

From the Portland Business Journal:

<http://www.bizjournals.com/portland/print-edition/2012/02/17/state-budget-cuts-could-slash.html>

Reporter's Notebook

State budget cuts could slash child-care subsidies

Premium content from Portland Business Journal by Andy Giegerich , Business Journal staff writer

Date: Friday, February 17, 2012, 3:00am PST

Related:

[Human Resources](#)



[Andy Giegerich](#)

Business Journal staff writer - *Portland Business Journal*

[Email](#) | [Twitter](#)

Back in the early 1990s, a co-worker of mine horrified me with stories of how much she paid for day care. It was along the lines of \$250 per kid per week.

Given her salary, we calculated that almost all of Brenda's (not her real name) take-home pay went toward paying day care providers so that she could actually go to work.

It wasn't surprising when, after having her third kid a few years later, Brenda opted not to return to the company.

I thought of Brenda last week after catching word that Oregon lawmakers, hampered by ongoing budget woes, could limit families' participation in a state-operated day care subsidy program.

The Employment Related Day Care program provides money that help families meet child-care costs that would otherwise average \$10,400 yearly per toddler. The Department of Human Services program is backed by both state and federal funds.

The subsidies are based on a sliding scale determined by a family's income, the number of children attending day care and market child-care rates. The average monthly subsidy statewide is \$281 per child, which easily cuts most families' costs in half.

Yet supporters, primarily family advocate group Children First for Oregon, fear that impending budget cuts will prevent the program from expanding this session. If so, lawmakers would break promises they made during last year's session to eventually boost the program's enrollment to 10,000 families.

Currently, 7,600 families participate in the program. Some 3,000 families are on a waiting list to receive the day care subsidies.

The subsidy allows Summer Frost, a **Wells Fargo** operations processor, to pay \$350 a month for child care for her three kids. Without it, she'd pay a little less than \$1,100 a month, or a good 78 percent of her take-home pay.

"I wouldn't be able to work. I'd lose everything that I've worked incredibly hard to get" if she weren't participating in the program, said Frost. "It's eye-opening. There are people out there who need this help in order to work."

[Stacy Michaelson](#), Children First for Oregon's policy director, maintains that the day care subsidy "is a jobs program because it helps people get and keep jobs."

Children First is armed with plenty of good numbers to back its cause. Child care costs \$3,600 a year more than college tuition at the average state school. Child care prices rose 7 percent higher than family incomes between 2004 and 2010.

They also point out that child care is, undeniably, a business. In Oregon, it's a \$25 billion industry that employs 10,000-plus providers. That makes it the state's 17th-largest industry.

Shifting costs is the nastiest part of balancing a budget. It's why lobbyists make the big bucks down in Salem. And often, voices such as Frost's — she said one lawmaker, whom she didn't name, told her that she shouldn't have had children if she couldn't provide child care — get lost in the Capitol hallways.

"I want (elected officials) to know that this could affect people with goals and ambitions," said Frost, who's looking to start her own small business in the near future. "I'm hoping that I'm being heard, along with other people like me. This could affect thousands of people."

Somewhere, Brenda is nodding in agreement.

Andy Giegerich covers government, law, health care and sports business.