we have to ensure these growing systems support developmentally appropriate, culturally relevant, and inclusive care.
 - To support quality among ERDC providers, we have to match the rates that we pay to the cost of providing quality care. The current approach of basing rates on what private pay families pay in the child care market does not work. We need to pay providers based on children enrolled in the program, not on attendance. Subsidy rates based on market rates have an outsized impact in rural, and on women of color, who are a significant portion of our child care workforce.
 - Finally, to support children staying in quality care, we must reduce and ultimately eliminate suspension and expulsion in early care and education programs. Race/ethnicity & disability are significant predictors of the likelihood a child will be suspended or expelled, thereby losing access to early care and education.

Mandy, who has 3 children aged 2, 4, and 6. *"We have seen in our family how important preschool is. It helped our daughter be ready for kindergarten. We were lucky, we were able to snag one of the last available affordable slots in preschool in the city of Eugene. We qualified for Preschool Promise, but there were none near our house. We want all children to be able to go to preschool. Thank you for your work to make that happen."*

3. Early Learning System is Aligned, Coordinated, and Family Centered

The early learning system we envision has funding and requirements that are aligned at the highest level possible to allow for funding to easily be braided together to serve children and families seamlessly. It would also have ways to meaningfully involve families and providers at the local level in terms of how early learning will work in their region.

Oregon certainly has strengths in this area that we can build on.

- The existence of Early Learning Hubs are an important first step. All Hubs have now created regional early learning plans that included families and providers in setting local priorities for expanding access to early care and education programs. To build solutions that work for families, we must work with families.
- This year was our first year to pilot coordinated enrollment across Preschool Promise programs statewide. While it was a challenging year to pilot this process, in the midst of a global pandemic,

important lessons have been learned that we can carry forward as we expand coordinated enrollment to include more programs and funding streams. The goal is for parents to experience no wrong door – however they get connected, they can be supported to find a early learning program that meets their family’s need.

- Finally, the creation of the Early Learning Division was an important first step toward brining Oregon’s programs that support child development together. Further alignment of governance is needed to ensure our investments in these early learning strategies work seamlessly together.

In the coming weeks, there will be a number of bills in front of this committee that seek to make needed progress on the challenges outlined. Advocates are bolstered by the existence of this Committee, the care, attention, and expertise of Committee Members. We are ready and eager to take positive steps this session.

Thank you.

RESOURCES

- [Early Progress: State Child Care Assistance Policies 2019](#), National Women’s Law Center
- [The State of Preschool 2019](#), National Institute for Early Education Research
- [Disparate Access: Head Start and CCDBG Data by Race and Ethnicity](#), Center for Law and Social Policy
- [Equity Starts Early: Addressing Racial Inequities in Child Care & Early Education Policy](#), Center for Law and Social Policy