



Child Care That Works. For Every Family.

To: Joint Committee on Ways and Means Subcommittee on Education

From: Child Care for Oregon

Date: March 2, 2023

RE: In Support of HB 5013

Co-Chair Frederick and McLain, members of the committee:

On behalf of the [Child Care for Oregon](#) coalition, thank you for the opportunity to provide comments in support of the first budget bill for the newly formed Department of Early Learning and Care, House Bill 5013.

Our entire economy is dependent on equitable access to early learning and child care. Like roads and bridges, affordable, high-quality child care is necessary infrastructure. Parents need affordable child care that provides a peace of mind that their children are learning and loved. Employers need their employees to have access to reliable, affordable child care so they can return to work. And our future workforce demands must ensure that all children have access to early learning and child care environments that stimulate development and get kids ready to learn in K-12.

In the 2021 Legislative Session, lawmakers recognized the need to consolidate the state's early learning and child care programs into one agency, in order to establish cohesive governance and seamless coordination of these programs. HB 3073 (2021) created a new agency, Department of Early Learning and Care (DELIC), and made significant improvements to the state's largest child care assistance program Employment Related Day Care (ERDC). These improvements to ERDC were necessary to reduce barriers families encountered when trying to access the child care assistance program; for a decade, the program has been unable to meet the caseload cap or garner enough enrollment to implement a waitlist despite only being funded to service 12% of the eligible population. The policy changes to ERDC in HB 3073 (2021) are just starting to be implemented. Some went into effect January 1, 2023. More will take effect July 1, 2023. And many more HB 3073 policy changes will roll out over the next two years.

This session, lawmakers have the opportunity to give DELIC and ERDC the best chance to succeed by funding them for what they will be accomplishing in the 2023-25 biennium as we fully implement the changes in HB 3073 (2021). The committee cannot look backwards at past budgets and spending levels for DELIC and ERDC to create the budget in HB 5013. Both ERDC and DELIC will function differently in the next biennium, serving more families and operating more programs. Therefore, looking at current service levels or past caseload costs is an unrealistic benchmark when establishing the budget for DELIC and ERDC.

HB 3073 (2021) moved the state towards paying child care providers higher reimbursement rates that more closely reflect their true operating costs. Therefore, this budget should include funding to increase the rates we pay providers in ERDC. HB 3073 (2021) reduced barriers for families participation in the ERDC program by implementing benefit levels that matched the way child care providers offer services to their clients (full-time, part-time). And expanded the program to cover more reasons for needing coverage, mirroring the federal guidance for our portion of the Child Care Development funding (CCDF). More funding will be needed to implement policy changes including IT, increased cost per case and caseload growth. HB 3073 (2021) created DELC and created more responsibilities to the newly formed agency. DELC will need additional funding to stand up a new agency and operationalize new functions.

The policy changes passed in 2021 (HB 3073) created a path for ensuring every Oregon family has access to high quality, affordable, and culturally relevant child care, and every child care provider be paid a wage that reflects the essential work they do. Now the 2023 Legislatively Approved Budget needs to provide the resources to implement this vision. HB 5013 needs to provide the funding to complete the reforms of ERDC into a child care assistance program that better serves low-income and BIPOC families, as well as providing fair compensation for the child care business owners and educators—predominantly women and BIPOC women—who perform this critical work. HB 5013 needs to provide the funding to stand up a new agency and coordinate our state’s early learning and child care programs, so that DELC will have the strategic tools to rebuild the child care sector after devastating losses during the pandemic.

While our state has made significant strides in the last few years in addressing the child care crisis, we still have much work to do. That starts with passing HB 5013 at a funding level that will give DELC and ERDC the best chance of successfully implementing the improvements passed in HB 3073 (2021). We urge you to robustly fund Oregon’s early learning and child care system in House Bill 5013.

