



## League of Women Voters of Portland

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Date: August 27, 2024

To: Chair Vega Pederson,  
Commissioners Beason, Brim-Edwards, Meieran, and Stegmann

From: League of Women Voters of Portland  
Carolyn Buppert, president  
Paulina Leperi, board member

Re: Preschool For All

The League of Women Voters of Portland has serious reservations about delaying the planned 0.8% tax increase to fund Preschool For All (PFA), scheduled to go into effect in 2026. The additional funding provided by the tax increase is essential for ensuring that PFA can continue to scale its operations, investing in the staff and infrastructure necessary for every 3- and 4-year-old in Multnomah County to have access to preschool by 2030.

Our reservations are based on the inherent volatility in the tax structure that funds PFA - one that depends heavily on high-income households - and uncertainty in the future economic environment. The League strongly supports ensuring that adequate funding is available for this outstanding program to expand its work. According to projections, PFA expects to run a deficit in future years when more openings will be available. Projections also indicate that the program will not have sufficient funds if the 0.8% tax increase is not implemented.

Before taking any action, we need to hear the technical committee's analysis of the tax rate required to ensure successful rollout of PFA as planned. The [original PFA plan](#) stated that the technical team, which the Chair's Office must convene before the tax increase goes into effect, could potentially recommend against the higher rate: "By 2026, state or federal funding for early childhood education could further offset additional local investment and reduce or even eliminate the need for the rate increase." But to date, there is no increased funding from other jurisdictions, or any evidence that a funding increase is being considered. In other words, the committee should complete a full assessment so that the county will know what is needed to fully support the program.

PFA has laid the groundwork for growing to scale:

- Its facilities fund, administered by BuildUp Oregon, has provided immediate benefits, allowing 20% of participating PFA providers from 2022-23 to expand into a second location for the following year.<sup>1</sup> This fund will help providers overcome the challenges associated with finding space for their programs.

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<sup>1</sup> PFA Quarterly Newsletter, April 2024 (sent April 17)

- The program prioritizes children from historically marginalized communities, and external evaluation shows that the voices of stakeholders have been central in planning the program. Participating families have overwhelmingly voiced satisfaction with their experience, and PFA is incorporating their feedback to further improve the program.
- Substantial investment has gone into ensuring that providers have the coaching and support they need to launch their business.
- PFA intends to increase wages for early childhood educators to ensure that they can thrive in Multnomah County, and to make early childhood education a more attractive, viable career.

With its thoughtful implementation and success to date, PFA deserves continued support in the form of sufficient funding for its continued growth.

### **New Facilities for Expanded Capacity**

BuildUp Oregon offers not only grants and loans, but also expert guidance to help providers navigate administrative hurdles.<sup>1</sup> PFA providers who are eligible for funding can access grants of up to \$75,000 for family childcare, or up to \$750,000 for childcare centers or school districts.<sup>2</sup> A [September 2021 report by SVP Portland](#) (Social Venture Partners) described the many challenges associated with finding appropriate space for early childhood education facilities. Here are just a few of the barriers mentioned:

- Lack of available properties in areas of high demand
- High cost of properties, including the size of down payments
- Confusion around permits and zoning
- Unwillingness of landlords to lease commercial spaces to early-childcare providers

In addition, school districts are dealing with funding shortfalls, most prominently Portland Public Schools, which will likely need to make \$30 million in budget cuts for next school year.

Given these challenges, sufficient funding for facilities expansion is vital to PFA's long-term success, and the program must address this need through both funding and administrative support. The scheduled tax rate increase will allow PFA to expand more quickly by creating spaces where preschoolers can learn.

### **Centering Equity**

PFA has been clear from the beginning that it intends to prioritize young learners from historically marginalized groups, and it has done just that: 22% of preschoolers in the current year have developmental delays or disabilities, while 89% are from families with incomes at or below the self-sufficiency standard.<sup>3</sup> PFA's external evaluation partner, Boston University's Center on the Ecology of Early Development (CEED), wrote in an evaluation that participants felt "their experiences and hard

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<sup>1</sup> <https://www.builduporegon.org/>

<sup>2</sup> <https://www.builduporegon.org/blog/multnomah-county-buildup-oregon-launch>

<sup>3</sup> [https://drive.google.com/file/d/1UaYArTl8iVFPMurjhJ7apoSIJ9z4E\\_zH/view](https://drive.google.com/file/d/1UaYArTl8iVFPMurjhJ7apoSIJ9z4E_zH/view)

questions were listened to and addressed.”<sup>1</sup> PFA is doing the essential work of truly centering the voices of affected communities.

Of the families who responded to a survey fielded by CEED, 92% indicated that they were satisfied with their experience; the reasons they cited included school climate, connections to home life, and teacher instruction around challenging the status quo. PFA plans to incorporate the areas where families said there was room for improvement by offering support to providers on how to strengthen the partnership between child-care centers and families.<sup>2</sup> Timely, comprehensive data from CEED will continually help PFA improve so that even more students from diverse backgrounds will benefit as the program scales. Implementing the tax increase will help PFA stay on schedule to provide services to all Multnomah County preschoolers by 2030, with a focus on culturally responsive services for historically excluded groups.

### **Coaching and Support for Providers**

PFA offers extra support to its pilot sites. This includes individualized coaching and professional development, as well as funding and business supports. In addition, the Pathways program is for providers who don’t yet meet the requirements to be a pilot site. As part of the program, providers receive the coaching and training they need to get ready to apply for PFA slots in the future. This thoughtful approach ensures that there will be a pipeline of new sites in coming years, and new providers are not simply left to sink or swim. But this hands-on approach requires funding; the scheduled tax increase is necessary to ensure that the training and support offered to new providers is not compromised.

### **Higher Wages for Educators**

To make early childhood education a more attractive, viable career choice, PFA is committed to paying higher wages than what most childcare workers in Oregon currently earn. For a single adult with no children, Multnomah County’s living wage is \$26.45/hour; in a household with two working adults supporting one child, each adult would need to earn approximately the same amount.<sup>3</sup> The Bureau of Labor Statistics reports, however, that the 75th percentile hourly wage of childcare workers in Oregon is \$18.64/hour.<sup>4</sup> That means three out of every four childcare workers makes a wage far short of what is necessary to live comfortably in Multnomah County. PFA seeks to address this major issue by implementing a minimum wage of \$20.91/hour for preschool assistants, while the target salary for a lead teacher is \$37.48/hour.<sup>5</sup> To ensure that PFA is not poaching educators who work with children ages 0-3, the program will also provide stabilization funds to sites that work with infants and toddlers. These numbers reflect a serious commitment to attracting and retaining talented professionals. The funds provided by the tax increase would meaningfully advance that effort.

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<sup>1</sup> [https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/CEED\\_Multnomah\\_Brief1\\_InterviewFindings\\_December2023\\_Final%20%281%29%20%281%29%20%281%29.pdf](https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/CEED_Multnomah_Brief1_InterviewFindings_December2023_Final%20%281%29%20%281%29%20%281%29.pdf)

<sup>2</sup> [https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/January%202024%20PFA%20Advisory%20Committee%20Meeting%20Notes\\_1.pdf](https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/January%202024%20PFA%20Advisory%20Committee%20Meeting%20Notes_1.pdf)

<sup>3</sup> <https://livingwage.mit.edu/counties/41051>

<sup>4</sup> Data downloaded from [https://www.bls.gov/oes/current/oes\\_or.htm#39-0000](https://www.bls.gov/oes/current/oes_or.htm#39-0000)

<sup>5</sup> [https://drive.google.com/file/d/1UaYArTl8iVFPMurjhJ7apoSIJ9z4E\\_zH/view](https://drive.google.com/file/d/1UaYArTl8iVFPMurjhJ7apoSIJ9z4E_zH/view)

## Long-Term Benefits

There is a long history of research regarding the benefits of preschool, which extend far into a child's educational journey. One study using preschool enrollment data in Boston found that preschool enrollment not only increased the likelihood of high school graduation and college enrollment, but also reduced behavioral issues and absenteeism.<sup>1</sup> Further, a meta-analysis published in the Annual Review of Public Health finds that there are particularly significant benefits for the most disadvantaged children, and that early childhood education "can also be a powerful instrument for the promotion of social equity."<sup>2</sup> Multnomah County's own website links to a variety of resources underscoring the profound benefits of preschool.<sup>3</sup> There is no question that investing in a quality preschool experience can have a tremendous impact.

## Conclusion and Recommendation

PFA is funded by a personal income tax on the highest income households. This has two important implications. The first is that a large majority of Multnomah County residents do not pay the tax (and will not be affected by the rate increase). The second is that this revenue source is subject to tremendous volatility from year to year. PFA has multiple strategies to insulate itself from that volatility, including holding reserve and contingency funds. County economist Jeff Renfro stated at the County Commission's work session on April 2 that their projected scenario included a recession in 2028, but projections do not currently factor in the possibility of a more severe downturn in the economy. While PFA significantly exceeded its projected revenue in its first year, there is no guarantee that will happen again. When Mr. Renfro spoke to the PFA Advisory Committee in January 2023, he made the following two points:

- "[O]ver the last twenty years, if this tax had existed, we would have had two years where the revenue dropped by 40% going from one year to the next."
- "[T]he challenge on our end is taking revenue that's going to be kind of chaotic and that's going to move around a lot, and then matching that to a program that's expected to be steady and consistent."<sup>4</sup>

For all of the reasons detailed above, the League of Women Voters of Portland urges the county to implement the 0.8% tax increase scheduled for 2026 as close to the original timeline as feasible. By no means should a delay last longer than one year. PFA benefits the children it serves, their parents, employers, child-care workers, and the Multnomah County economy. Please do not place its future success in jeopardy by forgoing the revenue needed to reach full implementation by 2030 and sustain the program into the future.

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<sup>1</sup> <https://news.mit.edu/2023/study-preschool-gives-big-boost-college-attendance-0208>

<sup>2</sup> <https://www.annualreviews.org/content/journals/10.1146/annurev-publhealth-071321-032337>

<sup>3</sup> <https://www.multco.us/preschool/benefits-preschool>

<sup>4</sup> <https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/January%202023%20PFA%20Advisory%20Committee%20Meeting%20Notes.pdf>