

February 10th, 2026

Re: Neutral on SB 1535

Chair Reynolds, Vice-Chair Anderson, and Members of the Committee:

My name is Arielle Hacker and I am writing on behalf of Prevent Child Abuse Oregon (PCAO) in response to SB 1535. We are taking a neutral stance on SB 1535 while expressing serious concern about the uncertainty surrounding Oregon's Employment Related Day Care (ERDC) program and the thousands of children and families who depend on it for stability, safety, and opportunity.

In 2021, HB 3073 expanded ERDC access to TANF families, domestic violence survivors, and families involved in the child welfare system. Beginning in July 2023, these populations were granted categorical eligibility, allowing them to bypass the ERDC waitlist and access child care vouchers immediately. In just two years, child care access for families using TANF increased by 425%. These gains represent real stability for families: caregivers can go to work, children are cared for in safe environments, and families can begin to build economic security.

TANF families earn approximately \$1,040 per month for a family of three, while the average cost of toddler care in Oregon exceeds \$20,000 annually. For many families, access to ERDC is essential to maintaining employment, housing stability, and safe care for their children. Currently, roughly 40% of TANF families participating in ERDC rely on this support, serving children in some of the lowest-income households in our state. This legislative session, we are discussing whether that is taken away.

ERDC faces a projected shortfall of approximately \$88 million. Without additional legislative funding, the program is expected to exhaust funds by January 2027, which could result in roughly 25,000 children losing access to child care. One proposed response, if funding is not secured, would be to suspend the TANF bypass for 12 months and allow the caseload to decline from approximately 12,000 families to about 6,000 families. This would effectively cut program capacity in half and would have ripple effects not only for TANF families but across Oregon's broader child care sector.

From a prevention standpoint, that level of disruption raises serious concerns. Stable, affordable child care is a well-established protective factor for children: it supports caregiver employment; reduces financial and emotional stress; and provides safe, developmentally supportive environments for young children during critical early years.

SB 1535 would provide DELC with the legal authority to suspend the TANF bypass if necessary. We recognize that, without additional funding, the agency may need tools to responsibly manage caseloads to avoid complete program collapse. However, turning off the bypass should not be the primary

strategy. Funding the ERDC shortfall remains essential to preventing economic harm to Oregon children, families, and providers.

Child care is core prevention infrastructure. Policies that weaken access risk increasing downstream costs in child welfare, health care, education, and economic systems, costs that ultimately far exceed the investment required to sustain access now. Managing scarcity alone is not a long-term solution. Pausing access without additional investment shifts the burden onto families already navigating poverty, trauma, and economic instability.

We encourage the Committee to pursue a balanced approach that both:

- Ensures DELC has the operational flexibility needed to responsibly manage ERDC participation if funding delays persist, AND
- Prioritizes funding solutions that sustain access to child care for Oregon families and providers.

Oregon's children, families, and economy benefit when early childhood systems are stable and accessible. We appreciate your leadership and thoughtful consideration of these complex issues, and we thank you for your continued commitment to Oregon's children and families.

In partnership,



Arielle Hacker

Director of Strategic Initiatives

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