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Sent: Monday, January 22, 2024 10:16 PM
To: House Finance
Subject: Written testimony for HB 89

Finance Committee Legislators:

Due to work schedule, I'm not able to call in for HB 89 public testimony on Jan 25. Hence, I'm sending testimony via email. Thank you for your time!

I want to express my support for HB 89. There are so many aspects to the current childcare crisis in our state, but this bill goes a long way towards addressing the financial challenges that families face.

I'm a single mom and a high school teacher. My income is right in that range that is >85% of median income for family size, but <105%. With two kids under the age of 3, I currently pay about 50% of my income in childcare. I am able to make my budget balance by stopping all normal and retirement savings. I also recognize that I am extremely lucky that I had savings, don't have student loan debt, and to have extremely low housing and health insurance bills. Probably most people with my income would simply not be able to afford childcare. But I have no idea what they would do, because stopping work is not possible for a single parent.

I also appreciate that HB 89 would raise the subsidy levels to reflect actual costs. The ~\$1100/month reimbursement rate doesn't match the \$1700/month in infant and toddler tuition at my childcare center. As a member of the childcare center board, I participated in our summer 2023 decision to raise rates 25% in order to balance our budget. We may have been the first, but now we are seeing other centers around town doing the same thing. I've noticed that many of the centers that seem to have tuition more in the \$1100-\$1200 range are subsidized centers and should not be used to think about market rate.

The current low reimbursement rates are causing two issues.

First, many childcare centers hold families responsible for the amount above what the state will reimburse. I know families who are now paying triple their theoretical copay because of this, as well as other families who are now no longer able to afford care even with the state subsidy.

Second, (as noted in the bill sponsor statements) many childcare centers absorb this additional amount and then must subsidize by charging other families more. My childcare center doesn't automatically absorb these costs, but when developing the budget we set aside a large pot of money that families can apply for to cover these costs (or if they are not eligible for state assistance). This was definitely a topic for debate because of course that meant that the base rate is higher.

I know that the state budget is limited, but given the impact on families, children, and our state's jobs and economy I think HB-89 is highly important.

Thank you,
Nora Matell
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