



## Service Employees International Union Local 503

*72,000 public services workers, care providers, and non-profit employees in Oregon.*

**To: House Committee on Early Childhood**

**On: February 22, 2021**

**Re: House Bill 2503**

Chair Power, Vice-Chairs Reynolds and Zika, members of the committee,

My name is Rachel Hansen, and I am submitting this testimony on behalf of SEIU Local 503. SEIU represents more than 72,000 public sector workers and care providers in Oregon, including some license-exempt child care providers (Friend, Family, Neighbor or FFN providers) and certain staff who support the Employment Related Daycare (ERDC) program at the Oregon Department of Human Services (ODHS) and the Early Learning Division (ELD). Countless numbers of our members are also themselves parents, navigating Oregon's complicated child care system and attempting to keep their children safe and healthy during this pandemic while they continue to report to work. It is from these intersecting perspectives that we come to you today.

SEIU, as a member of the Child Care for Oregon Coalition, supports House Bill 2503. We are proud to be part of the Coalition, and share the vision "to build a universal, publicly-funded child care system in Oregon that is equitable, affordable, culturally-relevant, inclusive, developmentally appropriate, safe and community-led."

Our written comments are merely intended to put our questions and suggestions for further consideration and discussion on the record as the Legislature deliberates significant child care governance changes.

Oregon's ERDC program is broken into multiple categories, including license-exempt providers, more commonly known as "FFN" providers. These providers are not licensed by ODHS or the ELD, but are regulated by the state and required to meet certain standards. These include:

- An annual inspection by ODHS that ensures certain safety and health standards are met;
- Submission to a background check, currently conducted by ODHS;
- Listing their program with ODHS; and
- Participation in ongoing training.

These providers care for children either in their own home, or the home of a child or children of the parent receiving the subsidy. They care for no more than three children, other than their own, at a time. Sometimes, they are related to the child or children, this is called Relative Care. Other times, they are providing care for a friend or a neighbor. They provide a safe, caring environment for children and support low-income families who need access to care. They are a critical part of the child care ecosystem, and will continue to be an important part of not only building a new system, but recovering from COVID.

There are a number of challenges facing FFN providers, including low wages, the increasing need for training and professional development, and logistical challenges with how the ERDC program is structured. We hear from providers who have struggled with systemic

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issues including not being paid on time, not being able to access training or other supports that should be available to them, not receiving parent copays, unable to find parents looking for care, concerns about how best to keep children safe and healthy during the pandemic, and being unable to keep up with policy changes that affect their livelihoods, the families they serve, and the children in their care.

Providers continue to do this work in spite of these challenges, because it's work they love and find rewarding. However, at a time when so much national attention is being paid to caregiving, it would be a mistake not to make changes and improvements to the system to address these longstanding problems. First, the current rate structure for ERDC child care providers in Oregon means that some providers barely make enough to cover basic expenses. If you are an FFN provider caring for the maximum number of children, and doing so full time, you earn less than \$15 an hour. And that's assuming you are caring for children with the highest reimbursement rate (infants and youth with special needs) *and* that you are paid the full amount owed for the care you provide. If a child is absent for more than five days, a provider may not bill their family. If a family fails to pay a copay (which is common) a provider may report that to DHS, but it may result in the ending of the family's eligibility for ERDC. As a result, many providers will not charge families a copay if they cannot afford it, may charge them a lower copay, or may work with the family to pay in some other way (for example, trading other services like housecleaning for providing care).

With regard to training and professional development, license-exempt child care providers have access to basic and professional development training, but have struggled to access it. According to data we have from mid-2020, the majority of training supports available to providers have not been used. As of June 2020, just 3.8% of training stipends had been paid to providers. Only 1.6% of funds available to providers to help them pay for safety and quality enhancement has been paid to them, in part due to an ineffective reimbursement process along with lack of robust education and outreach about the benefit; and an abysmal 0.29% of funds available to reimburse providers for their training and education (professional development) had been paid to them. We have to do better.

We believe that any shift of ERDC or other child care related programs from one Agency to another should bring with it a reevaluation of how FFN providers are served, and how improvements can be made to the rate structure, to payment processes, and to training. Our sincere hope is that HB 2503 can begin to make those shifts, and we urge your support.

Sincerely,

Rachel Hansen  
Care Provider Field Coordinator  
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