

# Child Care in Oklahoma Regulation & Access Review

OK State Senate  
**Interim Study**  
October 18th, 2022



## Agenda

# What we will discuss during this study



- Care in Oklahoma: An overview of the child care industry
- Cost of Care and the Impact
- Impact of current child care direction
- Contributors to a worsening crisis
- Feedback from Providers
- Solutions for moving beyond
- Q & A

# Child Care in Oklahoma - An Overview of the Industry



**"The pandemic proved that the child care industry is vital to the economic success of Oklahoma families" -OKDHS**

Source: <https://www.ouokdhs.org/s/annual-report-2021/ccs-child-care-services>

# Oklahoma Child Care and Early Education 2021

Children  
needing care  
while parents  
work (0-12)  
436,212

Total  
Capacity  
113,360

Source: <https://www.okchildcareportfolio.org/resources>

About 41.5% of children birth to age 5 in Oklahoma are in non-parental care every week.



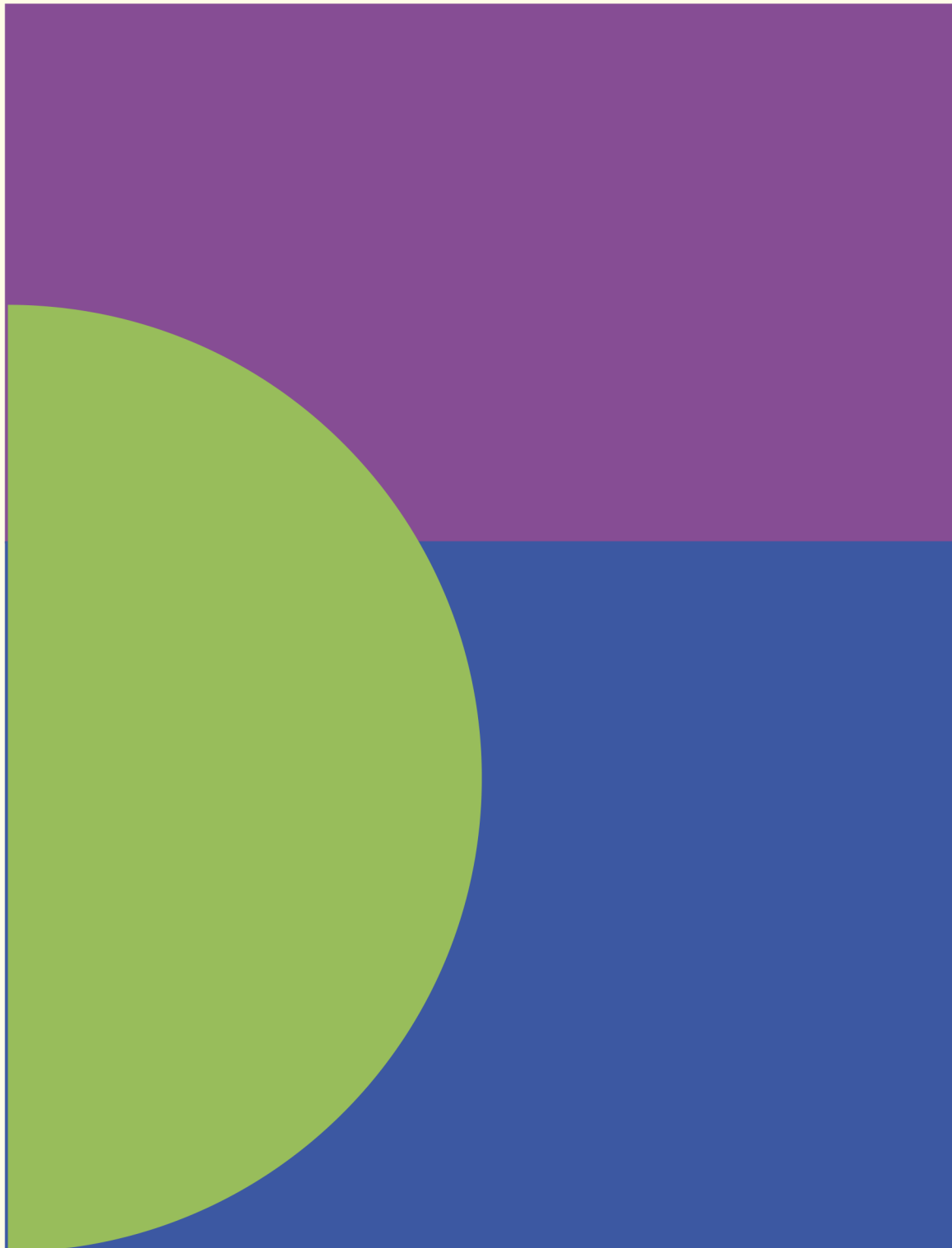


An estimated **90 percent** of childcare enterprises are owned by **women**, **more than half** of whom are **women of color**.

# Job Creators

In terms of **jobs**, in addition the child care industry itself, providers in the child care sector **support** workers in **other industries** which impacts employment throughout Oklahoma.

[https://www.ced.org/assets/reports/childcareimpact/talking\\_points/revised/Oklahoma%20Talking%20Points%20CED%201312019.pdf](https://www.ced.org/assets/reports/childcareimpact/talking_points/revised/Oklahoma%20Talking%20Points%20CED%201312019.pdf)



**Oklahoma Market Size: \$549.7 m**

**Spillover effects (additional spending):  
\$376.3 m**

**Oklahoma Industry Employment: 16,204**

**Employee compensation: \$387.9 m**

Source: <https://www.ibisworld.com/us/industry/oklahoma/day-care/36000/>  
[https://www.ced.org/assets/reports/childcareimpact/talking\\_points/  
revised/Oklahoma%20Talking%20Points%20CED%201312019.pdf](https://www.ced.org/assets/reports/childcareimpact/talking_points/revised/Oklahoma%20Talking%20Points%20CED%201312019.pdf)





# Needs Met By Child Care Providers

**Foster Care Support**

**On-site Counseling and Therapy Services**

**Tax paying businesses**

**Family Support**

**Year-round, Wrap Around, and Full-time hours**

**Employ Staff**

**Nutrition**

**Local Community supporters**

**Age appropriate child development**

Child Care is important to Oklahoma's  
economy :

We are **revenue generators**

We are **job creators**

We are **tax payers.**

Making it possible for  
**Oklahoman's to work.**





# Cost of Care & Impact

**Assumptions for ABC Academy are based on**

**70% occupancy entire year**

**DHS 2 Star Subsidy rate**

**100% attendance by DHS students**

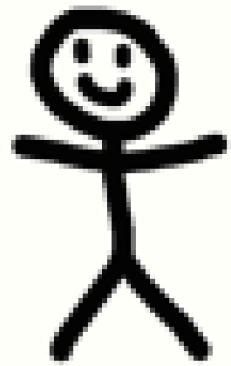
**100% Co-pay Collected**

Source: Thrive Financial Model

# ABC Academy

Licensed Childcare Association

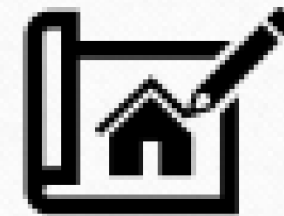
# Legend



Child



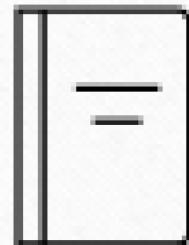
Our bank – Profit per class



Administration Costs



Educator



Program costs



Food cost



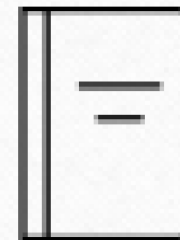
Building cost

# Cost by Category Detail



## Staff (50%)

- Salaries
- Taxes
- Benefits
- Training
- Misc. staff cost



## Program Costs (5.6%)

- Program / Educational supplies
- Paper goods
- Cleaning supplies
- Adverting
- Vehicle expenses
- Field trips
- Dues and Subscriptions
- Misc. program cots

# Cost by Category Detail

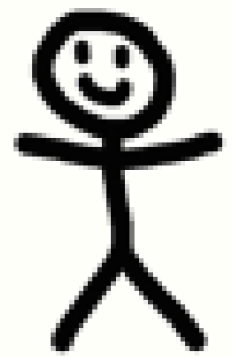
---

- Food (5%)
- Administrative Cost (1.51%)
  - License
  - Credit Cards
  - Office
  - Postage
  - Travel
- Building Cost (24%)
  - Rent
  - Supplies
  - Floors
  - Lawn
  - Security
  - Utilities
  - Insurance
  - Taxes
  - Telephone / Wi-Fi / Cable

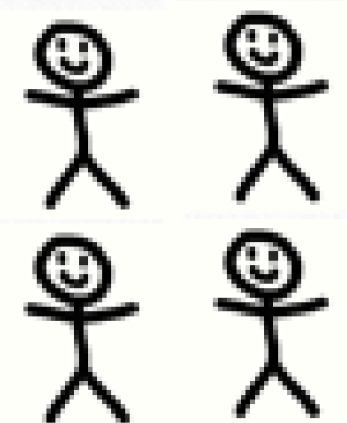


# Infant Room

1:4



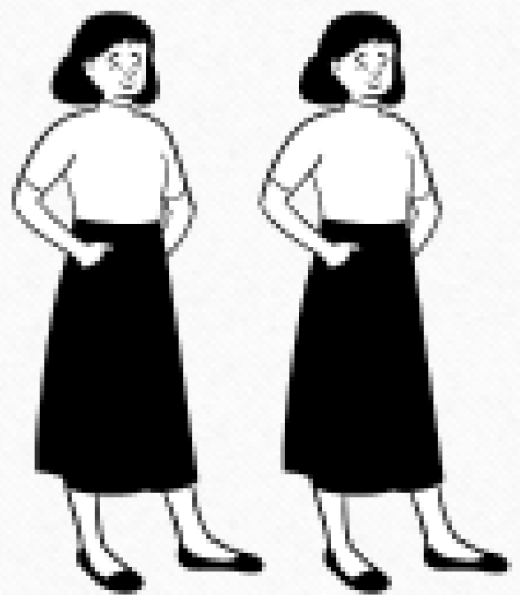
\$190 / Week



\$760 / Week



\$12 / Hour  
\$480 / Week



\$960 / Week

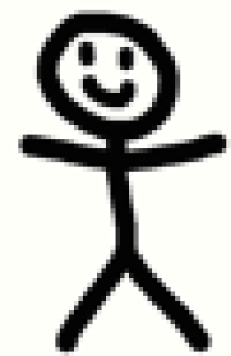
\$11	\$43	\$182	\$38
------	------	-------	------



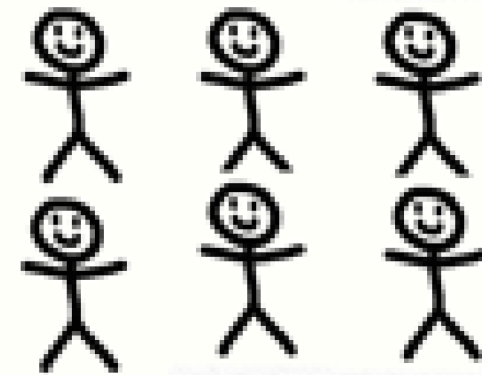


# Toddler Room

## 1:6



\$168 / Week

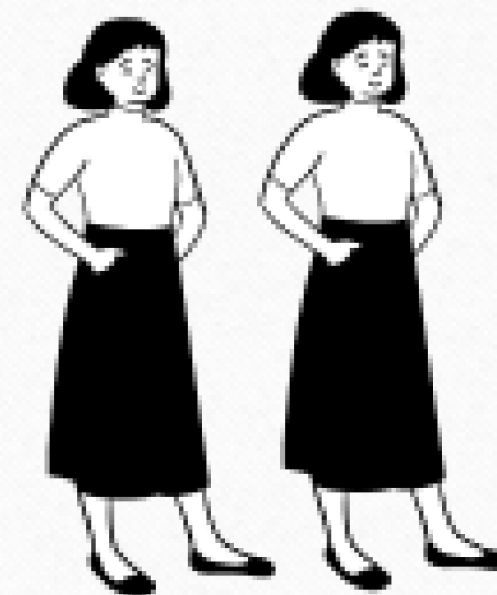


\$1,008 / Week



\$12 / Hour

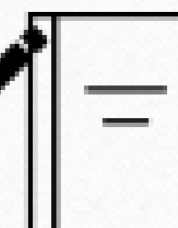
\$480 / Week



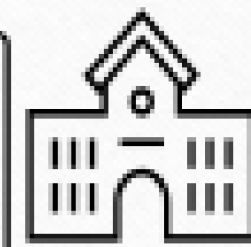
\$960 / Week



\$14



\$54



\$241

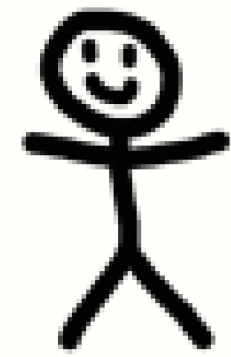


\$50

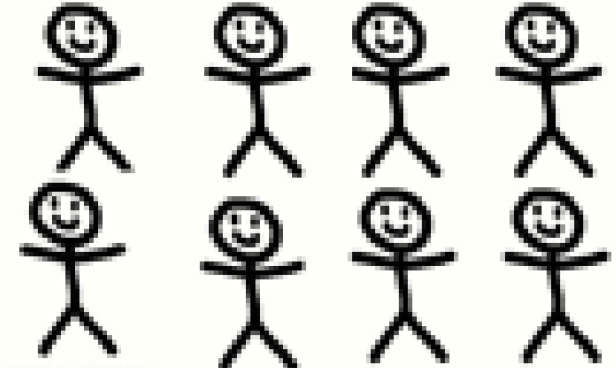


# Two Room

## 1:8



\$157.50 / Week



\$1,260 / Week



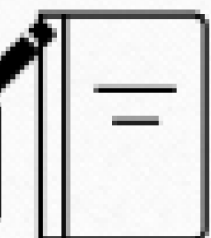
\$13 / Hour  
\$520 / Week



\$1,040 / Week



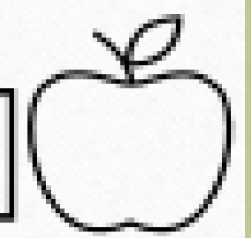
\$18



\$71



\$416

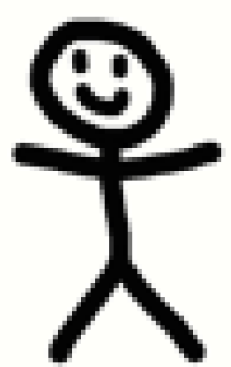


\$63

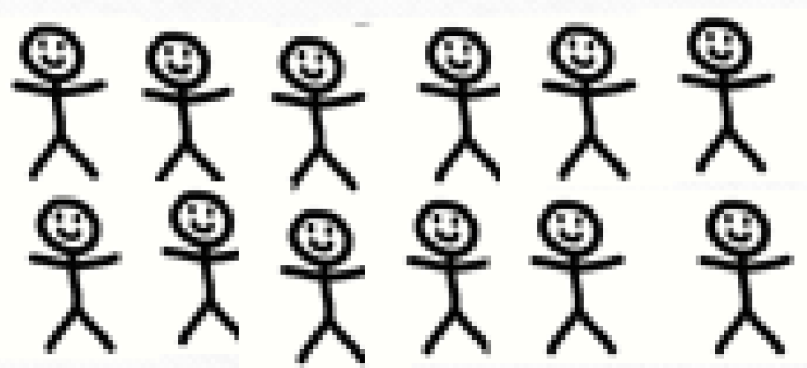


# Preschool (3-year-olds) Room

## 1:12



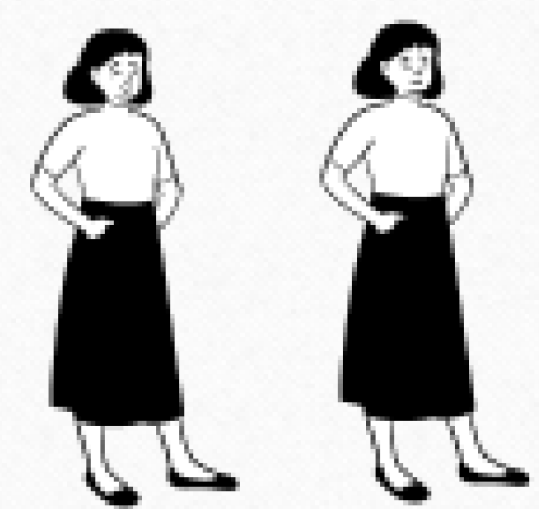
\$157.50 / Week



\$1,890 / Week



\$14 / Hour  
\$560 / Week

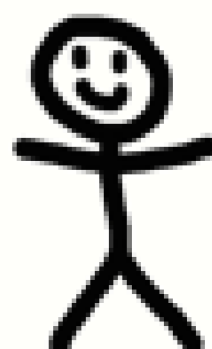


\$1,120 / Week

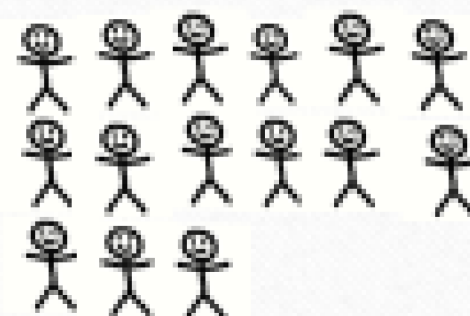
\$27	\$106	\$624	\$95
------	-------	-------	------

# Pre-K (4-5year-olds) Room

## 1:18



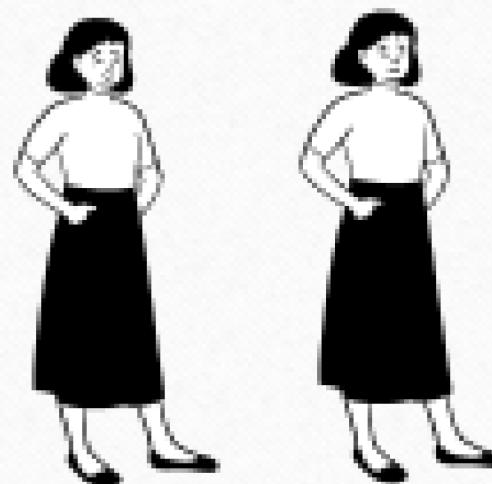
\$157.50 / Week



\$2,835 / Week



\$14 / Hour  
\$560 / Week



\$1,120 / Week



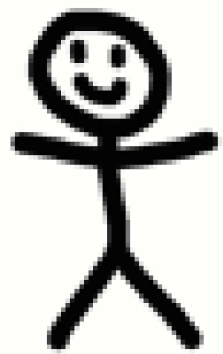
\$40

\$159

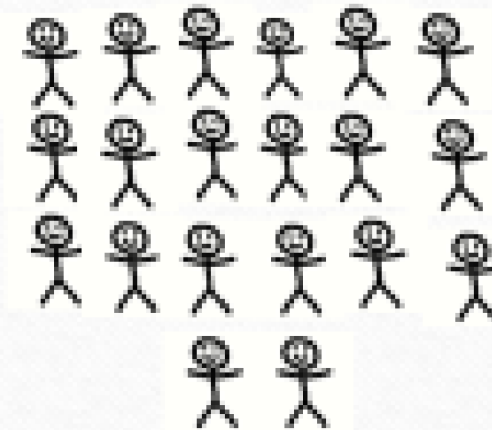
\$680

\$142

# School Age (6 – 12 years old) Room 1:20



\$120 / Week



\$2,400 / Week

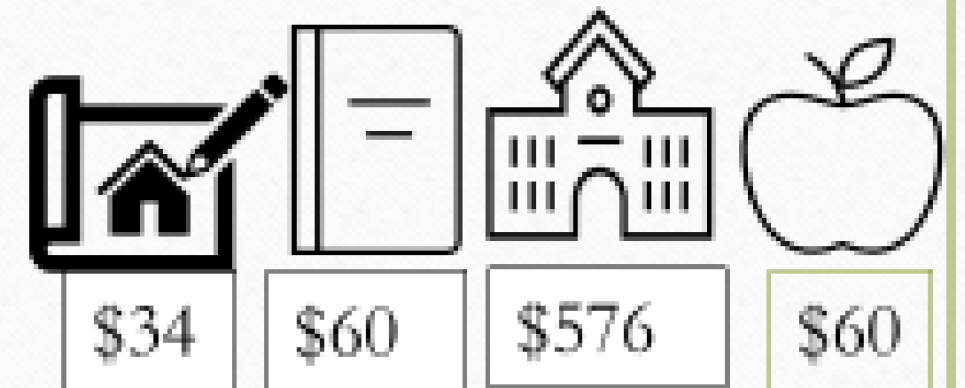


\$14 / Hour

\$350 / Week (25 hrs)



\$700 / Week



# Weekly Break Down

---

- Infants: (-\$474)
- Toddlers: (-\$311)
- Twos: (-\$234)
- Preschool: \$88
- Pre-K: \$694
- School Age: \$970
- **TOTAL: \$ 733**



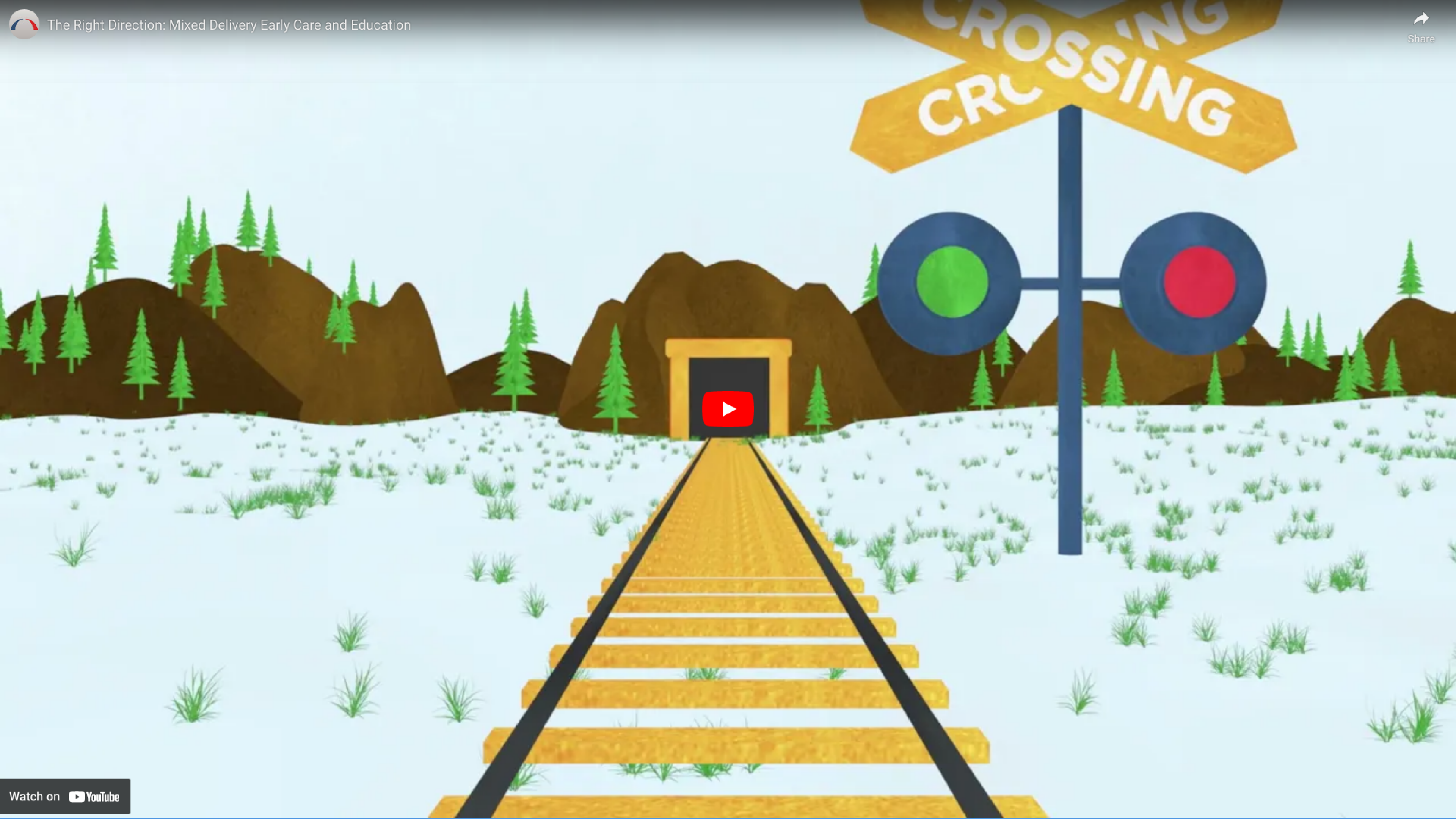
# Infant Room

- Crib: \$500
- Shelf: \$650
- Rug: \$300
- Crawl Through: \$300
- Pull Up Mirror: \$300
- Table: \$550
- Teacher Chair: \$80
- **CLASSROOM TOTAL: \$7,500 - \$10,000**

Mixed Delivery Video

<https://youtu.be/F9NsCauBIQM>







# Impact of Current Child Care Direction



KITH CARE

# KITH Providers vs. Licensed Providers



Parents likely qualify for Kith.care if:

- ✓ They have a child under 13 years old who is a US citizen (citizenship not required for parents)

AND

- ✓ They are eligible for OKDHS child care subsidy

OR

- ✓ They are an essential worker as defined by OKDHS (funding extended until June 30, 2023)



Caretakers likely qualify for Kith.care if:

- ✓ They are a US citizen
- ✓ They do not have a felony conviction
- ✓ They are related to the child
- ✓ They live outside the child's home
- ✓ They are at least 18 years old
- ✓ They want to promote the child's safety, growth and development

## Licensed Home Provider

Background Check- \$53.25

Training Hours - Req. #

CPR - Infant Child

Health & Safety Training

Postings

Req. Equipment

Fire Extinguisher

Inspections - 3 X yr.

Heavily regulated


# Negative Toward the Child Care Industry

## Accessible and flexible


Having family members care for your kids means you can always get child care when you need it from people you trust.

Kith.care was created in 2020, when COVID-19 made it difficult for essential workers to find child care. The program has since expanded to other groups - parents working or in school who qualify and need more flexibility in their child care.

## You can use Kith.care if:



You love having a family member watch your kids. It's easier than a child care center, and they have a real bond.



The child care center



You are worried about sending your child to a child care center.





# License Exempt

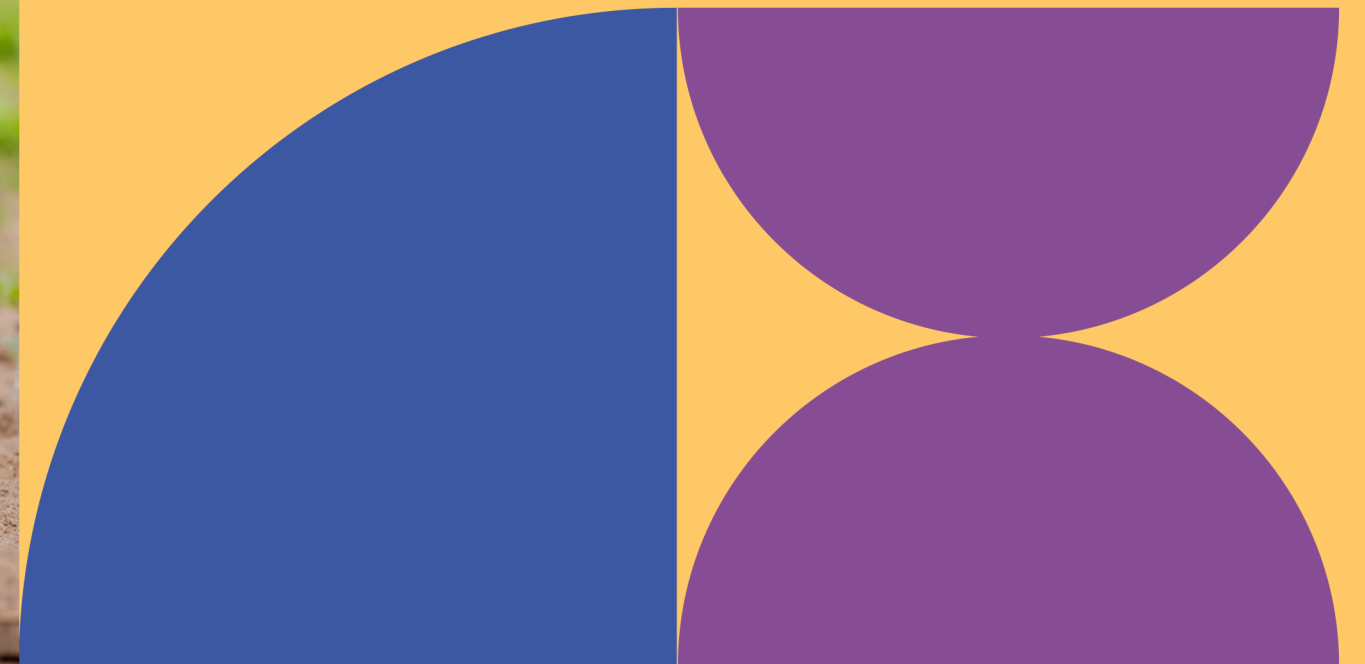
Programs were meant to prevent music lessons, karate lessons, dance camps, etc. from having to be regulated for the limited amount of time they operate.

**The reality is quite the opposite:**  
They are providing the same services for the same population as licensed child care providers **without** the requirements.



# Head Start/ Early Head Start

# Funding for Head Start PLUS CCDBG Funding







# HOPE Centers

Limited regulations compared to licensed programs.

Toilet Requirement Example:

1 toilet per 25 children (Hope Center)

1 toilet per 15 children (Child Care Program)

Lower professional development training requirements.

No regulations on operation length to pay back grant.

Licensing Requirements Handbook:

48 pages (HOPE Center)

90 pages (Family Child Care Home)

170 pages (Child Care Program)

Sources:

14-05.pdf (oklahoma.gov)

86-104.pdf (oklahoma.gov)

20-44.pdf (oklahoma.gov)



# YMCA/ Boys & Girls Club

Recent ARPA request of 30 Million and 25 million

Task Force on Access to Afterschool Care



# Public School and Affiliates

Multi-faceted competition  
without consideration for crucial  
mixed delivery systems



**KITH Care**



**License Exempt**



**HOPE Centers**



**YMCA/Boys & Girls  
Club**



**Head Start / Early Head Start**

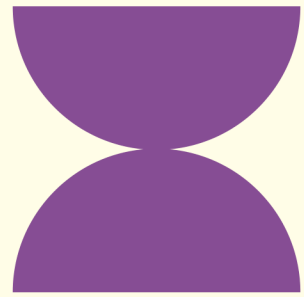


**Public School and  
Affiliates**

# Contributors to a worsening crisis



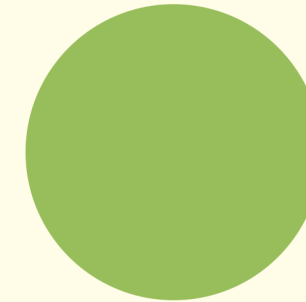
# Why Providers Are Leaving the Field



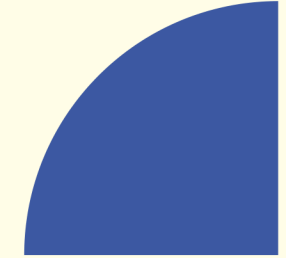
**Complaint Process**



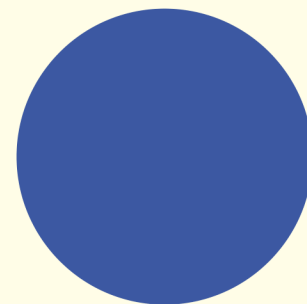
**Staffing Crisis**



**Operational  
Challenges**



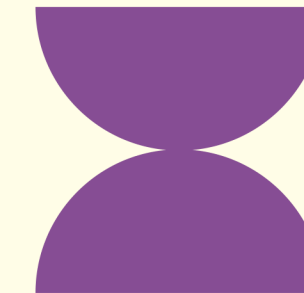
**Lack of Support**



**Funding Created  
Competition**



**Lack of Respect for  
Profession**



**Stigma that if you are  
operating a private child care  
business you are not acting in  
the best interest of children.**



# Complaint Process

- Broken system
- Process is not working
- Disgruntled parents and employees can use system
- Frequently used as method of retaliation

Previous report covering five years showed 78% of complaints were unsubstantiated



# Causes of False Complaints





# Operational Challenges Associated with False Complaints



# Misconduct/ Lack of Due Process



# Negative Consequences



# Staffing Crisis

Limits amount of children in care

# Operational Challenges





# Lack of Support

- Over-regulation
- Improper use of Emergency Rulemaking process to pass regulations
- QRIS update
- Equal representation on boards and Committees



# Unintended Consequences

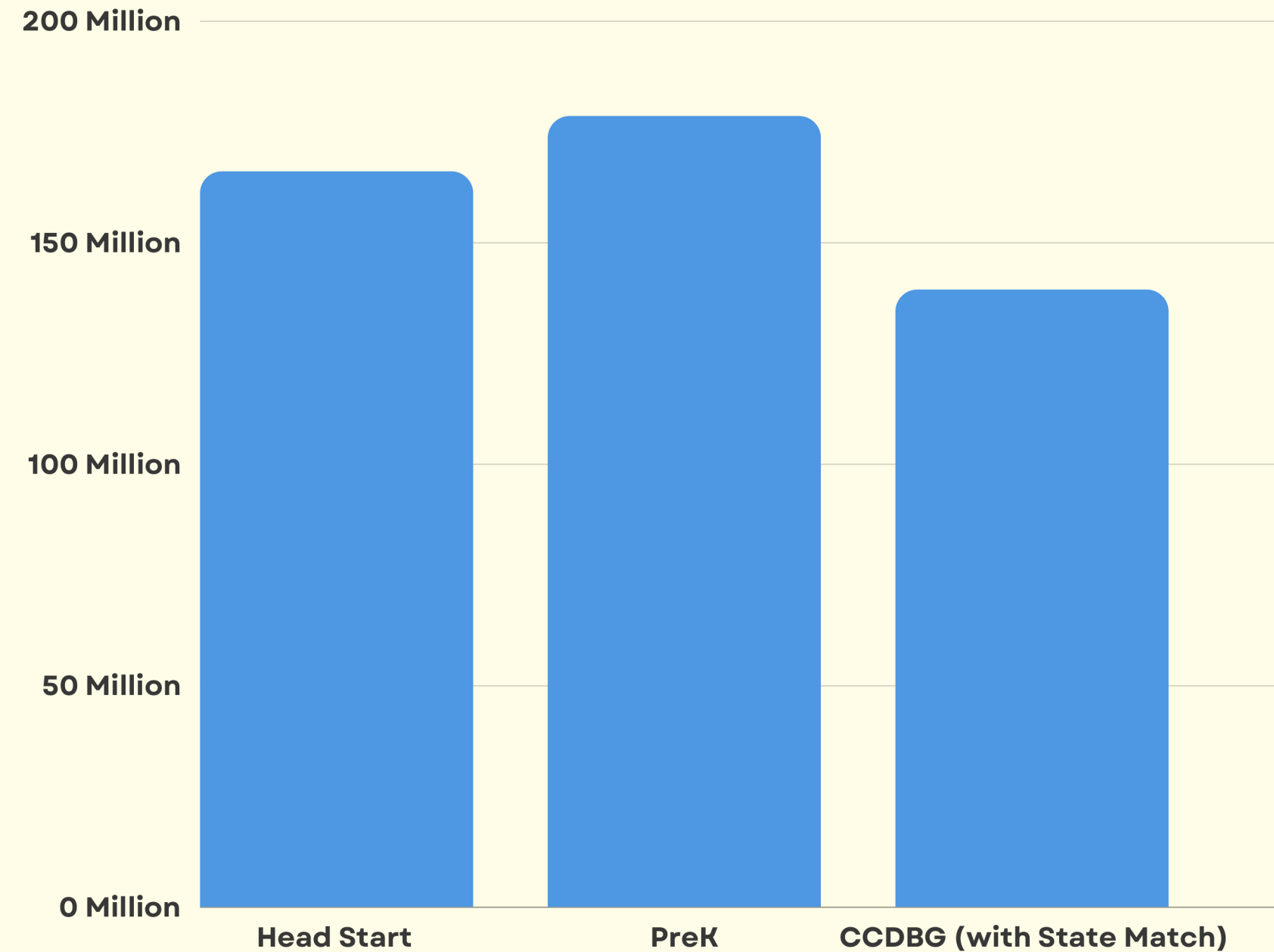
# Licensing Requirement Review and QRIS Rollout





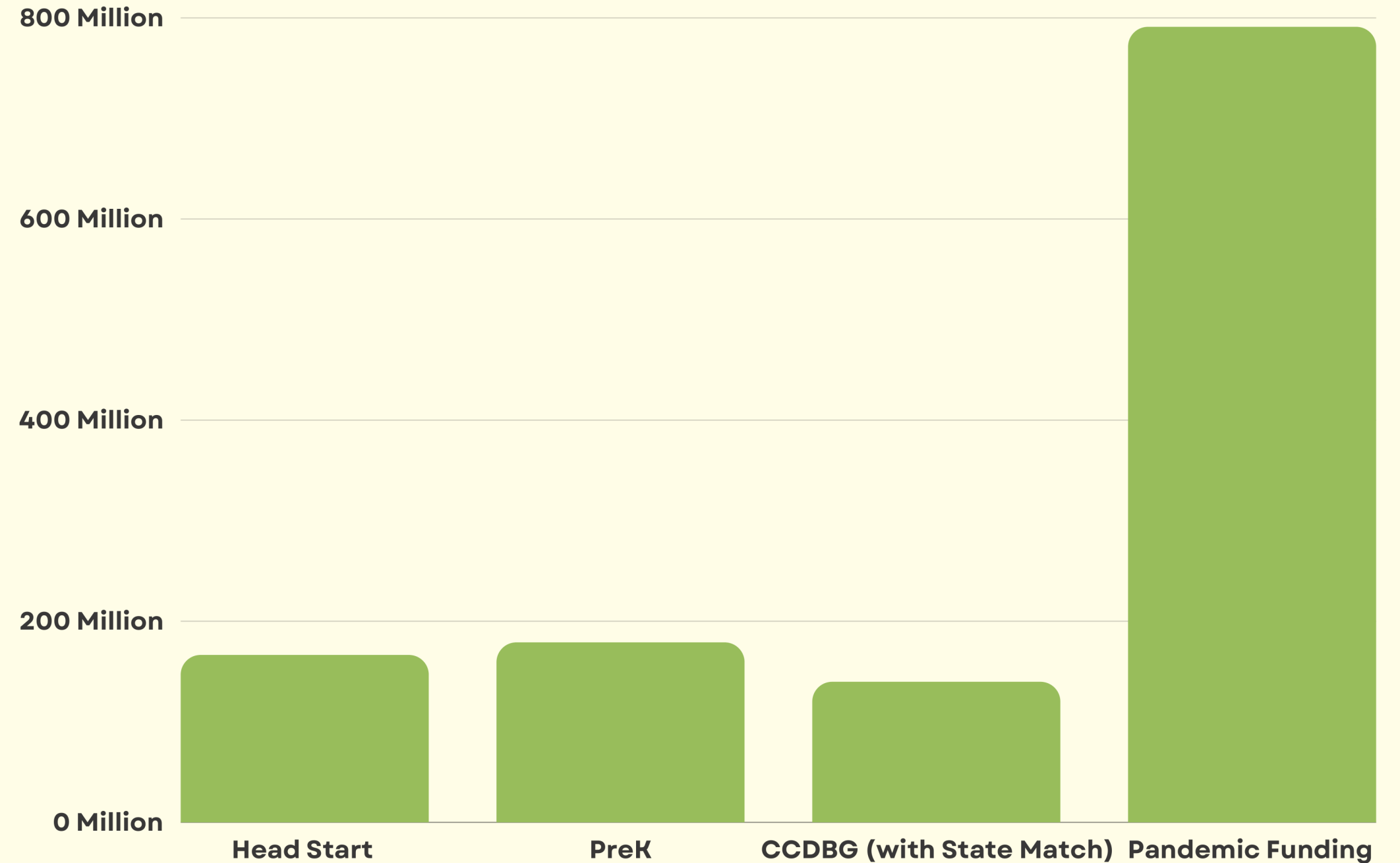
# Federal and State Early Education Funding in Oklahoma

**State and federal funding enables children and families in Oklahoma to access high-quality, public and private, early childhood programs.**



# Federal and State Early Education Funding in Oklahoma

**With the addition of CCDBG  
COVID-Relief Allocations: CARES5 |  
CRRSA | ARPA (CCDF +  
Stabilization)**



"These funds will help **early childhood educators and family child care providers keep their doors open** and provide a critical step to paving the way for a strong economic recovery and more equitable future."  
- American Rescue Plan Act of 2021

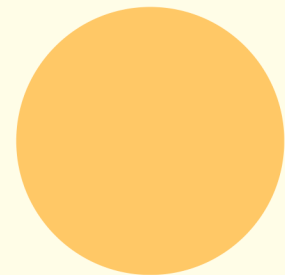
Source: <https://childcareta.acf.hhs.gov/state-and-territory-child-care-stabilization-grant-applications>



# Child Care Stabilization Money Distribution



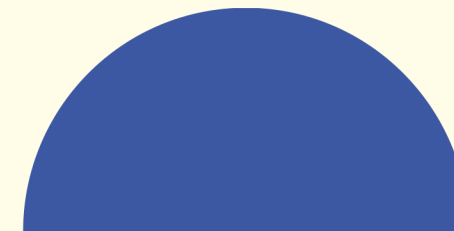
- Additional \$5/day for subsidy if in attendance
- Additional \$5/day for Foster Children in attendance



- Free Child Care for Provider Staff
- State Employees free child care if deemed "essential"
- Free child care to unemployed while seeking employment



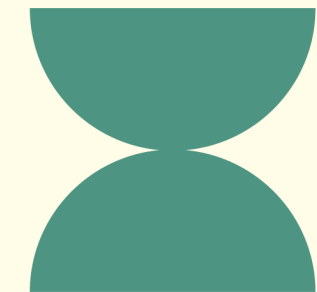
- Quarterly Grants awarded to providers based on capacity
- Quarterly grants move to quality based



- One-time cleaning grants (2020)
- One-time technology grant (2020)

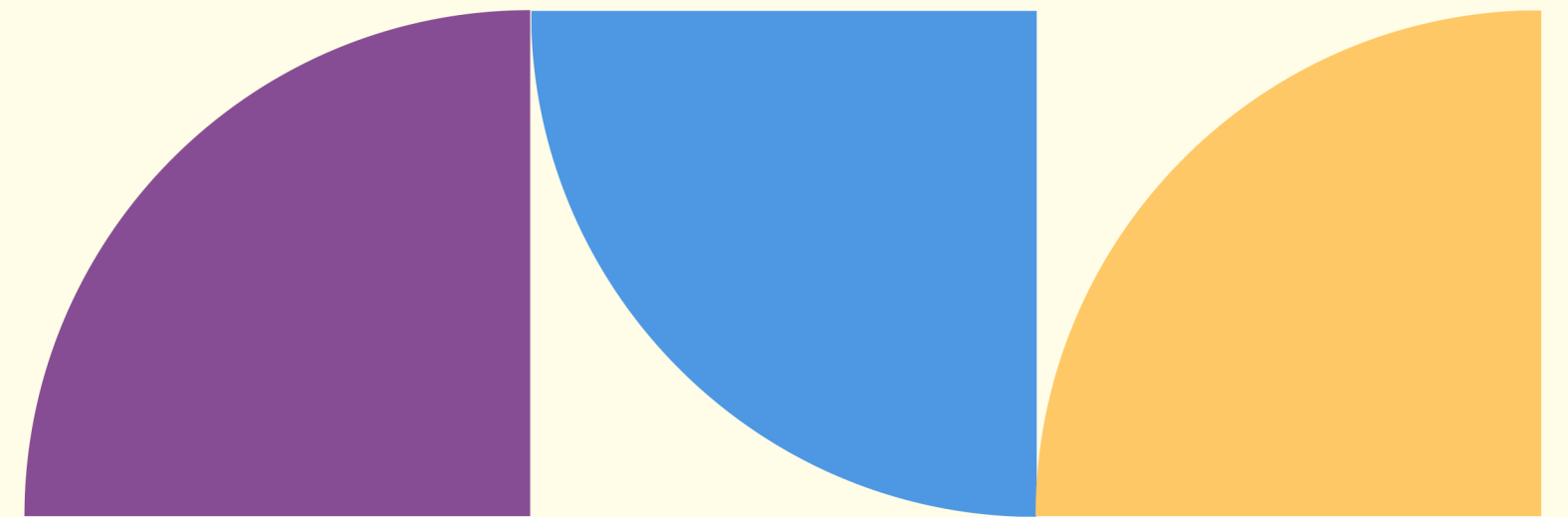


- Workforce Grant for child care staff one time \$1,000 payment



- Future distributions t/b/d

With newly created programs that are established with government funding, without collateral, when significant budget cuts are made at the federal level, the amount of funds the organization receives will be reduced significantly and have an adverse impact on its operations and likely causing the operation to cease without further government assistance.

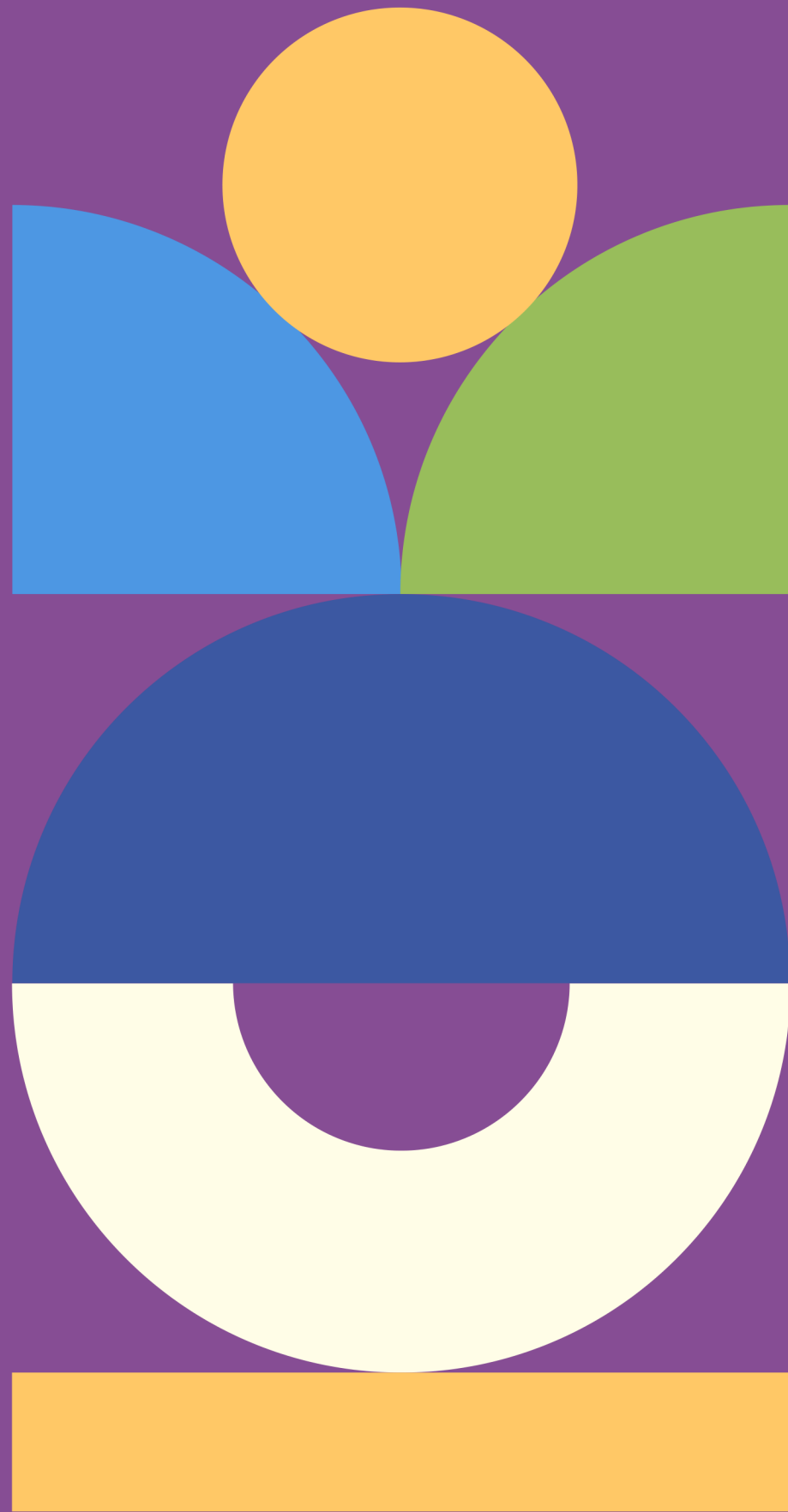


# Feedback from Providers

Results from a recent industry survey

Source: Provider Survey





# Survey of Providers (Homes and Centers)

354 Participants replied  
in 2 day offering window

---

Source: Provider survey

# Survey:

## Do you currently have open slots?



Source: Provider survey



# What is the reason for open slots?

Staffing

Lack of  
Support

Cost of Care

Over  
regulation

State Start up  
Programs/  
Unlicensed Care

School has  
After school  
program



# Survey: What affects your future business decisions?

- Future Requirements and regulations
- Financial Uncertainty
- Staffing/Quality Staff
- Funding (Industry after grants)
- Inflation
- Inconsistent Information that is distributed

# Solutions for Moving Beyond



# Practical Solutions to increase access



- Decrease sq footage requirement from 35 sq ft per child to 32 sq ft
- Remove 0-2 from toilet requirement count (current 1:15 children)
- Follow basic mathematical rules when rounding. (Current capacity rounds down but Master teachers round up)
- Discontinue preferential funding designations to non-profit entities
- Form Committee on Complaint reform including 90% provider participants from private businesses
- Pay enrollment versus attendance

# Practical Solutions to increase access



- Remove co-pay collections from provider responsibility
- Child Care Advisory returns to its intended function of provider driven change rather than a "courtsey", per O.S.
- Increase DHS subsidy to market rate (Current pay at 75% of market) Removes loss compared to private pay rates
- Increased Transparency
- Equal representation from private providers at all decision making round tables



Thank you  
for your  
commitment to the  
child care industry.



Q and A

