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OREGON

Smart policies for today's families.

April 12, 2017

Testimony in Support of HB 2985-1: Employment Related Day Care
Submitted by Kate Newhall, Family Forward

Thank you for the opportunity to testify today on our proposed amendments to HB 2985 and the Employment Related Day Care Program generally. We believe we need to take a comprehensive look at ERDC, which is a very successful program for the lucky few families who are able to actually enroll. Unfortunately, it's also a dramatically underfunded program and we are currently only able to serve about 8,000 families out of the estimated 40,000 families who are currently eligible.

You have -1 amendments to HB 2985 that will remove entirely existing contents of the bill and propose a task force to look at growing our ERDC program to serve all families who are currently eligible and eventually grow the program to serve families at incomes above 185% of FPL. It's time to take a comprehensive approach to improving our child care system, and we believe growing our subsidy program to truly meet the needs of all low and middle income families is one of the best strategies for doing so.

As you know, accessing high-quality and affordable child care is one of the greatest challenges facing Oregon's working parents and their children today. It's a problem that low- and middle-income families across Oregon struggle with; child care is expensive and it's putting enormous strain on families, yet our child care providers — many of whom are parents themselves — are underpaid. The work that child care providers do is critical to many positive long-term outcomes for kids, and it's also the work that makes all other work possible — but we are not compensating them in accordance with the tremendous value of their work.

We know that ensuring all parents are able to afford high-quality care for their child is essential to making sure those parents can remain in the workforce and maintain their economic security. It is also essential to ensuring a child's long-term educational and economic success. A wealth of research demonstrates the benefits of child care and other early education programs for not only the development outcomes of children, but for the economic stability of parents. Without child care options, parents — predominantly mothers — are often forced out of the workforce to care full-time for children. This compromises that mother's ability to earn an income, build a work history and save for the future. On an individual level, affordable child care enables parents to maintain economic stability, as it mitigates career disruptions and prolonged periods of unemployment. Parents with access to

child care financial assistance report fewer missed days from work and increased focus and productivity.

For many Oregonians, the cost of child care compared to income is so prohibitively high that it can push a primary or co-breadwinner out of the workforce — when one's wages do little more than replace the cost of care — often leading to financial instability for a previously middle-class family. And mothers are 40 percent more likely to remain employed for at least two years when receiving a child care subsidy or comparable financial assistance.

The crisis we face around child care is an example of a market failure – on our state government should be working to address. When the cost of care exceeds what most parents can afford and yet the people providing it are among some of the lowest paid workers in our state, we must examine the role of society to support comprehensive child care support programs.

Our state investments in childcare should reasonably accomplish three complimentary goals; they should support good long-term outcomes for kids, support the working parents who require childcare to maintain a job, and help to ensure that the people (mostly women) providing paid childcare earn a living wage. Unlike most other approaches to child care, increased investments in ERDC can accomplish these three goals. It contemplates the quality of care kids receive, the wages providers are paid, a wide age range when child care is needed, and the types of care that diverse families who work in a variety of job types may need. No other child care program in our state is designed to address all of these things — factors that are all essential to building a robust child care system for more Oregon families.

We know that growing our child care subsidy program will take more than just allocating resources. It will take a thoughtful approach and careful planning to improve the entire system for parents and providers alike. And it won't happen overnight. As we look to growing the program, we also need ensure we have sufficient providers to meet an increased demand and an outreach program to actually educate families about the program. Currently, the agency does little to no outreach to tell parents or providers about the program because it is already meeting so little of the existing demand for it. We know that it will require a system-wide approach that phases in program expansions and workforce development to ensure we are able to meet the needs of families across the state and that we are investing strategically in building a high-quality and accessible program.

The proposed task force will examine our child care system and make recommendations for a phased approach to how best to grow the program. It will include all players in the child care system, from parents to providers, advocates, administering agencies and early learning hubs from around the state. It will look at expanding the program as well as enhancements to serve more families and also

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improve provider recruitment and retention. A comprehensive look at the whole system will ensure that we are making smart and strategic investments in this valuable program and making it work for even more families, children and the providers who care for them.