

Chair Reynolds, Vice-Chair Anderson, and members of the Committee,

My name is Elena Barreto and I am the Early Childhood Policy Advisor with the Children's Institute.

Right now, Employment Related Day Care, Oregon's child care subsidy program, is the reason **12,000 families with 25,000 children** have stable, affordable child care. It is what allows parents to work, stabilize their households, and keep Oregon's economy running.

But ERDC is facing a **\$73–\$88 million shortfall**. Without any sort of intervention, the program will **run out of funding by January 2027 and those 25,000 children will lose childcare**. If the legislature passes SB 1535 and DELC doesn't receive any additional funding, their only tool will be to turn off the **TANF bypass**—which ensures our lowest-income families can access the child care subsidy immediately. SB 1535 would grant that authority, and we agree DELC needs this tool to manage the caseload.

However, if the TANF bypass is suspended without adding funding back into ERDC, the caseload will be cut **in half**—from about 12,000 families to 6,000. That means

- **6,000 families**, some earning less than **\$1,040 a month**, will lose access to child care
- **12,000 children** lose safe, stable, early learning environments
- Over **4,400 providers**, mostly small, women-owned businesses, will lose income and face closing their childcare business
- And thousands of parents will be pushed out of the workforce

This is not a minor adjustment.

This is the collapse of **half** of Oregon's child care safety net.

Families with child care can work. They earn income, pay taxes, and grow our economy. When we take child care away, we cut off a major revenue source at its knees. We also deepen the fear that already shapes so many decisions about whether to have children in the first place.

Imagine instead that we choose to fund ERDC. Imagine refusing to cut families off, refusing to destabilize small child care businesses, refusing to push thousands of

parents out of the workforce. Imagine funded policies that tell families: *“We see you. We value you. We will invest in your ability to work, raise children, and thrive.”*

Senator Raphael Warnock says “public policy is a love letter we write to our children.” We must ask ourselves, what is it that we want ours to say?

My hope is that Oregon chooses a new norm—one where we fully fund the **ERDC shortfall**, protect 25,000 children from losing care, and commit to a future where every family has the stability and support they need to thrive.

Yes, DELC needs this tool to manage the caseload. But granting authority to pause the TANF bypass *without investing new funds* will harm the very people ERDC exists to support—kids, families, child care providers, and our broader economy. **This is not our only option.**

We urge this Committee, whose work reflects a deep understanding of early childhood’s lifelong impact, if you pass SB 1535, we need you to also lead the call to **fund ERDC.**

Oregon’s children deserve a love letter that tells them we chose them.

Thank you,

Elena