

To: Senate Early Childhood & Behavioral Health Committee
From: Dana Hepper, Children's Institute
Date: Thursday, March 6, 2025
Re: SB 567 - Child Care Provider Incentive Fund

Chair Reynolds, Vice Chair Anderson, and Members of the Committee,

My name is Dana Hepper, and I am the Director of Policy & Advocacy at the Children's Institute. Our vision is to make Oregon the best place to be a kid. Thank you for the opportunity to testify in support of Senate Bill 567.

As this committee well knows, early childhood experiences set the foundation for a child's life - establishing critical brain infrastructure. Child care plays a critical role in child development. And it plays a critical role in our society and economy, allowing parents to work and go to school. **Oregon kids, families, and businesses need child care.** Yet, most counties in Oregon are child care deserts.

To expand child care, we need workable physical locations, skilled & stable workforce, and operating subsidies. **SB 567 supports a skilled and stable workforce.** The legislation directs the Department of Early Learning & Care to create a child care provider incentive program. This program would expand on the Oregon legislature's effort to support child care providers, which is desperately needed.

Just yesterday, DELC leadership presented to the Ways & Means Subcommittee on Education about the child care workforce ([DELC presentation](#) see slides 110-115). Here's what we learned:

- The median wage for a teacher in private child care centers is \$16-22 per hour. This is 55% of the median wage in Oregon - barely half.

- We're doing slightly better in our publicly funded Preschool Promise programs, where teachers are making an average of \$30 per hour and assistants are earning about \$20 per hour. This is similar to our Oregon Prenatal to Kindergarten program.

Low wages impact both child care provider mental health and child care business sustainability. 26% of child care providers screen positive for clinical anxiety - 5 times the rate in the general public. And a full 60% of child care providers are operating below their licensed capacity due to workforce shortages. According to Oregon's recent [2024 Talent Survey](#), child care faces the greatest workforce shortages of the industries analyzed.

In 2022, the Oregon legislature allocated \$22 million to provide child care recognition payments, in the form of \$500 stipends, to child care providers working in licensed child care programs across Oregon. This legislation builds on that existing program by creating an on-going program to provide stipends, and providing other tools for ways to incentivize more providers to enter the field and stay.

I appreciate your attention to the child care workforce, and encourage your support for SB 567.