Room to Grow

An encouraging look into the design and funding of early childhood facilities in Oregon.

facility

1 a building, service, or piece of equipment provided for a particular purpose.

2 a natural ability to do something well and easily.
The Children's Institute envisions an Oregon where every child enters kindergarten ready to succeed in school and life. To realize this vision, the Institute promotes wise investments in early childhood.

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Why Not?

A message of need and possibility

By Swati Adarkar, Executive Director, Children’s Institute

NOT LONG AGO I TOURED A CHILD CARE CENTER IN OREGON where the director had been pouring her heart and soul into the job for 19 years. After nearly two decades, her salary was still below the poverty line. Child security gates separated classrooms. When we walked from one room to the next, children were sleeping spread out across the floor. It felt more like an orphanage than a place where children were expected to learn and thrive.

I wondered then, and I continue to question, why we don’t place a higher priority on young children, those who educate them and the environments that are critical to healthy development.

Why not?

I’ve been asking myself why not a lot lately. Why not start public funding for education at birth? Why not include funding for early childhood facilities in bond measures for elementary and secondary school buildings? Why not make sure that all children learn, grow and develop in spaces that are better than just adequate, barely adequate or not even adequate? Why not create spaces that help children thrive in every sense of the word?

Over the years, I’ve heard from many communities struggling to find space for early childhood programs. And we know that expanding Head Start and Early Head Start for all eligible children will require new facilities. Undoubtedly quantity of space is an issue, but the problem is about more than square footage; it’s also about the quality of the space.

To truly ensure a high-quality early education for our children, we must pay far greater attention to where and under what conditions our young children are learning. The spaces where children grow and learn are inexorably connected to a program’s quality, too.

Without ever acknowledging it publicly, we have established a long-standing pecking order for our public and private investments that has little bearing on their inherent value or return on investment for society. Currently, high-quality spaces for young children are a luxury available mostly to children from affluent families. Creating similar spaces for all children is not a shared goal.

Most early childhood program directors serving both low- and middle-income families face harsh realities trying to cobble together space for their

▶ Continues on page 19.
IN A DYNAMICALLY CHANGING WORLD, are we considering what education will look like in the coming decades and the impact this will have on our existing and future learning environments?

Futurists 20 years ago projected that the way we work, learn and socialize would be substantially different by the year 2010. That has come to pass. Many people looking forward are projecting that the next 20 years will be substantially different than today. It is a topic of conversation at the local, regional and national levels. Yet large segments of our student population are being left behind, unprepared for these coming changes. At the most basic level, this is represented in the test scores we are observing and the number of students who never complete high school. In this progressively changing world, many are asking, “Are the places where our students learn and teachers teach adequate?” Is there a relationship between how successful students are and the places where they go to school? Should we continue to design and construct learning environments as we always have? Are new models and systems emerging that we should consider?

The American schoolhouse as we know it will not soon change, but new models are emerging. They are different and in some cases unfamiliar to us. They focus on student learning, realigning community resources to address the needs of the whole child, and residing in unfamiliar or nontraditional facilities.

Facilities for the care and education of our youngest children are great places to envision the schoolhouse of the future. What we are starting to recognize about today’s students is most evident when we think about the youngest among them. Today’s students are kinetic, hands-on, multi-tasking, social, creative and curious. Considering these characteristics leads to a less formal, more adaptable and agile environment in which all spaces allow for multiple uses and capabilities. Merging decades of knowledge on the design of teaching spaces with emerging research on how students learn is resulting in environments best characterized as the “Learning Place”; a holistic environment that supports both the teacher and student.

This holistic approach to learning environments also leads to a new appreciation for schools as community hubs. There is an emerging recognition that in some cases the traditional single-use and single-site school is an obsolete and failing model. A new vision is emerging of multi-use and multi-located places for learning that integrate the community into the school and the school into the community — merging the neighborhood and the classroom. At the heart of this concept is the opportunity to provide space for other public activities that support learning, the whole child and greater sense of neighborhood.

The Gladstone Center for Children and Families offers a glimpse into this future. With educational research showing the importance...
of early childhood education, changing demographics in our communities requiring expanded programs and assistance for families, and emerging research showing that where our children learn is as important as what they learn, this new facility in Oregon seeks to bring together a community of children, families and providers in one facility designed to benefit all. The GCCF is a new educational facility typology — a small hub that serves as a center of the community and acts not only as a learning place for young children, but also provides services and programs for entire families.

The GCCF is located in a long-closed grocery store, bringing new life and purpose to a critical downtown building in Gladstone. Designed to house kindergarten, Head Start, Healthy Start and community center programs, the GCCF represents a new archetype for early education centers.

Light-filled, agile, purposeful in its physical arrangement, and fun in its character, one building houses numerous programs that benefit the entire Gladstone community. Through architectural design, the vision of a center that supports young children and their families was created. Spaces are intertwined to allow cross-pollination of ideas and programs. Careful attention to detail supports functional needs on a variety of levels. An old store has been given new life and purpose.

Through architectural design, these programs, which traditionally have been located in distinct, autonomous facilities separate from one another, are combined into one facility. By co-locating in an existing building, substantial money was saved. By forming partnerships and aligning programs, each organization in the GCCF spent less than if they had built individual facilities. By locating in downtown Gladstone, programs are easier to access and the newly remodeled facility contributes to the restoring of the urban core.

The GCCF started with a vision that through leadership and hard work grew into a program. Through architectural design, that program has become a home that focuses on the real needs of the Gladstone community. By focusing on how children learn, the facility responded with a variety of multi-functional spaces, creating of less formal, more adaptable learning environments in which all spaces support multiple uses and capabilities.

We know what we know. Therefore, the traditional school archetype we have duplicated for over a century will continue. But looking forward also requires us to suspend certainty and consider the next generation of schoolhouse, as they have done in Gladstone; one that supports community and contributes to increased learning, wherever it may reside, whatever it may look like.

John Weekes is a founding principal of Dull Olson Weekes Architects in Portland, Oregon and a member of the National Leadership Group of the American Institute of Architects Committee on Architecture for Education. He recently was the keynote speaker for the British Council of School Environments National Summit on Schools in London and the State of Montana’s Sustainability Summit in Helena.

In this progressively changing world, many are asking, “Are the places where our students learn and teachers teach adequate?” Is there a relationship between how successful students are and the places where they go to school? Should we continue to design and construct learning environments as we always have?

➤ Read more about the Gladstone Center for Children and Families on the next page.
CREATIVE ACTIVITY AND STIMULATING PLAY are as important to raising healthy children as food, shelter and attention from caring adults. But what’s the right combination? And how can they best be integrated into a seamless process that delivers good results?

In 2009, community leaders in the Clackamas County town of Gladstone demonstrated their bold commitment to answering these questions. Gladstone opened the doors to an early childhood development center that breaks down the barrier between prekindergarten programs and the K–12 education system.

Gladstone leaders saw an opportunity to put these elements together in one place. Four years earlier, the pending sale of the neighborhood supermarket opened a door to the new approach. The Danielson family’s decision to sell the supermarket emboldened town leaders to ask the question: What would be in the best interest of the community?

“When agencies can come together and private citizens come together, they can create a much greater vision that will better meet the needs of everyone,” said Gladstone School District Superintendent Bob Stewart. The site’s proximity to the elementary school made a natural link to early education and school readiness.

A public visioning process involving the Gladstone School Board, local parents, Head Start, community leaders and social service agencies focused its efforts on transforming the former Danielson Thriftway into a wonderland of childhood learning and creativity. The plan took shape with inspiration from the model of community partnerships that fortify the Rosa Parks Elementary School in North Portland.

As discussions about an early childhood center evolved, “We knew that this would be the gemstone,” said Ron Cook, Clackamas County Office for Children and Families. Devoting a central piece of property to children makes an important statement. It says “that we put kids first in Gladstone,” said Cook.

To be sure, none of this would have been possible without the generosity of the Danielson family. For better than 40 years, the Danielson family Thriftway was the town’s center.

“The school district, we knew, was outgrowing the buildings it had. And it was a natural to us to try to work something out with the school district to take over rather than selling to a third party,” said Craig Danielson. The family’s $800,000 donation to the school district effectively reduced the sale price of the property to an even $1 million. “It was a real positive to us that they could recycle the building,” said Danielson.

The Gladstone Center for Children and Families opened its doors in January 2009 with the collaboration of seven agencies in all: the Gladstone School District, the Clackamas County Children’s Commission, Head Start, Healthy Start of Clackamas County, Clackamas Community College, Oregon Department of Human Services, Clackamas Mental Health Organization and the Clackamas County Children’s Commission.

The partners were guided by four principles:

- Early educational experiences establish the foundation for all future learning.
- Young children learn best in environments designed especially for young children.
- To effectively serve young children, programs must also serve the parents of those children.
- Children and families are best served by collaborative models that enhance individual programs and services.
The facility is a light and airy spacious design of kid-friendly scale and a community-welcoming atmosphere. Floor-to-ceiling classroom windows let children see in as well as out of the prekindergarten and kindergarten classrooms that line the perimeter of the 30,000 square foot building. Administrative offices and shared teacher-support areas occupy the central core and are surrounded by open and flexible common spaces for dining, community events and expanded learning activities.

Making the project pencil out financially required cooperation. The school district, which owns the property, relocated its kindergarten class from the nearby elementary school. Head Start pays for the cook, and Clackamas County Education Service District pitches in for janitorial services. With support of the seven partners, only $26,500 came from the school district’s general fund in the center’s first year.

Having Head Start and kindergarten under the same roof, as well as the other services for young children and their families, makes more than economic sense. It provides continuity for parents and children, which has measurable links to positive educational outcomes.

In time, as more students enter school ready to learn, Gladstone School District looks forward to improved academic achievement.

A recent visit found parents taking active roles in the center’s daily operations.

Brian, whose 4-year-old daughter is in Head Start, is a frequent center volunteer. He has seen the benefits of Head Start in his own home. He said he sees a marked difference between his younger girl’s self-sufficiency and that of an older sister who didn’t have the benefit of Head Start at the same age.

To be sure, the economy has put a strain on all families in Oregon. Since 2008, the number of Oregon families receiving food stamps has increased from roughly 240,000 to 366,000. That’s among the reasons that services provided by the center are so critical to children’s well-being.

Fortunately, the center has room to grow and plans for more services. Family Stepping Stones, a nonprofit relief nursery, is expected to remodel some of the remaining space to provide parenting services and therapeutic services to children six weeks to three years of age.

A primary care medical clinic is scheduled to open in 2010. The clinic will serve children and parents. Clackamas County Public Health is contributing funding and coordinating with a variety of medical providers regarding the actual medical services.

The services offered by the Gladstone Center for Children and Families resonate with parents such as Michelle, who also volunteers at the Center.

She’s especially impressed with the good habits Head Start has engendered in her 5-year-old son, such as following instructions and volunteering to help at home. Recently separated from her husband, Michelle appreciates the center for its spirit of community support. “Parents help with car pooling and other family needs. It’s great, parents helping each other.”

“This is a center where the parents want to be here; the children want to be here. How many places can you say that about?”
Going Green

Eco-friendly and people-friendly buildings designed for children, parents and providers

**WALK INTO ONE** of Yamhill County’s Head Start centers in Newberg, Dayton or Sheridan, and you may find yourself lingering longer than expected. The light shining through the scores of windows awakens you to design elements and other features that call upon visitors to explore further. Explore you should, for the full story is only revealed when you see the facility at work.

Significant thought and expertise, blended with utter determination, form the back story of the eco-friendly Head Start centers in Yamhill County. The new buildings were designed using the latest in green building materials and age-old architectural patterns known to appeal to humans. More than 80 patterns from the book “A Pattern Language” by world renowned architect and creative genius Christopher Alexander were used in the Dayton building.

Head Start of Yamhill County did not always operate in these model conditions. The design for the Dayton facility, the first built of the three, began when classes were held in church basements, storefronts and makeshift buildings; when heavy rainfall would flood basements, when mold would grow on walls, when lighting was dim and children would bundle up to cut the chill. The dream of a new center started when staff, parents and program

**HOW DID HEAD START OF YAMHILL COUNTY PAY THE CONSTRUCTION COSTS FOR THREE NEW BUILDINGS?**

For every dollar raised locally through Friends of Head Start, Head Start of Yamhill County leveraged $8 to $10 in Community Development Block Grant funds, foundation grants and other sources outside Yamhill County.
Administrators recognized that there is a better way to care for and educate young children — a way that embraces children in positive learning environments.

Yamhill County Head Start director Michael Eichman has been the driving force behind the three eco-friendly buildings that serve more than 300 children and their families every year. The new one-story facilities are 3,500 to 4,000 square feet with two large child development areas, and six to eight smaller support rooms for kitchens and bathrooms, teacher work space and observation rooms for parents.

Head Start of Yamhill County has demonstrated that even financially strapped public programs, such as Head Start, can further their missions by building green. Besides being attractive and inviting, the new facilities enhance the learning process, improve physical health and reduce absenteeism for everyone involved. Children and providers alike report being ill less often, a change Eichman attributes to his focus on indoor air quality and use of nontoxic materials. Eichman has found that employees also feel better about their work at the new centers, and he has documented an overall reduction in employee absenteeism to back up his observation.

The new centers also have something for moms and dads. Parent involvement is a fundamental tenant of Head Start programs. Head Start of Yamhill County took this to heart by including specially designed parent rooms, complete with one-way glass for easy and unobtrusive observation of children.

What makes this story even more powerful is the cost analysis. The super-insulated, energy-efficient buildings cost slightly more than comparable traditionally constructed buildings would have cost, but the increase in construction costs was more than offset by lower operating costs in less than two years. According to Eichman, energy costs are 40 percent to 50 percent less in the new buildings. Eichman’s stance today: Don’t stop after just one. The work gets easier as expertise grows. Having built three green facilities since 1997, Eichman is now prepared to take on two new sites at once.

Q. How does the design of your facility facilitate learning?

A. Our facilities have an abundance of space, readily accessible storage for learning materials, and we never have a shortage of supplies. Teachers spend little time keeping children in holding patterns because they don’t have to wait for access to diapering stations, restrooms or playgrounds. With fewer distractions and less workarounds, teachers are able to focus their attention on the children and their families.

Q. What evidence is available to back up claims that learning environments matter for infants, toddlers and preschoolers?

The answer to this question and more of Marilyn Harrison’s interview can be found at www.childinst.org.
A Learning Environment
Peninsula Children’s Center’s innovative funding leads to renovation fit for a child

With five orders of nuns for low-interest, short-term loans. Still $40,000 short, individual board members guaranteed a $40,000 personal loan.

Eventually, after a few years of successful operation, a leading commercial bank and a community bank wrote conventional loans that allowed the center to pay off the short-term loans to the nuns. Then, in 2000, Peninsula refinanced its primary mortgage with a 15-year loan from the Low Income Housing Fund. (Low Income Housing Fund is now Low Income Investment Fund. See page 9 for more information about this funding source.) The new loan reduced monthly debt outlay by $500 per month. A grant from Portland Community Reinvestment Initiatives helped pay closing costs.

Still concerned about the burden of its monthly mortgage payment, Peninsula embarked on a campaign to pay off the remaining $500,000 owed on the building. Doing so would free up $50,000 annually in loan payments — money that would be better spent on building a top-notch staff of early care and education professionals. Buoyed by a $250,000 matching grant from the Bill & Melinda Gates Foundation, Peninsula hit the mark again and raised the matching funds from individual donors and foundations. In addition, to help Peninsula meet the Gates’ challenge, Portland Development Commission forgave the unpaid balance of its loan.

Why all the effort and expense? At Peninsula, the environment is an essential component of the learning process. “In order to have child-initiated learning, the child must interact with his or her environment. Teachers create the environment and facilitate the environment to help children learn,” said Deborah Murray, Peninsula’s executive director. Murray also believes that high-quality facilities set expectations for both teachers and children.
After 35 years in the field, Murray knows well-designed facilities help retain and support teachers, too. Peninsula offers comfortable spaces for teachers to take a breather. Included in the break room are couches, a kitchen and restrooms. Next door is a meeting room for teachers to collaborate, participate in trainings and meet with other professionals. Downstairs is a room for teachers to meet privately with parents and talk about their children’s experiences at the center.

Other features include a space designed specifically for the comfort and safety of infants, and Peninsula uses its large lot — a full city block — to encourage and facilitate outdoor learning and play. For Murray and her team, outdoor space is just another classroom.

Facility improvement is a continuous focus at Peninsula. Nearly two decades after opening its current facility, Peninsula continues to modify space to maximize learning. Peninsula analyzes each room to make sure that teachers have what they need at their fingertips so that the majority of their time is spent interacting with children. In 2005, Peninsula linked with the Oregon Environmental Council and became one of the first centers in the country to earn an “Eco-Healthy Child Care Certificate.” To qualify, Peninsula addressed many of the issues that come with old buildings, such as lead-based paint, asbestos and leaking roofs. Peninsula removed toxins, addressed mold issues and installed carpet safe for young children.

Today Peninsula provides high-quality care and education for 100 children through the age of 5 and after-school care for about 60 children up to the age of 12. Without the burden of a mortgage, Peninsula helps children thrive even in difficult economic times.

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**ECO-HEALTHY CHILD CARE**

Eco-Healthy Child Care, a program of the Oregon Environmental Council, creates healthier environments in and around child care facilities by educating child care providers on how to provide environmentally healthy settings and services, assisting in implementation of changes in practices and purchasing, and promoting endorsed facilities. The program is free and with private funding has been extended nationwide.

Learn more: [www.oecoline.org](http://www.oecoline.org)

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**LOW INCOME INVESTMENT FUND**

The Low Income Investment Fund (LIIF) is dedicated to creating pathways of opportunity for low-income people and communities. Serving the poorest of the poor, LIIF is a steward for capital invested in housing, child care, education and other community-building initiatives. In so doing, LIIF provides a bridge between private capital markets and low-income neighborhoods. For more information about the Low Income Investment Fund and its ABCD Initiative, see page 16.

Learn more: [www.liifund.org](http://www.liifund.org)
CO-LOCATING EARLY EDUCATION and child and family services in one building improves program quality, saves money and makes life a little easier for families. This is the underlying premise of Deschutes Children’s Foundation, and one it has been putting into practice in Central Oregon for nearly two decades.

Stemming from a series of community meetings in 1990, Deschutes Children’s Foundation was formed to build, maintain and operate campuses for other nonprofit organizations. The foundation provides rent-free facilities and no-cost property management for programs that directly serve children and families. This strategy puts limited program funding to its most efficient use by allowing program staff to do more of what they do best — provide critical services to children and families.

Deschutes Children’s Foundation manages four campuses located in Bend, La Pine and Redmond. These campuses are home to 41 human service programs (21 unduplicated programs) that hosted more than 75,000 client visits in 2009. The foundation also offers community meeting rooms to nonprofits and other organizations that serve children and families.

The campuses were designed to meet specific program needs. Program staff worked with architects to create spaces that would enhance specific program elements. The campuses were developed through collaborative processes, which remain at the core of the operation. To be located in one of the campuses, a nonprofit must apply and, if accepted, agree to participate in monthly collaboration meetings.

Early care and education services are a critical component of each campus, and the buildings are designed so that all early childhood services are clustered and apart from programs that serve older children. Neighbor Impact operates Head Start classrooms in three of the four campuses, and one site has an Early Head Start program. The 13,000-square-foot East Bend Campus, the newest of the four, includes a Head Start program, a home visitation program for all newborns in Deschutes County, a family relief nursery, a Big Brothers Big Sisters program, and other child- and family-oriented programs.

Outcomes

Close collaboration among the programs selected for campus residency fosters efficiency, increases effectiveness and improves access to programs for families. For practitioners serving related populations, walking across the hall to partner with other practitioners helps build trust, which leads to better collaboration. Close affiliation with staff of other nonprofits fosters frequent referral of clients.

Jan Eggleston, the foundation’s executive director for 15 years, believes it’s not necessarily a good idea for direct service organizations to own property; once they do, they must maintain it while also trying to run a program. Wearing both hats can be difficult on a shoestring budget.

Jan Eggleston, Executive Director, Deschutes Children’s Foundation (retired November 2009)

Financing

Deschutes Children’s Foundation relies solely on the support of individuals, businesses and other foundations for operating funds. The foundation receives no funding from federal, state or local governments. Its annual operating budget approaches $700,000.
Four Sites, Four Unique Stories

**The Rosie Bareis Community Campus (Bend, established 1990)** — DCF purchased an old church and a second building owned by the church, as well as some adjacent houses, with a bank loan co-signed by Deschutes County. The houses, which could not be brought to code, were demolished, and a third building and parking area were built in their place. Rotary clubs and other local donors helped finance the project. A fourth building is rented by DCF. The mortgage was paid off in 1998 (five years early) with monthly payments and proceeds from an annual charity event.

**La Pine Community Campus (La Pine, established 1995)** — The La Pine campus was built on school district property in a low-income, unincorporated area using a Community Development Block Grant. The Bend-La Pine School District owns the property, and DCF manages the campus in the same manner it manages its other campuses. The school district sees the campus as a means of fostering school readiness, academic achievement and good health. The facility sits adjacent to the public elementary, middle and high schools.

**Becky Johnson Community Center (Redmond, established 2000)** — A group of Redmond citizens tried for years to create a collaborative campus in their town. Eventually a Deschutes County commissioner initiated a public process to sell surplus county property, with the proceeds used to finance construction of the campus. Deschutes County contracted with DCF to design and operate the downtown Redmond campus.

**East Bend Campus (Bend, established 2009)** — Due to limited ability to expand services at the Rosie Bareis campus, the city of Bend donated to DCF five acres on the opposite side of town to develop a second Bend campus. After years of getting by with donated modular buildings, DCF launched a $4.1 million capital campaign that funded the construction of a 14,000-square-foot building at the East Bend campus and an addition at the Rose Bareis campus. DCF financed the project with individual and corporate donations, foundation grants, in-kind contributions, and a $700,000 SNAP bond from the Oregon Facilities Authority. (See page 15 for more about the low-interest loans from the Oregon Facilities Authority.)
Ready for a Capital Campaign?

Advice from a fundraising consultant

By Jeri Alcock, certified fundraising consultant

YOU KNOW QUALITY when you see it, and you know that a well-designed facility is an integral component of a high-quality early childhood program. You want it, and young children need and deserve it.

How do you make it happen? Chances are you won’t get far without a successful capital campaign. But can you pull one off? Will funders who have invested in your programming be as eager to invest in a capital project? Can you attract new funders? The answer is … it depends.

It depends on your leadership

Capital requests are scrutinized much more thoroughly than requests for operating funds. Unquestionably, potential funders will want to test the ability of your organization’s leadership, both board and staff, to carry out the plan. You will be evaluated twice: once on the merits of the project and again on the ability of the organization to lead the campaign.

Here are some common questions funders ask:

■ Why is this effort critical at this time?
■ What makes your organization’s leadership outstanding?
■ How does your strategic direction inform this effort?
■ How have you prepared for this effort?
■ What will happen in the community if this facility is not built?
■ What challenges do you anticipate and how will you overcome them?
■ What will you do if fundraising falls short of your goal?

It depends on your planning

A feasibility study will determine how much you can reasonably expect to raise so that your project’s scope fits within the reality of your fundraising ability and your community’s ability and willingness to contribute to the project. Think you can’t afford a campaign feasibility study? In today’s economy, you can’t afford to proceed without one.

When done properly, a feasibility study will test your case for financial support, reveal likely sources of revenue and inform decisions along the way. Simply put, a good feasibility study will provide the information you need to succeed.

It depends on your fundraising skills

Capital fundraising is all about timing. The right actions, carried out at the right time, can prevent costly problems. Once you break ground, you will be committed to building the facility whether or not your fundraising is successful, and once the building is done, so are your fundraising opportunities. If your organization is not skilled in fundraising, consider retaining professional council. A small investment up front can pay for itself in additional revenue generated or costs saved later in the campaign.

Successful fundraising campaigns share common qualities:

■ The need for the facility is well researched and clearly stated.
■ The fundraising goal is realistic for the organization, project and community.
■ Sources of revenue are diverse and not overly reliant on foundation support.
Capital campaigns by their very nature are transformative. You will be asking your community to take a leap of faith with you and to envision what could be.

- Long-term financing scenarios are well thought out and contingencies are built in.
- A thorough feasibility study informs the scope of the project and the fundraising strategy.
- Board members lead by example, contributing to the cause and inspiring others to give.
- Adequate time and money are allocated to fundraising activities.

Capital campaigns by their very nature are transformative. You will be asking your community to take a leap of faith with you and to envision what could be. Staff should allow plenty of time to prepare the organization’s leadership team and to complete the planning that is necessary for success. Finally, go forward and build the early childhood center you envision knowing that the well-being of our children and the prosperity of our state depend on it.

Jeri Alcock is a certified fundraising executive and founder of Hillsboro-based On Course Consulting. She works with organizations of all sizes to improve their fundraising return on investment and integrate their programming, development and advocacy efforts.

A VOICE FOR QUALITY
Will Parnell, Ed.D.
Assistant Professor, Graduate School of Education
Pedagogical Director, Helen Gordon Child Development Center
Portland State University

Q. How does the design of your facility facilitate learning?

A. Aesthetic qualities, those features in the environment that are perceived through the senses, play an important role in learning spaces. Attention given to lighting, color, textures, sounds, items from nature, and children’s representative work is critical, because these features touch the senses and ignite wonder and intrigue. Yet aesthetic qualities alone are not enough; rather, it is human relationships in harmony with the aesthetic qualities that make the difference. There are many beautiful spaces filled with aesthetic appeal that still feel cold and empty, they are lacking the relationship factor. Aesthetic qualities woven with experiential relationships create a powerful, magnetic force activated within the learning environment — a fluidization.

Q. Make your best case for why Oregon should do more to increase access to high-quality early care and education programs. How can this be achieved?

The answer to this question and more of Dr. Parnell’s interview can be found at www.childinst.org.

Best friends enjoy each other’s company in Peninsula Children’s Center’s outdoor play area.
Finding a Way
Widely available and often overlooked funding sources

Community Development Block Grants

Community Development Block Grant funds are the core of the U.S. Department of Housing and Urban Development’s (HUD) community and economic development programs. The CDBG program provides communities with resources to address a wide range of community development needs. The program provides annual grants on a formula basis to state and local units of government.

In Oregon, CDBG funds are provided to nine cities and counties and the state of Oregon to combat poverty. Construction of early childhood facilities is an eligible use of CBDG funds. These federal funds can be distributed as grants or as low- to no-interest loans. In some communities, competition for these funds can be intense, while other communities struggle to use them at all. Most CDBG programs favor one-time projects and tend to be responsive to current public priorities.

Block grant funds have strict limits on the percentage that can be used to fund services and, as a result, they are almost never available for operations. This is good news for those in need of facility funding.

Tax Increment Financing or Urban Renewal Funds

Tax increment financing is a mechanism by which cities, counties, housing authorities or other entities appointed by the governing body of a city or county fund “bricks and mortar” development by borrowing against the future tax revenue created by the project. While nonprofit organizations are exempt from paying property taxes, and therefore may not appear to be a good match, there are several good strategies for using TIF to develop early childhood facilities.

First, for-profit developers often compete fiercely for TIF allocations, and some of these developers welcome partnerships with organizations whose work aligns with public priorities. Developers are required to create commercial spaces in designated urban renewal areas — areas that almost by definition struggle to support commercial development. In such circumstances, developers are often eager to incorporate a nonprofit partner, such as a child care center, to win the support of the urban renewal agency. Secondly, urban renewal agencies often divert a portion of TIF funds to social uses as a way of broadening their impact and building community support. Early learning facilities have broad appeal and can be used to strengthen the case for an urban renewal project.

Program-Related Investments

Program-related investments (PRIs) are investments made by foundations to support charitable activities that involve the potential return of capital within an established time frame. Most PRIs are low-interest loans, but they may be in the form of other financing methods commonly associated with banks or other private investors, such as loan guarantees, credit lines, equity investments and even the purchase of buildings or other real estate. Among their many uses, PRIs support community development by providing low-cost loans to fund affordable housing and other facilities serving charitable purposes, such as child care centers and health clinics.

Because PRIs are investments intended to be repaid, recipients should have a track record of solid financial management, a strong repayment strategy from predictable sources and a contingency plan should the recipient face challenges in meeting repayment objectives. One example would be a real estate project in which rent payments generate a predictable income stream. Another real estate example is a capital campaign in which pledge payments are received.
over time. Loss reserves, real estate, endowment or receivables can provide additional security and alternative repayment sources. PRIs are also used for purposes other than real estate, such as bridge funding for projects funded by government reimbursements.

All kinds of foundations make PRIs, including private, family, corporate and community foundations, both large and small. Some foundations have dedicated PRI staff, but many invest through intermediaries or rely on third parties to handle administrative work. Some of the country’s largest philanthropic foundations use PRIs as a way to finance facilities with low- or no-interest loans or recoverable grants (an agreement in which the grantee agrees to repay a grant if financially successful). Foundations sometimes pair PRIs with grants to ensure their investments are successful.

In Oregon, Meyer Memorial Trust has an active PRI program. Nationally, Annie E. Casey, F.B. Heron, Ford, Gates, MacArthur, and Packard foundations, among others, have well-established PRI programs.

SNAP (Small Nonprofit Accelerated Program) Bonds

Nonprofit organizations in Oregon can access the tax-exempt bond market and take advantage of low interest rates in much the same way municipalities issue bonds to finance public projects — with just one difference. Nonprofits can’t issue bonds directly. Instead, they must be issued through a government entity. In Oregon, that entity is the Oregon Facilities Authority, a program of the State Treasurer.

The Oregon Facilities Authority facilitates the issuance of tax-exempt conduit revenue bonds for nonprofits throughout Oregon. If a 501(c)(3) organization doing business in Oregon wants to build, purchase, construct, remodel or otherwise acquire facilities to be used in its tax-exempt mission, it may benefit from the issuance of tax-exempt bonds at low interest rates. OFA bonds can also be used to refinance existing debt that was used to acquire facilities.

OFA issues the tax-exempt bonds and the proceeds are then loaned to the borrowing nonprofit. The bonds are called “conduit” bonds because OFA acts as a conduit between the borrower (the nonprofit) and the people or institutions that buy the bond. The interest paid to the purchasers of the bonds is tax-exempt, so the interest rate paid by the borrowing nonprofit is lower than for a traditional loan.

For relatively straightforward real estate loans, a nonprofit might use a SNAP (Small Nonprofit Accelerated Program) bond. A SNAP bond transaction uses standardized bond documents and a streamlined approach, which significantly reduces fees. From the nonprofit’s point of view, the transaction looks and feels like a standard commercial real estate loan, except that the interest rate is lower and the process of approval is different.

SNAP Bonds are not suitable for complicated transactions. OFA offers a traditional bond program for more complex transactions involving placement agents, underwriters, or the need for specialized bond documents.

Federal Low-Income Housing Tax Credits

Many Head Start and child care facilities are part of affordable housing projects, some of which are funded by federal low-income housing tax credits. These facilities can be incorporated into community centers or can be included in commercial space in a mixed-use development. Such facilities are an eligible use of tax credit equity, and in some cases that equity allows for free rent when the cost is embedded into the larger financing package. These federal tax credits are controlled and disbursed by the state of Oregon.
As Simple as A-B-C-D
A California nonprofit puts the pieces together

CONSTRUCTING OR RENOVATING early childhood facilities is not as simple as A-B-C, but an organization in California has shown that it can be as simple as A-B-C-D. The hurdles that must be overcome to build a facility are numerous. From financing to development expertise and from navigating permitting processes to overcoming zoning and licensing obstacles, early childhood programs that want to renovate existing structures or build new facilities face scores of challenges. Programs directors often don’t know where to turn for support or how to put together the team they need to reach the finish line. Without proper financing, strong technical assistance, effective community partnerships and favorable local and state policies, getting from the dream of a good place for children to opening day is almost impossible.

California’s Affordable Buildings for Children’s Development (ABCD) Initiative, seed funded by the David and Lucile Packard Foundation and staffed by the Low Income Investment Fund, a community development finance institution, puts all the pieces together:

- The ABCD Fund provides planning grants to developers of child care facilities, as well as loans to projects once they are underway. In addition to direct loans, ABCD also helps projects find financing and navigate the lending process. In fiscal year 2006-07, ABCD provided six planning grants supporting 1,356 new child care spaces and closed seven loans totaling more than $6 million.

- ABCD Development Assistance helps attract and support developers to work on child care projects. ABCD also hosts summits for lenders interested in financing child care, hosting in one year alone seven such events with more than 63 financial institutions participating.

- Through Constructing Connections, now operating in 11 California counties, ABCD also helps develop local capacity and local partnerships. Constructing Connections partnerships bring together child care providers, developers, small business leaders, educators, children’s advocates and other

Since its inception in 2003, ABCD has contributed to the development of 12,600 new child care spaces and has leveraged $18.5 million in investments into $86.4 million in financing. But even more important may be the new capacity it has helped develop in communities to plan, finance and build child care facilities for the future.
A VOICE FOR QUALITY

Gillian Brune
Director
Mentor Graphics Child Development Center

Q. How does the design of your facility facilitate learning?

A. First and foremost I think the facility was designed with the idea of promoting sound teaching practices by being flexible with space, encouraging lots of flow-through space for teacher-to-teacher and child-to-child encounters, taking advantage of the natural world and designing spaces for the learning community to be together and also paying attention to spaces where children can be alone or in small groups. Nothing can compare to the great outdoor space we have. We not only have a large yard, but also a forested nature loop and a soccer field. This space allows so much room for children’s spontaneous play and ongoing investigations of the world around them. The outdoor environment is loved by children, teachers and parents alike. Equally important is the center’s location in the larger community — close to parents’ work, close to opportunities for learning, such as the library, city parks and a grocery store.

Q. What is your understanding of the situation in Oregon when it comes to access to high-quality early education programs?

The answer to this question and more of Gillian Brune’s interview can be found at www.childinst.org.

stakeholders to increase local investments in child care facilities, build community support and improve regulatory environments.

ABCD has also convened the Children’s Facilities Policy Committee to advocate at a state level for laws and policies that facilitate the development of high-quality child care facilities.

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Well-designed early learning spaces facilitate effective interactions between children and teachers.
Keep an Eye on Illinois
State-funded early childhood capital grants

IN OREGON AND ILLINOIS demand for early care and education facilities, particularly high-quality facilities, outstrips availability. As we consider how to address this shortage in Oregon, Illinois is one state to watch.

Illinois has long been a leader in the improvement and expansion of early learning opportunities. By investing in high-quality early childhood programs, teacher training, program evaluation and other measures of accountability, Illinois has become a hotbed of pioneering research and scholarship, policy advocacy and implementation of early childhood best practices. In 2006, Illinois became the first state in the nation to commit to providing voluntary access to preschool for all 3- and 4-year-olds while expanding programs to serve at-risk infants and toddlers. With Oregon Head Start Prekindergarten, Oregon is on the same track, but we have a ways to go before serving all eligible children.

In spite of Illinois’ many pioneering efforts, it had never before provided dedicated funding to repair crumbling early childhood facilities or build new classrooms. This changed in 2009, when early childhood advocates proposed and eventually secured $45 million in state capital investments for fiscal year 2010. Illinois’ 2009 capital plan created one of the nation’s first dedicated capital grants for early childhood programs.

High-quality early learning environments are rich with opportunities to explore and create.

Illinois’ 2009 capital plan created one of the nation’s first dedicated capital grants for early childhood programs. While unresolved issues have delayed the rollout of the capital plan, early childhood construction grants represent a major landmark in the development of Illinois’ early childhood system and an unprecedented opportunity to expand and improve facilities in growing communities. When the program is up and running, eligible early childhood organizations will be able to apply for new construction, renovation or facility-improvement grants.

Nobody knows how this new allocation will play out in Illinois, which is all the more reason Oregon should keep one eye on the Prairie State while continuing to expand early learning opportunities at home.
Why Not?
A message of need and possibility

programs. First, there just aren’t enough affordable spaces. Second, the spaces that are affordable are often in older buildings with mold, asbestos, lead or some combination of hazards. Rarely is there a line item in the program’s budget to address these costly problems, yet they must be resolved before children occupy the building in order to avoid negative health consequences, particularly at a critical time of brain development.

In Oregon, we have a handful of exemplary facilities serving children from low-income families. The new Gladstone Center for Children and Families comes to mind, as do the McCormack-Matthews Center in North Portland and the Head Start centers in Yamhill County. We also have terrific examples of employer-based facilities at Nike, Mentor Graphics and Portland State University. But these are the exception, not the rule.

There is a growing choir, in Oregon and nationally, making the case for increasing investments in early education. But the conversations have been too narrowly focused on enrolling more children in more programs, and we’ve overlooked an important issue connected to ensuring program quality: creating high-quality, developmentally appropriate facilities. Our vision for early childhood education must stretch beyond thinking purely about programs themselves to include the relationship between programs and the environments in which they operate.

A few trailblazers in Oregon did what most only dream of accomplishing. They developed high-quality early learning facilities that radiate the love and warmth that support healthy development of young children. With this publication, we honor their vision and tenacity. But perhaps more importantly, we share their stories to illustrate what is possible here and now, and why it’s so important for more of us to be part of the solution.

To get the job done for all Oregon children, many more of us must raise our voices, open our pocketbooks, and lift our shovels to build the facilities — and the futures — that our children deserve. Start by contacting the Children’s Institute to request a personal tour of a high-quality center, and then ask yourself: Why not ensure every neighborhood has a safe place designed for young children to learn and thrive?

TELL US YOUR STORY
Tell us what you want. Tell us what you have. Share your expertise. Share your needs. We’ll make the connections.

www.childinst.org
Click on Your Stories

DIG DEEPER
The Children’s Institute has compiled more resources for your use.

www.childinst.org
Click on Resource Center

TAKE A TOUR
See for yourself how a well-designed facility influences early childhood experiences.

Contact the Children’s Institute to request a tour.

info@childinst.org
503.219.9034

Our vision for early childhood education must stretch beyond thinking purely about programs themselves to include the relationship between programs and the environments in which they operate.
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Imagine an Oregon where every child enters kindergarten ready to succeed in school and life.

We’re making it happen.

- Funding for Oregon Head Start Prekindergarten & Early Head Start
- Reforming Oregon’s kindergarten readiness survey
- Attention to social and emotional health
- Innovation in facilities design and funding
- Quality improvements in child care
- Linking early childhood with K-12