Key Takeaways from the Research Reports for each Work Group - **Funding**

Study C (Barriers to using Child Care Subsidy)

- Providers struggle financially; both in terms of generally keeping their businesses viable and as related to the subsidy program.
  - Research shows Oregon (and nationally) child care businesses operate on razor thin margins.
  - Providers spoke to how they set their tuition rates based on what parents can afford.
    - Nearly all said they would charge more if parents could afford it.
    - Providers with staff spoke to challenges in paying staff and wish they could pay them more.
- Providers attributed their financial challenges with subsidy to:
  - Being paid after month-of-care-provided
  - Not always receiving the full state payment expected because child had too many absent days, or child attended more hours than were approved by DHS.
  - DHS Reimbursement rates do not cover the true cost of care.
    - Home based providers, particularly registered family (small home) reported setting tuition rates at or below the current DHS rates.
    - Many discussed increasing rates due to COVID.
  - Unpaid parent copays are common and particularly harmful to the business, especially when copay is high.
- To deal with financial risk associated the ERDC program, providers restrict how enrollment of ERDC participating families.
    - Providers want to serve more children on subsidy, but feel limited by financial risks associated with parent out-of-pocket costs and delayed state payments.

Study B (Supply and Demand Studies)

- Oregon's child care supply relies more heavily on parent tuition/fees than other states.
  - Seventy-two percent of the dollars spent on Oregon child care come directly from families (Office of Child Care, 2010) compared to a national estimate of 52% of costs are borne by parents (BUILD Initiative, 2017). (page 5)
  - Further evidence of low public investment is found in preschool slots. Oregon funds less than half (46%) of care for Oregon's 3- and 4-year olds compared to a national average of more than half (57%) (Hardy & Huber, 2020). (page 8)
- Oregon has an inadequate child care supply; and that, at least partially, can be explained by the relatively low ranking in public investment in child care and early education programs.
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- To equitably increase child care access with investments, solutions must take into account the diverse and unique qualities of each community, such as, but not limited to:
  - Race/ethnicity, Languages spoken
  - Urban, Rural, Mixed types of communities
  - Household income and type of schedules work
  - Single parent status
  - Age of children in community
- To target investments that improve access for all of Oregon's children, considerations at both levels is needed:
  - targeting child level barriers with interventions for families to facilitate access to existing care
  - community interventions to increase supply overall.

Other Resources

State of Oregon Early Care & Education Profile (8-pager, with graphics)

- See Page 5 - Affordability estimates (Price of toddler care in center vs. university tuition)
- See Page 6 – Over time, care has become more expensive, but incomes have not increased.
- See Page 7 – Comparison of child care expenditures funded by parents vs. government

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