

Wednesday, February 7, 2024

**RE: Child Care Infrastructure (HB 4158-1)**

Chair Reynolds, Vice Chairs Nguyen & Scharf, Members of the Committee,

My name is Dana Hepper. I am the Director of Policy & Advocacy at the Children's Institute. Children's Institute's vision is an Oregon where all children have the love, care, and education they need. We also have the pleasure of convening Oregon's Early Childhood Coalition. Both entities are supportive of HB 4158-1. I'm here to provide some history of Oregon's child care infrastructure fund and how HB 4158-1 will compliment the work underway.

In 2023, I worked closely with Rep. Reynolds and partners to craft and support the passage of HB 3005, which created the Child Care Infrastructure Fund. This fund came as a response to years of hearing from early learning and care providers across Oregon about their challenges to expand and reach more young children and families. These challenges, simply, boil down to three basic needs - adequate operating funds, trained and skilled staff, and physical space. If all three are not in place, educators simply can't grow their programs. In response to this need, Children's Institute convened partners to look at early childhood facilities funds across the US and propose a fund that would meet the needs of Oregon providers. In addition to HB 3005, community advocates requested \$100 million in General Fund to get started.

In 2023, the Legislature allocated \$50 million in Lottery Bonds (in addition to funding \$17 million in shovel-ready early learning projects). This was a good start. Yet Lottery Bonds do have some restrictions that do not exist for General Fund. While the details are still being worked out, it has taken us a year to get a clear answer that it is possible to distribute Lottery Bonds to home-based providers, and we have not yet worked through the details of what will be required. We also know that there are some start-up costs (i.e. furnishings, hiring & training, etc.) that are allowable under HB 3005 but are not allowable uses of Lottery Bonds. This is why we support HB 4158-1 and the corresponding \$5 million General Fund request to make sure the Child Care Infrastructure Fund is truly accessible to home-based and small center providers operating in rural Oregon and in communities of color.

Finally, we understand intimately that Oregon is facing urgent housing and addiction crises that require investment. These crises have an acute impact on our youngest children, whose developing brains and bodies are highly vulnerable to stress and interactions with stressed caregivers. We also understand that building a more hopeful future for Oregon REQUIRES that we make investments NOW in young children that support their healthy development, break intergenerational cycles of trauma, and build their resilience through positive early childhood experiences. HB 4158 and the \$5 million requested is a crucial component of building this more hopeful future, and we urge your support.

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