

April 21st, 2021

To: The Joint Committee on Ways and Means
From: Angie Garcia
Re: Childcare funding and HB 3073

Dear Co-Chairs Betsy Johnson, Elizabeth Steiner Hayward, and Dan Rayfield,

My name is Angie Garcia and I live and work in Portland Oregon. Thank you for the opportunity to share my experiences with you today. I own 2 childcare centers in Portland, currently serving approximately 60 families. Pre-pandemic, I was serving over 100 families.

As a provider, working with families for more than 17 years, there have definitely been challenges working with the Department of Human Services Employment Related Daycare program. Some of those challenges include:

- Delays in payment. Sometimes we must wait as many as 90 days to receive payment, making it hard for centers like mine to pay our bills.
- An antiquated paper system that is administratively burdensome, requiring providers to spend time that we do not have counting hours that a child is in care and losing much needed income when a child is out sick.
- High co-pays that families can not afford, resulting in unpaid debts that hurt both families and the provider. Some years I have written off thousands of dollars in these unpaid debts.
- Current ERDC rates do not cover the current market rate, which is even lower than the true cost of care. In order for families to attend our program, I have to write off the portion they can not afford, again resulting in losing much needed revenue.
- It is hard to count on ERDC slots because parents can lose their subsidy mid-year. This makes it difficult to plan financially long term, but the lack of continuity of care is especially hard on the children and it breaks my heart.

The current pandemic has been particularly hard on my industry. Having a system of care that is reliant on a family's ability to pay makes us vulnerable. What should concern us all is that we have not yet felt the full impact of all of the shuttered centers and family providers. Nationally, the projection is that more than a quarter of providers are no longer providing care. What will Oregon do when our workforce is ready to go back to work and they can not find care for their children? I am fielding over a dozen new prospective families a week. We will likely be full again by this summer. Our waitlist continues to grow and we will not be able to fill the need for child care in our community when parents are ready and able to go to work. Only families who can afford to pay for their spots now will be able access care. Centers like mine will take the money, because we desperately need it to survive. Calling into question, once again, the equity of our system.

HB 3073 is a significant step to righting this ship. It will improve governance for childcare and other early care and education programs to create a system that works better for children, families, and providers like myself. I urge you to protect current investments in the ERDC program so better and necessary reforms can be made.

Thank you for your time.
Angie Garcia, MSW