



First Children's Finance

Funding Program Comparison

for Child Care Businesses in Oregon

Guidance for growing a sustainable child care sector in Oregon

June 2023

Funding Program Comparison for Child Care Businesses in Oregon

Introduction

First Children's Finance prepared a comprehensive comparative analysis of three prominent child care funding programs in Oregon: Employment-Related Day Care, Preschool Promise, and Baby Promise. This analysis examines the application processes, eligibility criteria, and compliance requirements of these programs, with a particular focus on identifying potential areas of alignment. By understanding the similarities and differences between these initiatives, the Oregon Department of Early Learning and Care (DELDC) can gain valuable insights to optimize resource allocation, streamline administrative processes, and enhance the overall effectiveness of early childhood support systems in Oregon.

The ERDC program plays a vital role in Oregon's child care assistance landscape, offering support to eligible low-income families in accessing affordable and dependable child care services. Preschool Promise is geared towards providing high-quality early education opportunities to three and four-year-old children from low-income

families. The Baby Promise program, as a recent addition to Oregon's early childhood funding initiatives, focuses on comprehensive support for families with infants and toddlers.

Through this comparison, the report aims to inform potential areas of alignment among the ERDC, Preschool Promise, and Baby Promise programs, presenting opportunities for collaboration and resource coordination. By leveraging this information, DELDC can refine funding program requirements, streamline administrative processes, and enhance the overall efficacy of early childhood support systems in Oregon. This analysis can also serve as a valuable resource, equipping child care business owners with the knowledge necessary to navigate and maximize their participation in these programs. Ultimately, this report seeks to contribute to the ongoing efforts of DELDC in providing equitable access to quality early childhood education and care, fostering the educational development and well-being of the state's youngest learners.

Additional Early Education Funding Opportunities

Oregon Pre-Kindergarten (OPK) is an early childhood education program modeled after Head Start. OPK is designed to provide high-quality care and education to children and prepare them for a successful transition to kindergarten. The program focuses on enhancing cognitive, social, emotional, and physical skills through a play-based and developmentally appropriate curriculum.

Head Start and Early Head Start are federally funded early childhood education programs that aim to promote school readiness and provide support to low-income children and their families. Head Start serves children aged three to five, while Early Head Start caters to pregnant women, infants, and toddlers up to age three. These programs focus on early intervention and aim to narrow the educational and opportunity gaps for children.

The Oregon Early Childhood Equity Fund is an initiative established in Oregon to promote equity and improve early childhood education outcomes for children. The

fund is designed to address the disparities and inequities that exist in early childhood education, particularly among marginalized and underserved communities. Its primary goal is to ensure that every child, regardless of their background or circumstances, has access to high-quality early childhood education programs and services. The Early Childhood Equity Fund provides financial resources to support community-based organizations, schools, and early learning programs that prioritize equity and demonstrate a commitment to addressing the unique needs of diverse populations.

Oregon's Relief Nurseries provide comprehensive support and services to vulnerable children and families in need. They prioritize trauma-informed care and focus on building resilience in children who may have had adverse childhood experiences. By providing early childhood care and wraparound services, Relief Nurseries aim to mitigate the effects of trauma, strengthen family relationships, and promote healthy development.

Employment Related Day Care (ERDC)

Oregon's Employment-Related Day Care (ERDC) program is the state's child care subsidy program. Using federal and state-funding, ERDC provides assistance to low-income working families in Oregon by helping them pay for child care expenses.

The program is designed to support parents who are working, attending school, or participating in job training programs. Eligibility for ERDC is determined based on income, with priority given to families with the greatest need.

ERDC offers various types of child care assistance, including direct payments to child care providers, subsidies for families to purchase child care services, and assistance with paying for before and after school care.

The program aims to ensure that parents can work and support their families while their children receive quality care in a safe and nurturing environment.

Preschool Promise

Oregon's Preschool Promise program is a state-funded initiative that provides high-quality preschool education to children from low-income families. The program aims to give children a strong foundation for future success by providing them with access to early learning opportunities.

Preschool promise is available to children who are three or four years old and whose families meet income eligibility requirements.

Families can choose from a variety of preschool providers, including public and private schools, Head Start programs, and community-based organizations. The program also provides resources and support for families to help them engage in their child's education and development.

The goal of the Preschool Promise program is to ensure that all children in Oregon have access to high-quality early learning experiences that prepare them for success in school and in life.

Baby Promise

Oregon's Baby Promise program is a state-funded initiative aimed at providing access to high-quality, comprehensive early childhood education and care for children from birth to the age of three.

This program is targeted to serve low-income families in communities struggling to find and keep high quality care for infants and toddlers.

The program has been piloted to develop and refine strategies to expand infant and toddler care in the state.

REQUIREMENT	Employment Related Day Care (ERDC)	Preschool Promise	Baby Promise
ELIGIBILITY	PROGRAM OPERATIONS		
Hours	Based on the work hours and ODHS planned activities for the family. Authorized by the family's eligibility worker.	900 direct service hours per program year. No less than six hours per day, four days per week. Operation between 7am and 7pm.	Six to ten hours per day. Full year services of at least 136 hours per month, 1,632 hours per year.
Attendance	Payment can be determined by anticipated attendance of enrolled ERDC children for the month.	Minimum monthly attendance rate of 85% for all children enrolled. No absences longer than 15 days unless approved.	Minimum monthly attendance rate of 85% for all children enrolled. No absences longer than two weeks unless approved.
Class Size	Dependent on classroom capacity, as per OCC licensing rules for licensed child care providers. Maximum group sizes for: <ul style="list-style-type: none"> • age 0-2 is 8 • age 2-3 is 10 • age 3 to school aged is 20 • school aged is 30 	Maximum class size of 18, dependent on license type and OCC licensing rules. Registered Family providers are permitted to care for a maximum of three children. Certified Family child care providers are permitted to care for a maximum of 16 children.	Dependent on classroom capacity, as per OCC licensing rules for licensed child care providers. Maximum group sizes for: <ul style="list-style-type: none"> • age 0-2 is 8 • age 2-3 is 10 • age 3 to school aged is 20 • school aged is 30
Adult-Child Ratio	As per OCC licensing rules for licensed child care providers. <ul style="list-style-type: none"> • age 0-2 ratio of 1:4 • age 2-3 ratio of 1:5 • age 3-school aged 1:10 • school aged 1:15 	1:9	As per OCC licensing rules for licensed child care providers. <ul style="list-style-type: none"> • age 0-2 ratio of 1:4 • age 2-3 ratio of 1:5 • age 3-school aged 1:10 • school aged 1:15
Staff Scheduling	No requirement.	Teaching staff may not be assigned to more than one Preschool Promise classroom.	Early educators must have a reasonable amount of paid preparation and planning time each week, without children present.
Staff Qualifications	As required by OCC licensing rules for licensed child care providers.	Lead teachers: Bachelor's degree in early childhood education or coursework that is equivalent to a major in early childhood education; associate degree with additional training or certification in the early childhood field; or CDA credential or ORO step 8. Teacher assistants: demonstrate competencies defined in ORO step 5, Office of Child Care rules for Aid II, or similar within credentialing for K-12 teachers.	Early educators must have CDA or an Associate's degree in early childhood education; or a related field or ORO Step 7, with training or equivalent coursework up to or exceeding 120 hours or 12 credits in early childhood development, with a focus on infant and toddler development.
Background Checks	Documentation of completed and satisfactory criminal background check in compliance with the Office of Child Care Central Background Registry. (Requirement is consistent for all three programs.)		
Salary	Salary determined by program, in compliance with state and local minimum wages.	Minimum Salary for lead teacher: \$18-\$25/hour, dependent on staff qualifications. Target Salary for lead teacher: \$24-\$36/hour, dependent on staff qualifications. Minimum salary for teacher assistants: \$12-\$16, dependent on staff qualifications. Target salary for teacher assistant: \$18-\$22, dependent on staff qualifications.	Programs are supported in developing business models that provide net revenue equivalent to a salary of \$40,000 - \$45,000 annually based upon education and qualifications.
Health & Safety Training	Health and Safety, First Aid/CPR, Mandated Reporting, Safe Sleep, Food Handling. Training requirements dependent on license type.	As required by OCC licensing rules for licensed child care providers.	As required by OCC licensing rules for licensed child care providers.
Professional Development	As per OCC licensing rules for licensed child care providers, Staff must have at least 15 hours of formal training or education annually. Providers eligible to receive enhances rates if they meet ORO training requirements.	Teaching staff and administrators are required to participate in at least 20 hours of professional development activities per program year. All staff must participate in required training and technical assistance plan, co-created with CCR&R.	Early Educators are required to have Professional Development Plans and participate in at least 20 hours of professional development activities per program year.

REQUIREMENT	Employment Related Day Care (ERDC)	Preschool Promise	Baby Promise
ELIGIBILITY	PROGRAM OPERATIONS		
Facilities and Classroom Space	Water lead testing, fire safety and evacuation, and health and safety requirements as defined by OCC licensing. Classroom capacity determined by OCC licensing rules for licensed child care providers, 35 sq. ft. of usable space per child.	As required by OCC licensing rules for licensed child care providers. License-exempt must have a minimum of 35 sq. ft. of usable space per child.	As required by OCC licensing rules for licensed child care providers.
QRIS Participation	Optional, licensed child care providers with a Spark Star Rating of 3-5 may be eligible to receive monthly incentive payments for each full time ERDC child.	Required to participate.	Required to participate. Programs must attain a four- or five-star rating.
Licensing	Licensed and license-exempt providers eligible. Must be licensed if required by Office of Child Care licensing rules.	Licensed and license-exempt providers eligible. Must be licensed if required by Office of Child Care licensing rules.	Licensed and license-exempt providers eligible. Must be licensed if required by Office of Child Care licensing rules.
Data Collection	As required for ongoing compliance reporting.	Must collect and track data including number of children who left, transferred, or were removed from the program and demographic information of children.	Must collect data for evaluation purposes. Photographic and video evidence will be collected to assess impacts of program enhancement activities.
Child Enrollment	Families eligible for ERDC can be connected to approved ODHS providers by contacting regional CCR&Rs.	Grantees must participate in coordinated enrollment through the Early Learning Hubs. Must contact families within 10 days of receiving contact information from the Hubs.	As determined by regionally designated contractors.
Child Eligibility	Ages 0-18. Families at or below 200% FPL.	Ages 3-5. Families at or below 200% FPL.	Ages 0-3. Living in counties where Baby Promise program is piloted. Families at or below 200% FPL.
ODHS Registration	Required	Not Required	Not Required
ELIGIBILITY	CURRICULUM & PROGRAMMING		
Curriculum	As per OCC licensing rules for licensed child care providers, program curriculum must be developmentally responsive, provide culturally and racially diverse learning opportunities.	Must be aligned with Oregon's Early Learning and Kindergarten guidelines. Must be culturally and linguistically responsive.	Curriculum and/or approach to teaching must meet the requirements of the top two tiers of Spark QRIS.
Developmental Screenings	As per OCC licensing rules for licensed child care providers, developmental screenings are not required.	Children must receive developmental screenings within 45 days of initial attendance.	Must use Ages & Stages Questionnaire (ASQ) and Ages & Stages Questionnaire: Social-Emotional (ASQ:SE).
Assessment	As per OCC licensing rules for licensed child care providers, child assessments are not required.	Child-level outcome assessments, three times per year, per child.	Quarterly assessments for developmental progress in the following areas: social/emotional, cognitive, physical (gross and fine motor), and communication.
Inclusionary Practices	As per OCC licensing rules for licensed child care providers.	Classrooms must be inclusive of all children regardless of ability, family composition, culture, language, or family income. Grantee must make reasonable accommodations. Grantee must have policies regarding suspension and expulsion.	Enrollment policies must state that the infant-toddler program is open and non-discriminatory. Program must make reasonable accommodations.

REQUIREMENT	Employment Related Day Care (ERDC)	Preschool Promise	Baby Promise
APPLICATION			
Application Process	Complete Child Care Provider Listing Form, required pre-service trainings, and a site visit to be approved and listed by ODHS. Must renew ERDC-approved status annually.	Enroll in the ODE Electronic Grant Monitoring System (EGMS) and submit W-9 to establish vendor ID. Apply annually for requested slots. Minimum slot requirement of 4 slots for Registered Family providers, 6 slots for Certified Family providers, and 10 slots for other applicants.	As determined by regionally designated contractors.
COMPLIANCE			
Allowable Costs	No restrictions.	Rent/lease of space or vehicles, minor facilities improvements, transportation, travel, insurance, classroom supplies and equipment, curriculum materials, professional services, food preparation supplies, health screenings for children, printing and publications, staff salaries, professional development, administrative costs (15%)	Early Educator and other direct service personnel compensation and benefits; professional development activities; paid preparation and planning time; monthly staff meeting materials; diapers, formula, food, and other items for Baby Promise children; curriculum materials; screening and assessment materials; family engagement activities; coordination of social services for Baby Promise children; facilitation of eligible children's transition to preschool; and associated administrative overhead.
Reporting	Provider submits Child Care Billing Form to the Direct Pay Unit.	Grantee uses EGMS to submit reports.	Process determined by regionally designated contractors. Programs must submit an annual operating budget outlining the intended use of Baby Promise funds. Must submit annual program tax return within 30 days of filing. Must submit monthly attendance report to the contractor.
Monitoring Process	ODHS conducts annual announced site visits to review record keeping and billing practices and assess health and safety conditions. Site visits include review of records, on-the-spot coaching and technical assistance.	Annual review, additional monitoring visits can be conducted at any time with announced visits with at least 24-hour notice and unannounced visits with up to one hour notice. Assessment of documentation and data, review of licensing records, interviews, observation and evaluation, fiscal oversight.	One monthly site visit, may be announced or unannounced. Annual review. Programs may also be selected for independent audits; if selected, programs must submit a copy of the audit report and financial statements. Early Learning Division reserved the right to conduct onsite monitoring visits at least once per biennium.

REQUIREMENT	Employment Related Day Care (ERDC)	Preschool Promise	Baby Promise
COMPLIANCE	PAYMENT PROCESS		
Payment Determination	Calculated at the beginning of each month based on anticipated attendance for the month. Anticipated attendance reported to the Direct Pay Unit. Amount paid is determined by the child's age, location in Oregon, type of care, how many hours of care are needed. Parents pay a copay directly to the provider.	Grantee may request payment on monthly or quarterly reimbursement schedule. Monthly claims may be submitted as reimbursement or based on anticipated costs for the current month.	Contractor will provide contracted slot pre-payments monthly. Payments will not be negatively impacted by fluctuations in a child's attendance.
Payment Administration	Provider receives Child Care Billing Form via mail at the beginning of each month and returns form to the Direct Pay Unit for payment. Payment is made to providers within four days of receipt of billing form.	Paid through EGMS.	Paid directly to the program by the regional Baby Promise contractor.
COMPLIANCE	RECORD RETENTION		
Retention Policies	As per OCC licensing rules for licensed child care providers, must maintain staff and children's records for two years after termination of employment or care.	Must maintain detailed financial records including, but not limited to, general ledgers, receipts, invoices, and all supporting documentation to track Preschool Promise expenditures. As per OCC licensing rules for licensed child care providers, must maintain staff and children's records for two years after termination of employment or care.	Must maintain child and financial records, including but not limited to: general ledgers, receipts, invoices, and all supporting documentation to track Baby Promise program expenditures. As per OCC licensing rules for licensed child care providers, must maintain staff and children's records for two years after termination of employment or care.

References:

- <https://sharedsystems.dhsoha.state.or.us/DHSForms/Served/de7492.pdf>
- <https://oregonearlylearning.com/wp-content/uploads/2022/06/22501-PSP-RFA-AttE-Final-Grant-Manual-DOJ-approved-20220613.pdf>



First Children's Finance

firstchildrensfinance.org | (866) 562-6801

National reach, resources, and expertise for stronger child care businesses and communities.

We **PARTNER** with Child Care Businesses to strengthen their operations and achieve their dreams – at every step of the way.

We **CONSULT** with Communities to achieve a sustainable child care supply that meets local economic & cultural needs.

We **CHANGE** Public Systems through advocacy and expertise, elevating child care in policies, practices, funding, and plans.