

Child Care and Education: Investment in a Strong Economy



Report to the Governor and the Legislature 2005
Oregon Commission for Child Care

About the Oregon Commission for Child Care

The Commission for Child Care is 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 Commission for Child Care consists of 18 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 who serve two 2-year terms. The Governor appoints the Chair for a one-year term.

In 2004, the Commission held a community forum in Pendleton to receive input on the issues and concerns related to child care in rural Oregon. Fifty parents, child care providers, business representatives, elected officials, and community leaders attended. The Commission plans to hold community forums in Bend, Portland, and Salem over the next year.

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: Collaborated 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: HB 2191 passed. Includes Employment Department in the development of a statewide early childhood system.

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Acknowledgements

The Oregon Commission for Child Care would like to acknowledge the many individuals who work with children in early child care and education settings throughout the state.

The Commission commends those professionals who are committed to caring for children, who actively seek out opportunities to expand their knowledge and development, and who make the benefits of their training available to others in the field. Their commitment is helping to create quality child care environments that will yield a quality future for our state.

We also thank the Child Care Information Partners and Children First for Oregon for their development of Footprint on the Economy: The Economic Impact of the Child Care Industry in Oregon, 2005.

A Note About Terminology

The term "child care and education" is used throughout this report because care and education cannot be separated in the early years. 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 new economy.

Letter from the Chair

Governor Ted Kulongoski
The Governor's Office
State Capitol
Salem, Oregon 97311

March 2005

Dear Governor Kulongoski:

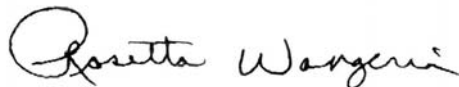
Child care dollars provide a dramatic return on investment for Oregon. This 2005 Oregon Commission for Child Care report outlines the many ways in which public and private child care dollars strengthen Oregon's economy. The Commission understands the fiscal difficulties our state faces, and believes that monies directed to high-quality, affordable, and accessible child care are wisely spent, paying dividends both today and for decades into the future.

As you will see in this report, the need for child care extends across every sector of our economy as the number of working parents inevitably increases and more households require both parents to enter the work force.

The public and private agencies working in partnership to provide Oregonian families with affordable, accessible, safe, and high-quality child care have done a very effective job with the funds available. This report will demonstrate that continued political support and financial investment will reap great gains for Oregon.

We hope you will give thoughtful consideration to the recommendations that appear in this report. We envision a balanced system of child care that empowers working families, supports business, promotes safe and healthy child development, and provides vital support for Oregon's economic growth.

Sincerely,



Rosetta Wangerin

Chair, Oregon Commission for Child Care



Child Care and Education: Investment in a Strong Economy

Child care and education is in many ways an “invisible infrastructure” that enables business in Oregon to function.

Fueling Our Economy

Child care and education's economic benefits for the families who use it are clear. By enabling parents to join—and stay in—the workforce, child care helps them generate needed income and build financially healthy families.

The economic benefits of child care and education for all Oregonians, parents or not, may be less obvious. But this vital service is in many ways an “invisible infrastructure” that enables business in Oregon to function. It delivers immediate and wide-spread economic returns. It is a direct consumer of Oregon products and services. It makes a substantial contribution to the productivity of parents working in all segments of the state's economy. Not only do these workers generate revenue within the state; the exports they produce bring in considerable revenue from outside Oregon.

Despite the powerful, positive impact that child care and education has on our economy, it is insufficiently recognized and has been chronically underfunded. As we look ahead and consider policies that have the genuine potential to build the state's economy, child care and education must be given greater prominence. We need to work harder to ensure that child care and education in Oregon is of the highest quality, that it is affordable for all working families, that it is safe, and that it is accessible to all.

Since the Oregon Commission for Child Care was formed in 1985, the state has made great strides toward achieving these goals. Now is the time to build on our accomplishments.

Economists from Oregon State University recently completed an analysis of child care's impact on Oregon's economy. The results of the study, to be published in Spring 2005, indicate that the child care industry is responsible for more than 14,000 Oregon jobs and tops such traditional Oregon industries as milk production, advertising firms, newspapers, and gasoline stations in gross receipts.¹

Boosting the Bottom Line

Employees do not leave their child care problems at home; they take them into the workplace. The results can be late arrival, missed workdays, and an inability to focus on the job. Businesses that assist employees with child care gain the immediate benefits of increased productivity, reduction in absenteeism, and ultimately, improved recruitment and retention.

Employer-supported child care programs generate a powerful return on investment. Because child care decreases turnover, reduces absenteeism, and increases productivity on the job, it is an investment not only in employees, but in the success and future of the company.

The Oregon Child Care Resource and Referral Network has developed a return on investment (ROI) model to quantify the benefits employers receive when they subsidize child care for their employees. This model incorporates the Oregon Dependent Care Tax Credit, the Federal tax credit, and state and



Businesses that assist employees with child care gain increased productivity, improved recruitment and retention, and an enhanced community image.

federal payroll tax benefits that are available when an employer sets up an Internal Revenue Code Section 129 plan.

For a hypothetical company employing 100 people with an employer paying a \$2,500 annual subsidy to each of 31 employees (31.3 percent of Oregon families need child care) and using all available state and federal tax credits and payroll benefits, the employer can expect to realize an **approximate annual benefit of \$255,427.**² This represents an annual savings of \$13,671 for a reduction in absenteeism; \$122,910 for a reduction in turnover; and \$126,945 for an increase in productivity for a **net annual investment (after tax credits) of \$8,099 by the employer.** If an employer has 20 employees, it can express the return on investment as a one-to-one percentage of the ROI in the 100-employee model. Thus, its ROI would be approximately \$51,080.

Women comprise 62 percent of the state's workforce.³ Single fathers are a significant percentage of the workforce as well; nationally, one in six of all single parents are men.⁴ With numbers like these, it is essential for the child care industry to work with the business community to ensure that child care receives employers' attention and consideration as they make bottom-line investment choices.

Employers who offer help with child care report very positive results:

More than 10 percent of our work force participates in our dependent-care assistance program. There's extremely low turnover in this group. They're with us longer and they gain more skills, so we spend less money

hiring and training. The program also attracts better-qualified applicants.

—Nanette Bittler, owner of five McDonald's franchises in Bend⁵

The high-quality, on-site childcare offered by Nike to its employees at its Joe Paterno Child Development Center is an important benefit for Nike parents and their children. Parents can easily drop off their kids right at work, visit and read to them during the day, and pick them up conveniently after work. And knowing that one's child is in a good place during the day improves parents' focus and productivity at work.

—Wes Coleman, VP, Human Resources Nike, Inc.⁶

Saving Taxpayer Money

Long-term studies show that **quality child care and education programs dramatically reduce government spending** by decreasing the likelihood of special education enrollment, juvenile delinquency, adult incarceration, drug use, and welfare participation later in life.

A report by Fight Crime: Invest in Kids features new results from a landmark four-decade-long study of a high-quality preschool program in Michigan, which randomly assigned 3- and 4-year-olds from low-income families to participate. The children who did not attend the program grew up to be four times more likely to be arrested for drug felonies and more



It is important to recognize the widespread return on public investment that child care and education affords. Investing now can dramatically reduce future budget needs.

than twice as likely to become career offenders. The program cut crime, welfare, and other costs so much that it saved taxpayers more than \$17 for every \$1 invested, including more than \$11 in crime savings.⁷

Head Start, the most successful, longest-running national school-readiness program in the United States, has also demonstrated the impact of child care and education on future taxpayer expense. The preliminary results of a study of more than 600 Head Start graduates in California show that society receives nearly \$9 in benefits for every \$1 invested in these children. These benefits include increased earnings, employment, and family stability, and decreased welfare dependency, crime costs, grade repetition, and special education.⁸ Further, young women who have experienced a quality early childhood program are one third less likely to have out-of-wedlock births, and at-risk children who participated in these programs are five times less likely to be arrested repeatedly by age 27.⁹

When we consider spending tax dollars this biennium, it is important to recognize the widespread return on public investment that child care and education affords. Investing now can dramatically reduce future budget needs.

Kickstarting Education

Children's readiness for school, learning ability, and success in the working world are linked to the quality of their early care and education.

Several national studies have shown direct relationships between high-quality child care and success in school. **Oregon needs a highly productive and competitive workforce: that means an educated one.** High-quality child care is the first and most important step in the development of this essential economic resource.

Children are born learning. Young children's brains function at twice the metabolic rate of adults'.¹⁰ By the age of three, the brain has formed an astonishing one thousand trillion connections. It develops rapidly in the earliest years of life, and the environment in which it develops can either support or inhibit the child's emotional, social, and intellectual development. **Eighty-five percent of children's intellect, personality, and social skills are developed by age five but 95 percent of public investment in education occurs after that.**¹¹ Clearly, we need to re-examine our priorities and take advantage of the opportunities for learning during this period in children's growth, and invest now in Oregon's future workforce.

Strengthening All Neighborhoods

Child care hits home for Oregonians from all walks of life. It is important in every neighborhood and cuts across all demographics: geographic, ethnic, socioeconomic, political, gender, etc. Child care and education supports healthy families and productive workplaces, and contributes to local economies in every corner of the state.



To ensure that high-quality, affordable, and safe child care is accessible to all of Oregon's families, we must address the gaps in the state's child care infrastructure.

The Child Care Gap

- According to the Bureau of Labor Statistics, only 13 percent of families fit last century's model of one working parent and one parent at home. Child care is a concern for most of Oregon's families.
- Few child care providers are trained in early childhood development. Yet child care *is* early education. The lack of trained providers presents an enormous missed opportunity.
- Child care providers face poverty-level wages and minimal or no benefits. This leads to high turnover and a lack of consistency for children.
- Successful programs are not widely available. For example, the Child Care Health Consultation Demonstration Program is limited to four counties, and Oregon CARES is limited to seven.
- Behavior problems in child care settings have reached epidemic proportions. Yet caregivers have insufficient training to cope with them.
- Despite bottom-line benefits, too few businesses offer help with employees' child care.
- There is an affordability gap in child care and education. Thirty percent of Oregon's families spend more than 10 percent of their income on child care.¹²
- It is challenging to find appropriate, inclusive child care for children with special needs, and the challenge becomes greater as children grow older and bigger.

A Day Without Child Care

One way to understand the far-reaching impact of child care and education in Oregon is to imagine life without it.

Imagine that the child care workers in your town stayed home one Monday. What effect would this have on your day?

Perhaps you have a doctor's appointment. Because much of the office staff has to stay home to care for their children, your usual 20-minute wait becomes a two-hour wait.

You need to gas your car. There may be plenty of gas but not enough attendants. Add an hour's wait at the gas station to your two extra hours at the doctor's office.

Flying somewhere? Multiply the effects of too few security personnel, baggage handlers, food service people, and ticket agents.

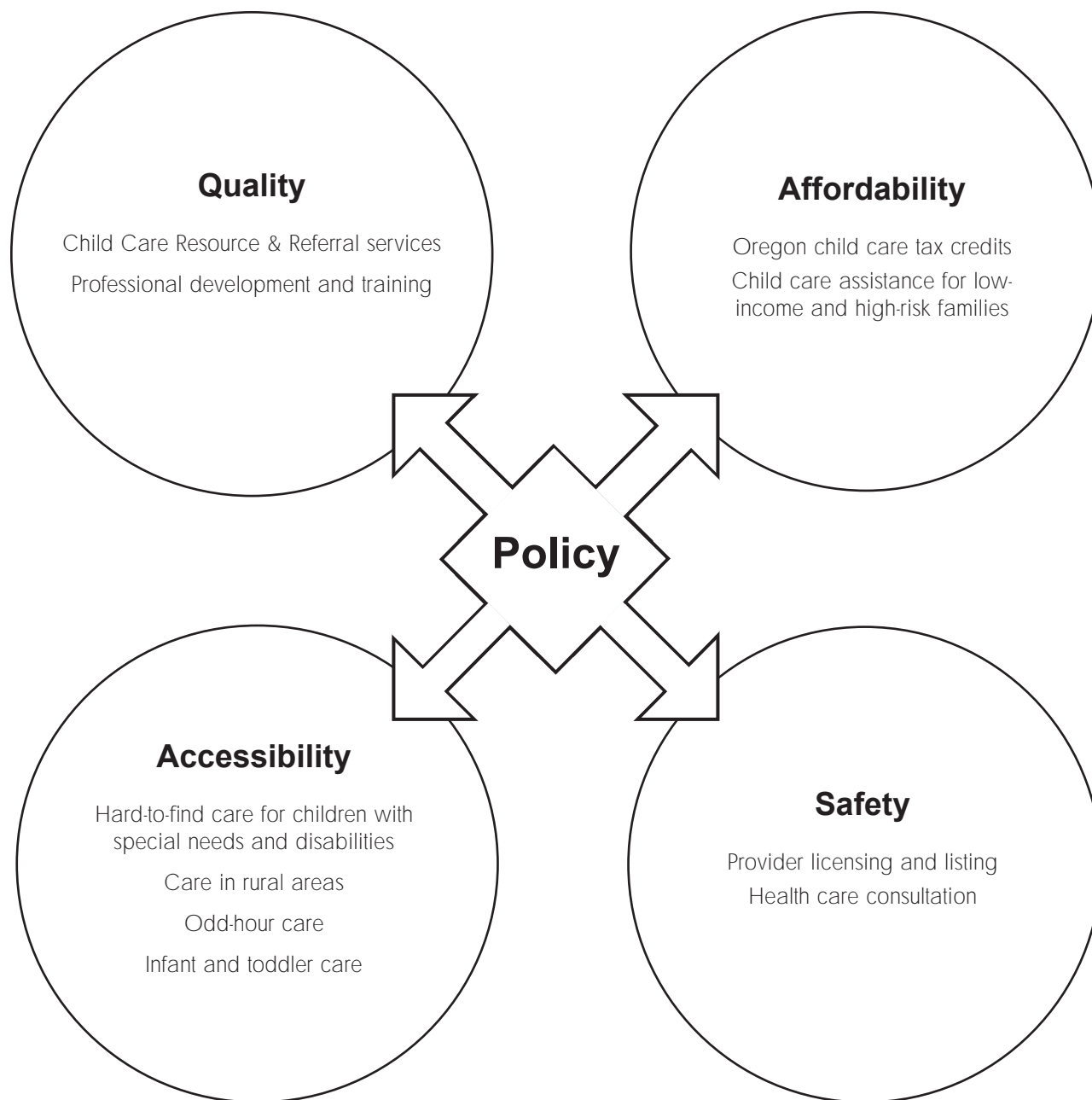
Then there are the things you can't do at all. Your dry cleaner, your barber, and your favorite coffee shop are all closed because the entrepreneurs running them had to take care of the kids.

You get the picture. Without child care providers, your neighborhood suffers and your day becomes a whole lot harder.

Oregon's Child Care Infrastructure

As Oregon has worked to improve child care and education over the last two decades, it has addressed four primary issues: quality, affordability, accessibility, and safety. An infrastructure has developed to address these four areas of concern, comprised of a variety of government agencies, nonprofit agencies, and businesses, working in partnership.

The chart below provides a visual summary of this infrastructure's programs and initiatives underway in 2005. On the following pages you will find specific examples of them.



Snapshot: Oregon Child Care Resource & Referral Network

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.

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 17 CCR&Rs serving all of Oregon's 36 counties.

Supporting Families

CCR&R offers one-on-one assistance in choosing quality child care; refers families to child care providers, both center- and family-based, including hard-to-find care; connects families with community resources; and reaches 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&R supports 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&R is the primary source of information about the local supply and cost of child care. It provides

data for planning and policy making; tracks trends about families' changing needs; and advocates for a high-quality child care system.

Consulting With Employers

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

By the Numbers (FY 2003–04):

For Families

CCR&R staff provided 18,758 referrals to parents, 41 percent of whom were eligible for the DHS subsidy. CCR&R staff had an additional 32,678 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 6,562 child care providers. Of these, 4,140 are also listed on a statewide internet searchable database. CCR&R staff conducted and/or coordinated 1,388 trainings, attended by 13,870 child care providers. CCR&R staff also conducted 25,548 technical assistance consultations with child care providers.

For Communities

CCR&R staff attended 1,329 meetings and made 222 presentations on child care-related issues.

For Employers

CCR&R staff led 193 employer activities, including 61 one-on-one meetings and 46 group presentations.

Snapshot: Oregon CARES

More than any other issue, the professional preparation and compensation of the child care workforce is the key to unlocking the door to quality improvements.

—Joan Lombardi, *Time to Care*¹³

Background

Child care providers face poverty-level wages, minimal or no benefits, and a lack of education. Eighty to 90 percent of child care workers do not have a college degree, and over 60 percent have had no college education at all.

The lack of education reduces the likelihood of high-quality care, and the low wages lead to high turnover rates (30 to 40 percent per year), which in turn lead to attachment problems and resulting cognition issues for young children.

The solutions: Increase provider access to and incentives for professional development and provide wage stipends to help caregivers make ends meet while they are training.

To implement these solutions, in 2002 the Oregon Commission on Children and Families awarded Quality Child Care Improvement grants to CARES programs in Baker, Benton, Coos, Curry, Jackson, Lane, and Marion Counties.

Oregon CARES (Compensation And Retention Equals Stability) works to improve the quality, stability, and safety of child care in these seven counties by attracting and retaining qualified child care providers and encouraging them to pursue additional education. It builds and rewards a skilled and stable child care workforce in two ways:

Scholarships

From \$250 to \$1000 per year to attend college courses and training, pay for books and materials, and hire support staff and/or substitutes so caregivers can attend trainings.

Wage Stipends

Monetary awards from \$250 to \$4,000 per year depending on professional development level. Providers commit to continuing their professional development for at least 16 hours per year, and agree to provide child care services for a specified period of time.

Outcomes

The results of the first two and a half years of the CARES program have been impressive. CARES has become a catalyst for strengthening the child care workforce in Oregon.

Professional development: 455 scholarships were provided for 218 college courses and 237 workshops and conferences. 251 stipends were awarded, ranging from \$250 to \$4,000 per year.

Retention: In 2003–04, 96 percent of providers receiving wage stipends stayed in their child care setting.

Enrollment in **Oregon's Professional Development Registry:** Pathways to Professional Recognition in Childhood Care and Education increased.

In the first 18 months, 3,042 children were impacted. These children are more likely to enter kindergarten ready to learn.

CARES provides children with the single most important determinant of quality child care—consistent, well-educated, and fairly compensated caregivers.

Snapshot: Oregon Child Care Contribution Tax Credit

This innovative program will reveal the true cost of quality child care and will help restore balance in this critical sector of the state's economy.

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, and they must pay even more for high-quality 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 (see pp. 4–5). **The tax credit we describe here 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 is 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 care, school age, or after-hours care.
- Assess the actual cost of quality child care by addressing quality, affordability, and compensation within the same project.

- Strengthen child care businesses while making child care services more affordable for low-income parents.

Looking Ahead

Proceeds from the tax credits will fund demonstration projects that show how child care can work when adequately funded.

- Funds will be 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 that children receive.
- The funds will be 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 that of the demonstration projects.
- All monies will be 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 will reveal the true cost of quality child care and help to restore balance in this critical sector of Oregon's economy.

Snapshot: The Child Care Quality Indicators Project

More than 90,000 of Oregon's children under the age of 6 are in child care, but little is known about the quality of that care. When the CCQI Project is complete, parents will have new information to help them make the best possible child care choices and providers will have new incentives to improve.

Background: An Information Vacuum

The National Institute of Child Health and Human Development reports that 6 out of 10 children under age 3 in the United States are in poor to fair quality child care, and that **only 1 in 10 has excellent care**. More than 90,000 of Oregon's children under the age of 6 are in child care, but **little is known about the level of quality in the state**. As a result, parents are unable to obtain information about quality when selecting child care; providers are unable to differentiate themselves in the marketplace; and state and local funders are reluctant to invest.

In response to these problems, the Child Care Quality Indicators Project (CCQI) was formed. It is a collaborative effort of the Oregon Department of Employment's Child Care Division; Multnomah County Commission on Children, Families and Community; Penney Family Fund; and Hanna Andersson Children's Foundation.

What the CCQI Project Measures

The CCQI Project will collect data from child care centers to establish the levels of seven research-based indicators. Researchers have identified the following "structural" indicators of child care quality:

- Ratio of children per adult
- Group size
- Education or specialized training of teachers or caregivers
- Teacher or caregiver compensation level
- Staff turnover or stability in caregiver-child relationships

- Accreditation
- Substantiated complaints

The Power of the Data

Parents will have better information to help them make good child care choices. Quality indicator reports will help them identify the characteristics that are most important for their children's development and compare providers.

Child care providers will be able to use these indicators to compare their quality to others'. This will spur improvements in care and help providers in their planning, marketing, and fundraising efforts.

Community leaders and funders will have a clearer picture of which aspects of child care need improvement and investment, and will be better able to make informed policy and funding decisions. They will be able to measure the impact of their investments, and the community will have increased confidence that child care outcomes will improve.

Looking Ahead

CCQI will begin as a pilot project in Multnomah County, then expand statewide. The project is still in its early phases of development. Project partners are in the process of assessing the most efficient method of gathering data using existing systems. Implementation will begin in summer 2005, and by the next biennium there will be outcomes to report.

Snapshot: Child Care Health Consultation Demonstration Program

"The CCHC is always there when I need her...she always makes me feel confident in my work."—a child care provider in Jackson County

"The CCHC was always helpful and willing to answer my questions, or directed me to who could."—a child care provider in Multnomah County

The Child Care Health Consultation (CCHC) model is being used with great success across the United States. CCHC programs have made significant improvements in the health, safety, and well being of children. Unfortunately, due to limited funding, Oregon is well behind other states in affording child care providers and parents access to the expert support and advice CCHC consultants offer.

Background

The CCHC demonstration program was created to address community needs and outcomes identified through SB 555 and the Oregon Children's Plan planning processes. In early March 2003, the Oregon Department of Human Services Office of Family Health selected four projects—in Baker, Lincoln, Jackson, and Multnomah counties—to be part of the CCHC demonstration program. The vision of this pilot program is to develop "beacons of excellence" for the future development of CCHC services.

Support for the program has been established through federal grants allocated by the Office of Family Health and the Child Care Division. Individual projects are encouraged to develop matching resources to expand and sustain services.

The CCHCs offer a variety of activities to promote healthy child development including training, assessment, consultation, and connecting families to health care. All areas of health are addressed: disease prevention, nutrition, physical activity, oral health, social and emotional development, and others. Each of the four projects has developed a local Child Care Health Team to support the

consultant and assist with referrals to community resources. A child care specialist from Child Care Resource and Referral, along with the consultant, comprise the core of this team.

Results

The CCHC sites have been operating for over a year and in that time have had a significant impact. The sites have served 281 providers through direct contacts and provided over 800 hours of consultation. Through trainings and community events, over 4,700 individuals have been reached: 1,647 providers, 418 parents, and 2,467 children. Consultants delivered over 190 hours of training. Records show that immunizations were up to date for 84 percent of children served by CCHCs, up from an estimated 70 percent. There was a 35 percent increase in children with known medical providers and an 11 percent increase in children with known dental providers.

The CCHC program is yielding positive results in the areas of child health outcomes, child care provider knowledge, and child care environments. Phase 2 of the program will expand and collect more quantitative data.

Future Funding

Although funding has been on a year-to-year basis over the past three years from a variety of federal grants and limited local resources, the continuation of the program is a priority for both the Office of Family Health and the Child Care Division. The program seeks secure funding to sustain and expand these valuable services throughout the state.

Snapshot: The Inclusive Child Care Program

Inclusive child care is a setting in which children with and without special needs are cared for together. Everyone benefits from inclusive care. Children with special needs have important personal and social experiences. Children who do not have special needs benefit through increased social skills and understanding of others. Parents benefit by having more child care choices.

Background

A child with special needs has a physical, developmental, mental, emotional, behavioral, or medical disability, and may require a different level of care than most children his or her age.

The challenges to finding appropriate, inclusive child care for children with special needs are great and become greater as children grow older and bigger.

The Inclusive Child Care Program Supplemental Child Care Subsidy

Child care costs are sometimes higher for children with special needs. This is the case when they require special accommodations or an exceptionally high level of care and supervision for safe and appropriate care. Through an agreement with the state's Child Care Division, the Oregon Council on Developmental Disabilities offers subsidies to help lower-income working families obtain higher-cost care. These families earn below 85 percent of Oregon's median income. Parents pay the provider's customary fee, and the subsidy, paid to the child care provider, can help cover such things as extra staff at high-need times or a wheelchair ramp.

Each time a supplemental subsidy is provided, Inclusive Child Care Program staff work with parents and providers to develop an individual child care plan. This plan looks at additional ways to support the child care placement, such as consultation or training for the providers.

The PICC Pilot Project

The Americans with Disabilities Act applies to most child care centers and homes. Oregon's child care

providers must accommodate children with special needs. But they often need training and support to do so effectively. The Partners for Inclusive Child Care (PICC) Pilot Project was created to meet these needs. Multiple community and state partners are collaborating on the pilot project in Hood River, Wasco, Baker, Union, Coos, Curry, Linn, Benton, and Lincoln Counties.

Training and Follow-Up Support

The PICC Pilot Project partners offer training to increase child care providers' skill and comfort level in serving children with diverse needs and abilities. Communities link the training with follow-up support to help providers meet children's individual needs.

Eight individuals from selected communities have become trainers in the TRAC curriculum, developed at Western Oregon University. The curriculum combines in-depth training in developmentally appropriate care with training in inclusion practices and skills. It is a proven model; the training has been used nationally and has been well evaluated.

Through combined community and state support, training will be provided at little or no cost to child care providers. Stipends will also be available to encourage provider participation in the training.

The complete curriculum includes five modules: Foundations for Supporting Children's Learning and Development; Supporting Children with Disabilities; Supporting Children with Challenging Behaviors; Designing Environments to Support Children's Learning; and Partnering with Families to Support Children's Learning.

Snapshot: School Age Care, Enrichment & Recreation Program

In order to help school-age children achieve their potential, it is critically important to recognize their developmental needs and abilities. To be most valuable, the program should help children work on the tasks they must accomplish at each stage of development.¹⁴

Background

The School Age Care, Enrichment & Recreation (SACER) Program provides support and technical assistance related to school-age care for elementary and middle school children and youth, including before- and afterschool, summer, and holiday programs. SACER works with established afterschool programs and practitioners on topics such as professional development, education and training, program quality, curriculum, school relations, and funding. It also provides consultations, materials, and presentations to providers, community organizations, school districts, parents, civic leaders, and others interested in developing opportunities for elementary and middle school children and youth.

SACER is a part of the Oregon Center for Career Development in Childhood Care and Education at Portland State University. It was established in 1987.

Activities

The SACER Program focuses on quality enhancement and professional development. A sample of activities includes:

- Piloting a literacy training curriculum for afterschool practitioners. "AfterWords: Launching Lifelong Readers from Afterschool Programs" was developed in partnership with the State Library.
- Working with the Inclusive Child Care Program to improve accessibility in afterschool programs for children and youth with disabilities or other special needs.

- Creating a library of afterschool books and resources available for check-out online.
- Co-sponsoring a regional conference on how afterschool programs can better support the academic development of children and youth. The third annual "Bridge from School to Afterschool and Back" conference will be held in Vancouver, Washington in October 2005.
- Working with the Oregon Child Care Resource & Referral Network to better support family child care practitioners who care for school-age children.
- Partnering with the Oregon Hunger Relief Task Force and others to explore ways to support summer enrichment activities through summer lunch sponsors.

Oregon Out-of-School Time Network

The Oregon Out-of-School Time Network is a collaboration of public and private organizations and individuals which works to support and expand quality out-of-school time services for children and youth, grades K-12. The SACER Program is the lead agency for the Network.

Snapshot: Child Care and Emotional Health

If child care providers are to play their vital role in promoting healthy emotional development among the very young, they must be given the training and support this challenging work requires.

Background

Emotional and behavior problems in Oregon child care settings have reached epidemic proportions in recent years. In the most extreme cases, child care providers must reject children because they are not equipped to handle them. In other cases, children suffer quietly, may become withdrawn, or may not acquire the social skills appropriate for their age.

While the state does not track emotionally distressed children, a sobering collection of statistics has emerged from independent sources.

- Twelve percent (30,000) of Oregon's 250,000 children under age 5 show some signs of emotional distress.
- The number rises to 22 percent among children who are high risk and eligible for Medicaid.
- Seven percent (17,500) of children under 5 have mental health problems serious enough to require treatment.
- Sixteen percent (6,000) of children entering kindergarten are reported by their teachers as lacking the emotional and social skills needed to be ready to learn.
- A survey of 29 Oregon counties revealed a need to improve access to early child mental health services, with 10 counties reporting a severe need and 19 reporting a moderate need.

Emotional development occurs on a path parallel to early literacy development.¹⁵ This puts emotional health squarely in the realm of early child care and education.

If child care providers are to play their vital role in promoting healthy emotional development among the very young, they must be given the training and support this challenging work requires.

The Blueprint for Action

In September 2002, approximately 40 state and local agencies participated in "An Oregon Summit: Children's Emotional Health at Risk." They created a common vision and plan that evolved into the Blueprint for Action in 2003. Its seven elements are:

- A public information campaign to create awareness of the alarming trends in children's emotional health and their long-term consequences.
- A system of services and support to promote healthy emotional development in young children.
- Increased training opportunities for those involved in young children's development.
- On-site consultation, assessment, and intervention.
- Review and modification of policies to ensure that they support early attachment and quality child care.
- Financial support to deliver early emotional health consultation services.
- Planning and outcomes documentation for information-based decision making.

Snapshot: Professional Development

The Oregon Professional Development System is an integrated and comprehensive statewide framework that weaves together the childhood care and education profession. It involves many agencies and programs that support professionals in the field.

One strategy for achieving quality child care is a professional development system that provides high-quality training and education for child care providers. The following are some of the components of this system.

The Oregon Center for Career Development in Childhood Care and Education provides leadership in integrated and statewide professional development standards and systems, promotes professional development to achieve high-quality care and education for children and youth, and creates and supports training and education.

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 childhood care and education. The Oregon Registry recognizes two pathways for professional development: a degree or certificate pathway, and a college course credit training or community-based pathway.

Currently, there are 5,517 enrollees in the Steps of the Oregon Registry.

The **Oregon Registry Trainer Program** offers voluntary certification for all trainers and adult educators in the childhood care and education profession. The Oregon Registry Trainer Program also offers support for trainers and adult educators as they enhance their knowledge and skills and develop community-based training sessions. Standardized training sessions and trainers are available in Child Care Health and Safety (82 trainers), Early Brain Development (126 presenters), Early Words Language and Literacy Development (110 trainers), AfterWords Afterschool

Reading (6 trainers), Discovering & Using Rating Scales (10 trainers), Recognizing and Reporting Child Abuse and Neglect (141 trainers), and Infant Toddler Development (65 trainers). Child Care Social Emotional Development is in a startup phase. Additionally, there are 229 approved Oregon Registry trainers, and 567 approved Oregon Registry sessions.

The **Statewide Scholarship Program** provides support for training and education for providers working in family child care, center child care, Head Start, and before- and afterschool programs. The program supports professional goals of certification, accreditation, degree, or credentials. It is supported through the Oregon Community Foundation John and Betty Gray Early Childhood Project. The Scholarship program has made 458 awards in 22 counties totaling \$56,403. Awards range from \$10 to \$500, and average \$117.

The benefits of a state professional development system are cumulative:

- A professional workforce in the field of childhood care and education.
- High-quality training and education for professionals.
- High-quality programs and services for children, youth, and families.
- Positive growth and development of children and youth.

Snapshot: Oregon Community Foundation Child Care Programs

Oregon! Ready to Learn's goal is to nurture literacy and language development in children birth to 5. The John and Betty Gray Early Childhood Initiative's goal is to significantly improve early childhood education in Oregon.

Oregon! Ready to Learn

Oregon! Ready to Learn is an early-childhood initiative of the Oregon Community Foundation (OCF). Its goal is to nurture literacy and language development in children birth to 5 through education and support of parents, guardians, and caregivers. Between 2000 and 2004, 68 Ready to Learn grants were awarded to nonprofit organizations and public agencies throughout the state. The initiative's two priorities are: areas or communities that have had limited access to such programs; and enhancement or expansion of programs which have previously received support from OCF.

Looking Ahead

In partnership with the Kelley Family Foundation, OCF is launching a second five-year phase of Oregon! Ready to Learn in 2005-2006, with \$200,000 in grant funds available each year. Early literacy mentoring and training for child care providers is one of three grant categories. These grants will emphasize programs that reach family child care providers who may not have had access to other training and support programs. Applicants may seek funds to add mentoring onto an existing instructional program, or to implement both training and mentoring. OCF will sponsor its first two-day early literacy mentor training conference in spring 2005.

The John and Betty Gray Early Childhood Initiative

This program was established in 2003; its goal is to significantly improve early childhood education in Oregon. At least \$475,000 will be available each year.

The Initiative works in three areas:

Scholarships for training, education and professional development of child care providers. All 17 community colleges have a John and Betty Gray early childhood education scholarship program, through which assistance with the costs of obtaining a certificate or degree in early childhood education is available. The colleges expect to assist 150 students in the 2005-2006 school year. Scholarships for training and certification for family child care providers and center-based staff are available through the Oregon Center for Career Development in Early Childhood Care and Education.

Grants for community nonprofit and public organizations to provide access to proven **parent education programs** for parents and caregivers of children birth to 8.

Grants for community nonprofit and public organizations providing access to proven **reading and literacy programs** for parents and caregivers of children birth to 8. Libraries must be the provider of or be a partner in such programs.

Snapshot: Certification and Registration

The Child Care Division now inspects 100 percent of all new child care providers and investigates 97 percent of complaints.

The Oregon Employment Department's Child Care Division (CCD) has licensing staff throughout the state to inspect child care facilities, investigate complaints, and give technical assistance to child care providers. There are two categories of licensing: certification and registration.

Certified Care

The division certifies approximately 1,000 child care centers and 250 certified family homes through a process that includes a criminal history check of all staff, annual announced and unannounced inspections by division personnel, and compliance with local sanitary and fire regulations. Centers care for more than 13 children, usually in a facility designed for that purpose. Certified family homes care for up to 12 children, including the provider's own, in a single family dwelling.

Registered Care

CCD registers approximately 5,000 family child care businesses. These providers are registered for two years at a time and can care for up to 10 children, including their own, in their own home. All providers, and anyone over 18 who resides in or frequents the home, must pass a criminal history check and meet basic training requirements. Providers must also undergo an on-site health and safety review before they begin caring for children and every two years prior to renewing registration.

License-Exempt Care

Some child care is exempt from regulation, including providers caring for three or fewer children; providers caring for children from only one family; school district programs; care provided in the child's home or by a relative of the child; and limited duration programs such as summer camps.

Review and Inspection

CCD now inspects 100 percent of all new child care providers and investigates 97 percent of complaints. The most common complaints are lack of supervision (the ratio of children to worker is too high) and illegal care.

In 2004, CCD reviewed nearly 3,000 registered family child care facilities and investigated over 800 complaints. It also reviewed over 2,300 certified facilities and investigated 173 complaints.

Snapshot: Department of Human Services Child Care Programs

Department of Human Services child care programs address affordability by offering assistance to low-income families who are employed or in the process of becoming employed.

Child Care Subsidy Programs

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

- Employment Related Day Care (ERDC) assists low-income working parents. Parents pay a share of the child care cost, based on a sliding scale.
- Temporary Assistance to Needy Families (TANF) provides child care assistance for working parents who receive TANF cash benefits.
- The JOBS program helps parents receiving TANF or food stamps to pay for child care so they can participate in DHS-approved self-sufficiency activities.
- Child Welfare: Family Based Services Supportive/ Remedial Day Care is a temporary service designed to enable children to remain at home as an alternative to substitute care, or to help them return home sooner through specialized day care planning.

DHS Enhanced Rate

Providers are encouraged to obtain child care training and education to become eligible for the Enhanced Rate, which is 7 percent above the standard rate paid to other providers. DHS contracts with the Oregon Registry to document training and encourage trained providers to care for families receiving the DHS subsidy. The Oregon Registry is coordinated by the Oregon Center for Career Development in

Childhood Care and Education at Portland State University. It serves family and in-home providers and staff of centers exempt from certification rules who want to earn the Enhanced Rate; they can apply to the Registry, which notifies DHS when they qualify for the higher rate. Providers licensed by the Child Care Division automatically qualify.

Partnership With Child Care Resource and Referral (CCR&R) Agencies

DHS contracts with the CCR&R Network to provide DHS program services through local CCR&R agencies. The services they provide include:

- Assistance with provider training required to qualify for the DHS Enhanced Rate.
- Recruitment of trained providers for DHS Child Care Programs.
- Technical assistance to providers regarding DHS payment and listing process issues; and sponsorship of provider forums and workshops related to the DHS Child Care Programs.
- Assistance to providers who need help meeting DHS health and safety requirements.
- Enhanced services to DHS clients to help them recognize, find, and maintain quality child care.

Recommendations

1. Accessibility:

Work with the Oregon Progress Board to revise the child care supply benchmark so that child care supply goals can be identified and evaluated at the county level.

2. Quality:

a. Continue support for the implementation and evaluation of the Child Care Quality Indicators Project.

b. Continue support for pilot projects such as CARES, Child Care Health Consultation Project, and Partners for Inclusive Child Care, that are demonstrating positive outcomes for children.

3. Affordability:

Support policies to implement the Vision Statement of the Affordability Work Group, below:

a. Payment rates: Payments to child care providers will be high enough to give parents enrolled in the subsidy program access to 75 percent of the child care available in their community child care market. Maximum payment rates will be based on the 75th percentile of child care prices as identified by the most current market rate survey data.

b. Tiered payment rate: Research documents a relationship between a trained and stable child care workforce and positive child care outcomes. Child care facilities that employ a trained and stable workforce have higher costs. The payment process should link the level of provider reimbursement to training.

c. Parent co-payments: Parents participating in the subsidy program should pay no more than 10 percent of their household income as their share of the total child care payment.

d. Eligibility: Low-income families earning up to 85 percent of State Median Income (approximately 250 percent of Federal Poverty Line) should be eligible to receive child care subsidies.

e. Eligibility re-determination period: In Oregon, parents experience short spells of subsidy use (3 months) with almost half returning for a second short spell within a year. Change eligibility re-determination from three- to six-month periods to 12-month periods in order to support continuity of care.

f. Payment process: A smooth, timely, and reliable payment process in both central and branch offices is key to the willingness of quality providers to care for children whose care is subsidized.

4. Infant Care Policies:

Partner with other interested agencies and individuals to collect data on parental leave and other policies that would allow working parents to stay at home to care for infants.

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Recommendations continued

5. Workforce Development:

- a. Business Development: Support the work of the Oregon Child Care Resource and Referral Network in providing information and training to child care providers on advanced business practices.
- b. Insurance Benefits: Collaborate with organizations in securing health insurance for child care providers.
- c. Technology and Distance Learning: Support the work of the Oregon Child Care Resource and Referral Network and the Oregon Center for Career Development in Childhood Care and Education in integrating the use of technology into the development and delivery of training, particularly in rural areas of the state.

6. Tax Credits:

- a. Strike the sunset for Dependent Care Assistance for employers which provide dependent care assistance or dependent care information and referral services to their employees.
- b. Collect data from the Employment Division and Department of Revenue to identify specific users of tax credits in order to complete a more informed analysis, and to compare projected revenue impact against actual usage.

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- The Child Care Quality Indicators Project: project planners.
- Child Care Health Consultation Demonstration Program: Department of Human Resources Office of Family Health.
- The Inclusive Child Care Program: Oregon Council on Developmental Disabilities
- School Age Care, Enrichment & Recreation Program: School Age Care, Enrichment and Recreation Program, Portland State University.
- Child Care and Emotional Health: Oregon Head Start Collaboration Project.
- Professional Development: the Oregon Center for Career Development in Childhood Care and Education at Portland State University.
- Oregon! Ready to Learn: Oregon Community Foundation.
- Certification and Registration: Employment Department Child Care Division.
- Department of Human Services Child Care Programs: Department of Human Services.

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