



Oregon Department of  
**Early Learning  
and Care**

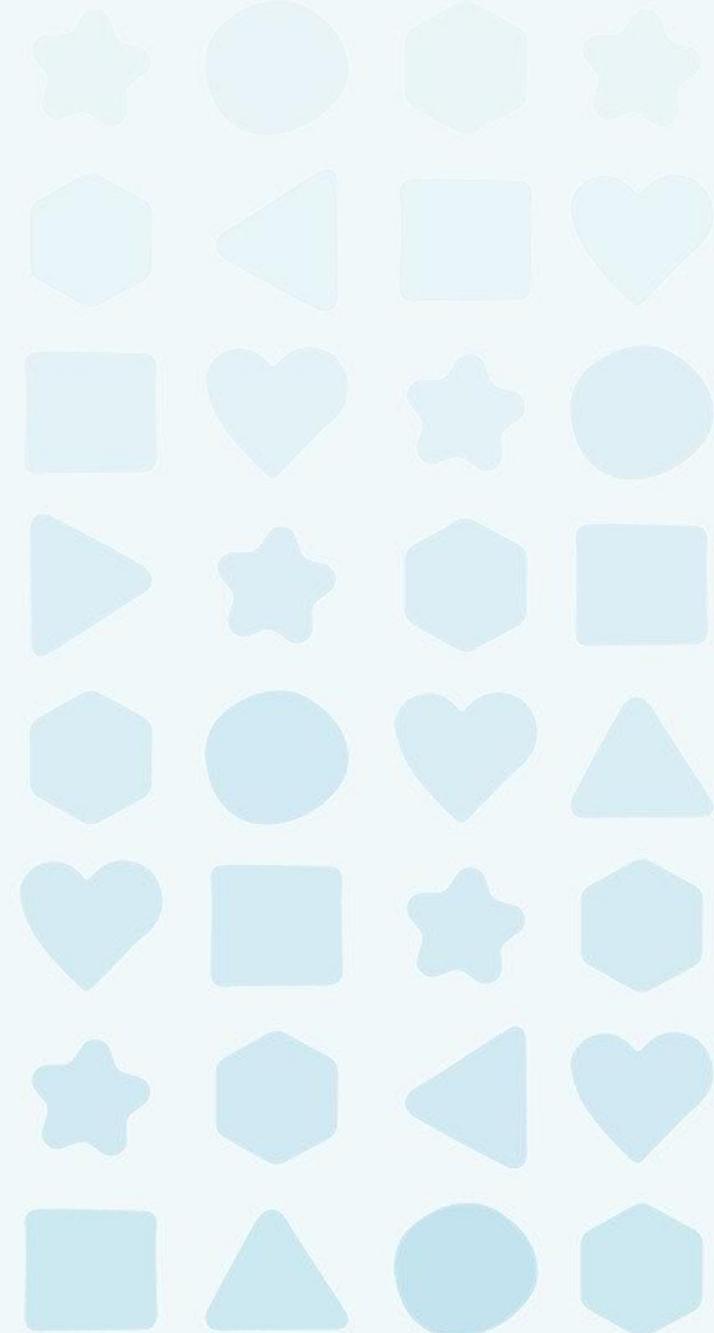
# Micro-Center Pilot Report

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**Alicia Gardiner**, Child Care Licensing Director

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Senate Committee on Early Childhood and Behavioral Health



# Agenda

- Background
- Pilot Design
- Introducing the Pilot Participants
- Pilot Findings
- Conclusions

# Background



# Child Care Licensing Division

The **Child Care Licensing Division (CCLD)** primary function is to inspect and license child care programs. CCLD ensures health and safety of children in child care by:

- **Providing Customer Service** to providers, families, and the public related to ERDC payment, Licensing, and DELC programs
- **Monitoring child care settings** for foundational health and safety licensing requirements.
- **Issuing and renewing licenses** to ensure ongoing compliance.
- **Providing technical assistance** to programs to improve safety and quality.
- **Conducting background checks** on all adults in contact with children while in child care settings.
- **Investigating complaints** and conducting tandem visits with the Office of Trainings, Investigations and Safety (OTIS) to investigate allegations of child abuse or neglect.
- **Reducing Barriers** through policy and rule revision to ensure reasonable and equitable enforcement



# Technical Assistance



## Definition:

Technical assistance (TA) is individualized guidance provided by the Child Care Licensing Division (CCLD) to help child care providers understand and meet both the requirements and the intent of licensing rules.

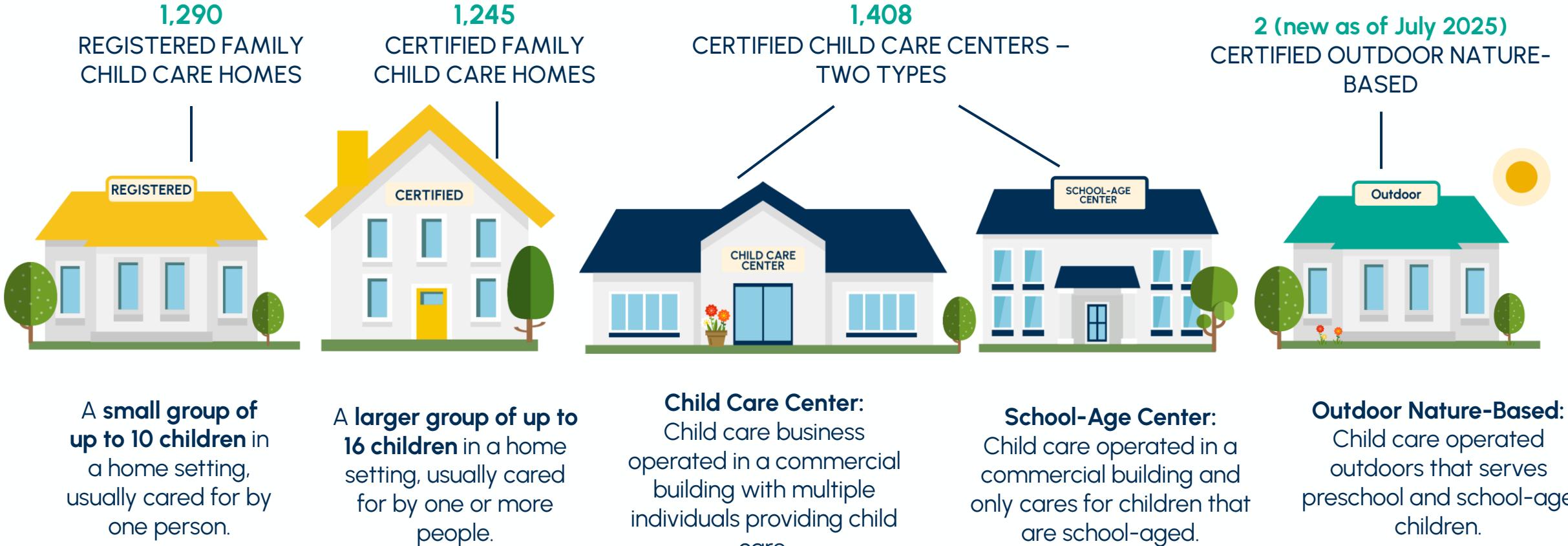
## What it looks like:

- Explaining *why* a rule exists and what outcomes it's designed to protect (e.g., child safety, supervision).
- Helping programs plan ahead to stay in compliance, not just respond to violations.
- Partnering with providers to find realistic solutions that fit their program's size, setting, and community.
- Providing tools, resources, and examples to strengthen program quality and understanding.
- Reinforcing learning during visits and follow-up contacts.

# Types of Licensed Child Care



As of July 2025



All licensed child care types can be a "micro-center."

# Micro-Center Pilot SB 1040 (2023)



**Pilot a regulatory model that allows for micro-center participants to foster innovation for facilities serving 30 children or less on:**

- Staff qualifications in communities where workforce options are limited.
- Allowing a director of a micro center to provide child care services to children at the micro center in addition to handling administrative responsibilities;
- Facility requirements, including health and safety requirements, that are appropriate for a micro center operating in a building that was not initially designed for child care but can be adapted to provide child care under the program;
- Age-group requirements that allow for mixed-aged groups and flexible classrooms arrangements; and
- Adult-to-child ratio and maximum group requirements based on available square footage, plumbing, staffing and other best practices for small child care operations in child care deserts.

# Pilot Design



# Research: What is a Micro-Center?



On a national level, a **micro-center** is a concept where a **centralized child care hub** manages and supports multiple smaller child care sites, located within schools or community spaces.

## Key Features:

- **Centralized Administration:** Staffing, enrollment, billing, and compliance are coordinated from one hub.
- **Multiple Satellite Sites:** Care is delivered at several school or community locations.
- **Shared Resources:** Staff, supplies, and training are distributed across sites to increase efficiency.
- **Consistent Quality Oversight:** The hub ensures all sites meet licensing and quality standards.

# Research: Shared Service Model

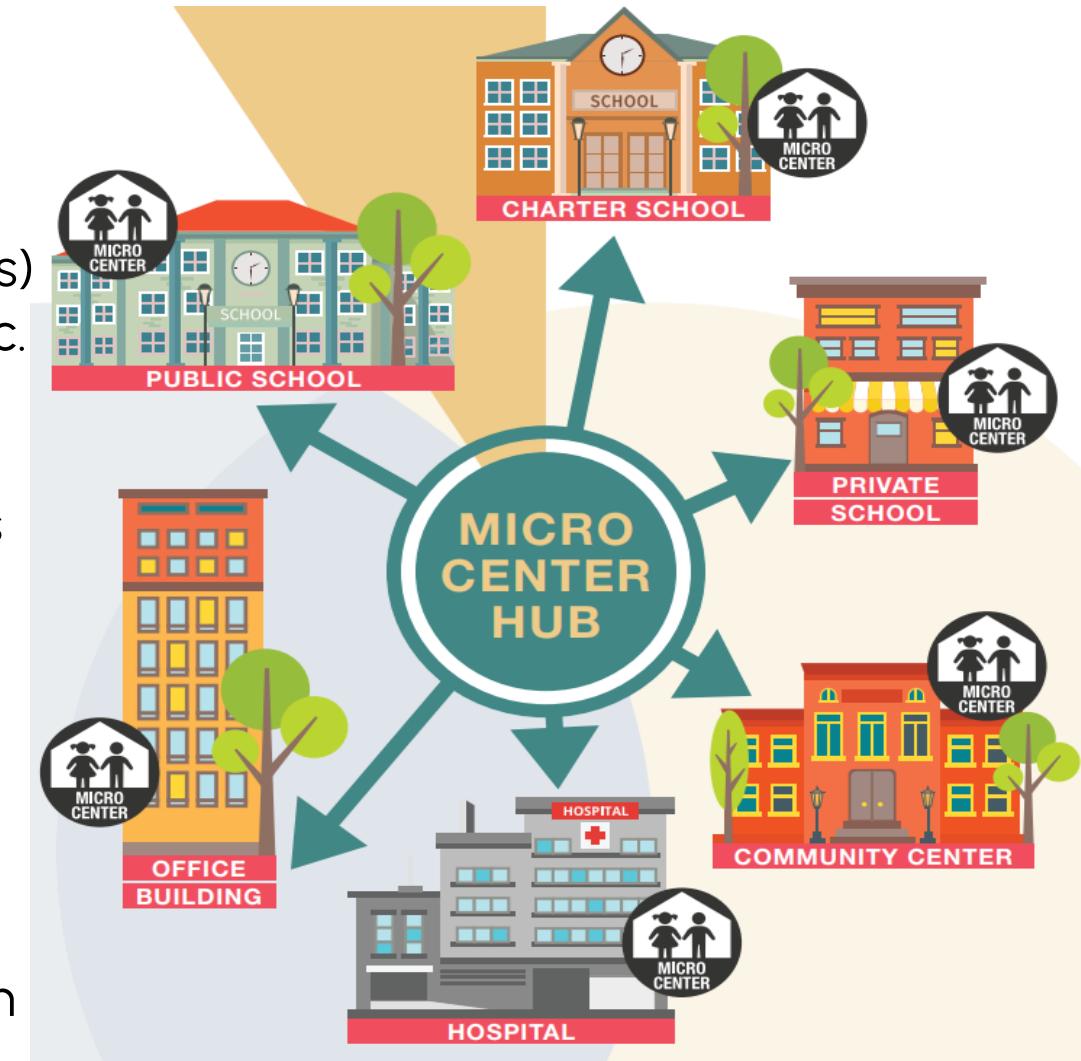


## Micro-Center Network "Hub" Role:

- Hires, trains, supervises, and supports teachers in sites
- Manages shared staffing and coordinates substitutes
- Provides administrative support (billing, payroll, policies)
- Supports families with enrollment, subsidy support, etc.
- Budgeting and fiscal management
- Tracks and manages child enrollment
- Centralized marketing to both families and employers

## Micro-Center Host Location Role:

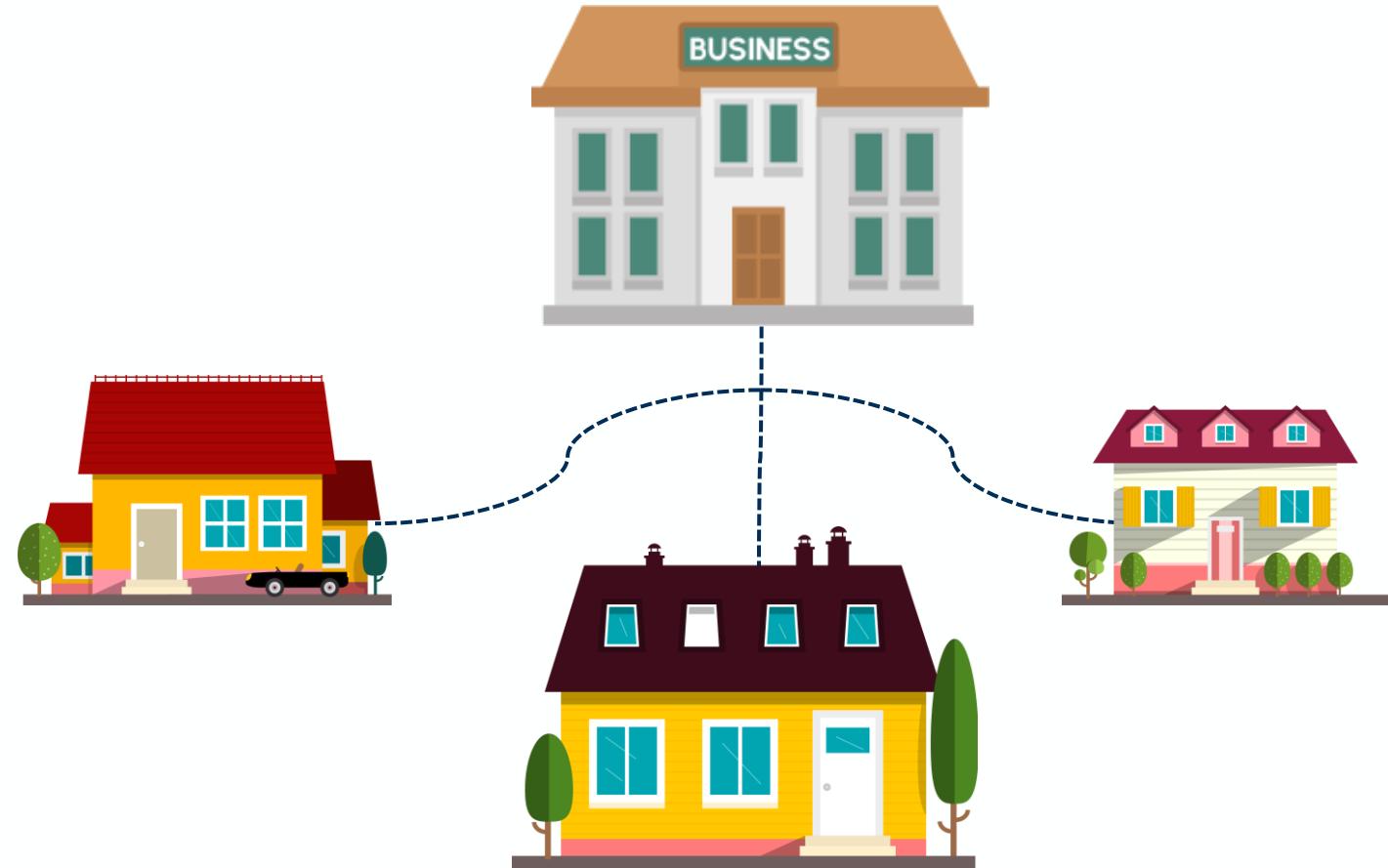
- Makes a classroom space and facility supports (e.g. janitorial, maintenance) available for free or low cost.
- Helps support cost of needed equipment and furnishings
- Collaborates with the "Hub" to ensure compliance with licensing



# Current Micro-Center Models in Oregon



- Many school-age programs in Oregon already use a micro-center model, where a central hub operates child care before and after school and during summer at multiple school sites.
- CCLD regulations are flexible enough to support this approach, allowing programs to maintain compliance while adapting to community and staffing needs.
- Currently, few businesses use this model for younger children, though the same regulatory flexibility could apply.



# Questions the Pilot Asked:



- What regulations are prohibitive to small centers operationally, as well as prohibitive to a micro-center model?
- What regulations are currently supportive of a micro-center model?
- What can CCLD test through an exception process based on feedback from participants to ensure that licensing regulations can support micro-centers as well as a micro-center hub model?

# Exceptions

- ▶ Exceptions are a form of technical assistance.
- ▶ They help child care programs meet the intent of a rule in a different way.

**Example:** There are rules regarding access outdoor spaces where children can move freely. The intent is to get children gross motor movement and exercise and exposure to fresh air and nature. Some city center programs do not have access to outdoor spaces for gross motor, but they can take children on walks and have gross motor free movement indoors. An exception could be granted in this case because children's needs are met in a different manner proposed by the program.



# Participant Requirements

- Work with DELC to identify rules that cause difficulties in operating a small capacity child care center and apply for exceptions to those requirements.
- Be able to apply for multiple exceptions to support their unique program needs

## **This structure allowed for:**

- Participants to tailor the request based on their program's individual needs.
- Data collection that may be used for future rule making and policy decisions.
- Built in safeguards to the pilot since exceptions may only be granted if the requirement is not established in statute and will not jeopardize the health, safety, and well-being of children.





# Meet the Child Care Programs

# Rivera's Bilingual Preschool Center - The Dalles, Oregon



**Location & Community:** Serves The Dalles, Dufur, and Tygh Valley – **rural communities with limited child care** and transportation options.

**Capacity & Age Range:** 30 children, ages 12 months to 12 years; **25% of families are Spanish speaking.**

**Unique Features:** Only privately owned bilingual (English/Spanish) center in the region; focus on consolidating one site for quality oversight.

**Funding:** **ERDC, Preschool Promise, Private Pay**

# The Playcademy – Coos Bay



**Location & Community:** Serves rural Oregon coast communities, families traveling up to 45 minutes from Reedsport, Coquille, and Lakeside.

**Capacity & Age Range:** **28 children**, ages 1.5 months to 7 years; one of the only centers providing certified infant care in the region.

**Unique Features:** Centers on child-led learning, family partnerships

**Funding:** **Baby Promise, ERDC, Military Child Care Subsidy, Private Pay**

# Silly Billies Together – Lane County



**Locations:** Pleasant Hill & Springfield, OR

**Model:** Three coordinated programs serving **60+ children**, ages **infant through school-age**:

- Certified Family Home – Pleasant Hill (16 children)
- Certified Center – Springfield (16 infants/toddlers)
- Recorded School-Age Program – Pleasant Hill (30 children, in church space)

**Unique Features:** Children remain with the same caregivers through every age stage

**Funding:** **Preschool Promise, ERDC, Private Pay**

# Findings

# Staff Qualifications



- **Reduced Director Hours to support multiple sites**
- **Transportation Staff Age**
  - All three programs identified staffing as significant barriers, yet none requested direct qualification requirement exceptions
  - the issue may relate more to workforce availability than rules themselves.

## Remaining Barriers

- Directors still working 52–80 hours/week, filling classroom and administrative roles.
- Difficulty recruiting and retaining staff:
  - Low wages, lack of benefits, no retirement options.
  - High turnover, especially part-time staff or aides.
- Public perception that child care is undesirable work.
- Long commute times or multi-site responsibilities increase stress and burnout.
- **Even with regulatory flexibility, workforce shortages remain a critical challenge.**

# Supervision



## Exceptions Approved

- Staff may follow "sight or sound" supervision instead of "sight and sound,"
- Saved one program approximately \$2,500 per month in staffing and operational costs.

## Barriers that Remain

- Workforce shortages persist; directors remain stretched across multiple sites. Staff turnover and difficulty finding qualified personnel continue to be systemic challenges.
- Cost savings help, but do not fully offset low wages or the broader challenge of making child care a sustainable career path.

# Age Group and Ratio Requirements



## Exceptions and Rule Changes Provided

- Rule changes permitting mixed-age ratios for centers with 16 or fewer children, allowing grouping by developmental readiness rather than strict age categories.
- One program received a classroom-specific exception to use mixed-age ratios for infants and toddlers, even though the overall program served more than 16 children.

## Impact and Remaining Barriers:

- One program was able to increase infant enrollment, meet Baby Promise participation goals, and free staff capacity.
- One program reported smoother transitions and more stable groups of children.
- The programs continue to face workforce shortages, which limited their ability to maintain small, consistent groups or take full advantage of the rule change.

# Facility Requirements



## Flexibility Provided

- **No exceptions were requested or identified by participants for facilities.**
- **DELC's authority over facilities is limited to a few requirements**
- **Most facility requirements** (building codes, occupancy, fire safety, and zoning) are **under other agencies**, including:
  - Oregon Building Codes Division (DCBS)
  - State Fire Marshal and local fire authorities
  - Local planning and zoning departments

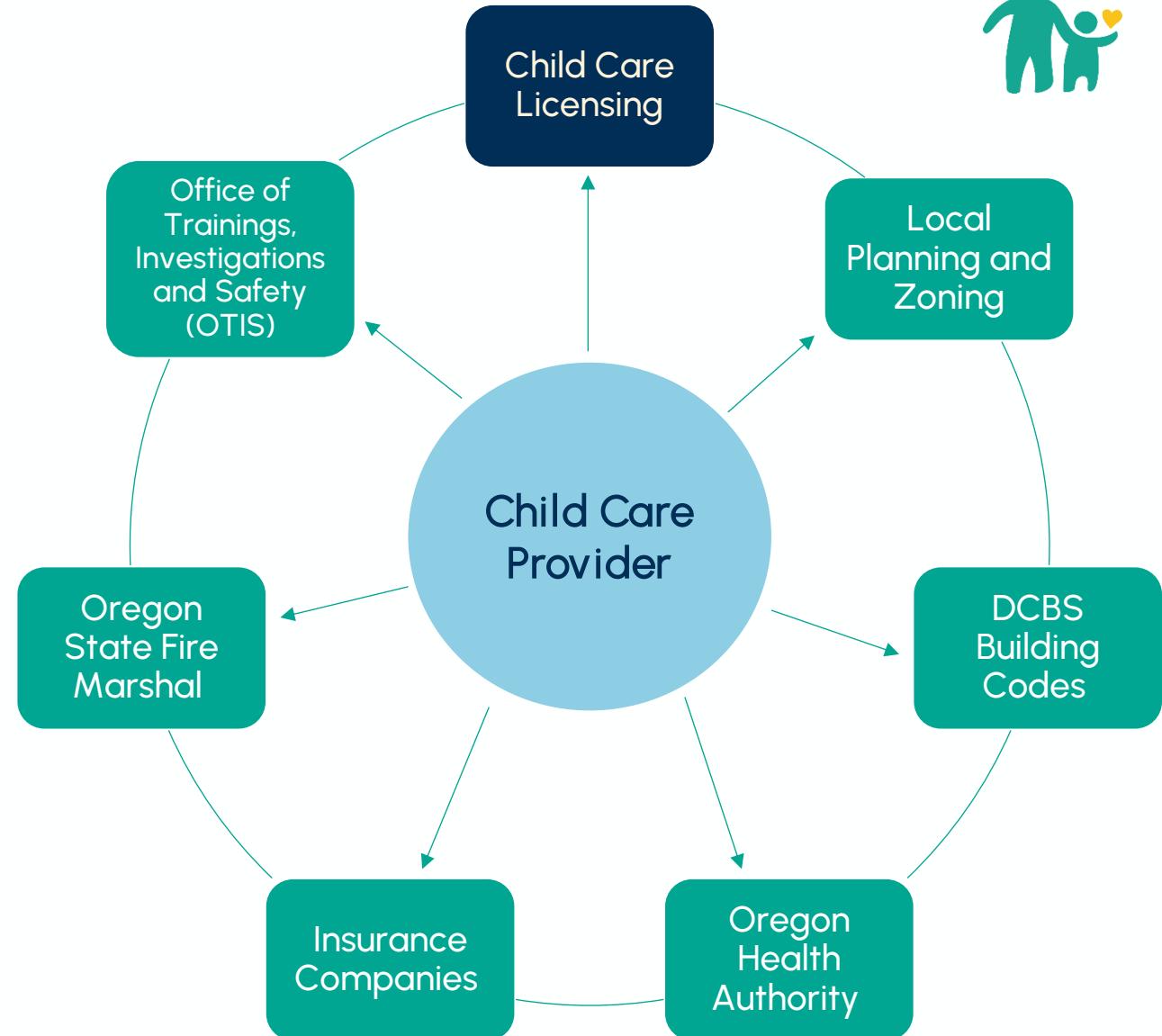
## Barriers That Remain

- **Facilities-based compliance** falls under multiple agencies — Building Codes Division (DCBS), local fire marshals, and city/county planning offices.
- **Different interpretations and timelines** across these authorities can create confusion and long delays.
- **Costs and complexity** ultimately made expansion unfeasible, even for experienced providers in our pilot.
- **One participant's school-age program closed** in 2025 — reducing afterschool access for 30 children.
- **HB 2727 (2023)** concurrently sought to study these barriers.

# Navigating the System



- A child care provider must maintain compliance with many rules, laws and regulations.
- Child Care Licensing is one aspect of the regulations, and CCLD partners with many agencies to coordinate regulations.



# Conclusions



# Conclusions



- SB 1040 required an in-depth review of child care licensing to confirm whether small, multi-age, flexible programs could operate under micro-center principles.
- Pilot confirmed the model can work, supporting mixed-age groupings and flexible supervision.
- Some aspects of Family Child Care benefit small centers, particularly supervision and mixed age groups and ratios.
- **Directors unanimously emphasized that public funding, through programs like ERDC, Preschool Promise, Baby Promise, and community partnerships are essential to their operations.** Without this support, remaining financially viable would be extremely difficult if not impossible

# Remaining Challenges

- Lack of business infrastructure or hub organizations to replicate or scale micro-centers across communities.
- Lack of workforce pipelines
- Facility access and regulations related to facilities
- Not all programs receive public funding





# Progress Made-Legislation

Bill	Impact
<p><b>HB2814 (2025)</b> Allows DELC to grant exceptions/waivers to certification requirements as long as safeguards are in place to protect child welfare.</p>	<p>Strict statutory licensing requirements present a barrier to providers and owners, especially in cases of staffing changes or managing multiple home-based facilities. Bill increases flexibility for providers, reduces administrative challenges, and supports continued child care operations.</p>
<p><b>SB1099 (2025)</b> Requires cities and counties to allow preschools in places of worship.</p> <p><b>HB3560 (2025)</b> Expands allowable sites for child care centers, requires local governments to update local plans and land use regulations with the new zoning requirements.</p>	<p>Both bills reduce or remove barriers related to siting child care facilities-expanding where child care may be co-located, in particular with either a place of worship or dense residential. Both bills require local municipalities comply.</p>

# Rule Revisions effective 01/01/24



## Staffing

- Director can have teaching duties if 40 children or less enrolled
- A "multi-site" coordinator is allowed in lieu of a director for multiple small sites.
- Expanded position qualifications to include home-based experience

## Staff-to-Child Ratio

Mixed age groups in small centers allowed (when 16 children or less in care)

## Facilities

- Use of public parks or other outdoor spaces not under direct control of the program
- Location of toilets and handwashing sinks (increases options for infant/toddler care in existing classrooms)

## Program Administration

- Electronic storage of documents (shared across sites or stored centrally)
- Shared policies and forms
- One annual training requirement for staff shared across multiple facilities

# Consideration for Next Steps



- **Increase investments** in publicly funded programs like ERDC, Preschool Promise, and Baby Promise.
- **Promote** local zoning and regulatory reforms.
- **Develop** unified customer service and technology support systems across DELC.
- **Expand navigation and technical assistance** for providers amongst DELC and other agencies.
- **Increase business interest** in expanding shared services models statewide.
- **Develop co-location strategies** with affordable housing, schools, office buildings, and hospitals.



# Thank You