



Child Care That Works. For Every Family.

To: House Committee on Revenue
From: Child Care for Oregon
Date: February 18th, 2026
RE: SB 1507A - Tax Disconnect

Chair Nathanson, Vice-Chairs Reschke and Walters, and members of the Committee,

The Child Care for Oregon Coalition is a coalition of nonprofit organizations, labor unions, community advocates, parents, caregivers and providers working to build a comprehensive early learning and child care system in Oregon. We urge your support for SB 1507A to disconnect from federal tax provisions that disproportionately benefit corporations and the ultra-wealthy. We need the Legislature to invest those reclaimed resources to fund Oregon's Employment Related Day Care (ERDC) shortfall and prevent further cuts to other essential services.

We understand you and the Legislature face difficult budget decisions with competing needs across education, health care, housing, and human services. But we also believe Oregon has the resources and the moral responsibility to stand up for our working families—our young children deserve nothing less.

Oregon's child care assistance program (ERDC) is a lifeline for over 25,000 children. Parents need affordable child care that provides peace of mind that their children are learning and loved in safe environments. Employers need employees to have access to reliable, affordable child care so they can go to work. The ERDC program is particularly critical in rural counties. For example, the 30 child care small business owners in Malheur County that accept ERDC rely on the 120 families that are currently enrolled in the program. However, ERDC is facing an estimated \$88 million budget deficit. The Oregon Legislature made critical policy improvements to ERDC in 2021, but year after year did not adequately fund the program, creating an unsustainable gap between the families we committed to serve and the resources allocated. This is not a program failure, this is a funding failure.

ERDC is not alone. Across health care, housing, food assistance, education, and more, Oregon families are being told there isn't enough money, we cannot afford to take care of

everyone. The truth is that Oregon has the resources right now; they are just being diverted to tax giveaways for corporations and the wealthiest. H.R. 1 alone is projected to slash over \$1 billion from Oregon's 2025-2027 budget. That is the equivalent of wiping out the entire state's early learning and care budget. Automatically accepting these tax provisions is forcing Oregon to choose: Which families lose child care? Which patients lose health coverage? Which communities lose housing support or food assistance?

The Child Care for Oregon Coalition stands with partners across sectors in calling on the Committee and Legislature to pass SB 1507A—disconnect from federal tax breaks to corporations and the ultra-wealthy and use reclaimed revenue to fund Oregon's ERDC shortfall and prevent further cuts to other essential services. By disconnecting, we can choose child care and protect Oregon's children and families over corporate tax giveaways.

Our children, families, and economy deserve better than a system managed by scarcity. Oregon must invest in the critical infrastructure and services—child care, healthcare, housing, and food—that our state and our families need to thrive.

In Solidarity,

