

Date: March 27, 2020

To: Governor Kate Brown
Oregon's Joint Special Committee on Coronavirus Response
Oregon's Congressional Delegation

CC: Oregon State Legislators
Miriam Calderon, Early Learning Systems Director
Fariborz Pakseresht, Department of Human Services Director
Dan Haun, Self-Sufficiency Programs Director
Alyssa Chatterjee, Deputy Education Policy Advisor to the Governor

Re: Child Care Relief Efforts

The COVID-19 pandemic has exacerbated Oregon's child care crisis and highlighted the acute needs of families, the workforce, and providers. As the coronavirus threatens our health, safety, and economic stability, it is also threatening the vulnerable child care industry. Child care providers are at risk of permanent closure, undermining the ability of our workforce to return to work and for businesses to rebound once the threat from COVID-19 subsides. The economic impact will most adversely affect Black, Indigenous, People of Color (BIPOC) women, who more commonly work as child care providers and who are already most economically vulnerable.

Child care providers are especially vulnerable because, unlike public education, 70 percent of child care revenues are funded privately by families.¹ Therefore, recent actions to continue payments for Employment Related Day Care and Head Start/Oregon Pre-kindergarten will not prevent a majority of child care programs from closing. Child care providers serving families of all income levels typically operate on very tight budgets with a constant degree of uncertainty. Without immediate public investment, most providers will not survive the COVID-19 crisis.

Findings from a national survey² of child care providers conducted last week show:

¹ https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/childcareeducationoregon_statewide_20170326.pdf

² https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects_of_coronavirus_on_child_care.final.pdf

- Nearly 50 percent of providers report that the loss of two weeks or less of tuition will cause them to close their doors permanently.
- Another 16 percent said they could not sustain closure for a month.
- Some 25 percent were unclear how long they could sustain unopened.
- Only 11 percent of child care providers reported they could weather the storm for an indeterminate period.

Child care is the unrecognized backbone of our economy. Child care and education providers allow parents to work while also supporting the health, safety, and development of children. Child care infrastructure allows many of our state industries to function. Prior to COVID-19, businesses across the state reported absenteeism, turnover, and staff shortages due to the lack of available child care in their region.³ Child care closures resulting from the COVID-19 emergency will undermine the eventual economic recovery of the state. Strategic and substantial government intervention can strengthen the state’s child care infrastructure and establish a foundation for a strong recovery.

Oregon and the federal government need to invest boldly and quickly to protect the child care supply. Right now, we need child care providers on the front lines to provide care that is safe, reliable, and nurturing for children of essential workers.

In order to meet these immediate and mid-term needs, we need an investment of state and federal funds. Below are the policy and budget recommendations our organizations support.

First, include child care in your planning and use an equity lens in your process:

1. **Ensure an equity lens is applied to all investments so they reach all providers with targeted support for BIPOC providers.** Child care information and directives should be available in a variety of languages and accessible for this very diverse workforce⁴ and population served.

³ <https://www.uschamberfoundation.org/early-childhood-education/the-business-case>;
<https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/oregon-child-care-deserts-01-29-2019.pdf>

⁴ <https://cscce.berkeley.edu/racial-wage-gaps-in-early-education-employment/>

2. **Include child care providers in emergency planning.** At least two child care providers should be included in advisory groups for emergency management agencies in order to provide input on how best to respond to changing circumstances and environments. Ensure BIPOC provider representation.

Second, establish an emergency child care system utilizing all provider types:

3. **Provide “Hazard Pay” to child care providers to cover the increased cost of care for essential workers due to COVID-19.** Funds will ensure they are able to increase staff wages, pay substitutes, provide 24-hour coverage, and get access to supplies and resources needed to keep the environment safe and healthy. Provide immediate support for child care and education providers to meet the child care need for essential workers in a way that is safe and nurturing through this public health emergency. [Estimated at \$4.7 million, 30 days for 5,000 kids]
4. **Cover child care expenses for “essential workers” who need child care.** Many “essential workers” are using new providers and face costs that they would not typically incur due to increased hours and school closures. For “essential workers” eligible for federal child care subsidy (below 85 percent State Median Income), cover all child care costs without any parent co-pay. For “essential workers” who are not eligible for child care subsidy (above 85 percent State Median Income), cover all COVID-19 related child care costs (i.e. child care costs for school age children, extended hours/days, more expensive care for smaller groups and higher pay for providers, costs above typical pre-COVID-19 child care costs).
5. **Retain critical licensing standards for the health and safety of children and providers.** Explore whether to increase standards to ensure safety for children and providers such as reduced child/staff ratios, group size, and sanitation. Ensure “red tape” doesn’t inhibit availability of care. Provide flexibility on timelines for standards such as trainings, in-person licensure visits, and food program monitoring visits.

Third, provide specific support for child care and education providers that close so they remain ready to re-open when the immediate crisis ends to support parents’ return to work and ongoing child development:

6. **Pay all subsidy child care providers the tuition and public subsidy (i.e. ERDC) they would receive if they were open.** This would fund fixed costs and help retain staff. Support licensed and regulated providers with sustained relief throughout the COVID-19 crisis period.

7. **Pay non-subsidy child care providers for loss of income and compensate staff during closure, across all care settings, just as the state is doing for the K-12 education system.** Pay for fixed costs and staff wages during closures to ensure enough workforce and facilities when the emergency ends. Create a fund to help offset lost tuition. [\$85 million for 60 days]

8. **Enroll all child care providers in fixed cost relief efforts.** This includes mortgage forbearance, deferral of rents, and support for utilities and insurance for a minimum of three months and up to six months.

9. **Ensure early care and education providers have access to variety of benefits.**
 - These include:
 - Small business relief
 - Unemployment Insurance, including self-employed providers
 - Paid Family Leave and Paid Sick Leave

This emergency underscores the need to provide consistent public funding for child care and to ensure a sustainable system that is available and accessible to all that need it. An emergency like this highlights the weakness in our current private funding model for this essential service. Swift action now will set Oregon up for a strong economic recovery and build an environment of care and education that supports our children, families, and businesses, and our nation's safety, security, and economy.

Signed,

