



February 2, 2022

House Committee on Early Childhood
Testimony in Support of HB 4005

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 Gustavo Morales, I am the Executive Director of EUVALCREE serving eight counties in Eastern Oregon. EUVALCREE was established as a community-based organization focused on serving vulnerable, low income and minority communities in Eastern Oregon. As a community-led and Latinx-led community organization, EUVALCREE can provide culturally specific and linguistically appropriate services to Latinx, Immigrant, Refugee, Rural, Low-income, and Migrant communities. In 2021, we provided economic relief and financial support to families and businesses, distributing \$6 million in direct aid to families and about \$1.3 million to over 100 businesses.

In our work across eight different counties in Eastern Oregon, we hear over and over again from families and businesses that there is not enough access to affordable, high quality child care. And we hear from child care providers that they are still suffering from the impacts of the pandemic and need support to continue operating. This is why EUVALCREE is in strong support of HB 4005 and the larger child care investment package being proposed this legislative session.

81% of rural communities in Oregon are designated as child care deserts--meaning *at most* these counties only have available slots for a third of the children who live here.¹ Hardest hit are the 350,000 Oregonians (17% of the labor force) who do not work in occupations that allow them to work from home.² Of the options that parents might have, not all of them meet their families' needs—like irregular work schedules or language spoken—and parents across the state often find themselves patching together care just so they can get to work.

Despite how prohibitively expensive child care is for parents, child care providers (who are disproportionately Black, Indigenous, and women of color) are among the lowest-paid workers in Oregon. Average annual wages in child care are about half the all-industry Oregon average.³ This year

¹ <https://oregonearlylearning.com/wp-content/uploads/2020/10/Supply-and-Demand-Study-1oct20.pdf>

² <https://oregoneconomicanalysis.com/2020/08/27/covid-challenges-working-oregon-parents-graphic-of-the-week/>

³ <https://familyforwardoregon.org/wp-content/uploads/2019/09/FFO-Child-Care-Report-2019-REV.pdf>

has made even clearer how essential child care is—it is essential work that makes all other work possible—childcare is an investment in both our current and future workforce and we need to invest accordingly.

At EUVALCREE, we are working diligently to meet the child care needs of our community as we expand our services to address the systemic issues, barriers and challenges of childcare faced by our communities. As part of our strategy we are establishing a Childcare Center and Training Facility. This Center will provide at least 30 slots to support the children of our community but more importantly will house a hands on training program to build the childcare workforce and providers across Eastern Oregon. As we build this program, we are seeing that one of the largest barriers is the financial investment needed to successfully establish and become a viable child care provider. As an organization, we will be investing \$650,000 for site control and site modifications and development. This does not include the purchase of supplies, equipment, staffing, utilities and other overhead costs, simply to open our doors.

Child care providers need additional support that rectifies the decades of financial scarcity that exists and that invests in building more child care capacity and supply, that invests in our providers and educators, and that will grow the capacity of the new Department of Early Learning and Care. HB 4005 helps us accomplish this by increasing reimbursement rates for providers caring for families receiving a child care subsidy. This ensures greater financial stability for providers serving Employment Related Day Care (ERDC) families and will incentivize more providers to serve these children. This is one of the strategic investments to begin to address child care deserts. The state must also make other urgent investments in child care this legislative session, including:

- Direct relief payments of \$500 each to currently-working child care workers to recruit and retain the child care workforce; one payment in 2022 and one in 2023.
- Establish a community-led fund and support local pilot projects to recruit and train new child care providers, and provide direct grants to expand existing facilities of all types.
- Increase funding for Child Care Resource & Referral services and for the Department of Early Learning & Care to make our public child care system more equitable and beneficial for parents and providers.

Every Oregon family deserves access to high quality, affordable, and culturally relevant child care. Every child care provider, as an essential worker, service and backbone program to our working families, should have a wage that reflects the crucial work they do. EUVALCREE urges your support for HB 4005 and the larger investment package being proposed in the 2022 legislative session. Thank you for your time and consideration.

Sincerely,

Gustavo Morales

Executive Director
EUVALCREE