



TO: Senate Early Childhood and Behavioral Health Committee

RE: Neutral on SB 1535

FR: Bridget Dazey, Executive Director, Our Children Oregon

DT: February 10, 2026

Chair Reynolds, Vice-Chair Anderson, and members of the Committee,

Our Children Oregon submits this testimony regarding SB 1535 with deep concern about the crisis facing Oregon's Employment Related Day Care program and the 12,000 families it currently serves.

We want to be clear about our position: while we understand DELC may need statutory authority to manage the potential funding shortfall, granting that authority without simultaneously funding the ERDC shortfall would be a profound failure of our responsibility to Oregon's most vulnerable children and families.

ERDC is projected to run out of funds by January 2027—less than a year from now. DELC faces an \$88 million deficit, not because the program failed, but because the Legislature has chronically underfunded it even as we expanded eligibility. We are asking DELC to recover in 12 months what took years to create.

Without legislative action, DELC's proposed solution is to suspend the TANF bypass for 12 months, allowing the caseload to drop from 12,000 families to 6,000 families. This would cut our program capacity in half—capacity we will not likely recover.

### **Oregon Stands to Fail the Most Vulnerable Families**

Since 2021, when we expanded ERDC access to TANF families through HB 3073, we increased child care access for these families by 425%. We grew the program by 32%,

serving 4,000 more families than in 2020. Families stayed enrolled for 13 months instead of 7, giving them real stability to pursue employment and build better lives.

TANF families earn \$1,040 a month for a family of three. The average cost of toddler care in Oregon is \$20,040 per year. For these families, child care isn't a handout—it's the bridge to employment and self-sufficiency. Forty percent of TANF families currently use ERDC.

Suspending the TANF bypass means asking families earning poverty wages to pay the price for a legislative budget failure. It means a single mother choosing between rent and child care, between keeping her job and keeping her children safe.

The consequences extend beyond TANF families. Over 4,400 child care providers—most of them small businesses run by women of color in their own homes and communities—accept ERDC payments. After years of decline, we finally saw growth with over 400 new providers joining ERDC in 2023. Cutting enrollment in half would devastate provider capacity and make child care even more inaccessible across all income levels, particularly in rural communities.

Oregon already loses \$1.4 billion in economic activity annually due to the shortage of infant and toddler care alone. When 6,000 families lose access to child care, those parents cannot work, cannot contribute to our economy, and cannot pay the income taxes that support our state budget.

This Committee understands that child care is infrastructure. It is what allows parents to work and children to thrive. Over half of children in ERDC are infants, toddlers, and preschoolers—the years most critical for brain development and the foundation for everything that follows.

We implore you to speak to your colleagues about funding the ERDC shortfall. We have both the means and the moral responsibility to protect working families and the child care system that supports them. Our children deserve better than a system managed by scarcity.

If this bill moves forward, it should move forward with a funding solution attached. Anything less is asking our most vulnerable families to bear the cost of our failure to act.

Thank you for your consideration.

Bridget Dazey  
Executive Director  
Our Children Oregon