



Testimony in Support of HB 4005
February 3, 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 on behalf of Oregon Small Business United (OSBU). OSBU was formed in 2020 to unite and amplify the voices of small businesses and the organizations that serve them, with a particular focus on entrepreneurship from individuals from rural, women, Black, Indigenous, and people of color (BIPOC) communities.

OSBU supports HB 4005 because we know that access to child care is necessary for both thriving families and a thriving economy. The pandemic has made clear that without care work, no other work can happen. Child care provides the necessary infrastructure for Oregon's workforce to continue to work, and we have seen the devastating impact on employment, small businesses and entrepreneurs when parents could not find child care, especially for mothers.

In 2021, Xxcelerate, a Portland-based organization and OSBU coalition member that provides women entrepreneurs with business support, education, and funding pathways in order to grow and scale surveyed 74 women business owners around the state:

- 58% of the respondents reported being overwhelmed and out of bandwidth to manage both their business and domestic responsibilities
- 45.2% reported that childcare is presenting a significant barrier to running their business

While this is just a small sample, the impact of our child care crisis is being felt across the state and will continue to have a drastic impact on Oregon's economic recovery. Working parents account for 31% of our labor force¹. If a third of our state can't consistently and reliably show up to work, we're in big trouble. In fact, due to employee child care issues, businesses nationally lose \$3 billion in revenue annually² according to the U.S. Chamber of Commerce.

Passage of HB 3073 during the 2021 session was an essential first step to streamline our state's child care administration, but more is needed to ensure we have a child care workforce that can meet the needs of Oregon's families during and beyond the pandemic. Child care providers need additional support that rectifies the decades of financial scarcity they have experienced and that actually invests

¹[https://www.qualityinfo.org/-/for-oregon-parents-working-is-the-norm#:~:text=How%20much%20of%20the%20workforce,to%20the%20nation%20\(33%25\).](https://www.qualityinfo.org/-/for-oregon-parents-working-is-the-norm#:~:text=How%20much%20of%20the%20workforce,to%20the%20nation%20(33%25).)

² <https://www.uschamberfoundation.org/early-childhood-education/the-business-case>

in building more child care supply, in compensating our providers and educators better, and that grows the capacity of the new Department of Early Learning and Care. 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.
- Support Oregon's child care systems development through HB 3073 Implementation with increased capacity to stand up the new Department of Early Learning and Care.

Additionally, we support increasing child care slots through investing in new provider grants to get additional child care businesses up and running, as well as direct relief payments to the child care workforce. Without investing in new child care provider businesses and helping existing providers expand, we are unable to meet current demands and will be even further behind when implementing new state, and likely federal, expanded eligibility to child care subsidies.

We would be remiss if we did not acknowledge clearly that HB 4005 is just one piece of a more complex puzzle and that even more state and federal investment is needed moving forward to support access to child care across the state. Child care is essential for the survival of our small businesses and passage of HB 4005 and the 2022 child care funding package are crucial next steps to Oregon's economic recovery. Oregon Small Business United urges your support for HB 4005 and the larger child care package.

Sincerely,

Chloe Becker,
on behalf of OSBU