



Testimony on House Bill 2015
House Committee on Human Services and Housing

Representative Tina Kotek
Speaker of the House
February 8, 2015

Thank you for the opportunity to present House Bill 2015 to you today.

Families with young children face unique challenges as they balance responsibilities at home and at work, especially those who struggle with the high cost of quality child care. Helping low-income families access the support and resources they need to thrive not only expands opportunity for the parents but pays long-term dividends for their children.

The Employment Related Day Care Program (ERDC) is a critical part of the state's set of supports for low-income working families. It helps parents access and afford quality child care through a shared responsibility model of a subsidy to child care providers and a parent contribution (co-pay) to the provider. The program serves an average of 8,000 families per month. The goals of the program include supporting low-income families to participate in the workforce, promoting positive child development, and ensuring the health and safety of the care settings accessed through this program.

During the budget cuts of the Great Recession, ERDC was scaled back, and even though fewer parents were working, it was unable to support all the eligible families applying for the program. There is currently a waitlist for the program, with more than 1,650 families waiting to access this important resource. Additionally, a number of current policies limit the ability of the program to achieve its goals.

Last year, I convened a small workgroup comprised of legislators, child care advocates, and agency staff to strategize about how best to improve the program in the post-recession economy. We all agreed that now is the time to reinvest in ERDC and strengthen the program so it can better help low-income working families. House Bill 2015 is the product of those conversations. The bill does the following:

- **Stabilizes participation and continuity of care for the child.** The bill allows for one-year protected eligibility in order to maintain continuity of care and provide greater certainty to the low-income working families served by ERDC. A change in income or work hours would not force a family to disrupt an existing child care arrangement during the one-year period. Families would still be required to report a change of child care provider during that period.

- **Directs the agency to reduce the “cliff effect.”** An amendment to the bill directs the Department of Human Services to structure exit eligibility and parent co-pays to minimize the impact of increased income for parents that might occur after the first year on the program.
- **Expands parent eligibility.** The bill restores eligibility for self-employed parents (who were cut in 2009) and allows working parents taking college classes to qualify and have child care covered while attending class in addition to hours while working. The families must meet all other eligibility requirements for ERDC.
- **Creates quality incentives for licensed providers in the QRIS.** The bill allows the program to pilot incentives linking ERDC and the Quality Rating and Improvement System (QRIS) so that ERDC families who voluntarily choose a QRIS provider would pay a reduced co-pay and the provider would receive an enhanced reimbursement dependent on their QRIS level.
- **Implements a quality improvement system for license-exempt providers.** An amendment to the bill creates opportunities for family, friend and neighbor care providers to learn evidence-based or best practices, either in person or over the internet, to improve the quality of their care.
- **Meets new federal regulations.** The bill empowers the Office of Child Care to perform on-site health and safety monitoring of license-exempt providers in accordance with the new federal regulations.

In addition to the program enhancements I have just outlined, I also believe we need to be serving more eligible families, at least another 1,000 to 1,500 families per month. Taken altogether, the initial cost estimate for this new investment is around \$60 million.

I would very much appreciate your support of this bill as the session progresses. I hope you'll agree that there is no better time than the 2015-17 biennium to take a strong step forward in improving access to quality child care for Oregon's low-income working parents.

Thank you for your attention to this important issue.