

HB 3451 STAFF MEASURE SUMMARY

House Committee On Early Childhood and Family Supports

Prepared By: Zena Rockowitz, LPRO Analyst

Meeting Dates: 5/9

WHAT THE MEASURE DOES:

Permits persons looking for work who are eligible for employment-related child care to receive subsidies for up to three months. Specifies three months includes time spent participating in job training programs available to unemployed in the Supplemental Nutrition Assistance Program (SNAP). Requires Department of Human Services to connect unemployed persons, eligible for subsidies to job training programs in SNAP.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon State University reports that prices for child care vary across Oregon based on age of the child, type of care, local supply, demand for child care and facility perception of ability to pay. Between 2004-2016, median income has stabilized, while child care prices have increased and will exceed college tuition. In 2016, the median price of child care in Oregon was \$12,500 with parents paying for the majority of child care expenditures; parents pay 72 percent, the federal government funds 19 percent and Oregon funds nine percent.

The Oregon Department of Human Services (DHS) administers the Employment-Related Day Care Program (ERDC) to help offset the cost of child care. ERDC provides subsidies to families that are working or in school with incomes at or below 185 percent of the Federal Poverty Level. Families provide a co-payment directly to a child care provider that is determined by income and family size. Child care providers submit invoices to DHS and DHS pays a subsidy to the providers. Currently, ERDC has 3,529 providers, who serve 8,023 families and cover 15,254 children.

In 2015, House Bill 2015 made changes to ERDC. The legislation allowed families to receive a subsidy for at least one year, regardless of changes in employment status and extended the program to self-employed parents. Also, the measure established a lower co-payment for parents who chose providers that participated and met the standards of the tiered quality rating improvement system and established a higher reimbursement to providers who met the standards.