

**Commission for Child Care**  
**Feb. 27<sup>th</sup> 2009**  
**Roth's West Salem Conference Center**

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**Attendees:** Rosetta Wangerin, Gary Taylor, Cheryl Reece, Jan East, Stephanie Swan, Meghan Moyer, Mayor Kitty Piercy, Randy Fishfader

**Guests:** Tom Olsen, Teresa Stevenson, Kim Cardona, Heidi McGowan, Rhonda Prodzinski, Dawn Norris, Faye Zepeda, Sonja Svenson, Bobbie Weber, Ruth Crawmer, Russ Crawmer, Macy Crawmer, Merrily Haas, Mark Anderson, Kitty Lake, Kathleen Hynes, Kim Cardona, Mace Detevis

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## **Introductions**

### **Approve January Minutes:**

Kitty motioned to accept the January minutes as written, Gary second. January minutes approved.

### **Other Business:**

Governor's Report: Kitty asked if we could present the report to the legislature. In past years we have invited legislators to the galleria where information was presented and questions could be answered. We have also organized a group who went around and hand delivered the report to legislators. Heidi will follow up with Sheridan to identify when we can get the Executive Summary. Kitty recommended asking Rep. Kotek to make an announcement on the floor to bring the attention to other legislators that the report is available and to remind them that the Commission was created to advise them.

Commissioners asked if we could have a table honoring Lynne at the same time we hand out the Governor's report, as it also honors Lynne. Matt, Lynne's son, notified us that Lynne's parents will hold their 65<sup>th</sup> wedding anniversary April 17<sup>th</sup> or 18<sup>th</sup> which would be a wonderful time to read her resolution on the floor so the entire family could attend. This would be a wonderful opportunity to further honor Lynne by having a memorial space available at the time of the reading. Heidi will follow up with Matt.

Teresa reported on the annual award that the Commission would like to establish to honor Lynne. Teresa spoke with the individuals who do Oregon's 100 Best Businesses Award and they recommended we start broad so we have flexibility to provide the award. She advised we pull together a group of 3 or 4 who could develop this. Kitty thought maybe we want a broader family friendly workplace which would give us several places to draw from for nominations. Rosetta said that Lynne's family would probably want to be part of the committee in some way.

**Motion: Kitty move to establish a subcommittee to work on the Lynne Angland award. Stephanie second. Motion passed.**

Rosetta said if you are interested in being a part of this to talk with Teresa.

### **Commission Bills:**

1. HB 2987 Exempt school care bill that requires volunteers and employees to have criminal history checks, inform parents if a facility is not licensed by CCD, and registers on a CCD database. 2. HB 2988 The clean box.

Kitty noted that there is a difference for us what we create and sponsor than what we support. Rosetta said we can speak that this is an issue the Commission is looking at moving in that direction but have not heard from the public to take into account.

Meghan asked about the fiscal impact and Kathleen explained that it currently is set up that the provider pays for their own criminal history check through whatever entity they choose.

Ruth noted that as a provider she appreciates the ability to get criminal history application on line with the low cost of \$3. Meghan asked how many exempt preschool providers exist in Oregon. Bobbie said we will have new numbers in April. Tom said 200,000 in paid care, 80,000 are in registered care, leaves a balance of 120,000 in unregistered. Bobbie will get us the most updated numbers.

Rosetta said Heidi and Kathleen should have language in the event a Committee would like to include preschools in the school age bill. Kitty said since the Commission has not done due diligence in seeking input regarding preschools, we can't recommend to include them at this time. Kitty said the legislature often recommends a group to go and obtain information saying "this is important and go do this." Rosetta said as long as we continue to do community forums we will continue to work with partners to shape what we do. Meghan said there is a lot of validity to the process; one option would be a budget note in the Commission's budget to explore this. It's important that the Commission do this but it's only fair to consult the people who will be affected.

Russ asked what the opposition would be from preschools. Rosetta said that historically there has been a hands-off process without any government involvement in exempt preschools. There could also be resistance to cost. Gary said that there is an assumption that just because a facility is exempt it means they are doing nothing. One of the challenges is that the YMCA does criminal history checks and great things and they don't want to give the message that just because they are not licensed doesn't mean it isn't a good program.

### **Tracking the Economic Crisis on Child Care Prices and Supply: Bobbie Weber**

Bobbie just finished a paper that looks at what predicts pricing including subsidy expenditures. The second paper is a set of insights into how the child care operates.

A market price for child care is one established through an arm's length transaction. Facilities with prices established through arm's length transactions make up the priced child care market.

Opportunities and constraints vary depending on revenue sources. Facilities in the priced child care market rely partially or wholly on revenue from parent fees. Publicly funded programs such as Oregon Head Start Pre-K program rely partially or wholly on revenue from state and federal government. Recession impacts likely to vary by revenue source. Opportunities and constraints also vary by type of community. “Thin markets” are limited numbers of parents seeking paid care and there are few providers. This is common in urban low-income neighborhoods and rural communities. When you hear providers set their pricing to the state subsidy rate, it is likely a “thin market.” Recession impacts and effective strategies will likely vary by community.

Parent fees constitute the major revenue source for child care. Oregon child care expenditures were estimated to be \$639M in 2002. Parent fees constitute 76% of child care revenue. Other sources of revenue include: federal funds such as Head Start, CCDF, Foods program, state funds such as Oregon share of ERDC, Oregon Pre-K, Philanthropic investments such as OCF, John and Betty Gray Fund. Majority of revenue sources are in the priced child care market.

Forces that influence prices in the priced child care market. Economic and demographic characteristics of communities: female earnings is huge, population – children under 13, housing prices (impacts providers cost of doing business), urbanicity (percent of a population is urban).

Top characteristics of child care pricing to be affected by recession: female earnings and housing prices.

Subsidy expenditures per child had a small but positive effect on center prices in 3 states (CA, MN, OR) but effect not significant in Oregon. They had a small but positive effect on family child care prices in 2 states (CA, MN) but not in Oregon.

Price changes in child care are most strongly associated with female earnings and housing prices. The take home message is that the subsidy expenditures will not impact our compensation issues. If government wants to affect wages then we better do it directly because the market forces are so much bigger than the subsidy investment.

Recession is likely to be associated with decrease in supply and stable or possibly decreased child care prices. Center prices seem to follow market forces of inflation but family child care prices do not. Decrease in female earnings and housing prices will have the greatest impact on prices and supply. One can hypothesize that subsidy expenditure impacts will be greater in thin markets where market forces are weaker.

Ideas the Commission might consider tracking: 1. Child care slots per hundred children by county, 2. Child care prices by zip code, community or county, 3. Female earnings by county, metro, and state levels, 4. Household earnings and average housing prices by county, 5. Population of children under age 13. The federal government requires us to track this data every 2 years and if we want to track the recession effects we want to do this more often.

Female earnings are tracked by US Census analyzed by Oregon Employment Dept. – quarterly data but reported by month, avail. About 8-9 months after qtr.

The R&R's are anecdotally saying that women who have lost their job are opening family child care but most do not make it. Bobbie said she thinks what we will see are people going in and out as a result of the recession. Kitty Lake noted the same thing in that, anecdotally CCD sees more applications coming in but don't see people continue after the initial license. Tom noted that the Employment Dept. could provide us projections for the state and identify which areas certain industries will grow. Meghan noted that in a recession the areas typically not effected are public sector and health care field which often entry level work is swing and night shift and asked how that would impact child care. Faye commented that many family child care business are saying they may have to go out of business and are looking at providing care in the evening and weekend care until they can build the business.

Besides child care it seems we need to advocate for higher earnings for women, stable jobs and/or advocating for people to have affordable mortgages? Bobbie said those forces are so big and we can't fix the economy but the economy is going to impact us. Certainly protecting the subsidy program is significant. Bobbie noted that at the national level, putting money into CCDF and Head Start was as a strategy to save women's jobs. Is anyone making the case for women's jobs in Oregon? Meghan said there is a coalition in long term care but doesn't think this is spread out in other areas.

Kitty said she thinks there is a role for the Commission on Children and Families to have this conversation in counties. We used to have the women's health alliance that could have a powerful voice. Sonja added that there is an Oregon Commission for Women.

Once these reports are published the Commission will provide a link from our website.

### **Citizen Input: Mace Detevis**

Mace Detevis attended representing his neighborhood in the Portland area to bring some suggestions for child care in neighborhoods. He noted that they have a traffic issue, school buses, and cars honking horns. There is a certified child care center with 16 kids in their neighborhood and the owner does not live there but the owner's son lived there. The provider is trying to buy the house adjacent to Mace's home and he wanted to know how facilities can open several home day cares within a neighborhood if they do not live in the homes. He came today to stop multiple openings in a neighborhood. He asked if this is acceptable.

Jan asked him if he had researched out the zoning law and Mace said that he had and it apparently is legal. Jan noted that in her area they would have to apply and hold a hearing where neighbors can come and give input. Ruth said that as a way to work with her neighbors they have held meetings with to address any issues such as traffic. Ruth said they went to the neighbors and said if a parent parks in your driveway to notify her and she will let them know that they are not allowed. Mace said that he had met with the provider and they are on a speaking level basis but was shocked to discover that they were trying to buy the house next to him. The owners don't live in the neighborhood and come from Vancouver. Mace noted that from doing research there are some other issues such as safety for kids. The home has about 10 broken down cars on the property and brought photos to demonstrate this including parents blocking driveways. Ruth asked if he has called CCD and he said yes and have come out. Mace said he has called the police and parking control has come out and they move

their car around but it comes back. He asked for there should be some kind of standard that your house should be presentable as a business. The city told him that they won't do much about cars unless it is on blocks.

Kathleen said that there is an exemption in the CCD statute that is for home family business. The registered or certified family child care can operate in a residential zoned neighborhood. The history reasoning is that child care would occur in neighborhoods or a child's home setting making it better for children and easier for parents to access. Kathleen said some cities require that the owner live in a home and others just require that someone live in the home and others don't require anyone.

Mace said he is not here to shut anyone down but doesn't want a franchising business in neighborhoods. There should be a rule or standard that only so many child care facilities operate on a block.

Kitty asked if Mace had worked with the neighborhood association and the city councilor. She advised him to talk with the city councilor who is there to represent his neighborhood to come up with some ideas on how to approach this issue at the local level. Kitty noted that it can get very uncomfortable when homeowners associations are nibbling at people's feet and his city councilor is a former state legislator and could be of help. Mace noted that early drop off is at 4:55am to picking up 10:00pm. Rosetta asked if he has talked with the city about a noise ordinance. Mace said that he has complained with the city and as a result one of the neighbors has received a letter from an attorney saying they could be sued for slander.

Ruth said she wants this provider to care because it reflects on others as providers. She offered to call the provider to see what could be done.

Mace said he has one other issue that he cares about. One out of 15 homes in Oregon has elevated levels of radon gas and this is the single leading cause of lung cancer beyond smoking. Certain areas have a higher concentration and suggest looking at this as a possible regulation for child care. Radon gas should be tested in child care facilities and he currently tests in his own home. Mace said they live in a zip code that is known to have higher levels of radon gas than others and there are 3 days cares in his neighborhood and he thinks they should be tested. Ruth asked how much it costs. Mace said he tested by himself from a test at home depot for \$10 or if you use a professional organization it costs about \$100 to \$150. Ruth asked how you mitigate radon. Mace replied that the way to mitigate it is to have a professional drilling to the ground and a fan sucks out the air through the roof and into the air.

Kitty thanked Mace for coming and that she wishes we all could tell our neighbors how to take care of their home and given the critical need for child care, we need to try to find ways to work and suggests working with someone in the middle such as a neighborhood mediator.

### **Federal stimulus:**

Appropriations in congress, president's budget, and stimulus package are coming. Oregon's share of the stimulus package for child care will be approximately 22.5 million for 2 years. 19.5 million of that approximately will be targeted to subsidies for care of low-income families. That leaves approximately 3 million to improve quality and look at

access to care for infants and toddlers. We don't know how that will come down or when. There is some positive news and the trick will be to maintain levels over the DHS base budget.

## **Review of Planning Session and Priorities**

### **Individual Incentives:**

Gary noted that it would be nice to have an incentive for people who work lower hours because the part time group is often the hardest to move up and get excited about training so it would be nice to work with them from the get go.

Randy gave input that pre-service education is important and thinks it is best to have people educated and then go into the workforce. We want people with degrees to enter into the work. Randy suggested giving an award for starting the job with your degree and commitment to work in the industry. She spoke in favor of the idea of getting the award for having done the work and doesn't want to see a disincentive to start working in a program after graduation. She would like to see a reward for people who have finished their education and just graduated ready to work.

Randy noted that nationally and locally we are trying to improve quality while dismantling community college level funding and the system has to be supportive of community college and all colleges.

Faye noted that a "master teacher" for CDA is too low. Ruth noted that getting a certificate would be fabulous for her staff.

### **ERDC Proposed changes: Rhonda**

Erin Kelley-Seal is interim Deputy Director.

Ways and Means have proposed to eliminate eligibility for self-employed clients or families with adults who are not citizens or legally documented residents. Providers and parents will receive a notice from DHS March 11<sup>th</sup>.

We will not convene in March and meet April 24<sup>th</sup>.