

# Preschool For All TAG and PAG Combined Final Report



**SOUND&VISION** **Interplay**

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# Acknowledgments

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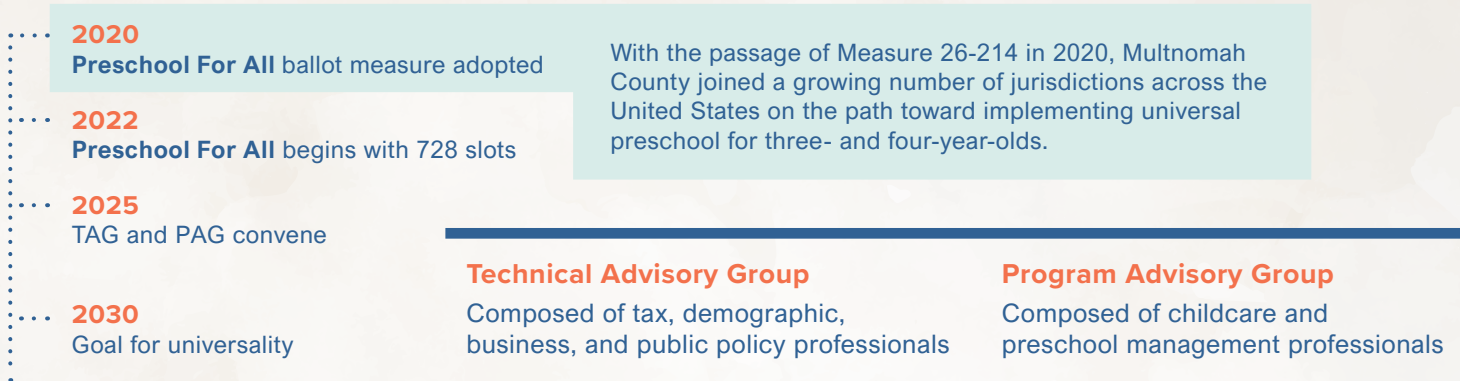
# Executive Summary

## Purpose and Charge of the Advisory Groups

In 2025, the Multnomah County Board of Commissioners tasked a Technical Advisory Group (TAG) with determining the financial sustainability of the Preschool For All (PFA) program. As required by 2020 ballot language, the TAG was also charged with providing a technical recommendation on whether or not a 2026 tax increase is necessary to fully fund the program. To advise the TAG on how changes in revenue could affect the program’s services and to identify the factors that most influence program costs, the County Chair’s office also established a Program Advisory Group (PAG).

**Throughout this project, the TAG and the PAG convened to discuss and review the findings from financial scenario modeling completed by ECONorthwest.**

This report summarizes that work and presents the TAG’s and PAG’s final recommendations. It is intended to provide the Multnomah County Board of County Commissioners with data-informed recommendations and the tools necessary to deliver a sustainable universal preschool program.



As of early 2026, Multnomah County’s Preschool For All serves 3,800 children, and by 2030, the County plans to offer preschool to every local family that seeks it.

# Findings from the Financial Scenario Analysis

The tax mechanism scenario analysis, summarized in this report, provides a structured basis for Board deliberation and subsequent policy decisions.

The analysis shows how outcomes vary across economic conditions, tax policies, and timing of economic shocks, and it equips policymakers with data to make informed choices about risk tolerance, reserve policies, and the need for periodic course correction.

No long-term revenue forecast can hold precisely over a 20-year horizon, particularly for an income tax with exposure to capital gains volatility. Rather than attempting to eliminate uncertainty, the scenario modeling approach was designed to surface it explicitly. In this context, the TAG's role is analogous to that of a legislative revenue committee: to identify a preferred, evidence-based path while articulating a range of plausible outcomes and how changes to base assumptions might impact those outcomes.

Across all tax mechanisms the TAG explored, the following findings emerged:

## » Financial Sustainability

PFA's tax structure, as currently designed, is likely to be financially sustainable in nearly every case examined over the 20-year time frame, provided that Oregon avoids a recession comparable to the 2008 Global Financial Crisis.

## » Cost Growth Challenges

Despite PFA's likely solvency, cost growth challenges could complicate or undermine these forecasts in the long term, emphasizing why a detailed cost study is an important next step.

These findings led the TAG to recommend only minimal changes to the underlying tax structure funding Preschool For All.

## Definitions

### Tax Mechanisms

Potential changes to the PFA tax structure, such as adjusting the rate, indexing income thresholds to inflation, or creating tax credits.

### Scenarios

Different sets of assumptions about revenues, costs, and participation that the TAG used to test how the program's finances could change under various economic conditions.

### Financial Sustainability

The program's ability to operate long term with sufficient revenue to maintain services without unexpected tax increases or reductions in the number of children served.

### Universality

The point at which PFA can offer a preschool slot to every 3- and 4-year-old living in Multnomah County.

### Financial Model

A tool developed by ECONorthwest, built upon the County's existing budget framework, that integrates projected tax revenues and program costs to estimate PFA's fund balance over time.

# Technical Advisory Group Recommendations

**At the conclusion of this process, a majority of TAG members recommended that the Board of County Commissioners make the following changes to PFA by 2030.**

These recommendations provide the County with latitude to refine the program as it scales while maintaining as much revenue stability in the near future as possible. It's important to reiterate that a recession-driven revenue downturn could limit the program's flexibility.

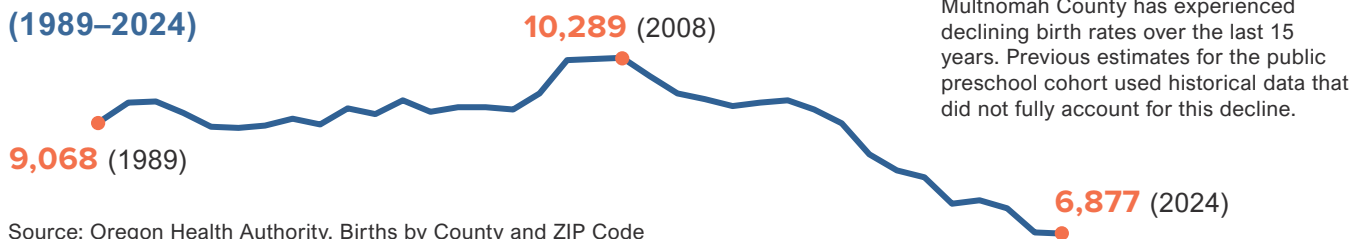
## » Commission a Preschool Cost Study

A preschool cost study would provide additional information needed to understand the true costs of delivering preschool services (rather than relying on national market studies). This would give the Preschool For All Advisory Committee additional information to help it inform the Board of Commissioners' budget process. This work is currently underway, and many TAG and PAG members have suggested that it is a prerequisite for future policy and budget work. Data from the cost study could lead to resetting the baseline seat cost, understanding inclusion cost drivers, differentiating provider types, and establishing a transparent methodology for annual updates.

## » Commission a Demographic Forecasting Model

A demographic forecasting model would be designed to monitor the pipeline of future preschool-age children and inform potential cost implications. Previous population forecasts estimated high birth rates which corresponded to 13,700 student participants in public preschool in 2030. At this participation level, the program was anticipated to face pressure on its financial solvency without revenue increases. However, analysis completed for the TAG in Fall 2025 shows that actual births and population trends mean the County should instead plan for around 9,800 children participating in public preschool programs by 2030. TAG members observed that this lower population estimate makes the program more sustainable. Still, they also noted that several dynamics outlined in this report could change the number of children served by Preschool For All and put more pressure on its finances. TAG and PAG members expressed concerns that the revised population forecast was too low and encouraged Multnomah County to conduct further analysis. The per-seat cost and the total population of children served are the two largest cost drivers of the program.

### Multnomah County Births (1989–2024)

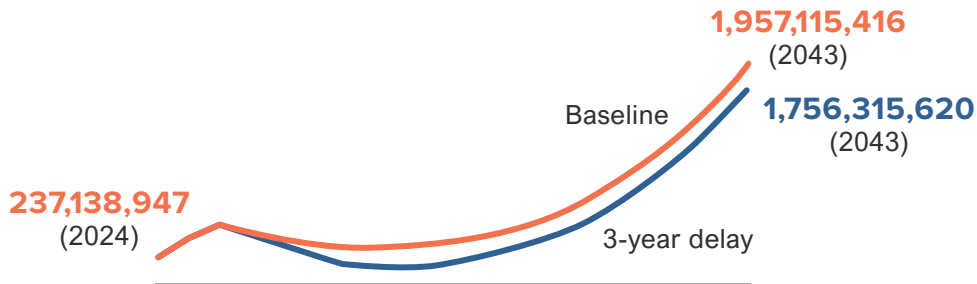


Source: Oregon Health Authority, Births by County and ZIP Code

## » Delay the Scheduled Tax Increase Until 2029

The TAG recommends delaying the scheduled 0.8 percent tax increase until 2029, then revisiting the utility of an escalation at that time.

### Fund Balance Comparison: Existing Tax Structure vs. 3-Year Delay of Tax Increase (2024–2043)



Source: EConorthwest analysis

## » Establish a Rainy Day Fund

A rainy day fund is a dedicated reserve built up during stable revenue periods and used to maintain services when revenues decline due to economic downturns or other external shocks. The County should establish guidelines for how the rainy day fund would be funded, maintained, and used so PFA can remain stable during economic downturns.

## » Stay Focused on Universality

Beyond these near-term actions, the TAG stressed that achieving universality will provide needed data on participation, costs, and revenues to guide long-term decisions. TAG members generally agreed that making significant tax changes before better understanding these uncertainties risked the sustainability of the program.

The basis of the TAG’s recommendations are to improve resilience to volatility, clarify data used for decision-making, and strengthen long-term governance despite uncertainty.

## Policy Options Discussed but Not Recommended for Advancement

### TAG discussed three more proposals from the Board of County Commissioners.

- ◆ **Index thresholds** for the tax based on inflation, in alignment with Metro’s indexing policy regarding tax thresholds for the Supportive Housing Services tax.
- ◆ **Establish a nonrefundable credit** of up to \$5,000 for taxpayers who cannot access Preschool For All because they reside outside of Multnomah County (or paid the tax in Multnomah County but could not secure a slot).
- ◆ **Develop cost-sharing for 10-hour-day preschool**, provided to families above the self-sufficiency standard (400 percent federal poverty level).

While these changes would have a limited impact on program revenues over the next two years, the TAG recommends that the County Commission not advance them at this time considering the uncertain size of the population the program will serve at universality and the potential for per-seat costs to change in the future. These uncertainties can be addressed if the Commission moves forward with the recommended cost study and demographic forecast modeling.

### TAG Member Perspectives and Remaining Uncertainty

- ◆ Some TAG members expressed concern that delaying the 0.8 percent tax increase scheduled for 2027, before the program reached universality, risked its solvency in the case of a recession.
- ◆ Other TAG members felt that the County Commission should consider options to lower the program’s cost to further reduce the tax burden.
- ◆ Others felt that the County should wait until 2030 to make any changes to the tax.
- ◆ TAG members agreed that the program’s participation rate will be an important cost driver. Many felt the County’s 77.5 percent rate assumption was a good starting point, but others felt it was too low.<sup>1</sup>
- ◆ Because it is difficult to predict the effect the program will have on the retention of families with young children in Multnomah County or on the attraction of families with young children to the county, TAG members urged Multnomah County to consider such potential impacts when making long-term plans.

<sup>1</sup> Compared to participation rates reported by a universal preschool program in Washington, D.C. <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/OSSE%20Annual%20Pre-K%20Report%202024.pdf>

# Program Advisory Group Recommendations

Members of the PAG grappled with the challenge of forecasting costs years into the future, particularly when the program is still ramping up to full capacity. A majority recommended that the Multnomah County Board of County Commissioners consider the following actions.

## » Use Cost Study Data to Understand the Program’s Baseline Cost

PAG and TAG members reported that market-rate studies are limited and reflect what some families can pay, not the true cost of delivering high-quality, inclusive preschool. PAG members urged the County to use the cost study to reset the baseline cost of seats. If that is higher than the existing seat cost, it will change modeled forecasts and put more pressure on the system in later years.

## » Continue to Monitor Provider Costs and Include in Program Planning

There was consensus that childcare costs will continue to rise faster than inflation, driven by insurance, facility costs, and the cost of providing care. Multnomah County’s baseline growth rate for childcare seats is 4 percent. A majority of PAG members agreed that this is likely too low and that a 5-6 percent cost growth target would be safer, based on a national market study of preschool costs conducted by Bank of America<sup>2</sup> and Portland Public Schools’ cost growth forecast.

## » Account for the Costs of Inclusion and Mental Health Support

Additional services to accommodate children with disabilities and mental health support needs will continue to drive costs for preschool providers. In the 2024–2025 budget, 17 percent of children served by PFA had disabilities (compared to 6-7% of 3 and 4 year olds being diagnosed with a disability or delay). PFA has a commitment to inclusion (similar to other publicly funded programs) and PAG members believe this contributed to higher participation rates among children with disabilities. PAG members recommended disaggregating the cost of inclusion from program seat costs in public modeling to better understand this dynamic. The cost of successfully providing inclusion support for providers consistently came up as a major cost concern for PAG members. PAG members recommended that the County include the costs of providing inclusion and covering any service gaps during the summer months in its cost study.

**The PAG raised other challenges involved in forecasting the program’s cost, including the uncertain future of state and federal preschool funding and the difficulty in forecasting the share of families participating in PFA before it reaches universality.**

<sup>2</sup> <https://institute.bankofamerica.com/content/dam/economic-insights/childcare-costs.pdf>

# Final Considerations

The TAG posed many additional questions throughout its deliberations, giving the board greater detail to review when evaluating Preschool For All and its programmatic performance, financial sustainability, and path toward universality.

This report summarizes the analytical approach taken to answer those questions and includes as much of the TAG's deliberation as possible.

## » Standing up a new universal benefit for families is complex.

Few comparable programs exist nationally, which makes some aspects of the County's forecasting especially challenging. Several sources of uncertainty remain:

- ◆ **Participation Rate:** The percentage of families that will participate in the program when it reaches universality.
- ◆ **The Cost of Inclusion:** The share of children with disabilities and special needs in the overall population served and the cost of providing care to them, enabling their participation in the program.
- ◆ **The Cost of Care:** The ultimate cost of providing high-quality preschool to all families who seek it.

## » More data is needed.

All of these considerations are key cost drivers with limited data to inform forecasting. TAG and PAG members urged the Board of County Commissioners to be cautious about changing the tax that funds Preschool For All until the commissioners develop confidence in forecasting these variables.

# Final Report

## Purpose and Context

### Process and Participants

In 2025, the Multnomah County Board of County Commissioners established two time-limited advisory bodies—the Technical Advisory Group (TAG) and the Program Advisory Group (PAG)—to support an in-depth examination of the long-term sustainability of the Preschool For All program and to develop policy recommendations for the Board’s consideration.

**County staff led the identification and selection of participants** for both advisory groups. Membership was intentionally designed to reflect the distinct expertise required for the work.

The **Technical Advisory Group (TAG)** was composed of experts in economics, demography, tax policy, business, and financial modeling. This group was charged with evaluating the fiscal sustainability of Preschool For All and assessing potential tax policy adjustments using long-term financial modeling. The desired outcome for this group was to make recommendations on tax policy to the commissioners and the board. The TAG consisted of the following economic and demographic experts:

- **Dana Hepper**, Director of Policy & Advocacy, Children's Institute
- **Graciela Gomez Cowger**, former CEO, Schwabe
- **Mary King**, Professor of Economics Emerita, Portland State University
- **Mark McMullen**, Vice President of Policy & Research, Common Sense Institute
- **Charles Rynerson**, Senior Data Analyst/Demographer, FLO Analytics
- **John Tapogna**, Public policy consultant
- **Chris Tebben**, Principal, Sapient Solutions

The **Program Advisory Group (PAG)** was composed of early learning practitioners, system leaders, and advocates with deep experience in program design, implementation, and equity. The PAG was tasked with examining how potential fiscal or policy changes could affect program operations, costs, access, and quality. The PAG consisted of the following early learning experts and advocates:

- **Ingrid Mari Anderson, Ed.D.**, Associate Professor of Practice, Department of Leadership, Learning and Counseling, Portland State University
- **Elena Barreto**, Senior Early Childhood Policy Advisor, The Children’s Institute
- **Angie Garcia**, Owner/Founder, Escuela Viva
- **Lydia Gray-Holifield**, Chair, Preschool For All Advisory Committee
- **Mark Holloway**, Philanthropist, Full Potential Fund
- **Ivy Major-McDowall**, Care Advocacy Manager, Family Forward
- **Lisa Merrick**, Senior Program Administrator, Government Affairs, Multnomah Educational Service District
- **Dana Stiles**, Director of Early Learners, Portland Public Schools

The composition of each group was designed to ensure analytical rigor while grounding recommendations in operational realities and the lived experience of providers and families. While distinct from the standing Preschool For All Advisory Committee, both the TAG and PAG considered relevant insights from that body as appropriate to inform their work.

Interplay supported Multnomah County by designing and facilitating a structured convening framework that enabled the TAG and PAG to complete their respective scopes of work within a defined timeline. This framework was grounded in a shared strategic orientation that clarified roles, responsibilities, decision criteria, and points of collaboration between the two groups.

Key elements of the convening framework included:

- **A clear delineation of scope** between the TAG (fiscal and tax policy analysis) and the PAG (programmatic and cost implications), paired with intentional coordination points.
- **Joint meetings at critical milestones** to ensure alignment between fiscal analysis and programmatic considerations.
- **A shared set of guiding values**—accessibility, affordability, and quality—rooted in the original Preschool For All ballot measure language and reinforced throughout the process.
- **Meeting agendas and materials** structured to move from information sharing to analysis and, ultimately, to recommendations.

This facilitation architecture allowed both groups to work independently while remaining aligned on purpose, assumptions, and timelines, producing a set of recommendations that reflects iterative discussion, remaining uncertainties, and explicit trade-offs for the Board of County Commissioners.

Three values drive the design of Preschool For All, a fully funded, sustainable, universal preschool program: **accessibility, affordability, and quality.**

## Decision-making Framework

To support transparent, inclusive, and effective decision-making, both the Technical Advisory Group and Program Advisory Group operated using a **Modified Consensus** decision-making framework.

Modified Consensus is a structured approach that balances broad alignment with practical decision-making. Under this framework, the goal is not unanimity but rather a clear understanding of where there is strong agreement, where there are reservations, and whether remaining concerns rise to the level of blocking a recommendation from moving forward.

This approach was particularly well suited to the Preschool For All advisory process given:

- The technical complexity of the subject matter,
- The diversity of professional perspectives represented in each group, and
- The need to produce timely recommendations for policy consideration.

Throughout the process, Modified Consensus was used at key milestones to:

- Test alignment around assumptions and analytical inputs,
- Evaluate modeled scenarios and policy options against agreed-upon criteria, and
- Surface both the majority and minority viewpoints transparently

Facilitated discussions focused on clarifying the nature of disagreements—distinguishing between technical questions, risk tolerance, values-based concerns, and issues requiring further analysis. Where the PAG and TAG could not reach full consensus, the report documents those areas of divergence to inform the Board’s understanding of trade-offs and uncertainty.

The use of Modified Consensus enabled both advisory groups to move forward with clear recommendations while preserving the integrity of differing perspectives. This framework supported rigorous analysis, minimized false agreement, and ensured that the final recommendations reflected both areas of strong alignment and acknowledged points of contention.

By making the following decision-making criteria explicit and visible throughout the process, the TAG and PAG delivered recommendations that are analytically grounded, transparent in their assumptions, and responsive to the Board’s need for clear, actionable guidance.

To meet the criteria of sustainable/fully funded, the following two conditions must be met:

- Fund balance in Year 10\* (2033) needs to be above zero, and
- Cumulative revenues must exceed expenses for Years 11 through 20

*\*The financial model begins in 2024, so Year 10 is 2033*

- **Alignment with PFA values:** Does it reflect the program’s guiding principles of equity, accessibility, and sustainability?
- **Equity:** Does the proposal advance fairness for families and communities most impacted by structural inequities?
- **Revenue stability:** Would this recommendation generate consistent and reliable funding for Preschool For All over time?
- **Administrative feasibility:** Is the recommendation practical to implement and enforce given current systems and capacity?
- **Political viability:** Could the proposal gain sufficient public and political support to move forward?

# Summary of Analytical Process

## Economic Modeling

ECONorthwest developed the financial modeling that underpins the findings in this report. The analysis integrates projected tax revenues, program costs, and per-child seat costs to estimate annual fund balances across a range of economic and policy scenarios. ECONorthwest built the model on the County's existing budget framework and refined it to allow for variation of assumptions and sensitivity tests on key inputs such as enrollment growth, cost escalation, and tax policy choices as Preschool For All scales to universality.

ECONorthwest also developed a separate simulation to evaluate the effects of indexing income tax thresholds, which the County's original model could not test.

Appendix B provides additional detail on the modeling structure and assumptions.

## Defining Program Sustainability

The TAG defined sustainability as the program's ability to operate over the long term without unplanned tax increases, reductions in the number of children served, or emergency interventions. Although Multnomah County typically budgets on a five-year horizon, the TAG extended the analysis to 20 years to evaluate how different tax mechanisms affect outcomes over time. A scenario is considered financially sustainable if it meets both of the following conditions:

- **Positive fund balance at Year 10 (FY 2033).** This test ensures that near- and midterm implementation decisions do not create structural deficits that would require immediate corrective action by the Board.
- **Balance over the long term.** Over Years 11 (FY 2034) through 20 (FY 2043), cumulative revenues must meet or exceed cumulative expenditures, indicating that the program converges toward balance after startup costs and the drawdown of dedicated savings.

Several modeled scenarios show temporary declines in fund balance followed by recovery, underscoring the need to distinguish between short-term volatility and long-term instability.

## Economic Scenarios

The TAG evaluated program sustainability across five economic scenarios to test how different tax mechanisms perform under varying economic conditions. These scenarios combine alternative assumptions about costs, revenues, and enrollment to bound plausible outcomes rather than to forecast actual enrollment or funding levels. Exhibit 1 summarizes the scenarios used in the analysis.

- **TAG baseline.** The TAG finalized a baseline scenario in February 2026, incorporating updated assumptions for total seat demand and the number of alternative seats supported by state and federal programs. The baseline retains the slot mix, seat cost growth, and revenue growth assumptions used in the County's 2024 model and serves as the reference point for all comparisons.
- **Scenario 1: Lower costs.** This scenario tests a lower-cost delivery structure in which all participating children receive six hours of preschool, rather than the baseline mix of 40 percent six-hour and 60 percent ten-hour slots.
- **Scenario 2: Higher revenues.** This scenario applies modeled historical revenue growth of 12 percent, based on income growth patterns from 2010 to 2019, instead of the County's more conservative 8 percent assumption.
- **Scenario 3: Higher costs.** In this scenario, both seat costs and program costs grow at 5.2 percent annually, reflecting national childcare cost trends and aligning more closely with PAG feedback on expected cost pressures.
- **Scenario 4: Higher costs and revenues.** This scenario combines the higher revenue growth assumption from Scenario 2 with the higher cost growth assumptions from Scenario 3.

**Exhibit 1: Alternative economic scenarios to inform PFA modeling**

	<b>TAG Baseline</b>	<b>1. Lower Costs</b>	<b>2. Higher Revenues</b>	<b>3. Higher Costs</b>	<b>4. Higher Costs + Revenues</b>
	Trended migration pattern and decreased federal funding	TAG baseline plus 100% 6-hour school year slots	TAG baseline + higher revenue growth	TAG baseline + higher cost increases for program and seats	Scenario 3 + higher revenue growth + more PFA seats
PFA Participants	8,265	8,265	8,265	8,265	9,000
Alternative Seats	1,500	1,500	1,500	1,500	765
Slot Mix	60% 10-hr FY 40% 6-hr SY	0% 10-hr FY 100% 6-hr SY	60% 10-hr FY 40% 6-hr SY	60% 10-hr FY 40% 6-hr SY	60% 10-hr FY 40% 6-hr SY
Seat Cost Growth	4%	4%	4%	5.2%	5.2%
Program Cost Growth	3%	3%	3%	5.2%	5.2%
Revenue Growth	8%	8%	12% (Historical growth rate)	8%	12% (Historical growth rate)

Shaded fields indicate a difference from the TAG baseline.

# Assumptions That Drove Scenario Creation

## PFA Participants: An Alternative Demographic Forecast Assuming Lower Birth Rates

The number of three- and four-year-olds is the primary long-term driver of Preschool For All costs. Early program planning relied on population projections from the Portland State University Population Research Center, which the County last commissioned in 2023.<sup>1</sup> Those projections reflect higher birth levels and pre-pandemic migration patterns. During TAG discussions, members questioned whether the population assumptions embedded in the County's model exceeded the enrollment expectations of local school districts.

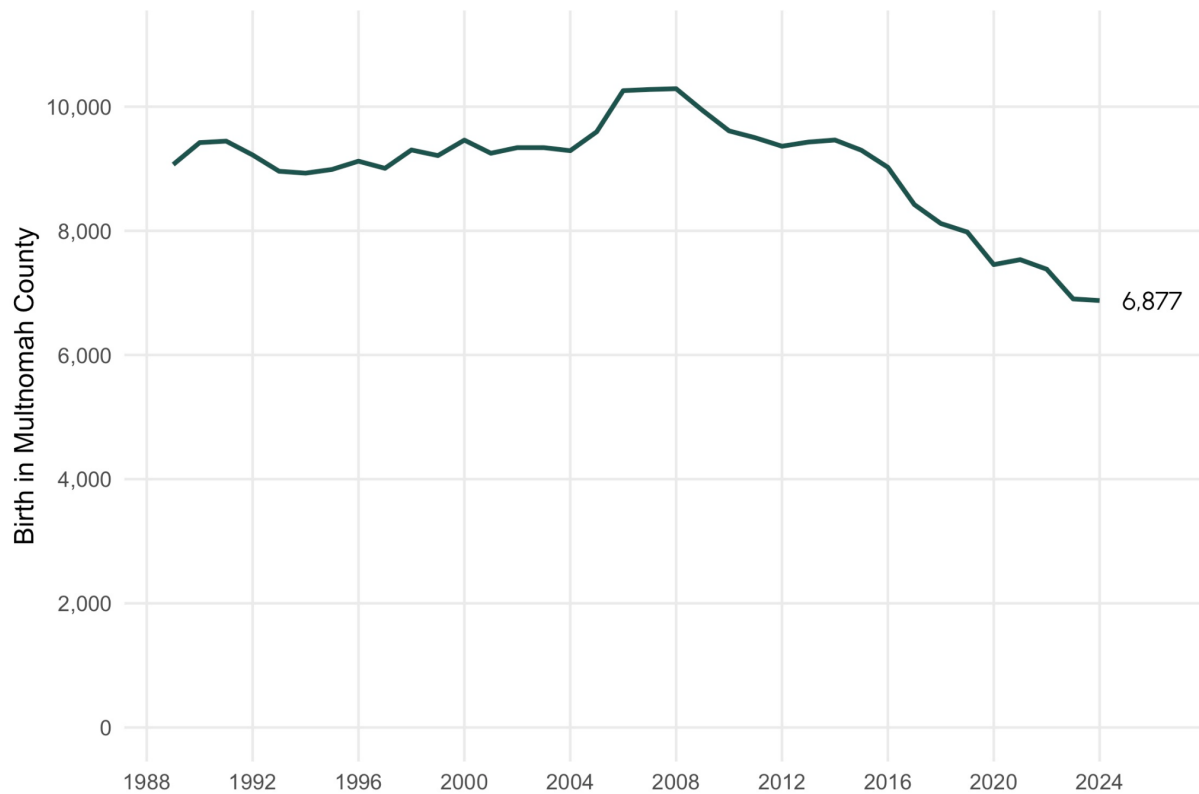
In response, the TAG requested a preliminary demographic sensitivity analysis to test how recent birth and migration trends might affect preschool-age population estimates and seat demand. The TAG engaged Charles Rynerson, a demographer with experience producing school-age population forecasts, to anchor this analysis in observed birth data. The resulting estimate served as a lower-demand sensitivity case that the TAG used to test cost implications. As finalized by the TAG in February, the base population and participation rate are held constant across all scenarios. Differences in Preschool For All enrollment reflect assumptions about alternative seat availability, including scenarios in which reductions in state and federal seats require additional PFA slots to serve the same number of children. Exhibit 2 illustrates the decline in births in Multnomah County since 2008.

PAG members expressed concern about assuming that either population forecast would be accurate without additional work, and TAG members recommended that Multnomah County commission a demographic model that would help resolve these concerns.

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<sup>1</sup> <https://www.pdx.edu/population-research/past-forecasts>

## Exhibit 2: Births in Multnomah County, 1990–2024



Source: Oregon Health Authority, Births by County and ZIP Code, accessed November 20, 2025

This approach reflects two well-documented trends in recent demographic data: a **sustained decline in births since the late 2010s** and **persistent net out-migration of young children before school entry**. While alternative forecasting approaches, such as fertility rate–based projections, could yield different results under certain assumptions, the TAG used this method to show the lower end of potential seat demand.

**Exhibit 3: Approach to developing an alternative estimate of PFA participants for 2027–2028 school years**

<p><b>7,000</b> Source: Oregon Health Authority - Multnomah County Resident Births by School Age Cohort, 2024</p>	<p><b>Total annual births in Multnomah County (2024)</b></p>	<p>Annual births among Multnomah County residents have leveled off to approximately 7,000 in 2024. This birth rate is lower than the higher levels assumed in the Portland State University PFA projections.</p>
<p><b>-700 (10%)</b> Source: Assumption based on Multnomah County migration patterns 2000–2020</p>	<p><b>Average net migration from birth to 4 years old</b></p>	<p>Census counts of three- and four-year-olds were compared with corresponding birth cohorts across decennial censuses, showing a consistent pattern of net out-migration. It ranges from about 8 to 11 percent, even during periods of strong overall in-migration to Multnomah County.</p>
<p><b>6,300</b></p>	<p><b>Total one-year cohort</b></p>	<p>Applying the 10 percent net out-migration factor to the 2024 birth cohort yields an estimated cohort of about 6,300 children remaining in Multnomah County at preschool age.</p>
<p><b>12,600</b></p>	<p><b>Total 3- and 4-year-olds in Multnomah County in 2027 (estimate)</b></p>	<p>Combining 2024 birth levels with net out-migration assumptions yields a population of roughly 12,600 three- and four-year-olds across two cohorts in 2027.</p>
<p><b>77.5%</b> Source: Multnomah County PFA Model FY 2025 - Baseline Assumption</p>	<p><b>PFA and alternative site baseline participation rate</b></p>	<p>Consistent with the County’s baseline model, the sensitivity analysis applies a combined participation rate of 77.5 percent across Preschool For All and alternative provider settings.</p>
<p><b>9,765</b> Source: Multnomah County Model, FY 2025–2041</p>	<p><b>PFA and alternative site participants</b></p>	<p>Applying the baseline participation rate to the estimated population of three- and four-year-olds results in approximately 9,765 children participating across Preschool For All and alternative sites.</p>

<p><b>-1,500</b></p> <p>Source: Oregon Department of Early Learning and Care, FY 2025</p>	<p><b>Alternative site seats in the TAG baseline scenario</b></p>	<p>The County’s most recent baseline assumptions include approximately 2,197 seats provided through non-PFA public and private early learning programs. In TAG discussions, the group agreed that this was likely an overstatement of the actual number of alternative programs. County staff suggested that the TAG use 1,500 alternative seats for future years. These seats are deducted from the total participating children to estimate demand for Preschool For All seats.</p>
<p><b>8,265</b></p>	<p><b>Potential PFA participants' sensitivity test option</b></p>	<p>Subtracting baseline alternative site capacity from the total number of participating children yields an estimated 7,568 potential Preschool For All participants under the sensitivity scenario. In the model, this figure tests how lower demographic demand would affect program costs, fund balances, and the timing of full universality.</p>

## Alternative Seats: A Reduction in State-funded and Federally Funded Preschool Seats

The County’s baseline model assumed approximately 2,562 preschool seats funded through state and federal programs. During TAG discussions, County staff noted growing uncertainty about the long-term availability of these seats given anticipated reductions in state programs such as Preschool Promise and potential constraints on federal Head Start funding. PAG members urged the county to use a conservative forecast of alternative seats because a reduction in federal or state preschool programs would create more demand for Preschool For All seats.

TAG members also flagged uncertainty around care supported by Employment Related Day Care (ERDC), particularly how changes in eligibility, reimbursement rates, or provider participation could affect the supply of non–Preschool For All seats over time. To reflect this risk, the TAG included alternative scenarios that reduced the number of assumed external seats, increasing the number of Preschool For All seats required to meet demand if other publicly funded or private options contract.

## Program Seat Mix

Most scenarios assumed the County's 2024 model slot mix: 40 percent of children occupying 6-hour day/school-year slots and 60 percent occupying 10-hour day/full-year slots. TAG members asked whether the model could also test a lower-cost structure in which Preschool For All serves all participating children in 6-hour day/school-year slots. Scenario 1 reflects this alternative assumption and shows how program design affects long-term costs.

TAG members also questioned whether the model captured the full range of cost exposure across different program structures, including lower-cost configurations that still meet the minimum service requirements of the Preschool For All ballot measure.<sup>2</sup> County staff noted that both the ballot language and current program design prioritize access to extended-day preschool for families who need it and that a uniform six-hour model would not reflect anticipated demand or adopted policy commitments. PAG members voiced similar objections to the six-hour model. For that reason, the TAG treated the 100 percent six-hour scenario as a theoretical lower-cost boundary.

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<sup>2</sup> [https://multco.us/file/ballot\\_measure\\_26-214/download](https://multco.us/file/ballot_measure_26-214/download)

## Seat and Program Cost Growth

The financial model separates costs into two categories: seat costs (reflecting the per-child cost of delivering preschool services) and program costs (reflecting the system-level costs required to operate and sustain Preschool For All as it scales to universality).

### Seat Cost Growth

The County's baseline model assumes annual seat cost growth of 4 percent. During TAG and PAG discussions, members questioned whether this assumption reflects current conditions in the childcare market. To test this, the model includes an alternative assumption based on a [2025 Bank of America analysis](#) showing that childcare and preschool prices increased by an average of 5.2 percent annually over the past five years, outpacing general inflation.

PAG members reviewed this assumption with Child Care Aware of America and agreed that 5.2 percent represents a reasonable estimate of near- to medium-term cost growth. Members noted that recent cost increases reflect ongoing structural pressures—including workforce compensation, insurance, facilities, and regulatory compliance—rather than temporary pandemic-era effects. The TAG treated this higher growth rate as a sensitivity test to assess how elevated seat costs affect long-term sustainability.

PAG and TAG members questioned whether a higher cost growth figure should be used or if, instead of cost growth, the real pressure point was that the county's annual seat cost was too low and should be adjusted upward. This led PAG and TAG members to recommend that the County commission a cost study to set a new, more sustainable baseline for seat cost.

### Program Cost Growth

Program cost growth reflects the costs of operating Preschool For All as a system, including administration, quality assurance, and provider supports. As the program approaches universality, onetime startup and capacity-building costs decline and total expenditures track more closely with the number of seats delivered. At the same time, PAG members and preschool and early learning staff emphasized that system-level service needs increase as the program matures.

PAG members noted that Preschool For All serves a higher share of children with disabilities and complex needs than many other early learning programs, consistent with its inclusive design and prohibition on suspension and expulsion. They also highlighted that non-school-based providers often face higher marginal costs than school districts, including for facilities,

staffing, compliance, and inclusion supports. Together, these factors place pressure on program costs beyond general inflation.

To reflect this uncertainty, the TAG tested program cost growth rates ranging from 4 to 6 percent in later years to assess how higher service needs and increased system complexity affect fund balances once the program reaches full scale.

## Tax Revenue Growth

The financial model tests program sustainability under multiple revenue-growth scenarios to capture uncertainty in long-term economic conditions.

- **Baseline revenue growth (8 percent).** The baseline scenario assumes constant annual Preschool For All revenue growth of 8 percent (other than the onetime rate increase), consistent with prior County modeling. The TAG used this assumption as a conservative reference point that reflects recent experience and the volatility of income tax revenues.
- **Higher revenue growth (12 percent).** ECONorthwest developed a synthetic household model to simulate income changes across the full distribution of tax filers. Using this model, an alternative scenario applies historical income growth patterns from 2010 to 2019, resulting in higher compounded revenue growth as households move into higher tax brackets. ECONorthwest selected this period because it reflects a full economic expansion without pandemic-era disruptions, emergency fiscal policy, or unusually large capital gains. Appendix B describes the synthetic modeling approach in detail.
- **Recession scenarios.** Additional scenarios apply recessionary shocks to test downside risk. ECONorthwest modeled a temporary reduction in income tax revenues based on patterns observed during the 2008 Global Financial Crisis, followed by a gradual recovery. These scenarios show how the timing of a downturn, early versus later in the program life cycle, affects fund balances even when average revenue growth over a consistent time horizon remains the same.

# Evaluation of Tax Mechanisms

To inform recommendations on long-term funding for Preschool For All, the TAG evaluated a set of tax mechanisms using a dynamic financial model. The analysis examines how each mechanism performs across a range of economic scenarios and programmatic conditions, including variation in enrollment, cost growth, and revenue volatility. This approach reflects the uncertainty inherent in long-term fiscal planning. Exhibit 4 shows the tax mechanisms requested by the TAG for the modeling.

**Exhibit 4. Tax mechanisms explored through the TAG process**

Submitted Idea	Mechanism Type	Source
Delay 0.8% scheduled increase in 2027 <ul style="list-style-type: none"> <li>Indefinite, 5-year delay</li> </ul>	Adjustment to tax timeline	TAG
Increase tax above 0.8% in 2027 (increase by 1%)	Adjustment to tax rate	TAG
Index tax thresholds	Changes to the tax base	TAG/Board
<b>Means-tested co-pays for a 10-hour program</b> /Cost difference between 6-hour vs. 10-hour days	Offsets	TAG/Board
Credits <ul style="list-style-type: none"> <li>Reimburse PFA taxpayers who pay for childcare outside of Multnomah County</li> <li>Reimburse PFA taxpayers denied services because slots are full <i>(not fully explored because the program is nearing universality)</i></li> </ul>	Offsets	Board
Property tax	New tax	TAG

## Modeling Framework and Baseline Assumptions

ECONorthwest calibrated a financial model to the County's existing Excel-based baseline, replicating the County's assumptions as of fall 2025. Key changes included:

- Extending to a 20-year planning horizon, consistent with the TAG's definition of long-term sustainability, and enhancing to better reflect how costs and revenues evolve over time
- Adjusting interest earnings on fund balances
- Separating fixed costs from costs that scale with seats or facilities
- Adjusted slot ramp-up and increased seat costs based on County staff feedback
- Allowing individual assumptions to be varied independently across scenarios.

Building from this calibrated model, the TAG worked over several meetings in fall 2025 to refine a baseline scenario that incorporates the updated demographic analysis, revised assumptions about alternative early learning seats, and current tax policy.

The baseline assumes full program maturity, a stable mix of six-hour and ten-hour seats consistent with ballot language, and straight-line revenue growth of 8 percent annually, which falls below historic income growth averages but reflects the volatility of the tax base. This baseline serves as the reference case for evaluating alternative economic scenarios and tax mechanisms.

## Income Tax Rate Mechanisms

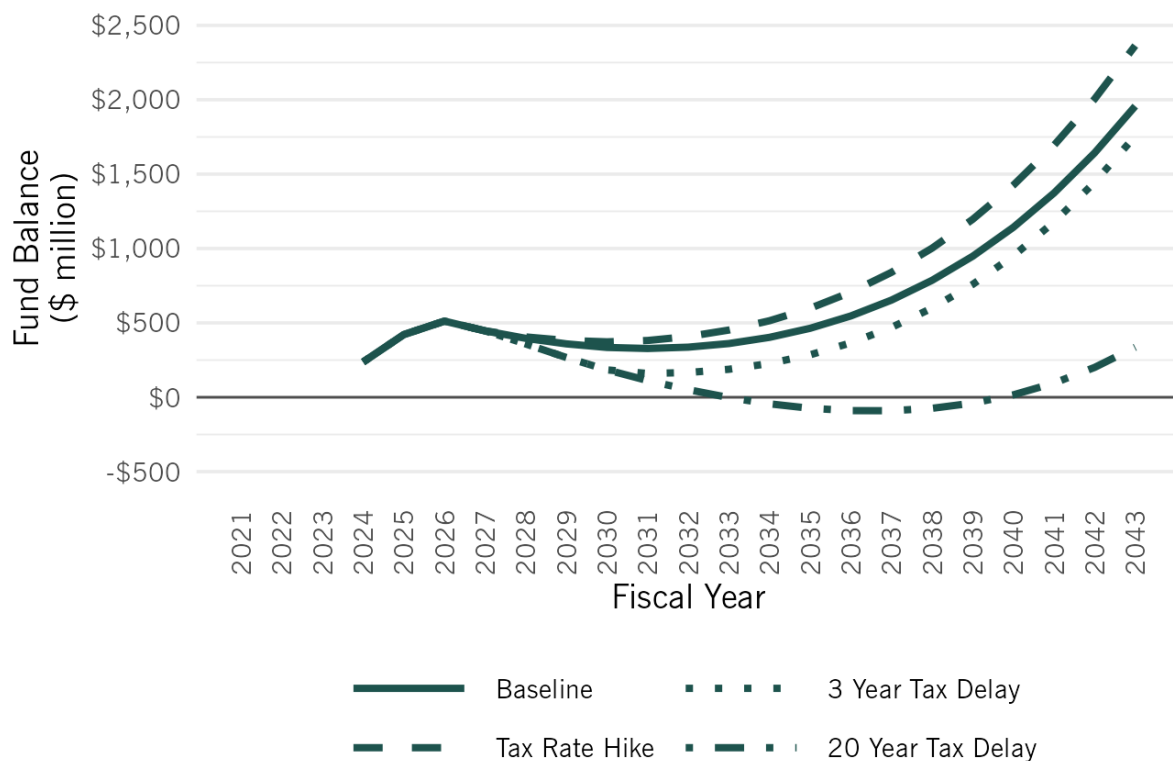
Within this framework, the TAG examined three income tax rate options under the TAG baseline scenario:

- **Current law (scheduled 0.8% tax rate increase in 2027).** Under the TAG baseline economic assumptions, current law produces sustained growth in fund balances over the 20-year horizon, exceeding the minimum sustainability criteria.
- **1% rate increase starting in 2027.** Increasing the rate above the current law further strengthens fund balances but provides limited value under baseline conditions given the program's positive fund balances.
- **Delay of the planned 0.8% rate increase.** ECONorthwest modeled several iterations of the rate increase delay, including a three-year delay, a five-year delay, and a 20-year delay of the scheduled rate increase.

## Baseline conditions produce positive outcomes across all rate options.

All three tax mechanisms produce positive long-run outcomes under baseline assumptions, with differences primarily reflected in the level of accumulated fund balances rather than overall sustainability. Earlier or higher rate increases generate larger buffers, while delayed increases result in lower balances in the early years but do not fundamentally change long-run convergence under baseline conditions. This comparison establishes relative scale. Exhibit 5 shows the income tax mechanisms for the three scenarios using the TAG baseline.

**Exhibit 5: Fund balance with TAG-discussed income tax mechanisms (2024–2043)**



## Early-year risk varies by the timing of rate increases or delays.

The TAG evaluated the same three rate options across a broader set of economic scenarios, including higher program costs, lower revenue growth, and recessionary shocks. This analysis shifts the focus from long-run averages to timing, volatility, and downside risk.

**Exhibit 6** shows fund balance outcomes for the three income tax rate mechanisms across all modeled economic scenarios.

**Exhibit 6: Fund balance outcomes for tax rate mechanisms for four scenarios**



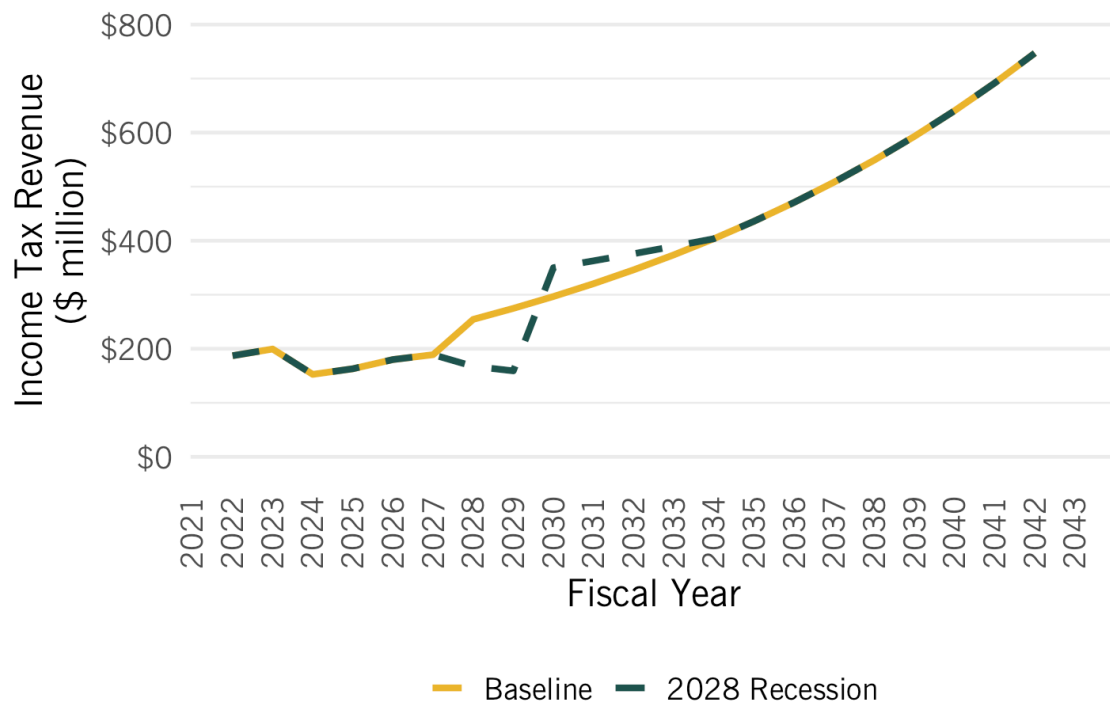
Across these scenarios, differences among rate options are most visible in the program's early years. Delayed rate hikes increase exposure to near-term cash flow risk, while earlier or higher

rates provide greater buffering capacity during periods of economic stress. TAG members emphasized that these differences matter most before fund balances are fully built, reinforcing the importance of considering tax timing alongside reserve policy and program ramp-up decisions.

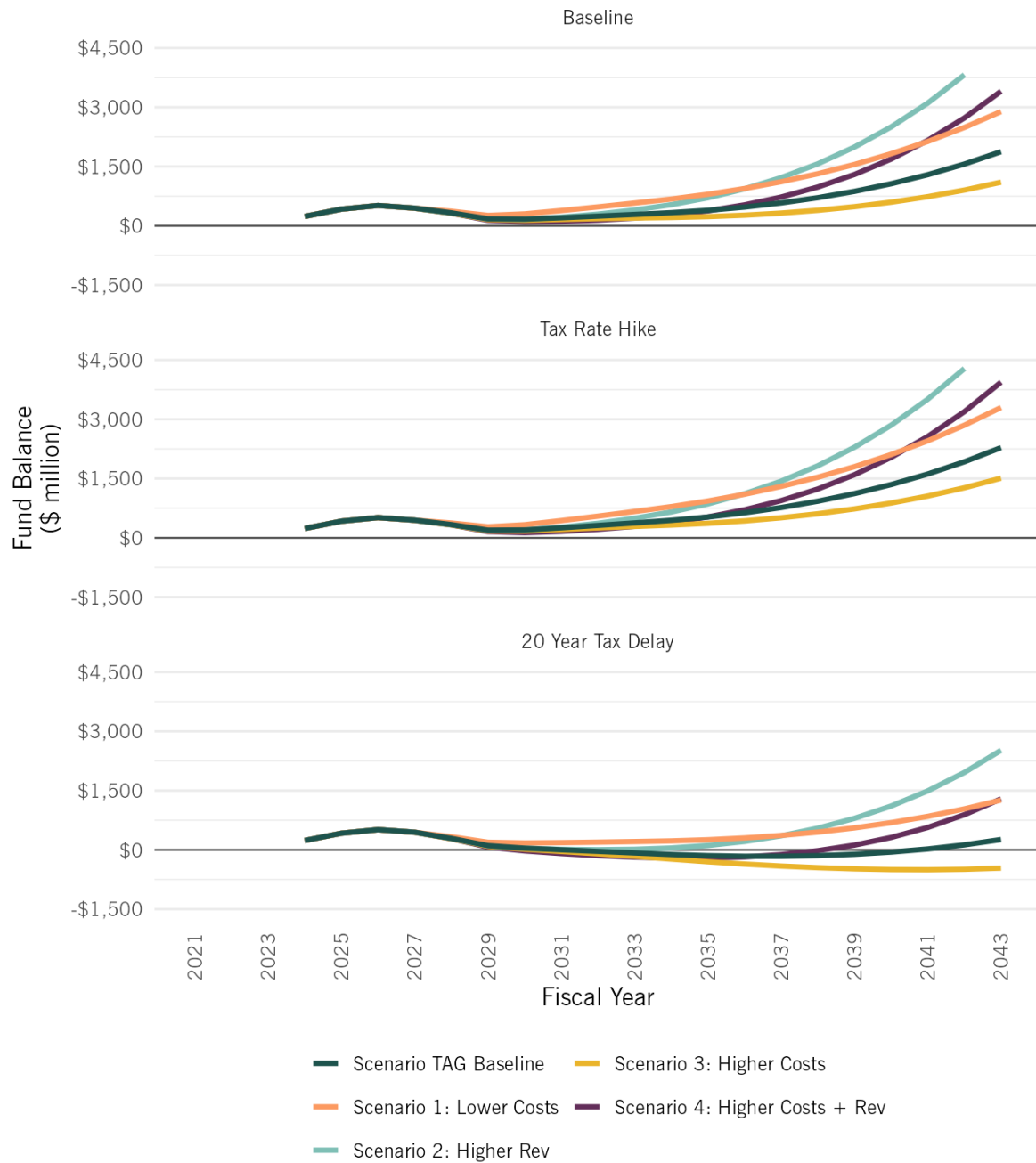
## Modeling Economic Shocks

The TAG evaluated current law, delayed implementation of the scheduled rate increase, and a higher rate alternative across a range of economic scenarios to assess relative exposure to near-term risk and long-run fiscal stability under recession conditions. Exhibit 7 shows how the annual program revenue is impacted by a recession compared to the baseline scenario.

**Exhibit 7: Income tax revenues under a simulated recession**



**Exhibit 8: Fund balance trajectories under alternative tax rate mechanisms and a 2027–2029 recession**



## Recession scenarios expose near-term cash flow risk.

When income tax mechanisms are evaluated under more challenging economic conditions—including lower revenue growth, higher program costs, or recessionary shocks—differences between options become more pronounced. Delaying the scheduled rate hike increases exposure to near-term cash flow risk, while earlier or higher rate increases provide greater buffering capacity. These differences are most consequential in the early years of the program, before fund balances are fully established.

Across scenarios, delayed implementation of the rate increase results in lower fund balances in the early years, particularly under higher-cost or recession conditions. Shorter delays reduce near-term risk relative to longer delays, while long-run outcomes remain similar under baseline, lower-cost, and higher-revenue scenarios. In higher-cost cases, longer delays increase the likelihood of near-term negative fund balances, though results remain sensitive to assumptions and fall within a narrow range.

TAG members emphasized that these patterns reflect differences in liquidity timing rather than long-run program viability. In most scenarios, revenues recover over time and fund balances stabilize, even when early-year balances do not fully return to preshock trajectories. As a result, recession modeling reinforced the importance of reserve policy, contingency planning, and flexibility in program ramp-up, particularly during the first decade of implementation.

## Indexing Preschool For All Income Tax Thresholds

The TAG evaluated indexing income thresholds as a structural tax mechanism intended to preserve the real value of tax exemptions over time. Without indexing, income growth alone would gradually expand the share of households subject to the Preschool For All tax, even in the absence of real increases in purchasing power. The TAG looked at three options for indexing:

- **No indexing:** Since the establishment of PFA in 2020, the tax thresholds have remained the same.
- **Ongoing indexing:** Income thresholds were adjusted each year for inflation. The first-year adjustment uses a 2.73 percent rate, consistent with Metro Supportive Housing Services' methodology. After the first year, the analysis assumes annual inflation of 2.4 percent, consistent with Oregon Office of Economic Analysis projections.
- **Onetime indexing:** A single adjustment in 2026, with thresholds held constant thereafter.

## The model results show that indexing slows the growth in the share of affected filers over time.

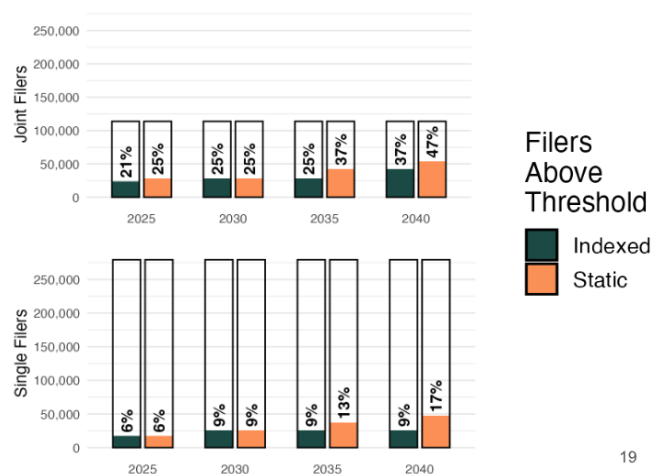
For example, without indexing, the share of single filers with tax liability would increase from roughly 6 percent today to 17 percent by the end of the forecast period. With indexing, that share still rises, but only to about 9 percent. Similar effects are observed for joint filers. From a revenue perspective, indexing has little impact in the near term but becomes increasingly consequential over time, reducing annual revenues by approximately \$200 million in later years relative to a non-indexed baseline.

**Exhibit 9. Increasing thresholds over time, matching SHS methodology\***

Tax Year	Joint		Single	
	Primary	Secondary	Primary	Secondary
2026	\$205,000	\$410,000	\$128,000	\$256,000
2031	\$231,000	\$463,000	\$144,000	\$289,000
2036	\$260,000	\$521,000	\$163,000	\$326,000
2041	\$294,000	\$588,000	\$183,000	\$367,000

\*Assumes 2.4% expected inflation rate after 2026, based on Oregon Office of Economic Analysis projections.

**Exhibit 10. Simulation: number of income tax filers with and without threshold indexing (2025–2045)**

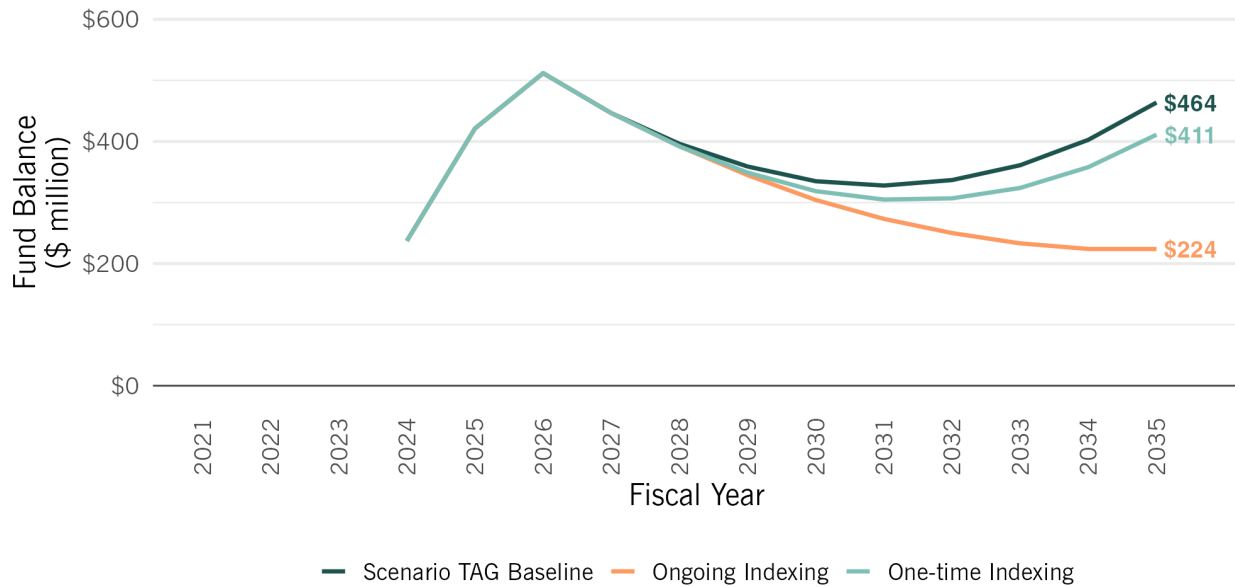


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## Indexing reduces long-term revenue growth.

Although indexing preserves the real value of voter-approved thresholds and should not be interpreted as a discretionary tax cut, it also removes a source of automatic revenue growth that helps buffer uncertainty. Over the long run, ongoing indexing reduces annual revenues by roughly \$200 million in later years of the forecast relative to a non-indexed baseline. Because indexing compounds over time, this raised concern among TAG members about reduced flexibility and a narrower program tolerance for error, even when baseline sustainability criteria are satisfied. Exhibit 11 shows a 10-year model of indexing under the baseline scenario, based on the three indexing mechanisms the TAG explored.

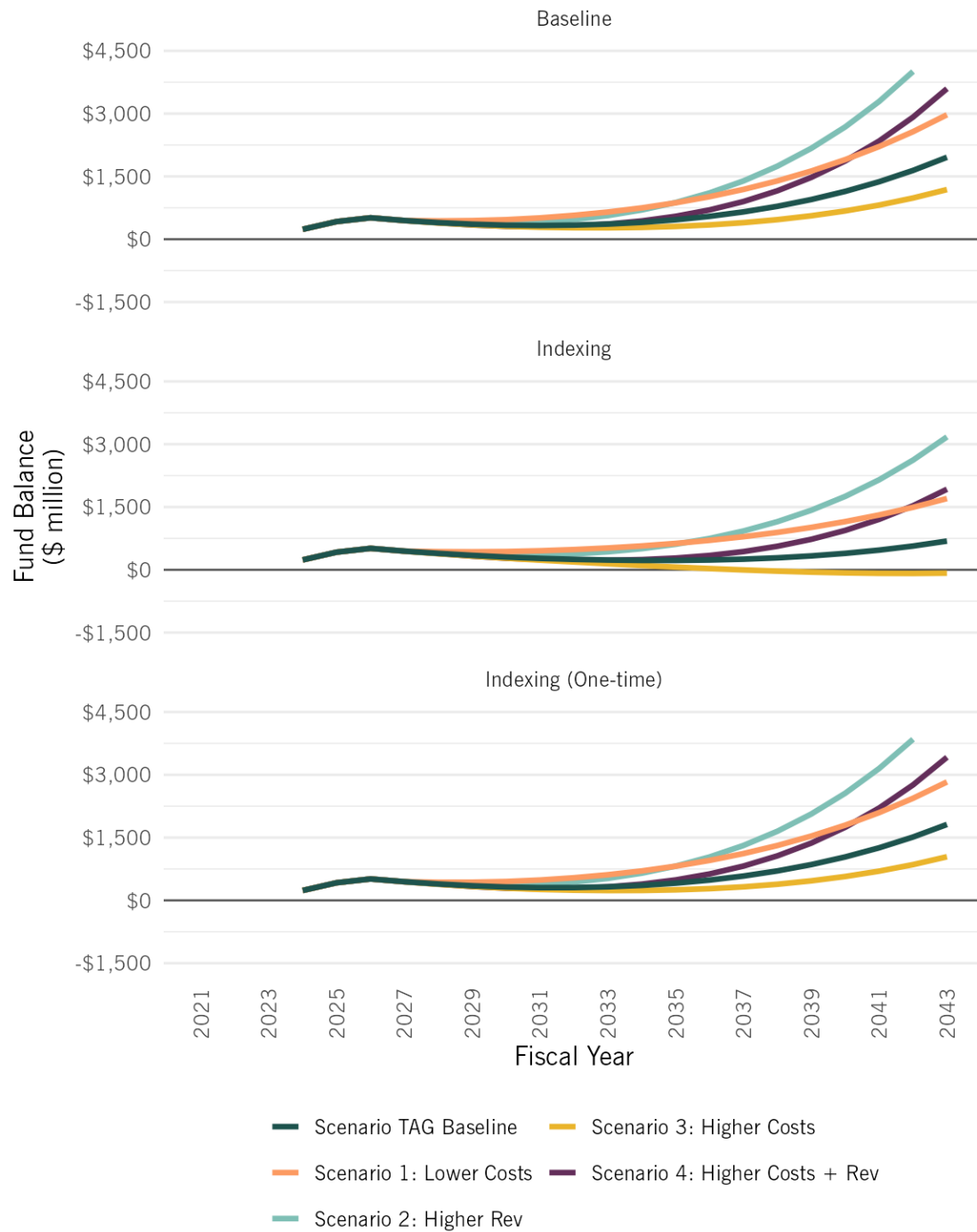
**Exhibit 11: Indexing options under the TAG baseline scenario (2024–2035)**



**Ongoing indexing increases risk when combined with cost or growth pressures.**

Under baseline assumptions, scenarios with indexing can meet the TAG’s sustainability criteria. However, when paired with higher program cost growth or weaker revenue growth, ongoing indexing pushes long-term fund balances negative in some of the economic scenarios. In the high-cost scenario, ongoing indexing fails the long-term sustainability test, whereas no indexing or onetime indexing remains sustainable. For this reason, the TAG distinguished between onetime indexing (which behaves similarly to the baseline) and ongoing indexing (which compounds risk over time).

**Exhibit 12. Fund balance impacts of indexing across economic scenarios**



## Means Testing for Full-year, 10-hour-day Slots

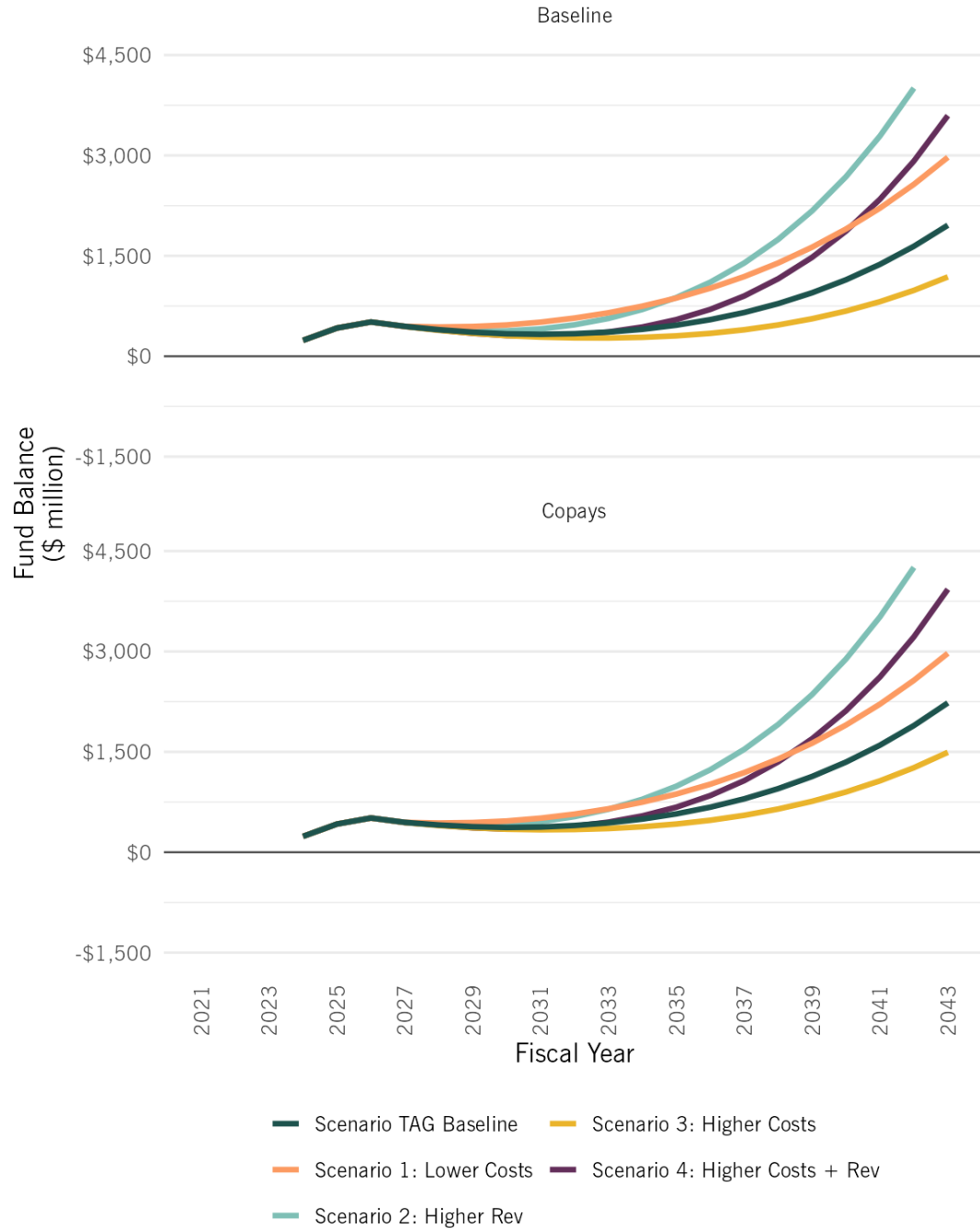
The Technical Advisory Group considered whether charging higher-income families a co-pay for full-year, ten-hour Preschool For All slots could help manage program costs while still preserving free access to a basic preschool option. Under this option, families with incomes above 400 percent of the federal poverty level would contribute toward the incremental cost of a ten-hour, full-year slot relative to a six-hour, school-year program. This is a standard eligibility benchmark embedded in Multnomah County policy and is used across County-administered human services and early learning programs. County staff recommended using this threshold to ensure consistency with existing definitions of affordability and ability to pay, rather than introducing a new or ad hoc income cutoff specific to Preschool For All. Using recent program participation data from Multnomah County, approximately 27 percent of Preschool For All participants are above the 400 percent federal poverty threshold.

ECONorthwest applied a flat co-pay equal to the estimated cost difference between the six-hour/school-year and 10-hour/full-year program types, approximately \$7,500 per seat in FY2026. This structure produces a clear, administratively simple estimate of potential revenue. It also creates a sharp eligibility cliff in which families just above the threshold face the same co-pay as families with higher incomes. The TAG acknowledged that this structure would raise equity concerns and would warrant further refinement if pursued, such as a sliding scale used in other programs like the [Seattle Preschool Program](#).

### **From a fiscal perspective, the modeled co-pay generates modest revenue over time.**

Because the co-pay is tied to seat costs, revenue grows as program costs increase, reaching roughly \$20 million annually in later years under baseline assumptions. While this amount does not change overall program sustainability on its own, it provides incremental fiscal relief in higher-cost scenarios. The TAG also noted that administrative costs associated with income verification and billing are not explicitly modeled and would reduce net revenues, reinforcing the TAG's conclusion that means testing functions as a supplementary mechanism.

**Exhibit 13. Fund balance impacts of means testing across economic scenarios**



## Tax Credits for Nonresident Filers

The TAG also examined the feasibility of offering tax credits to nonresident filers who pay the Preschool For All income tax but do not reside in Multnomah County. This mechanism would address perceived fairness concerns by recognizing that some taxpayers with children who the program would serve if they lived in Multnomah County contribute to the program without direct access to its benefits.

To estimate the potential magnitude of such a credit, the analysis first identified the share of tax filers who work in Multnomah County but reside elsewhere. Based on recent filing data, roughly 18 to 25 percent of filers fall into this category, though only about three-quarters of all filers have any tax liability. Among those with liability, Census-based estimates suggest that approximately 6 percent have three- or four-year-old children, yielding an estimated pool of about 500 potentially eligible households. The modeled credit assumes an average value of \$5,000 per household, reflecting partial credits for most filers and full credits for a smaller share of higher-income households.

### **Nonresident credits address fairness concerns but would be costly to administer.**

Under these assumptions, total revenue loss from credits peaks at approximately \$5 million per year, even in later years. While this impact is small relative to total program revenues, the TAG concluded that the administrative complexity of designing, verifying, and administering such credits would likely outweigh their fiscal or equity benefits.

## Property Tax

At the TAG's request, ECONorthwest and Sound & Vision Agency provided a preliminary qualitative assessment of property taxes as a potential supplemental or alternative funding source. This discussion highlighted several structural challenges. Oregon's property tax system is constitutionally constrained, subject to compression, and requires property-level analysis to estimate actual yield. Large increases intended to fund ongoing services would likely trigger significant compression, shifting the burden onto other taxing districts and reducing effective revenues.

### **Property taxes face structural and growth constraints.**

While property taxes are relatively stable, they grow slowly over time, typically at rates well below the projected growth in Preschool For All costs. As a result, a property tax-based mechanism would likely fail long-term sustainability criteria unless paired with other revenue

sources or periodic rate increases. Given these limitations and concerns about political viability and voter intent, the TAG indicated limited interest in pursuing a detailed property tax analysis absent a clearer policy rationale.

## Sustainability Criteria and Decision Matrix

To support comparison across options, ECONorthwest developed a matrix that evaluates each tax mechanism against each economic scenario using the TAG’s agreed-upon sustainability criteria. Under the current definition, a scenario is considered sustainable if fund balances remain positive in Year 10 and if cumulative revenues exceed cumulative expenditures over Years 11 through 20. This framework allowed TAG members to see not only whether a given option passes or fails but which criterion is binding and how close a scenario is to breaching it.

Sustainability Test 1: Fund balance remains positive in Year 10 (pass/fail indicated on **upper left** within the squares in Exhibit 14)

Sustainability Test 2: Cumulative revenues exceed cumulative expenditures over Years 11–20 (pass/fail indicated on **lower right** within the squares in Exhibit 14)

**Exhibit 14. Evaluation of economic scenarios and tax mechanisms**

Scenario TAG Baseline	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Fail
Scenario 1: Low Costs	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Scenario 2: High Rev	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Scenario 3: High Costs	Pass	Pass	Pass	Pass	Fail	Pass	Pass	Fail
	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Fail
Scenario 4: High Costs + Rev	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Fail
	Baseline	Tax Credits	Copays	Tax Rate Hike	Indexing	Indexing (One-time)	3 Year Tax Delay	20 Year Tax Delay

Through this analysis, the TAG identified edge cases where the current definition may be overly restrictive. For example, some scenarios exhibit declining but consistently positive fund balances that stabilize and trend upward in later years. While these scenarios technically fail the second criterion, they may still align with the broader intent of fiscal sustainability. As a result, the TAG discussed whether additional criteria, such as end-of-horizon trend direction or resilience to short-term shocks, should be incorporated into future evaluations.

## Long-term Financial Outlook

Economic modeling by ECONorthwest shows that Multnomah County could adopt these policy changes and maintain a positive fund balance through 2030, allowing Preschool For All to reach its goal of universal preschool services. However, a recession similar to the 2008 Global Financial Crisis could reduce revenues below sustainability, depending on its shape and size. TAG members expressed concerns about the short-term threat of a national recession and the long-term budget dynamics in the program if major tax changes were adopted in 2026. TAG members also expressed concern about federal and state cuts to other preschool programs that could happen over the next two years, which would likely drive demand for Preschool For All seats.

**Three dynamics changed the long-term budget** forecast for the program from the County's original forecasting:

- **Serving a smaller population of three- and four-year-olds:** Since the launch of Preschool For All, Multnomah County anticipated serving 11,200 preschoolers. Analysis completed for the TAG in fall 2025 shows that actual births and population trends mean the County should instead plan to serve around 7,500 preschoolers by 2030.
- **Better understanding of revenue growth in the Preschool For All tax base:** To model the revenue impacts of indexing Preschool For All's tax thresholds, ECONorthwest developed a synthetic household-income model, enabling the TAG to consider a range of annualized revenue growth rates between 8 and 12 percent.
- **Reduced state and federal funding for preschool seats at non-Preschool For All sites:** Most TAG and PAG members believe the County should forecast higher demand for Preschool For All seats, given an expectation that the federal Head Start program and the state-funded Preschool Promise are likely to decrease over the next 20 years.

TAG members also heard recommendations developed by Lara Media as part of a Preschool For All community engagement project completed in 2025, included in Appendix C.

Recommendations from that process included:

- **Maintain a progressive income tax as the primary funding mechanism**, ensuring that contributions remain fair and proportional to income.
- **Periodically review and refine tax brackets** to maintain fairness as local economic conditions evolve. Maintain an equity-based tax model while avoiding overburdening working families already paying multiple local taxes.
- **Tie any rate adjustments directly to program impacts** such as expanded access, improved quality, and workforce stability.
- **Clearly report on spending and reserves, along with investments needed to make the program universal**, to build public confidence in the stability of the program and that excess funds are not being raised.



## APPENDIX A

# Technical Advisory Group (TAG) Meeting Summaries

This appendix summarizes key topics and themes discussed, as well as the decisions made, across TAG meetings held between July 2025 and February 2026. It is intended to provide a concise reference for stakeholders. Full presentation materials and meeting recordings are available upon request through Multnomah County staff for those seeking additional detail. This summary was developed using AI tools in a limited, staff-directed way to support clarity and efficiency. Project team staff reviewed all summaries for accuracy and context. AI was used as a writing support tool only and did not replace staff judgment, analysis, or decision-making.

# Preschool For All Technical Advisory Group Meeting Summaries

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[TAG Meeting #6 September 24, 2025](#)

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[TAG Meeting #14 February 4, 2026](#)

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

Meeting Date: July 11, 2025

The July 11, 2025 meeting marked the **inaugural convening** of the Preschool for All Technical Advisory Group (TAG) and established the conceptual, analytical, and values-based foundation for the group's work. Discussion focused on clarifying the TAG's charge, defining the scope and sequencing of its analysis, and beginning substantive deliberation on **indexing income tax thresholds** as a near-term policy question within a broader sustainability context.

## Framing the TAG's Work and Two-Phase Structure

County staff and facilitators presented a revised structure for the TAG's work, dividing it into two phases. The initial phase would focus narrowly on **indexing existing income tax thresholds**, while a second, longer phase would address broader questions about the Preschool for All (PFA) tax mechanism and long-term sustainability.

TAG members engaged critically with this framing. While several participants acknowledged the political and administrative drivers behind the accelerated focus on indexing, others expressed concern that the shortened timeline could constrain meaningful analysis and limit the range of perspectives considered. There was no consensus that urgency alone justified expedited recommendations without sufficient information, and members emphasized the importance of grounding any near-term guidance in clearly articulated assumptions and values.

## Defining Indexing and Its Policy Implications

The group discussed what "indexing" would mean in the context of the Preschool for All income tax. Under current law, tax thresholds for high-income earners are fixed in nominal terms. Indexing would adjust these thresholds annually—typically based on inflation—thereby preventing inflation-driven expansion of the tax base.

TAG members raised foundational questions about indexing, including:

- Whether indexing should be understood primarily as a **fairness mechanism** or as a fiscal policy choice with long-term revenue consequences.
- How inflation should be measured and whether commonly used indices accurately reflect cost changes experienced by high-income households.
- Whether indexing should be evaluated independently or only as part of a broader sustainability framework that considers rising program costs, revenue volatility, and demographic change.

The discussion underscored that indexing is not a neutral technical adjustment but a **value-laden policy choice** with compounding effects over time.

## Clarifying Purpose, Scope, and Non-Negotiables

A substantial portion of the meeting focused on aligning the TAG around its purpose and scope.

- Members affirmed that the TAG's role is to **provide technical, data-informed recommendations** to the Board of County Commissioners, not to redesign program operations.
- At the same time, participants emphasized that revenue recommendations cannot be divorced from programmatic realities, particularly if revenue changes would necessitate changes in access, quality, or inclusion.
- The group discussed the importance of identifying **non-negotiable program values**—such as quality, equity, and accessibility—derived from the ballot measure and the original Preschool for All plan developed through a multi-year community process.

Several members stressed that recommendations should be clearly anchored in **voter intent**, democratic legitimacy, and transparency, and that deviations from the original plan should be explicitly acknowledged and justified.

## Decision-Making Framework and Values

TAG reviewed a draft decision-making framework intended to guide both the indexing discussion and later sustainability analysis. Core principles included:

- Balancing financial sustainability with racial and economic equity.
- Being data-informed while remaining sensitive to differential impacts of tax policy.
- Explicitly recognizing democratic processes and public trust as guiding values.

Members emphasized the need for shared definitions—particularly around equity—and cautioned against relying solely on public testimony that may not reflect the experiences of communities most affected by the program.

## Community Engagement Context

Lara Media Services provided an overview of the planned community engagement effort, designed to gather input from families, educators, providers, taxpayers, businesses, and other stakeholders. TAG members underscored the importance of inclusive outreach, language

access, geographic representation, and centering voices of communities most impacted by Preschool for All.

There was interest in ensuring TAG input into engagement questions to align community findings with the group's analytical needs.

## **Overarching Themes**

Across the meeting, several themes emerged:

- Indexing is inseparable from broader questions of sustainability, cost growth, and revenue volatility.
- TAG members value analytical rigor, transparency, and alignment with voter intent.
- Democratic legitimacy and trust are central to the group's work.
- Early clarity on values, scope, and definitions is essential to credible recommendations.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

Meeting Date: July 23, 2025

The July 23, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) focused on two interrelated areas of inquiry: (1) early findings and design considerations for the Preschool for All community engagement process, and (2) a deep examination of economic, demographic, and revenue conditions shaping the program's fiscal outlook. Discussion reflected both technical uncertainty and differing judgments about urgency, risk, and how the TAG should respond to evolving economic realities.

## Community Engagement Design and Stakeholder Representation

County staff and consultants provided an overview of the Preschool for All community engagement effort being conducted by LA Media Services. TAG members reviewed and discussed the engagement discussion guide, emphasizing the importance of ensuring neutrality, clarity, and inclusive representation.

Key points raised included:

- Concern that the discussion guide focused on evaluating existing program elements but did not explicitly invite participants to suggest **program improvements or innovations**.
- Questions about how different stakeholder groups—such as frontline preschool educators, program operators, parents, non-parent taxpayers, and business owners—were defined and separated within focus groups and interviews.
- Emphasis on capturing perspectives of **taxpayers who do not directly use the program**, including employers and households without young children, who may experience the program's impacts indirectly (e.g., through hiring and recruitment challenges).

TAG members broadly agreed that stakeholder perspectives vary significantly based on relationship to the program and that engagement design should reflect these distinctions while allowing for intersectional identities.

## Economic and Demographic Context

A substantial portion of the meeting was devoted to a technical presentation on statewide, regional, and county-level economic conditions, with a particular focus on population change, employment trends, and income dynamics relevant to Preschool for All revenue.

Key findings discussed included:

- **Population dynamics:** Multnomah County has experienced multiple years of population decline driven primarily by net domestic out-migration and declining natural population change (births minus deaths). Recent population increases appear to be driven largely by methodological changes in how international humanitarian migration is counted, rather than clear evidence of renewed local growth.
- **Demographic headwinds:** Natural population growth is approaching zero or negative across most large U.S. metros, including Portland, and is projected to remain negative long term absent sustained immigration.
- **Employment trends:** Unlike the state of Oregon and the nation overall, Multnomah County has experienced prolonged job losses since 2023, including in higher-wage sectors. The county remains significantly below pre-pandemic employment levels.
- **Migration and income:** IRS migration data indicate that population loss is driven more by increased out-migration than reduced in-migration. Income associated with migration has shifted from net inflow to net outflow since 2020, suggesting potential implications for the tax base, though members cautioned against over-interpreting short-term trends.

Members emphasized that no single data source provides a complete picture and that economic forecasting—particularly at the county level—is increasingly uncertain given national demographic shifts and policy volatility.

## Revenue Composition and High-Income Volatility

TAG reviewed detailed analysis of Preschool for All tax filings, focusing on income distribution and volatility among high-income filers.

- Data showed substantial **churn among the highest-income filers**, with both exits and entries into the top income brackets over time.
- Members cautioned that large year-to-year swings in income—particularly capital gains realizations—are structural features of the tax base and do not necessarily indicate behavioral responses to the tax.
- Several members stressed that short-term revenue declines following record-high capital gains years should not be interpreted as evidence of economic deterioration or tax flight without longer trend analysis.

## Indexing Income Thresholds: Framing the Question

The meeting introduced preliminary analysis of **indexing Preschool for All income thresholds to inflation**, including a retrospective counterfactual analysis for tax years 2022 and 2023.

Key discussion points included:

- Preliminary estimates suggested that indexing thresholds to inflation would have reduced computed tax liabilities by approximately **4–4.5% per year** in the years analyzed.
- Members raised concerns that indexing during periods of high inflation could **reduce revenue growth at the same time program costs are accelerating**, potentially worsening long-term sustainability.
- A distinction was explored between **indexing** (maintaining constant real income thresholds) and **rebasing** (adjusting the tax structure to meet program cost needs), with members noting that these approaches reflect different policy objectives.
- Comparisons were drawn to Oregon’s personal income tax system, which indexes lower brackets but not the top rate, raising questions about equity, inflation exposure, and legislative intent.

## **Tensions Around Urgency and TAG’s Role**

The meeting surfaced a fundamental tension regarding urgency and scope:

- Some members argued for caution, emphasizing incomplete data, pending community engagement results, and the need for a holistic sustainability framework before recommending changes.
- Others stressed the political and economic urgency of addressing indexing in the near term, arguing that failure to act could foreclose policy options or weaken the program’s fiscal position.
- There was broad agreement that decisions about indexing cannot be separated from broader questions of program sustainability, even if the TAG is not tasked with redesigning program elements.

## **Overarching Themes**

Across discussions, several themes emerged:

- Economic and demographic conditions in Multnomah County are changing rapidly and introduce significant uncertainty for long-term revenue forecasting.

- Revenue volatility—especially among high-income filers—is structural and must be explicitly incorporated into sustainability analysis.
- Indexing income thresholds raises complex tradeoffs between equity, revenue stability, and program affordability.
- TAG members differ on the appropriate balance between urgency and analytical completeness, but share concern for maintaining the integrity and long-term viability of Preschool for All.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

Meeting Date: August 4, 2025

The August 4, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) was a consequential working session focused on the fiscal sustainability of the Preschool for All (PFA) program, the volatility of its income-tax revenue base, and whether to recommend indexing income thresholds as an interim policy response. The meeting revealed deep divisions among TAG members about the urgency, appropriateness, and risks of indexing, as well as broader questions about the program's long-term financial viability and the group's advisory role.

## Revenue Volatility and Fiscal Structure of Preschool for All

County finance staff presented a detailed analysis of PFA tax collections, emphasizing that the program relies heavily on a **highly volatile income tax base**, particularly capital gains income from a small number of very high-income filers.

Key points included:

- Capital gains account for a significant share of taxable income and have historically fluctuated dramatically, with past downturns showing declines of up to 80% year-over-year.
- The top 2–3% of filers contribute roughly **40–50% of total PFA revenue**, underscoring concentration risk.
- Apparent declines in collections since the program's first year were anticipated and largely reflect normalization following an exceptional capital gains year rather than a structural collapse.

Staff reiterated that volatility was anticipated in the original program design and is managed through **dedicated savings**, which intentionally bank early surpluses to offset later deficits as the program scales toward universality.

## Long-Term Sustainability and Baseline Projections

Staff walked through long-range financial projections extending well beyond typical county forecasting horizons. Under current baseline assumptions, the program reaches universality but eventually shows a **projected shortfall of roughly \$100 million**, indicating that some combination of revenue growth, cost containment, or program modification will be required over time.

TAG members emphasized:

- Long-term projections are highly sensitive to assumptions about revenue growth, inflation, workforce costs, and participation rates.
- Forecasts should be interpreted as **risk indicators rather than deterministic outcomes**, given economic uncertainty and revenue volatility.
- Sustained volatility poses particular risks for workforce stability and provider capacity, as rapid expansion followed by contraction could permanently damage the early learning system.

## Indexing Analysis and Policy Tradeoffs

Consultants presented an updated counterfactual analysis estimating what would have happened if income thresholds had been indexed to inflation since program inception.

Findings included:

- Indexing would have reduced PFA liabilities by approximately **3.3% in tax year 2022** and **8.7% in tax year 2023**, with a cumulative two-year revenue reduction of about **\$17.6 million**.
- Indexing acts as a **compounding drag on revenue growth**, materially worsening long-term sustainability under current assumptions.
- Even a one-year indexing adjustment could create a precedent that is politically difficult to reverse.

TAG members debated whether indexing should be viewed as a fairness measure to prevent inflation from expanding the tax base to unintended households, or as an early policy choice that could weaken the program before its financial trajectory is better understood.

## Economic Impact and Equity Considerations

Members discussed whether the current combined local income tax rate (approximately 13.9%) poses a credible threat to economic vitality, migration, or investment.

- Some economists on the TAG expressed skepticism that existing evidence demonstrates meaningful economic harm, noting continued growth in high-income households and the progressive nature of the tax.
- Others cautioned that localized tax effects must be assessed alongside broader structural changes, including remote work, post-pandemic migration patterns, downtown

recovery challenges, and regional competition.

- Several members emphasized that the **economic benefits of universal preschool**, including workforce participation, child development, and long-term productivity, must be weighed against any marginal tax impacts.

## Decision-Making Tensions and Unresolved Questions

The meeting concluded without consensus on recommending indexing for the 2026 tax year. TAG members split evenly between those favoring a limited, interim indexing step and those urging delay pending further analysis of program costs, minimum-cost delivery options, and updated tax data.

There was broad agreement, however, that:

- The program as currently modeled is **not on a guaranteed sustainable path** without future adjustments.
- Any near-term decision on indexing carries symbolic and practical consequences that extend beyond a single tax year.
- Additional analysis—particularly on least-cost program configurations, economic impacts of early childhood investment, and updated revenue data—is essential before making permanent structural changes.

The group tentatively agreed to continue its work into a second phase, with the goal of delivering a more comprehensive set of recommendations later in the year.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

Meeting Date: August 12, 2025

The August 12, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) centered on a detailed examination of the **cost structure and design assumptions** underlying the Preschool for All (PFA) program, with particular emphasis on preschool seat drivers, inclusion supports, and the relationship between program scope and fiscal sustainability. The discussion surfaced core disagreements about program boundaries, cost transparency, and how faithfully current implementation reflects voter intent.

## Core Cost Drivers and Seat Modeling

County staff presented an in-depth overview of the PFA cost model, emphasizing that **preschool seats are the dominant cost driver**, growing to more than 80% of total program expenditures over time.

TAG members examined three primary levers driving seat-related costs:

- **Number of seats required** to reach universality, driven by population forecasts and participation (“saturation”) rates.
- **Pace of seat expansion**, reflecting provider capacity, workforce availability, and system stability.
- **Mix of full-day/full-year versus school-day/school-year seats**, with modeling assuming a long-term 60/40 split.

Staff emphasized that changes to these assumptions have outsized impacts on long-term costs and that decisions affecting seat mix or growth rates cannot be isolated from broader system effects.

## Inclusion, Infant–Toddler Stabilization, and Support Services

A major portion of the meeting focused on cost elements that some TAG members questioned as potential “scope creep,” particularly **infant–toddler stabilization funding** and **nursing and inclusion supports**.

County staff and program leaders explained that:

- Infant–toddler stabilization was intentionally included in the original Preschool for All plan to prevent displacement of infant and toddler care as preschool wages rise, and to

maintain compliance with Oregon pay equity requirements.

- Inclusion supports—including coaching, mental health teams, and access to nursing consultation—are essential to implementing the program's commitment to **no suspensions or expulsions**, particularly for children with disabilities or complex medical needs.
- These elements were developed through a multi-year planning process informed by national evidence and were intended to support a **holistic early learning system**, not solely preschool classrooms.

Several TAG members expressed concern that these supports, while valuable, were **not explicitly described in the ballot language**, raising questions about transparency and voter expectations. Others countered that the ballot measure incorporated the broader Preschool for All plan by reference and that such supports are necessary to deliver the program voters endorsed.

### **Cost Growth, Uncertainty, and Dedicated Savings**

TAG reviewed assumptions related to **cost growth**, with seat costs modeled to grow between 4–5% annually and non-seat costs at approximately 3%. Members noted that even small changes to cost growth assumptions materially alter long-term sustainability outcomes.

The group also discussed the role of **dedicated savings**, which are drawn down significantly during peak expansion years to maintain program commitments. Staff highlighted that nearly \$100 million in savings is used in the year universality is reached, underscoring the program's reliance on reserves during early phases.

### **Program Flexibility and Voter Intent**

A recurring theme was the degree of discretion the County has to adjust program parameters—such as seat mix or eligibility for extended-day care—without returning to voters.

- Some TAG members argued that meaningful changes to program design could undermine the spirit of the ballot measure.
- County staff responded that responsible program administration requires adaptation to post-pandemic realities, including workforce losses and increased child behavioral and mental health needs, while remaining aligned with the ballot's core goal of universal preschool access.

This exchange highlighted an unresolved tension between **program adaptability** and **democratic accountability**.

## Framing Sustainability and TAG's Role

The meeting also surfaced differing views on the TAG's mandate. Some members argued that the program, as currently designed, is **not financially sustainable**, and that the TAG must grapple directly with that reality, including potential programmatic tradeoffs. Others emphasized that the TAG's role is to assess revenue adequacy and economic impacts, not to redesign the program.

There was broad agreement, however, that long-term projections involve substantial uncertainty and that sustainability cannot be assessed without examining both revenue dynamics and program cost drivers together.

## Overarching Themes

Across the discussion, several themes emerged:

- Preschool seats dominate program costs; assumptions about seats drive sustainability outcomes.
- Inclusion and system-support costs are integral to program quality but raise questions about scope and voter intent.
- Post-pandemic conditions have materially altered workforce and cost realities.
- Sustainability debates hinge as much on values and definitions as on technical modeling.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

**Meeting Date: September 5, 2025**

The September 5, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) marked the formal launch of **Phase Two** of the group’s work and served as a critical reset focused on shared understanding, evidentiary standards, and the analytical scope of upcoming modeling and scenario development. The meeting emphasized transparency, rigor, and clarity of roles as foundational to the credibility of TAG recommendations.

### Establishing Shared Standards and Credibility

Early discussion centered on reaffirming TAG’s role as a **technical, evidence-driven advisory body**, rather than a forum for opinion. Members underscored the importance of grounding all statements—particularly those made to the Board of County Commissioners—in verifiable data and clearly cited sources.

Several participants noted that prior communications risked being interpreted as opinion-based rather than analytic, and expressed concern about maintaining credibility with the Board. The group emphasized:

- Clear distinction between correlation and causation in economic analysis.
- Explicit acknowledgment of multiple, simultaneous factors influencing outcomes such as migration, downtown recovery, and revenue performance.
- Consistent use of citations and documentation in formal TAG communications.

This discussion set a high bar for analytical rigor and reinforced the group’s commitment to evidence-based policymaking.

### Clarifying Expertise, Perspectives, and Positionality

A substantial portion of the meeting was devoted to detailed introductions and reintroductions by TAG members, consultants, and County staff. Participants shared their subject matter expertise, professional backgrounds, and personal perspectives shaping their engagement in the work.

This exercise surfaced the group’s wide-ranging expertise in:

- Demography and population forecasting
- Public finance and tax policy

- Early childhood education research and program design
- Workforce economics
- County budgeting and tax administration

Members also openly articulated their values and commitments—such as support for universal preschool, equity, fiscal sustainability, and policy durability—aimed at reducing ambiguity around motivations and fostering trust within the group.

## Scope and Purpose of Phase Two Analysis

Discussion clarified that Phase Two would move beyond the narrowly scoped indexing analysis conducted earlier and focus on **scenario-based revenue modeling paired with alternative assumptions**. Key points included:

- The importance of examining ranges of assumptions rather than single point estimates, given uncertainty in long-term forecasts.
- Recognition that core modeling levers include revenue growth rates, cost growth (particularly labor), participation rates, demographic forecasts, and the pace of program expansion.
- Agreement that scenarios should combine policy options with alternative assumptions to illuminate tradeoffs and risk, rather than produce deterministic forecasts.

Consultants emphasized that background research—on topics such as migration, economic conditions, and workforce dynamics—is intended to inform scenario selection and interpretation, not to produce definitive causal claims.

## Baseline Financial Assumptions and Sensitivities

County staff and consultants reviewed the baseline financial model underpinning Preschool for All, highlighting its sensitivity to key assumptions.

Key areas of discussion included:

- **Revenue growth:** An assumed long-term growth rate of approximately 8%, based on historical income data, acknowledged as conservative historically but increasingly uncertain going forward.

- **Cost growth:** Seat costs grow faster than general inflation due to labor intensity and wage parity commitments with K–12 educators.
- **Dedicated savings:** The program anticipates substantial drawdowns of reserves during peak expansion years, underscoring the importance of revenue timing and volatility.
- **Expense composition:** Over time, the vast majority of program costs are driven by preschool seats rather than County administrative expenses.

Members emphasized that small changes in these assumptions can produce dramatically different long-term outcomes, reinforcing the need for sensitivity testing and scenario analysis.

## Integration with Program Considerations

The group discussed the creation of the Program Advisory Group (PAG) and its complementary role in assessing the programmatic implications of TAG-generated scenarios. While maintaining clear role separation, TAG members stressed the importance of understanding how revenue scenarios translate into impacts on quality, inclusion, workforce supports, and system capacity.

There was particular interest in:

- Inclusion and special needs supports
- Workforce development and retention
- Facilities investment and long-term maintenance
- Leveraging state and federal preschool funding (e.g., Head Start, Preschool Promise)

## Overarching Themes

Across the meeting, several themes emerged:

- Analytical rigor and credibility are paramount to TAG’s effectiveness.
- Long-term projections must be framed as uncertain and scenario-based, not predictive.
- Revenue sustainability cannot be evaluated independently of program quality and workforce realities.
- Clear communication—internally and externally—is essential to maintaining trust with policymakers and the public.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

**Meeting Date: September 24, 2025**

The September 24, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) centered on clarifying the group's charge, refining the scope and purpose of proposed research questions, and grappling with the conceptual distinction between "fully funding" the Preschool for All (PFA) program and ensuring its long-term sustainability. Discussion revealed fundamental differences in interpretation among members about the TAG's mandate and the appropriate relationship between revenue analysis and program design.

### Clarifying the TAG's Charge: "Fully Funded" vs. "Sustainable"

A central and extended discussion focused on whether the TAG's role is to recommend revenue sufficient to **fully fund the Preschool for All program as designed**, or to evaluate whether the existing tax structure can sustainably support the program under current and projected economic conditions.

- Several members emphasized that County Code directs the TAG to recommend revenue levels necessary to ensure the program is **fully funded**, consistent with the ballot measure and implementing ordinance.
- Other members highlighted ballot language emphasizing **sustainability**, arguing that full funding must be understood within the constraints of economic reality and revenue volatility.
- County staff and facilitators clarified that the TAG is not charged with redesigning the program, but with analyzing whether and how revenue mechanisms can support the program as it exists, while acknowledging broader economic pressures.
- The discussion surfaced concern that conversations about "efficiency" or "maximization" could be interpreted as implicit program cuts, even if not framed as such.

Despite differing perspectives, members broadly agreed on the need for clearer shared language distinguishing **program design authority** (vested in other advisory bodies) from the TAG's responsibility to analyze revenue adequacy and risk.

### Role Delineation Between Advisory Bodies

Considerable time was spent clarifying the respective roles of the Technical Advisory Group (TAG), the Program Advisory Group (PAG), the Preschool for All Advisory Committee, and newer parent and provider advisory groups.

- TAG members expressed concern about circular decision-making, in which revenue scenarios are sent to program bodies for response, while program design decisions influence revenue needs.
- County staff emphasized that programmatic changes—such as inclusion models, staffing ratios, or service duration—are the responsibility of program-focused advisory bodies, while the TAG’s role is to assess **financial implications and revenue sufficiency**.
- Members acknowledged that this separation is not always clean in practice, particularly when program costs and revenue adequacy are deeply intertwined.

## Research Questions as the Foundation for Scenario Analysis

The group devoted significant attention to reviewing, refining, and categorizing proposed research questions intended to inform future revenue scenarios.

- Research questions were organized into three broad categories:
  1. **Background research** (economic conditions, demographics, migration, workforce characteristics, and economic impacts of preschool),
  2. **Revenue scenario inputs** (participation rates, seat counts, alternative publicly funded slots, and tax mechanisms), and
  3. **Out-of-scope or hybrid questions** more appropriately addressed by program-focused groups.
- Members emphasized that background research should inform scenario development, not serve as an exhaustive academic exercise.
- Several questions were revised or removed after discussion, including a proposal to examine central city real estate vacancy, which was ultimately deemed insufficiently connected to the TAG’s charge.

There was strong agreement that research should prioritize **data relevance, feasibility, and decision utility**, rather than breadth for its own sake.

## Modeling Uncertainty and Long-Term Forecasting Limits

TAG members repeatedly cautioned against overconfidence in long-range financial projections.

- Members noted that economic forecasting beyond a few years is inherently uncertain, particularly given recent volatility and structural economic shifts.
- Discussion emphasized that scenarios projecting deficits 10–20 years in the future should be interpreted as **risk indicators**, not deterministic outcomes.
- Several members argued that policymakers will ultimately need a clear recommendation, even when scenarios present mixed or probabilistic outcomes.

The group acknowledged tension between the desire for nuanced, scenario-based analysis and the political reality that elected officials may focus on worst-case or most salient outcomes.

## Revenue Mechanisms and Compliance Considerations

Members raised questions about the scope of revenue mechanisms to be evaluated.

- While much discussion focused on variations of the existing high-income tax, some members expressed interest in examining **alternative or supplemental revenue sources**, subject to data availability and scope constraints.
- Questions were raised about tax compliance and collection efficiency, including whether county-administered taxes differ materially from state-administered taxes in collection rates.
- County staff indicated that compliance data for county residents may be available, though non-resident compliance presents greater challenges.

## Overarching Themes

Across the meeting, several themes consistently emerged:

- The TAG requires **greater shared clarity** about its mandate and how sustainability and full funding are defined.
- Research should be tightly aligned with decision-making needs, not abstract inquiry.
- Long-term projections must be framed explicitly as uncertain and contingent.
- Revenue analysis cannot be fully separated from program realities, even if program design decisions lie elsewhere.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

Meeting Date: October 8, 2025

The October 8, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) was devoted primarily to a comprehensive review of background research on economic conditions, demographic trends, migration patterns, and workforce characteristics relevant to the long-term financial outlook of the Preschool for All (PFA) program. The discussion emphasized understanding underlying structural conditions shaping demand, revenue stability, and workforce capacity, rather than drawing immediate policy conclusions.

## Regional and County Economic Conditions

The consultant team presented an overview of national, state, regional, and county-level economic indicators to contextualize PFA's revenue environment.

- National indicators showed a heightened probability of recession within the next year, based on historical recession probability thresholds, though timing and severity remain uncertain.
- Oregon's economy was described as underperforming relative to the nation, with employment growth slowing and recent job losses concentrated in the Portland metropolitan area.
- Multnomah County was highlighted as an outlier among major U.S. counties, experiencing prolonged employment decline and population stagnation while many peer metros continue to grow.
- Discussion emphasized that demographic shifts, reduced immigration, and labor force aging may be fundamentally altering traditional indicators of economic growth and employment recovery.

TAG members debated the limitations of using job counts and population growth alone as measures of economic health, noting the importance of job quality, income levels, and distributional impacts.

## Population Change and Migration Dynamics

A substantial portion of the meeting focused on population trends and migration patterns affecting Multnomah County.

- Census Population Estimates Program (PEP) data and IRS migration data showed sustained **net domestic out-migration**, partially offset in recent years by international

immigration.

- The dominant driver of population loss was identified as **increased out-migration**, not reduced in-migration.
- Migration patterns within the metro area remain consistent over time, with households continuing to move from Multnomah County to surrounding counties, particularly Clark County.
- Recent data suggest a modest narrowing of net out-migration, though members cautioned against interpreting single-year changes as trend reversals.

TAG members discussed the implications of these patterns for preschool demand, particularly given evidence that households with children are more likely to leave the county than households without children.

## **Income Characteristics of Movers and Stayers**

The group examined how migration patterns intersect with household income.

- Aggregate IRS data indicated that the **average income of households leaving Multnomah County has risen**, converging toward the income level of households remaining in the county.
- Contrary to some public narratives, the data did not clearly support claims of disproportionate out-migration among the highest-income households.
- Households moving into the county continue to skew toward lower-income brackets, particularly under \$75,000, consistent with historical patterns tied to age and career stage.

Members emphasized caution in interpreting income-band migration data due to margins of error, but agreed that affordability pressures likely play a central role in observed trends.

## **Housing Affordability and Household Composition**

Housing affordability emerged as a critical contextual factor.

- Rising home prices and interest rates have eliminated nearly all opportunities for median-income households to purchase homes within the region.

- Rent cost burden remains high, particularly among households earning below \$50,000, with geographic shifts concentrating cost burden in East Multnomah County.
- Households with children ages 0–4 are increasingly likely to be homeowners, and their income distribution skews substantially higher than households without young children.

TAG members discussed how these dynamics may shape who can afford to remain in the county during early child-rearing years, with implications for both equity and preschool enrollment.

## **Taxation and Migration Research**

The consultant team reviewed national research on the relationship between taxation and migration.

- Literature was presented showing mixed and often weak correlations between state income tax rates and migration, particularly when other factors such as housing costs and employment opportunities are considered.
- More sophisticated county-level modeling incorporating effective tax rates, employment growth, rents, and metro structure explained substantially more variation in migration outcomes than tax rates alone.
- The analysis suggested that effective tax rates for the highest-income households are one factor among many influencing migration, but not a dominant or isolated driver.

## **Early Childhood Workforce Context**

TAG reviewed preliminary data on the early childhood education workforce.

- Only a minority of individuals with early childhood education degrees are employed in child care, both in Oregon and nationally.
- Among child care workers, educational attainment is mixed, with roughly half holding a bachelor's degree or higher.
- Members noted that workforce supply and retention will be central considerations when aligning program costs with service expectations.

## **Cross-Cutting Observations**

Across the discussion, several shared understandings emerged:

- Economic, demographic, and migration trends affecting Multnomah County are multifaceted and cannot be explained by single variables.
- Housing affordability appears to be a consistent and powerful influence on household mobility, particularly for families with children.
- Long-term planning for PFA must account for uncertainty, distributional impacts, and structural shifts in population and labor markets.
- Background research should inform—but not predetermine—subsequent discussions of revenue scenarios and program sustainability.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

Meeting Date: October 22, 2025

The October 22, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) focused on foundational financial assumptions for the Preschool for All (PFA) program, including long-term revenue and cost dynamics, population and participation forecasts, and the range of potential tax mechanisms available to support program sustainability. Discussion reflected a shared concern about uncertainty in long-range projections and the importance of clearly framing sustainability as a planning concept rather than a precise forecast.

## Revenue, Cost Growth, and Long-Range Forecasting

County staff presented an overview of baseline financial assumptions, emphasizing that PFA's core financial challenge is **temporal rather than structural**. In the early years of program expansion, seat growth drives expenses faster than revenues, creating a projected period of deficit. Over the long term, however, staff explained that revenues are expected to grow faster than costs once the program reaches steady state.

TAG members raised significant questions about the reliability of long-range forecasts extending 15–20 years into the future. Several members emphasized that projections beyond the first few years are inherently uncertain and should be treated as **planning tools rather than predictions**. Concerns were expressed that using the term “sustainable” could be misleading if not carefully defined, given the “squishiness” of assumptions far into the future. In response, staff clarified that sustainability was being used in a technical sense—referring to expected long-run relationships between average revenue growth and average cost growth—while acknowledging substantial uncertainty.

There was broad agreement that scenario and sensitivity testing would be essential to understanding how deviations in revenue growth, cost growth, or enrollment could affect fund balances over time.

## Population, Participation, and Seat Assumptions

The group revisited how the number of required PFA seats is calculated, based on projected population of three- and four-year-olds, expected participation rates, and the availability of other publicly funded preschool seats.

Key points of discussion included:

- **Participation assumptions:** The model assumes a 77.5% participation rate at universality, based on 70% participation for three-year-olds and 85% for four-year-olds, informed by data from comparable programs such as Washington, D.C.

- **Other publicly funded seats:** TAG discussed anticipated declines in state- and federally funded preschool seats due to funding constraints and workforce shortages, which could increase demand for PFA-funded seats.
- **ERDC (Employment Related Day Care):** Members noted that ERDC data is difficult to incorporate because it is a voucher-based, age-spanning program with unstable county-level participation, limiting its usefulness for forecasting preschool demand.
- **Enrollment performance:** Staff reported very high enrollment rates in existing PFA seats (approximately 97%), indicating strong demand and effective waitlist management.

Members underscored that assumptions about population trends and alternative seat availability are among the most powerful drivers of long-term cost projections and warrant close scrutiny.

## Economic Impacts of High-Quality Preschool

The consultant team presented a literature-based overview of the **economic benefits of high-quality preschool**, drawing heavily on research by economist Timothy Bartik.

Key findings discussed included:

- Strong evidence that high-quality preschool yields **positive long-term returns**, including higher earnings, increased employment, reduced crime, and intergenerational benefits.
- Universal preschool programs tend to produce greater overall benefits than narrowly targeted programs, in part due to income diversity and stronger political durability.
- While short-term labor market effects primarily reflect increased parental workforce participation, the largest economic gains accrue over decades as children enter adulthood.
- Benefit–cost analyses suggest that high-quality preschool can generate **multiple dollars in economic benefit for every dollar invested**, particularly when viewed from a societal perspective rather than a single-state perspective.
- Program quality and design matter significantly; outcomes vary widely depending on implementation.

This discussion reinforced the importance of aligning financial sustainability decisions with the program’s quality and equity goals.

## Tax Mechanisms and Feasibility Considerations

TAG reviewed a range of potential tax mechanisms identified through member surveys and Board input, with discussion focused on feasibility, data availability, equity, and volatility.

Key themes included:

- **Most feasible mechanisms:** Adjustments to existing tax rates, timelines, or indexing thresholds were viewed as the most analytically feasible within current data and time constraints.
- **Credits and means testing:** These approaches were seen as possible but complex, requiring additional assumptions about eligibility, administrative costs, and behavioral responses.
- **Property taxes:** Recognized as more stable but slower-growing and potentially regressive, with significant complexity related to compression and impacts on other taxing districts.
- **Consumption taxes and gross receipts taxes:** Viewed as difficult to analyze rigorously within scope and, in the case of gross receipts taxes, largely preempted by state law.

TAG members highlighted tradeoffs between **revenue stability and equity**, noting that less volatile taxes may conflict with the equity principles embedded in the original ballot measure.

## Framing Sustainability and Risk

Across discussions, members emphasized that sustainability should not be reduced to a single numeric outcome. Instead, sustainability was framed as a function of:

- Exposure to revenue volatility,
- Adequacy of reserves to manage downturns,
- Sensitivity of outcomes to key assumptions, and
- The degree of policy flexibility required under adverse conditions.

There was strong agreement that communicating uncertainty transparently—through ranges and scenarios rather than point estimates—would be critical for informed policymaker decision-making.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

**Meeting Date: November 4, 2025**

The November 4, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) marked a pivotal joint session with members of the Program Advisory Group (PAG), County staff, and consultants. The meeting centered on aligning technical, programmatic, and community perspectives as the TAG deepened its examination of tax mechanisms, sustainability, and the real-world costs of delivering a high-quality, inclusive preschool system.

## Community Engagement Findings and Public Priorities

A central feature of the meeting was a presentation by LA Media Services, which shared findings from an extensive community engagement process conducted to inform TAG deliberations. Participants across focus groups, interviews, and surveys consistently described Preschool for All (PFA) as a **public good**—a moral and economic investment that strengthens families, promotes equity, and delivers long-term societal benefits.

Key community themes included:

- Strong support for **universal access** and culturally responsive, bilingual programming.
- High value placed on **workforce compensation**, professional development, and educator retention as core to program quality.
- Broad acceptance of **progressive taxation** to fund PFA, paired with concerns about fairness, transparency, and long-term accountability.
- A clear demand for **plain-language, accessible communication** about program finances, enrollment, and outcomes, with concern that existing information is not reaching the public effectively.

The presentation highlighted that public skepticism is driven less by opposition to the program itself and more by **information gaps and misinformation**, underscoring the importance of trust-building through transparency.

## Sustainability and the Meaning of “Fully Funding” the Program

A substantial portion of the meeting was devoted to a wide-ranging discussion of what “sustainability” should mean in the context of PFA.

County staff provided an example from the Multnomah County Library District to illustrate how sustainability has historically been defined as the ability of a revenue mechanism to fund a

program at its intended service level over a defined time horizon. TAG members, however, emphasized that PFA presents distinct challenges due to its reliance on **income tax revenue**, which is inherently more volatile than property taxes.

TAG members raised several core issues:

- Sustainability should not be evaluated solely through long-range point estimates, but through **risk, volatility, and reserve adequacy**, especially given exposure to economic cycles.
- Income tax revenue tied to high-income earners can fluctuate sharply; therefore, **reserve levels and buffering capacity** are as important as average growth assumptions.
- A binary definition of sustainability risks obscuring meaningful differences between scenarios that may be manageable versus those that would require disruptive program changes.

## **Program Costs, Inclusion, and Provider Realities**

Providers and PAG members offered detailed testimony about the **actual cost pressures of delivering inclusive preschool**, particularly in the program's early years.

Key insights included:

- Inclusion costs are currently front-loaded, as children with diagnosed disabilities and significant developmental needs represent a disproportionately large share of enrolled children before the program reaches universality.
- Classroom realities often require staffing far above standard ratios to safely and effectively serve high-needs populations.
- Providers described uncertainty and strain caused by limited upfront information about enrolled children's needs and by inclusion funding that is often reactive rather than proactive.

There was strong agreement that current baseline cost assumptions may understate the resources required to deliver the level of quality and inclusion envisioned in the ballot measure, particularly during the program's build-out phase.

## **Framing Tradeoffs Between Revenue and Program Design**

TAG members emphasized the need for clarity about the relationship between revenue options and programmatic consequences. Several participants argued that policymakers must understand not only whether a tax mechanism “balances,” but **what degree of program modification would be required** under different funding scenarios—ranging from no change, to modest adjustments, to changes that would undermine core program commitments.

A recurring theme was the importance of anchoring sustainability discussions to shared values established at the program’s inception: universal access, equity, living wages for educators, and high-quality learning environments.

## **Overarching Themes**

Across the meeting, several consistent conclusions emerged:

- Sustainability must be framed as a question of **risk management and resilience**, not simply long-term balance.
- Community support for PFA remains strong, but depends on trust, transparency, and visible accountability.
- Inclusion and workforce costs are central drivers of long-term affordability and must be explicitly recognized.
- Effective recommendations will require integrating technical analysis with provider experience and community priorities.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

Meeting Date: November 19, 2025

The Preschool for All Technical Advisory Group (TAG) met on November 19, 2025, to examine foundational assumptions underlying the program’s financial model, with particular attention to how sustainability is defined, how costs and enrollment are modeled, and how uncertainty and volatility should be incorporated into long-range analysis. The discussion surfaced significant concerns about baseline assumptions, the framing of sustainability, and the relationship between technical modeling and programmatic realities.

## Defining Financial Sustainability

A central focus of the meeting was a proposed working definition of financial sustainability: maintaining a positive fund balance by Year 10 and ensuring that cumulative revenues exceed expenses over Years 11–20.

- TAG members broadly agreed that sustainability must mean the program can withstand initial implementation and remain financially viable over the long term.
- Several members cautioned that a **binary pass/fail definition** is overly rigid and sensitive to small dollar differences that may not be meaningful in practice.
- Concerns were raised that scenarios could technically “fail” sustainability due to relatively minor shortfalls (e.g., under \$1 million in a multibillion-dollar program) while still being manageable within normal county budgeting practices.
- Members emphasized the importance of considering **reserves and contingency funds** as part of sustainability discussions, particularly in the context of revenue volatility.

There was strong interest in reframing sustainability as a **risk-based concept**, focused on resilience to economic shocks and the likelihood of future corrective action rather than strict thresholds.

## Revenue Volatility and Reserve Policy

TAG spent substantial time discussing the volatility of income-tax-based revenue, especially given reliance on high-income earners and capital gains.

- Members noted that straight-line revenue growth assumptions obscure real-world dynamics, where revenues may be strong in most years but experience sharp declines during recessions.
- Questions were raised about whether existing reserve and contingency policies—15% and 10% of revenues, respectively—are sufficient to absorb plausible downturns, including scenarios involving revenue declines of 30–40%.

- Clarification was provided that reserves are intended to buffer unexpected revenue drops without requiring midyear program cuts, while contingency funds are designed for one-time, unanticipated expenditures.
- Several members expressed concern that sustainability modeling does not yet adequately show how close scenarios are to requiring reserve drawdowns or programmatic disruption.

## Cost Structure and Baseline Assumptions

TAG members examined baseline cost assumptions and expressed concern that they may understate real program costs.

- Baseline modeling assumes approximately **4% annual growth in seat costs**, compared to **8% annual revenue growth**, a gap that several members found implausible over the long term.
- Members highlighted that labor costs—particularly wages necessary to recruit and retain qualified educators—are likely to rise faster than modeled.
- Inclusion costs for children with disabilities and developmental delays were repeatedly cited as an area of growing pressure that may not be fully reflected in per-seat averages.
- Questions were raised about whether the model sufficiently captures how programmatic quality expectations, staffing ratios, and mental health supports could drive future cost increases.

## Enrollment, Population, and External Funding Assumptions

Discussion also focused on assumptions about the number of children served and the availability of non-PFA preschool seats.

- TAG reviewed population forecasts from PSU's Population Research Center and expressed concern that projections showing significant near-term growth in three- and four-year-olds may not align with recent trends in birth rates and out-migration of young children.
- Members questioned whether declining state and federal preschool funding would increase demand for PFA seats more rapidly than currently modeled.
- There was broad agreement that enrollment assumptions are among the **most powerful drivers of long-term costs** and warrant closer scrutiny.

## Sensitivity Testing and Scenario Modeling

The consultant team presented early sensitivity testing capabilities, demonstrating how changes in individual assumptions—such as revenue growth, seat mix, enrollment levels, or cost growth—affect long-term fund balances.

- TAG members emphasized that **isolated sensitivity tests are less informative** than realistic scenarios that combine multiple interacting factors (e.g., slower population growth, higher costs, and revenue downturns occurring simultaneously).
- Significant concern was expressed about modeling programmatic changes—such as shifting to shorter preschool days—without clear alignment to voter intent or program goals.
- Members stressed that any modeling of program changes should be grounded in input from the Program Advisory Group (PAG), which has direct expertise in program operations and provider realities.

## Overarching Themes

Across the meeting, several consistent themes emerged:

- Sustainability should be evaluated through **risk, resilience, and uncertainty**, not binary thresholds.
- Baseline assumptions—particularly around costs, enrollment, and revenue volatility—require deeper scrutiny.
- Financial modeling must remain connected to program realities, especially workforce needs and inclusion obligations.
- Clear communication to policymakers about **tradeoffs, confidence levels, and downside risk** is essential.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

**Meeting Date: December 10, 2025**

At its December 10, 2025 meeting, the Preschool for All Technical Advisory Group (TAG) engaged in extensive deliberation on the core financial drivers of the Preschool for All (PFA) program, with a particular focus on population forecasts, revenue volatility, cost dynamics, and the adequacy of current sustainability assumptions. Discussion reflected growing recognition of uncertainty across multiple dimensions of the program's long-term financial outlook and emphasized the need to evaluate risk, not just point estimates.

## Population and Enrollment Assumptions

The meeting began with a detailed review of updated birth data and demographic trends relevant to forecasting the number of three- and four-year-olds in Multnomah County. Analysis showed a sustained decline in births over the past several years, with recent cohorts averaging roughly 7,000 births annually—significantly lower than assumptions used when the PFA plan was originally developed.

TAG members discussed evidence from Census data indicating consistent **net out-migration of young children** from Multnomah County between birth and age three, on the order of 8–11%. This finding challenged assumptions that migration would offset declining birth rates. Members explored whether alternative forecasting approaches—such as fertility-rate-based modeling—might better capture future cohort size but acknowledged the inherent uncertainty of such projections.

The implications of declining state and federal preschool funding (“alternative seats”) were also central to the discussion. Members noted that reductions in these external funding sources increase demand for PFA-funded seats and materially affect overall cost projections.

## Revenue Modeling and Volatility

The TAG reviewed updated revenue modeling that incorporated dynamic interest rates, extended the forecast horizon to 20 years, and disaggregated fixed versus scalable costs. Considerable attention was given to the volatility of income-tax-based revenue, particularly the outsized role of high-income earners and capital gains.

Members emphasized that straight-line revenue growth assumptions obscure real-world volatility. Scenario modeling demonstrated that **timing of economic downturns matters significantly**: recessions occurring earlier in program expansion could drive fund balances deeply negative, while later recessions—despite producing lower ending balances—might be more manageable once enrollment stabilizes. TAG members broadly agreed that long-term average growth rates are less informative than stress-testing for adverse timing and magnitude of economic shocks.

## Cost Growth and Program Affordability

TAG members raised repeated concerns that holding seat cost growth at 4% annually may understate real cost pressures, particularly for labor. Comparisons were drawn to K–12 education and other public systems experiencing cost growth closer to 5–6% annually. Several members cautioned that constraining cost growth assumptions risks embedding future erosion of wages, program quality, or inclusion capacity.

The group also discussed the administrative and fiscal implications of policy options such as means testing for extended-day care, noting that associated administrative costs must be explicitly modeled rather than assumed to be negligible.

## Sustainability Definition and Risk Framing

A significant portion of discussion centered on the TAG’s working definition of financial sustainability—positive fund balance at Year 10 and non-declining balances thereafter. Members identified edge cases in which scenarios failed the formal definition despite maintaining positive and improving fund balances over time, suggesting the framework may be overly rigid.

There was broad interest in reframing sustainability around **risk tolerance**, resilience to recession, adequacy of reserves, and the likelihood of future corrective action rather than binary pass/fail thresholds. Members questioned whether current reserve and contingency levels would be sufficient in a severe downturn and whether additional reserve policy analysis was warranted.

## Property Tax as a Revenue Option

The group discussed whether to explore property tax mechanisms as a supplement or alternative to income tax revenue. Members acknowledged that property tax revenue is more stable but grows more slowly and is subject to Oregon’s complex compression rules. There was skepticism about political viability and concern that a property tax large enough to meaningfully support PFA could create significant unintended consequences for other taxing districts.

The prevailing view was that any property tax analysis should remain high-level and illustrative, focused on tradeoffs rather than detailed implementation.

## Overarching Themes

Across discussions, several shared conclusions emerged:

- Confidence in long-range projections is limited without explicit treatment of uncertainty.
- Population, seat count, and revenue volatility are the most consequential variables.

- Sustainability should be communicated as a spectrum of risk rather than a fixed threshold.
- Policymakers will ultimately need clear information about tradeoffs, downside exposure, and resilience under stress.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

**Meeting Date: January 14, 2026**

The January 14, 2026 meeting of the Preschool for All Technical Advisory Group (TAG) represented a pivotal point in the group's work, as members engaged deeply with updated revenue modeling, cost growth assumptions, and the emerging framework for formulating final recommendations to the Board of County Commissioners. The discussion centered on how best to assess financial sustainability under uncertainty, reconcile revenue capacity with program cost realities, and frame risk for policymakers.

## Program Advisory Group (PAG) Report-Out: Cost Pressures and Uncertainty

The meeting opened with a detailed report from the Program Advisory Group (PAG), highlighting unresolved concerns about the **true cost of delivering high-quality preschool**, particularly related to workforce compensation and inclusion supports.

Key points included:

- Strong concern that the current **4% annual seat cost growth assumption is insufficient**, with PAG members requesting TAG analysis at **5.2% (national average childcare cost growth)** and **6% (aligned with PPS labor growth)**.
- Inclusion supports—particularly related to behavioral and mental health needs—are increasing and difficult to model precisely, yet are materially affecting provider stability and staffing.
- Providers face structural budgeting challenges due to mismatched fiscal years, insurance cost volatility, and uncertainty around future state and federal funding (e.g., Head Start, Preschool Promise, behavioral health supports).

The PAG emphasized that recommended cost growth rates may still **underestimate real-world pressures**, and urged TAG to clearly communicate uncertainty and risk to decision-makers.

## Updated Economic Scenarios and Modeling Enhancements

Consultants presented substantial updates to the revenue model, including refined administrative cost scaling, faster seat ramp-up assumptions, updated county revenue forecasts, and—most notably—the introduction of a **synthetic household income model**.

This new model allows:

- Differentiation between **income growth and revenue growth**, clarifying that assumed 8% annual revenue growth corresponds to much lower household income growth (generally 3–5%).
- Simulation of **historical income growth**, which implies materially higher long-term revenue growth (~12% compounded) than the baseline assumption.
- More accurate analysis of **indexing income thresholds**, including impacts on the share of households subject to the tax over time.

Members broadly agreed that the enhanced model significantly improved the analytical foundation for evaluating indexing and long-term sustainability.

## Indexing, Revenue Mechanisms, and Policy Tradeoffs

TAG reviewed results for all major revenue mechanisms under multiple economic scenarios, including:

- Indexing income thresholds to inflation,
- Delaying or cancelling the scheduled tax rate increase,
- Increasing the tax rate above the scheduled level,
- Offering credits to non-resident filers,
- Implementing means-tested co-pays for higher-income families.

Key takeaways included:

- **Indexing meaningfully reduces long-term revenue growth**, though impacts are modest in early years.
- Most individual mechanisms appear “sustainable” under baseline assumptions, but outcomes become fragile under higher cost growth scenarios.
- Means-tested co-pays and non-resident credits have relatively small fiscal effects and introduce administrative complexity.
- Combining mechanisms (e.g., indexing plus delayed rate increases) can manage risk but often results in **edge-case outcomes** that hinge on definitions of sustainability.

## Defining Sustainability and Framing Risk

A central theme of the meeting was whether the TAG's current definition of sustainability—positive fund balance at key milestones and growth over time—adequately captures **policy-relevant risk**.

Members raised concerns that:

- Small projected surpluses or deficits (e.g., a few million dollars) are indistinguishable from zero given forecasting uncertainty.
- Policymakers are likely to focus less on strict pass/fail criteria and more on **when corrective action might be needed and how disruptive it would be**.
- Long-range projections should be paired with **stress tests or recession shocks** to illustrate downside risk.

There was growing consensus that recommendations should emphasize **risk management**, not mathematical certainty.

## Cost Growth, Participation, and Structural Assumptions

TAG members questioned several baseline assumptions, including:

- Whether participation rates (77%) are too low compared to other universal preschool systems (e.g., Washington, DC).
- Whether alternative publicly funded seats will persist at assumed levels.
- Whether seat mix assumptions (60% full-day/full-year) reflect statutory requirements or policy choices.

Several members advocated testing **higher participation and higher cost scenarios simultaneously**, to avoid understating long-term fiscal exposure.

## Transition to Recommendations

The meeting concluded with a discussion of the decision-making framework, emphasizing **modified consensus with reservations**, and outlining the compressed timeline for arriving at TAG recommendations. Members were asked to submit preferred economic scenarios and specific modeling changes immediately, with the goal of enabling recommendations at upcoming meetings.

## Overarching Themes

Across the discussion, several themes emerged:

- Cost uncertainty—especially related to labor and inclusion—is central and unresolved.
- Improved modeling has clarified, but not eliminated, long-term sustainability risks.
- Indexing and rate decisions are inseparable from assumptions about revenue growth and program costs.
- TAG recommendations should clearly communicate **risk, uncertainty, and tradeoffs**, rather than implying false precision.

# Executive Summary

## Multnomah County Preschool for All – Technical Advisory Group Meeting

Meeting Date: January 21, 2026

The Technical Advisory Group (TAG) engaged in an in-depth deliberation on the financial assumptions underpinning the Preschool for All (PFA) program, with particular focus on cost accuracy, revenue modeling, sustainability risk, and equity implications of potential policy mechanisms. Discussion throughout the meeting reflected growing concern that current modeling frameworks may obscure fundamental structural risks rather than illuminate them.

### Core Deliberation: Cost Assumptions and the “True Cost” of Preschool

A central theme of the meeting was whether the program’s current **cost-per-child baseline** accurately reflects the real cost of delivering a high-quality, inclusive preschool program in Multnomah County.

- Multiple TAG members emphasized that the current baseline is derived from **market-rate child care data**, not from a formal **cost model** that itemizes wages, benefits, staffing ratios, facilities, inclusion supports, and administrative overhead.
- Members argued that market rates often understate the true cost of quality preschool, as providers frequently suppress wages, benefits, training, and facilities investments to meet what families can afford rather than what quality requires.
- The group distinguished sharply between **child care** and **preschool**, noting that preschool requires more highly trained staff and different programmatic expectations, making market-based child care benchmarks a poor proxy.
- There was broad agreement that current debates over annual cost growth rates (e.g., 4% vs. 5.2% vs. 6%) may be **masking a deeper issue**: the possibility that the starting cost assumption itself is materially too low.

Providers on the TAG underscored these concerns with firsthand experience, describing fragile provider economics, heavy reliance on scale to remain solvent, and growing difficulty sustaining staffing—particularly for inclusive classrooms serving children with disabilities or complex needs.

### Cost Growth vs. Inflation vs. Revenue Growth

TAG members examined the relationship between inflation, household income growth, and tax revenue growth.

- The consultant team clarified that **revenue growth is structurally higher than income growth** due to bracket effects and compounding, and that an assumed 8% revenue growth does not imply households are experiencing 8% income growth.
- Members stressed that even cost growth assumptions of 5.2% or 6% already represent **cost increases far exceeding general inflation**, raising concerns about long-term affordability if baseline costs are understated.
- Several members argued that debates over cost escalation rates are less meaningful without first validating the baseline cost through a rigorous cost model.

## Sustainability Framing and Risk

TAG members questioned whether the current definition of financial sustainability—focused on fund balance thresholds at Year 10 and beyond—adequately captures real-world risk.

- Small changes in assumptions were shown to shift scenarios from “passing” to “failing” sustainability criteria without materially changing program risk.
- Members expressed concern that long-term (20-year) projections create a false sense of precision, given economic volatility, policy uncertainty, and limited reliability of long-range forecasts.
- There was significant interest in reframing sustainability around **risk tolerance**, such as the likelihood and severity of future corrective actions rather than binary pass/fail outcomes.
- Particular concern was raised about the **adequacy of reserves**, with some members arguing that current reserve levels may be insufficient to absorb a major revenue shock, especially given the volatility of high-income tax receipts.

## Evaluation of Policy Mechanisms

The group discussed several policy tools primarily through the lens of equity, administrative feasibility, and marginal fiscal impact.

- **Indexing tax thresholds** was viewed as having limited short-term impact but substantial long-term implications that may be difficult to reverse without clearer cost certainty.
- **Delaying scheduled tax rate increases** was seen as a more flexible, temporary mechanism that allows time to resolve unresolved cost questions.

- **Means testing and co-pays** generated significant skepticism:
  - Members highlighted administrative complexity, modest revenue yield relative to program scale, and equity concerns.
  - Strong concerns were raised about “double burden” effects on families who would both pay the tax and face additional fees.
  - Members emphasized evidence that mixed-income classrooms improve outcomes and that means testing can suppress participation among families with the greatest barriers.
  
- **Tax credits and co-pays** were broadly viewed as insufficient to meaningfully affect program sustainability, suggesting their justification would need to rest on policy goals other than fiscal stability.

## Inclusion and Equity Pressures

A recurring theme was the structural challenge of funding inclusive classrooms.

- Providers described inclusion funding as **uncertain and delayed**, making it difficult to hire and retain staff proactively.
- Members noted that inclusion costs are not reliably embedded in per-seat funding and are often addressed retroactively, shifting financial risk onto providers.
- Comparisons were drawn to jurisdictions that use **tiered per-child funding models** to reflect disability status, language needs, and housing instability—approaches not currently reflected in PFA’s baseline.

## Overarching Themes

Across the discussion, several shared conclusions emerged:

- The TAG expressed **low confidence** in the precision of long-term sustainability projections absent a validated cost model.
- Members consistently emphasized that **baseline cost accuracy matters more than fine-tuning growth rates**.
- There was strong alignment that uncertainty should be **explicitly acknowledged**, not smoothed over through modeling assumptions.

- The group viewed its role as helping policymakers understand **risk, tradeoffs, and confidence levels**, rather than endorsing a single definitive forecast.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

**Meeting Date: February 4, 2026**

The February 4, 2026 meeting of the Preschool for All Technical Advisory Group (TAG) focused on **refining financial modeling assumptions, evaluating risk scenarios, and advancing toward formal recommendations** to the Board of County Commissioners. The meeting marked a pivotal transition from analysis to decision-making, with members debating tradeoffs between fiscal sustainability, program integrity, and economic risk.

## Board Engagement and Framing of Decisions

The meeting opened with discussion of a letter from Commissioner Moyer, signaling **active Board engagement and scrutiny of TAG recommendations**. The letter emphasized uncertainty in key assumptions—particularly population forecasts, participation rates, and cost drivers—and encouraged TAG to identify which variables warrant the greatest attention in decision-making. Members acknowledged that recommendations must be made under uncertainty, with an expectation that the Board will continue analysis and scenario testing after TAG delivers its report.

## PAG Recap and System-Level Considerations

TAG received a recap of the January PAG meeting, highlighting the need to **prioritize major cost drivers and unresolved uncertainties**—including true cost of care, participation rates at scale, inclusion costs, and the interaction with other early learning systems. PAG emphasized that Preschool for All (PFA) operates within a broader ecosystem of state and federally funded programs, and that changes in those systems could significantly affect demand, cost, and program sustainability.

## Updated Financial Modeling and Key Assumptions

Consultants presented updated modeling results incorporating:

- **Indexing scenarios** (one-time vs. ongoing),
- **Tax increase delays** (modeled at up to five years),
- **A recession scenario** based on 2008 conditions, and
- Adjustments to enrollment ramp-up timelines.

Across baseline scenarios, most configurations met defined sustainability criteria (positive fund balance at year 10 and revenues exceeding expenses in years 11–20). However, **higher-cost scenarios and those with ongoing indexing showed increased risk of long-term imbalance**, while delays in revenue increases created short-term vulnerability.

A central point of debate was the **degree of uncertainty embedded in core assumptions**, including population projections, participation rates, and seat costs. Members noted that small changes in these variables could materially alter outcomes, and that current models may understate costs or overstate revenues.

## Recession Modeling and Risk Exposure

The introduction of a recession scenario significantly shifted the discussion. Under modeled conditions, **most scenarios produced negative fund balances within the first decade**, implying that the program would require either **service reductions or new revenue** during economic downturns.

Members raised several concerns:

- The recession model may **overstate downside risk** by not fully capturing post-recession recovery dynamics,
- Current assumptions do not incorporate **higher probable costs** (e.g., workforce, true cost of care),
- Existing reserve levels are likely insufficient to stabilize the program during a severe downturn.

The discussion underscored a key tension: balancing **ambitious program design with financial resilience under adverse conditions**.

## Core Policy Tradeoffs

TAG deliberations coalesced around several fundamental tradeoffs:

- **Economic risk vs. programmatic risk:** Whether to prioritize tax stability and minimize economic burden, or to ensure robust program funding and quality.
- **Timing of revenue increases:** Whether to delay the scheduled 0.8% tax increase to allow for better data and planning.
- **Uncertainty management:** Whether to act now with imperfect information or defer decisions pending further analysis (e.g., true cost modeling).

- **Administrative complexity vs. equity goals:** Particularly in discussions of indexing, credits, and means testing.

## Recommendations and Areas of Consensus

Through modified consensus voting, TAG advanced several key recommendations:

- **Delay of the 0.8% tax increase** (with strongest support around a 2–3 year delay) to allow time for additional analysis and reduce near-term economic risk.
- **Commission a “true cost of care” model** to better understand actual program costs, including workforce, inclusion, and quality standards.
- **Evaluate and strengthen reserve policies**, including consideration of a “rainy day fund” sufficient to withstand economic downturns.
- **Do not implement indexing at this time**, reflecting concerns about administrative complexity, taxpayer burden, and uncertainty.

While multiple proposals were considered, the group ultimately converged on a **hybrid approach** balancing delay, further analysis, and fiscal caution.

## Path Forward

TAG will submit its draft report and recommendations to the Board by mid-February, with final presentation scheduled for April 14. The Board will then undertake its own deliberative process through summer 2026, incorporating TAG and PAG input alongside additional analysis.

Overall, the meeting highlighted the **inherent uncertainty and complexity of scaling a universal preschool system**, with TAG emphasizing the need for **adaptive policymaking, improved cost data, and ongoing monitoring** to ensure long-term sustainability.

## APPENDIX B

# Program Advisory Group (PAG) Meeting Summaries

This appendix summarizes key topics and themes discussed, as well as the decisions made, across PAG meetings held between July 2025 and February 2026. It is intended to provide a concise reference for stakeholders. Full presentation materials and meeting recordings are available upon request through Multnomah County staff for those seeking additional detail. This summary was developed using AI tools in a limited, staff-directed way to support clarity and efficiency. Project team staff reviewed all summaries for accuracy and context. AI was used as a writing support tool only and did not replace staff judgment, analysis, or decision-making.

# Preschool For All Program Advisory Group Meeting Summaries

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# Executive Summary

## Preschool for All Program Advisory Group (PAG)

Meeting Date: September 17, 2025

The September 17, 2025 meeting of the Preschool for All Program Advisory Group (PAG) served as the formal launch of the group's work and focused on establishing shared understanding of the program's history, scope, implementation realities, and relationship to the Technical Advisory Group (TAG). Discussion emphasized grounding future recommendations in provider experience, family needs, and the original voter intent behind Preschool for All (PFA), while acknowledging emerging implementation challenges.

## Purpose, Scope, and Relationship to the Technical Advisory Group

Facilitators and County staff clarified that PAG's charge is to assess **programmatic implications** of financial scenarios developed by the TAG, not to redesign the program independently. PAG members emphasized the importance of framing this relationship as one of **mutual accountability and alignment**, rather than a one-directional response to TAG outputs.

Several members raised concerns that program realities—particularly provider capacity, workforce strain, and inclusion needs—must meaningfully inform TAG deliberations. There was strong agreement that sustainability discussions cannot be credible unless grounded in on-the-ground program impacts.

## Program Origins and Voter Intent

County staff provided a detailed overview of the decade-long community process that led to the Preschool for All ballot measure and its passage with 64% voter approval. Members emphasized that:

- PFA was designed as a **universal, mixed-delivery system** building on—not replacing—state and federal preschool funding.
- Core values include affordability for families, high-quality programming, living wages for educators, equity, and inclusion.
- Growth toward universality by 2030 was always intended to be **phased and capacity-aware**, a goal complicated by the loss of approximately 25% of childcare providers during the COVID-19 pandemic.

PAG members repeatedly underscored the importance of maintaining fidelity to these foundational commitments as financial and policy discussions evolve.

## Provider Landscape and Capacity

Substantive discussion focused on current provider participation and future capacity needs:

- Approximately 40% of Multnomah County preschool-age children now have access to publicly funded preschool seats.
- Participation spans schools, center-based providers, and family child care, with family child care representing the largest share of participating providers by count.
- Only about 23% of certified centers and 29% of certified family child care providers currently participate, reflecting both growth opportunity and structural barriers.
- Barriers for registered family child care providers include staffing requirements, administrative capacity, and cost constraints.

Members highlighted that workforce shortages, staff burnout, and uneven readiness across providers remain central constraints on expansion.

## Workforce and Unintended System Impacts

The group discussed early signs that higher compensation within PFA-supported programs is improving hiring and retention for participating providers, with 93% reporting the ability to fill positions. However, members also flagged **unintended consequences**, including:

- Workforce churn between providers, creating strain for non-PFA programs.
- Persistent statewide shortages in qualified early childhood educators.
- Continued high turnover and burnout linked to classroom complexity and inclusion demands.

Members stressed that workforce stability is both a success metric and a risk factor for long-term sustainability.

## Inclusion and Special Needs Supports

Inclusion emerged as one of the most urgent and unresolved issues:

- PAG members described inclusion funding as insufficiently flexible to meet the varied and intensive needs of children with IFSPs and complex behavioral or medical needs.

- Concerns were raised that current staffing models (e.g., reliance on aides) are often inadequate and contribute to educator burnout.
- County staff described recent expansions in inclusion coordinators, mental health supports, and nurse consultants, while acknowledging that inclusion remains a major growth barrier.

There was strong consensus that inclusion costs and classroom realities must be more fully reflected in sustainability and cost modeling.

## **Equity, Access, and Family Demographics**

Data presented showed that:

- Approximately 71% of enrolled children come from families below 350% of the federal poverty level.
- 65% of participating children identify as Black, Indigenous, or children of color.
- Over 60 languages are spoken across PFA sites.

Members emphasized that equitable access—particularly for children with disabilities, children from linguistically diverse households, and historically excluded communities—must remain central to PAG recommendations.

## **Overarching Themes**

Across the meeting, several themes emerged:

- Program sustainability must be defined in terms of **real-world capacity**, not just financial balance.
- Provider voice and lived experience are essential to credible policy recommendations.
- Inclusion and workforce supports are core cost drivers, not optional enhancements.
- PAG's role is to ensure that financial scenarios are evaluated against program values, implementation feasibility, and voter intent.

# Executive Summary

## Preschool for All Program Advisory Group (PAG)

Meeting Date: October 15, 2025

The October 15, 2025 meeting of the Preschool for All Program Advisory Group (PAG) focused on clarifying the group's purpose and scope, deepening shared understanding of Preschool for All (PFA) program cost drivers, and examining the programmatic realities underlying expansion toward universality. Discussion emphasized the need to align financial sustainability analysis with on-the-ground provider experience, workforce capacity, facilities development, and inclusion supports.

## Clarifying PAG's Role and Values

A significant portion of the meeting was devoted to addressing ongoing uncertainty and "heartburn" among members regarding PAG's role relative to the Technical Advisory Group (TAG) and the Board of County Commissioners.

- County staff and consultants presented a **strategic framework** clarifying how PAG, TAG, and other advisory bodies interact, emphasizing that PAG's role is to assess **programmatic implications of financial and tax scenarios**, not to redesign the tax structure itself.
- Members stressed the importance of explicitly grounding PAG's work in the **core values of Preschool for All**, including accessibility, affordability, high-quality programming, living wages for educators, and equity.
- Several members emphasized that without shared, explicit values, different advisory bodies could arrive at conflicting conclusions despite working from the same data.
- There was broad agreement that values articulated in the original Preschool for All plan and ballot measure should be more clearly reflected in decision-making frameworks and advisory documents.

## Capacity for Universality: Facilities and Workforce

Substantive discussion focused on what it will realistically take to reach universal preschool access.

- Members highlighted that **facilities and workforce capacity** are the primary constraints on expansion, not just funding availability.

- County staff presented data showing that approximately **4,000 new preschool seats** will be required to reach universality, with growth achieved through a combination of converted seats and newly created seats.
- The Preschool for All Facilities Fund was discussed in detail, including:
  - Investments in more than 50 projects to date,
  - Creation of over 850 new seats so far, and
  - Extensive use of technical assistance to help providers navigate development, licensing, and financing challenges.
- Providers emphasized that expansion remains highly complex and resource-intensive, requiring not just capital but sustained **capacity-building support** for business planning, project management, and regulatory navigation.

## Workforce Development and Pipeline Challenges

PAG members examined workforce development as a foundational cost driver and success factor.

- Staff described current workforce strategies, including wage increases, paid work experience programs, partnerships with WorkSystems and community colleges, and culturally specific training pathways.
- Members raised concerns about whether current workforce investments are sufficient to meet the scale of expansion required, particularly for serving children with disabilities and complex needs.
- Questions were raised about the **alignment between projected seat growth and educator pipeline readiness**, including the need for updated estimates of educator demand tied to universality goals.
- PAG members underscored that workforce investments are not optional enhancements but core requirements for program sustainability and quality.

## Inclusion and High-Needs Children

Inclusion emerged as a central and unresolved theme.

- Staff outlined existing inclusion supports, including inclusion coordinators, behavioral health teams, nurse consultants, and funding to support children with disabilities and

medical needs.

- Providers emphasized that the **cost and complexity of inclusion**—especially for children with significant behavioral, developmental, or medical needs—are not yet fully understood or funded.
- Members stressed that any discussion of cost containment or program adjustments must explicitly protect services for high-needs children and avoid shifting risk onto providers.

## Participation Rates, Demographics, and Demand

The group reviewed the assumptions driving projected preschool seat demand.

- Participation rates are based on national comparisons, including Washington, DC, with adjustments recognizing lower participation among three-year-olds than four-year-olds.
- Members questioned how comparable these models are to Multnomah County's **mixed-delivery, parent-choice system**, and whether participation assumptions may need further refinement.
- Declines in Head Start and Preschool Promise seats, population shifts, housing affordability pressures, and out-migration of families with young children were all discussed as factors affecting demand and long-term planning.
- Members emphasized the risk of being either overly conservative or overly optimistic in forecasts, noting that errors in either direction carry significant programmatic consequences.

## Overarching Themes

Across the meeting, several shared conclusions emerged:

- Program sustainability must be evaluated in terms of **real-world capacity**, not just financial balance.
- Facilities, workforce, and inclusion supports are central cost drivers that must be explicitly recognized in fiscal discussions.
- PAG's role is to ensure that financial scenarios are evaluated against **program quality, equity, and feasibility**, consistent with voter intent.
- Clear articulation of shared values is essential to aligning PAG, TAG, and Board decision-making.

# Executive Summary

## Preschool for All Technical Advisory Group (TAG)

**Meeting Date: November 4, 2025**

The November 4, 2025 meeting of the Preschool for All Technical Advisory Group (TAG) marked a pivotal joint session with members of the Program Advisory Group (PAG), County staff, and consultants. The meeting centered on aligning technical, programmatic, and community perspectives as the TAG deepened its examination of tax mechanisms, sustainability, and the real-world costs of delivering a high-quality, inclusive preschool system.

## Community Engagement Findings and Public Priorities

A central feature of the meeting was a presentation by LA Media Services, which shared findings from an extensive community engagement process conducted to inform TAG deliberations. Participants across focus groups, interviews, and surveys consistently described Preschool for All (PFA) as a **public good**—a moral and economic investment that strengthens families, promotes equity, and delivers long-term societal benefits.

Key community themes included:

- Strong support for **universal access** and culturally responsive, bilingual programming.
- High value placed on **workforce compensation**, professional development, and educator retention as core to program quality.
- Broad acceptance of **progressive taxation** to fund PFA, paired with concerns about fairness, transparency, and long-term accountability.
- A clear demand for **plain-language, accessible communication** about program finances, enrollment, and outcomes, with concern that existing information is not reaching the public effectively.

The presentation highlighted that public skepticism is driven less by opposition to the program itself and more by **information gaps and misinformation**, underscoring the importance of trust-building through transparency.

## Sustainability and the Meaning of “Fully Funding” the Program

A substantial portion of the meeting was devoted to a wide-ranging discussion of what “sustainability” should mean in the context of PFA.

County staff provided an example from the Multnomah County Library District to illustrate how sustainability has historically been defined as the ability of a revenue mechanism to fund a

program at its intended service level over a defined time horizon. TAG members, however, emphasized that PFA presents distinct challenges due to its reliance on **income tax revenue**, which is inherently more volatile than property taxes.

TAG members raised several core issues:

- Sustainability should not be evaluated solely through long-range point estimates, but through **risk, volatility, and reserve adequacy**, especially given exposure to economic cycles.
- Income tax revenue tied to high-income earners can fluctuate sharply; therefore, **reserve levels and buffering capacity** are as important as average growth assumptions.
- A binary definition of sustainability risks obscuring meaningful differences between scenarios that may be manageable versus those that would require disruptive program changes.

## **Program Costs, Inclusion, and Provider Realities**

Providers and PAG members offered detailed testimony about the **actual cost pressures of delivering inclusive preschool**, particularly in the program's early years.

Key insights included:

- Inclusion costs are currently front-loaded, as children with diagnosed disabilities and significant developmental needs represent a disproportionately large share of enrolled children before the program reaches universality.
- Classroom realities often require staffing far above standard ratios to safely and effectively serve high-needs populations.
- Providers described uncertainty and strain caused by limited upfront information about enrolled children's needs and by inclusion funding that is often reactive rather than proactive.

There was strong agreement that current baseline cost assumptions may understate the resources required to deliver the level of quality and inclusion envisioned in the ballot measure, particularly during the program's build-out phase.

## **Framing Tradeoffs Between Revenue and Program Design**

TAG members emphasized the need for clarity about the relationship between revenue options and programmatic consequences. Several participants argued that policymakers must understand not only whether a tax mechanism “balances,” but **what degree of program modification would be required** under different funding scenarios—ranging from no change, to modest adjustments, to changes that would undermine core program commitments.

A recurring theme was the importance of anchoring sustainability discussions to shared values established at the program’s inception: universal access, equity, living wages for educators, and high-quality learning environments.

## **Overarching Themes**

Across the meeting, several consistent conclusions emerged:

- Sustainability must be framed as a question of **risk management and resilience**, not simply long-term balance.
- Community support for PFA remains strong, but depends on trust, transparency, and visible accountability.
- Inclusion and workforce costs are central drivers of long-term affordability and must be explicitly recognized.
- Effective recommendations will require integrating technical analysis with provider experience and community priorities.

# Executive Summary

## Preschool for All Program Advisory Group (PAG)

**Meeting Date: November 12, 2025**

The November 12, 2025 meeting of the Preschool for All Program Advisory Group (PAG) focused on two core areas: (1) clarifying and affirming the **values guiding PAG's work**, and (2) developing a shared understanding of the **primary cost drivers and financial structure** of the Preschool for All (PFA) program. The discussion emphasized grounding future PAG input in voter intent, provider realities, and a clear distinction between program universality and financial sustainability.

## Clarifying Core Values and Voter Intent

A substantial portion of the meeting was devoted to refining the values framework that guides PAG's deliberations and informs how the group evaluates financial scenarios developed by the Technical Advisory Group (TAG).

- Members affirmed that Preschool for All is intended to be **universal and free for families**, consistent with voter expectations expressed in the ballot measure. Several members stressed that "affordability" alone does not adequately capture this commitment.
- PAG members emphasized the importance of explicitly naming **equity** as a core value, rather than treating it as implicit. Equity was described as central to prioritizing families with the least access, culturally responsive programming, and fair treatment of diverse provider types.
- Strong emphasis was placed on **living wages for the early learning workforce** as a foundational pillar of program quality and sustainability.
- Members discussed accessibility as a multi-dimensional concept, encompassing not only cost, but **geographic access, cultural responsiveness, language access, and continuity of care**.

The group broadly agreed that these values—universality, equity, quality, accessibility, and workforce compensation—should be clearly articulated and consistently referenced in PAG recommendations to the Board.

## Establishing a Decision-Making Framework

PAG members discussed and selected a **modified consensus with reservation** decision-making framework, aligning with the approach used by the TAG.

- Members valued this framework’s ability to surface differing perspectives while still allowing recommendations to move forward.
- The group agreed to use “fist-to-five” techniques informally to support deliberation and gauge comfort levels before decisions are finalized.
- This approach was seen as particularly important given PAG’s role in conveying nuanced programmatic impacts rather than binary judgments.

## Understanding Preschool for All’s Cost Structure

County staff presented a detailed overview of the **long-term cost drivers** of the Preschool for All program, emphasizing how financial planning supports the program’s commitment to universality.

Key points included:

- **Preschool seats are the dominant cost driver**, accounting for the vast majority of expenditures over time. As the program reaches universality, funding directed to providers—primarily for staff compensation—becomes an increasing share of total costs.
- The program intentionally accumulated **dedicated savings** in its early years to fund the period when expenditures exceed revenues during rapid expansion. These savings are planned, finite, and essential to maintaining stable service levels.
- Revenue volatility, driven by reliance on personal income tax (including capital gains), is managed through a combination of dedicated savings, reserves, and contingency funds.
- Small changes in assumptions—such as the number of seats, participation rates, or availability of other publicly funded preschool seats—can significantly affect long-term projections.

## Inclusion, Workforce, and Provider Realities

Members engaged deeply with how well current modeling reflects provider and classroom realities.

- **Inclusion supports**—for children with disabilities, behavioral health needs, and complex medical needs—were identified as both essential and difficult to model accurately. Members expressed concern that current assumptions may understate future needs.

- Providers raised concerns about rapidly rising costs, particularly **insurance premiums**, which may exceed modeled cost growth rates.
- Workforce stability, educator pipelines, and provider capacity were repeatedly highlighted as constraints that financial models must respect.

Staff emphasized that cost models are updated annually based on provider feedback, evaluations, and emerging data, and that uncertainty increases the further projections extend into the future.

## Universality vs. Sustainability

The meeting clarified an important conceptual distinction:

- **Universality** refers to ensuring that all families who want a publicly funded preschool seat can access one, through PFA or other public programs.
- **Sustainability**, as discussed primarily in TAG contexts, involves broader considerations of long-term financial balance, risk management, and system resilience.

PAG members emphasized that while these concepts are related, they are not interchangeable and should be clearly distinguished in communications to policymakers.

## Overarching Themes

Across the discussion, several themes emerged:

- PAG's role is to anchor financial discussions in **program values, provider experience, and voter intent**.
- Preschool seats and workforce compensation drive long-term costs and must remain central to sustainability conversations.
- Inclusion and equity are core commitments, not optional enhancements.
- Clear, shared language and definitions are essential for alignment across PAG, TAG, and the Board.

# Executive Summary

## Preschool for All Program Advisory Group (PAG)

**Meeting Date: January 7, 2026**

The January 7, 2026 meeting of the Preschool for All Program Advisory Group (PAG) was a working session dedicated to synthesizing member input on **program cost growth assumptions**, with the explicit goal of providing near-term guidance to the Technical Advisory Group (TAG) ahead of upcoming scenario modeling and recommendations to the Board of County Commissioners. Discussion centered on the adequacy of current cost assumptions, major cost drivers, and how uncertainty and risk should be communicated to policymakers.

## Evaluating Cost Growth Assumptions

A central focus of the meeting was PAG's review of survey results regarding the Preschool for All (PFA) cost model, particularly the assumption that preschool seat costs grow at **4% annually**, with other program costs growing at **3%**.

Across the discussion, PAG members expressed broad agreement that:

- The **4% seat cost growth assumption is likely too low** given current provider experience, national trends, and emerging pressures in the early learning system.
- Members struggled to endorse a single precise alternative rate due to limited data and significant uncertainty, but emphasized that underestimating costs poses greater long-term risk than modest overestimation.
- National data cited during the meeting suggest per-seat cost growth closer to **5.2%**, while some local public education entities are planning for **approximately 6% annual growth** in labor-related costs.

Rather than recommending a fixed replacement number, many members coalesced around framing **4% as a “floor” or minimum**, with a more realistic planning range in the **5–6%** range for modeling and stress-testing purposes.

## Key Cost Drivers: Labor and Inclusion

The group identified **cost of labor** as the dominant long-term cost driver, with strong consensus that workforce compensation, benefits, and retention pressures will continue to outpace general inflation.

Members emphasized that:

- Labor typically accounts for **80–90% or more** of provider budgets.
- Rising costs for health insurance, retirement benefits (including PERS for public entities), and competitive wages are already straining providers.
- Workforce burnout—driven by emotional demands, classroom complexity, and insufficient staffing—poses both fiscal and quality risks if not adequately funded.

**Inclusion supports** emerged as the second most significant cost pressure. PAG members highlighted:

- Rapidly increasing behavioral and mental health needs among preschool-age children, many of whom do not qualify for IFSPs but still require substantial classroom support.
- The difficulty of modeling inclusion costs precisely, given wide variation in child needs and program contexts.
- Concern that current assumptions may systematically understate future inclusion-related costs, contributing to provider instability and staff turnover.

## **Facilities, Systems, and Unmodeled Costs**

Members raised concerns about several cost areas that are not fully reflected in current models:

- **Facilities upkeep and compliance**, including deferred maintenance, rising insurance costs, and the long-term sustainability of capital investments once initial facilities funding declines.
- **Enrollment and placement systems**, which providers described as underdeveloped and resource-intensive but essential to preventing burnout and misplacement of high-needs children.
- The cumulative effect of these system-level gaps on provider capacity and public perception of program success.

PAG members stressed that these costs are real and growing, even if they are difficult to quantify within the current modeling timeline.

## **Framing Guidance to TAG and the Board**

A significant portion of the meeting focused on how PAG should communicate its conclusions given uncertainty and time constraints.

Key points of alignment included:

- PAG should **not present cost assumptions as precise or settled**, but instead clearly describe uncertainty, risk, and the rationale behind recommended ranges.
- TAG should be encouraged to **run multiple cost-growth scenarios** (e.g., 4%, ~5.2%, and ~6%) to help the Board understand sensitivity and downside risk.
- PAG guidance should emphasize that current assumptions may be adequate only if emerging pressures—particularly workforce, inclusion, and systems costs—do not intensify, a condition many members view as unlikely.

Members expressed concern that policymakers may anchor on a single number; accordingly, PAG stressed the importance of narrative context, caveats, and explicit acknowledgment of unknowns.

## Overarching Themes

Across the discussion, several themes emerged:

- Cost growth assumptions are inseparable from workforce sustainability and inclusion commitments.
- Underestimating costs risks long-term program instability and erosion of quality.
- PAG's role is to surface real-world program pressures and uncertainty, not to provide false precision.
- Scenario-based analysis and clear communication of risk are essential to informed Board decision-making.

The group agreed that its guidance to TAG should reflect both **strong directional consensus** (cost growth is likely higher than currently assumed) and **appropriate humility** given data limitations, while clearly flagging areas requiring continued monitoring and adjustment.

# Executive Summary

## Preschool for All Program Advisory Group (PAG)

**Meeting Date: January 28, 2026**

The January 28, 2026 meeting of the Preschool for All Program Advisory Group (PAG) centered on an in-depth examination of **inclusion data, inclusion supports, and the implications of inclusion costs for long-term program sustainability**. The meeting also marked a transition point for PAG, as members began synthesizing lessons from prior meetings into emerging recommendations to inform the Technical Advisory Group (TAG) and, ultimately, the Board of County Commissioners.

## Inclusion Prevalence and System Context

County staff presented detailed data on the prevalence of children with disabilities and developmental delays within Preschool for All (PFA), highlighting that **16–18% of enrolled children** currently have a documented disability or developmental delay—a higher rate than in many other publicly funded preschool systems. This elevated share reflects intentional program design choices, including prioritization of children with disabilities and a **ban on suspension and expulsion**, positioning PFA as a national leader in inclusive early learning.

Members discussed how the COVID-19 pandemic disrupted identification and service delivery statewide, resulting in suppressed special education service rates that are now rebounding. In Multnomah County, special education participation among preschool-age children has returned to or exceeded pre-pandemic levels, suggesting sustained and growing demand for inclusion supports.

## Family and Provider Perspectives on Inclusion

The group reviewed qualitative findings from families whose children have developmental delays or disabilities. Families reported meaningful gains in communication, behavior regulation, and self-care skills, attributing progress to individualized supports, inclusive classrooms, and coordination with early intervention services. At the same time, families identified gaps in system coordination—particularly during transitions to kindergarten—and emphasized the need for culturally responsive and identity-affirming practices.

Provider feedback reinforced that inclusion is one of the **most complex and resource-intensive aspects** of program delivery. Educators and providers consistently cited challenges related to staffing stability, classroom ratios, and uncertainty tied to year-to-year fluctuations in inclusion funding eligibility.

## Inclusion Supports and Cost Structure

County staff outlined the full suite of inclusion supports funded by PFA, including:

- Inclusion coordinators who provide ongoing technical assistance and coordination,
- Inclusion support funds for additional classroom staffing,
- Nursing supports for children with chronic or complex medical needs, and
- System-level investments such as mental health consultation and training.

Members examined recent changes to the inclusion funding model, including the shift from reimbursement to **allocation-based funding** and a one-time **5% per-seat increase** to support inclusive materials, training, and language access across all PFA classrooms.

While overall inclusion budgets have increased year over year, PAG members noted persistent gaps between **budgeted amounts and expenditures**, driven largely by workforce shortages and delays in filling approved positions. Members stressed that underspending does not necessarily signal overfunding, but rather reflects structural labor constraints and process challenges.

## **Tensions Around Ratios, Legal Constraints, and Family Choice**

A significant portion of discussion focused on the legal and practical challenges of managing classroom composition. Staff explained that imposing explicit caps on the number of children with disabilities at a given site could violate disability rights laws by creating barriers to access. Because PFA is built around **family choice and algorithm-based placement**, some programs become concentrated sites for children with higher needs, intensifying staffing and support pressures.

PAG members emphasized the need for **rapid, predictable support deployment** when programs experience these concentrations, noting that delays can exacerbate staff burnout, turnover, and safety risks.

## **Implications for Cost Modeling and Recommendations**

As PAG moved toward formulating guidance for TAG and the Board, several themes emerged:

- Inclusion costs are not limited to children with IFSPs, but extend to children experiencing trauma, houselessness, behavioral health needs, and medical fragility.
- Inclusion-related expenses remain relatively small compared to total program costs, but are **high-impact** for provider stability and program quality.
- A forthcoming **true cost of care analysis** is widely viewed as essential to understanding baseline seat costs, inclusion pressures, workforce turnover, and insurance and benefit

costs across provider types.

- PAG members emphasized the importance of framing recommendations around **monitoring, check-in points, and adaptive review cycles**, rather than fixed long-term assumptions, given uncertainty in state and federal funding for intersecting systems.

## **Emerging Areas of Alignment**

By the end of the meeting, PAG members coalesced around several shared priorities to elevate in recommendations:

- Right-sizing inclusion supports to reflect the full range of children needing additional services,
- Ensuring cost modeling explicitly accounts for workforce turnover and retention,
- Closely tracking the impact of losing state or federal preschool seats,
- Protecting full-day, full-year programming as essential to family stability, and
- Establishing regular review points to reassess costs, revenues, and system capacity as the program approaches universality.

# Executive Summary

## Preschool for All Program Advisory Group (PAG)

**Meeting Date: February 11, 2026**

The February 11, 2026 meeting of the Preschool for All Program Advisory Group (PAG) focused on reviewing the **Technical Advisory Group (TAG) recommendations**, prioritizing key cost drivers and risks for inclusion in the final report, and identifying additional programmatic considerations to guide Board decision-making. The meeting marked a transition from analysis to synthesis, with PAG members working to ensure that **program realities, system complexity, and implementation risks** are clearly reflected alongside TAG's fiscal recommendations.

## TAG Recommendations and Board Context

County staff summarized TAG's core recommendations, including:

- Delaying the scheduled **0.8% tax increase**,
- Not implementing indexing at this time,
- Commissioning a **true cost of care study**, and
- Strengthening long-term financial planning, including consideration of a **rainy day fund**.

PAG members discussed how these recommendations intersect with program goals—particularly the timeline to reach universality by 2030—and raised questions about whether delaying revenue increases could create **near-term financial risk**, especially given cost uncertainty and economic volatility.

## Cost Drivers and Prioritization for Policymakers

A central focus of the meeting was identifying which factors most significantly drive program costs and should be elevated to the Board.

Members emphasized that **seat-related costs**—including participation rates, population forecasts, and availability of alternative publicly funded seats—remain the dominant drivers of long-term expenditures. At the same time, PAG stressed that **inclusion supports** must be treated as a top-tier consideration, even if they represent a smaller share of total costs, due to their outsized impact on provider stability and program quality.

The group highlighted the importance of communicating **interconnectedness across cost drivers**, noting that participation rates, seat mix, and inclusion needs are mutually reinforcing and cannot be evaluated in isolation.

## Participation Rates and Demand Uncertainty

PAG engaged in a detailed discussion of participation rates as a key source of uncertainty.

- Members noted that participation could increase significantly as the program approaches universality and public awareness grows.
- Declines in state and federal preschool programs could further **increase demand for PFA seats**.
- The program’s mixed-delivery, choice-based model may produce **higher participation rates than traditional K–12 systems**, where alternatives are more limited.

There was broad agreement that participation rates represent a major “X factor” and should be modeled under multiple scenarios to reflect both stable and disrupted early learning systems.

## Workforce Dynamics and Cost Implications

Workforce conditions were discussed as both a **cost driver and potential cost stabilizer**.

- Members highlighted that improved compensation within PFA may reduce turnover relative to the broader early learning sector, potentially lowering recruitment and training costs over time.
- At the same time, wage growth, benefits, and collective bargaining dynamics—particularly in school-based settings—introduce upward cost pressure.
- Concerns were raised about long-term workforce supply, including declining enrollment in educator preparation programs and barriers to credential attainment for multilingual providers.

PAG emphasized that workforce dynamics must be incorporated into cost modeling, including both **retention-related savings and pipeline-related risks**.

## Program Design Considerations Affecting Cost

Several additional program design factors were identified as requiring further analysis and inclusion in the final report:

- **Full-day (10-hour) vs. part-day (6-hour) seat mix**, with strong family preference for longer-day care and significant cost implications.

- Differences across provider types (school-based, center-based, and home-based), each with distinct cost structures and constraints.
- The relationship between preschool expansion and **infant–toddler care supply**, including potential unintended impacts on availability and costs in that sector.
- The need for ongoing **professional development and system alignment** (e.g., literacy, attendance practices) as part of maintaining program quality.

Members stressed that these elements are often underrepresented in financial models but materially affect both cost and program outcomes.

## Financial Risk, Reserves, and Timing of Policy Decisions

PAG engaged in a nuanced discussion of financial risk, particularly in the context of economic uncertainty.

- Some members expressed concern that delaying the tax increase without establishing a clear **reserve or rainy day fund strategy** could leave the program vulnerable to recession in the near term.
- Others noted that current modeling suggests significant flexibility and capacity to absorb shocks, highlighting the risks of **overly conservative assumptions**.
- There was interest in ensuring that any reserve strategy includes clear protections and governance to prevent unintended reallocation during fiscal crises.

The discussion underscored a core tension between **caution and momentum**, particularly as the program approaches rapid expansion.

## Overarching Themes

Across the meeting, several key themes emerged:

- Program costs are driven by **interconnected system factors**, not isolated variables.
- Participation rates, workforce dynamics, and inclusion needs introduce significant uncertainty into long-term projections.
- Financial policy decisions—particularly around timing of revenue increases—must balance **risk management with program goals**, including universality by 2030.

- PAG's role is to ensure that TAG recommendations are contextualized within **real-world program conditions, equity commitments, and system capacity constraints**.

Overall, the meeting reinforced the importance of presenting policymakers with a **holistic, risk-aware framework** that integrates financial modeling with programmatic realities and evolving system dynamics.

# Executive Summary

## Preschool for All Program Advisory Group (PAG)

Meeting Date: February 18, 2026

The February 18, 2026 meeting of the Preschool for All Program Advisory Group (PAG) was a **final deliberation session** focused on reviewing and refining the draft report and recommendations prior to submission to the Board of County Commissioners. The meeting centered on clarifying language, strengthening the framing of recommendations, and ensuring that **program realities, cost drivers, and sources of uncertainty** are accurately and transparently conveyed.

## Refinement of Core Recommendations

Facilitators presented the draft recommendations, which align with prior TAG direction and include:

- Commissioning a **demographic model** to better forecast preschool-age population trends,
- **Delaying the scheduled 0.8% tax increase** until 2029,
- Conducting a **true cost of care study** to establish a more accurate baseline for program costs, and
- Developing a **rainy day fund strategy** to manage economic downturns.

PAG members largely supported the structure of these recommendations but focused on **clarifying intent and timing**, particularly where language suggested that key analyses (e.g., cost study, reserve planning) would occur only after universality. Members emphasized that planning and analysis should begin immediately, even if calibrated to full implementation conditions.

## Clarifying Cost Concepts and Modeling Assumptions

A central theme of the discussion was the need to clearly distinguish between:

- **Baseline cost levels** (i.e., whether current per-seat cost assumptions are accurate), and
- **Annual cost growth rates** over time.

Members noted that conflating these concepts risks misinterpretation and could undermine the usefulness of modeling results. There was strong agreement that the report should explicitly frame scenario analysis as “**boundary testing**” rather than **prediction**, and clearly communicate the limitations of current models, including omitted risks such as behavioral responses and economic variability.

## **Strengthening Representation of Program Realities**

PAG members emphasized the importance of more explicitly incorporating **provider experience and operational realities** into the report, particularly within the cost modeling discussion.

Key additions recommended included:

- Explicit recognition that **workforce costs (wages, benefits, recruitment, and retention)** are the dominant cost driver,
- Clear inclusion of **inclusion-related costs**, including the need for staffing and supports to be in place **on day one** for children with higher needs,
- Recognition of the operational burden and cost associated with **late identification of children’s needs**, and
- Greater emphasis on **full-day (10-hour) programming demand** and its cost implications.

Members stressed that failure to incorporate these factors would result in an **underestimation of the true cost of care** and weaken the credibility of financial projections.

## **Language Precision, Definitions, and Transparency**

The group identified several areas where improved clarity and precision would strengthen the report:

- The need for **consistent terminology and a glossary**, particularly for key concepts such as “universality,” “sustainability,” and cost assumptions.
- Clear distinction between **pre-universality and post-universality timelines**, including consistent use of dates (e.g., aligning references to “the next three years” with specific calendar years).
- Refinement of potentially misleading summary statements (e.g., claims of financial sustainability) to include **appropriate caveats and context** tied to underlying

assumptions and pending analyses.

Members emphasized that the report will be read closely by policymakers and the public, making precision and transparency critical.

## Context for Non-Recommended Policy Options

PAG discussed the section outlining policy options considered but not recommended (e.g., indexing, tax credits, cost-sharing mechanisms). Members expressed concern that simply listing these options without explanation could invite misinterpretation or re-litigation.

There was strong support for including **brief rationale statements** explaining why these options were not advanced, particularly where:

- Short-term impacts appear minimal but **long-term risks are significant**, or
- Outcomes are highly sensitive to unresolved assumptions (e.g., cost of care, revenue growth).

## Inclusion Framing and Equity Considerations

Discussion of inclusion highlighted both substantive and language-related considerations:

- Members emphasized that higher representation of children with disabilities in PFA reflects **system design, access, and family choice**, rather than simple policy differences with other publicly funded programs.
- Participants urged careful, **trauma-informed language**, particularly avoiding terms that could be interpreted as stigmatizing or misrepresenting children and families.

There was agreement that inclusion should be framed as a **core program strength and cost driver**, while accurately reflecting system complexity.

## Overarching Themes

Across the meeting, several themes emerged:

- The report is analytically strong but requires **refinement for clarity, accuracy, and public interpretation**.

- Cost modeling must better reflect **real-world program conditions**, particularly workforce and inclusion.
- Recommendations should emphasize **uncertainty, risk, and the need for ongoing analysis**, rather than conveying false precision.
- PAG's role is to ensure that financial recommendations are grounded in **provider experience, equity commitments, and implementation feasibility**.

The group concluded with general alignment on the direction of the report, with targeted revisions to be incorporated before finalization and presentation to the Board.

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APPENDIX C

# Scenario Modeling Technical Approach

# Scenario Technical Modeling

This appendix contains technical details regarding the mechanics and assumptions used in the modeling process. The analytic process includes two unique models – the financial model and the indexing simulation model – that work together to produce revenue, cost, and fund balance estimates for each scenario and tax mechanism. All modeling was undertaken using the programming language R.

**The financial model is the primary model used to generate fund balance estimates.** This model is a code-based replica of the Microsoft Excel-based financial model that the County has historically used to model and evaluate the finances of the Preschool For All (PFA) program. Once replicated, minor changes were introduced to the model to improve linkages and allow for the tax mechanism sensitivities.

**The Indexing Simulation model was created by ECONorthwest to evaluate the effect of indexing the PFA income tax thresholds.** A separate model was made as the impact of indexing could not be feasibly analyzed using the County financial model.

## Financial Model

The financial model estimates top-line revenue and program costs. These are then combined to calculate the fund balance, which is effectively the program deficit or surplus rolled over year to year.

**The primary source of revenue in the financial model is the PFA income tax revenue.** Additionally, there is some revenue generated from interest earned on program reserves, contingency funds, and the program fund balance. **Costs in the model are broadly divided into two types: seat costs and program costs.** As the name suggests, seat costs are the costs of providing care per child and scale based on the number of slots offered by the PFA program. Program costs include administrative costs, family navigation and assistance costs, and facilities costs. Some of these costs are responsive to the number of program seats; however, the relationship is much weaker compared to seat costs.

**The costs, revenues, and fund balance in the financial model are hard-coded through fiscal year 2027.** Data for fiscal years 2021 through 2024 are based on actual, observed values, while data from FY2025 to FY2027 is based on the County budget. It should be noted that early iterations of the model used hard-coded values through FY2026; however, FY2027 values were introduced based on recommendations from county staff as they undertook the 2027 budgeting process in tandem with the PFA TAG process. All values from FY 2028 and onwards are estimates that are responsive to model assumptions.

## A Note on Forecast Error

Forecast models simulate what might happen given a set of assumptions. They should not be interpreted as an exact prediction of what will happen. The impact of uncertainty compounds over time and reduces the accuracy of any forecast the further out into the future you look.

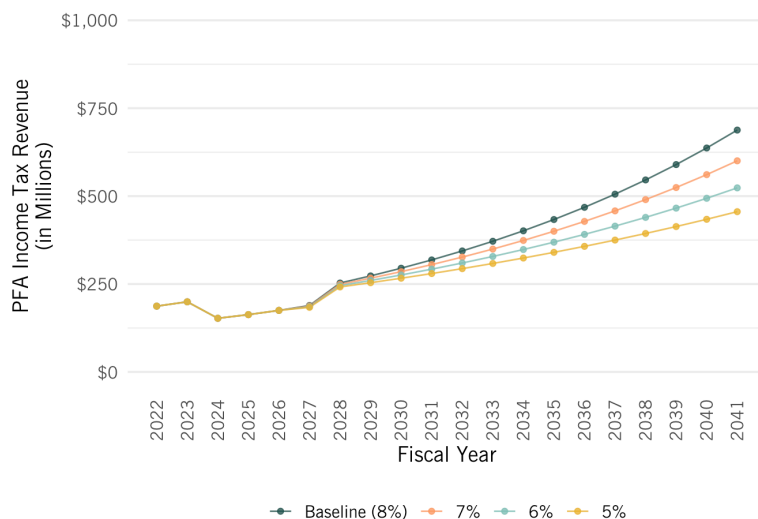
## Model Linkages

The following section details the assumptions and the mechanics of each component of the County's Excel-based financial model and notes places where the code-based model changed or updated linkages relative to the county model.

## Revenue Components

- **Income tax revenue:** Income tax revenue is calculated in the model by growing the observed income tax collection by a given growth rate; the rate used by the County historically was 8 percent year-on-year growth.
  - The effect of the planned tax rate increase in TY2027 is modelled as a one-time revenue increase of \$50.25 million dollars in FY2028. This one-time increase then grows at the same rate as the rest of the income tax revenue.
- **Interest revenue:** The County generates some additional interest income on positive program fund balances, program reserve, and contingency. The interest revenue in any given year is calculated as a 1.5 percent rate of return on the preceding year's ending fund balance, program reserves, and contingency (provided they are greater than zero)
  - This method of calculating interest revenue differs from what was originally included in the County's financial model; however, this approach was chosen to allow interest revenue to be responsive to the dynamic fund balance.

**Exhibit 1: PFA Income Tax Revenue under variable growth rates**



## Seat Cost Expense Components

The total seat costs are modelled as a function of seat cost per student, the mix of full day/full year and school day/school year seats, and the total number of slots offered. In the initial years, the number of slots ramps up until they reach universality, that is, the number of seats needed to allow all eligible children who want to participate in the program to do so. The model is set to achieve universality in FY 2031. The default values in the model suggest a total population of 12,600 three- and four-year-olds.

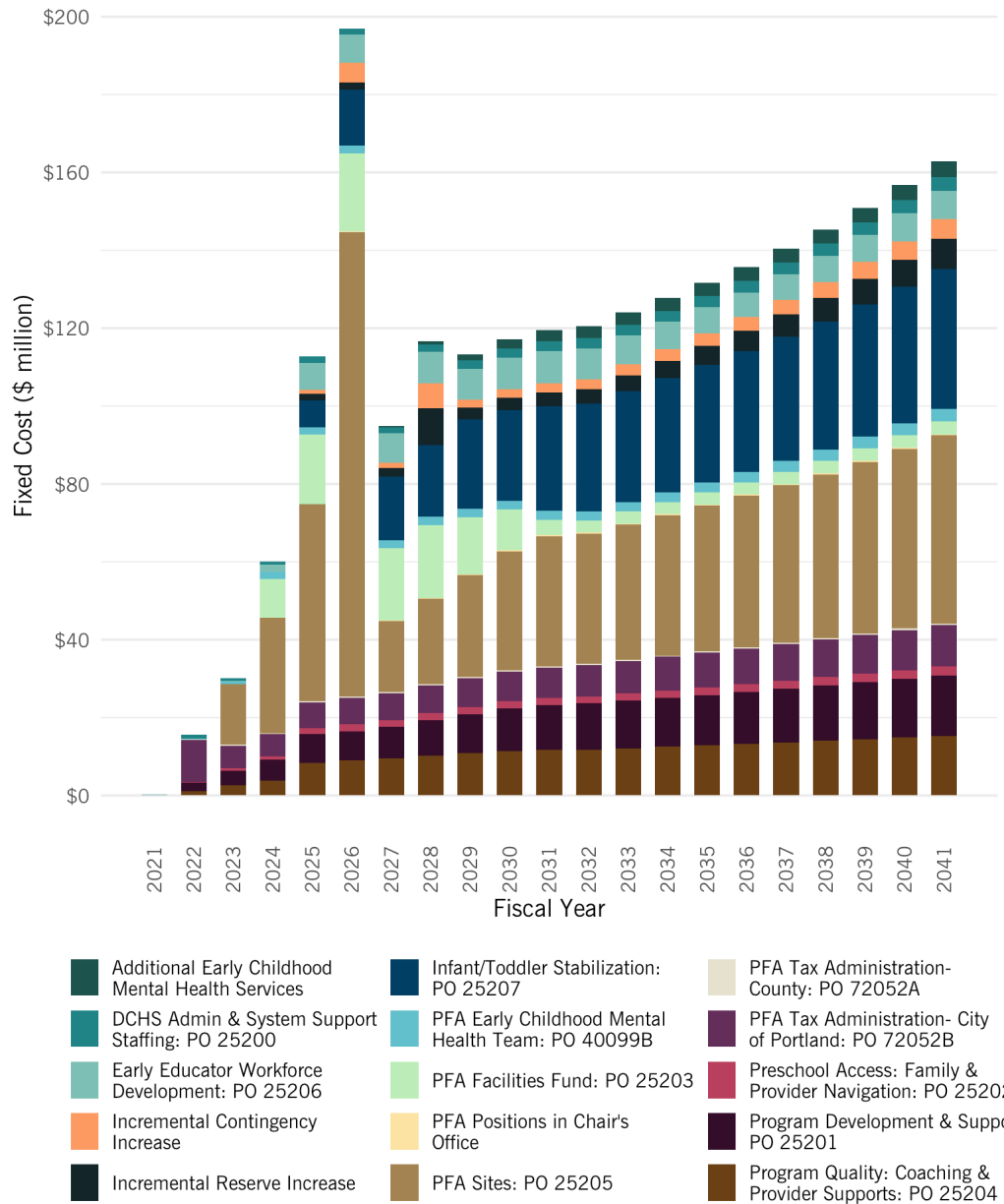
- **Seat costs** per student are hard-coded through FY 2026 and then grow based on an assumed cost escalation rate. The default rate is set at 4 percent YoY and can be adjusted based on the scenario. The hard-coded cost per seat for FY2026 is \$25,380 for the full day/full year and \$17,532 for a school day/school year. The cost for the full day/full year for FY 2026 was adjusted upward from the original county model based on TAG feedback.
- The **seat type ratio** used in the model assumes a 60:40 split between full-day/full-year and school-day/school-year seats at universality.

## Program Cost Expense Components

There are fourteen (14) program cost categories used in the cost modeling of the PFA program. Several cost categories are further divided into subcategories. The list of all program costs is as follows:

1. DCHS Admin & System Support Staffing (PO 25200)
2. Program Development & Support (PO 25201)
3. Preschool Access: Family & Provider Navigation (PO 25202)
4. PFA Facilities Fund (PO 25203)
5. Program Quality: Coaching & Provider Supports (PO 25204)
6. PFA Sites (PO 25205)
7. Early Educator Workforce Development (PO 25206)
8. Infant/Toddler Stabilization (PO 25207)
9. PFA Early Childhood Mental Health Team (PO 40099B)
10. Additional Early Childhood Mental Health Services
11. PFA Tax Administration: County (PO 72052A)
12. PFA Tax Administration: City of Portland (PO 72052B)
13. PFA Positions in Chair's Office
14. PFA Position in Central Comms

## Exhibit 2: Program costs as originally modelled by the county



**The majority of project costs are fixed or unresponsive to changes in seats offered; however, some components are partially responsive to changes in total seats offered.**

County staff provided guidance on the extent to which different program cost categories and subcategories might roughly scale with changing seat counts<sup>1</sup>. Personnel costs for DCHS Admin and for Program Development and Support for Preschool and Early Learning Division are modeled to scale at 25 percent of the change in seat count. PFA Sites Preschool and Early

<sup>1</sup> These scalars were used to illustrate the overall impact of differences in seat counts and are meant for modeling purposes only. Increasing the accuracy estimates of the responsiveness (or elasticity) of these costs to seat changes would require further research.

Learning personnel, Infant/Toddler Stabilization, and Early Childhood Mental Health Services are modeled to scale at 50 percent of the change in seat count. Effectively, if the total number of seats offered were to go down by 10 percent, the personnel costs for DCHS Admin would go down by 25 percent of 10 percent, or a 2.5 percent reduction of the cost category.

**Program costs grow at varying rates over time in the financial model.** Differences in the size and growth rates of program costs can depend on a variety of factors, such as the timing of the needed investment and the underlying cost components and their expected cost escalation rates. The model defaults to using the cost escalations as they were in the County Excel model (with seat scaling if relevant).

**A fixed program cost escalation rate can be provided to the model, however this rate gets used in a given year only if it is greater than the default cost escalation rate.** For example, if the default cost escalation for a given category is 7 percent growth between FY 2030 and FY 2031, but the cost escalation rate input provided to the model is 6 percent, the model will use the maximum between the two, thus maintaining the 7 percent cost escalation rate. If the same cost category has 5 percent growth between FY 2031 and FY 2032, the model will switch to using 6 percent growth in that year.

**In summary, program costs are relatively inflexible however can be influenced by total seats and cost escalation factors. A reduction in total seats fractionally reduces program costs.**

**Cost escalation occurs due to inflation and is unrelated to the seat count. The model maintains the default program cost escalation, unless the provided cost escalation factor is higher than the default.**

### **Incremental Contingency and Reserve Expenses**

Incremental Contingency and Reserve expenses are unique costs as they are tied to the income tax revenue collection rather than program or seat costs. **Reserve and Contingency funds are requirements of county budgeting and accounting processes and are maintained across several programs.** The Reserve fund is maintained at 15 percent of total PFA income tax revenue, and the Contingency fund is 10 percent of total PFA income tax revenue. The use of the funds is strictly regulated, and as such, the balance of these specific funds rolls over very consistently year to year. Every year, the County has to set aside some share of PFA income tax revenue collected to make up the difference between the existing fund balance and the 10 percent or 15 percent threshold for that fiscal year.

The “cost” of maintaining this fund is thus modelled as the amount of money that needs to be put aside from a given year’s estimated revenue collection in order to meet the regulatory requirements. The model does not draw down this fund at any point. As such, if revenue collection were to fall for any period of time, the Reserve and Contingency funds’ size is kept

constant, and there are no incremental Contingency and Reserve expenses until revenue collection surpasses its previous maximum. This is true even when the fund balance is negative.

## **Model Orchestration and Outputs**

The model begins by calculating the income tax revenue for each year. This function requires inputs for the income tax revenue growth rate and the estimated one-time increase in revenue collection as a result of the planned increase in the income tax rate (as per current law). Once these revenues are calculated, the model calculates the total number of PFA slots at universality, requiring inputs for the estimated total number of 3- and 4-year-olds, the estimated number of students in other public preschool program slots, and the PFA participation rate at universality. This function returns the total number of PFA students by year, which is then ingested by the seat costs calculator function. Seat costs calculation requires inputs on cost escalation rates for the two seat types and the share of PFA students in full-day/full-year slots. Finally, the program costs calculator estimates total program costs given a program costs escalation rate, the PFA slots per year, and revenue income per year. In this function, the PFA slots table is used to implement scaling for program costs that are sensitive to total seats. The revenue table is used to estimate the incremental Contingency and Reserve expenses described in the previous section.

Outputs of the revenue calculator function and the two cost calculator functions are then passed on to the fund balance calculator. This function calculates interest revenue and simulates year-to-year operating surpluses/deficits for the program and the cumulative impact of these as measured by the total fund balance. An output table is created with columns for all revenue types, total costs, annual operating surplus/deficits, and the cumulative fund balance.

## **Mechanism Implementation**

The following section provides details about the implementation of the tax mechanisms in the model orchestration outlined above.

### **Tax Rate Increase**

The tax rate hike mechanism is implemented by scaling up the nominal value of the one-time increase, implemented in FY2028 under the current law. For instance, to model a change in the income tax rate increase from 0.8 percent to 1 percent, we increase the additional nominal revenue by 25 percent, from \$50.25 million to \$62.81 million for fiscal year 2028.

### **Tax Rate Increase Delays**

An indefinite delay to the tax rate hike is modelled by zeroing out the nominal one-time increase. For delaying the tax rate increase by a set number of years, the default nominal increase of \$50.25 million is grown at the same rate as the revenue growth rate for the required number of years and then introduced in the relevant fiscal year. For instance, if the revenue growth rate is set at 8 percent and the tax hike is delayed by 3 years, the one-time revenue increase will grow

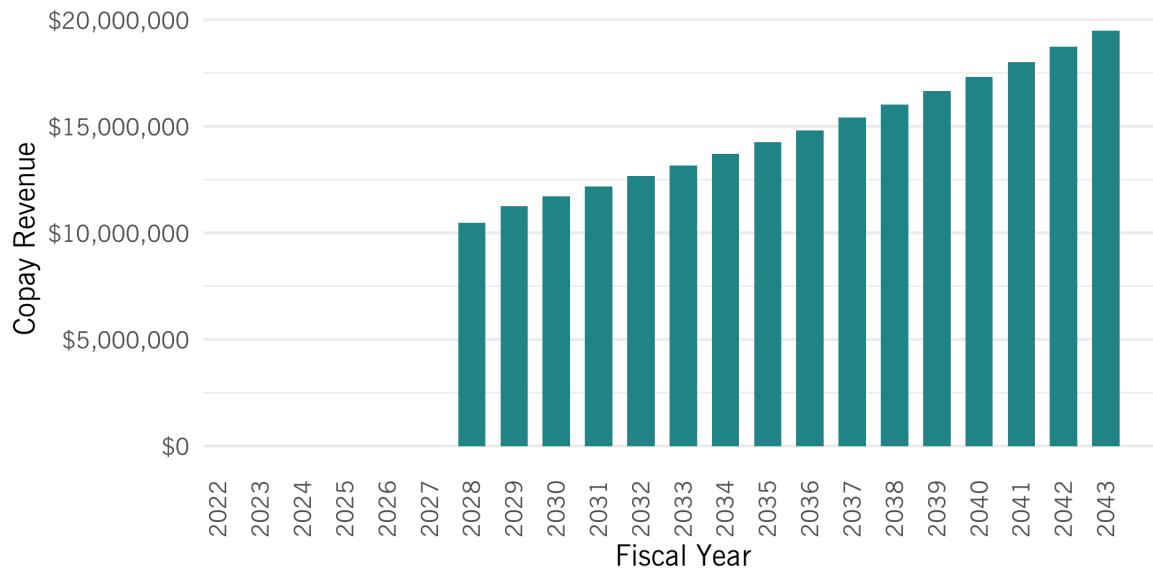
the default \$50.25 million by 8 percent for three years (to \$63.3 million), and the model will introduce this revenue bump in FY 2031.

### Means Testing for Full-year, 10-hour-day Slots

County staff used October 2025 enrollment data from their Bridgecare database to analyze the share of program participants coming from families with income greater than 400 percent FPL. This analysis showed that 27 percent of enrolled children were from families above this income threshold.<sup>2</sup> As mentioned in the main report, ECOnorthwest applied a flat co-pay equal to the estimated cost difference between the six-hour/school-year and 10-hour/full-year program types, approximately \$7,500 per seat in FY2026. This method does create a sharp eligibility cliff, in which families just above the threshold face the same co-pay as families with higher incomes. The administrative costs of implementing such a program are not included in the modelling. Additionally, this implementation assumes that students in full-day/full-year seats have the same family income distributions as all PFA students, and that this rate is fairly stable over time.

Means testing is implemented in the model through the seat cost calculator function. When the required argument is provided, the model effectively treats 27 percent of full-day/full-year seats as school-day/school-year seats, modeling copay revenues through reduced seat costs. For instance, if 1000 students were to participate in a full-day/full-year seat in a given year, the implementation of means testing would result in 270 of them being treated as having school-day/school-year costs, as the difference is paid by their families.

**Exhibit 3: Estimated total copay revenue for slot counts based on alternative demographic forecast**



<sup>2</sup> Share calculated for children for whom family FPL data was available (n = 3156). Two providers, accounting for approximately 222 seats, do not utilize the Bridgecare data system and are thus not counted in the analysis.

## Tax Credits for Non-resident Filers

Implementation of the tax credit mechanism for non-resident filers was informed by historical PFA tax filings and U.S. Census American Community Survey (ACS) data. Using the indicated county of residence of PFA filers from tax years 2021 through 2024, the share of filers filing from a county other than Multnomah County was found to vary between 18 and 25 percent.<sup>3</sup> Additionally, only three-quarters of all PFA filers have any tax liability.

Using ACS 2023 5-year PUMS data, we found that approximately 6 percent of households in Clackamas, Clark (WA), and Washington counties had a three- or four-year-old child present in the house. Assuming that the identified non-resident filers from the PFA filing data have the same rate of presence of a three- or four-year-old child and the same rate of having a PFA tax liability, we estimated that about 500 households may be eligible for tax credits each year. Based on the distribution of tax liability by taxable income bin, the probability of a given filer's tax liability being greater than the cost of a full-day seat is low. As such, we assume that the average non-resident filer will get a refund of about 20 percent of the cost of a full-day seat (about \$5,000 in FY 2027). The size of the credit per household is thus assumed to grow at the same rate of seat cost escalation over time. The total number of households modelled to receive this credit is kept constant over time. The administrative costs of implementing such a program are not included in the modelling.

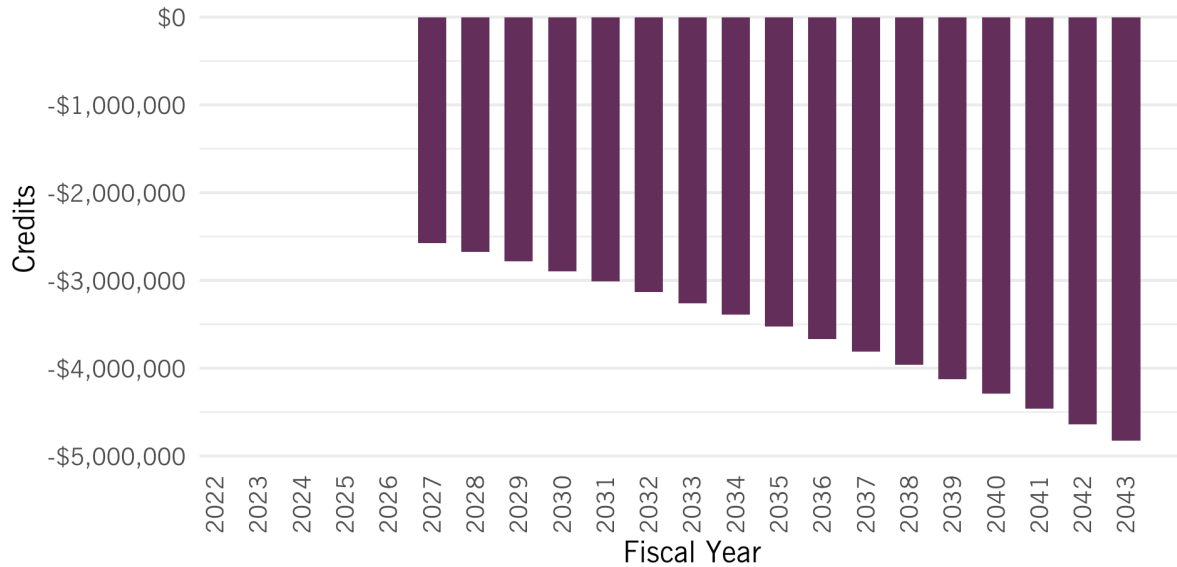
Tax credits are implemented in the model through the revenue mechanism. When the required argument is provided, the model calculates the total credits for a given seat cost escalation rate and then subtracts these from the total income tax revenue for a given fiscal year before any fund balance calculations are implemented.

A future study could use PFA filing microdata to estimate the exact credit each non-resident would have received in historical years if the cost of the full-day seat was used as a cap. Analytical assumptions would still be required to estimate what share of these filers would have qualified for a credit.

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<sup>3</sup> The county of residence is self-reported in PFA income tax filings and is not automatically validated. Data cleaning steps were required to identify all filers who were reporting their county of residence as Multnomah.

#### Exhibit 4: Estimated total tax credits for non-resident filers



#### Indexing Income Thresholds

The impact of indexing the PFA income thresholds is implemented in the model by applying scalars to the income tax revenue. These scalars are generated using the Indexing Simulation model (see below) and are implemented through the income tax revenue calculator function through the provision of a data table with the relevant scalars.

#### Recession Simulation

While not a tax mechanism, the financial model allows for testing the sensitivity of the PFA fund balance to a recession. This mechanism is implemented through the income tax revenue calculator function, which accepts an optional argument for the recession start year. The impact of a recession is modelled by changing income tax revenue for a few years. In the year following the start of the recession, income tax revenues are modelled to fall by 30 percent, then another 5 percent in the second year, and then increase by 220 percent in the third year. From this point forward, the growth rate required to return to the counterfactual revenue by the sixth year following the recession start is calculated and applied. The functional form of this illustrative recession was based on feedback from the TAG, County staff, and our own analysis of income tax revenue collection in Oregon following the 2008 financial crisis.

### Indexing Simulation Model

The Indexing simulation model was created by ECONorthwest to simulate the impact of indexing PFA income thresholds. This model generated synthetic filer households, grew their incomes over time, and evaluated tax liability for different PFA income thresholds. The purpose of this model was to simulate total income tax liability (revenue) under baseline conditions and then

compare it to a counterfactual where the thresholds for income subject to the PFA vary over time.

## Data

Several data sources were used in the creation of this model. These included:

- Historic PFA filer data, Multnomah County
- Oregon Personal Income Tax Statistics 2004-2023, Oregon Department of Revenue, accessed Nov 4, 2025.
- Statistics of Income - County Data 2011-2022, U.S Department of the Treasury Internal Revenue Service, accessed Nov 4, 2025.
- Economic and Revenue Forecasts: December 2025 Forecast, Office of Economic Analysis, Oregon Department of Administrative Services.

## Methodology

The modeling process had several components: creating a tax liability calculator, generating synthetic filers, simulating income growth, calibrating the model, and generating scalars.

### Tax Liability Calculator

The tax liability calculator is a function that combines inputs on income tax threshold and rates to calculate a household's PFA liability for a given income level. Under default conditions, it replicates the exact mechanics of calculating PFA liability under current law:

- 1.5 percent tax rate for PFA taxable income between \$125,000 and \$250,000 for single filers and \$200,000 and \$400,000 for joint filers
- 3 percent tax rate for PFA taxable income over \$250,000 for single filers and over \$400,000 for joint filers
- Tax rate for the two thresholds raised to 2.3 percent and 3.8 percent, respectively, for tax year 2027 and later

While the income thresholds remain static under the default conditions, an argument can be passed to the function to implement a rate at which the income thresholds grow year on year.

### Generating Synthetic Filers

As a part of this modeling process, we generated a synthetic filers dataset by combining data points from the historic PFA filings and tax statistics from the state and federal sources. We began by using anonymized PFA tax filing data from tax year 2023. This data is binned by filing type (single- or joint-filers) and taxable income and indicates the total PFA liability for each bin. These factors were used to enumerate each bin into a synthetic household with a filing type and the income subject to the PFA tax, such that the tax liability calculator would identify the appropriate 2023 tax liability for the synthetic household and thus the bin. The income subject to PFA tax for a given household may differ from the bin limits, as the bins are based on Oregon taxable income, while the liability is calculated based on income that has been adjusted using

qualified deductions. The resulting dataset was a synthetic population of filers who filed a PFA return with the county in tax year 2023.

In order to account for filers below the income thresholds as well as those who did not file a PFA return in 2023, we turned to OR DOR and IRS SOI data. OR DOR data was used to identify the total number of filers by AGI bin in Multnomah County in 2023.<sup>4</sup> We then evaluated the number of filers per bin that were not represented in the PFA filing data, and split them into Single and Joint filing status based on shares derived from the IRS SOI data for Multnomah County in tax year 2022. We once again enumerate each bin into synthetic households and estimate the average taxable income. We then applied scalars derived from PFA filing data to account for qualified deductions. The resulting dataset was combined with the PFA synthetic filers dataset to create a unified dataset where each row represented a Multnomah County filer with an assigned filer type and income subject to PFA tax.<sup>5</sup>

## Simulating Income Growth

To simulate income growth, we calculated variable growth rates based on where the household fell on the income distribution. The variable growth rates were generated using OR DOR data on state income tax collection between 2009 and 2019. We calculated the year-on-year increase in the average taxable income per return by income quintile over this duration to estimate the differences in income growth rates across the income distribution<sup>6</sup>. The specific ten-year period was selected as it is the best available representation of a full business cycle.

Once the income growth factors were estimated, we were able to simulate income growth for the synthetic households over time. The model iteratively moves through each year, classifying the households into an income quintile and growing their income by the quintile-specific growth factor.

## Calibrating the Model

Having simulated income growth patterns, we were then able to assess the tax liability for each synthetic household for each future year. This allowed us to simulate new households crossing the PFA income thresholds and having tax liability, as well as modelling how the PFA tax liability of households already over the threshold would evolve. To calibrate the indexing simulation

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<sup>4</sup> We assume that AGI bins are close approximations of Oregon taxable income bins for this analysis.

<sup>5</sup> One implication of this approach is that the total number of filers in this synthetic dataset is equal to total Multnomah county filers in 2023. Non-resident filers who have qualifying Multnomah county income are required to file PFA taxes. While we account for the revenue contributed by non-resident filers in the PFA dataset, it is likely that we are undercounting the total population of filers with any Multnomah county sourced income which could result in an underestimation of liability in future years.

<sup>6</sup> These data are snapshots of Multnomah county filers for each tax year and are not longitudinal in nature. As a result impacts of churn in the filer population (due to migration, birth and deaths) and filers moving across thresholds is not perfectly captured. We mitigate this as much as possible by using income distribution quintile bins and normalizing total taxable income by total filers in each bin.

model with the PFA financial model, we applied uniform scalars across the quintile-specific growth rates such that the resulting income growth generated tax revenues in fiscal year 2043 that are equivalent to the tax revenue estimated in the financial model by applying an 8 percent growth rate to total revenue collection.

## Generating Scalars

The final step was to calculate the difference between the calibrated baseline and a counterfactual where the income thresholds are indexed. We replicated the indexing methodology used by the Metro Supportive Housing Services (SHS) Personal Income Tax, which grows their income thresholds based on inflation. We used the expected long-term inflation rates used in OEA's economic forecast (December 2025) to grow the PFA income thresholds each year and recalculated liability with these new income thresholds. Finally, we calculated the ratio between the tax revenues in the calibrated baseline scenario and the counterfactual indexed scenario. By FY2043, the impact of indexing thresholds using the SHS methodology resulted in total revenue collection being 21 percent lower than what is observed in the baseline.

## Model Limitations

In the interest of model parsimony, we did not model any changes to the composition of the filing population. In reality, the filing population in the county will change over time as a result of migration, filer/household creation, and death. This model keeps the synthetic filer population consistent in composition and simply grows their incomes at a steady rate based on their income quintile.

Due to limitations in timeline and scope for this task, we took a relatively simple approach to modeling income growth. Incomes do not grow steadily on a year-to-year basis at the individual level. For high-income earners, especially those who rely heavily on capital/equity markets, income change is even more volatile. This is especially relevant as the highest income earners have the largest income tax liability.

Finally, we assigned taxable income for filers of each income bin based on the simple average income. As a result, the income distribution is fairly lumpy, especially for the synthetic population derived from DOR data. Future iterations of this model could implement a sampling process to create a smoother income distribution.

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APPENDIX D

# Community Engagement Report



# **PRESCHOOL FOR ALL**

MULTNOMAH COUNTY

# **Community Engagement Report**

October 2025





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# 1. Executive Summary

**Preschool for All (PFA)** represents one of Multnomah County's most ambitious and visionary efforts to advance equity, economic stability, and early childhood opportunity. Conceived as a universal early learning initiative, PFA seeks to ensure that every child, regardless of income, race, language, or background, has access to high-quality, culturally responsive preschool. This research and community engagement process gathered insights from families, providers, educators, philanthropic leaders, business leaders, and community partners.

## Background

In November of 2020 voters in Multnomah County overwhelmingly supported the "Preschool for All" ballot measure. Preschool for All (PFA) connects 3- and 4-year-olds in Multnomah County to free, culturally responsive, inclusive preschool. The program is designed to carefully grow until all interested families have access to a publicly funded preschool slot by 2030.

Preschool for All is funded by a progressive income tax of 1.5 percent on incomes above \$125,000 (\$200,000 for joint filers) and an additional 1.5 percent on income above \$250,000 (\$400,000 for joint filers). When passed, the measure included an automatic tax increase of 0.8 percent that was scheduled to take effect on January 1, 2026. The measure also included a requirement that the County Chair convene a technical committee to evaluate the finances of the program, issue a recommendation on the rate increase, and provide other recommendations as needed to ensure the program remains fully funded, prior to January 1, 2026. The Multnomah County Board of Commissioners passed a one-year delay of the scheduled tax increase and the deadline for the report, pushing both of those deadlines to January 1, 2027.

Preschool for All's framework was built through robust community engagement and the Technical Advisory Group's work continues to uphold that commitment, including strategies to ensure that a diverse set of voices in the community are heard.

## Process Overview

Lara Media was hired to design a community engagement process in collaboration with the Preschool & Early Learning Division and Multnomah County Chair's Office on a timeline that aligns with the needs of the technical advisory group committee and the values of Preschool for All, including a commitment to racial equity.

Lara Media utilized mixed method research strategies, including interviews, focus groups, and surveys to a diversity of individuals and organizations. Lara Media also conducted a secondary analysis of evaluation findings already gathered. This work was conducted in multiple languages to ensure the process was accessible to all families and preschool providers.

After information gathering, Lara Media compiled and analyzed the results, following accepted best practices. This included sharing the findings back with research participants in accessible ways. After information gathering, Lara Media compiled and analyzed the results, following accepted best practices. The findings are presented in this report.

## **Community Perspectives**

Across the community engagement process, participants expressed strong support for the concept of universal preschool and broad support for PFA's mission and long-term goals. The program is widely viewed as a transformative public investment that strengthens families, supports children's early development, and enhances community well-being. Families emphasized that free preschool has eased financial pressure, enabling and promoting more equitable and skilled workforce participation (particularly for women and single caregivers). Families appreciate the stability, affordability, and inclusiveness the program provides, while providers value guaranteed wages, professional recognition, and resources that make early education more sustainable. Providers also noted benefits such as fairer salaries, access to professional development, and stronger recognition of early educators as essential members of the community.

However, participants also identified persistent challenges with implementation and communication. Families cited long waitlists, uneven access, and limited transparency about placement and program updates. Providers described complex administrative requirements, unclear permitting and funding processes, and delays in support. Stakeholders noted that despite progress, some middle-income families feel excluded from access, highlighting tensions between universality and targeted need. Business and tax stakeholders expressed concerns about funding stability, fairness in the progressive tax structure, and the importance of maintaining transparency in the use of public funds.

## Funding and Sustainability

The progressive income tax funding model remains broadly supported as a fair and community-centered mechanism. However, participants recommended adjusting the tax structure so that those just above the minimum income threshold contribute at a rate lower than the current 1.5%, reflecting increased cost-of-living pressures. They also emphasized that any changes to the tax structure must remain voter-approved, preserving public accountability. Audits confirmed that PFA has accumulated significant reserves (roughly \$300 million), by design, to fund long-term expansion. Yet this gap between collected and spent funds has fueled public confusion about program timelines and goals. Despite concerns, there is widespread agreement that the program must continue and evolve.

The Portland Central City Task Force's Tax Advisory Group and business representatives have proposed several reforms, ranging from temporary tax pauses to alternative funding models. While such measures aim to ensure fiscal prudence, they risk eroding public confidence in PFA's universal mission if perceived as reducing its scope or weakening its equity commitments. Ultimately, stakeholders agree that how PFA is funded will determine its longevity—requiring both transparency and consistency to sustain public trust.

Oregon, and particularly Portland, has long been known for progressive ideals alongside a legacy of exclusion. Stakeholders underscored that PFA represents an essential corrective step toward dismantling racial and economic inequities that have historically limited access to early learning opportunities. The program's universal approach is seen as both a moral and economic imperative to ensure that every child, regardless of race or zip code, can thrive.

## Key Findings

- **Universal Preschool as a Public Good:** Participants consistently described PFA as a moral and economic investment that strengthens families, reduces long-term social costs, and fosters community resilience.
- **Equity and Inclusion:** Stakeholders emphasized the need for culturally specific programs, bilingual access, and outreach to immigrant and underrepresented communities.

- **Trust and Transparency:** Families and providers emphasized the need for more frequent, transparent communication on enrollment, funding, decision-making processes, and program decisions to rebuild and maintain public trust.
- **Workforce and Quality:** The value of living wages, professional development, and culturally responsive training for educators was reaffirmed as essential to quality, educator retention and sustainability.
- **Funding and Accountability:** Strong public support for progressive taxation remains, but fairness in brackets, diversified revenue sources, and visible fiscal transparency are vital for sustainability.

## Recommendations and Path Forward

The report outlines a comprehensive roadmap across five key areas to strengthen program delivery and ensure long-term impact:

1. **System-Level Opportunities:** Strengthen alignment between governance, policy, and implementation to ensure that equity goals translate into clear, consistent practices for providers and families; simplify eligibility, permitting, and facility requirements; strengthen cross-agency partnerships (for example, with Preschool Promise and the K–12 system); and expand culturally responsive, high-quality preschool options, especially among small and home-based providers.
2. **Programmatic Shifts:** Deliver a smoother, more inclusive experience by simplifying enrollment, increasing flexibility for working families, expanding timely support for providers and educators, strengthening inclusion for children with disabilities and neurodivergent learners, enhancing classroom quality, and coordinating with K–12 for seamless transitions.
3. **Communication and Public Engagement:** Build trust and reach through a centralized, multilingual information hub, clear plain-language updates, and community storytelling that highlights impact. Expand outreach through trusted community organizations and provide regular public program updates.
4. **Funding and Stability:** Maintain a progressive tax framework while refining income thresholds, linking rate adjustments to program outcomes, and developing complementary funding streams through state, federal, or private

partnerships. Strengthen public confidence through transparent financial reporting and accessible dashboards that connect spending to results.

5. **Continuous Learning and Evaluation:** Establish a structured feedback and reporting cycle, including annual evaluations, quarterly updates, and advisory participation, to drive adaptive improvement based on data and community voice, ensuring that insights translate into visible program change.

## Outlook

If implemented effectively, these recommendations will move PFA from a promising early initiative to a reliable, equitable public system. A coordinated governance structure, transparent operations, stable workforce, and accountable financing model will ensure that the program remains resilient over time.

Ultimately, **Preschool for All is more than an educational initiative—it is a social commitment to equity, opportunity, and community well-being.** By grounding policy in evidence, community voice, and continuous learning, Multnomah County can ensure that every child, regardless of race, income, or neighborhood, enters school ready to thrive, securing long-term benefits for families, educators, and the region's collective future.

## Balancing Vision and Viability

Across perspectives, there is broad agreement that Preschool for All must succeed. The challenge lies in balancing fiscal responsibility with moral and social urgency. Oregon's legacy of racial and economic exclusion continues to shape opportunity gaps, and scaling back or pausing PFA would deepen these inequities rather than resolve them. A sustainable path forward requires transparency, efficiency, and shared stewardship among families, educators, business leaders, and policymakers.

## Conclusion

**Preschool for All** remains one of Multnomah County's most critical social investments—an initiative that transcends politics and reflects shared responsibility for the next generation. Its early outcomes demonstrate the power of public investment in children, families, and educators, while its challenges highlight the need for transparent governance, fiscal accountability, and ongoing community partnership.

By grounding decisions in evidence, lived experience, and continuous learning, PFA can fulfill its founding promise: to ensure that every child in Multnomah County, regardless of race, income, or neighborhood, has access to a strong, fair start in life, while strengthening the social and economic fabric of the region for generations to come.

## **2. Current Landscape**

### **Introduction to the PFA Program**

Preschool for All (PFA) is a Multnomah County initiative that provides free, high-quality preschool to three- and four-year-old children across the county. Built upon the principle of universality, the program aims to remove financial and systemic barriers to early learning and ensure that every child has access to culturally responsive, developmentally appropriate education.

Preschool for All came from a two-year community planning process that engaged more than 100 local leaders, educators and parents creating a shared vision for the children and families of Multnomah County. Voters in Multnomah County overwhelmingly supported the Preschool for All ballot measure in November 2020, establishing both the program framework and a dedicated funding source

Each year, PFA expands to serve more children and families, with the goal of achieving full universal access by 2030.

### **Funding**

The program is funded through a progressive income tax on higher earners residing in Multnomah County. Sixty-four percent of voters approved this mechanism to ensure stable, local revenue dedicated to preschool expansion, educator compensation, and program infrastructure.

### **Projected Community Benefits**

The county is expected to see broad and lasting community benefits, including improved school readiness, narrower opportunity gaps, stronger family stability from reduced childcare costs, increased workforce participation among parents, and long-term economic gains, through increased economic productivity and reduced reliance on social services.

## **Application and Enrollment Process**

Preschool for All is open to all families residing in Multnomah County and does not have income-based eligibility requirements. The application process emphasizes family choice, transparency, and prioritization of children who currently have the least access to high-quality early learning opportunities.

### **Eligibility**

Children must be three or four years old by September 1 of the school year for which they are applying, and at least one parent or legal guardian must live in Multnomah County.

### **Application Process**

Families apply online through the PFA application portal. During the process, parents or guardians can research and rank up to six preferred preschool sites among participating PFA providers. Site visits or tours are encouraged to help families identify programs that best meet their needs and preferences.

If demand exceeds available spaces, some sites may use waitlists. When a placement offer is made, families have seven days to accept or decline through their application account. If a family accepts a lower-ranked site, they remain on the waitlist for higher-ranked programs. After a placement is confirmed, the selected preschool provides follow-up instructions to complete enrollment.

### **Support and Communication**

Families receive email notifications about their application status and may log into their account at any time to check for updates. Those needing assistance can contact a Family Navigator for individualized support. Families may also contact the enrollment team if they wish to change their preschool selections while on a waitlist.

## 3. Methodology

### 3.1 Introduction / Overview

The community engagement process for this study was designed to collect a diverse range of perspectives from our community on universal preschool in general and specifically on the Preschool for All program. A mixed-methods approach was used to balance breadth and depth of insight, combining quantitative data from surveys with qualitative feedback from focus groups and individual interviews.

Between June and September 2025, the engagement effort reached over 2,000 community members through the following complementary components:

- **PFA Community Survey**

An online, fully structured questionnaire distributed to approximately 2,000 community members who had expressed interest in participating in focus groups but were unable to attend. This survey provided broad quantitative data on awareness, attitudes, and experiences related to PFA and universal preschool.

- **PFA Demographic Survey**

A brief, standardized online demographic survey was administered to focus group participants prior to their sessions. Sixty-six participants completed the survey, while twenty declined. Eligibility criteria for focus group participation required residency in Multnomah County, and participants were screened to ensure equitable representation across all county districts. The demographic survey collected key background information to contextualize qualitative responses and support comparison with the broader community survey sample. Approximately 75% of focus group participants identified as women, which is consistent with typical focus group participation patterns, particularly for topics related to education and childcare.

- **Focus Groups**

Eleven focus groups, with a total of 84 participants, were conducted with families, early educators, preschool providers, community organizations, and government or advisory representatives. These discussions explored perceptions of the PFA

program, access barriers, policy considerations, and funding mechanisms in greater depth.

- **Interviews**

Sixteen individual interviews were conducted with educational and government leaders, business leaders, and taxpayers to capture expert and leadership perspectives on the same topics as the focus group discussions, with an added question on fiscal accountability.

Collectively, these activities provided both a statistical overview of community sentiment and qualitative insights into the motivations and experiences underlying those views. Findings from each component were analyzed independently and then synthesized to identify points of convergence and divergence across stakeholder groups.

The survey questionnaire was created and approved by the Multnomah County Preschool and Early Learning Division and its Technical Advisory Group. Lara Media Services made limited adaptations to tailor the survey for use with the focus groups and interviews.

All focus group and interview participants were offered a stipend for their participation though not all accepted.

## **3.2 Survey**

### **Design**

Two online surveys were developed and administered as part of this engagement:

The PFA Community Survey was distributed to individuals who had expressed interest in participating in focus groups but were unable to attend. This survey captured feedback from nearly 2,000 participants.

The PFA Demographic Survey was administered to focus group participants prior to their feedback session. This survey captured demographic information for 66 of the 86 people who participated in the focus groups discussed below.

Both surveys were fully structured and standardized to allow direct comparison between groups.

## Participants

Survey	Target Group	Sample Size	Description
<b>PFA Community Survey</b>	Interested community members who could not attend focus groups	1,996	A broad and diverse audience representing the general community perspective.
<b>PFA Demographic Survey</b>	Focus group participants	66	A highly involved group of stakeholders representing potential and participating families, potential and participating providers, and community partners.

## Format

Both surveys were administered online via a secure survey platform. Questions were multiple-choice or categorical to facilitate quantitative comparison. The instruments were pilot-tested internally to ensure clarity, logical flow, and consistency in response categories. Questions included in these surveys can be found in Appendix A for the PFA Community Survey and Appendix B for the PFA Demographic Survey.

Fewer than 5% of participants expressed concerns about potential bias in the survey design, perceiving that some questions were oriented toward eliciting favorable views of the program.

## **Analysis**

Survey data were cleaned and analyzed using descriptive and comparative methods. Demographic distributions were reviewed for representativeness and to identify any sampling biases.

### **3.3 Focus Groups**

#### **Purpose**

Focus groups were conducted to explore the diverse perceptions and experiences of key stakeholders regarding the PFA program and its associated tax. The qualitative data collected through these discussions added essential context to the survey results, helping to explain why participants hold specific views and how they interpret the program's impacts within their communities.

#### **Participants**

A total of eleven focus group sessions were conducted, engaging 84 participants across a diverse range of stakeholder segments to ensure broad and balanced representation. Recruitment intentionally included both PFA-affiliated and non-affiliated individuals and organizations to capture the full spectrum of community perspectives on preschool access, program design, and implementation.

Key participant segments included:

- Families (PFA participants and non-participants) (23)
- Preschool Providers (PFA and non-PFA) (29)
- Community-Based Organizations (including cultural, social service, and business groups) (5)
- Early Educators and Staff (7)
- Government and Advisory Representatives (including School District and Advisory Committee members) (22)

#### **Format**

Each session followed a structured discussion guide to ensure consistency while allowing for open dialogue. Sessions were conducted virtually and each lasted

between 90 to 120 minutes. The facilitation style was designed to be inclusive and exploratory, encouraging dialogue and in-depth sharing of opinions and ideas.

Focus group questions, which can be found in Appendix C, focused on

- Perception of universal preschool concept
- Perception of Preschool for All
- Experience with Preschool for All
- Funding and Stability

## **Analysis**

All focus group discussions were recorded, transcribed, and subjected to thematic analysis. Transcripts were coded for recurring patterns, emergent themes, and representative quotations. This process supported synthesis of key findings across stakeholder types and identification of shared priorities, common concerns, different perspectives, and actionable recommendations.

## **3.4 Interviews**

### **Purpose**

Individual interviews were conducted to gain in-depth insights from diverse civic, business and government stakeholders. These one-on-one conversations provided nuanced perspectives on program governance, operational challenges, and fiscal implications.

### **Participants**

A total of sixteen interviews were conducted with individuals representing key leadership and decision-making roles. The participant composition included:

- Business Leaders (5)
- Taxpayers and Community Advocates (5)
- Educational and Government Leaders (6)

Participants were identified through a purposive sampling process to ensure inclusion of voices with strategic, financial, and policy-related expertise relevant to the PFA program.

## Format

Interviews followed a semi-structured protocol, providing a balance between consistency and flexibility. Open-ended questions guided discussions on specific topics such as governance, program funding, and community accountability, while allowing interviewers to probe deeper into participant-specific knowledge. Each interview lasted 30 - 40 minutes. Interviews were conducted through a combination of video conferencing, phone calls, and in-person meetings.

Interview questions were the same as those used in focus groups, found in Appendix C, with the addition of the following question for county commissioners:

- How do you ensure transparency and accessibility in decision-making processes related to PFA programs?

## Analysis

Interview transcripts were analyzed thematically, consistent with the approach used for focus groups. Coding emphasized identification of strategic insights, policy implications, and context-specific recommendations. Special attention was paid to identifying points of alignment or tension between decision-makers and community members to inform policy refinement.



## 4. Findings of Research - Perspectives Heard

### 4.1 Perception of Universal Preschool Concept

Results from Focus Groups and Interviews

#### What comes to mind when people hear about universal preschool?

Participants' responses primarily focused on the beneficial impacts of universal preschool on families and the community, specifically mentioning the following:

- **Access & Equity:** Free, funded preschool for all children, regardless of family income, background, or cultural identity. It is seen as a public benefit and a right that reduces barriers and promotes fairness.
- **Support for Families:** Provides stability, structure, and relief from financial burden. Full-week, full-day programming supports working families.
- **Cultural & Community Value:** Programs that reflect community models, integrate dual-language learning, and are culturally responsive.
- **Child Development:** Strong focus on school readiness, educational foundations, and long-term success, while also raising concerns about ensuring access for children with special needs.
- **Different Interpretations:** Some tension exists between seeing universal preschool as “academic preparation” versus “childcare for all.”

#### Does having universal preschool benefit the community long-term?

##### Why or why not?

Participants agreed that universal preschool benefits the community long-term. Specifically, they mentioned long-term benefits for children, families, the communities and the workforce.

##### Benefits for Children

- **Firm Foundations:** Early learning improves communication, academic, and social-emotional skills, preparing them for life.
- **Readiness & Success:** Increases school readiness, graduation rates, and lifelong success.

- **Equity:** Supports equity by closing opportunity gaps, especially for multilingual learners and children with disabilities.
- **Early Intervention:** Enables early detection of developmental delays and faster access to interventions.
- **Stability & Well-being:** Provides consistency, stability, food security, and safe environments that support well-being.

### **Benefits for Families**

- **Financial Relief:** Reduces childcare costs, easing financial stress and increasing disposable income.
- **Workforce Participation:** Allows parents—especially women and low-income caregivers—to stay in the workforce, advance careers, or pursue education.
- **Family Stability:** Strengthens family stability and enables community engagement (work, volunteering, entrepreneurship).
- **Local Access:** Provides relief by offering local childcare options and reducing the need for long commutes.

### **Benefits for the Community and Workforce**

- **Economic Growth:** Strengthens the economy by ensuring a reliable, productive workforce.
- **Job Creation:** Creates preschool jobs and career pathways, especially for women and young people.
- **Societal Cost Savings:** Reduces future public spending in healthcare, justice, and social services (“less prison, more preschools”).
- **Community Values:** Reinforces education as a shared community value, producing “better citizens and future leaders.”
- **Stronger Educators:** Builds stronger, more motivated teaching teams and reduces educator burnout with added support.
- **Employer Benefits:** Business participants emphasized that access to free, high-quality preschool reduces financial pressure on working parents and enhances overall workforce stability. From an employer perspective, this translates into

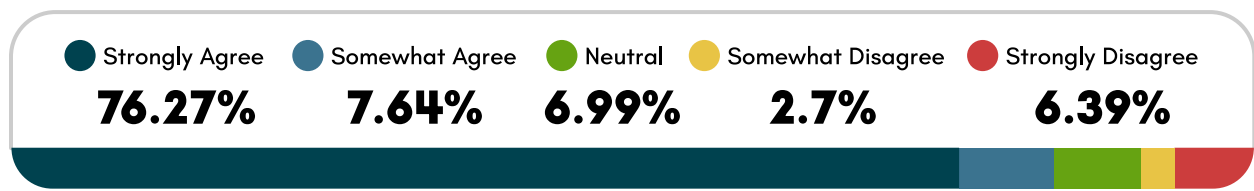
higher productivity, improved retention, and cost savings, as businesses are less likely to need to subsidize childcare directly.

- One employer summarized this connection succinctly, explaining that “even employees earning above-average wages find childcare expenses stressful... PFA helps alleviate that pressure for families and benefits employers who rely on a stable, focused workforce.”

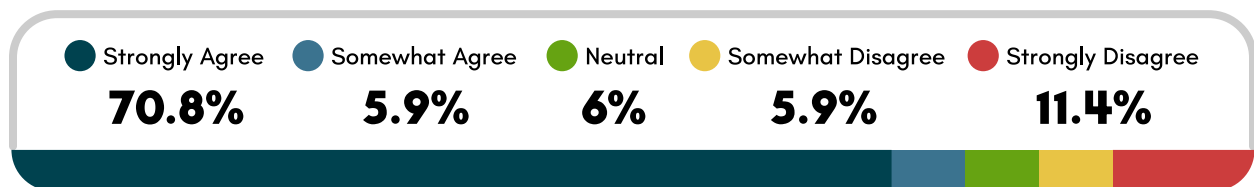
## Community Survey Results

The community survey reinforced these findings. More than 70% of respondents strongly agreed that every child in Multnomah County should have access to preschool and that preschool should be free for all children, similar to public school.

*How much do you agree with the following statement: “Every child in Multnomah County should have access to preschool.”*



*How much do you agree with this statement: “Preschool should be free for every child”. This would be similar to how public schools are free for every child.*



## Overall perceptions of universal preschool

Participants overwhelmingly agreed that universal preschool is a transformative, long-term investment. It strengthens children, families, and communities, levels the playing field, and yields both social and economic returns. This perspective was reinforced by the community survey, where more than 70% of respondents strongly agreed that every child in Multnomah County should have access to preschool and that preschool should be free for all children, similar to public school. Universal preschool

is broadly seen as “an all-around benefit” and “a chain of impact that continues across generations.”

## 4.2 Perception of Preschool for All

### Results from Focus Groups and Interviews

*What do you like or dislike, if anything, about Preschool for All? What are your thoughts on Preschool for All? Please share any aspects you appreciate or have concerns about, as well as any changes you would suggest.*

Participant responses included a mix of appreciation for certain aspects of the program, as well as identification of concerns and challenges with the program.

#### Appreciated Aspects

- **Equity & Access:** Strong support for the principle of free, universal preschool that opens opportunities for children and families who otherwise couldn't afford it.
- **Community-Driven:** Participants valued that the program was built with community input and aims to reduce barriers, support working families, and improve equity.
- **Teacher & System Support:** Guaranteed wages and facility funds are seen as positive impacts. The program also helps with early identification of student needs, including special education.

#### Concerns and Challenges

- **Staffing & Quality:** Shortages of teachers, low pay\*, and limited culturally responsive training. Calls for higher wages, professional development, and equity-focused preparation.
  - \*The concern about “low pay for educators” should be clarified. This point did not come directly from educators themselves. Instead, it was raised by other stakeholders, who perceived educators' compensation as insufficient. Educators who participated in interviews and focus groups generally valued the guaranteed wages and support PFA offers, describing these as improvements that make the profession more sustainable.

- **Access & Implementation:** Uneven rollout, complex provider requirements, long waitlists, and questions about whether middle-income families\* are adequately included.
  - \*Concerns were raised about alignment between tax contributions and access to benefits. Some middle-income families noted that, although they contribute through taxes, they have not secured enrollment, leading to perceptions of inequity in how program benefits are distributed relative to who funds the system.
- **Funding & Sustainability:** Concerns about the stability of the tax model, risks of businesses or residents leaving, and fears that services could be cut before long-term benefits are realized.
- **Coordination & Transparency:** Misalignment with K-12 systems, lack of clear communication, leadership controversies, and weak outreach\*, especially to diverse communities.
  - \*Participants reported gaps in outreach, particularly among immigrant, multilingual, and culturally specific communities. Some families noted improvements in language accessibility compared to the previous year, but also described continued challenges with translated materials, enrollment support, and limited program capacity.
  - Participants stated they are often more exposed to news coverage about PFA than to direct outreach from the program. They also described limited visibility of PFA through trusted networks.
- **Family Needs:** Program schedules and structures often don't align with working families' realities, potentially limiting participation and trust. Some parents would prefer more flexible hours.

*Looking at this list of key Preschool for All values, which three are most important to you?*

Participant responses reflect a balance between equity for families and sustainability for providers and teachers. The following values were the most common responses.

- B. Free and accessible for all families
- D. Culturally relevant, inclusive programs
- F. Living wages for teachers
- E. Accessible and equitable opportunities

### *Do you think there are any economic benefits you see from Preschool for All?*

Similar to the responses above, there was a balance of benefits identified for families, providers and teachers. Participants most often identified the following economic benefits.

- Reduced childcare costs
- More disposable income and family stability
- Improved school readiness
- Better job opportunities for parents
- Enhanced employee satisfaction
- Economic growth and productivity

### *What else would you like us to know?*

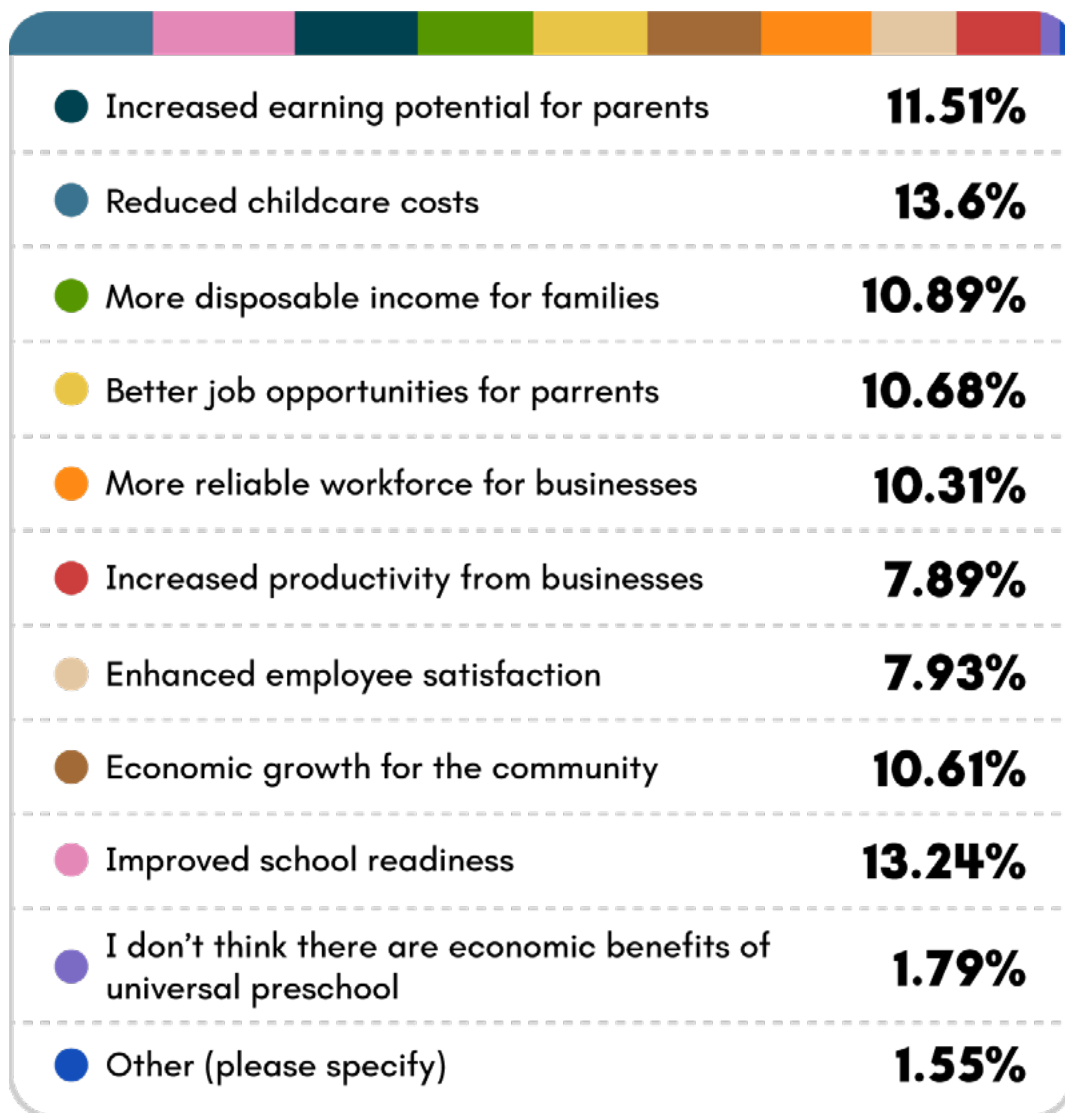
#### **Core Reflections**

- **Long-Term Investment:** PFA is seen not as a cost but as a legacy—an investment in children, families, and the community’s future. Education “never goes to waste,” and the program should remain protected and sustained.
- **Equity & Representation:** Calls for recruiting culturally sensitive teachers from local communities, ensuring inclusiveness, bilingual/multilingual access, and strong family engagement.
- **Trust & Transparency:** Participants emphasized the importance of accountability, transparency in fund allocation, and regular communication with both families and providers. Without visible results, public support could weaken.

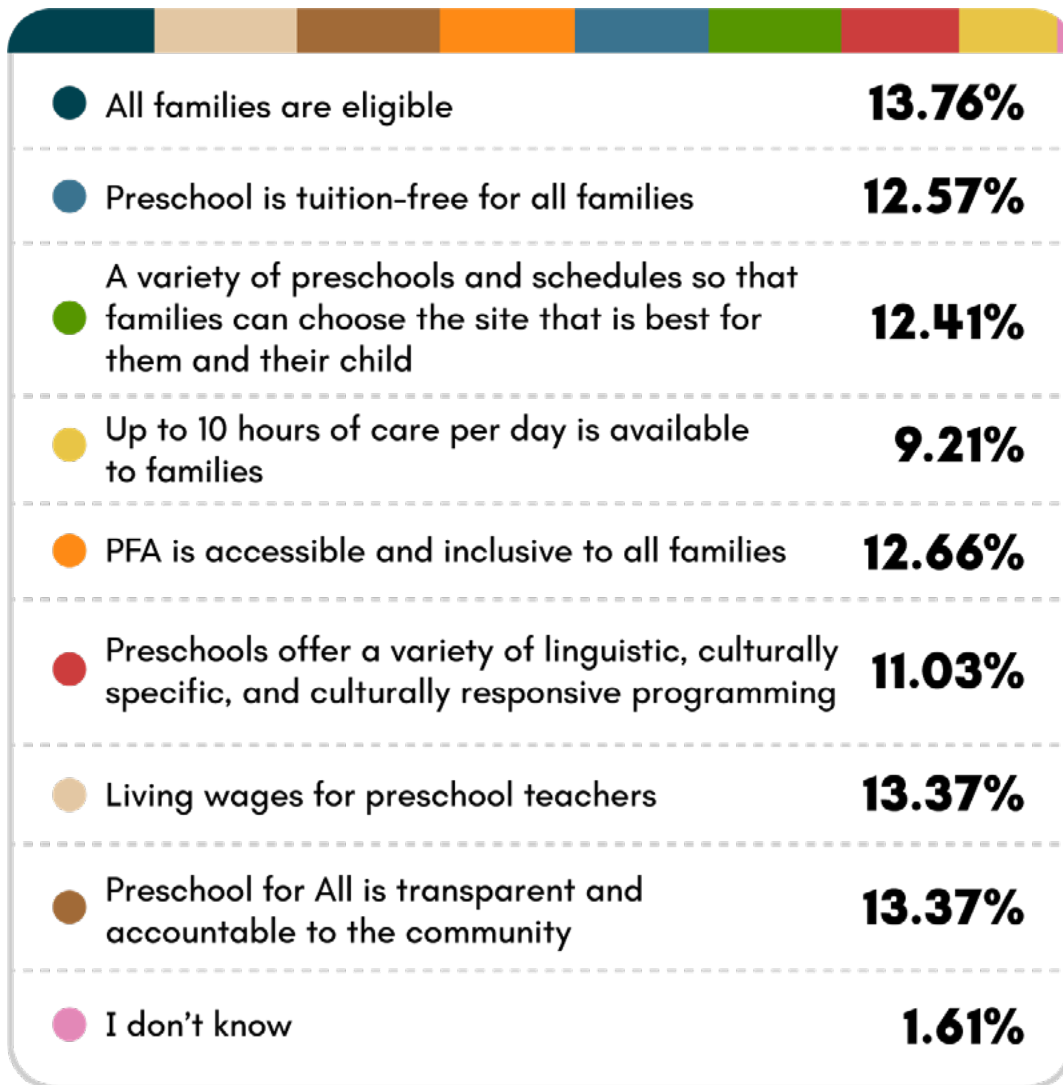
- **System & Access Improvements:** Suggestions included improving enrollment systems, addressing waitlists, supporting small and established providers, and ensuring accessibility for neurodivergent children and those with mobility needs.
- **Leadership & Stability:** Stronger leadership and oversight are needed to prevent mismanagement and reassure the public. The program must deliver on the promises voters supported.

**Community Survey Results:** Survey responses reflected similar themes. The highest-ranked priorities included living wages for teachers, transparency and accountability, and tuition-free access for all families as core components of Preschool for All.

*What economic benefits do you see from Preschool for All? (Select all that apply)*



*Which of the following do you believe are important parts of Preschool for All? (Select all that apply)*



### **Overall perception of Preschool for All**

Preschool for All is widely seen as a cornerstone for equity and long-term community well-being, a vital investment in Oregon's future workforce and social fabric. Supporters emphasize its impact on early development, socialization, and school readiness, as well as the stability it brings to families. The program helps parents, particularly mothers, remain in the workforce or pursue education, while providers benefit from fairer wages and professional growth, strengthening the early childhood education sector.

However, many participants stressed that improved staffing, consistent implementation, and clearer communication are needed to fulfill its promise and ensure sustainability. Participants also raised concerns about limited enrollment, uneven program quality, and a lack of transparency in communication and fiscal management. Critics questioned whether the program's outcomes match its promise, citing perceived tax burdens, business flight, and inconsistent rollout.

## 4.3 Experience with Preschool for All

### Results from Focus Groups and Interviews

*Have you or anyone you know participated in Preschool for All? This could be as a family, friend, teacher, preschool provider, or community partner. What was that experience like?*

Most of the participants shared stories with us about a friend, family member, neighbor, coworker or another stakeholder. Here are highlights of some of their positive experiences.

- **Child Development:** Parents reported rapid growth in language, confidence, and social skills. Children with special needs gained access to early support and services.
- **Family Impact:** Families experienced financial relief, avoided long commutes, and felt supported when navigating enrollment (including language barriers). Preschool for All helped some parents return to work, leave unsafe situations, or volunteer in the community.
- **Equity & Representation:** Families appreciated culturally specific preschools and teachers who reflected children's identities, boosting confidence and belonging.
- **Educator Support:** Teachers valued guaranteed wages and schedules that reduced burnout, making the profession more sustainable.
- **Community Value:** Participants see the program as a way to bring families together, strengthen cultural connections, and ensure school readiness.

In addition to these positive experiences, some stories reflect community challenges and concerns. Here are some highlights from those stories.

- **Access & Enrollment:** Families reported significant stress due to long waitlists, uncertainty, and financial strain while waiting for seats (some of them until June). Providers noted inconsistent enrollment systems and unclear qualification criteria.
- **Implementation Issues:** Some providers found the requirements to be subjective and complex, resulting in delays in funding and support for inclusive classrooms.
- **Providers' Implementation Issues:** Feedback from providers identified several implementation challenges within PFA. Reported concerns centered on program consistency, resource allocation, service integration, and system design.
  - Reported concerns included uneven quality across sites due to differences in educators' preparation, curriculum, and facilities; limited budgets that constrain the quality of services; and gaps in special education services. Some participants noted that specific approaches, such as Montessori, are not reflected in the program design, and that expansion has emphasized new center-based care while small family providers feel overlooked.
- **Equity Questions:** Some participants raised concerns about "universality"—for example, whether financially-stable middle-class\* families should receive free preschool alongside low-income families.
  - \*When participants referred to "middle class families," they were describing middle-income households that are not financially burdened by preschool costs but still receive benefits through PFA. The concern expressed reflects questions of equity and prioritization, specifically, whether resources are being extended to families with less financial need while some lower-income families continue to face access barriers. This highlights an underlying tension between PFA's universal design and community expectations around targeted support for those with the greatest need. Several participants specified that this concern is primarily tied to the rollout period and may be resolved once there are enough seats available for all preschool-aged children.
- **Transparency & Accountability:** Some participants expressed distrust due to limited communication, perceived lack of accountability, and leadership controversies.

## Overall Experience with Preschool for All

Participation in Preschool for All has been described as transformative for many families and children—bringing educational, financial, and emotional benefits. At the same time, both families and providers emphasized the need for clearer systems, more equitable access, and greater transparency to ensure the program fulfills its promise.

### 4.4 Funding and Stability

#### Results from Focus Groups and Interviews

Participants were asked the following questions related to funding for PFA. As the responses were closely related, the findings are presented together.

*Do you have feedback on the current Preschool for All funding mechanism?*

*Should the funding mechanism be progressive?*

*In your opinion, what is the best way to fund universal preschool?*

Participants broadly accept progressive taxation as the fairest and most equitable way to fund PFA, viewing it as a long-term community investment in children, families, and local workforce. However, they emphasized the need for fairer tax brackets, stable and predictable revenue, and transparent program management to maintain public trust and ensure long-term sustainability. Some also suggested expanding contributions from higher earners or businesses to strengthen equity and protect program stability.

#### Supportive Views

- **Support Progressive Tax:** Many participants support the progressive tax structure, emphasizing that those with greater means should contribute more so that low- and middle-income families are not overburdened.
- **Fairness and Adjustments:** While many participants viewed the current model as a fair use of tax dollars, participants recommended refining it through more incremental brackets or flexible adjustments, such as raising rates primarily on the highest earners rather than those in the \$125K-200K range to ensure greater equity and public acceptance.

- **Perceived Value:** A few participants noted they don't personally pay the tax but still see it as a valuable public investment when well managed.
- **Community Investment:** Supporters highlighted broader economic benefits, including reduced childcare costs, greater workforce participation, increased family disposable income, and stronger community well-being.

### **Suggested Adjustments**

Participants proposed several refinements to strengthen fairness, stability and transparency:

- Introduce smaller or more incremental rate increases or taper the rate as start-up costs decline.
- Consider personal circumstances (such as medical hardships) when applying the tax.
- Ensure that contributing families also have access to PFA benefits, reducing perceptions of inequity.
- Maintain a dedicated public fund that is protected from political cycles and aligned with the true cost of quality preschool, including teacher wages.
- Improve transparency by clearly communicating progress, timelines, and spending to sustain public confidence.
- Phase universality by prioritizing low-income families first, then expanding access as capacity grows.
- Explore broader state-level tax reform to ensure long-term alignment and stability.

### **Alternative or Supplemental Ideas**

Some participants proposed diversifying revenue sources to enhance sustainability, including:

- State and federal grants, while retaining local control
- Corporate or business taxes, including proposals to tax marijuana sales.
- Public-private partnerships, that engage employers who benefit from a stable workforce

- Education bonds or a dedicated local tax (similar to the Arts Tax).
- Voucher systems to increase family choice
- Property taxes (though less favored than income-based models)

## Concerns

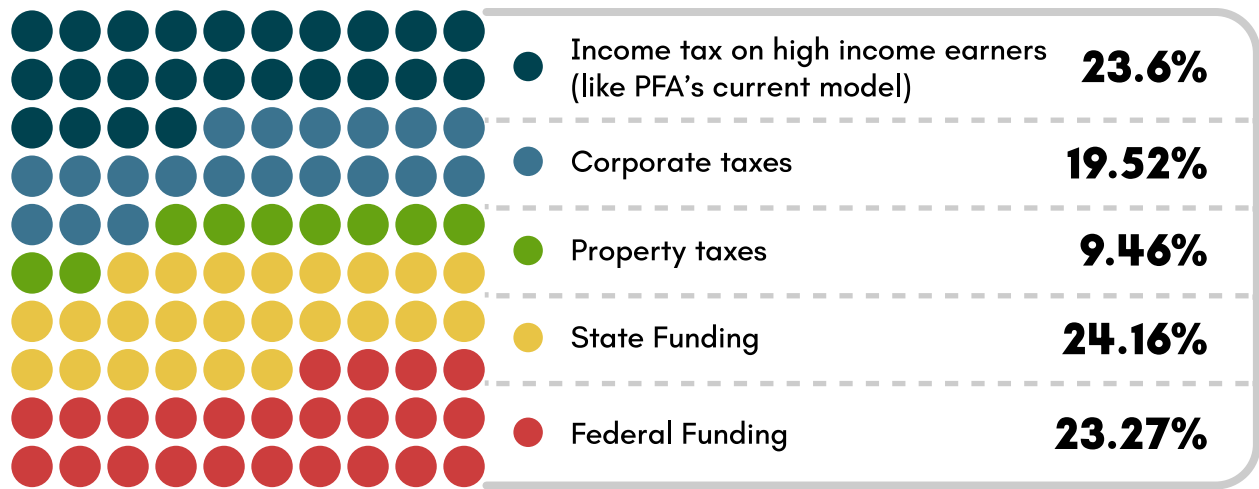
Despite broad support, participants identified several concerns:

- **Fairness & Access:** Some worried about paying for a service they may not use, or about low- and middle-income families being excluded from access.
- **Stability:** The current system is seen as unstable and overly tied to political cycles, with fears that high tax rates may push high earners or businesses out of the county, reducing the tax base. (Others noted no evidence of this trend to date.)
- **Trust & Transparency:** Participants expressed frustration about perceived unspent funds and urged more clarity about how revenues are used to maintain confidence in the program.
- **Fairness:** A minority of respondents felt that it's not right for people without children, or financially stable families, to benefit. Others argued the program should first guarantee access for the lowest-income families before expanding.
- **Economic impacts:** A few participants voiced concerns about inflation and the long-term sustainability of revenues if tax adjustments are not made gradually.

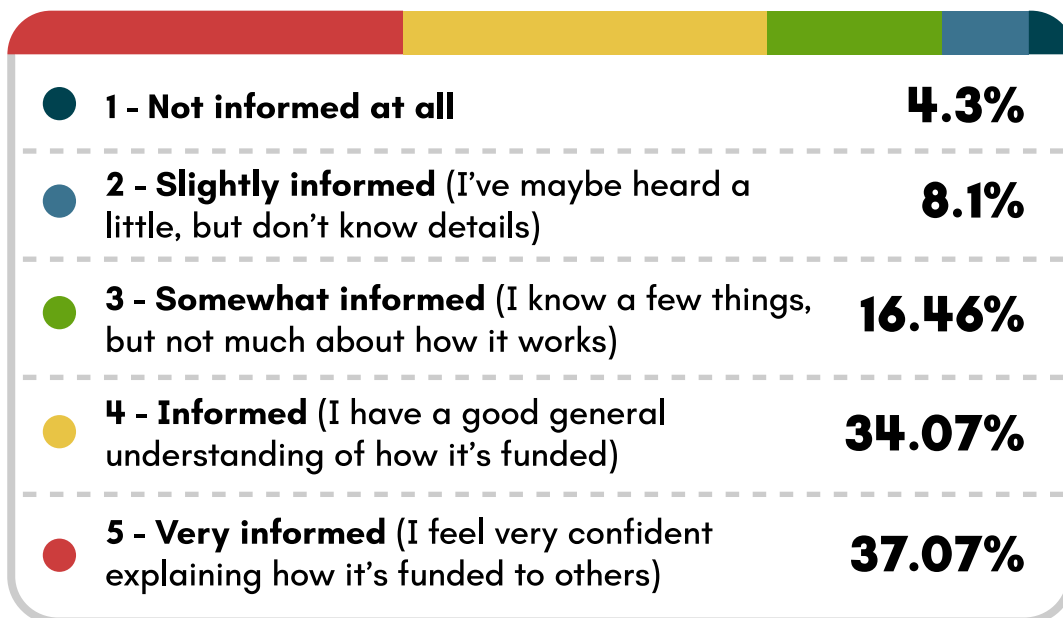
**Community Survey Results:** Survey results showed that participants were aware but divided in their views on PFA funding. When asked how universal preschool should be funded, responses were nearly evenly split among four options: the current progressive income tax, state funding, federal funding, and corporate taxes. When asked whether they agreed with how PFA is currently funded, responses were polarized, with many respondents selecting either “strongly agree” or “strongly disagree.”

One interesting result is that the survey data indicates that 40% of respondents claimed to pay the Preschool for All tax. Given that only an estimated 6 to 8% of Multnomah County residents fall within the tax-paying bracket, this finding is likely inflated. It may reflect a misunderstanding of tax eligibility or the structure of the local funding mechanism.

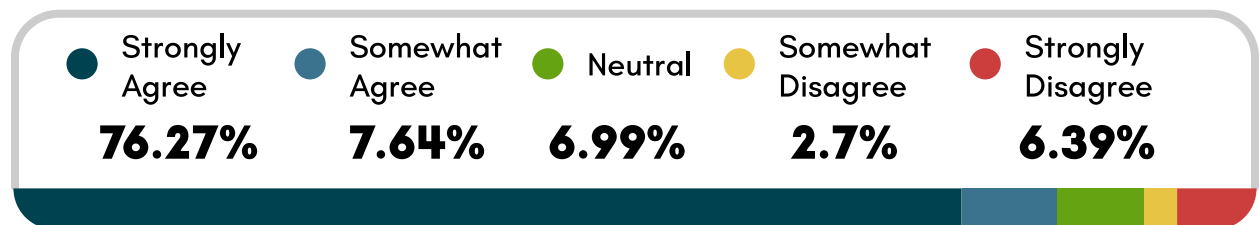
*How should universal preschool be funded? (select all that apply)*



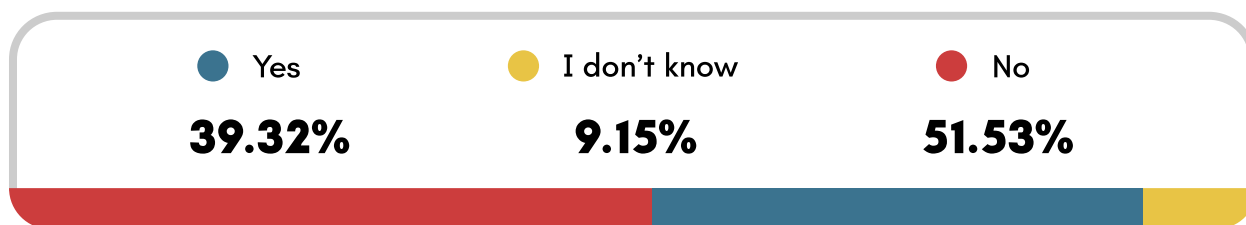
*On a scale of 1-5, how informed do you feel about how universal preschool is funded?*



*Do you agree with the funding mechanism for Preschool for All?*



*In the 2024 tax year, did you pay the Preschool for All tax?*



### **Overall Perspectives on Funding for Preschool for All**

Participants broadly supported progressive taxation as the fairest and most equitable way to fund Preschool for All, viewing it as a meaningful investment in children, families, and the broader community. They stressed, however, that the funding model must be designed with fairness in tax brackets, stability in revenue, and transparent program management to sustain public trust. Many also noted the importance of local accountability and the potential for higher contributions from wealthier individuals or businesses to strengthen long-term equity and community benefit.

### **4.5 Differences and Similarities Across Participants**

Across all three guiding questions—(1) perceptions of universal preschool, (2) perceptions and experiences with PFA, and (3) views on funding and stability—participants shared an overall belief in the value and necessity of early childhood education as a public good. However, their perspectives diverged in key areas related to implementation, access, and fairness, revealing both shared priorities and meaningful tensions that must be acknowledged to avoid drawing overly generalized conclusions.

#### **Core Similarities**

**Strong Support for Universal Access and Equity:** Nearly all participants—families, educators, providers, and leaders—endorsed the idea that preschool should be accessible to every child regardless of income, race, or background. Universal preschool was consistently described as a long-term investment in community well-being, economic stability, and intergenerational equity.

**Recognition of Early Education's Broad Benefits:** There was clear agreement that high-quality preschool yields benefits that extend beyond the classroom: improved school readiness, stronger family stability, increased workforce participation

(especially for mothers), and future reductions in social costs such as poverty and incarceration.

**Emphasis on Cultural Responsiveness and Inclusion:** Participants valued culturally specific programs, bilingual education, and representation among teachers. They emphasized that culturally responsive approaches are essential to ensure all children feel seen, supported, and successful.

**Support for Progressive Funding:** Across groups, the progressive tax model was seen as an equitable way to fund PFA, with most agreeing that those with greater resources should contribute more. Participants described PFA funding as a collective investment that reflects shared community responsibility.

### Key Differences

Feedback shared by leadership participants often centered on different themes than that shared by families and community members and also varied between those with direct experience with PFA and those outside the system.

### Leadership vs. Families/Community Members

- **Leadership (commissioners, school districts)** tended to focus on system-wide sustainability: alignment with K-12, stability of funding, transparency, and long-term sustainability.
- **Families and community members** focused more on direct experiences: affordability, waitlists, program hours, and culturally responsive access. Families also voiced more immediate frustrations, such as stress of enrollment and the need for flexible schedules.

### Within PFA vs. Outside of PFA

- Within PFA (providers, educators, partners): generally supportive of guaranteed wages and resources, but highlighted implementation challenges like subjective requirements, inconsistent enrollment systems, and delays in support.
- Outside of PFA (small businesses, families not yet enrolled, general community): less familiar with internal benefits, raising questions about the fairness of funding, inclusion of middle-class families, and perceived instability of the tax model.

Additionally, interviews surfaced the same tensions PFA's evaluation team has seen:

- Some framed universal preschool as academic preparation. Others as childcare.
- Families emphasized access, relationships, and social-emotional opportunities, alongside financial relief.

## 4.6 Summary of Findings

Participants expressed strong support for Preschool for All, urging policymakers to preserve and strengthen the program through transparency, equity, and community partnership. They emphasized that Preschool for All should be integrated into the broader education system, backed by stable funding, and continually improved to ensure every child and family benefits.

While stakeholders strongly support Preschool for All as a transformative community investment, differences in perception—between leadership and families, between insiders and outsiders—highlight ongoing challenges.

### Community Interpretation of the Program

Community members generally understand PFA as a free preschool program that reduces financial burden and advances equity and opportunity. While participants strongly support its intent, they also recognize the challenges of implementation, including limited enrollment, unclear admission processes, and long waitlists. These experiences shape how the program's universal promise is perceived in practice.

### Profile of Participants and Applicants

**Current Audience:** Early program data and community feedback indicate that low- and middle-income families are more likely to enroll successfully, reflecting their greater capacity to navigate application and enrollment systems.

**Most in Need:** Low-income, immigrant, and linguistically diverse families in Multnomah County face significant barriers to accessing resources. These include language accessibility, limited outreach through trusted networks, and challenges in navigating program requirements, which leave some of the highest-need families underrepresented in current participation.

## Observed Challenges

While the system is structured to balance fairness and family choice, focus group participants identified several challenges during the early stages of implementation. Since that time, the County has made progress in streamlining processes and improving communication; however, these early insights continue to highlight areas that require ongoing attention and monitoring. These challenges included:

- **Long Waitlists and Delays:** Families often wait months for placement, creating financial and logistical uncertainty.
- **Complexity:** The process can feel confusing, particularly for families with limited internet access or limited English proficiency.
- **Transparency Gaps:** Families and providers expressed the need for clearer updates about timelines, decision criteria, and next steps.
- **Inconsistent Access:** Some families report difficulties contacting the enrollment team or making timely changes to their applications.

## Emerging Opportunities

There is broad recognition that the PFA enrollment system is improving year by year and offers a promising foundation for equitable access. Opportunities for refinement include expanding navigator support, increasing multilingual outreach, integrating clearer visual tools to explain timelines, and developing proactive communication strategies for families on waitlists.

## 5. Recommendations

The following recommendations reflect opportunities for strengthening the Preschool for All (PFA) system at multiple levels. They are informed by extensive community engagement and organized into five areas reflecting the program's structure and feedback themes:

- System-Level Opportunities
- Programmatic Shifts
- Communication and Public Engagement
- Funding and Stability
- Continuous Learning and Evaluation

Together, these recommendations form a roadmap for building a system that is equitable, transparent, and responsive to community needs. While the recommendations are grounded in community feedback, we recognize that PFA staff are already advancing many related efforts. Making this ongoing work more visible through regular public updates, shared evaluation findings, and clear communication about how feedback informs change will help strengthen community awareness, trust, and confidence in the program's continued progress.

### 5.1 System-Level Opportunities

These recommendations address governance, infrastructure, and policy decisions that shape how the PFA system functions across partners, providers, and agencies. They focus on system alignment, infrastructure, and equity in program design rather than day-to-day delivery.

These recommendations are organized into four key themes: Equitable Experience, Provider Eligibility, Provider Requirements, and Provider Supports.

#### Equitable Experience

Community partners emphasized that PFA must embed equity and cultural responsiveness throughout all systems, policies, and decision-making structures to ensure that every child and family benefits fully from the program and that equity is built into decision-making and accountability systems.

## **Key Recommendations:**

- Integrate cultural responsiveness, diversity, equity, and inclusion throughout the entire PFA system as a foundational practice at every level.
- Establish advisory groups that include families with kids in the PFA system, providers, and community leaders, particularly those serving preschool-age children. These groups should reflect the demographics, lived experiences, and income diversity of participating families (near-term priority).
- Review and refine the selection algorithm to prioritize families most in need during the scale-up phase (near-term priority).
- Address community concerns around unintended associations between income and race:
  - “The original promise was for low-income families, but there is discomfort that low-income has become unconsciously associated with minority groups, which was not the intent.” - Educator
- Strengthen collaboration and partnership with the Multnomah Early Childhood Program (MECP) to align services and supports for children with developmental needs (near-term priority).
- Build upon current provider infrastructure and community partnerships, such as Preschool Promise, instead of creating parallel systems, ensuring consistency and cost-effectiveness.
- Strengthen partnerships with both small and large providers to expand quality preschool slots and ensure equitable participation across the county.

## **Provider Eligibility**

Eligibility criteria should recognize the strengths of existing community providers while ensuring equitable access to participation and funding.

## **Key Recommendations:**

- Acknowledge and value providers who already demonstrate culturally responsive and inclusive practices when evaluating their eligibility (near-term priority)

- Revisit eligibility criteria to promote greater equity for providers and to reduce barriers for smaller, community-based, and culturally specific programs (near-term priority).
- Provide direct support to existing non-participating facilities to help them meet eligibility requirements.
- Reevaluate construction and architectural requirements to make them appropriate for early learning providers rather than commercial developers. Provide technical assistance and supportive oversight to help providers achieve compliance.
- Collaborate with city agencies to create a clear, step-by-step permitting guide for PFA providers. Simplify documentation and reduce approval timelines to help smaller or culturally specific preschools participate.
- Recognize the importance of family choice and transparency in provider selection:
  - “Having the opportunity to come and see, and choose us gives parents tranquility and helps income-based child cares provide quality services.” - Provider and principal of a non-PFA school

## Provider Requirements

To better meet the needs of diverse families and provider settings, PFA should pilot flexible program models and operational supports.

### Key Recommendations:

- Pilot flexible scheduling models, including minimal-hour or part-day options to accommodate varying family needs and work schedules (near-term priority).
- Pilot alternative meal options for facilities without kitchen access, such as a voucher system or partnership models. These pilots should be evaluated in collaboration with participating providers to identify scalable, system-wide improvements (near-term priority).
  - “Lunches to kiddos when you don’t have a kitchen.” - Provider
- Continue to collect provider feedback throughout the life of the program to guide future system-wide improvements.

## Provider Supports

Providers emphasized the need for sustained, well-structured supports that match the scale and pace of PFA expansion.

### Key Recommendations:

- Implement phased investment strategies that help providers transition smoothly into PFA participation, especially during the early stages of implementation (near-term priority).
- Ensure ample, well-trained staff are available to provide proactive, timely, and responsive support to providers (near-term priority).
- Clearly define staff roles within PFA so that providers know whom to contact for specific questions or needs (near-term priority).
- Explore the creation of a county-wide insurance pool to make insurance coverage more affordable and accessible for participating providers (near-term priority).
- Create a direct channel for providers to share challenges, request clarification, and receive responses from PFA administrators (near-term priority).
- Provide funding for providers to hire dedicated administrative staff so that educators can focus on teaching and caregiving rather than the program-required administrative work.

These structural opportunities create the foundation for equitable implementation. The following section focuses on programmatic shifts that improve how families, providers, and educators experience PFA in practice.

## 5.2 Programmatic Shifts

These recommendations focus on the implementation and daily delivery of Preschool for All — how children, families, and providers experience the program. They address access, inclusion, workforce development, and classroom quality. Collectively, these strategies translate PFA's system vision into everyday practice. These recommendations are organized into four key themes: Access, Equity and Inclusion, Provider Support, Workforce Sustainability, and Program Implementation and Alignment.

## Access, Equity, and Inclusion

Community members emphasized that equitable access and clear communication are essential to the success of PFA. Families want transparent processes, simple enrollment steps, and responsive communication in multiple languages. All communications-related actions are expanded on in Section 5.3.

### Key Recommendations:

- Provide regular, bilingual online community meetings, publish key decisions, and ensure families receive timely written responses to inquiries.
- Simplify and clarify the enrollment process, including eligibility rules, acceptance criteria, and sibling policies, and communicate them clearly in multiple languages (near-term priority).
- Provide timely, transparent updates during application and enrollment to reduce frustration and uncertainty about waitlists (near-term priority).
- Clarify distinctions between Employment Related Day Care (ERDC) and Preschool for All (PFA) to avoid confusion among families.
- Be transparent about rollout timelines and communicate that PFA aims to be fully universal by 2030 while prioritizing families with the greatest need during the build-up phase (near-term priority).
- Continue to address accessibility needs to ensure that infrastructure for neurodivergent children and wheelchair users grows at the same pace as program capacity.
  - “We need to work on our neurodivergent and wheelchair user infrastructure needs to grow at the same rhythm as capacity.” - Community-based organization representative

## Provider Support and Administrative Clarity

Providers stressed the importance of clear communication, operational support, and responsive engagement from the program. They want accessible points of contact, streamlined systems, and opportunities for in-person connection.

### **Key Recommendations:**

- Provide clear, consistent information on provider wages, available resources, and program requirements, and simplify processes for both families and providers.
- Strengthen provider communication through accessible customer service staff who can answer funding questions, mediate issues, and provide proactive outreach, especially around budget changes (near-term priority).
- Build stronger in-person connections between program staff and providers by meeting regularly and developing ongoing relationships (near-term priority).

## **Workforce Development and Sustainability**

A stable, well-supported early childhood workforce is essential to the success of PFA. Community members called for equitable career pathways, accessible training, and long-term career incentives to recruit and retain high-quality educators. Additionally, they called for ensuring consistent quality across PFA sites through collaborative feedback mechanisms and professional learning supports. These recommendations complement system-level actions related to provider eligibility and workforce support.

### **Key Recommendations:**

- Recruit, train, and retain diverse educators, advisors, and coordinators from local communities.
- Develop a structured training and mentorship program for new teachers within participating facilities, pairing them with experienced PFA educators. Training could focus on culturally responsive practices, curriculum alignment, and classroom quality standards.
- Offer county-supported professional development cohorts or learning communities that allow providers to share challenges and strategies, with special focus on equity and inclusion.
- Develop a clear, transparent system for monitoring and supporting consistent quality across sites, combining family input, provider self-assessment, and county-led coaching visits.

- Provide training and reflective practice opportunities that help educators create empathetic, compassionate, and inclusive classroom environments—where every child feels safe, seen, and able to show up as their authentic self, especially amid the social and emotional challenges children experience in today’s world.
- Provide benefits and long-term career growth opportunities to stabilize the workforce.
- Offer certification classes in the evenings and on weekends, along with stipends for participation to make certification more accessible to small, existing providers.
- Recognize prior experience toward training or certification requirements.
- Build early childhood career pathways in collaboration with local colleges and workforce partners.
- Expand inclusive and accessible training opportunities, especially for people of color, and offer them in multiple languages (near-term priority).
- Address funding misalignment, since current start-up funds primarily support already-certified providers; explore supports for those seeking certification.

## **Program Implementation and System Alignment**

Participants recommended strategies to strengthen program design, mental health supports, and alignment with existing education systems.

### **Key Recommendations:**

- Integrate nursing staff within preschool settings to support students with disabilities.
- Integrate culturally specific and bilingual or multilingual programming into all classrooms.
- Provide targeted professional development on culturally responsive and inclusive practices.
- Promote mental health resources for both providers and families to foster overall well-being.
- Establish Mental Health Coordinators and consider creating a mental health advisory council to guide program practices and ensure consistent support for staff and families.

- Align PFA with the K–12 system to support seamless transitions and stronger family-school connections.
- Expand instructional support by providing additional teaching tools and resources to educators.
- Improve communication about available slots and program updates to reduce confusion and strengthen trust (near-term priority).

Strong program delivery must be paired with effective communication. The following section outlines strategies for building public understanding, visibility, and trust in the program.

### **5.3 Communications and Public Engagement**

This section outlines strategies to build awareness, strengthen public trust, and ensure that families and providers can easily access accurate information about PFA. It focuses on consistent messaging, multilingual access, storytelling, and transparency. These recommendations are organized into three key themes: Communication and Outreach, Narrative and Vision, and Transparency and Accountability.

These recommendations reinforce access and equity goals described in Section 5.2 by ensuring families and providers have the information and trust needed to engage fully in the program. Transparent and proactive communication also supports fiscal accountability, a key priority addressed in Section 5.4.

#### **Communication and Outreach**

Participants described a need for consistent, multilingual communication that is easy to understand, widely accessible, and clearly conveys the program’s benefits.

“Inform more to the community, what the benefits are... what preschool for all is like... Do advertisement or something for people to know how preschool work for, I think that’s important thing, you know, to inform to everybody because no everybody knows about this program. It is good for all, and I think this is needed” - PFA participant

#### **Key Recommendations:**

- Establish a centralized communication hub that connects families, providers, and program administrators across all aspects of PFA.

- Maintain accessible, multilingual communication through the PFA website and other digital platforms, improving navigation and visibility of provider and enrollment information (near-term priority).
- Provide clear, simplified, and accessible information about PFA's structure, eligibility, and enrollment process (near-term priority).
- Use graphics, visuals, and translated materials to ensure broad accessibility for families with diverse literacy levels and language backgrounds (near-term priority).
- Employ bilingual and culturally competent coordinators who can support families in navigating the system and build trust within communities (near-term priority).
- Conduct culturally specific outreach through trusted community organizations and leaders to reach families who may not engage through traditional channels (near-term priority).
- Highlight the benefits and resources available at centers and schools that serve children with disabilities and other special needs.
- Develop a reliable and easily accessible information source about available grants to help providers understand funding opportunities and allocation strategies.
- Ensure early communication about available slots to allow families to plan ahead and reduce stress surrounding enrollment (near-term priority).
- Continue organizing spaces for dialogue, such as parent and provider focus groups, to gather feedback and strengthen two-way communication (near-term priority).
- Communicate consistently that PFA remains active and stable, even during political or operational challenges, to maintain community confidence.

## **Narrative and Vision**

Community partners emphasized that PFA should be framed not as a temporary social program, but as a transformational, long-term investment in the future of Multnomah County.

### **Key Recommendations:**

- Frame PFA as a generational investment that strengthens children, families, and the local economy.

- Promote PFA as an inclusive, universal program that benefits all families, including those with children who have disabilities and those from racially and culturally diverse backgrounds.
- Highlight stories of impact that demonstrate the program’s benefits for teachers (living wages), children (culturally relevant learning), and parents (workforce stability and opportunity) (near-term priority).
- Reinforce that PFA is preschool, not daycare, and emphasize its role in school readiness and lifelong learning.
- Communicate that preschool is an investment, not a cost, and that universal preschool supports the broader workforce and local businesses (near-term priority).
- Engage local employers by framing PFA as a workforce and family stability investment that reduces the need for employer childcare subsidies (near-term priority).
- Maintain transparency about the rollout timeline, reaffirming that PFA aims to be fully universal by 2030 while prioritizing families with the greatest need during the build-up phase (near term priority).
- Elevate success stories from families, educators, and children to build long-term public understanding and support (near-term priority).
- Position universal preschool as a core part of the county’s education system by 2030, safeguarding it as a permanent community investment.

## **Transparency and Accountability**

Participants also requested greater clarity about how PFA operates, how funds are used, and how progress is measured. Transparent reporting was seen as critical to maintaining public trust and demonstrating impact.

### **Key Recommendations:**

- Publish clear, easy-to-read public reports on spending, outcomes, and tax revenues to show accountability and progress (near-term priority).
- Develop an annual, plain-language financial summary that explains how funds are allocated and what impacts the program is achieving. This should also describe plans for the use of any unspent funds, including timelines for expenditure and

near-term priorities, to demonstrate fiscal responsibility and prevent the perception of excess resources (near-term priority).

- Share ongoing updates about program outcomes and milestones to illustrate the tangible benefits for families, providers, and communities.
- Continue emphasizing through all communication that PFA is a stable, long-term initiative supported by community investment and ongoing public commitment.

Clear and transparent communication also supports fiscal accountability, which is the focus of the following section on Funding and Stability.

## 5.4 Funding and Stability

Community members, business leaders, and educators expressed strong support for maintaining stable, equitable, and transparent funding for Preschool for All (PFA). Participants emphasized that funding should reflect shared community values including fairness, accountability, and long-term sustainability, while prioritizing children and families most in need.

The following recommendations focus on maintaining financial stability, ensuring fairness in taxation, diversifying revenue sources, and reinforcing public trust through transparency and accountability. These recommendations build on the system-level opportunities described in Section 5.1 by focusing specifically on how PFA is funded and how accountability for those funds is demonstrated.

### Equity and Fairness in Funding

Stakeholders reaffirmed that a progressive tax model remains the most equitable approach for sustaining PFA, as it aligns with the program's commitment to universal access and economic justice.

“This is the only thing helping build the middle class after COVID.” - Educator

“It has to come from the wealthiest of all.” - Small business owner

#### Key Recommendations:

- Maintain progressive taxation as the primary funding mechanism, ensuring that contributions remain fair and proportional to income.

- Periodically review and refine tax brackets to maintain fairness as local economic conditions evolve. Maintain an equity-based tax model while avoiding overburdening working families already paying multiple local taxes.
- Protect PFA funding from political cycles by creating long-term safeguards or stabilization measures that ensure consistent investment across administrations.
- Explore options to cross-reference enrollment eligibility with programs such as SNAP and ERDC to prioritize children from families experiencing the greatest financial need (near-term priority).
  - “Prioritize ‘at-risk’ families first.” - Provider

## Transparency and Accountability

Community members emphasized that continued public support depends on visible results, clear reporting, and responsible fiscal management.

“If people don’t see results, support will wane.” - Tax payer

These actions align with the communication strategies outlined in Section 5.3, ensuring fiscal information is shared in accessible and visible ways.

### Key Recommendations:

- Provide clear, accessible financial reports that summarize revenue collection, spending, and outcomes in plain language (near-term priority).
- Develop and publish performance indicators tied to access, quality, and equity goals (near-term priority).
- Publish an online, easy-to-read dashboard displaying revenues, expenditures and performance metrics to promote ongoing transparency (near-term priority).
- Publish annual impact summaries showing how PFA funds directly benefit children, families, providers, and the broader community (near-term priority).
- Demonstrate efficient use of funds by communicating cost-effectiveness and tangible results through regular updates.
- Ensure that all reports are publicly available online and distributed through community and business networks to promote accountability and trust.

- Tie any rate adjustments directly to program impacts such as expanded access, improved quality, and workforce stability.

## Long-Term Sustainability

Participants recognized that sustaining universal access over time will require both fiscal discipline and creative resource development.

“Maybe lifting that up a little bit. Maybe it’s people who make a little more than poverty, but not as much. Somewhere in the middle, maybe. I think that the way that we’re funding it now would be fine, but I think in the future, if we want every single child to have free preschool, it needs to be done over time.” - Small business owner

“The people that are saying they are moving away are the same ones who would hire people to come work and live here because of this benefit.” - Small business owner

### Key Recommendations:

- Diversify revenue streams by pursuing federal and state grants, business partnerships, and dedicated public funds to supplement local tax revenue.
- Continue refining the funding mechanism to ensure it remains equitable, stable, and responsive to community and economic changes.
- Explore long-term financial planning tools, such as reserve funds or endowments, to protect PFA’s sustainability during economic downturns.
- Reinforce the narrative that universal preschool is an investment in workforce stability and community prosperity, strengthening public and business support for sustained funding.

Stable and transparent funding will be critical to maintaining trust and supporting continuous improvement. The final section highlights areas for ongoing learning and research to sustain these goals.

## 5.5 Continuous Learning and Evaluation

As PFA continues to expand, ongoing learning and evaluation are essential to ensure the program fulfills its goals of equity, quality, and long-term sustainability.

Community feedback identified several key areas where additional research could strengthen understanding and improve implementation.

## **Program Purpose and Alignment**

- How well does current implementation reflect PFA's founding mission and equity goals?
- Where have goals and implementation diverged, and how can alignment be restored?

## **Equity and Access**

- Which communities remain underrepresented in outreach and enrollment?
- What accessibility barriers affect multilingual, multicultural, and neurodivergent families?
- How do families just above income thresholds experience the enrollment process, and what supports might they need?

## **Provider Landscape**

- What are the experiences of independent, home-based, and nontraditional providers (e.g., Montessori)?
- What barriers prevent smaller or culturally specific providers from participating, and what supports could address them?

## **Workforce and Facilities Capacity**

- What strategies could attract and support more culturally responsive preschool teachers to join the workforce and apply for PFA positions?

## **Family and Community Experience**

- How satisfied are families with PFA access and quality?

- How effective are current outreach and communication strategies across diverse communities?

## Long-Term Outcomes

- What measurable outcomes best capture PFA's impact on children, families, and community well-being?

Future research should be conducted in collaboration with culturally specific organizations, providers, and families to ensure evaluation reflects community perspectives and produces actionable insights. Continuous learning should be built into PFA's structure through routine data collection, public reporting, and active community participation.

## 5.6 Path Forward

Together, these recommendations describe a comprehensive roadmap for a strong, equitable, and transparent Preschool for All system.

- System-level opportunities ensure a solid foundation and fair policies.
- Programmatic shifts enhance daily experiences for families and providers.
- Communication and engagement strengthen trust and visibility.
- Funding strategies secure stability and accountability.
- Continuous learning keeps PFA adaptive and rooted in community partnership and shared success.

## 6. Closing Note

### Recognition of the Value of Community Participation

The strength of this research lies in the depth and authenticity of community participation. Families, providers, educators, community, philanthropic leaders and community partners shared their time, experiences, and honest reflections—helping shape a clearer understanding of how Preschool for All is working on the ground. Their voices reveal both the promise and the growing pains of a system still in its early years.

This engagement process created spaces for dialogue across diverse cultural, linguistic, and socioeconomic groups. By centering lived experience, it brought forward perspectives that traditional data alone cannot capture—highlighting the everyday realities of families navigating preschool access, providers building sustainable programs, and leaders shaping a shared vision for public investment.

Community participation not only enriched the findings but also reaffirmed the program's core purpose: to build a preschool system designed with, and for, the people it serves. Ongoing collaboration with families, providers, and community leaders will remain essential to maintaining trust, improving transparency, and ensuring that Preschool for All continues to reflect the collective values of Multnomah County.

### Emphasizing the Value and Achievements of the Program

Preschool for All (PFA) represents a significant public investment in the future of Multnomah County. This initiative demonstrates how early childhood education can serve as both a social equalizer and an economic catalyst. Since its implementation, the program has provided thousands of families with access to quality, culturally responsive preschool experiences that were previously out of reach.

PFA's early achievements are evident in multiple domains. Families report greater financial stability and reduced stress associated with childcare costs, allowing parents—particularly women and single caregivers—to remain in or return to the workforce. Providers highlight improved working conditions, predictable wages, and expanded professional development opportunities that strengthen the early learning workforce. Children benefit from enriched educational environments that promote

social-emotional growth, language development, and early literacy—foundations linked to lifelong learning and wellbeing.

Beyond individual outcomes, the program has contributed to broader community benefits, including greater equity in school readiness, stronger collaboration among early learning providers, and enhanced public awareness of the importance of early education. These outcomes position PFA as a model for inclusive, community-driven policymaking that aligns educational excellence with social justice.

While challenges remain in funding stability, transparency, and equitable access, the early impact of PFA underscores the enduring value of investing in young children. Its progress demonstrates that when early education is treated as a public good, the benefits extend beyond classrooms—to families, employers, and the entire community.

## **Future Steps and Outlook**

Preschool for All (PFA) enters a pivotal phase focused on deepening equity, strengthening quality, and ensuring long-term sustainability. Future progress depends on refining the program through evidence, community voices, and continuous improvement. Aligning PFA with Preschool Promise and K–12 systems will create a more coherent early learning framework, while partnerships with small, home-based, and culturally specific providers will expand access and inclusion. Embedding equity and cultural responsiveness across governance and implementation will ensure that all children and families benefit fully.

Workforce stability and program quality remain central to achieving lasting impact. Fair compensation, clear career pathways, and accessible professional development will sustain a diverse, skilled early education workforce. Transparent communication—supported by multilingual outreach, public data dashboards, and visible reporting—will help build trust and demonstrate accountability.

Financial resilience must also be paired with social responsibility. Maintaining a progressive tax model, refining income thresholds, and diversifying funding sources will protect universal access while responding to community and economic realities. Continuous evaluation grounded in community feedback and data will ensure that policy decisions remain responsive and effective.

Ultimately, PFA represents more than a preschool initiative—it is a vehicle for social change. By listening to families, learning from evidence, and committing to ongoing

refinement, Multnomah County can ensure that PFA continues to advance equity, strengthen families, and foster a more inclusive and prosperous community for generations to come.

## Program Feedback and Continuous Updates

To ensure Preschool for All (PFA) remains responsive to community needs and grounded in evidence-based decision-making, an intentional structure for feedback, participation, and reporting is essential. The following framework outlines how the program can maintain continuous improvement through a defined timeline, civic participation, and future projection process.

It is important to acknowledge that PFA staff are already advancing many of the recommendations outlined in this report. Their ongoing efforts reflect a strong commitment to continuous improvement and equitable program delivery. However, findings from this research indicate that many community members are not aware of these improvements or of the program's active evaluation work. We therefore encourage PFA to continue implementing these initiatives while increasing transparency about progress and learnings. Regularly sharing evaluation findings and demonstrating how these insights inform policy and practice will help strengthen public trust and highlight the County's leadership in building an equitable early learning system.

### 1. Timeline for Feedback and Evaluation

- **Annual Cycle:** Conduct comprehensive program evaluations each year, incorporating family and provider surveys, focus groups, and fiscal performance reviews and publicly share findings to keep the community informed..
- **Quarterly Updates:** Publish quarterly progress summaries on the PFA website that are easy to read, using simple language; highlighting enrollment data, fiscal updates, and community impact metrics.
- **Biannual Advisory Review:** Convene advisory groups every six months to review outcomes, assess implementation challenges, and propose mid-course adjustments.
- **Continuous Feedback Loop:** Allow ongoing input through digital forms, public comment channels, and community forums to capture emerging issues in real time.

## 2. Civic Participation and Collaborative Governance

- **Advisory Councils:** Formalize advisory bodies composed of families, educators, providers, business representatives, and culturally specific organizations to guide decision-making.
- **Community Dialogues:** Host open public meetings—both virtual and in-person—where residents, parents, providers and other stakeholders can learn about program progress, share experiences, and provide feedback. Ensure accessibility through interpretation and other accessible accommodations.
- **Inclusive Representation:** Ensure participation reflects Multnomah County’s cultural, linguistic, and socioeconomic diversity, particularly from historically under-represented groups.
- **Transparency Mechanisms:** Publish meeting summaries, decisions, and follow-up actions to ensure accountability and reinforce public trust.

## 3. Future Projection and Adaptive Improvement

- **Data-Driven Adjustments:** Use evaluation findings to refine enrollment systems, workforce supports, and funding mechanisms, and share out to the community how these findings were incorporated into policy and process
- **Longitudinal Research:** Track long-term child outcomes, workforce trends, and family impacts to inform future policy adjustments, and share findings broadly through public reports or the PFA website.
- **Scenario Planning:** Develop multi-year projections that anticipate demographic, fiscal, and policy shifts to ensure sustained program stability.
- **Public Reporting:** Present an annual State of Preschool for All report summarizing outcomes, lessons learned, and next steps toward achieving universality by 2030.

## Conclusion

Preschool for All (PFA) has emerged as one of Multnomah County’s most transformative community investments—built on the belief that every child deserves a strong and equitable start. This research underscores the deep value of community participation, where families, providers, educators, and local leaders collectively shaped an honest understanding of the program’s progress, challenges, and impact.

Their voices continue to guide how PFA evolves, ensuring that policy decisions remain rooted in lived experience rather than distant design.

The program's early achievements demonstrate measurable progress: greater family stability, stronger workforce participation, fairer wages for educators, and enriched learning environments for children. These outcomes confirm that early education functions not only as a pathway to academic success but also as a driver of social and economic equity. Beyond its role as an educational initiative, PFA reflects the community's recognition of current realities—the challenges families face and the resilience they show. It offers a pathway forward, helping build a county where every child and family has the opportunity to thrive.

As PFA enters its next phase, the focus must remain on refining systems through evidence, transparency, and ongoing collaboration. A structured feedback process—supported by accessible communication and continuous evaluation—will ensure that every improvement reflects the real needs of Multnomah County's families and communities.

Ultimately, PFA stands as more than a preschool initiative; it is a collective promise to advance social change. By continuing to listen, learn, and adapt, Multnomah County can secure a future where universal preschool is not only an educational goal but a shared expression of equity, trust, and community care.

## 7. Limitations of Findings and Areas for Further Research

While this research provides a comprehensive overview of community perceptions and early outcomes of Preschool for All (PFA), several limitations constrain the scope of its conclusions. The findings are largely qualitative and reflect the perspectives of participating families, providers, and stakeholders who chose to engage in the study. As such, they represent valuable insights into lived experience but are not a statistically representative sample of all residents or program participants in Multnomah County.

The evaluation did not include a systematic assessment of the digital platform and applicant-facing materials, such as the accessibility of the online portal, clarity of instructions, or effectiveness of technical support. These systems may already be undergoing review and improvement; however, a more detailed analysis of how families navigate these tools—particularly those with limited digital literacy or English proficiency—could provide valuable insights for improving user experience and equity in application access.

Similarly, while emotional and aspirational responses were well captured through focus groups, quantitative metrics—such as the proportion of eligible families who apply, the number who successfully enrolled, and the demographic breakdown of participants—remain incomplete. Such data may already be tracked internally, and integrating and regularly reporting these quantitative indicators alongside qualitative insights would strengthen public understanding of reach and inclusivity relative to the program’s intended population.

There is also limited evaluation of provider and parent requirements, including eligibility criteria, funding mechanisms, and available financial supports for service providers. Current findings highlight the need for ongoing review and adjustments to these frameworks to reflect the realities of both families and educators.

The study did not comprehensively assess measurement systems used to track program outcomes or the allocation of tax-funded resources, leaving open questions about how efficiency, equity, and long-term impact are evaluated. Further examination of the connection between resource distribution and program results would enhance accountability and guide sustainable improvements.

Additional areas requiring deeper investigation, which may already be underway, include:

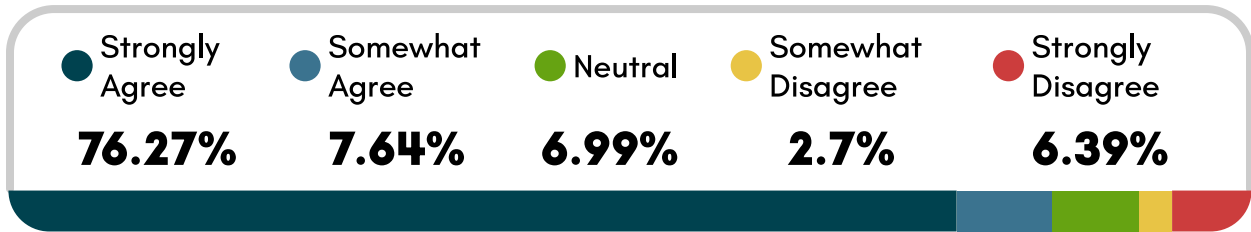
- The relationship between school choice and accessibility, including the extent to which families can select preferred sites and how choice interacts with equity.
- Transportation barriers that may limit participation for low-income or geographically isolated families.
- The role of community networks and language access in shaping enrollment and satisfaction.
- Public understanding of the tax mechanism and perceptions of fairness across income brackets.

Overall, these limitations underscore the importance of continued research that integrates mixed methods—qualitative and quantitative—to capture both the human and structural dimensions of PFA. While some of this work may already be underway, future evaluation should systematically measure participation patterns, user experience, fiscal transparency, and long-term developmental outcomes. Regularly sharing these findings would help build a more complete and evidence-based understanding of the program’s effectiveness and equity.

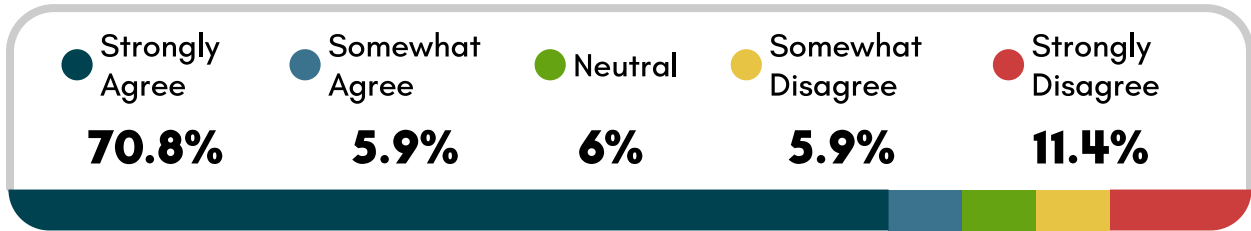
# Appendix A: PFA Community Survey Questions

Dates Open: Jul 02 - Sep 17.  
 Number of participants. 1,996

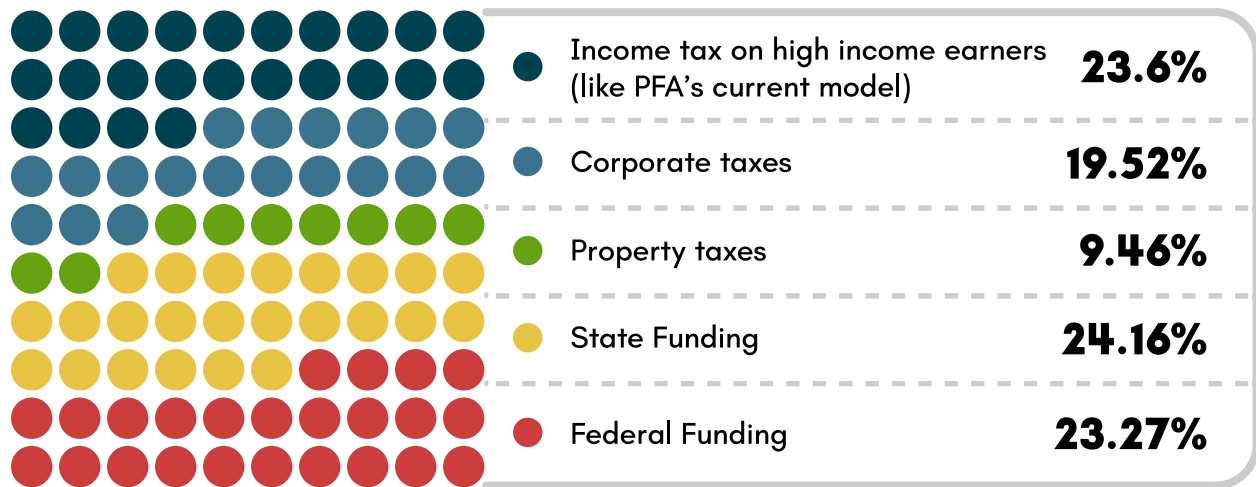
1. How much do you agree with the following statement: "Every child in Multnomah County should have access to preschool."



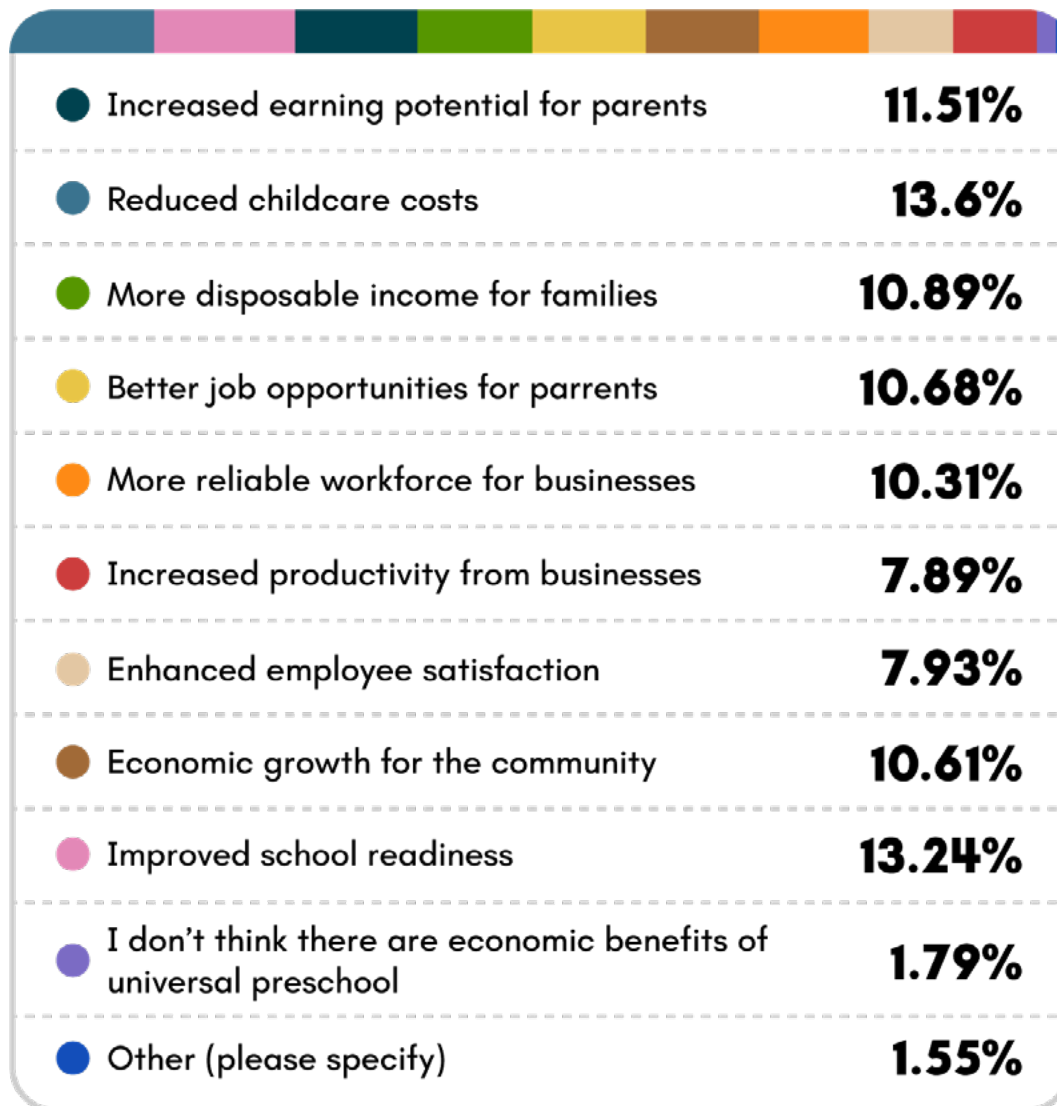
2. How much do you agree with this statement: "Preschool should be free for every child". This would be similar to how public schools are free for every child.



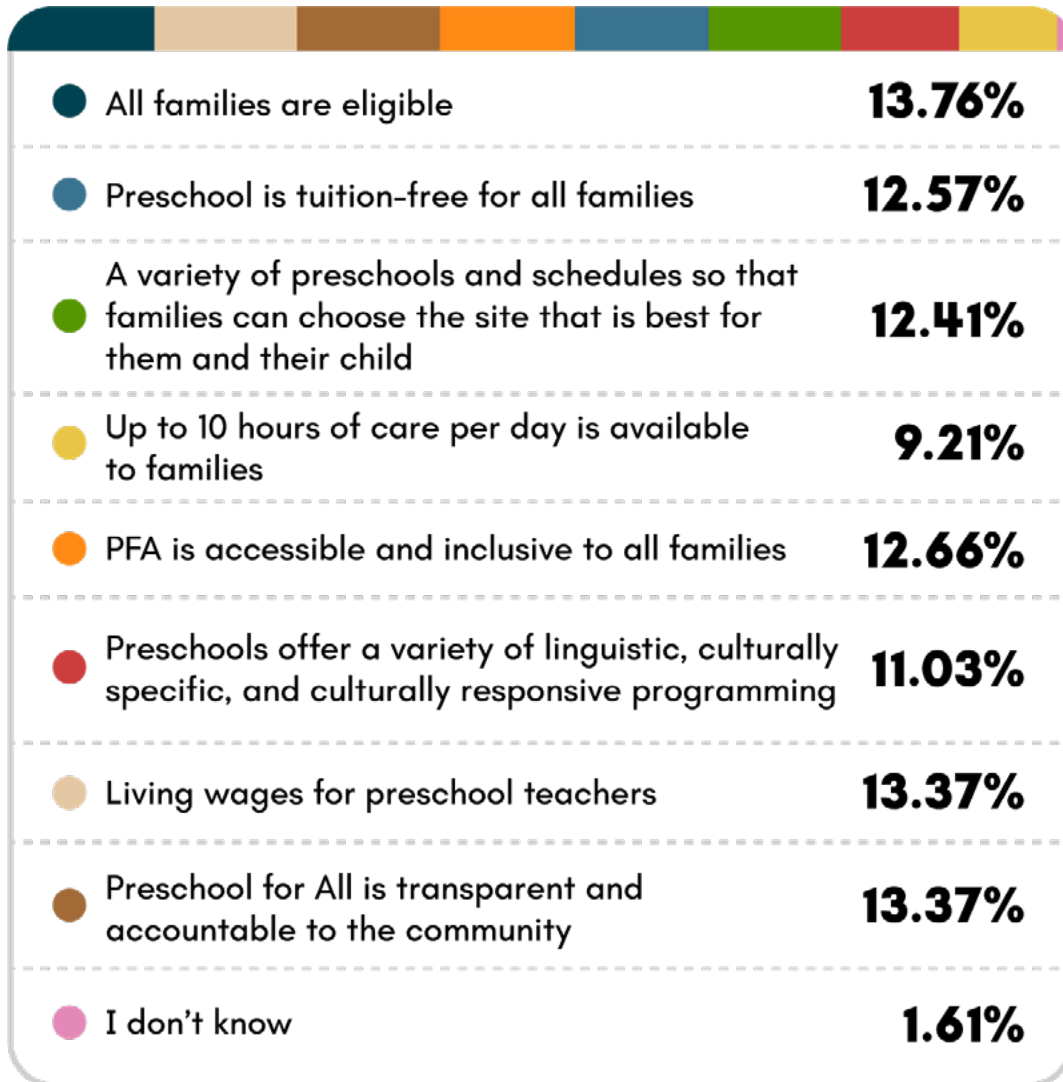
3. How should universal preschool be funded? (select all that apply)



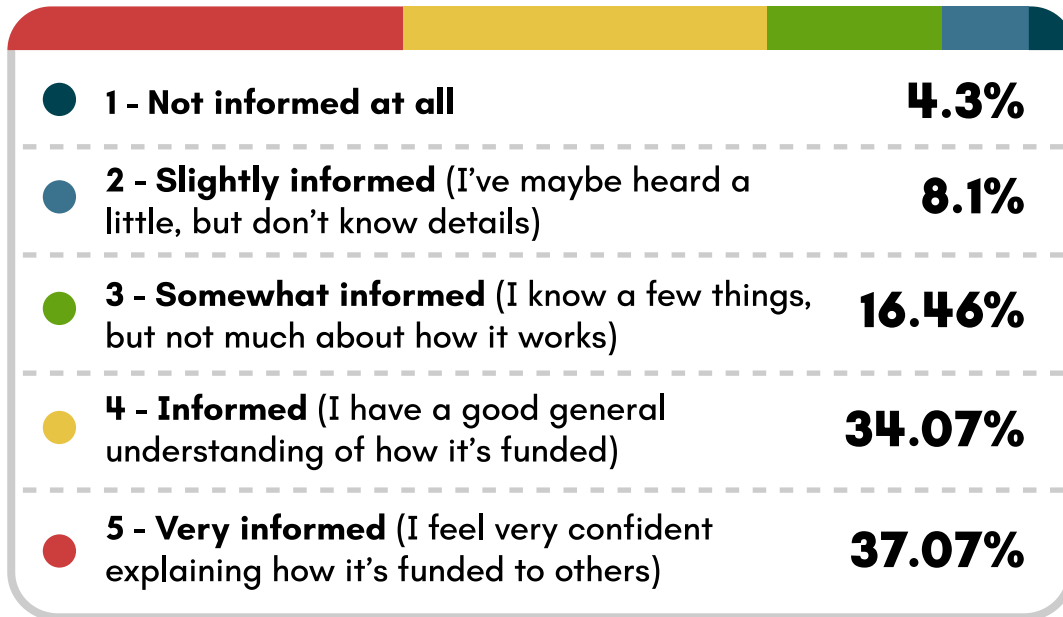
4. What economic benefits do you see from Preschool for All?  
(Select all that apply)



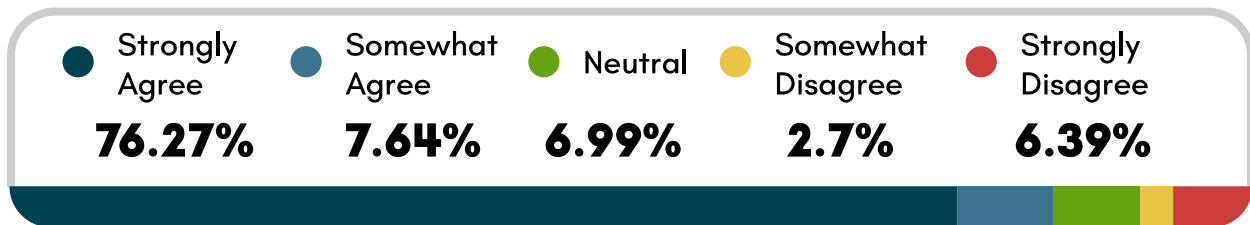
**5. Which of the following do you believe are important parts of Preschool for All?  
(Select all that apply)**



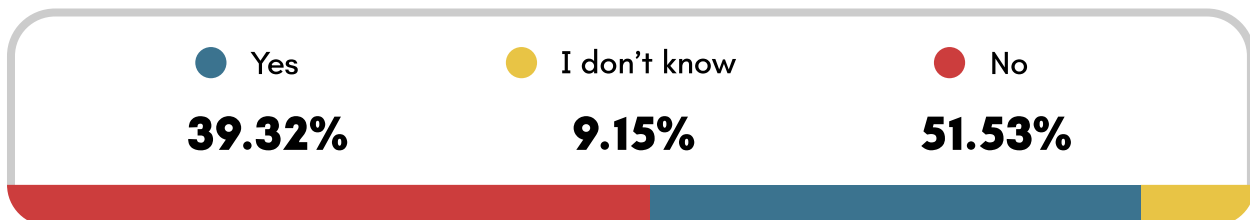
6. On a scale of 1-5, how informed do you feel about how universal preschool is funded?



7. Do you agree with the funding mechanism for Preschool for All?

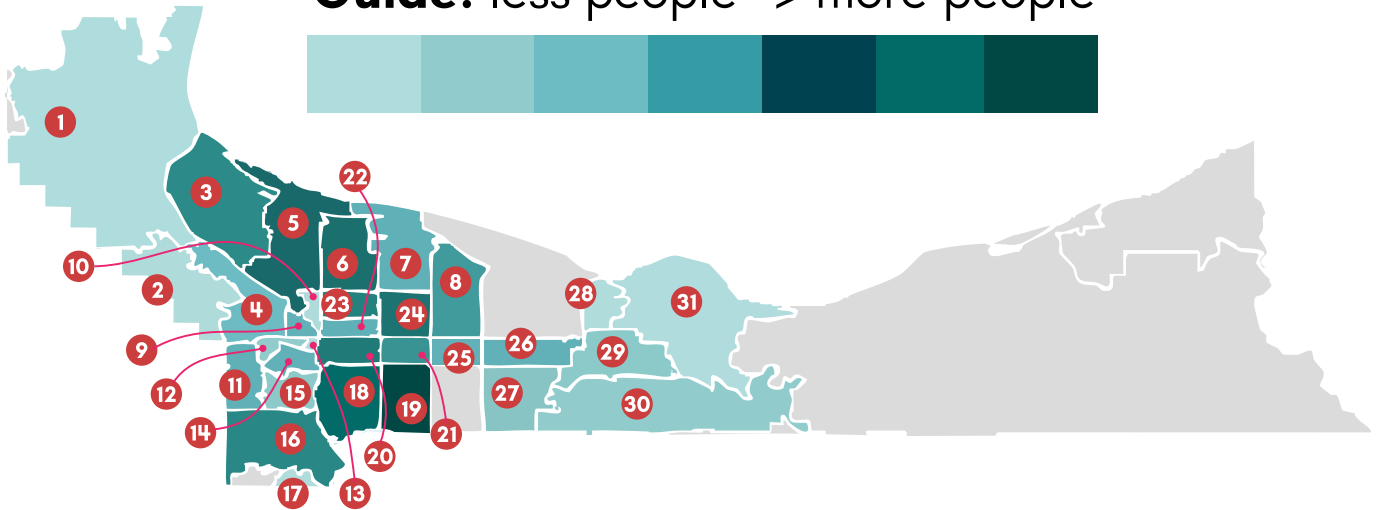


8. In the 2024 tax year, did you pay the Preschool for All tax?



9. What is the Zip Code in Multnomah County where you live or work?

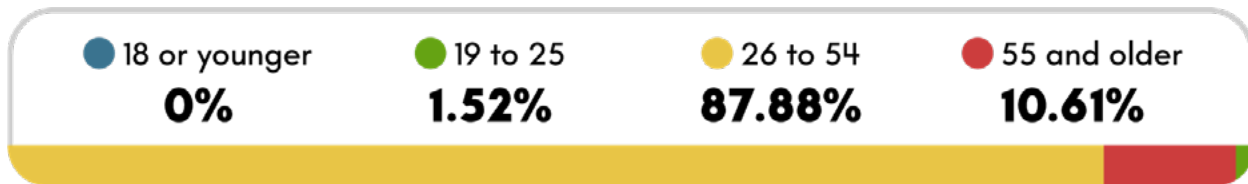
**Guide:** less people -> more people



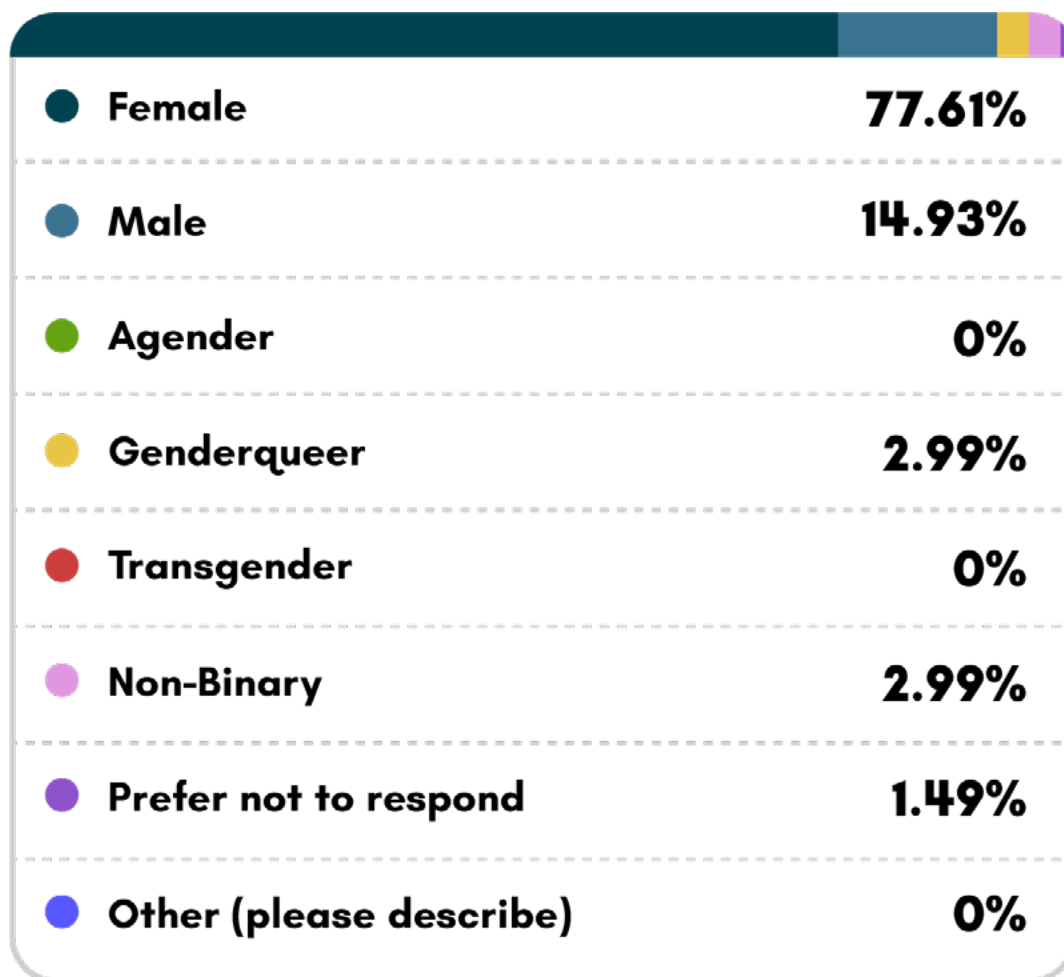
- |                            |                             |                             |
|----------------------------|-----------------------------|-----------------------------|
| <b>1</b> 97231: 10 people  | <b>11</b> 97221: 35 people  | <b>21</b> 97215: 80 people  |
| <b>2</b> 97229: 11 people  | <b>12</b> 97205: 25 people  | <b>22</b> 97232: 53 people  |
| <b>3</b> 97203: 87 people  | <b>13</b> 97204: 10 people  | <b>23</b> 97212: 97 people  |
| <b>4</b> 97210: 38 people  | <b>14</b> 97201: 45 people  | <b>24</b> 97213: 117 people |
| <b>5</b> 97217: 131 people | <b>15</b> 97239: 50 people  | <b>25</b> 97216: 41 people  |
| <b>6</b> 97211: 122 people | <b>16</b> 97219: 89 people  | <b>26</b> 97233: 46 people  |
| <b>7</b> 97218: 48 people  | <b>17</b> 97034: 2 people   | <b>27</b> 97236: 34 people  |
| <b>8</b> 97220: 70 people  | <b>18</b> 97202: 153 people | <b>28</b> 97024: 4 people   |
| <b>9</b> 97209: 44 people  | <b>19</b> 97206: 195 people | <b>29</b> 97030: 28 people  |
| <b>10</b> 97227: 16 people | <b>20</b> 97214: 108 people | <b>30</b> 97080: 25 people  |
|                            |                             | <b>31</b> 97060: 9 people   |

## Appendix B: PFA Demographic Survey Questions

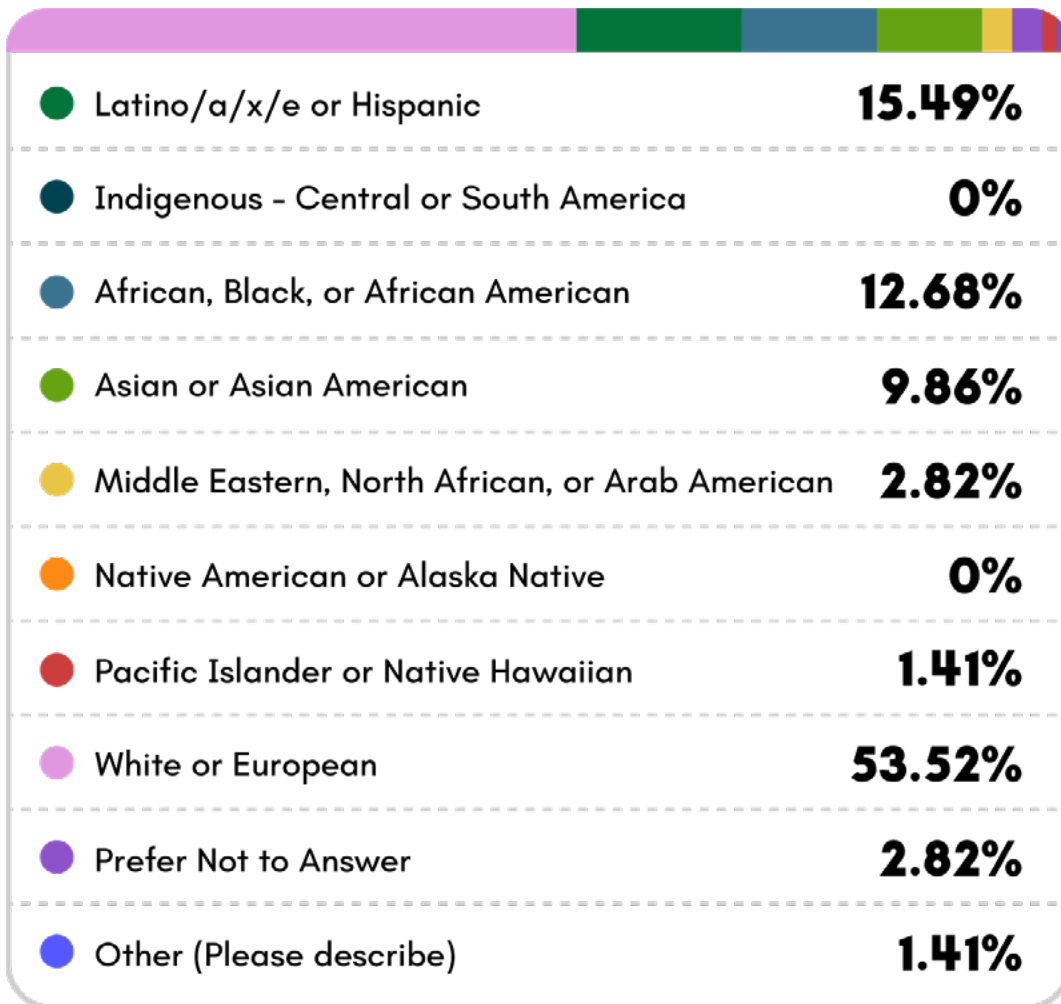
1. Which of the following ranges includes your age?



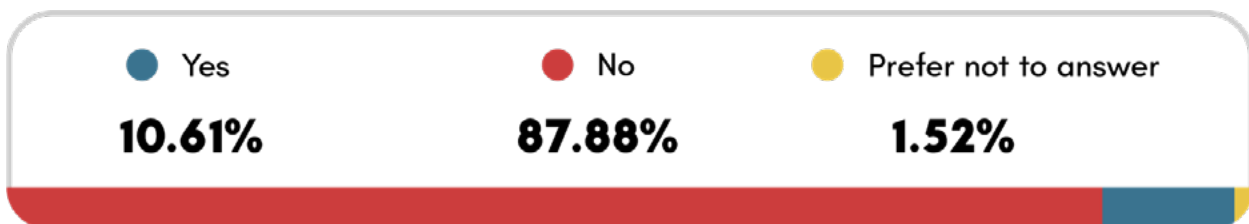
2. What gender do you identify as? (Select all that apply)



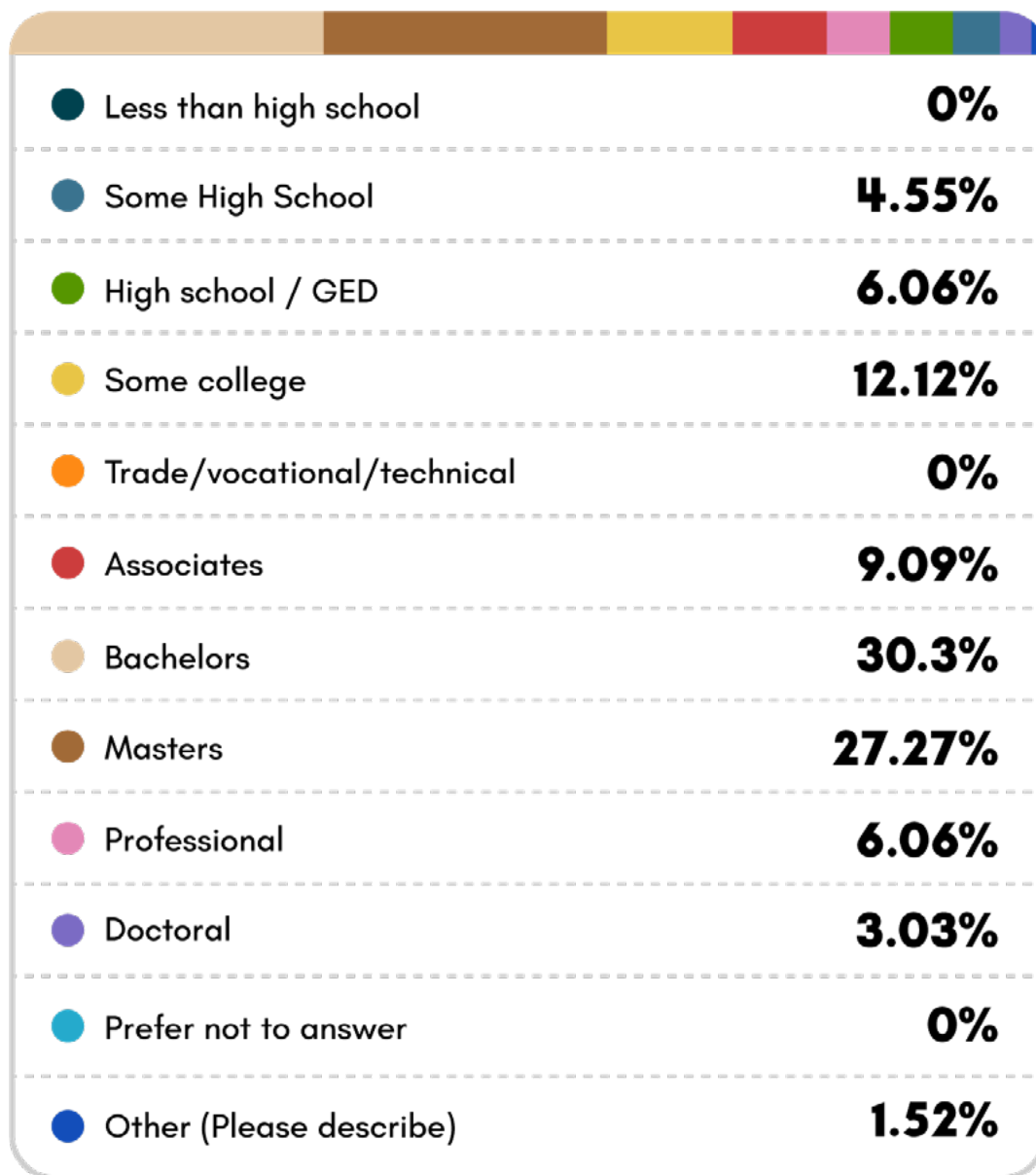
**4. When asked to identify your racial or ethnic identity, how do you identify?  
(Select all that apply)**



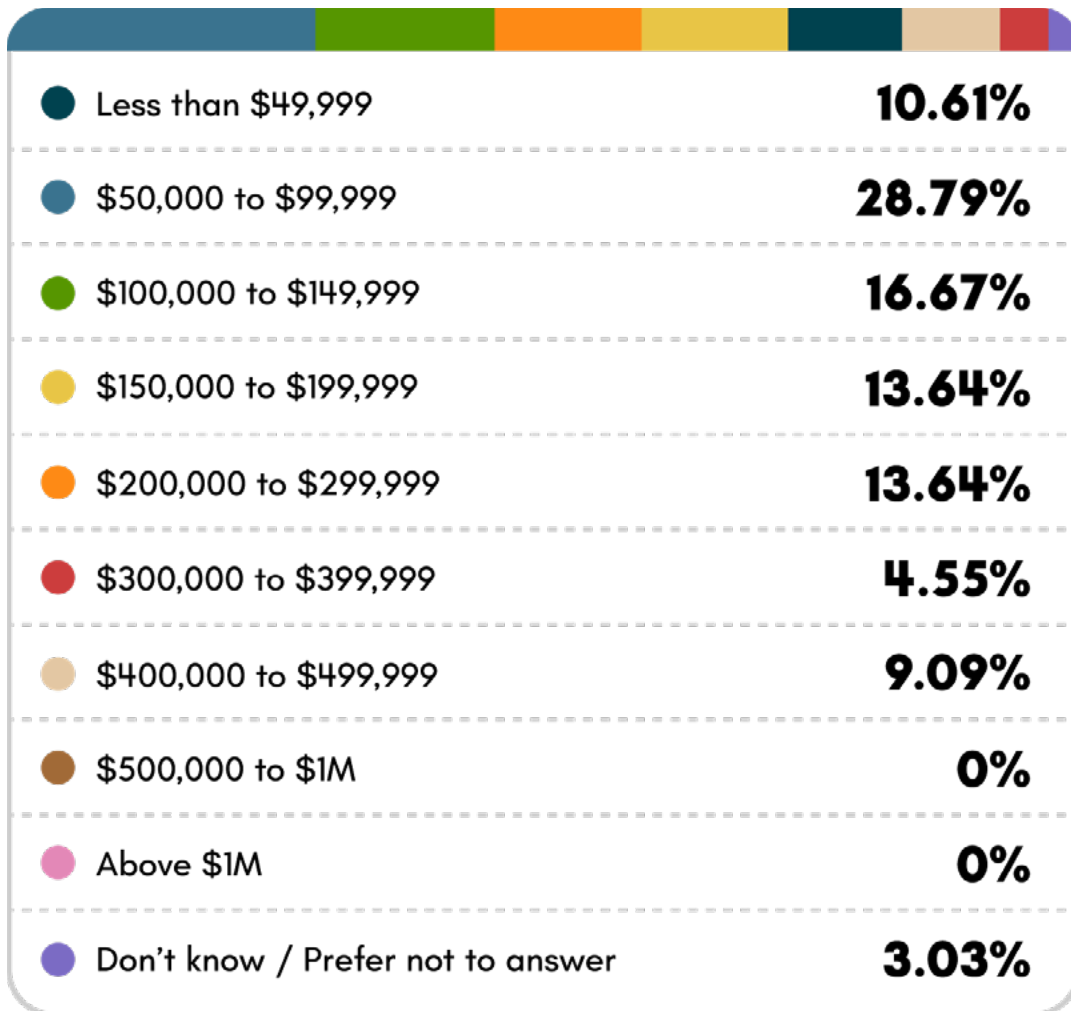
**5. Do you live with a disability?**



## 5. What is your highest level of education?



6. What is your household annual income before taxes?



## Appendix C: Focus Group Questions

1. What comes to mind when you hear about universal preschool?
2. What are your thoughts on the long-term impact of universal preschool on the community? Please share your perspective on both the potential benefits and any challenges you foresee.
3. What are your thoughts on Preschool for All? Please share any aspects you appreciate or have concerns about, as well as any changes you would suggest.
4. Looking at this list of key Preschool for All values, which 3 are most important to you? Examples:
  - a. All families are eligible
  - b. Preschools are tuition-free for all families
  - c. A variety of setting types and schedules so families can choose the school that is best for them and their child
  - d. Preschools offer a variety of linguistic, culturally specific, and culturally responsive programming.
  - e. PFA is accessible and inclusive to all families
  - f. Programs ensure a living wage for preschool teachers
  - g. Preschool for All is transparent and accountable to the community.
  - h. I don't see any values
5. Have you or anyone you know participated in Preschool for All? This could be as a family, friend, teacher, preschool provider, or community partner. What was that experience like?
6. Do you have feedback on the current Preschool for All funding mechanism?
7. Should the funding mechanism utilize a progressive tax structure?
8. In your opinion, what do you think is the best way to fund universal preschool?

**9.** In the 2024 tax year, did you pay the Preschool for All tax?

- a.** Yes
- b.** No
- c.** I don't know

**10.** Do you see Preschool for All providing economic benefits for the county and the community?

(Examples of benefits:)

- a.** Increased earnings potential for parents
- b.** Reduced childcare costs
- c.** More disposable income for families
- d.** Better job opportunities for parents
- e.** More reliable workforce for businesses
- f.** Increased productivity from businesses
- g.** Enhanced employee satisfaction
- h.** Economic growth for the community
- i.** Improved school readiness
- j.** Other (please specify): \_\_\_\_\_
- k.** I don't think there are economic benefits from Preschool for All
- l.** Do you perceive any potential negative effects of Preschool for All (PFA) in your community?

**11.** What additional insights or information would you like to share that could contribute to our understanding of Preschool for All and its impact on the community?



APPENDIX E

Technical Advisory  
Group (TAG) Final Meeting  
and Report Adoption

# **Preschool For All Technical Advisory Group Final Meeting and Report Adoption**

## Final Meeting and Report Adoption

The Preschool For All Technical Advisory Group met in a joint session with the Preschool For All Program Advisory Group April 1, 2026 to adopt this report to the Multnomah County Commission. TAG and PAG members discussed the core tension in their work: the unknown economic conditions in the coming years, the cost drivers of the newly established program which could exceed forecasts and the challenge of adequately holding reserves to manage those uncertainties.

**TAG members voted 6-1 to adopt the report**, with vote explanations and reservations outlined below.

**John Taponga:** Yes with reservation: I would prefer a longer, if not indefinite delay of the tax increase given the risk to economic conditions in the county and the city.

**Mary King:** No: It's irresponsible to delay on the promise made to voters, families, and small business providers—but also because the report failed to adequately account for: the rising probability of a near-term recession (Moody's estimate of roughly 50/50 likelihood of recession by year-end), likely underestimation of seat costs (due to over-reliance on market rates and underestimation of inclusion costs), likely underestimation of participation rates, underestimation of future cost increases given PFA's commitments to teacher compensation and workforce building, and a lack of a reserve sufficient to handle a 40 percent drop in revenues.

**Dana Hepper:** Yes with reservation: We want to be clear that the current scenarios include a lot of uncertainty that lead us to not make substantial tax changes before recommendations are acted on and the projections are more informed.

**Charles Rynerson:** Yes.

**Mark McMullen:** Yes with reservation: I would like to lengthen the delay until there is more certainty around the economy and universality.

**Graciela Gomez Cowger:** Yes with reservation: Because of economic uncertainty, I would have liked to see the delay extended. I see no accountability and I want to see that built in.

**Chris Tebben:** Yes with reservation: Not wanting to make significant tax changes before we have a better picture of costs given the extraordinary unknown conditions and economic outlook.