



Dear Co-chairs Steiner Hayward and Rayfield and members of the committee,

Thank you, for giving me the opportunity to provide testimony in support of the Employment Related Day Care (ERDC) in the Self Sufficiency portion of the DHS budget and the need to invest in this program and not make cuts. ERDC is an incredibly important program for low-income working parents to access affordable child care that meets their needs. Unfortunately, the program has been incredibly underfunded for far too long and the off and on implementation of the reservation list through-out the years since a cap was placed on the program has created confusion for parents and providers about whether or not the program is available.

Just yesterday, a mother in Portland had to make a decision to keep her children safe and kick her partner out of the house for drug use. Without him in the home to help with care-giving duties, she needs child care. She has no family in town to have help. She had received ERDC previously and immediately called to apply for the program. The DHS employee informed her that the program currently has a wait list and that he had put her on it. In the comments where this mother had her story shared anonymously, another mother also commented about the ERDC waitlist.

Last week, Self Sufficiency Director, Kim Fredlund, reported that there is currently no waitlist and highlighted that the three overarching challenges to Employment Related Day Care are "Provider Availability, Program Awareness and Potential State Cuts." I believe the three challenges are a cycle that starts with cuts, threats of cuts and only partial funding when we were rebuilding the budgets.

When cuts are made, parents and providers quickly find out, whether it is the parent who is in desperate need of child care to be able to work or the provider who wants to be able to help families, but makes so little that providing care at the subsidy level, let alone below that isn't possible. Even when the reservation list is lifted, I have heard comments such as, "why bother, by the time the application gets through, the reservation list will be activated again."

While Dir Fredlund focused on the decrease in licensed-exempt care in her testimony, there has also been a decrease in licensed providers. According to the data from triwou.org there are 192 fewer licensed child care providers in February of this year compared to February of 2015<sup>1</sup>. The loss is in our registered in-home providers. This is the first level of licensing for child care and are the lowest paid of the licensed providers. The maximum amount a registered provider is paid for caring for a child on ERDC is \$670/month for an infant in full time care defined as a range of 136 -215 hours<sup>2</sup>. If the provider is

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<sup>1</sup>February, 2015 [http://5c2cabd466efc6790a0a-6728e7c952118b70f16620a9fc754159.r37.cf1.rackcdn.com/cms/QRIS\\_Data\\_Facts-February\\_2015-UPDATED\\_1498.pdf](http://5c2cabd466efc6790a0a-6728e7c952118b70f16620a9fc754159.r37.cf1.rackcdn.com/cms/QRIS_Data_Facts-February_2015-UPDATED_1498.pdf) and February, 2017 [http://5c2cabd466efc6790a0a-6728e7c952118b70f16620a9fc754159.r37.cf1.rackcdn.com/cms/2017\\_03\\_CountyData\\_Report\\_4401.pdf](http://5c2cabd466efc6790a0a-6728e7c952118b70f16620a9fc754159.r37.cf1.rackcdn.com/cms/2017_03_CountyData_Report_4401.pdf)

<sup>2</sup> <https://www.oregon.gov/DHS/ASSISTANCE/CHILD-CARE/Pages/Rates.aspx>



Spark rated, formerly QRIS, at the 4 star level, the provider could make an additional \$72/month for each child that is enrolled full time, with no bonus for part-time enrollees, even though the costs of maintaining that rating are no different for part time or full time kids. While the numbers of certified in-home providers have increased over the same two year period, many struggle to maintain their businesses. The maximum amount they are paid for an infant in full-time care is \$1000/month with the same bonuses for Spark rated programs.<sup>3</sup>

All providers may charge private pay parents more than the ERDC rate and have ERDC families make up the difference between the private pay rate and the subsidy rate, but most providers don't have a different rate or when they do, provide a sliding fee instead of charging ERDC families the difference. They know that even though they struggle to make ends meet, the families they are providing care for can't afford any higher rates.

The cuts aren't exclusively an issue of state funds. When Congress created additional regulations for inspecting licensed-exempt families and required fingerprinting for background checks, they did not provide any additional funds to the states to do this work. As a result, the Early Learning Division has proposed to holding back federal money of \$6 million for the inspections and \$2.9 million for the background checks while at the same time asking for \$8million in state general funds for professional development for providers and others in the early learning workforce. While our providers would agree that investments in workforce development are certainly needed, when pitted against the need for families to access child care so that they can go to work, \$8 million seems high.

With fewer than 18% of eligible families receiving child care assistance, any cuts to Employment Related Day Care will cause further instability for children, families and providers. At the very least we should be looking for ways to keep the current levels if not increasing the program to ensure more families can access it and providers are paid a wage that keeps this workforce stable.

I know that this won't be possible without additional revenue, but our children need this for consistent, quality child care, our families need it so that they can work and our providers need it to continue to provide quality care that meets the needs of the children and parents.

Respectfully,

Eva Rippeteau  
Political Coordinator  
Oregon AFSCME Council 75

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<sup>3</sup> <https://www.oregon.gov/DHS/ASSISTANCE/CHILD-CARE/Pages/Star-Rated-Provider-Incentive.aspx> \$54/ month per full time ERDC enrollee per month for 3 star, \$72/ month per full time ERDC enrollee per month for 4 star, and \$90/ month per full time ERDC enrollee per month for 5 star ratings.