



To: Joint Committee on the Second Special Session 2020  
From: Regan Gray, Child Care Policy Advocate with Family Forward Oregon  
Re: Child Care

Co-Chairs Courtney and Kotek, and members of the committee:

Child care enables parents to work and provides stability and safety for Oregon's children, especially during this very difficult time for families of essential workers. As schools prepare online instruction for the fall, child care providers are preparing to support this learning for the school age children they will be caring for all day. Given the new responsibilities for providers, Family Forward appreciates that Employment Related Day Care has been held harmless in the Budget Reductions.

The availability of child care has been critical during the pandemic and will continue to be essential for Oregon's economic recovery. Resources are needed now to support the child care industry through this emergency period so it can emerge from this crisis ready to rebuild this critical sector. Unfortunately, many child care providers have already closed because of this pandemic; and those that remain open are continuing to operate with fewer resources, serving fewer children, with increased costs, and without sufficient supplies or protective equipment. Working parents continue to struggle to afford child care, especially as their economic situations become more tenuous and unpredictable.

We appreciate the Emergency Board's allocation of \$30 million for child care at the June 5th meeting. These funds were a first step to help stop the bleeding that this sector is experiencing for a few months. However, we expect this crisis to continue for some time, and additional grant dollars are going to be essential to retain the child care capacity that Oregon has left through the end of this year. This will be essential to our short- and long-term economic recovery and is a critical equity issue; as our child care workforce is 95% women and 30% are women of color, largely earning low incomes, and very often parents themselves.

Moving forward, federal funds will need to be prioritized and spent through the end of the biennium on the following assistance for Oregon families and child care providers:

**1. Waive parent co-pays for the Employment Related Day Care program (ERDC)**

The Department of Human Services rightly waived parent co-pays for families using ERDC at the start of the pandemic. But this policy is slated to end on September 30, 2020 without additional resources to cover the cost. This policy change has been a lifeline for families at this stressful time, and a long overdue reprieve for Oregon parents, who pay the 2nd highest copays in the nation. Permanent changes to the copay rates will need to be done through



coding changes to the new ONE eligibility system, so temporarily waiving copays is a critical bridge for families during this crisis.

## **2. Continue Emergency Child Care Grants through the pandemic**

As Oregon shut down to prevent the spread of COVID-19, the child care industry remained open with limited group sizes to provide care to essential workers in Oregon's health care, food, and other necessary industries. However, providers have not received adequate support to cover their reduced revenue and the increased costs associated with meeting critical health and safety guidance. Emergency Child Care grants thus far have ranged from \$700 to \$5000 depending on provider type, with funds coming in monthly installments for a three-month period. The first round of grants went to 1,853 eligible child care providers to help offset their expenses for April, May and June. The second round of grants is open now to a new set of eligible providers, and will help offset their July, August and September expenses. Replenishing these grants for our Emergency Child Care Providers is necessary to cover their costs due to COVID safety measures and can be quickly awarded by amending existing grant agreements.

These priorities are an effective use of federal relief funds that can be implemented seamlessly with funding that will benefit parents and child care providers immediately while promoting racial equity and economic justice. An analysis by Oregon State University of the Phase I child care grants found that the child care providers receiving those grants closely matched the demographics of the child care workforce pre-COVID. Specifically, 31% of child care providers benefitting from grants were people of color, including providers who are Latina, Black, Asian, American Indian, Native Hawaiian, and Multiracial. In addition, 16% of grant recipients spoke languages other than English, including providers who speak Spanish, Russian, Chinese, Vietnamese, and more.

Even before COVID-19, Oregon had a child care crisis. This sector is a very low-margin industry for providers and the cost of high-quality care is too expensive for most families. Unlike our public education system, child care is almost entirely a private-tuition system — meaning parents pay 70% of the cost for our entire child care system and many pay 100% of tuition for the care and education their children receive. Unfortunately, providers subsidize the lack of public investment in the cost of providing high-quality care with their low wages; earning far less than they should, given the importance of their work. Now, during COVID-19, providers are subsidizing their businesses by draining savings and other household income. Others have closed and are selling furniture, books, and toys to pay outstanding expenses. With the closures that have already happened, Oregon's existing child care deserts will grow larger. We simply cannot afford to allow more child care providers to go under; risking the economic recovery of our state and so many of Oregon's families.



Please do not delay investments in this critical sector. Ensuring their fiscal health will help to speed our state's overall recovery, and acknowledge the important role child care plays in supporting our children, our families, and our larger economy. This system was already in crisis before the pandemic and needs urgent and major investments to weather this so that we can build back stronger.