

To: Ways & Means Subcommittee on Transportation & Economic Development

From: Dana Hepper, Children's Institute

Date: Tuesday, March 18, 2025

Re: HB 5024 - Business Oregon, Child Care Infrastructure Fund

Co-Chairs Woods & Gomberg and members of the Committee,

My name is Dana Hepper, and I am the Director of Policy & Advocacy at the Children's Institute. Our vision is to make Oregon the best place to be a kid. Thank you for the opportunity to testify in support of HB 5024 - specifically the Child Care Infrastructure Fund.

A child's experiences in the first 5 years of their life establish critical brain infrastructure. Child care plays a foundational role in child development. And it plays a critical role in our society and economy, allowing parents to work and go to school. **Oregon kids, families, and businesses need child care.** Yet, most counties in Oregon are child care deserts.

To expand child care, we need workable physical locations, skilled workforce, and operating subsidies. **The Child Care Infrastructure Fund at Business Oregon is Oregon's centerpiece strategy to improve and increase suitable child care locations across Oregon.** Created by HB 3005 in the 2023 legislative session with \$50 million in seed funding, the Child Care Infrastructure Fund provides grants to create and renovate quality child care facilities.

The Child Care Infrastructure Fund is getting results. This year, the first \$10 million in grants was awarded. Here's what the state got for our investment:

- We funded 64 child care providers across 29 counties
- We improved 1,326 existing child care slots

- We will build 1,266 new child care slots – including 643 desperately needed infant-toddler slots.
- Funding went to a mix of types of child care providers – in licensed homes, centers, non-profits, universities, Relief Nurseries, and more.

Some programs that received Round 1 funding 1 include:

- Confederated Tribes of Siletz in Lincoln County
- Wildflower Learning Center in Gladstone
- Little Angels Daycare in McMinnville
- Isaac’s Bilingual Childcare in Lake Oswego
- Preschool Playhouse in Central Point
- Bamboo International School in Bethany Village
- Treasure Valley Children’s Relief Nursery in Ontario

This is incredible progress. And it falls far short of the need. There were \$280 million in requests from 736 applicants for the first \$10 million in funding. The second round of \$15 million opens March 26. And the third round will open after the state completes the next bond sale at the end of the biennium.

Business Oregon is on-track to utilize all of the granted resources this year. We urge you to replenish this fund. The Governor has included \$30 million in Lottery Bonds in her budget. **We would like the fund to receive the full \$50 million it received in 2023, with \$20 million of that total coming from the General Fund.** This would allow resources to go toward furnishings and start-up costs that are allowed by HB 3005, but are not eligible uses of Lottery Bonds.

Thank you.