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House Committee on Workforce and Economic Development
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HB 2809: Child Care Planning and Access Requirement

Mister Chair and members of the committee, thank you for the opportunity to discuss the importance of HB 2809. My name is Cathy Kaufmann and I am the Policy Director for Children First for Oregon.

Children First is a widely respected nonprofit, nonpartisan child advocacy organization that has been speaking up on behalf of Oregon's children for 15 years. We believe every child in this state has a right to health, safety and security.

Children First supports House Bills 2809 because it is the right thing to do for Oregon's families and Oregon's economy. Across the country, there is increasing recognition of the economic importance of child care. In Oregon, the child care industry generates more than \$639 million in gross annual revenues; employs at least 14,400 Oregonians in nearly 8,000 small businesses. The child care industry supports all other industries by keeping over 90,000 parents on the job, who earn \$2.6 billion annually. It also enables the production of exports each year that support \$5.75 billion in sales, 52,000 Oregon jobs and \$1.99 billion in income. All of this and it prepares future generations for school and workplace success.

Quality, affordable child care is crucial to a community's overall health. It allows parents to work and prepares children to succeed in school. However, child care can be prohibitively expensive for many working parents. It is the second largest monthly family expense, after housing costs, for low-income families.

There is no doubt that economic growth and workforce stability are enhanced by the creation and maintenance of quality, affordable child care. Requiring recipients of economic development assistance for workforce, housing and public transit development projects to consider and plan for access to child care is good public policy and just makes common sense.

HB 2810 and HB 2811: Tax Credits for Contributions to Child Care Division

Children First also supports removing the sunset date on income tax credits for contributions to the Child Care Division (HB 2810) and removing the annual limit on tax credit certificates issued for contributions to the Child Care Division (HB 2811).

The Child Care Contribution Tax Credit is an innovative and successful program that creates an incentive for businesses and individuals to invest in child care through private contributions, creating a pool of funds used to promote and sustain the operation of quality, affordable child care businesses. Most importantly, it makes child care services more affordable to low-income parents.

HB 2809; HB 2810; HB 2811

The Child Care Contribution Tax Credit has proven itself as a worthy program. Funds have been successfully used to increase provider wages and professional development, decrease parent cost to less than 10 percent of family income, and improve the quality of care children received. The first demonstration project in 2004 served 765 children in Lane County and an independent evaluation has shown the project met all of its goals.

The Child Care Contribution Tax Credit promotes individual and business investment in Oregon's child care industry, and addresses the important issues of quality, affordability and provider compensation.

The short term economic benefits to working parents and their employers are clear. What's also clear is that Oregon's future economic productivity depends upon consideration of and investment in child care as a critical social infrastructure for economic development. Therefore, I urge you to support HB 2809, HB 2810 and HB 2811. Thank you for your time and consideration.