

To: Joint Committee on Ways and Means
From: For All Families Oregon
Date: March 3, 2026
RE: HB 5204, Fund the ERDC Shortfall

Co-Chairs Girod and Nosse, and members of the Joint Committee on Ways and Means Subcommittee on Capitol Construction,

For All Families Oregon works collectively to educate and advocate for systems that elevate the vital work of care and caregiving in its many forms within our community. Our membership includes over 35,000 mothers and caregivers all over our state.

We want to thank the Ways and Means Committee for funding \$67 million for Employment Related Day Care (ERDC). This investment is urgently needed. Without it, ERDC was projected to run out of funds by January 2027. This funding ensures that the thousands of children, families, and providers currently being served can count on this program. Additionally, this budget minimizes further cuts to the Department of Early Learning and Care (DELIC) and avoids additional reductions to programs that directly serve our youngest children and working families. **This happened because the Legislature listened to parents and providers to fund child care.**

Today's action is an important step, **and we want to be clear-eyed about what remains to be addressed because Oregon's working families are counting on us.**

Unfortunately, HB 5204 does not include funding to restore the cuts made in 2025, and early learning programs did not receive adequate inflationary adjustments this biennium. That means child care providers are absorbing rising costs for wages, professional development, facilities, and supplies with no additional support, putting real strain on the programs and workforce that Oregon families depend on. **In the future, Oregon must provide adequate funding for child care programs to keep up with rising costs, including fair wages and professional development, to support employee retention and increase workforce capacity to serve more children.**

The ERDC budget shortfall and waitlist reflects a long-standing structural challenge. This shortfall did not happen overnight—it reflects the reality that child care has been

unaffordable for working families, and the demand and costs for the ERDC program has outpaced what the Legislature has funded. Right now, only 12% of eligible children currently receive ERDC support, and 11,900 families are on the waitlist. Addressing this immediate deficit is an important step, and it must be the beginning of a longer commitment to building a child care system that is sustainably funded to better serve our children and families.

According to a recent report from LendingTree, Oregon households with two kids need to earn an average of about \$468,000 to comfortably afford child care.¹ That is 234% more than the average two-child household in our state, and the perfect illustration of why public investment is required to address the child care crisis.

We look forward to working alongside the Legislature, including participating in the Governor's Early Childhood Care and Learning Roundtable, to build on today's momentum to create a child care system in Oregon that is stable, well-resourced, and designed to meet the needs of our children and families. Oregon's children, families, and economy deserve nothing less.

Sincerely,



Ivy Major-McDowall
Care Advocacy Manager
For All Families Oregon

¹ ["Households With 2 Kids Need to Earn Average of \\$402,708 to Comfortably Afford Child Care"](#), LendingTree, 2026