

## Testimony on HB 2015

House Committee on Human Services and Housing

Roberta Weber, Ph.D

Faculty Research Associate, Oregon State University

Madame Chair, Vice Chairs, and Members of the Committee, I am Bobbie Weber, a Faculty Research Associate in the Family Policy Program at Oregon State University. I am honored to meet with you today about HB 2015. The university has no position on this bill. My testimony flows from the research on the impacts of the child care subsidy program on children and families, work in which I have been involved since the early 2000s. Research indicates that provisions in this bill will strengthen the ability of Oregon's child care subsidy program to support the development of children and self-sufficiency of families. I will address key components of the bill individually.

*Protection of subsidy receipt for at least one year regardless of employment changes* is a policy that supports both children and parents. In the early 2000s Oregon had the least stable subsidy use of five states whose subsidy use was studied. Studies showed subsidy policies themselves predicted unstable use of the program. Another study showed that more generous policies such as longer eligibility periods increased stability in program participation. Stability affect both children and parents. Children need stable relationships with those who care for them and parents need to remain stably employed. Studies have shown unstable subsidy use associated with unstable child care arrangements. Children's development is highly dependent on stable, attached relationships and studies have found unstable child care negatively associated with cognitive development. Numerous studies have found more stable subsidy use linked with more stable employment. In addition to subsidy policy, the frequent employment losses associated with low-wage employment have been found to predict unstable participation in the subsidy program. Yet changes in hours and jobs mark the employment of the low-wage workers. Up until now these employment changes have meant loss of the subsidy even though studies show the breaks between employment spells are relatively short with almost two-thirds of parents returning after two quarters and over 40% of all parents returning after only one quarter. Protection of subsidy receipt for at least a year is good for children and parents. Stable participation in the subsidy program promotes children's development and parent's employment.

*Receipt of subsidy to attend and participate in coursework* represents a two-generation approach to reducing poverty as it supports development of children and their parents. Education is key to moving beyond the low-wage employment that keeps families poor. According to a new study by the Urban Institute, Oregon is one of only four states that currently does not allow non-Tanf and non-teen subsidy recipients to use the subsidy for education and training hours. Enabling employed parents to use the subsidy for education-related hours supports parent efforts to

increase their employability while also meeting their children's developmental needs.

*Removing the prohibition of subsidy use by the self-employed* is important as the following case from a study done by Ellen Scott from the University of Oregon shows. Ellen first interviewed a self-employed subsidy recipient while the mother was participating in the subsidy program and then re-interviewed her after her subsidy loss. At the time of the first interview the mom was running a successful house-cleaning business and her children were in safe and trustworthy care. At the time of the second interview she had lost her subsidy due to the policy change and was leaving her older child alone, something she said she would never do when first interviewed because she had an ex-boyfriend who had stalked her. She split her younger kids up to be cared for by different friends when necessary. She often could not take a cleaning job because there was no one available to care for her children. The loss of her subsidy meant her employment was at risk and her children were no longer in stable, safe arrangements. For her, this was a devastating blow to her previously stable life as a low-wage self-employed worker and to her self-esteem.

Subsidy policy affects the quality of care children receive as well as its accessibility and stability. A recent study showed that increased generosity (including higher payment rates and lower copayments) was associated with an increased use of center care, indicating that when subsidy value was sufficient parents were more able to select an arrangement they felt met the developmental needs of their child. An ongoing evaluation of the pilot Contracted Slots Program is finding that reduced copays and protected eligibility are making highly rated programs viable options for parents. The policy changes embedded in HB 2015 increase parental access to highly rated child care facilities for their children; a result that is good for children, parents, and all of us.