

February 15th, 2021

To: The House Early Childhood Committee  
From: Anna Pickel,  
Re: Support of HB 2503 and HB 3073

Dear Chair Karin Power and Vice-Chairs Lisa Renyolds & Jack Zika,

My name is Anna Pickel and I live in Portland, OR. I have been a family child care provider for 8 years, and during that time I have cared for dozens of children and families who all relied on the ERDC subsidy program to access quality care. These families were regularly single moms struggling to get by and they were very grateful to have some of the cost burden of childcare lifted from their shoulders. I witnessed many of them struggle to come up with the funds for their co-pays as even \$100 per paycheck was more than most could afford. The high cost of rent and no longer qualifying for SNAP benefits stretched their budgets thin. I typically was the one having to go without that income until they were able to come up with the funds to pay me. There were times when this was an extreme hardship to my business.

The policies that have been implemented during COVID-19 for the ERDC program have been significant game changers for families and providers. I currently have 4 families who are all benefiting from \$0 co-pays. The ability to bill for expanded absent days has helped my business significantly too. When we had to quarantine for 14 days due to one of my staff testing positive for COVID-19, the ability to bill for a full month of care helped me significantly as I would not have been able to pay all my bills without that income. My ERDC clients were also my only income at the beginning of the pandemic when my program was closed. My family wouldn't have survived those months without that money.

The one downside of ERDC is that it does not pay providers the true cost of care. The state has various zip codes sorted into 3 categories, group A, B and C. Each group receives different rates of pay. Thankfully for those in group C, our union negotiated them to receive the same payment amount as group B during our last round of contract negotiations in 2019. The differences in payment from group A and B are significant as group B payments are 40% less than group A. Providers who live in Salem are in group B and we all know the cost of living in Salem is not 40% less than the Portland area. This gap needs to be fixed. All licensed childcare providers in Oregon deserve to make the same amount per child regardless of where they live. Currently group A pays \$1,000/month for a preschool age child in a certified family child care. My current rate for a preschool child is \$1,200/month. If I choose to accept an ERDC child into care I am either passing that additional \$200/month onto the family, who I know can't afford to pay any more than they already do, or I take a loss on caring for that child.

My program has had a 4-star SPARK rating since 2016. I have three full time employees in addition to myself, so we are typically operating at a 1:5 or 1:4 ratio, which is extremely rare in the childcare world. It's what I determined was needed to ensure a high quality care environment for my program and to have the needs of all children being met adequately. I'm very fortunate to live in Portland where the Child Care Initiative (CCI) grant exists and is able to pay the difference between what ERDC pays and what I charge so I have not had to take a loss of income during this pandemic. However, the CCI program is only available to providers and families who live in Portland, so it leaves the majority of people in our state at a disadvantage. Increasing funding to expand programs like CCI to other parts of the state or to increase what ERDC pays to reflect the true cost of care would significantly help providers stabilize their businesses, plus reduce stress on families who are trying to keep their children in high quality programs. All children deserve to be in high quality environments regardless of their parent's socioeconomic status.