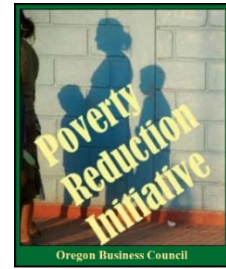




## Testimony for SB 5526



### Supporting DHS Budget funding for Employment Related Daycare

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Reducing Oregon's poverty rate to less than 10 percent by 2020 is one of three goals of the Oregon Business Plan. To make progress toward the goal, the Oregon Business Council (OBC) Poverty Task Force adopted short- and long-term initiatives. **Protecting and Expanding the Employment Related Daycare program is an important part of our Poverty Reduction Initiative.** In the 2015 session we worked together to expand the ERDC and it is important that the state sustain those expansions.

**We advocate for the protection of childcare assistance.** Employment Related Daycare (ERDC) helps low-income working families access higher quality care for 14,000 children through tiered reimbursements that lowers the family co-pay. State and federal law changes in 2015 protected a child's eligibility for 12 months, allowed working student and self-employed parents to access ERDC, and moved the program's exit eligibility from 185 to 250 percent of the Federal Poverty Level. **The newly expanded rules are critical in supporting transitions from welfare to work and should be maintained even in this tight fiscal environment.**

Access to quality childcare is not just a financial issue for families, but an important part of a comprehensive support system to help disrupt cycles of multigenerational poverty. A recent study in California examined the family support aspects of the CA HeadStart program and found that **90%** of participants said that access to childcare helped them find or keep a job, **92%** said it helped them enroll in education or training program, **92%** said it helped with creating long-term financial goals, and **98%** said that their program gave them more confidence in their families' future.<sup>1</sup>

**The ERDC is a vital tool** for parents and families as the costs of early childhood care are still rising even as they surpass average college tuition in Oregon. Childcare, combined with rising housing costs, leave low-income parents with little to no money left for food, transportation, and other expenses (just \$311 on average).<sup>2</sup> **We must protect and sustain ERDC in order to support Oregon families and allow parents an opportunity to work their way out of poverty while ensuring quality safe care for their children.** Thank you for your time.

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<sup>1</sup> California Head Start , *Family Outcomes Bulletin 2015*, pg.1, <http://caheadstart.org/pdfs/bulletin/FamilyOutcomes2015.pdf>.

<sup>2</sup> DHS Office Self Sufficiency Programs. *DHS Office of Self-Sufficiency Programs: Household Stability Role of TANF, SNAP, ERDC and Medical Ways and Means Presentation*.

Report. March 12, 2016. Accessed April 4, 2017.

<http://www.oregon.gov/DHS/ABOUTDHS/DHSBUDGET/20172019Budget/SSP%202017%20Ways%20and%20Means.pdf>.