



Child Care That Works. For Every Family.

To: Joint Subcommittee on Capital Construction

From: Child Care for Oregon

Date: March 3rd, 2026

RE: Support for HB 5204

Co-Chairs Girod and Nosse, and members of the Committee,

On behalf of the Child Care for Oregon Coalition—a coalition of nonprofit organizations, labor unions, community advocates, parents, caregivers and providers working to build a comprehensive early learning and child care system in Oregon—we submit testimony in support of HB 5204.

Our entire economy is dependent on equitable access to child care. Early learning educators and providers are the workforce behind the workforce. Providing quality early learning and child care for children gets a better economic return on investment than direct business subsidies ([Bartik, 2006](#)). Oregon already loses \$1.4 billion in economic activity annually due to the shortage of infant and toddler care alone ([Bishop, 2023](#)).

Given the challenging budget context now and into 2027-29, this budget makes important progress for child care. Specifically:

- This budget guarantees \$67 million to address the predicted deficit in the state's child care subsidy program (Employment Related Day Care or ERDC) (Section 100).
- This budget minimizes further cuts to the Department of Early Learning and Care (DELIC), and avoids further reductions to programs that serve children and families directly (Section 337).

Looking ahead to 2027-29, we do need to acknowledge that there are important things this budget does not do that need to be addressed moving forward in order to stabilize and expand access to early learning and child care:

- The \$67 million allocated for ERDC may still result in a reduction from the 12,000 families currently receiving publicly funded child care vouchers in Oregon. Reduced

access to affordable child care will harm children and families and risk our child care sector. The greatest impact would fall on TANF families - who earn less than \$1000 per month — impacting their ability to work and move toward self-sufficiency. If we are able to maintain child care access for families on TANF and a 12,000 caseload, more investment will be needed in 2027-29 to continue this progress. In the future, Oregon will need to continue to invest to maintain and increase the number of children and families who can access publicly funded early learning & child care.

- The DELC budget does not have funding to restore any of the cuts made in 2025. Early learning & child care programs did not receive an adequate inflationary increase in this biennium. In the future, Oregon must provide adequate inflationary adjustments to early learning & child care programs to keep up with rising costs, including fair wages and professional learning, to support employee retention, adequate materials and supplies, and overall increase workforce capacity to serve more children.

Budgets provide insights into our priorities and values. Oregon’s budget should clearly prioritize the future we want to build for our children. As you consider this budget and future budgets, we urge you to ask, “Will this budget make Oregon a better place for our children and their future?” Even in the most challenging of budget times, the legislature chooses to make some investments, and investments that directly impact children and their care should be a top priority.

