



To: Senate Finance & Revenue
From: Dana Hepper, Children's Institute
Date: Wednesday, February 4, 2026
Re: Support for SB 1507

Chair Broadman and members of the Committee,

My name is Dana Hepper, and I am the Director of Policy & Advocacy at Children's Institute. We are working to make Oregon the best place to be a kid. We urge your support for SB 1507.

As you well know, the Oregon Legislature must pass a balanced budget. That means we cannot invest more money than we expect to bring in.

Right now, Oregon families need your investment to make Oregon an affordable place to live and raise their children. Investment in child care ensures parents can work while their kids are safe. Yet Employment Related Day Care was funded at a \$73-88 million deficit. The legislature needs to fund this deficit or choose to let thousands of families lose child care.

- Parents losing ERDC will not be able to work
- Child care providers will need to close and lay off early educators
- These families and early educators won't be paying taxes - instead they may need state support to survive

You can make needed investments by passing SB 1507. You may hear this is bad for business. Please consider:

- Oregon faces a budget shortfall now because Congress passed tax cuts on our behalf to the tune of nearly \$1 billion.
- In order to pay for these taxes federally, Congress massive cuts to Medicaid and SNAP - the impacts of which will be mostly felt in the coming biennia.



Without SB 1507, Oregon will be in the same boat – too little revenue requiring devastating cuts to food, health care, housing, and child care.

- When you hear that Oregon businesses need these tax cuts, remember that impacted businesses in Oregon already got 70% of their possible total tax cut from HR 1.

This legislation has an added benefit with an increase to the Earned Income Tax

Credit (EITC) – especially for families with young children age 0-3. Young children are the most likely Oregonians to live in poverty. From the day you are born to your 1st birthday is the year of your life you are most likely to be evicted from your home. EITC puts cash into the pockets of low-income families. These dollars help families meet their essential needs – like diapers or a needed car repair to get to work. Then these funds circulate in our community through local grocery stores and auto repair shops.

Investments in young children provide a better return on investment than the stock market or business subsidies. And they build the future Oregon we want by raising better babies to be happier, healthier, and more productive adults. We urge your support of SB 1507.