

May 15, 2019

Testimony to the House Economic Development Committee re: Child Care

Chair Lively, Vice Chairs Bonham and Fahey, and Members of the Committee:

I'm Julie Manning, with Samaritan Health Services, a regional health system with more than 5,000 employees serving Linn, Benton and Lincoln counties. Samaritan also operates the region's Coordinated Care Organization, and I represent our CCO as a member and co-chair of our region's Early Learning Hub board.

Thank you for holding today's hearing to hear from local employers about the vital role child care plays in our ability to recruit and retain quality workers.

My organization experiences these challenges first-hand – as both a major employer and because we operate a state-licensed, 5-star-rated child care center on our hospital campus in Lincoln City.

Our facility serves 92 children, 19 of whom are children of our employees. The families of 11 children currently receive financial assistance – totaling about \$50,000 a year – from the state's Employee-Related Day Care program. In addition, 24 families receive need-based scholarship assistance funded through donations to our hospital foundation, which totaled about \$35,000 in 2018.

We currently have waiting lists at for child care at all age levels, with the greatest needs being at the infant and preschool levels with more than 20 on the waiting list at each end of the age spectrum. Despite the need, we have never been able to operate the center at full capacity because we don't have enough employees to meet the required staffing ratios at the various age groups. This is the case even though we operate our center as a department of the hospital, making employees eligible for hospital-provided benefits. In addition, in order to offer much-needed child care and a living wage for employees, we subsidize the ongoing financial operation of the center because it would not be self-supporting on its own.

Even with these challenges, we remain committed to the value of this service because we know it makes a difference in our ability to recruit and retain

employees. In fact, we are currently exploring ways of supporting additional child care slots in the other communities where we have hospitals and physician services. We recognize that this level of commitment is not feasible for many employers, even though they are experiencing similar challenges with recruiting and retaining quality workers. Rather, our best opportunity for success is through collaborative efforts among employers -- with support from our state and federal governments.

In our region, we have begun working with other employers on collaborative ways of expanding the number of child care slots and sharing operating costs and technical resources. We are also working with our Early Learning Hub to bring major employers together later this year for a Child Care Summit that would examine the local need and explore collaborative solutions.

And while employers recognize our responsibility to help find and support solutions, we also need the state to help lead the broader policy discussion concerning child care access and affordability. It's important to improve the workability of the current Employee-Related Day Care Program so more eligible families can access and receive much-needed financial assistance. It's also important that you as state leaders have the related information and data you need to understand the impact of this issue in Oregon and how to employ best-practice solutions to address them.

With all of Oregon's 36 counties currently designated as "child care deserts" for infant and toddler care, we must bring a new sense of urgency to this growing problem -- especially in this time of low unemployment when employers are struggling to recruit and retain quality workers.

Please support thoughtful, creative policy solutions, and please add your voices to this critical state-wide conversation.

Thank you.