



# Council Business Meeting

May 7, 2024

<b>Agenda Item</b>	<b>Ashland’s Ad Hoc Committee on Affordable Childcare and Early Learning: Progress Report</b>		
<b>From</b>	Paula Hyatt	Council Liaison to Affordable Childcare and Early Learning Ad Hoc Committee	
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<b>Item Type</b>	Requested by Council <input type="checkbox"/>	Update <input checked="" type="checkbox"/>	Request for Direction <input checked="" type="checkbox"/> Presentation <input type="checkbox"/>
	Consent <input type="checkbox"/>	Public Hearing <input type="checkbox"/>	New Business <input type="checkbox"/> Unfinished Business <input type="checkbox"/>

## **SUMMARY**

The attached progress report outlines the steps taken, and learning gained, by the Ad Hoc Committee on Affordable Childcare and Early Learning over the initial six months of committee activity. Specifically, the committee has defined the early learning and childcare environment as it currently exists in Ashland, developed a census of programs, reviewed the first quarter progress of the pilot grant program, held listening sessions with regional partners, and compiled recommendations for both the near-term and long-term effort. Along the way the team worked with a variety of partners including:

- Southern Oregon Education Service District (SOESD),
- EQQUS Work Force Solutions, Business Oregon,
- Sothern Oregon Small Business Development Center (SBDC),
- Oregon Department of Human Services,
- Oregon’s Department of Early Learning and Care (DELIC),
- Business Oregon, and
- multiple local program providers and educators

Together with our partners, the committee gained insight on the early learning landscape, both locally and statewide, including the research required to develop a full census of providers/ programs local to Ashland.

With the environmental research complete, the Ad Hoc Committee defined how municipalities can directly impact early learning, outlined potential near-term goals, and defined next steps. Please see the attached progress report for a full discussion of these items.

Since the progress report was completed, the Finance Department and Ad Hoc Committee, reviewed the first iteration of quarterly reporting related to the Early Childhood Affordability Grant Pilot Program. This program was approved at the August 1, 2023, City Council Business Meeting. Two local providers received grant funds to offer subsidized childcare slots. These grants helped support the creation of 40 early learning slots with our partners at the YMCA and provided sliding scale, small grants, to working families with the





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goal of making early learning accessible in Ashland. Specific feedback from one family stated, “this makes it more affordable to live in this town.” Partners also provided feedback on how to improve the program going forward, should council wish to continue the grant program in the next year of the biennium.

## **POLICIES, PLANS & GOALS SUPPORTED**

Community:

- Community affordability, including available housing and childcare
- Belonging through mutual respect and openness, inclusion and equity
- Quality of life that underpins the City’s economic vibrancy

Organization:

- Respect for the citizens we serve, for each other, and for the work we do
- Excellence in governance and city services
- Sustainability through creativity, affordability and rightsized service delivery

## **BACKGROUND AND ADDITIONAL INFORMATION**

At the August 1, 2023 Business Meeting of the Ashland City Council, Council approved the Early Childhood Affordability Grant Pilot Program

([https://www.ashland.or.us/SIB/files/2023%2D08%2D01\\_CC\\_Early\\_Childhood\\_Grant\\_Program.pdf](https://www.ashland.or.us/SIB/files/2023%2D08%2D01_CC_Early_Childhood_Grant_Program.pdf))

At the Business Meeting on June 20, 2023, Council confirmed the Mayor’s appointment of six members to the Ad Hoc Committee which also includes Councilors Hyatt and Bloom, an Ashland School District member and a potential City Manager’s Office assigned participant.

([https://www.ashland.or.us/SIB/files/2023%2D06%2D20\\_CC\\_Early\\_Learning\\_ad\\_hoc\\_appointments\\_FINAL.pdf](https://www.ashland.or.us/SIB/files/2023%2D06%2D20_CC_Early_Learning_ad_hoc_appointments_FINAL.pdf))

On May 16, 2023, the Council voted to establish an Early Learning Ad Hoc Committee to create a tangible network of early learning care options within the Ashland community.

[https://www.ashland.or.us/SIB/files/2023%2D05%2D16\\_Early\\_Learning\\_Ad\\_Hoc\\_Committee\\_Charge\\_Organizing.pdf](https://www.ashland.or.us/SIB/files/2023%2D05%2D16_Early_Learning_Ad_Hoc_Committee_Charge_Organizing.pdf)

The 2023–2025 BN Budget includes funding appropriations of \$120,000 each fiscal year, for an affordable childcare initiative (BN Budget total of \$240,000). Council approved the 2023–2025 BN Budget at the June 6, 2023 Business Meeting. <https://www.ashland.or.us/Agendas.asp?AMID=8284&Display=Minutes>



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## **FINANCIAL CONSIDERATIONS**

Of the funding identified in the 2023-2025 BN Budget, the city has expended \$105,000 as of the end of this 23/24 fiscal year. This leaves \$135,000 of available funding for investment in accessible, affordable, early learning and childcare opportunities in Ashland.

These funds were recommended for approval as part of the 2023-2025 BN Budget by the Citizens Budget Committee, approved by the City Council and appropriated accordingly in Resolution 2023-10.

## **SUGGESTED ACTIONS, MOTIONS and/or OPTIONS**

- Of the near-term goals presented in the progress report, does the council have feedback for the ad hoc committee on which of these goals should be prioritized?
- Our pilot grant program partners have provided feedback regarding the initial year of grant funding. Does council wish to continue the program into a second year, and incorporate the partner feedback where appropriate?
- Would the council prefer available funding to be invested in infrastructure opportunities with an express goal of expanding services for toddler care and programs serving children 0-5 with special needs?

## **REFERENCES & ATTACHMENTS**

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

Council Corner April 24, 2024: <https://ashland.news/council-corner-the-economics-of-musical-chairs/>

Early Childhood Affordability Quarterly Report Responses Jan – Mar 2024

## **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).<sup>1</sup>

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

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<sup>1</sup> 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.<sup>2</sup> 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

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<sup>2</sup> 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.<sup>3</sup>

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

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<sup>3</sup> 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](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:<sup>4</sup>

- 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

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<sup>4</sup> 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.

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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](http://www.ashland.or.us) under Committees and Commissions.

Members contributing to the research and findings outlined in this report include:

Dylan Bloom, Ashland City Councilor

Samuel Bogdonove, Ashland School District, Superintendent

Paula Hyatt, Ashland City Councilor (Chair)

Alissa Kolodzinski, Staff Liaison

John Love, Committee Member

Helga Motley, Committee Member

Kristin Roy, Committee Member

Jessica Therkelsen, Committee Member

Lisa Verner, Committee Member

ID	Start time	Completion time	Please provide a summary	How many scholarships were awarded	What was the average scholarship amount	What was your total enrollment before the grant was awarded	Did you have a wait list? Please indicate, if applicable	Please provide a financial summary	Do you believe this grant needs refinement and additional work. If you answered this, please provide additional explanation in question 10 or 11.	Would your organization be able to provide greater access of care for families at Children's World. Only one family was able to increase the hours of care. All of the other families choose the care they needed in order to work prior to knowing about the grant.	What would you do differently if you had more funding?	How can this program be accessed by a greater variety of child care providers it would better meet the needs of delivering affordable childcare to the community.	
Childrens World	3/15/24 13:30:40	3/15/24 16:37:23	Due to the generosity and forward thinking of the City of Ashland, Children's World Montessori was able to participate in the Child Care Assistance grant for families in our school. The smokey has directly reduced the out of pocket cost for the qualifying families.	17 scholarships were awarded and 16 families.	Families either received \$1500 award (\$300/month for 5 months) or \$1042 (\$208.40/month for 5 months)	Our total enrollment before the grant was 44 has remained the same with the grant.	We limit our wait list to 20 families so that there is a realistic chance to serve them in either this school year or the next. We also have an email list of 157 families that are interested and looking for care.	The monies from the grant did not enable us to use other monies in the business for investment in quality of service, curriculum, educators or infrastructure. The grant monies reduced the amount of tuition that parents had to pay out of pocket which was thrilling for parents.	Lisa Buttrey will email this information shortly.	Generally yes, but it needs refinement and additional work. If you answered this, please provide additional explanation in question 10 or 11.	Yes	I think the grant objective of offering parents greater affordability was met. Parents were thrilled with this program and we were excited to be the bearers of good news. However, the grant did not provide greater access of care for families at Children's World. Only one family was able to increase the hours of care. All of the other families choose the care they needed in order to work prior to knowing about the grant.	If this program could be accessed by a greater variety of child care providers it would better meet the needs of delivering affordable childcare to the community.
YMCA	3/21/24 10:14:21	3/21/24 10:24:06	Administration and disbursement of the grant funds as tuition scholarships was straightforward. The scholarship application process was easy for families and the YMCA. By the end of summer all of the \$75,000 will have been expended as tuition scholarships to local working families.  Feedback from parents was overwhelmingly positive. One parent said, "This makes it more affordable to live in this town." Another shared, "This scholarship made the difference for my child to go to a 'real' preschool rather than in-home babysitting." Families are very	Twenty-one working families received Early Childhood Affordability Program (ECAP) grant scholarships, four families either declined to participate or did not qualify.	The scholarships ranged from \$440 per month to \$900 per month for full-day enrollment and \$280 to \$525 for half-day enrollment. The average scholarship for full-day enrollment was \$635 per month and the average scholarship for half-day enrollment was \$440 per month. There were also smaller scholarships applied to in-service and holiday preschool care.	The YMCA preschool program was a re-launch with this being our initial year since Covid-19. So, we do not have pre-ECAP data. Our enrollment for the 2023-2024 school year has been 31 children.	We did not have a waitlist. For a short time early in the school year we capped enrollment while trying to find and hire qualified staff.	Yes, the YMCA spent approximately \$80,000 in startup expenses to launch two preschool classrooms. The ECAP grant funds enabled us to refocus YMCA dollars towards startup expenses.	Please see the document sent to finance@ashland.or.us. The document shows the member ID number for the child, each tuition adjustment, the adjustment amount, and the program it was applied to.  The Ashland Family YMCA received \$75,000 in grant funds for preschool tuition. As of March of 2024, \$56,369 of the funds have been applied to tuition. We anticipate that the balance will be applied to tuition this spring and summer.	Yes - it exceeded our expectations.	Yes	We appreciate the ease of assessing criteria and applying funds for the working families of Ashland. We would not do anything differently the next go-around.	The timing of the program needs to be adjusted. Families typically sign-up in the spring for preschool for the upcoming school year. Ideally a preschool provider would know in April or May if they have scholarship dollars for families to utilize in the next school year. Also, the need for childcare is year-round, so being able to support working families during the summer months is important.  Staffing a licensed preschool program is very challenging. Having some flexibility to use funds not just for participant tuition scholarships, but also to assist in teacher and