

**To: Senate Committee on Early Childhood & Behavioral Health**

**From: For All Families Oregon**

**Date: February 10, 2026**

**RE: SB 1535 - TANF Bypass for ERDC**

Chair Reynolds, Vice-Chair Anderson, and members of the Senate Committee on Early Childhood & Behavioral Health,

My name is Courtney Veronneau, and I'm the Deputy Director at For All Families Oregon, formerly Family Forward. **Our membership includes more than 35,000 parents, caregivers, and child care providers across our state** fighting for systems that elevate the vital work of care and caregiving in its many forms.

For All Families Oregon is neutral on the bill, but we do want to uplift our support for Section 2 of the -2 amendment. We have heard over and over again from providers about the strain that the cost of liability insurance puts on their already razor thin margins. We are grateful to Vice Chair Anderson for working to address this issue.

However, we want to ensure this Committee understands the full consequences of suspending the TANF waitlist bypass for the ERDC program without also funding the program's budget shortfall—which DELC estimates has reached between \$73-\$88 million.

It is important to review how we got here: in 2021 the Legislature passed HB 3073 which, among other things, expanded ERDC access to TANF families, domestic violence survivors, and families going through the child welfare system. Improvements and expanded access from HB 3073, saw ERDC grow by 32% from 2020-2023, serving 4,000 more families, more than any year since 2014. Unfortunately, since the passage of 3073 the Legislature has continued to underfund the program which led to DELC being forced to enact a waitlist for the program. Beginning in July 2023, Oregon granted TANF families categorical eligibility—meaning they could bypass the ERDC waitlist and access child care vouchers immediately. In just two years, we increased child care access for TANF families by 425%.<sup>1</sup> These are not just statistics—that's mothers and caregivers who can take a job or go to school, children who are safe and cared for, families who could start building real stability. Today, we are discussing whether that is taken away.

If the Legislature does not address the ERDC budget shortfall this legislative session, the agency needs the authority granted in SB 1535 to turn off the TANF waitlist bypass. Otherwise, the ERDC program will run out of funding by January 2027 and serve zero families.

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<sup>1</sup> DELC [Employment Related Day Care \(ERDC\) Program presentation](#) to the House Early Childhood and Human Services Committee 1/28/25.

We cannot stress enough, however, that **the Legislature must not see SB 1535 as a “get out of jail free card” for its chronic underfunding of ERDC.** The consequences of turning off the TANF waitlist bypass without any funding to address the budget shortfall will still devastate this program. **The ERDC caseload would nosedive from 12,000 families to around 6,000 families—cutting our program capacity in half.** That would be a lower caseload than pre-COVID and likely among the lowest since the program began in the late 1980s. The magnitude of this capacity cut would also put tremendous strain on our licensed child care capacity in Oregon, resulting in child care facilities closing their doors. **The impact will be felt by ERDC and private pay families alike.**

Forty percent of TANF families currently use ERDC. These children are in the lowest-income families in our state. TANF families make less than \$1,000 a month for a family of three. The average cost of toddler care in Oregon is \$20,040 per year.<sup>2</sup> For families trying to transition off TANF, child care isn't a handout—it's the bridge to employment and self-sufficiency. **Turning off the TANF bypass without addressing the ERDC budget shortfall does not solve our budget problem long-term—it just shifts the burden from the Legislature onto the families who can least afford it.**

We fully understand that DELC needs this capability to better manage the caseload and expect this bill to move forward this session. However, pausing the TANF bypass without allocating additional funds to the ERDC program will only hurt kids, families, child care providers, and Oregon's economy. We implore the members of this committee to speak with your colleagues and do everything in your power to fight for this critical program. **We need lawmakers to choose child care and prioritize funding the ERDC shortfall.**

Sincerely,



Courtney Veronneau  
Deputy Director  
For All Families Oregon

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<sup>2</sup> OSU, [Early Care & Education Profile: State of Oregon 2024](#).