



**NeighborImpact**

Supporting People, Strengthening Communities.

**Testimony in Support of HB 4005  
House Committee on Early Childhood  
February 2, 2022**

Chair Power, Vice Chairs Reynolds and Zika, and Members of the Committee:

Thank you for the opportunity to provide testimony in support of House Bill 4005. My name is April Paul and I am submitting this testimony on behalf of NeighborImpact. NeighborImpact was created to represent and serve economically-disadvantaged residents of Deschutes, Crook, and Jefferson counties and the Confederated Tribes of Warm Springs. Our mission is "Supporting People, Strengthening Communities." To that end, NeighborImpact has become the area's leading provider of emergency food programs, housing and homeless services, energy assistance, child care resources, early childhood education services, and financial capability programs for the economically-distressed.

We are writing to offer support for House Bill 4005 and the larger \$100 million child care investment package being proposed this session. We know that access to high quality affordable child care is necessary for joyful children, thriving families, and a strong economy. The pandemic has made clear that without care work, no other work can happen. Child care provides the necessary infrastructure for Oregon's essential workforce to continue to work, and we have seen the devastating impact on employment when parents could not find child care, especially for mothers.

Child care is primarily funded by families that cannot afford the true costs associated with care for children. While parents are unable to afford care, child care providers are not charging enough to cover the costs to provide care, often subsidizing a lack of public investment in the system with their low wages. The current funding structure is unsustainable and as a result, every county in Oregon is a child care desert for at least one age group of children<sup>1</sup>.

Here in Central Oregon, child care spots in Bend dropped from 5,000 to around 1,600 during the pandemic. Prior to this, only thirty-four percent of Jefferson County's young children had a child care spot available, the majority of which were reserved for some of our lowest income families. This is compared to 20 percent in Deschutes County and 14 percent in Crook County in 2019. While publicly funded child care spots have increased ever so slightly over the past 22 months, the majority of our families have been unable to access those.

Studies show that investments in early childhood education results in higher wages later in life,

---

<sup>1</sup> <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/oregon-child-care-deserts-01-29-2019.pdf>

increased tax revenue, more effective public schools, less crime, and a more educated and skilled workforce. Research by Nobel Prize winning economist, James Heckman, shows that returns can be as high as \$16 for every \$1 spent on high quality early education. Investment in caregiving systems produces twice as many jobs per dollar invested than physical infrastructure investment.<sup>2</sup>

Central Oregon families attempting to return to work are faced with a limited supply of child care; spending between 18-60% of their income on child care costs if they can find it. NeighborImpact Child Care Resources (CCR) has worked tirelessly throughout the pandemic to retain our current child care supply, growing business skills and encouraging expansion to meet the needs of our growing population. Expanding on successful projects and partnerships, Deschutes County funded several targeted strategies to increase child care capacity at \$6.6 million, including:

- NeighborImpact CCR and the Small Business Development Center at Central Oregon Community College (COCC-SBDC) designed a 3 cohort offering, supporting 15 new family child care providers with a solid foundation in business practices to sustain a quality child care per cohort. Cohort 1 saw participation of 7 English speaking providers with great feedback. Cohort 2 is unexpectedly serving 17 English speaking providers and 11 Spanish speaking providers. We've clearly identified a need for a strong understanding of business skills and delivering quality care in order to stand up new programs.
- NeighborImpact will administer a \$500,000 fund to support expansion of small centers. Using these dollars to help programs overcome astronomical facility costs.
- NeighborImpact has hired a Pathway Navigator who will market to and recruit new early educators; offering connections to a variety of pathways to enter the field of early education. Options have grown to include the newly funded Fast Track Teacher Training, apprenticeship options, college scholarships through Partners in Practice, and other professional development pathways.

Our Central Oregon child care providers were already running on razor thin margins prior to March 2020; this profession cannot compete for new employees with the wage increases we are seeing across many industries. The aforementioned strategies for Deschutes County would get even more families back to work if supported at the state level.

The legislature made great strides in 2021 with investments in ERDC and taking steps to streamline our state's administration, but providers and families need more support and our state must make investments to help rebuild and grow our child care supply. HB 4005 will support providers and child care affordability for subsidy-eligible families by increasing subsidy rates to the 90th percentile of the 2020 child care market rate, and delay fire code requirements on in-home child care providers to prioritize building new provider capacity while still keeping kids safe.

Additionally, we strongly support a larger child care investment package that includes investments in: new provider grants and grants to help current providers expand their programs, strengthening our state's Child Care Resource & Referral Centers, direct relief payments to the child care workforce, and

---

<sup>2</sup> [http://www.levyinstitute.org/pubs/wp\\_610.pdf](http://www.levyinstitute.org/pubs/wp_610.pdf)

continued support for the child care systems development started with HB 3073 (2021) with increased capacity to stand up the new Department of Early Learning and Care.

Every Oregon family deserves access to high quality, affordable, and culturally relevant child care, and every child care provider should be paid a wage that reflects the essential work they do. The additional measures proposed in HB4005 will strengthen the system further and enable us to focus on expanding our options for giving our children the quality environments they need and deserve. NeighborImpact strongly urges your support for HB 4005. Thank you for your time.

Sincerely,

April Paul

Special Programs Manager  
NeighborImpact