Governance Workgroup Draft

Members:
1. Brenda Comini - attended 3 meetings
2. Dana Hepper- attended 2 meetings
3. Regan Gray- attended 3 meetings
4. Marie Simonds- attended 3 meetings
5. Celese Williams- attended 2 meetings
6. Miriam Calderon- attended no meetings

Working Outline

Big picture goal for child care:

For children and families, Oregon's child care assistance programs should be:
- Affordable
- Accessible (culturally relevant, inclusive, offered the hours needed and in the CC setting prefered)
- Easy to navigate (for enrollment and coordination for those using multiple programs)
- Support child development
- Provide access to the types of care needed/wanted

For Child care providers, Oregon's child care assistance programs should be
- Not burdensome
- Pay at levels that reflect true costs of operations (viable, sustainable business)
- Coordinated administration for providers in multiple programs
- Assure fair wages for the workforce

For Child care businesses, consistency and alignments such as:
- Background checks should be aligned (or transferable) across child care programs/settings
- Statewide and local regulatory consistency to reduce barriers (timeliness, costs, streamline regulations to start up a business, and a regular review of child care licensing requirements and exemptions)
- Reduced barriers for opening and maintaining child care, while protecting children's health, safety, and development

Long term goal:

Our long term goal is
- one door access for families to find and receive assistance for child care.
- one door for providers to receive payments from the state.
- ensure Oregon's child care system is universal, equitable, and truly works for all our families.
- Child development is supported across all child care settings
- Adequate supply across the state for all ages and types of care needed
- Easy way for parents to find openings and providers to report openings

- Increased supply of providers in all communities across the state, providing the care those communities need
- Financial stability for providers, a business model that works, & tuition rates that cover the true cost of care
- Better wages for this workforce, elevating the importance of our ECE workforce and compensating them for that vital work. Higher wages results in better retention and better service delivery

Problems:

Problem #1: Bifurcated Governance.

ELD regulates child care, implements strategies to increase supply of quality care and administers PreSchool Promise, Oregon Pre-K Head Start and Baby Promise. However, the state's largest child care program (ERDC) and Inclusive Partners are housed in ODHS. This is confusing to parents and providers, especially those enrolled in multiple child care 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 CCDBG and often embedded in CCR&R (also in ELD), assists child care providers serving children experiencing high needs. Co-housing all child care programs will create better communication with providers and parents. In addition, ELD is in the Department of Education, not in a stand alone agency. This poses challenges as the Division is reliant upon ODE for HR, engagement in Governor's budget & policy process, budgeting, IT development, etc. These are essential services for ELD to meet their mission.

Problem #2: Inadequate Data System.

Data collection on supply of child care is manually collected through CCR&R and self-reported by child care providers through emails or over the phone. This results in labor intensive data collection to maintain a list of current available openings and monitor equitable supply across the state. When assisting families finding care, 211 gathers information from families and provides referrals but no navigation assistance and is limited in capacity to serve multiple languages and geographically diverse requests. Overall, the information they gather from parents is limited and does not include demographics. In addition, we have a network of unlicensed or unregulated providers with no reporting mechanisms, therefore we have no idea how many kids receive care in informal settings. On the demand side, we have 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. We currently use ACS and Census data to guess the level of demand. Without a better data system, it is difficult to help parents find child care 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, DPU and ONE eligibility) still limit the agency administering ERDC from implementing best policies for providers and parents.

Problem #3: Layers of Regulations.

State and local regulations are inconsistent and enforced by various authorities. Not having one clearing house for CC business and licensing regulation creates barriers for providers to start or maintain their businesses. Child care businesses must navigate numerous regulatory bodies to start a new child care setting. Local governments and other state agencies add additional requirements that hinder businesses from opening (bus fees, zoning, fire marshall, special use permits). This creates an unnavigable mess and disincentivizes supply building. In addition, some licensing or regulatory standards in OCC are difficult for our smaller communities to comply with and be financially sustainable especially since they have a smaller employee pool to draw from. Providers report exemptions are inconsistently applied. And background checks are inconsistent across child care settings.

Solutions:

Solution for Problem #1: New Agency

ERDC and Inclusive partners should be moved to a newly reconfigured Child Care and Early Learning Agency which will house and coordinate all child care functions in state government. Housing all child care functions in one agency allows the state to (1) 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, (2) braid programs together for families rather than families navigating multiple programs in different agencies, (3) reduce provider efforts to receive state payments from multiple agencies. The State of 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. In order to move the program and establish a statutory framework that sets the new agency up for success, we need to rewrite the ERDC statute. A revised ERDC statute should ensure assistance is available for children when care is needed regardless of the parent activity, lower family co-pays (which are now the second highest in the nation), revised payment processes to increase provider participation in the subsidy program, to provide one year of continuous care, and serve all income-eligible children regardless of documentation status or changes in parent's work schedules.

Solution for Problem #2: New data system & capacity for data collection and analysis

We need to create one content management software system housed with the state's child care agency. As we are rebuilding our child care assistance program in a new agency, we can build a better data system to collect data on need vs supply, to help families find care and allow providers to report openings with ease. Better data collection allows for more accurate information to be shared with families, providers, program administrators, and decision makers. We recommend starting with systems needed for the new Child Care Assistance program

(currently ERDC), with better enrollment and payment functions than the current system, and ensure we build in data collection 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.

<u>Solution for Problem #3: Streamlined CC business and licensing regulation</u>

We recommend an agency-led workgroup with diverse stakeholders to review current business & licensing requirements and quality standards and recommend changes to reduce barriers. The recommendations of this group will result in rules change and statutory recommendations. Within health, safety, and developmental needs for children, the goals of the workgroup are (1) review of the licensing requirements for various CC settings and communities around the state (2) state law changes to create a single clearing house for CC providers to set up their business in order to reduce local regulations and multiple state agency approvals that are barriers to standing up new providers (3) aligning background checks across programs that care for children. (4) review quality improvement measures for child care providers.

The workgroup should include parents who access child care (subsidy), child care providers who utilize child care subsidy, organizations who advocate for child care subsidy with the legislature, individuals/organizations familiar with business, land use, and local government regulations that impact child care providers, and individuals with expertise on how other states have approached child care business regulation. A national expert or consultant could assist with facilitation.