

**House Interim Committee on Early Childhood and Human Services
Challenges and Solutions for Businesses and Child Care
September 27, 2023**

**Comments by CAPACES Leadership Institute and
The Willamette Valley Wine Foundation**

Chair Reynolds and members of the House Interim Committee on Early Childhood and Human Services, thank you for this opportunity to discuss challenges and solutions for businesses and child care.

My name is Mike McNally. My wife and I own and operate Fairsing Vineyard. I am a founding Director of the Willamette Valley Wine Foundation, a 501c3 affiliate of the two-hundred-thirty (230) member Willamette Valley Wineries Association. Most of Oregon's wineries and vineyards are small family-owned businesses that cannot be automated. We are heavily dependent on skilled vineyard stewards and winery employees.

AFFORDABLE CHILD CARE IS IMPERATIVE FOR OUR BUSINESSES TO THRIVE.

As you know, the Mid-Willamette Valley is a child care desert. Over 25% of Oregon's Latino infants, toddlers, and preschoolers reside in this area – over 7,000 children. Child Care is available to serve only one-in-eight infant toddlers and one-in four preschoolers.

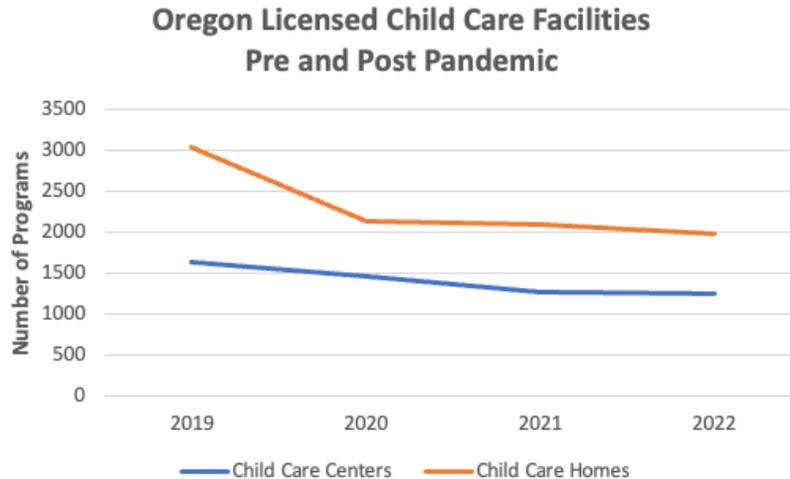
In early 2021 CAPACES Leadership Institute and our Foundation established a consortium to create best-in-class early childhood education and care for Latino families in Marion, Polk, and Yamhill counties. The leadership of the consortium includes Mid-Willamette Valley Child Care Resource & Referral, the Marion-Polk and Yamhill Early Learning Hubs, and Oregon Child Development Coalition.

We have learned that expanding childcare is complex work that requires a wholistic approach. Thus, our consortium is focused on four key objectives:

- Developing pathways for the future child care workforce that are accessible and affordable, including funding scholarships;
- Supporting development of child care providers with a focus on Family Child Care Homes;
- Providing access to culturally sensitive curriculum and learning resources; and
- Recruitment, resource development, and advocacy for these initiatives.

Our consortium is focused on expanding Family Child Care Homes because they offer unique advantages for our rural communities. These Homes generally support flexible schedules, which is crucial for parents that work irregular hours and weekends. In addition, many of our agricultural families prefer home based programs that embrace their language and culture. Finally, services at Family Child Care Homes typically cost approximately 40% less than day-care centers: \$9,000 per year for a toddler versus \$14,400 per year (Child Care Aware); and the cost of implementing a Child Care Home is significantly less than a Child Care Center.

In Oregon, the number of Family Child Care Homes and Child Care Centers have both declined from pre-pandemic levels. Between 2019 and 2022 the number of Child Care Centers has declined 24%, from 1,642 to 1,248. There has been a significantly greater decline of Child Care Homes - 35%, from 3,029 to 1,976 (The Research Institute).



The Oregon Child Care Capacity Building Fund, championed by your committee, will be a great support of our initiatives to reverse these trends. Its support of Neighbor House's Child Care Alliance will also assist home-based child care businesses.

Unfortunately, we understand that later this year the state will likely institute a waitlist for the Employment Related Day Care subsidy, **AND WE ARE CONCERNED. THE EMPLOYMENT RELATED DAY CARE STIPENDS ARE CRUCIAL FOR THE LONG-TERM VIABILITY OF PROGRAMS THAT SERVE LOW-INCOME FAMILIES.** The potential waitlist will come just as we are utilizing the Child Care Capacity Building funds to substantially expand child care.

On October 1st the American Rescue Plan Act (ARPA) funding that stabilized the child care industry during the pandemic will end. In Oregon, this has the potential to cause over 600 providers to go out of business, leaving over 16,000 children without day care (Century Foundation). The state's economy will feel the consequences. Oregon parents will lose \$58 million in earnings because of being forced to cut work hours or leave the workforce. Employers will lose \$55 million from lost productivity and the state will lose \$4 million in state income tax.

Our collective success in addressing the child care needs of families and businesses requires a partnership between private foundations, public funds, and employers. However, long-term SUSTAINABILITY requires continued state and federal investments in early learning and care programs.

Thank you for your continued support of early childhood education and care!

Child Care Aware

<https://www.childcareaware.org/catalyzing-growth-using-data-to-change-child-care-2022/>

The Research Institute

<https://www.childcareaware.org/catalyzing-growth-using-data-to-change-child-care-2022/#LandscapeAnalysis>

The Century Foundation

<https://tcf.org/content/report/child-care-cliff/>