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**OREGON**

*Smart policies for today's families.*

February 9, 2015

Testimony in Support of HB 2015: Employment Related Day Care  
Submitted by Kate Newhall, Family Forward

Thank you for the opportunity to provide testimony in support of HB 2015. **Family Forward Oregon supports all of the enhancements to Employment Related Day Care (ERDC) contained in this bill.** These enhancements will make ERDC a more robust program, allowing more low-income families to access to stable, safe and quality childcare.

Family Forward Oregon is committed to advancing policies that support families and help them succeed, both in the workplace and at home. Our mission is to create a family-friendly Oregon where all families can be economically secure and have the time they need to take care of each other. Today, too many families are forced to sacrifice one for the other. Family Forward supports policies that make economic stability and family caregiving more compatible. Ensuring more families have access to affordable childcare is central to this work.

It is no surprise to any working parent that childcare is far too expensive and unaffordable for too many Oregonians. **A 2013 report from the Oregon State University found that the median cost of childcare can be nearly twice as much as college tuition at Oregon's public universities: \$11,064 per year for a toddler versus \$6,670 annual college tuition.**<sup>1</sup> This same report found that childcare costs in Oregon increased 10% from 2004 to 2012 while household incomes declined 9% (15% for single mothers).

ERDC helps low-income working families pay for childcare, and it does so while allowing families flexibility as they choose the right arrangement for their child and their family. Having access to affordable childcare helps parents to stay employed, and children to be well cared-for in stable childcare arrangements. **We support the one-year of eligibility determination contained in HB 2015 and believe it will give ERDC recipients more certainty and stability as they arrange for childcare.** Unfortunately, under the current system, in which eligibility is determined quarterly, if a parent's income fluctuates slightly, like they pick up some extra work hours, they risk becoming ineligible for ERDC and losing their childcare. This is especially problematic because there is typically a waiting list for ERDC and if

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<sup>1</sup> "Childcare and Education in Oregon and it's Counties: 2012," Oregon State University, 2013



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a family loses eligibility for a brief period and then immediately becomes eligible again, they are placed back on the wait list. This presents huge difficulties for families, particularly mothers, who depend on childcare to stay employed. Additionally, it creates inconsistencies in care, when children are bounced around from provider to provider as they are pulled off, and then put back on, the waiting list. Finally, it creates uncertainty for the childcare providers, often small businesses, who also suffer when families cannot create longer-term, stable childcare arrangements.

Family Forward also supports allocating sufficient resources to ERDC to eliminate the waiting list. While ERDC typically serves about 8,500 families, it isn't able to serve every family eligible and currently has a waiting list of about 1,658 families. These families are eligible for the program, yet there aren't sufficient resources to allow them access. We need to eliminate the waiting list for ERDC so that all eligible families have access to ERDC.

Family Forward has long supported allowing ERDC recipients who are also students to use their ERDC benefit for class time and work training programs. **We believe parents who are working as well as pursuing an education should be supported and are more likely to obtain a higher paying job and become more self-sufficient in the future if they have access to affordable, quality, childcare.** It's no secret that those with higher levels of education generally earn higher wages. Achieving post-secondary education or attaining job training goes a long way toward improving an individual's long-term earning potential, helping many parents - and especially mothers - to escape the economic instability that accompanies low-wage work.

Maternal poverty rates are extremely high in our state- especially for women with young kids. In Oregon, there are 166,453 family households headed by women<sup>2</sup> and 34 percent of those families- that's 56,428 family households- are living on incomes below the federal poverty line.<sup>3</sup> When mothers live in poverty, kids live in poverty. Access to quality, affordable, childcare makes work possible for all families, but it is too often not an option for moms and kids living on low-incomes. Beyond the immediate workforce impacts and affordability aspects, we also need to ensure parents can access *quality* childcare. **Providing incentives, like lower co-pays, for families to voluntarily choose Quality Rating Improvement System providers**

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<sup>2</sup> U.S. Census Bureau. (2013). American Community Survey 1-Year Estimates 2012, Geographies: All States within United States and Puerto Rico, Table DP02: Selected Social Characteristics in the United States. Retrieved 27 February 2014, from [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_12\\_1YR\\_DP02&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_12_1YR_DP02&prodType=table) (Calculation uses family households headed by females living in a household with family and no husband. A family household includes a householder, one or more people living in the same household who are related to the householder, and anyone else living in the same household.)

<sup>3</sup> Ibid.



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**helps low-income families access high quality care.** Affordability should not be the only consideration for parents in choosing a childcare provider.

While the consequences of the lack of affordable, quality childcare for parents are often overlooked, the problems produced for their children are real and severe. **Children in higher quality early learning programs have better cognitive outcomes, including measurably better reading, math skills, language/vocabulary, and applied problem solving.<sup>4</sup> These cognitive outcomes are particularly strong for low-income children.<sup>5</sup>** The early years are a unique period of development and early experiences form the foundation for future success. Ensuring high quality, affordable childcare is available to working families is crucial to maintaining an economically stable and competitive workforce now and in the future.

Our state investments in childcare should reasonably accomplish three complimentary goals. They should: 1) support good long-term outcomes for kids, 2) support the working parents who require childcare to maintain a job, and 3) help to ensure that the people (mostly women) providing paid childcare earn a living wage. Investments in ERDC accomplish these three goals – and the program needs to be taken to scale.

For these reasons Family Forward supports HB 2015 and these ERDC enhancements. Low-income working families need access to affordable, high quality childcare services.

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<sup>4</sup> Clifford, R. M., Reszka, S. S., & Rossbach, H. G. (2010). Reliability and validity of the Early Childhood Environment Rating Scale.

<sup>5</sup> Burchinal, P., Kainz, K., Cai, K., Tout, K., Zaslow, M., Martinez-Beck, I., & Rathgeb, C. (2009). Early Care and Education Quality and Child Outcomes.