

Ashland’s Ad Hoc Committee on Affordable Childcare and Early Learning Six-Month Progress Report: Summary of Activities and Community Partner Engagement

March 11, 2024

Over its first six months, the Ad Hoc Committee on Affordable Childcare and Early Learning, sought to understand early learning as it currently functions in Ashland. The team worked with a variety of partners including Southern Oregon Education Service District (SOESD), EQQUS Work Force Solutions, Business Oregon, Oregon Department of Human Services, and multiple local program providers and educators. We also sought input from Oregon’s Department of Early Learning and Care (DELIC), and through a variety of formal presentations, panel discussions, and open conversation, the committee gained insight on the early learning landscape, both locally and statewide.

In addition to these interactions, the committee also compiled a full survey of early learning programs available in Ashland, with information on such attributes as hours of operation, acceptance of state funds, availability of multiple-child discounts, number of slots per program, contact information, and program cost.

Upon engaging with partners, and developing a survey of Ashland programs, the committee then assessed the information to better define local gaps in care and identify opportunities for action. As the team worked through the initial research of our local early learning environment, we found that one key theme prevails:

Providing early learning to all families seeking care will take a coordinated effort with local partners, state resources, and, ideally, federal resources as well.

Core challenges facing early learning include, but are not limited to, the cost of quality care, access to care, and programs that compensate educators commensurate with their responsibility. According to many resources, including the team’s partners at EQQUS Work Force Solutions and SOESD, early learning and childcare is a highly “in demand” employment sector. The demand for professionals in this sector continues to increase—and yet the available workforce trained in this critical care role cannot meet the need.

Local partners at Southern Oregon University and Rogue Community College are working to address the demand for early learning professionals through micro credentials and education opportunities. This helps; however, many professionals burn out quickly due to children’s increased dysregulated behaviors in the classroom, low

wages, long hours, and lack of benefits. A multidimensional approach to train new professionals, and support current educators to prevent attrition, is essential.

Understanding the staffing dimension of the early learning environment is integral to a long-term solution. Typically, solutions to program staffing fall outside of the purview of local municipal governments since city taxes must be spent within Ashland. But the committee will explore strategies that could support the education of Ashland residents seeking certification as childcare providers. This is a longer-term goal, however, so the committee's recommendations and strategies will, for now, focus on access to care and the cost of care.

Early Learning Environment:

Unlike K-12 schooling, the early learning day looks different for each individual family. Some families only require part-time care. For example, morning or afternoon care, or a combination of weekdays such as Monday through Thursday or Monday, Wednesday, Friday. Additionally, a segment of families also require wraparound care for the hours of 4pm to 6pm. This variability leads to a variety of program formats and offerings.

With a variety of program formats, we see different ways families may pay for their early learning services, depending on whether they qualify for enrolling in state-funded programs or they can afford private pay. The primary payment methods in Oregon include:

1. Private pay by parents/families/ care givers
2. ERDC – Employment Related Day Care benefit from the State of Oregon
3. Preschool Promise – Also state funded; currently no slots in Ashland.
4. Head Start and Early Head Start (EHS)
5. Sliding scale scholarships, depending on the program

Currently, early learning programs, both for profit and non-profit programs, cost working families approximately \$14,000 annually. Qualifications for state-funded programs vary, with most families qualifying for ERDC or Preschool Promise if their annual earnings are at or below 200% of the Federal Poverty Level (FPL).¹

- Preschool Promise covers children ages 3-5 and provides free early learning services for those who qualify and apply.

¹ The 2024, 200% FPL is \$40,880 annual income for a single mother with one child and \$62,400 for a family of four.

- In contrast, families that qualify for ERDC pay a co-pay based on income and eligibility factors.

ERDC also encompasses qualification criteria such as:

1. Families are approved for a 12-month timeframe, then must reapply.
2. Qualification is based on the number of family members, which family members are available to provide care, and when, and income.
3. ERDC is available to those employed AND seeking higher education.
4. Once accepted, the family pays a co-pay for care.
5. Providers must be certified to provide care by the ERDC program before they may accept ERDC funds.

The State of Oregon recently exhausted the funding limit for the ERDC program and families now must resort to a waitlist for benefits. A key concern includes children aging out before they become eligible for the benefit.² However, the DELC website notes that families with specific needs can skip the waitlist and find resources available to support them while they wait.

Families making more than 200% of the FPL, and still not able to afford the cost of full tuition, may be eligible for sliding scale scholarships. However, these scholarships are dependent on the care provider. Multiple-child discounts are also offered by some programs when more than one child in a household is enrolled in an early learning program.

As a result of the high cost of care, and the state funding eligibility criteria of 200% FPL, many families making more than 200% FPL, yet not enough to comfortably afford the full tuition, face exceptionally difficult choices. The challenge often results in one partner forgoing formal employment, or delaying education, in favor of seeing to the care needs of the family. The economic implications of such a paradigm are considerable.

Economic impacts disproportionately impact women, historically marginalized populations, and low-income families. According to a U.S. Department of Labor-funded report by the Urban Institute, those engaging in unpaid childcare and

² Additional information on the status of ERDC funding can be found here:

<https://oregoncapitalchronicle.com/2023/11/14/child-care-program-facing-potential-123-million-shortfall-and-indefinite-waiting-list/>

foregoing employment opportunities to care for family (i.e., stay-at-home moms or dads), incur personal economic impacts that include:

1. A 15% reduction in lifetime earnings.
2. Reduced retirement income directly related to reduced lifetime earnings.
3. Average lost wages totaling \$237K over a lifetime.³

Locally, according to EQQUS Work Force Solutions, barriers for individuals seeking work in Ashland include:

1. Childcare
2. Housing
3. Transportation

Month after month, EQQUS case workers report their clients are 100% employment ready but cannot take jobs offered because of a lack of childcare.

EQQUS Work Force Solutions also shared that, as of 2021, 9% of Ashland residents identify as single-parent households. This translates to 1,890 households with one caregiver for the children in that household. Although not all single-parent households will have children 5 and under, this statistic further highlights the need for early learning and wraparound care for qualifying children.

Ashland's partners at the Southern Oregon Education Service District also shared research that of Ashland families requiring care for children 0-5 years of age, where program cost is less of a barrier, about 40% of families have access to an early learning program. Of those Ashland working families in need of subsidized care, only 17% have access to the care they require.

Expanding the lens beyond families to a more macro level, fewer early learning and childcare opportunities translate to:

1. A reduced labor force,
2. Fewer workers to work local businesses and provide services, and

³ Additional details on this report can be found here:
https://www.dol.gov/sites/dolgov/files/WB/Mothers-Families-Work/Lifetime-caregiving-costs_508.pdf

3. Households with less disposable income, resulting in reduced spending within the local economy.

Currently in Ashland, early learning costs, on average, are as follows:⁴

- Full-Time (8 or more hours per day, 5 days per week) → \$1,000 to \$1,200 per month
- Part-Time (at least 4 hours a day, 3-5 days a week) → \$680 per month

Why Are There More Part-Time Than Full-Time Programs?

Part-time programs that are recorded, but not licensed as centers, have less-stringent regulatory requirements. These programs are often located in in-home settings, but not always. State requirements around indoor and outdoor square footage, sprinkler systems, and bathroom requirements do not apply. Recorded programs that are not licensed centers may only operate part time, about 4 hours per day and the staff:child ratio is limited to approximately 1:10 or fewer children. Additionally, there are no surprise inspections and the continuing education requirements do not apply.

Part time programs in Ashland skew toward morning offerings as many providers have family responsibilities such as K-12 school pick-up obligations. Providers of part-time programs report that the children in their care often require additional care services in addition to their program. Examples include, pick up by a relative, nanny, or babysitter.

Ashland's part-time programs continue to provide families who are looking for this style of early learning opportunity considerable diversity of options and choice in educational focus (Waldorf, play-based, etc.). Part-time providers represent the greatest strength in Ashland's early learning space and continue to supply a much-needed service to working families.

Programs Available in Ashland:

- Full-time: 8 programs

⁴ Note: Programs that provide toddler care often charge a slightly higher rate than preschool programs because of higher staff:child ratio requirements—often 1:6—compared to preschool ratios—typically 1:9 or 1:10.

- Part-time: 21 programs (Note: some programs are not advertised and are strictly word of mouth. Therefore, the research may not have captured 100% of providers.)

In Ashland, the three predominant early learning access challenges, aside from cost, include:

1. Availability of toddler and infant care
 - a. Of the full-time programs in Ashland only two offer toddler care.
 - b. The exact number of part-time programs accepting toddlers cannot be fully assessed due to the nature of the programs. However, at least two have an “early preschool” designation and separate pricing structure for this care.
2. Availability of care for children with special needs.
3. Evening or off-hours care, including weekends, to support shift work, retail, and food service careers.

Where Municipalities Directly Impact Early Learning:

In Ashland, as in most communities, no one entity has sole responsibility for coordinating the provision of early learning services. Early learning is not the purview of school districts, federal government, state government, or local government, and thus which entities are responsible for childcare varies widely. However, our research on Ashland specifically identifies two actions the city controls that directly impact establishing early learning opportunities:

1. Enable supportive land use policy that collaborates with early learning programs choosing to operate in Ashland.
2. Help connecting providers with spaces capable of hosting early learning programs.

Short-Term Goals:

After considering all the information gathered, as summarized in this progress report, the committee agreed on the six most-important short-term goals:

1. Advocate at the state level for Preschool Promise slots to be made available to programs currently licensed and operating in Ashland. A traditional Preschool Promise class supports 18 children. Having 18 Preschool promise slots would be a significant asset to our community and help greatly in supporting Ashland working families. Preschool Promise supports families earning at or below 200% of the FPL with free early learning opportunities.

2. Engage local businesses to assess their employees' needs, and investigate potential partnerships.
3. Improve public awareness of early learning programs currently available in Ashland.
4. Work with providers to ensure they are aware of grant opportunities and business development opportunities that support their long-term viability.
5. Engage Ashland's Community Development department regarding land use for early learning programs and how we can best support providers looking to locate programs in our city.
6. Explore strategies for collocating childcare and affordable housing.

In the longer term, it will be important for the committee to investigate, and support, development opportunities in infant and toddler care, and care for children with special needs in Ashland.

Conclusions and Next Steps:

A flurry of activity in our first six months has found the committee engaged in learning about Ashland's childcare environment, the strengths and weakness of the local infrastructure, the wide-ranging needs of both providers and families needing childcare, resources possibly available (such as ERDC), the range of costs of different kinds of providers, the major challenges and barriers faced by families needing childcare, and the impact that childcare shortages have on the local economy. We also learned the extent to which a coordinated effort among local, state, and federal resources is necessary for providing early learning to all families seeking care.

Step 1. Early Learning Grant Program:

In November 2023, Ashland awarded two grants to local providers, one a new center opening 40 slots and the second an existing provider that offers toddler care.

The Ashland Finance Department, and the Ad Hoc Committee will work with providers throughout the funding cycle to assess how many families receive assistance and the overall success of the program. The sliding scale scholarships are especially important given the number of families that do not qualify for ERDC, the absence of Preschool Promise in Ashland, and the gap between those who do not qualify for state programs and those who can afford full tuition.

Review of the programs will occur quarterly beginning in the March/ April 2024 timeframe.

Step 2. Options for Structuring Funds to Work for Ashland Families in Perpetuity:

1. Research an endowment structure to support long-term funding without leveraging tax dollars.
2. Work with local businesses, nonprofits, and community banks to explore options.

Step 3. State of Oregon Future Funding Opportunities:

In our conversations with Business Oregon and committee members following the state legislative sessions as they pertain to early learning funding, future funding options may become available soon. Specifically, in summer 2023, the state legislature appropriated \$50M for childcare infrastructure via grants and/ or loans. Half of these funds will be released 2024 and half will be released in 2025. Currently the funding mechanism is still in the rule making process with no direction yet on how to apply. There are concerns about how this program will work given the life cycle of infrastructure funds. The time horizon on infrastructure traditionally spans 18 years. How childcare programs will navigate this infrastructure term is not yet fully understood. Business Oregon continues to see the vital need for care and recognizes its role in aiding communities as funding becomes available. Ashland will continue to work with our partners at Business Oregon to stay abreast of potential opportunities.

In the current February 2024 Legislature Short Session, discussion of funding the \$221M needed to address the ERDC shortfall and clear the waitlist for families needing care, is likely.

In addition, HB 4158 will add \$5 million to the Child Care Infrastructure Fund with a focus on small providers (although small is defined pretty broadly). This establishes the Home and Small Center Child Care Fund and directs the Oregon Business Development Department to administer a grant program to provide financial assistance to child care facilities that serve a maximum of 75 children for the purpose of establishing or expanding childcare infrastructure. They are just about to start rule-making for the process by which agencies could apply for funds. The committee will periodically check the Oregon Department of Early Learning and Care (DELIC) website for their regular childcare updates.

Step 4. Committee Goals for Affordable Childcare & Early Learning in Ashland:

Finally, the Ad Hoc Committee will review its short-term goals, work out specific strategies and tactics for achieving those goals, and begin discussion about potential longer-term goals for enhancing Ashland's childcare environment.

This report was written by the members of the Ashland Ad Hoc Committee on Affordable Childcare and Early Learning. Created by the Ashland City Council in the spring of 2023, the committee's mission seeks to create a tangible network of early learning care options within our community, supportive of working families, the Ashland economy, and most importantly our children. The full charter of work can be found on the City of Ashland website, www.ashland.or.us under Committees and Commissions.

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