

# Meeting Oregon's Semiconductor Workforce Child Care Needs

The Federal CHIPS Act provides Oregon CHIP manufacturers millions of dollars in subsidies to build the infrastructure they need to grow this sector. These investments are expected to create 10,000 new jobs and estimated \$500 million in state and local tax revenues over a five-year period. This creates new demand for child care to support this workforce, however Oregon's child care supply is far from meeting current workforce demands. This is why the CHIPS Act requires applicants to provide child care access and supply plans as part of their applications. While some businesses may be able meet part of this requirement, none are poised to meet all the federal demands. Leveraging existing state child care systems will ensure CHIPS applicants will meet application requirements.

## CURRENT STATE OF CHILD CARE IN OREGON

Like roads and bridges, child care is part of our state's essential infrastructure. But Oregon is far from meeting the supply that our workforce and employers demand.

- Every two years, the State of Oregon commissions a report of statewide child care supply. The Oregon State University study found **35 out of 36** Oregon counties are child care deserts for infants and toddlers. **34 out of 36** Oregon counties have shortages of child care for preschoolers as well.
- Oregon employers name housing and child care as the top two out-of-sector barriers to meeting workforce needs.

## BARRIERS TO MEETING WORKFORCE DEMANDS

US Chamber of Commerce report documents lack of child care as a barrier to recruit and retain skilled workforce.

- 62% of people who leave the workforce name child care as a factor.
- Turnover as a result of lack of child care costs businesses 20% of an hourly employees' salary and up to 150% of a manager's salary.
- When employees have stable access to child care, employee absences can decrease by 30% and job turnover can decline by 60%.

## CHIPS Requirements for Child Care Component of Submission



- CHIPS Applicants applying for **over \$150 million** are **required** to provide a child care plan to **both facility and construction workers**.
- Applicants that request **less than \$150 million** are **strongly encouraged** to provide access to child care.
- When applying, applicants should review **US Department of Commerce guidance for the CHIPS Act**. Highlights:
  - "Applicants for CHIPS funding will be asked to take action to conduct outreach to and retain **women in construction** jobs because the United States cannot build the semiconductor workforce it needs without them."

## US Department of Commerce guidance for the CHIPS Act (highlights continued):

- Applicants for funding should **submit a plan to provide access to child care** that is 1) Affordable, accessible, reliable, and high quality, 2) within reach for low- and medium-income households, 3) be located at a convenient location with hours that meet workers' needs, grant workers confidence that they will not need to miss work for unexpected child care issues, and 4) provide a safe and healthy environment that families can trust.
- The CHIPS Program Office **expects applicants to devise solutions** that are responsive to their workers' needs, such as providing access at **extended hours** and addressing both **supply and demand** constraints in their communities.
- The CHIPS Program Office encourages applicants to craft access to child care plans **in tandem with community stakeholders**, including state and local governments and local groups with expertise administering child care.

**Challenges for CHIPS applicants could be met by leveraging state existing systems.** Here are three ways CHIPS grantees could utilize existing state systems to meet CHIPS child care requirements,

1. **Expand Apprenticeship Related Child Care Program (ARCC) to cover all building trades.** Currently limited to those working on highways, this state program could be expanded to cover building trades related to CHIPS construction, meeting the "women in construction" requirement.
2. **Targeted funding to Child Care Capacity Building Grants** (housed at Seeding Justice Foundation) to provide grants to child care providers in CHIPS manufacturing areas to expand child care slots for construction and facility workers. This would advance the supply & demand requirement.
3. **Create a CHIPS Child Care Subsidy fund** with the State Treasurer to use existing child care subsidy payment systems providing child care subsidies to CHIPS facilities workers.

### CHIPS CHILD CARE REQUIREMENTS

1. Affordable, accessible, reliable, and high quality
2. Conveniently located, hours that meet workers' needs
3. Environment families can trust
4. Addresses supply and demand
5. Works with stakeholders including state and local governments

**By using existing state systems, we avoid these challenges for individual employers:**

- ✓ Establishing Onsite Child Care requires time to stand up, ongoing operating challenges, and doesn't allow for parent choice
- ✓ Child Care assistance payments require either internal infrastructure to pay providers directly or payment to workers result in increased tax burdens
- ✓ Contracting with existing child care providers to "reserve slots" reduces supply for other workforces
- ✓ No options meet all federal child care requirements in CHIPS

**Using existing systems, we meet all CHIPS child care requirements for individual employers:**

- ✓ Screens for quality + pays providers directly
- ✓ Allows family to choose provider
- ✓ Quickly "stand up" for CHIPS child care subsidy because infrastructure already exists
- ✓ Can target supply building to specific geographic areas receiving CHIPS grants
- ✓ Can build supply during the hours most needed by CHIPS construction and facility workers
- ✓ New "slots" reserved for CHIPS workforce will not displace child care for existing workers
- ✓ Meets all federal child care requirements in CHIPS

**These resources are already available to Oregonians for child care access and supply needs. The following resources in Oregon's child care system can support CHIPS Act applicants to meet some of the child care requirements for both facility and construction workforce.**

- Oregon's **Employment Related Day Care Program (ERDC)** helps families who are working, in school, and other activities to pay for child care. Eligible families earn less than 200% federal poverty level (\$5,000 per month for a family of 4 with all available parents engaged in eligible activities, i.e. work). However this program is slated to close to new applications after November 3, 2023, and is limited to very low-income families.
- Since 1987, Federal and state funds have supported regional **Child Care Resource & Referral agencies** across Oregon. Their job is to recruit new and provide support for existing child care programs. They can partner with CHIPS Act applicants to identify child care partners in your region. Find your region here.
- 211 is available to provide child care referrals to families in Oregon.
- While not targeted at CHIPS worker child care supply, the **2022 Oregon Legislature** invests \$39.3 million to increase the capacity of child care. Funds went to:
  - Euvalcree in Eastern Oregon to open a child care center and training program in Malheur County that can grow regional capacity and serve as a model to others,
  - AFSCME to increase the number and capacity of home-based child care providers statewide,
  - NeighborImpact Child Care Resource & Referral in Central Oregon to increase local child care capacity by 1400+ slots regionally and train other community organizations, and
  - Seeding Justice Child Care Capacity Building Fund to provide grants to community organizations to expand child care and directly to providers who are ready to launch and grow.
- In 2023, the Oregon Legislature created the **Child Care Infrastructure Fund** at Business Oregon. The first \$25 million in funds for child care facilities will be available in 2024, and a second \$25 million will be available in 2025. This funding can support the renovation, expansion, or construction of child care facilities that expand care capacity in Oregon.

**National Child Care partners** have created a toolkit for CHIPS applicants to address the child care component of your application. The toolkit provides a suggested step-by-step process for CHIPS Applicants to meet the Federal requirements for child care in CHIPS and ensure a competitive application.

**Child Care for Every Family CHIPS Toolkit:**  
[https://childcareforeveryfamily.org/wp-content/uploads/2023/06/CCEFN\\_FULL-TOOLKIT\\_CHIPS.pdf](https://childcareforeveryfamily.org/wp-content/uploads/2023/06/CCEFN_FULL-TOOLKIT_CHIPS.pdf)

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