

To: Chair Taylor & Senate Labor & Business Committee
From: Dana Hepper, Director of Policy & Advocacy, Children's Institute
Date: February 9, 2026
Re: Support for SB 1566

Chair Taylor, members of the committee. My name is Dana Hepper, and I am the Director of Policy & Advocacy at the Children's Institute.

As you have heard many times in front of this committee, **Oregon is in a child care crisis**. Every county is a child care desert for infants and toddlers, and most are also deserts for preschool age children. ([Oregon State University](#)) Yet most young children have all available parents working. ([Annie E. Casey](#))

For families with young children, housing and child care are typically the largest expenses in a family budget, and unaffordable for most families. ([Oregon Center for Public Policy](#)) Addressing this crisis is going to take multi-sector solutions to secure adequate funding to support access to quality care; build a skilled and fairly compensated workforce; and create quality facilities, ideally facilities that are near or even co-located with where families live and work.

Oregon has done something really innovative to address these twin challenges of affordable housing and child care for families. In 2022, you dedicated funding to co-location of affordable housing and child care. ([CARE Fund](#)) Oregon Housing & Community Services commissioned a [report](#) to inform the implementation of that funding. That report uncovered a challenge that some small, non-profit housing developers may not be able to access this co-location support because including any commercial space, including child care, would trigger a prevailing wage requirement to which they were otherwise not subject. The report recommends that, **for co-location to work well, the state must find a solution to the prevailing wage trigger for small, non-profit housing providers.** ([Co-Locating Early Care and Education Facilities with Affordable Housing in Oregon](#), p. 71-72)

I want to thank Sen. Anderson for his on-going commitment to find a solution to this identified challenge. We recognize the tension this creates around wages, and would like to note that child care providers are among the lowest paid

workers in the state. ([Center for the Study of Child Care Employment](#)) Currently, to address this challenge, housing developers aren't paying prevailing wage - they are simply abandoning their plans to include child care when it triggers prevailing wage. The current situation is lose-lose.

We support SB 1566 as an overdue effort to address this barrier to moving forward with co-location. We are eager to be a part of the discussion to address this challenge to Oregon's co-location commitment as a piece of our bigger effort to address Oregon's child care crisis. Action on this crisis is critical for Oregon's children, families, communities, and our economy.