

Bandon Community Child Care Center Assessment

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Purpose

The opening of the Bandon Community Child Care Center (BCCCC) was a vision that turned into a reality to address the severe shortage of quality child care in the Bandon community. While there has been significant philanthropic support and partnership with the Bandon School District, challenges have emerged that threaten the ongoing operation and continuation of the BCCCC. Therefore, the purpose of this report is to highlight the successes that have been critical to opening the Center and to outline the barriers and challenges threatening continued operation.

Focus groups and interviews were conducted with BCCCC leadership from the Wild Rivers Coast Alliance (WRCA), Ocean Crest Elementary School and South Coast Business Corporation. The results of this data collection and analysis are reflected in the following report.

Overview

In response to the closure of a family child care program that served employees at Bandon Dunes Golf Resort and the Bandon School District, coupled with a Ford Family Foundation report identifying the critical shortage of child care in Coos County, WRCA—the grant-making arm of Bandon Dunes Golf Resort—convened with community leaders in September, 2018 to address the severe shortage of child care.¹ The community leaders committed to open the BCCCC included Bandon Dunes Golf Resort leadership, Bandon School District, Coast Community Health Center, Southern Coos Hospital, WRCA, the Ford Family Foundation, and the Oregon Community Foundation.

The principal of Ocean Crest Elementary School quickly saw the alignment and value that a quality child care center could do to support the early education of young children prior to entering kindergarten.

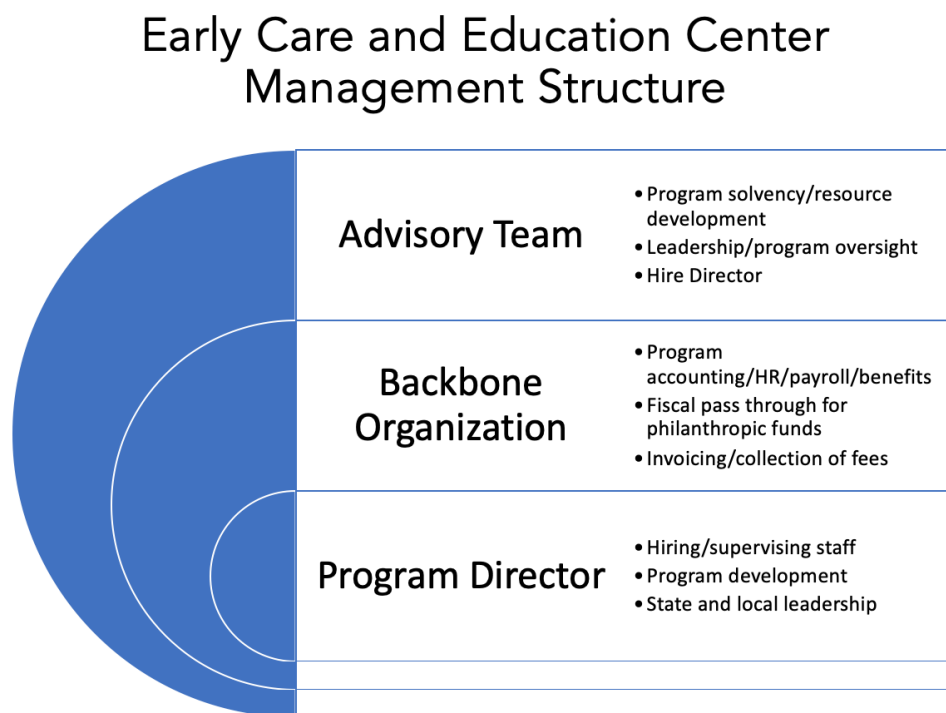
The supply of child care in Coos County, including Bandon, has been in a severe shortage. According to the South Coast Head Start Community Assessment, there were only 30 licensed full-time child care slots available in the city of Bandon for 250 children ages 0-5 years.² In Coos County, there are only 984 licensed child care slots available, resulting in an average of 12 slots of regulated child care for every 100 children, which is less than half of the 25/100 slots needed to meet demand.³ A county is considered a child care desert if fewer than 33% of the county's children have access to a regulated child care slot. In Coos County, only 6% of children ages 0-2 have access to a regulated child care slot.⁴

Bandon Community Child Care Center - from Vision to Reality

WRCA recognized the need for a business plan that would outline a fiscal analysis and an implementation plan to start up and operate a child care center. After contracting with a

consultant, it became clear that a small child care center could not financially sustain itself if they were to serve infants and toddlers. It also became clear that a new business model was needed to ensure the program had strong leadership, management and fiscal support to ensure that a high-quality program could serve the community long-term.

As recommended in the proposed business plan, a critical first step was to secure a backbone organization that can provide a fiscal infrastructure and administrative functions as one of the three core components of the management structure. This model proposed to provide added capacity, expertise and oversight, while increasing access to grants and funding opportunities through philanthropic organizations.



Committed to achieving the vision, leadership from the WRCA and Ocean Crest Elementary School went on what they called a “road show” to garner community support, identify space, secure funding of \$300,000, and partner with a backbone organization that could provide the fiscal infrastructure and administrative functions.

Funding, Space, Backbone Organization

Three critical elements were necessary to start up the Bandon Community Child Care Center:

1. **Securing a Backbone Organization:** WRCA, funded by Bandon Dunes Golf Resort, contributed an initial \$100,000 that offered potential backbone organizations a

commitment of fiscal support. The leadership of WRCA and Ocean Crest Elementary School presented to 10 organizations in Coos County in search of a backbone organization to assess willingness, alignment of mission, and if they had the bandwidth within their business to fulfill this role. The goal was “not just can you do it but can you do it well.” It required patience, even with the commitment of \$100,000, it took over nine months to identify a strong organization who had capacity and was willing to fulfill this role. South Coast Business Employment Corporation (SCBEC), a 5013c, emerged as an organization that provides fiscal and administrative functions for other businesses and services within Coos and Curry Counties. After several meetings, a Memorandum of Understanding (MOU) was initiated between WRCA and SCBEC to provide funding and to hire a consultant, a former child care provider with expertise starting up child care programs, to launch the BCCCC.

2. **Securing Space:** Ocean Crest Elementary School had a modular adjacent to the school that they offered to repurpose for the child care center. The district contributed the modular to the child care program for nearly no cost. The space had two classrooms that could serve up to 20 preschool age children and nine infants and toddlers, according to Oregon’s child care licensing rules.
3. **Securing Funding:** The initial seed money of \$100,000 from WRCA created an environment to leverage other funding. Once the backbone organization and space were secured, the leadership team wrote grants that secured four years of funding for \$140,000 from the Ford Family Foundation, one year of \$50,000 with an invitation to apply the second year from the Oregon Community Foundation that resulted in a total of \$200,00 for year one. The leadership team also secured \$7,500 from the local rotary to fund an infant and toddler playground.

“Money made it possible...there is not money in child care.”

Challenges and Barriers

Although the community leadership had secured the three critical elements to begin the BCCCC launch, they faced several significant challenges and barriers.

“There were roadblocks at every step”

The initial barriers to opening BCCCC were the length of time to obtain approval for background checks and the specific teacher or teacher assistant requirements. Both the background check and staff qualifications did not align with K-12’s requirements and processes, preventing coordination and shared resources between the BCCCC and the elementary school in which it was housed.

In addition, as enrollment of children increased, so did sustainability challenges. BCCCC is committed to serving children from low-income families who are eligible to receive Oregon's Employment Related Day Care. However, payments from the state were not only delayed, but also fell far below the monthly tuition rate, and required an extremely high parent co-payment. More details on these challenges follow:

1. Oregon's Employment Related Day Care (ERDC)

Department of Human Services (DHS) reimbursement rates are below the BCCCC's tuition, and combined with high parent co-pays, created a significant loss to provide care for low income children. The following areas were identified upon further exploration:

- The ERDC reimbursement rates are significantly lower in rural areas than in more populous areas of the state.
- ERDC parent co-pays are so high that even when a family receives a child care subsidy, attending BCCCC might still be unaffordable.
- ERDC reimbursement rates are based on "market prices," which means they are lower in rural Oregon. However, parent co-pays are the same regardless of which part of the state a family resides.⁵
- ERDC billing is based on attendance rather than enrollment so the program often can only bill the hourly rate versus their monthly rate. This has resulted in significant losses for BCCCC and unpredictable revenue from month to month.
- ERDC billing paperwork and processes take time to set up within the system which has resulted in significant delays for BCCCC to get paid.
- BCCCC does not know what a parent co-pay is until they receive a letter from ERDC that is often a month after the child is enrolled, which prevents the program from knowing what the parents share of the cost is until it is too late to recover the costs.

2. Criminal Background Checks through Oregon's Central Background Registry

During the startup phase and opening of BCCCC, the criminal background took up to eight weeks for approval creating a significant challenge to staff the program. Oregon's processing includes a background check through the Oregon State Police, the Department of Human Services Child Protective Services and the Federal Bureau of Investigation.

In addition to the long approval time, there is a clear lack of alignment between Oregon's child care Central Background Registry and Oregon's Department of Education. Thus, the principal, teachers and substitutes at Ocean Crest Elementary school are required to conduct another background check if they engage with the child care program that is on their school grounds. This lack of alignment is costly, time consuming and resulted in BCCCC's inability to engage with and utilize the Ocean Crest staff.

3. Staffing Requirements

In rural communities, the challenges and barriers of starting and running a small child care center are uniquely pronounced, given fewer resources and the mere size of the workforce available within the small populations.

BCCCC is on-site at the local elementary school to create strong partnership, support alignment between K-12 and early learning and to draw upon the infrastructure of the K-12 system. This would include shared substitutes, aides and leadership support. While these two systems have not been historically designed to align, there is a growing desire and need, in particular in small rural communities, to leverage the infrastructure of K-12 in early learning. The requirements for an aide or a teacher in the elementary school are different than for child care. While education and training are important in quality program delivery, the current lack of alignment requires that an individual with a degree in education who currently works as an aide, substitute, teacher or principal at Ocean Crest Elementary School may not be qualified to work as a substitute, aide or teacher in BCCCC. This challenge prevents access to a needed infrastructure and workforce pool of vetted individuals meeting educational requirements for the school.

Given the distinct challenges of finding staff that can meet specific licensing requirements, the BCCCC leadership established higher than average staff salaries that include full benefits. Despite this unique offering in the child care field, the BCCCC leadership identified that finding and hiring staff is one of the primary challenges to sustain the program. Within the first nine months of the program opening, they now have their third Director leading the program and report challenges in navigating the requirements and information necessary that ensures staff that are hired meet the training and experience requirements.

"No wonder no one is open, this is a nightmare."

4. Additional Challenges

The first year of BCCCC brought unanticipated challenges in two unprecedented circumstances: 1) toxic levels of mold were discovered in the building, requiring BCCCC to urgently find a new location; 2) COVID-19 forced program closures and a loss of staff.

Toxic levels of mold discovered in the building that BCCCC was operating in at Ocean Crest Elementary school forced BCCCC to relocate to an adjacent building that was occupied by another program. The advisory committee has since sought to purchase or identify another location, requiring a substantial investment. The current location that BCCCC is operating within is only licensed to provide child care for 14 children, which is a dramatic reduction in enrollment, and therefore, revenue.

COVID-19 has had a profound impact on child care programs throughout Oregon resulting in program closures and substantial financial loss. BCCCC closed during the

state's closure and reopened in June, with a significant reduction in enrollment, and without the director and head teacher returning. As BCCCC has worked to rebuild enrollment and obtain qualified staff, increased COVID-19 licensing regulations have also increased the challenge and cost to operate.

BCCCC Leadership Advice

The BCCCC leadership continues to navigate the above challenges and is leading efforts in Oregon by bringing together business leaders, K-12 and early learning in a unique approach to support child care. The structure of utilizing business and fiscal supports through the fiscal backbone of SCBEC is the foundation of a Shared Services model that is now piloting in Coos and Curry counties for other programs.

When asked about what the BCCCC leadership would tell another community who is interested in increasing child care options, the following response summarizes a year of challenges and barriers.

"If it were easy it would have been done by now, if it were easy everyone would do it."

The BCCCC leadership advice to start with a vision that brings the right people to the table and leverages community leadership. Community buy-in and support was an important ingredient to a launch and sustainability of a child care program. In addition to a vision and community leadership, prepare for the long haul and to be ready to give time, energy and funding.

Considerations for Policy Change

1. Employment Related Day Care

While Oregon is reported to be a leader in early childhood and education policy, below are some considerations to increase financial sustainability for child care programs.

- a. 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 the based on current market rates.⁶
- b. Permanently waive parent co-pays or revise how parent co-pays are determined with a specific focus to reduce the high co-pays in rural Oregon. During the COVID-19 relief effort to support families and child care programs, Oregon has waived parent co-pays which has created substantial financial stability for BCCCC.
- c. Explore the expansion of contracted slots, such as those administered through Preschool and Baby Promise, using a backbone agency similar to SCBEC, the backbone organization for BCCCC. The Early Learning Division could contract with the backbone annually for a specific number of slots, on behalf of a network of child care centers and family child care homes supported by the backbone. Family intake and eligibility could be done by the backbone

organization and the contracted slot payment could follow the child to whatever location is selected by the family that are part of the network.⁷

- d. Explore piloting automated links to 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. This is possible by enabling open APIs with software vendors (such as Wonderschool, the vendor used by BCCCC) or creation of a web-based Data Trust.⁸

2. Staff Qualifications & Licensing Regulations

Oregon's licensing and regulatory processes are complex and differ significantly between the types of child care programs, all of which lack alignment with the K-12 education system. While licensing and regulatory processes are designed to ensure a baseline of safe child care, a review and revision of these rules to increase alignment and support the sustainability of child care programs is suggested. Additional considerations surfaced during focus groups and interviews of the BCCCC assessment.

- a. Consider allowing short-term substitutes that would enable a substitute to work as a teacher for up to nine days without meeting the teacher requirements (modeled after the South Coast Education Service District that provides this approach for K-12 substitutes).
- b. Embrace job-embedded professional development to enable training to occur on-site, under supervision, while working towards the teacher requirements. This builds on a state-of-the-art approach embraced by ECE leaders such as the Ounce of Prevention, the University of Chicago, EarlyEdU at the University of Washington, the Lastinger Center for Learning at the University of Florida, and others.⁹
- c. Pilot the BCCCC as a Certified Family Child Care rather than a Center, allowing it to operate under Oregon's Certified Family Child Care rules in a non-residential setting. This approach would support a small program such as BCCCC operate with more flexibility for the small number of children they serve. Modelled after a child care program in a Shared Services Alliance in Tennessee that has programs licensed as home based child care in a non-residential setting, this approach would offer quality child care under licensing rules designed for small programs.^{10,11} BCCCC is part of the South Coast Shared Services Alliance and is poised to pilot this approach in Oregon.

3. Background Check

Background checks are an essential component to ensuring the safety of children in child care settings. An exploration of solutions is needed so that background checks are conducted in a timely process and are transferrable across all education-related settings. This would not only enable a shared substitute pool but would also save time and money for all involved.

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