

HB 3234

Relating to Children

HB 3234 establishes the Early Learning Division in the Oregon Department of Education and places control of the Division under the Early Learning Council. An Early Learning Director who is appointed by the Governor is to lead the Division.

The programs transferring into the new Division include (1) the programs of the Child Care Division of the Employment Department; (2) Oregon's Pre-Kindergarten, and Early Head Start programs in the Department of Education, and (3) various programs currently part of the Governor's Office. These include Healthy Start/Healthy Families, Relief Nurseries, the Race to the Top federal grant, and Great Start. The bill also establishes a Child Care Office in the new Division for the purpose of administering child care related programs. Local delivery of these programs will depend in part on the Hubs authorized in HB 2013. The ODE budget assumes the passage of this bill.

The Subcommittee recommends an amendment which clarifies that the Department of Education has the authority to perform background checks for the child care programs, requires the agency to enter into contracts directly with relief nurseries, and changes the name of the Child Care Office or CCO to the Office of Child Care to avoid confusion at the local level. The amendment also requires the Legislature to identify the portion of the federal Child Care and Development Block Grant funds that will be used for quality monitoring, subsidies, and administrative spending; and directs the agency to follow that division of funds.

The Education Subcommittee recommends HB 3234 be amended and reported out do pass as amended.

Joint Committee on Ways and Means

Carrier – House: Rep. Komp
Carrier – Senate: Sen. Monroe

Revenue:

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Doug Wilson, Legislative Fiscal Office

Meeting Date: June 21, 2013

WHAT THE MEASURE DOES: Establishes Early Learning Division in the Department of Education (ODE). Places control of Early Learning Division under Early Learning Council (ELC), with Early Learning System Director Serving as administrative officer. Transfers the following programs into the new Division: (1) the Child Care Office from the Employment Department and the various programs it currently administers, (2) Oregon's Pre-Kindergarten, and Early Head Start programs in ODE, and (3) the various programs currently part of the Governor's Office many of which were programs formally administered by the Commission on Children and Families (e.g. Healthy Start, Crisis Nurseries, Race to the Top federal grant). Tasks Early Learning Division with administration of Oregon prekindergarten program. Directs ODE to establish criteria for early childhood education programs governed by federal Individuals With Disabilities Education Act. Directs Early Learning Division to prepare operating guides for child development and teenage parent programs. Requires State Interagency Coordinating Council to submit report to legislature that provides recommendation about appropriate entity to adopt rules and develop policy related to early childhood special education and early intervention services. Establishes in Early Learning Division a Child Care Office responsible for administering federal funds. Adds one member to State Board of Education who is also a member of the Oregon Education Investment Board. Transfers duties, functions, and powers relating to administration and enforcement of ELC to Early Learning Division of ODE and includes the general transfer language between agencies. Makes ELC state advisory council for federal Head Start Act. Directs ELC to adopt rules for certification of family child care home of not more than 16 children.

ISSUES DISCUSSED:

- Organization of the Division and how it fits into ODE
- Trends in education reform and how much difference they make
- Importance of early learning programs

EFFECT OF COMMITTEE AMENDMENT: Clarifies ODE's authority for providing criminal background checks for the employees, contractors and activities of the Child Care Office; changes the name of the Child Care Office (CCO) to the Office of Child Care (OCC); requires the Early Learning Division to enter into contracts with relief nurseries beginning in July 2013 to ensure service continuity and efficient delivery of contracted services; and Changes reference from Early Learning Council to Early Learning Division in language relating to contracts at the suggestion of the Department of Justice; and requires the Legislature to identify the portion of the Child Care and Development Block Grant funds will be used for quality, subsidy, and administrative spending and directs the agency to follow that division. The amendment also requires the agency to report to the Legislative Fiscal Office annually on the expenditures of these funds and estimated ending balances.

BACKGROUND: Research indicates that high-quality, early care and learning experiences are the foundation of educational success and the first line of defense in closing the achievement gap and reducing the dropout rate.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3234 - B

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
 Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Tim Walker
 Reviewed by: Doug Wilson, Daron Hill, Laurie Byerly
 Date: 06/18/2013

Measure Description:

Establishes Early Learning Division in Department of Education.

Government Unit(s) Affected:

Department of Education, Early Learning Council, Office of the Governor, Oregon Educational Investment Board

Summary of Expenditure Impact:

Early Learning Programs							
<i>Moved to the Department of Education</i>							
	GF	OF	FF	TF	Pos	FTE	
<i>Moved from within the Department of Education:</i>							
Oregon Head Start Prekindergarten	127,424,153	-	-	127,424,153	-	-	
Early Head Start	1,540,108	-	-	1,540,108			
<i>Moved from the Employment Department:</i>							
Childcare Division	4,112,738	3,696,026	130,211,416	138,020,180	83	79.00	
<i>Moved from the Governor's Office:</i>							
Early Learning Council (ELC)							
Great Start	1,674,117	-	-	1,674,117	-	-	
Children, Youth, and Families	1,691,746	-	-	1,691,746	-	-	
Healthy Start	14,816,487	4,329,307	-	19,145,794	2	2.00	
Basic Capacity	10,000,000	-	-	10,000,000	-	-	
Family Preservation and Support	-	3,446,702	-	3,446,702	-	-	
Crisis Nurseries	6,586,379	2,226,396	-	8,812,775	-	-	
Race to the Top	-	-	11,083,111	11,083,111	9	9.00	
ELC Administration	1,491,523	81,838	192,539	1,765,900	12	5.88	

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill creates the Early Learning Division within the Oregon Department of Education (ODE) and transfers the following programs to this new Division from other agencies or from other divisions within ODE: The staff and related costs associated with the programs are part of the Operations budget unit and the program funding generally paid out by the state in grants and contracts remain in the new Early Learning Division.

- Oregon Pre-Kindergarten (OPK), currently in Department of Education
- Oregon Head Start (OHS), currently in Department of Education
- Early Childhood Program (OPK/OHS Administration), currently in Department of Education
- Child Care Administration, currently in Employment Department
- Child Care Licensing, currently in Employment Department

- Child Care Subsidies, currently in Employment Department
- Children, Youth & Families, currently in Governor's Office
- Great Start, currently in Governor's Office
- Healthy Start, currently in Governor's Office
- Basic Capacity, currently in Governor's Office
- Family Preservation, currently in Governor's Office
- Crisis/Relief Nurseries, currently in Governor's Office
- Race to the Top (federal grant), currently in Governor's Office
- Early Learning Council (ELC) Administration
- ELC Grant-in-Aid

The bill also directs the State Board of Education to establish an advisory committee of effected stakeholders including but not limited to; parents, representatives from the health care profession, early childhood education and development, Oregon Head Start Association, school districts, community colleges, and the Early Intervention Council. In addition, the bill establishes the State Interagency Coordinating Council to advise the Superintendent of Public Instruction, the State Board of Education and Early Learning Council on unmet needs in the Early Childhood Special Education and Early Intervention programs for preschool children with disabilities.

The budgets of the Office of the Governor, Department of Education (ODE) , and the Employment Department reflect the transfers included in this bill. The bills move all related cash/revenue resources and positions to ODE.

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3234**

1 On page 1 of the printed A-engrossed bill, line 3, after “326.021,” insert
2 “326.604,”.

3 In line 4, after “417.793,” insert “417.795,”.

4 On page 12, delete line 24.

5 In line 25, delete “28” and insert “27”.

6 After line 38, insert:

7 **“SECTION 28. The Early Learning Division shall enter into con-**
8 **tracts with relief nurseries beginning July 1, 2013, in order to ensure**
9 **service continuity and efficient delivery of contracted services.”**

10 On page 13, after line 34, insert:

11 **“SECTION 32a. ORS 417.795, as amended by section 53, chapter 37,**
12 **Oregon Laws 2012, is amended to read:**

13 “417.795. (1) The Early Learning [*Council*] **Division** shall establish
14 Healthy Start Family Support Services programs through contracts entered
15 into by local commissions on children and families in all counties of this
16 state as funding becomes available.

17 “(2) These programs shall be nonstigmatizing, voluntary and designed to
18 achieve the appropriate early childhood benchmarks and shall:

19 “(a) Ensure that express written consent is obtained from the family prior
20 to any release of information that is protected by federal or state law and
21 before the family receives any services;

22 “(b) Ensure that services are voluntary and that, if a family chooses not

1 to accept services or ends services, there are no adverse consequences for
2 those decisions;

3 “(c) Offer a voluntary comprehensive screening and risk assessment of all
4 newly born children and their families;

5 “(d) Ensure that the disclosure of information gathered in conjunction
6 with the voluntary comprehensive screening and risk assessment of children
7 and their families is limited pursuant to ORS 417.728 (7) to the following
8 purposes:

9 “(A) Providing services under the programs to children and families who
10 give their express written consent;

11 “(B) Providing statistical data that are not personally identifiable;

12 “(C) Accomplishing other purposes for which the family has given express
13 written consent; and

14 “(D) Meeting the requirements of mandatory state and federal disclosure
15 laws;

16 “(e) Ensure that risk factors used in the risk assessment are limited to
17 those risk factors that have been shown by research to be associated with
18 poor outcomes for children and families;

19 “(f) Identify, as early as possible, families that would benefit most from
20 the programs;

21 “(g) Provide parenting education and support services, including but not
22 limited to community-based home visiting services and primary health care
23 services;

24 “(h) Provide other supports, including but not limited to referral to and
25 linking of community and public services for children and families such as
26 mental health services, alcohol and drug treatment programs that meet the
27 standards promulgated by the Oregon Health Authority under ORS 430.357,
28 child care, food, housing and transportation;

29 “(i) Coordinate services for children consistent with the voluntary local
30 early childhood system plan developed pursuant to ORS 417.777;

1 “(j) Provide follow-up services and supports from zero through six years
2 of age;

3 “(k) Integrate data with any common data system for early childhood
4 programs;

5 “(L) Be included in a statewide independent evaluation to document:

6 “(A) Level of screening and assessment;

7 “(B) Incidence of child abuse and neglect;

8 “(C) Change in parenting skills; and

9 “(D) Rate of child development;

10 “(m) Be included in a statewide training program in the dynamics of the
11 skills needed to provide early childhood services, such as assessment and
12 home visiting; and

13 “(n) Meet voluntary statewide and local early childhood system quality
14 assurance and quality improvement standards.

15 “(3) The Healthy Start Family Support Services programs, local health
16 departments and other providers of prenatal and perinatal services in coun-
17 ties, as part of the voluntary local early childhood system, shall:

18 “(a) Identify existing services and describe and prioritize additional ser-
19 vices necessary for a voluntary home visit system;

20 “(b) Build on existing programs;

21 “(c) Maximize the use of volunteers and other community resources that
22 support all families;

23 “(d) Target, at a minimum, all first birth families in the county; and

24 “(e) Ensure that home visiting services provided by local health depart-
25 ments for children and pregnant women support and are coordinated with
26 local Healthy Start Family Support Services programs.

27 “(4) Through a Healthy Start Family Support Services program, a trained
28 family support worker or nurse shall be assigned to each family assessed as
29 at risk that consents to receive services through the worker or nurse. The
30 worker or nurse shall conduct home visits and assist the family in gaining

1 access to needed services.

2 “(5) The services required by this section shall be provided by hospitals,
3 public or private entities or organizations, or any combination thereof, ca-
4 pable of providing all or part of the family risk assessment and the follow-up
5 services. In granting a contract, a local commission may utilize collaborative
6 contracting or requests for proposals and shall take into consideration the
7 most effective and consistent service delivery system.

8 “(6) The family risk assessment and follow-up services for families at risk
9 shall be provided by trained family support workers or nurses organized in
10 teams supervised by a manager and including a family services coordinator
11 who is available to consult.

12 “(7) Each Healthy Start Family Support Services program shall adopt
13 disciplinary procedures for family support workers, nurses and other em-
14 ployees of the program. The procedures shall provide appropriate disciplinary
15 actions for family support workers, nurses and other employees who violate
16 federal or state law or the policies of the program.

17 “**SECTION 32b.** ORS 417.795, as amended by sections 53 and 95, chapter
18 37, Oregon Laws 2012, is amended to read:

19 “417.795. (1) The Early Learning [*Council*] **Division** shall establish
20 Healthy Start Family Support Services programs in all counties of this state
21 as funding becomes available.

22 “(2) These programs shall be nonstigmatizing, voluntary and designed to
23 achieve the appropriate early childhood benchmarks and shall:

24 “(a) Ensure that express written consent is obtained from the family prior
25 to any release of information that is protected by federal or state law and
26 before the family receives any services;

27 “(b) Ensure that services are voluntary and that, if a family chooses not
28 to accept services or ends services, there are no adverse consequences for
29 those decisions;

30 “(c) Offer a voluntary comprehensive screening and risk assessment of all

1 newly born children and their families;

2 “(d) Ensure that the disclosure of information gathered in conjunction
3 with the voluntary comprehensive screening and risk assessment of children
4 and their families is limited pursuant to ORS 417.728 (7) to the following
5 purposes:

6 “(A) Providing services under the programs to children and families who
7 give their express written consent;

8 “(B) Providing statistical data that are not personally identifiable;

9 “(C) Accomplishing other purposes for which the family has given express
10 written consent; and

11 “(D) Meeting the requirements of mandatory state and federal disclosure
12 laws;

13 “(e) Ensure that risk factors used in the risk assessment are limited to
14 those risk factors that have been shown by research to be associated with
15 poor outcomes for children and families;

16 “(f) Identify, as early as possible, families that would benefit most from
17 the programs;

18 “(g) Provide parenting education and support services, including but not
19 limited to community-based home visiting services and primary health care
20 services;

21 “(h) Provide other supports, including but not limited to referral to and
22 linking of community and public services for children and families such as
23 mental health services, alcohol and drug treatment programs that meet the
24 standards promulgated by the Oregon Health Authority under ORS 430.357,
25 child care, food, housing and transportation;

26 “(i) Coordinate services for children consistent with other services pro-
27 vided through the Oregon Early Learning System;

28 “(j) Provide follow-up services and supports from zero through six years
29 of age;

30 “(k) Integrate data with any common data system for early childhood

1 programs;

2 “(L) Be included in a statewide independent evaluation to document:

3 “(A) Level of screening and assessment;

4 “(B) Incidence of child abuse and neglect;

5 “(C) Change in parenting skills; and

6 “(D) Rate of child development;

7 “(m) Be included in a statewide training program in the dynamics of the
8 skills needed to provide early childhood services, such as assessment and
9 home visiting; and

10 “(n) Meet statewide quality assurance and quality improvement standards.

11 “(3) The Healthy Start Family Support Services programs, local health
12 departments and other providers of prenatal and perinatal services in coun-
13 ties shall:

14 “(a) Identify existing services and describe and prioritize additional ser-
15 vices necessary for a voluntary home visit system;

16 “(b) Build on existing programs;

17 “(c) Maximize the use of volunteers and other community resources that
18 support all families;

19 “(d) Target, at a minimum, all first birth families in the county; and

20 “(e) Ensure that home visiting services provided by local health depart-
21 ments for children and pregnant women support and are coordinated with
22 local Healthy Start Family Support Services programs.

23 “(4) Through a Healthy Start Family Support Services program, a trained
24 family support worker or nurse shall be assigned to each family assessed as
25 at risk that consents to receive services through the worker or nurse. The
26 worker or nurse shall conduct home visits and assist the family in gaining
27 access to needed services.

28 “(5) The services required by this section shall be provided by hospitals,
29 public or private entities or organizations, or any combination thereof, ca-
30 pable of providing all or part of the family risk assessment and the follow-up

1 services. In granting a contract, collaborative contracting or requests for
2 proposals may be used and must include the most effective and consistent
3 service delivery system.

4 “(6) The family risk assessment and follow-up services for families at risk
5 shall be provided by trained family support workers or nurses organized in
6 teams supervised by a manager and including a family services coordinator
7 who is available to consult.

8 “(7) Each Healthy Start Family Support Services program shall adopt
9 disciplinary procedures for family support workers, nurses and other em-
10 ployees of the program. The procedures shall provide appropriate disciplinary
11 actions for family support workers, nurses and other employees who violate
12 federal or state law or the policies of the program.”.

13 On page 16, line 8, delete “Child Care Office” and insert “Office of Child
14 Care”.

15 On page 17, line 1, delete “THE CHILD CARE OFFICE” and insert “THE
16 OFFICE OF CHILD CARE”.

17 On page 18, delete lines 17 through 45 and delete pages 19 through 49.

18 On page 50, delete lines 1 through 9 and insert:

19 “**SECTION 38.** ORS 657A.010, as amended by section 117, chapter 37,
20 Oregon Laws 2012, is amended to read:

21 “657A.010. (1) There is established within the [*Employment Department a*
22 *Child Care Division*] **Early Learning Division the Office of Child Care.**

23 “(2)(a) The **Office of Child Care** [*Division*], as designated by the Gover-
24 nor, shall be responsible for administering funds received by the State of
25 Oregon pursuant to the federal Child Care and Development Block Grant
26 Act of 1990, the Dependent Care Planning and Development Grant and other
27 federal child care funds and grants received by the State of Oregon.

28 “(b) **Through the legislative budgeting process, the Legislative As-**
29 **sembly shall identify the portion of the funds received by the State of**
30 **Oregon pursuant to the federal Child Care and Development Block**

1 Grant Act of 1990 to be spent to provide quality child care, to provide
2 child care subsidies and for administrative expenditures. The Office
3 of Child Care shall administer the funds according to the portions
4 identified by the Legislative Assembly.

5 “(c) The Office of Child Care shall submit an annual report to the
6 Legislative Fiscal Office regarding the expenditures of the funds re-
7 ceived by the State of Oregon pursuant to the federal Child Care and
8 Development Block Grant Act of 1990 and the most recent estimate
9 of the balance of the funds.

10 “(3) The Office of Child Care [Division] shall comply with directives of
11 the Early Learning Council established in section 4, chapter 519, Oregon
12 Laws 2011, in the [division’s] office’s implementation of the provisions of
13 ORS 657A.250 to 657A.450.

14 “(4) There is established in the State Treasury, separate and distinct from
15 the General Fund, the Child Care Fund. The Child Care Fund shall consist
16 of moneys collected and received by the Office of Child Care [Division]
17 pursuant to subsection (2) of this section, ORS 657A.310 and 657A.992 and
18 such moneys as may be otherwise made available by law. Interest earned on
19 the fund shall be credited to the fund. The moneys in the Child Care Fund
20 are appropriated continuously to the Office of Child Care [Division] and
21 shall be used in a manner consistent with the grant of funds or for the ad-
22 ministration of ORS 181.537, 657A.030 and 657A.250 to 657A.450.

23 **“SECTION 39. (1) The amendments to ORS 657A.010 by section 38**
24 **of this 2013 Act are intended to change the name of the ‘Child Care**
25 **Division’ to the ‘Office of Child Care.’**

26 **“(2) For the purpose of harmonizing and clarifying statutory law,**
27 **the Legislative Counsel may substitute for words designating the**
28 **‘Child Care Division,’ wherever they occur in statutory law, other**
29 **words designating the ‘Office of Child Care.’**

30 **“SECTION 40. ORS 657A.020 is amended to read:**

1 "657A.020. (1) The **Office of Child Care** [*Division*] staff shall provide
2 technical assistance, linkage of local agencies, data collection and monitor-
3 ing.

4 "(2) The **Office of Child Care** [*Division*] shall continually monitor and
5 disseminate information about federal and charitable programs for the pur-
6 poses of ORS 657A.100 to 657A.190.

7 "**SECTION 41.** ORS 657A.030, as amended by section 5, chapter 348,
8 Oregon Laws 2009, section 7, chapter 60, Oregon Laws 2010, and section 3,
9 chapter 3, Oregon Laws 2012, is amended to read:

10 "657A.030. (1) The [*Child Care Division of the Employment Department*]
11 **Office of Child Care** shall establish a Central Background Registry.

12 "(2) A subject individual shall apply to and must be enrolled in the Cen-
13 tral Background Registry as part of the individual's application to operate
14 a program or serve in a position described in subsection (8) of this section.

15 "(3) Upon receiving an application for enrollment in the Central Back-
16 ground Registry, the [*division*] **office** shall complete a criminal records check
17 under ORS 181.534 and shall complete a child protective services records
18 check with the Department of Human Services. The [*division*] **office** shall
19 enroll the individual in the registry if the individual:

20 "(a) Is determined to have no criminal or child protective services history
21 or to have dealt with the issues and provided adequate evidence of suitability
22 for the registry;

23 "(b) Has paid the applicable fee established pursuant to ORS 657A.275;
24 and

25 "(c) Has complied with the rules of the [*division*] **Early Learning**
26 **Council** adopted pursuant to this section.

27 "(4) The [*division*] **office** may conditionally enroll an individual in the
28 registry pending the results of a nationwide criminal records check through
29 the Federal Bureau of Investigation if the individual has met other require-
30 ments of the [*division*] **office** for enrollment in the registry.

1 “(5) An enrollment in the Central Background Registry shall expire two
2 years from the date of enrollment and may be renewed upon application to
3 the [division] **office**, payment of the fee established pursuant to ORS
4 657A.275 and compliance with rules adopted by the [division] **Early Learn-**
5 **ing Council** pursuant to this section. However, an individual who is deter-
6 mined to be ineligible for enrollment in the registry after the date of initial
7 enrollment shall be removed from the registry by the [division] **office**.

8 “(6)(a) A child care facility shall not hire or employ an individual if the
9 individual is not enrolled in the Central Background Registry.

10 “(b) Notwithstanding paragraph (a) of this subsection, a child care facility
11 may employ on a probationary basis an individual who is conditionally en-
12 rolled in the Central Background Registry.

13 “(7) The [division] **Early Learning Council** may adopt any rules neces-
14 sary to carry out the purposes of this section and the criminal records check
15 program.

16 “(8) For purposes of this section, ‘subject individual’ means a subject in-
17 dividual as defined by the [division] **Early Learning Council** by rule or a
18 person who applies to be:

19 “(a) The operator or an employee of a child care or treatment program;

20 “(b) The operator or an employee of an Oregon prekindergarten program
21 under ORS 329.170 to 329.200;

22 “(c) The operator or an employee of a federal Head Start program regu-
23 lated by the United States Department of Health and Human Services;

24 “(d) An individual in a child care facility who may have unsupervised
25 contact with children as identified by the [division] **office**;

26 “(e) A contractor or an employee of the contractor who provides early
27 childhood special education or early intervention services pursuant to ORS
28 343.455 to 343.534;

29 “(f) A child care provider who is required to be enrolled in the Central
30 Background Registry by any state agency;

1 “(g) A contractor, employee or volunteer of a metropolitan service district
2 organized under ORS chapter 268 who may have unsupervised contact with
3 children and who is required to be enrolled in the Central Background Reg-
4 istry by the metropolitan service district; or

5 “(h) A provider of respite services, as defined in ORS 418.205, for parents
6 pursuant to a properly executed power of attorney under ORS 109.056 who
7 is providing respite services as a volunteer with a private agency or organ-
8 ization that facilitates the provision of such respite services.

9 “(9)(a) Information provided to a metropolitan service district organized
10 under ORS chapter 268 about the enrollment status of the persons described
11 in subsection (8)(g) of this section shall be subject to a reciprocal agreement
12 with the metropolitan service district. The agreement must provide for the
13 recovery of administrative, including direct and indirect, costs incurred by
14 the *[division]* **office** from participation in the agreement. Any moneys col-
15 lected under this paragraph shall be deposited in the Child Care Fund es-
16 tablished under ORS 657A.010.

17 “(b) Information provided to a private agency or organization facilitating
18 the provision of respite services, as defined in ORS 418.205, for parents pur-
19 suant to a properly executed power of attorney under ORS 109.056 about the
20 enrollment status of the persons described in subsection (8)(h) of this section
21 shall be subject to an agreement with the private agency or organization.
22 The agreement must provide for the recovery of administrative, including
23 direct and indirect, costs incurred by the *[division]* **office** from participation
24 in the agreement. Any moneys collected under this paragraph shall be de-
25 posited in the Child Care Fund established under ORS 657A.010.

26 “**SECTION 42.** ORS 657A.180, as amended by section 118, chapter 37,
27 Oregon Laws 2012, is amended to read:

28 “657A.180. (1) The **Office** of Child Care *[Division]* shall create an advisory
29 committee to advise the *[division]* **office** on the development and adminis-
30 tration of child care resource and referral policies and practices. The **Office**

1 of Child Care [Division] shall, in consultation with the advisory committee,
2 establish criteria for proposals, prepare requests for proposals, receive pro-
3 posals and award grants for the establishment of resource and referral pro-
4 grams.

5 “(2) The **Office of Child Care** [Division] shall collect and report data
6 concerning resource and referral programs.

7 “(3)(a) The local resource and referral agencies shall match grant funds
8 in an amount not less than 10 percent of grant funds received. Matching fi-
9 nancial support includes, but is not limited to, in-kind contributions.

10 “(b) As used in this subsection, ‘in-kind contributions’ means nonmone-
11 tary contributions that include but are not limited to:

12 “(A) Provision of rent-free program space;

13 “(B) Provision of utilities;

14 “(C) Provision of custodial services;

15 “(D) Provision of secretarial services;

16 “(E) Provision of liability insurance or health insurance benefits;

17 “(F) Administrative services; and

18 “(G) Transportation services.

19 “(4) The **Office of Child Care** [Division] shall provide to the Early
20 Learning Council a report that summarizes the development and adminis-
21 tration of child care resource and referral policies and practices under this
22 section. The report must be provided at least twice a year and as otherwise
23 required by the Early Learning Council.

24 “**SECTION 43.** ORS 657A.190 is amended to read:

25 “657A.190. (1) The criteria for the renewal of a resource and referral
26 program shall include the following:

27 “(a) Current and continuous satisfactory performance as a resource and
28 referral agency providing the full range of services required by ORS 657A.100
29 to 657A.190.

30 “(b) Full fiscal and program compliance with contract requirements es-

1 established by the **Office of Child Care** [*Division*].

2 “(c) Cost effectiveness.

3 “(d) Extent and quality of service to the community.

4 “(2) The [*division*] **office** shall reallocate any funds made available
5 through nonrenewal of a contract for resource and referral programs.

6 “(3) Satisfactory contract performance by a resource and referral agency
7 shall be a condition for the renewal of that contract in the subsequent fiscal
8 year.

9 **“SECTION 44.** ORS 657A.250 is amended to read:

10 “657A.250. As used in ORS 657A.030 and 657A.250 to 657A.450, unless the
11 context requires otherwise:

12 “(1) ‘Babysitter’ means a person who goes into the home of a child to give
13 care during the temporary absence of the parent or legal guardian or custo-
14 dian.

15 “(2) ‘Certification’ means the certification that is issued under ORS
16 657A.280 by the **Office of Child Care** [*Division*] to a family child care home,
17 child care center or other child care facility.

18 “(3) ‘Child’ means a child under 13 years of age or a child under 18 years
19 of age who has special needs or disabilities and requires a level of care that
20 is above normal for the child’s age.

21 “(4) Subject to ORS 657A.440, ‘child care’ means the care, supervision and
22 guidance on a regular basis of a child, unaccompanied by a parent, guardian
23 or custodian, provided to a child during a part of the 24 hours of the day,
24 in a place other than the child’s home, with or without compensation. ‘Child
25 care’ does not include care provided:

26 “(a) In the home of the child;

27 “(b) By the child’s parent, guardian, or person acting in loco parentis;

28 “(c) By a person related to the child by blood or marriage within the
29 fourth degree as determined by civil law;

30 “(d) On an occasional basis by a person not ordinarily engaged in pro-

1 viding child care;

2 “(e) By providers of medical services;

3 “(f) By a babysitter;

4 “(g) By a person who cares for children from only one family other than
5 the person’s own family;

6 “(h) By a person who cares for no more than three children other than
7 the person’s own children; or

8 “(i) By a person who is a member of the child’s extended family, as de-
9 termined by the [division] **office** on a case-by-case basis.

10 “(5) ‘Child care facility’ means any facility that provides child care to
11 children, including a day nursery, nursery school, child care center, certified
12 or registered family child care home or similar unit operating under any
13 name, but not including any:

14 “(a) Preschool recorded program.

15 “(b) Facility providing care for school-age children that is primarily a
16 single enrichment activity, for eight hours or less a week.

17 “(c) Facility providing care that is primarily group athletic or social ac-
18 tivities sponsored by or under the supervision of an organized club or hobby
19 group.

20 “(d) Facility operated by:

21 “(A) A school district as defined in ORS 332.002;

22 “(B) A political subdivision of this state; or

23 “(C) A governmental agency.

24 “(e) Residential facility licensed under ORS 443.400 to 443.455.

25 “(f) Babysitters.

26 “(g) Facility operated as a parent cooperative for no more than four hours
27 a day.

28 “(h) Facility providing care while the child’s parent remains on the
29 premises and is engaged in an activity offered by the facility or in other
30 nonwork activity.

1 “(i) Facility operated as a school-age recorded program.

2 “[~~(6)~~ *Division*] means the Child Care Division of the Employment Depart-
3 ment.]

4 “[~~(7)~~ **(6)** ‘Family’ has the meaning given that term in ORS 329.145.

5 “[~~(8)~~ **(7)** ‘Occasional’ means that care is provided for no more than 70
6 days in any calendar year.

7 “[~~(9)~~ **(8)** ‘Parent cooperative’ means a child care program in which:

8 “(a) Care is provided by parents on a rotating basis;

9 “(b) Membership in the cooperative includes parents;

10 “(c) There are written policies and procedures; and

11 “(d) A board of directors that includes parents of the children cared for
12 by the cooperative controls the policies and procedures of the program.

13 “[~~(10)~~ **(9)** ‘Preschool recorded program’ means a facility providing care
14 for preschool children that is primarily educational for four hours or less
15 per day and where no child is present at the facility for more than four hours
16 per day.

17 “[~~(11)~~ **(10)** ‘Record’ means the record that is issued under ORS 657A.255
18 to a preschool recorded program or under ORS 657A.257 to a school-age re-
19 corded program.

20 “[~~(12)~~ **(11)** ‘Registration’ means the registration that is issued under ORS
21 657A.330 by the **Office of Child Care** [*Division*] to a family child care home
22 where care is provided in the family living quarters of the provider’s home.

23 “[~~(13)~~ **(12)** ‘School age’ means of an age eligible to be enrolled in the first
24 grade or above and, during the months of summer vacation from school,
25 means of an age eligible to be enrolled in first grade or above in the next
26 school year.

27 “[~~(14)~~ **(13)** ‘School-age recorded program’ means a program for school-age
28 children:

29 “(a) That is not operated by a school district as defined in ORS 332.002;

30 “(b) That is not required to be certified under ORS 657A.280 or registered

1 under ORS 657A.330; and

2 “(c) In which youth development activities are provided to children during
3 hours that school is not in session and does not take the place of a parent’s
4 care.

5 “[~~(15)~~] (14) ‘Youth development activities’ means care, supervision or
6 guidance that is intended for enrichment, including but not limited to
7 teaching skills or proficiency in physical, social or educational activities
8 such as tutoring, music lessons, social activities, sports and recreational ac-
9 tivities.

10 **“SECTION 45.** ORS 657A.252 is amended to read:

11 “657A.252. (1) Notwithstanding ORS 657A.250 (4), care provided to chil-
12 dren other than the children of the person providing the care by a person
13 whose enrollment in the Central Background Registry established by ORS
14 657A.030 has been denied for cause, has been revoked or is under suspension,
15 or whose certification or registration has been denied for cause, has been
16 revoked or is under suspension, or who has voluntarily surrendered the
17 person’s certification or registration while under investigation by the **Office**
18 **of Child Care** [*Division*], is ‘child care’ for purposes of ORS 657A.030 and
19 657A.250 to 657A.450.

20 “(2) Notwithstanding ORS 657A.250 (5), a facility providing care for four
21 hours or less per day that is primarily educational to preschool children that
22 is operated by a person whose enrollment in the Central Background Regis-
23 try established by ORS 657A.030 has been denied for cause, has been revoked
24 or is under suspension, or whose certification or registration has been denied
25 for cause, has been revoked or is under suspension, or who has voluntarily
26 surrendered the person’s certification or registration while under investi-
27 gation by the **Office of Child Care** [*Division*], is a ‘child care facility’ for
28 purposes of ORS 657A.030 and 657A.250 to 657A.450.

29 **“SECTION 46.** ORS 657A.255 is amended to read:

30 “657A.255. (1) A person operating a preschool recorded program may not

1 operate the program without performing criminal background checks for all
2 staff and volunteers and becoming recorded with the [*Child Care Division*
3 of the *Employment Department*] **Office of Child Care** as provided in this
4 section.

5 “(2) To obtain recording, the person must apply to the [*division*] **office**
6 by submitting a completed record application form and a nonrefundable fee
7 as established by the [*division*] **office**. The [*division*] **office** shall determine
8 and apply the fee through rules adopted by the [*division*] **Early Learning**
9 **Council** under ORS 657A.275. The [*division*] **office** shall deposit fees received
10 under this subsection as provided in ORS 657A.310 (2).

11 “(3) The [*division*] **office** shall issue a record to a person operating a
12 preschool recorded program if the [*division*] **office** determines that the ap-
13 plicant meets the requirements of ORS 657A.250 to 657A.450 and the rules
14 adopted pursuant to ORS 657A.250 to 657A.450 and subsection (9) of this
15 section.

16 “(4) Unless the record is revoked as provided in subsection (8) of this
17 section, the record is valid for a period of two years from the date of issu-
18 ance.

19 “(5) A record authorizes operation of the preschool recorded program only
20 on the premises described in the record and only by the person named in the
21 record.

22 “(6) The [*division*] **office** shall create and maintain a database of pre-
23 school recorded programs recorded under this section and shall update the
24 database annually. The database shall include, but need not be limited to,
25 the following information:

26 “(a) Name and address of the program;

27 “(b) Name of operator; and

28 “(c) Significant program information, as determined by the [*division*]
29 **Early Learning Council** by rule.

30 “(7) A preschool recorded program recorded under this section must post,

1 and provide parents with, a notice that the preschool recorded program is
2 not certified under ORS 657A.280 or registered under ORS 657A.330.

3 “(8) An initial application or renewal application for recording of a pre-
4 school recorded program may be denied, revoked or suspended, if the [*divi-*
5 *sion*] **office** finds:

6 “(a) That the program or its operation does not comply with ORS 657A.250
7 to 657A.450, with applicable rules and with any term or condition imposed
8 under the record; or

9 “(b) That visitation, on-site investigation or inspection of a program or
10 its records authorized by ORS 657A.390 has not been permitted.

11 “(9) The [*division*] **Early Learning Council** shall adopt any rules neces-
12 sary to carry out the provisions of this section.

13 “(10) A person who violates any provision of this section or any term or
14 condition of a record is subject to a civil penalty not to exceed \$100.

15 “**SECTION 47.** ORS 657A.257 is amended to read:

16 “657A.257. (1) A person operating a school-age recorded program may not
17 operate the program without performing criminal background checks for all
18 staff and volunteers and becoming recorded with the [*Child Care Division*
19 *of the Employment Department*] **Office of Child Care** as provided in this
20 section.

21 “(2) To obtain recording, the person must apply to the [*division*] **office**
22 by submitting a completed record application form and a nonrefundable fee
23 as established by the [*division*] **office**. The [*division*] **office** shall determine
24 and apply the fee through rules adopted by the [*division*] **Early Learning**
25 **Council** under ORS 657A.275. The [*division*] **office** shall deposit fees received
26 under this subsection as provided in ORS 657A.310 (2).

27 “(3) The [*division*] **office** shall issue a record to a person operating a
28 school-age recorded program if the [*division*] **office** determines that the ap-
29 plicant meets the requirements of ORS 657A.250 to 657A.450 and the rules
30 adopted pursuant to ORS 657A.250 to 657A.450 and subsection (9) of this

1 section.

2 “(4) Unless the record is revoked as provided in subsection (8) of this
3 section, the record is valid for a period of two years from the date of issu-
4 ance.

5 “(5) A record authorizes operation of the school-age recorded program
6 only on the premises described in the record and only by the person named
7 in the record.

8 “(6) The [*division*] **office** shall create and maintain a database of school-
9 age recorded programs recorded under this section and shall update the da-
10 tabase annually. The database shall include, but need not be limited to, the
11 following information:

12 “(a) Name and address of the program;

13 “(b) Name of operator; and

14 “(c) Significant program information, as determined by the [*division*]
15 **Early Learning Council** by rule.

16 “(7) A school-age recorded program recorded under this section must post,
17 and provide parents with, a notice that the school-age recorded program is
18 not certified under ORS 657A.280 or registered under ORS 657A.330.

19 “(8) An initial application or renewal application for recording of a
20 school-age recorded program may be denied, revoked or suspended, if the
21 [*division*] **office** finds:

22 “(a) That the program or its operation does not comply with ORS 657A.250
23 to 657A.450, with applicable rules and with any term or condition imposed
24 under the record; or

25 “(b) That visitation, on-site investigation or inspection of a program or
26 its records authorized by ORS 657A.390 has not been permitted.

27 “(9) The [*division*] **Early Learning Council** shall adopt any rules neces-
28 sary to carry out the provisions of this section.

29 “(10) A person who violates any provision of this section or any term or
30 condition of a record is subject to a civil penalty not to exceed \$100.

1 **SECTION 48.** ORS 657A.260 is amended to read:

2 “657A.260. (1) After consultation with appropriate agencies and interested
3 persons, the [*Child Care Division*] **Early Learning Council** by rule shall
4 establish minimum standards for child care facilities and the operation
5 thereof and for the administration of ORS 657A.030 and 657A.250 to 657A.450.

6 “(2) In establishing minimum standards of health and safety, the
7 [*division*] **council** shall consult with the Oregon Health Authority and the
8 State Fire Marshal and shall give consideration to their recommendations
9 and to all basic requirements for the protection of the children to receive
10 child care, including the criteria prescribed in ORS 657A.290, and may adopt
11 rules applicable to different categories of child care facilities, considering:

12 “(a) The numbers and ages of the children to receive care in the child
13 care facility.

14 “(b) The number, experience and training of the staff of the child care
15 facility.

16 “(c) The types and qualities of equipment and other factors in the physical
17 plant of the child care facility.

18 “(d) Any other factor affecting the care provided in the child care facility.

19 **SECTION 49.** ORS 657A.263 is amended to read:

20 “657A.263. (1) As used in this section:

21 “(a) ‘Certified child care facility’ means a child care facility that has been
22 certified under ORS 657A.280 by the [*Child Care Division of the Employment*
23 *Department*] **Office of Child Care.**

24 “(b) ‘Child care facility’ has the meaning given that term in ORS 657A.250
25 (5).

26 “(c) ‘Registered child care facility’ means a child care facility that has
27 been registered under ORS 657A.330 by the [*Child Care Division of the Em-*
28 *ployment Department*] **Office of Child Care.**

29 “(2) Every certified child care facility and registered child care facility
30 shall:

1 “(a) Adopt a plan to provide for the safety of children who are receiving
2 child care at a child care facility in the event of an emergency that requires
3 immediate action by the staff of the facility due to conditions of imminent
4 danger that pose a threat to the life, health or safety of children who are
5 receiving child care at the facility; and

6 “(b) Provide training to all employees of the child care facility about the
7 responsibilities of the employees to implement the plan required by this
8 section.

9 “(3) The [*Child Care Division of the Employment Department*] **Early**
10 **Learning Council** shall adopt by rule the requirements for the plan and
11 training required by this section. The rules adopted shall include, but are
12 not limited to, procedures for the evacuation of the children who are re-
13 ceiving child care at the child care facility to a place of safety when the
14 conditions of imminent danger require relocation of those children.

15 “**SECTION 50.** ORS 657A.270 is amended to read:

16 “657A.270. (1) A certification or registration authorized by ORS 657A.030
17 and 657A.250 to 657A.450 and issued to a child care facility may be renewed
18 upon submission of an application and payment of the required fee not later
19 than 30 days prior to the expiration date of the current certification or reg-
20 istration if the [*Child Care Division of the Employment Department*] **Office**
21 **of Child Care** finds that the child care facility that is seeking renewal of
22 the certification or registration is in compliance with the requirements of
23 ORS 181.537, 657A.030 and 657A.250 to 657A.450 and the rules promulgated
24 pursuant to ORS 181.534, 181.537, 657A.030 and 657A.250 to 657A.450.

25 “(2) Upon submission of an application for renewal in proper time, man-
26 ner and form, and payment of the required fee, the current certification or
27 registration, unless officially revoked, shall remain in force until the **Office**
28 **of Child Care** [*Division*] has acted on the application for renewal and has
29 given notice of the action taken.

30 “**SECTION 51.** ORS 657A.275 is amended to read:

1 "657A.275. (1) The [*Child Care Division of the Employment Department*]
2 **Early Learning Council** shall adopt rules establishing fees for certification,
3 registration and recording under ORS 657A.250 to 657A.450.

4 "(2) Subject to prior approval of the Oregon Department of Administrative
5 Services and a report to the Legislative Assembly prior to adopting the fees
6 and charges, the fees and charges established under ORS 181.534, 657A.030
7 and 657A.250 to 657A.450 may not exceed the cost of administering the pro-
8 gram of the [*division*] **Office of Child Care** pertaining to the purpose for
9 which the fee is established, as authorized by the Legislative Assembly
10 within the budget of the [*division*] **office**.

11 "(3) Notwithstanding subsection (2) of this section and any other pro-
12 vision of this chapter, the following fees established by the [*division*] **Early**
13 **Learning Council** under ORS 657A.030 and 657A.250 to 657A.450 may not
14 exceed:

15 "(a) For Certified Family Child Care Home Initial Certification, \$25;

16 "(b) For Certified Family Child Care Home Annual Fee Per Certified
17 Space, \$2;

18 "(c) For Child Care Center Initial Certification, \$100;

19 "(d) For Child Care Center Annual Fee Per Certified Space, \$2;

20 "(e) For Registered Family Child Care Home Registration, \$30;

21 "(f) For Preschool Recorded Program Recording, \$20;

22 "(g) For School-Age Recorded Program Recording, \$20;

23 "(h) For administering a class on child care abuse and neglect issues, \$10;

24 and

25 "(i) For enrollment in the Central Background Registry, the cost of ad-
26 ministering the program, including fees for:

27 "(A) Duplicate enrollment in the Central Background Registry;

28 "(B) Law Enforcement Data System criminal records check; and

29 "(C) Federal Bureau of Investigation fingerprint check.

30 "**SECTION 52.** ORS 657A.280 is amended to read:

1 "657A.280. (1) A person may not operate a child care facility, except a
2 facility subject to the registration requirements of ORS 657A.330, without a
3 certification for the facility from the **Office of Child Care** *[Division]*.

4 "(2) The *[Child Care Division]* **Early Learning Council** shall adopt rules
5 for the certification of a family child care home caring for not more than
6 16 children. The rules shall be specifically adopted for the regulation of
7 certified child care facilities operated in a facility constructed as a single-
8 family dwelling. Notwithstanding fire and other safety regulations, the rules
9 that the *[Child Care Division]* **council** adopts for certified child care facili-
10 ties shall set standards that can be met without significant architectural
11 modification of a typical home. In adopting the rules, the *[Child Care Divi-
12 sion]* **council** may consider and set limits according to factors including the
13 age of children in care, the ambulatory ability of children in care, the num-
14 ber of the provider's children present, the length of time a particular child
15 is continuously cared for and the total amount of time a particular child is
16 cared for within a given unit of time.

17 "(3) In addition to rules adopted for and applied to a certified family child
18 care home providing child care for not more than 16 children, the *[Child
19 Care Division]* **council** shall adopt and apply separate rules appropriate for
20 any child care facility that is a child care center.

21 "(4) Any person seeking to operate a child care facility may apply for a
22 certification for the facility from the **Office of Child Care** *[Division]* and
23 receive a certification upon meeting certification requirements.

24 "**SECTION 53.** ORS 657A.290 is amended to read:

25 "657A.290. A person applying for a certification for a child care facility
26 shall demonstrate to the satisfaction of the **Office of Child Care** *[Division]*
27 that:

28 "(1) The moral character and habits of the person will not endanger the
29 well-being of children for whom the person is to provide care.

30 "(2) The attitude of the person toward children and understanding of their

1 needs qualify the person to care for children.

2 “(3) The person is physically and mentally capable of caring for children.

3 “(4) The facility and its operation are adequate to protect the health, the
4 safety and the physical, moral and mental well-being of the children to be
5 cared for in the facility, including but not limited to:

6 “(a) Adequate staffing by suitable persons qualified by education or ex-
7 perience to meet their respective responsibilities in the care of children.

8 “(b) Adequate physical facilities for the care of children, such as building
9 construction, sanitation, plumbing, heating, lighting, ventilation, mainte-
10 nance, indoor and outdoor activity areas and fire protection.

11 “(c) A program of activities conforming to recognized practices in the
12 areas of child welfare, education and physical and mental health to provide
13 opportunity for development and recreation.

14 “(d) Exclusion from the facility of individuals whose presence may be
15 detrimental to the welfare of children, including exclusion of any individual
16 with a criminal record indicating conviction of any crime which would bar
17 the individual from operating or being employed in a child care facility un-
18 der ORS 657A.260.

19 **“SECTION 54.** ORS 657A.300 is amended to read:

20 “657A.300. (1) Upon receipt of an application for a certification, accom-
21 panied by the required fee, the **Office of Child Care** [*Division*] shall issue a
22 certification if the [*division*] **office** finds that the child care facility and its
23 operations are in compliance with the requirements of ORS 181.537, 657A.030
24 and 657A.250 to 657A.450 and the rules promulgated pursuant to ORS 181.534,
25 181.537, 657A.030 and 657A.250 to 657A.450.

26 “(2) The **Office of Child Care** [*Division*] may issue a temporary certifi-
27 cation, subject to reasonable terms and conditions, for a period not longer
28 than 180 days to a child care facility that does not comply with the re-
29 quirements and rules if the [*division*] **office** finds that the health and safety
30 of any child will not be endangered thereby. Not more than one temporary

1 certification shall be issued for the same child care facility in any 12-month
2 period.

3 “(3) The **Office of Child Care** [*Division*] shall serve as the state agency
4 authorized, upon request, to certify compliance with applicable federal child
5 care standards or requirements by any facility providing child care in the
6 state.

7 **“SECTION 55.** ORS 657A.310, as amended by section 119, chapter 37,
8 Oregon Laws 2012, is amended to read:

9 “657A.310. (1) Application for a certification or for the annual renewal
10 thereof shall be made to the **Office of Child Care** [*Division*] on forms pro-
11 vided by the [*division*] **office** and accompanied by a nonrefundable fee. The
12 fee shall vary according to the type of facility and the number of children
13 for which the facility is requesting to be certified, and shall be determined
14 and applied through rules adopted by the [*division*] **Early Learning Council**
15 pursuant to ORS 657A.275.

16 “(2) All fees received under subsection (1) of this section shall be depos-
17 ited in the Child Care Fund established under ORS 657A.010 (4) and may be
18 used for the administration of ORS 181.537, 657A.030 and 657A.250 to
19 657A.450.

20 “(3) Any certification issued pursuant to ORS 657A.030 and 657A.250 to
21 657A.450 authorizes operation of the facility only on the premises described
22 in the certification and only by the person named in the certification.

23 “(4) Unless sooner revoked, a temporary certification expires on the date
24 specified therein. Unless sooner revoked and except as provided in ORS
25 657A.270 (2), an annual certification expires one year from the date of issu-
26 ance.

27 **“SECTION 56.** ORS 657A.330 is amended to read:

28 “657A.330. (1) A provider operating a family child care home where care
29 is provided in the family living quarters of the provider’s home that is not
30 subject to the certification requirements of ORS 657A.280 may not operate

1 a child care facility without registering with the [*Child Care Division of the*
2 *Employment Department*] **Office of Child Care**.

3 “(2) A child care facility holding a registration may care for a maximum
4 of 10 children, including the provider’s own children. Of the 10 children:

5 “(a) No more than six may be younger than school age; and

6 “(b) No more than two may be 24 months of age or younger.

7 “(3)(a) To obtain a registration, a provider must apply to the **Office of**
8 **Child Care** [*Division*] by submitting a completed application work sheet and
9 a nonrefundable fee. The fee shall vary according to the number of children
10 for which the facility is requesting to be registered, and shall be determined
11 and applied through rules adopted by the [*division*] **Early Learning Council**
12 under ORS 657A.275. The fee shall be deposited as provided in ORS 657A.310
13 (2). The [*division*] **office** may waive any or all of the fee if the [*division*]
14 **office** determines that imposition of the fee would impose a hardship on the
15 provider.

16 “(b) Upon receipt of an initial or renewal application satisfactory to the
17 [*division*] **office**, the [*division*] **office** shall conduct an on-site review of the
18 child care facility under this section. The on-site review shall be conducted
19 within 30 days of the receipt of a satisfactory application.

20 “(4) The [*division*] **office** shall issue a registration to a provider operating
21 a family child care home if:

22 “(a) The provider has completed a child care overview class administered
23 by the [*division*] **office**;

24 “(b) The provider has completed two hours of training on child abuse and
25 neglect issues;

26 “(c) The provider is currently certified in infant and child first aid and
27 cardiopulmonary resuscitation;

28 “(d) The provider is certified as a food handler under ORS 624.570; and

29 “(e) The [*division*] **office** determines that the application meets the re-
30 quirements of ORS 181.537, 657A.030 and 657A.250 to 657A.450 and the rules

1 promulgated pursuant to ORS 181.534, 181.537, 657A.030 and 657A.250 to
2 657A.450, and receives a satisfactory records check, including criminal re-
3 cords and protective services records.

4 “(5) Unless the registration is revoked as provided in ORS 657A.350, the
5 registration is valid for a period of two years from the date of issuance. The
6 [division] **office** may renew a registration of a provider operating a family
7 child care home if the provider:

8 “(a) Is currently certified in infant and child first aid and
9 cardiopulmonary resuscitation;

10 “(b) Has completed a minimum of eight hours of training related to child
11 care during the most recent registration period; and

12 “(c) Is certified as a food handler under ORS 624.570.

13 “(6) A registration authorizes operation of the facility only on the prem-
14 ises described in the registration and only by the person named in the reg-
15 istration.

16 “(7) The [division] **Early Learning Council** shall adopt rules:

17 “(a) Creating the application work sheet required under subsection (3) of
18 this section;

19 “(b) Defining full-time and part-time care;

20 “(c) Establishing under what circumstances the adult to child ratio re-
21 quirements may be temporarily waived; and

22 “(d) Establishing health and safety procedures and standards on:

23 “(A) The number and type of toilets and sinks available to children;

24 “(B) Availability of steps or blocks for use by children;

25 “(C) Room temperature;

26 “(D) Lighting of rooms occupied by children;

27 “(E) Glass panels on doors;

28 “(F) Condition of floors;

29 “(G) Availability of emergency telephone numbers; and

30 “(H) Smoking.

1 “(8) The [division] **office** shall adopt the application work sheet required
2 by subsection (3) of this section. The work sheet must include, but need not
3 be limited to, the following:

4 “(a) The number and ages of the children to be cared for at the facility;
5 and

6 “(b) The health and safety procedures in place and followed at the facil-
7 ity.

8 “(9) The [division] **office**, upon good cause shown, may waive one or more
9 of the registration requirements. The [division] **office** may waive a require-
10 ment only if appropriate conditions or safeguards are imposed to protect the
11 welfare of the children and the consumer interests of the parents of the
12 children. The [division] **office** may not waive the on-site review requirement
13 for applicants applying for an initial registration or renewal of a registra-
14 tion.

15 “(10) The [division] **Early Learning Council**, by rule, shall develop a list
16 of recommended standards consistent with standards established by profes-
17 sional organizations regarding child care programs for child care facilities.
18 Compliance with the standards is not required for a registration, but the
19 [division] **office** shall encourage voluntary compliance and shall provide
20 technical assistance to a child care facility attempting to comply with the
21 standards. The child care facility shall distribute the list of recommended
22 minimum standards to the parents of all children cared for at the facility.

23 “(11) In adopting rules relating to registration, the [division] **Early**
24 **Learning Council** shall consult with the appropriate legislative committee
25 in developing the rules to be adopted. If the rules are being adopted during
26 a period when the Legislative Assembly is not in session, the [division] **Early**
27 **Learning Council** shall consult with the appropriate interim legislative
28 committee.

29 “**SECTION 57.** ORS 657A.350 is amended to read:

30 “657A.350. An initial application from a child care facility for certif-

1 ication or registration or a renewal application from a child care facility for
2 certification or registration may be denied, or a temporary or regular cer-
3 tification or regular registration may be revoked or suspended, if the [*Child*
4 *Care Division of the Employment Department*] **Office of Child Care** finds:

5 “(1) That the facility or its operation does not comply with ORS 181.537,
6 657A.030 and 657A.250 to 657A.450 or with applicable rules or with any term
7 or condition imposed under the certification or registration; or

8 “(2) That visitation, on-site review or inspection of a facility or its re-
9 cords authorized by ORS 657A.390 or 657A.400 has not been permitted.

10 **“SECTION 58.** ORS 657A.360 is amended to read:

11 “657A.360. (1) Upon deciding to deny, revoke, suspend or not to renew a
12 certification or registration, the [*Child Care Division of the Employment*
13 *Department*] **Office of Child Care** shall give notice and opportunity for
14 hearing as provided in ORS chapter 183.

15 “(2) The **Office of Child Care** [*Division*] shall make the final decision and
16 notice thereof shall be sent by certified mail to the address of the child care
17 facility as shown on the records of the [*division*] **office**. The decision of the
18 [*division*] **office** is reviewable by the Court of Appeals in the manner pro-
19 vided in ORS 183.480 for the review of orders in contested cases.

20 **“SECTION 59.** ORS 657A.370 is amended to read:

21 “657A.370. Without the necessity of prior administrative proceedings or
22 hearing and entry of an order or at any time during such proceedings if they
23 have been commenced, the **Office of Child Care** [*Division*] may institute
24 proceedings to enjoin the operation of any child care facility operating in
25 violation of ORS 181.537, 657A.030 and 657A.250 to 657A.450 or the rules
26 promulgated pursuant to ORS 181.534, 181.537, 657A.030 and 657A.250 to
27 657A.450.

28 **“SECTION 60.** ORS 657A.390 is amended to read:

29 “657A.390. (1) Whenever an authorized representative of the **Office of**
30 **Child Care** [*Division*] is advised or has reason to believe that child care that

1 is subject to regulation by the [division] office is being provided without a
2 certification, registration or record, the authorized representative may visit
3 and conduct an on-site investigation of the premises of the facility at any
4 reasonable time to determine whether the facility is subject to the require-
5 ments of ORS 181.537, 657A.030 and 657A.250 to 657A.450.

6 “(2) At any reasonable time, an authorized representative of the Office
7 of Child Care [Division] may conduct an on-site investigation of the premises
8 of any certified or registered child care facility to determine whether the
9 child care facility is in conformity with ORS 181.537, 657A.030 and 657A.250
10 to 657A.450 and the rules promulgated pursuant to ORS 181.534, 181.537,
11 657A.030 and 657A.250 to 657A.450.

12 “(3) An authorized representative of the Office of Child Care [Division]
13 shall conduct an on-site investigation of the premises of any certified or
14 registered child care facility or of any other child care facility that is subject
15 to regulation by the [division] office if the [division] office receives a seri-
16 ous complaint about the child care facility. The [division] Early Learning
17 Council, by rule, shall adopt a definition for ‘serious complaint.’

18 “(4) Any state agency that receives a complaint about a certified or reg-
19 istered child care facility, a preschool recorded program or a school-age re-
20 corded program shall notify the Office of Child Care [Division] about the
21 complaint and any subsequent action taken by the state agency based on that
22 complaint.

23 “(5) The director and operator of a child care facility, a preschool re-
24 corded program or a school-age recorded program shall permit an authorized
25 representative of the [division] office to inspect records of the facility or
26 program and shall furnish promptly reports and information required by the
27 [division] office.

28 “**SECTION 61.** ORS 657A.400 is amended to read:

29 “657A.400. (1) An authorized representative of the Oregon Health Au-
30 thority may inspect the premises of a child care facility certified under ORS

1 657A.280 to determine whether the facility is in conformity with applicable
2 laws and regulations relating to health and sanitation.

3 “(2) An authorized representative of the authority shall inspect any child
4 care facility when requested to do so by the **Office of Child Care**
5 [*Division*] in accordance with arrangements under ORS 657A.420 and shall
6 submit written findings to the **Office of Child Care** [*Division*]. The **Office**
7 **of Child Care** [*Division*] shall not issue or renew any certification for any
8 child care facility for which an inspection by the authority has been re-
9 quested unless an authorized representative of the authority submits a writ-
10 ten finding that the facility is in compliance with applicable laws and
11 regulations relating to health and sanitation.

12 “(3) An environmental health specialist’s inspection may be performed by
13 a private consultant so long as the consultant is registered under ORS
14 chapter 700.

15 “**SECTION 62.** ORS 657A.410 is amended to read:

16 “657A.410. (1) In the event that any authorized representative of the **Of-**
17 **fice of Child Care** [*Division*], Oregon Health Authority or other agency is
18 denied access to any premises for the purpose of making an inspection in the
19 administration of ORS 181.537, 657A.030 and 657A.250 to 657A.450, the rep-
20 resentative shall not inspect the premises without a search warrant.

21 “(2) Application for a search warrant to inspect the premises shall be
22 made to any magistrate authorized to issue a warrant of arrest. The appli-
23 cation must be supported by an affidavit filed with the magistrate showing
24 probable cause for the inspection by stating the purpose and extent of the
25 proposed inspection, the statutes and rules which provide the basis for in-
26 spection, whether it is a routine or periodic inspection, an on-site review or
27 an investigation instituted by complaint and other specific or general infor-
28 mation concerning the premises.

29 “(3) If the magistrate is satisfied that there is probable cause to believe
30 that the grounds of the application exist, the magistrate shall issue the

1 search warrant specifying the purpose and extent of the inspection, on-site
2 review or investigation of the premises covered by the warrant.

3 **SECTION 63.** ORS 657A.420 is amended to read:

4 “657A.420. The **Office of Child Care** [*Division*] may enter into cooperative
5 arrangements with the Oregon Health Authority, the State Fire Marshal and
6 other public agencies for the provision of services in the inspection of child
7 care facilities in the administration of ORS 181.537, 657A.030 and 657A.250
8 to 657A.450. The arrangements shall designate which services shall be re-
9 imburSED and the rate and manner of reimbursement.

10 **SECTION 64.** ORS 657A.450 is amended to read:

11 “657A.450. The **Office of Child Care** [*Division*] may consult with, advise
12 or train the staffs of child care facilities or other interested persons con-
13 cerning child care programs.

14 **SECTION 65.** ORS 657A.490, as amended by section 67, chapter 37,
15 Oregon Laws 2012, is amended to read:

16 “657A.490. If the Department of Education is able to find adequate fund-
17 ing under ORS 657A.493, the department, in partnership with organizations
18 including, but not limited to, the Institute on Violence and Destructive Be-
19 havior at the University of Oregon, the [*Child Care Division of the Employ-*
20 *ment Department, the*] Early Learning Council, the Youth Development
21 Council and the Oregon Center for Career Development in Childhood Care
22 and Education:

23 “(1) Shall establish, in coordination with existing training systems, a
24 statewide child care provider training program that will educate child care
25 providers on:

26 “(a) The importance of healthy brain development in the first three years
27 of a child’s life.

28 “(b) The identification of risk factors and behaviors that indicate that a
29 child:

30 “(A) Needs special education or mental health treatment; or

1 “(B) Is at risk of becoming involved in the criminal justice system.

2 “(c) Appropriate referrals for intervention for the behaviors identified
3 under paragraph (b) of this subsection.

4 “(2) Shall establish an application process for child care providers who
5 wish to attend the program and may charge child care providers a fee for
6 attending the program.

7 “(3) May adopt any rules necessary to implement this section.

8 “**SECTION 66.** ORS 657A.700, as amended by section 120, chapter 37,
9 Oregon Laws 2012, is amended to read:

10 “657A.700. As used in ORS 657A.700 to 657A.718:

11 “(1) ‘Child care provider’ means a provider, for compensation, of care,
12 supervision or guidance to a child on a regular basis in a center or in a home
13 other than the child’s home. ‘Child care provider’ does not include a person
14 who is the child’s parent, guardian or custodian.

15 “(2) ‘Community agency’ means a nonprofit agency that:

16 “(a) Provides services related to child care, children and families, com-
17 munity development or similar services; and

18 “(b) Is eligible to receive contributions that qualify as deductions under
19 section 170 of the Internal Revenue Code.

20 “(3) ‘High quality child care’ means child care that meets standards for
21 high quality child care established or approved by the Early Learning
22 Council.

23 “(4) ‘Qualified contribution’ means a contribution made by a taxpayer to
24 the [*Child Care Division of the Employment Department*] **Office of Child**
25 **Care** or a selected community agency for the purpose of promoting child
26 care, and for which the taxpayer will receive a tax credit certificate under
27 ORS 657A.706.

28 “(5) ‘Tax credit certificate’ means a certificate issued by the **Office of**
29 **Child Care** [*Division*] to a taxpayer to qualify the taxpayer for a tax credit
30 under ORS 315.213.

1 “(6) ‘Tax credit marketer’ means an individual or entity selected by the
2 **Office of Child Care** [*Division*] to market tax credits to taxpayers.

3 **“SECTION 67.** ORS 657A.703 is amended to read:

4 “657A.703. (1) The [*Child Care Division of the Employment Department*]
5 **Office of Child Care**, in collaboration with an advisory committee estab-
6 lished by the [*Child Care Division*] **office**, shall establish a program to:

7 “(a) Allocate tax credit certificates to taxpayers that make qualified
8 contributions to the **Office of Child Care** [*Division*]; and

9 “(b) Distribute to child care providers moneys from qualified contribu-
10 tions and other contributions.

11 “(2) The purposes of the program are to:

12 “(a) Encourage taxpayers to make contributions to the **Office of Child**
13 **Care** [*Division*] by providing a financial return on qualified contributions
14 and by soliciting other contributions.

15 “(b) Achieve specific and measurable goals for targeted communities and
16 populations.

17 “(c) Set standards for the child care industry concerning the cost of pro-
18 viding quality, affordable child care.

19 “(d) Strengthen the viability and continuity of child care providers while
20 making child care more affordable for low and moderate income families.

21 **“SECTION 68.** ORS 657A.706 is amended to read:

22 “657A.706. (1) For the purpose of implementing the program established
23 under ORS 657A.703, the [*Child Care Division of the Employment*
24 *Department*] **Early Learning Council**, in collaboration with an advisory
25 committee established by the [*Child Care Division*] **council and the Office**
26 **of Child Care**, shall:

27 “(a) Adopt rules.

28 “(b) Select a tax credit marketer who agrees to market tax credits to
29 taxpayers.

30 “(c) Identify child care goals that are consistent with the purposes pro-

1 vided in ORS 657A.703 (2). The goals identified under this paragraph shall
2 take into account state resources and needs.

3 “(d) Develop by rule the application process an entity must complete to
4 be designated as a community agency under ORS 657A.700 to 657A.718, and
5 any process for the renewal of that designation.

6 “(e) Select one or more community agencies.

7 “(f) Enter into an agreement with each selected community agency to
8 perform the functions specified in ORS 657A.715.

9 “(g) Determine the total value of moneys to be available to each selected
10 community agency to distribute to providers based on goals identified under
11 paragraph (c) of this subsection, and distribute those moneys in the manner
12 provided in ORS 657A.712 to the selected community agencies. The total
13 value of moneys available to all selected community agencies in this state
14 may not exceed the amount of contributions received from taxpayers during
15 the tax year minus any reasonable administrative costs incurred by the **Of-**
16 **ice of Child Care** [*Division*] and the selected community agencies.

17 “(2) The [*Child Care Division*] **Early Learning Council** may adopt rules
18 that establish a fixed percentage that is less than 100 percent by which the
19 amount contributed by a taxpayer will be certified for a tax credit by the
20 [*division*] **Office of Child Care**. The purpose of the grant of rulemaking
21 authority under this subsection is to permit the [*division*] **Early Learning**
22 **Council** to calibrate the amount of the tax credit to interpretations of the
23 deductibility of qualified contributions under section 170 of the Internal
24 Revenue Code for federal tax purposes.

25 “(3)(a) The **Office of Child Care** [*Division*] shall issue tax credit certif-
26 icates in the chronological order in which the contributions are received by
27 the [*division*] **office**. The [*division*] **office** shall issue tax credit certificates
28 to contributors until the total value of all certificates issued by the
29 [*division*] **office** for the calendar year equals \$500,000. Each issued certificate
30 shall state the value of the contribution being certified as eligible for the tax

1 credit allowed under ORS 315.213. Except as provided in rules adopted under
2 subsection (2) of this section, the certified value shall equal the amount of
3 the contribution.

4 “(b) The **Office of Child Care** [*Division*] may not issue a tax credit cer-
5 tificate to a taxpayer to the extent the credit value to be certified, when
6 added to the total credit value previously certified by the [*Child Care Divi-*
7 *sion*] **office** under paragraph (a) of this subsection for the calendar year ex-
8 ceeds \$500,000.

9 “(c) The **Office of Child Care** [*Division*] shall send a copy of all tax credit
10 certificates issued under this section to the Department of Revenue.

11 “(d) Qualified contributions shall be deposited in the Child Care Fund.

12 “(4) A taxpayer that receives a notice of denial of a tax credit certificate
13 or that receives a tax credit certificate issued for an amount that is less than
14 the amount contributed may request a refund for the amount contributed
15 within 90 days of the [*Child Care Division’s*] denial or issuance of the cer-
16 tificate **by the Office of Child Care**. The **Office of Child Care** [*Division*]
17 must send notice of a denial or changed amount and refund the amount for
18 which a tax credit will not be granted within 30 days after receiving the
19 request. The refund shall be made from the Child Care Fund.

20 “(5) The [*Child Care Division*] **Early Learning Council** may establish
21 by rule any other provisions required to implement the program established
22 under ORS 657A.700 to 657A.718.

23 “**SECTION 69.** ORS 657A.709 is amended to read:

24 “657A.709. (1) In selecting a community agency under ORS 657A.706, the
25 [*Child Care Division of the Employment Department*] **Office of Child Care**
26 shall consider:

27 “(a) A prospective agency’s financial soundness, net worth, cash flow and
28 accounting capacity to manage the tax credit program;

29 “(b) A prospective agency’s demonstrated ability to serve low and moder-
30 ate income families;

1 “(c) The degree to which the governing board of the prospective agency
2 is representative of the community in which the agency is located, has a low
3 turnover rate of board members, has experience with financial matters and
4 has a demonstrated history of collaboration with other community agencies;
5 and

6 “(d) The experience and expertise of the executive or managing officer and
7 staff of the prospective agency in child care business management and small
8 business development.

9 “(2) The [*division*] **office** shall select the community agency that, in the
10 judgment of the [*division*] **office** and based on the criteria set forth in sub-
11 section (1) of this section, will best serve the interests of the community for
12 which it is selected.

13 “**SECTION 70.** ORS 657A.712 is amended to read:

14 “657A.712. (1) The [*Child Care Division of the Employment Department*]
15 **Office of Child Care** shall distribute revenues in the Child Care Fund that
16 are derived from contributions, minus the amounts needed to make refunds
17 under ORS 657A.706 (4) and to cover expenses of the **Office of Child Care**
18 [*Division*] in administering ORS 657A.700 to 657A.718.

19 “(2) Distributions shall be made to community agencies selected under
20 ORS 657A.706 in the proportion that the **Office of Child Care** [*Division*] de-
21 termines best promotes the provision of child care in this state.

22 “(3) Moneys distributed to selected community agencies shall be disbursed
23 to child care providers, consistent with rules adopted by the [*Child Care*
24 *Division*] **Early Learning Council** relating to the disbursement of moneys
25 by selected community agencies. The [*Child Care Division*] **council** shall
26 consider the factors described in ORS 657A.715 (2)(h) when adopting rules
27 under this subsection.

28 “**SECTION 71.** ORS 657A.715 is amended to read:

29 “657A.715. (1) Each community agency selected under ORS 657A.706 shall
30 disburse moneys to child care providers, pursuant to ORS 657A.712 and rules

1 adopted thereunder.

2 “(2) A selected community agency must:

3 “(a) Coordinate an application process by which persons may apply to be
4 participating providers;

5 “(b) Enter into agreements with participating providers under which the
6 duties and responsibilities of participating providers and the community
7 agency are stated;

8 “(c) Provide or coordinate required training for participating providers;

9 “(d) Monitor participating providers, through visits to providers and oth-
10 erwise;

11 “(e) Oversee the process by which a participating provider verifies the
12 income of a family and establishes the total child care fee charged to a
13 family;

14 “(f) Report on participating provider compliance with ORS 657A.718 and
15 other applicable requirements to contributors and the [*Child Care Division*
16 *of the Employment Department*] **Office of Child Care**;

17 “(g) Establish a maximum family income level for the region for purposes
18 of the child care fee limitation to which participating providers are subject
19 under ORS 657A.718 (1)(g); and

20 “(h) Determine, consistently with rules adopted by the [*Child Care Divi-*
21 *sion*] **Early Learning Council**, the amount of moneys to be disbursed to a
22 participating provider based on the incomes of the families the provider
23 serves, the child care fees the provider charges and the actual cost to the
24 provider of providing quality, affordable child care.

25 “(3)(a) A selected community agency must distribute to participating child
26 care providers all moneys that are available to the agency as a result of the
27 determination made by the **Office of Child Care** [*Division*] under ORS
28 657A.706 (1)(g). Each selected community agency shall distribute a substan-
29 tial portion of the moneys to participating child care providers that are
30 home-based businesses.

1 “(b) Distributions shall be based on the actual costs of providing quality,
2 affordable child care in the community for which distributions are being
3 made, including training costs, operating costs and wages.

4 “(4) For the purpose of making distributions to child care providers, a
5 selected community agency shall identify child care providers in the com-
6 munity that meet the requirements of ORS 657A.718. The selected community
7 agency may develop a process through which child care providers apply to
8 receive distributions of moneys from contributions made by taxpayers.

9 **“SECTION 72.** ORS 657A.718 is amended to read:

10 “657A.718. (1) Each selected community agency shall select participating
11 child care providers that meet the following requirements:

12 “(a) If a home-based business, the provider must enter into an agreement
13 with the community agency to continue to provide child care services for at
14 least an additional two years.

15 “(b) If a home-based business, the provider must serve at least two fami-
16 lies that have incomes that are 85 percent or less of the median income for
17 the region. If a center, at least 25 percent of the families the provider serves
18 must have incomes that are 85 percent or less of the median income for the
19 region.

20 “(c) The provider must accept children for whom child care is paid for
21 through a Department of Human Services subsidy.

22 “(d) The provider and the employees of the provider must provide high
23 quality child care.

24 “(e) The provider, if the provider is an individual, and the employees of
25 the provider must comply with [*Child Care Division*] **Early Learning**
26 **Council** rules and requirements for registration or certification.

27 “(f) The provider must maintain adequate liability insurance, financial
28 records and parent policies and contracts, and permit the selected community
29 agency to conduct visits.

30 “(g) For care provided to children of families whose income does not ex-

1 exceed the level established by the selected community agency under ORS
2 657A.715 (2)(g), the provider must agree to limit the total child care fees
3 charged to a family to a percentage established by the [*Child Care*
4 *Division*] **Early Learning Council** by rule.

5 “(2) In selecting participating child care providers, selected community
6 agencies must give preference to providers that provide child care to low and
7 moderate income families.

8 **“SECTION 73.** ORS 657A.992, as amended by section 121, chapter 37,
9 Oregon Laws 2012, is amended to read:

10 “657A.992. (1) In addition to any other provision of law or rule adopted
11 pursuant to ORS 657A.260 for enforcement of the provisions of ORS chapter
12 657A, the **Office of Child Care** [*Division*] may suspend or revoke a certifi-
13 cation or registration issued under ORS 657A.030 and 657A.250 to 657A.450,
14 or impose a civil penalty in the manner provided in ORS 183.745, for vio-
15 lation of:

16 “(a) Any of the provisions of ORS 657A.030 and 657A.250 to 657A.450;

17 “(b) The terms and conditions of a certification or registration issued
18 under ORS 657A.030 and 657A.250 to 657A.450; or

19 “(c) Any rule of the [*division*] **Early Learning Council** adopted under
20 ORS 657A.030 and 657A.250 to 657A.450.

21 “(2) The [*division*] **Early Learning Council** shall adopt by rule a sched-
22 ule establishing the civil penalties that may be imposed under this section.
23 The schedule must provide for categories of violations for which a penalty
24 may be imposed, including ‘nonserious’ and ‘serious’ to be defined by the
25 [*division*] **council** by rule under ORS 657A.260.

26 “(3) The [*division*] **office** must issue a written warning for a nonserious
27 or serious violation before assessing a civil penalty under this section. The
28 written warning must prescribe a reasonable time in which to correct a vi-
29 olation.

30 “(4) The [*division*] **office** may not impose a civil penalty of more than \$100

1 for a first violation.

2 “(5) The [*division*] **office** may not impose a civil penalty for a subsequent
3 violation that exceeds the penalty imposed for the previous violation by more
4 than \$100. Penalties imposed under this subsection may not exceed \$500 per
5 violation, or \$1,000 total for multiple violations per quarter.

6 “(6) Notwithstanding any other provision of this section, the maximum
7 civil penalty that may be imposed:

8 “(a) For violation of ORS 657A.330 by a registered family child care home
9 provider is \$100.

10 “(b) For violation of ORS 657A.280 by an operator of a child care facility
11 that is not a child care center is \$200.

12 “(c) For violation of ORS 657A.280 by an operator of a child care facility
13 that is a child care center is \$500.

14 “(7) A civil penalty imposed under this section may be remitted or reduced
15 upon such terms and conditions as the [*division*] **office** considers proper and
16 consistent with the public health and safety.

17 “(8) All moneys received under this section shall be deposited in the Child
18 Care Fund established under ORS 657A.010 (4) and may be used for the ad-
19 ministration of ORS 181.537, 657A.030 and 657A.250 to 657A.450.

20 “**SECTION 74.** ORS 307.145 is amended to read:

21 “307.145. (1) If not otherwise exempt by law, upon compliance with ORS
22 307.162, the child care facilities, schools, academies and student housing ac-
23 commodations, owned or being purchased by incorporated eleemosynary in-
24 stitutions or by incorporated religious organizations, used exclusively by
25 such institutions or organizations for or in immediate connection with edu-
26 cational purposes, are exempt from taxation.

27 “(2) Property described in subsection (1) of this section which is exclu-
28 sively for or in the immediate connection with educational purposes shall
29 continue to be exempt when leased to a political subdivision of the State of
30 Oregon, or to another incorporated eleemosynary institution or incorporated

1 religious organization for an amount not to exceed the cost of repairs,
2 maintenance and upkeep.

3 “(3)(a) As used in this section, ‘child care facility’ means a child care
4 center certified by the [*Child Care Division of the Employment Department*]
5 **Office of Child Care** under ORS 657A.280 to provide educational child care.

6 “(b) Before an exemption for a child care facility is allowed under this
7 section, in addition to any other information required under ORS 307.162, the
8 statement shall:

9 “(A) Describe the property and declare or be accompanied by proof that
10 the corporation is an eleemosynary institution or religious organization.

11 “(B) Declare or be accompanied by proof that the [*division*] **office** has
12 issued the child care facility a certification to provide educational child care.

13 “(C) Be signed by the taxpayer subject to the penalties for false swearing.

14 **“SECTION 75.** ORS 307.490 is amended to read:

15 “307.490. (1) In lieu of real and personal property taxes, each nonprofit
16 corporation eligible for a tax exemption under ORS 307.485 shall pay to the
17 treasurer of the county on or before November 15 an amount equal to 10
18 percent of the rentals for the period ending the preceding October 15, sub-
19 mitting with the remittance a form supplied by the Department of Revenue
20 stating the rental and certifying compliance with the requirements of the
21 State Fire Marshal, **the** local health officer or [*Child Care Division*] **the**
22 **Office of Child Care**, as applicable.

23 “(2) The treasurer shall, with the assistance of the assessor, allocate the
24 money received by the treasurer under subsection (1) of this section, to the
25 districts in which the exempt property is located in the same proportion that
26 the tax rate for the current tax year for each district bears to the total tax
27 rate for all districts.

28 “(3) The moneys received by the district shall be considered as a budget
29 resource for the next ensuing fiscal year.

30 **“SECTION 76.** ORS 307.500 is amended to read:

1 “307.500. (1) Immediately upon receipt of the claim or any subsequent
2 rental statement, the county assessor shall promptly transmit one copy of the
3 claim to the Department of Revenue. The rent subsequently reported for the
4 eligible child care facility or eligible farm labor camp for which the claim
5 is made is subject to verification and modification by the Department of
6 Revenue.

7 “(2) The county assessor shall promptly transmit one copy of each claim
8 or statement for exemption to the State Fire Marshal for verification of
9 compliance with applicable laws and rules and regulations relating to safety
10 from fire. If the State Fire Marshal refuses such verification, the county
11 assessor shall deny the claim and cause the nonprofit corporation to be billed
12 for the real and personal property taxes it would otherwise be liable to pay.

13 “(3) The county assessor shall promptly transmit one copy of each claim
14 or statement for exemption of an eligible farm labor camp to the appropriate
15 authority under the Oregon Safe Employment Act for verification of com-
16 pliance with the health code for farm labor camps. That authority shall re-
17 fuse to verify compliance if the farm labor camp does not comply with the
18 health code applicable to it or if access to the camp for inspection has been
19 denied the county assessor or the authorized representative of the county
20 assessor. If verification is refused, the county assessor shall deny the claim
21 and cause the nonprofit corporation to be billed for the real and personal
22 property taxes it would otherwise be liable to pay.

23 “(4) If the claim or statement or any part thereof applies to property used
24 for an eligible child care facility, the county assessor shall promptly transmit
25 a copy to the **Office of Child Care** [*Division*] for verification of certification.
26 If the [*division*] **office** refuses such verification, the county assessor shall
27 deny the claim and cause the nonprofit corporation to be billed for the real
28 and personal property taxes it would otherwise be liable to pay.

29 “**SECTION 77.** ORS 315.204 is amended to read:

30 “315.204. (1) A credit against the taxes otherwise due under ORS chapter

1 316 (or, if the taxpayer is a corporation, under ORS chapter 317 or 318) shall
2 be allowed to a resident employer or to a corporation that is an employer for
3 amounts paid or incurred during the taxable year by the employer for de-
4 pendent care assistance actually provided to an employee if the assistance
5 is furnished pursuant to a program which meets the requirements of section
6 129(d) of the Internal Revenue Code and if the employer has received a cer-
7 tificate as provided in subsection (2) of this section.

8 “(2)(a) Each employer that elects to receive a credit allowed under sub-
9 section (1) of this section must submit an application to the [*Child Care*
10 *Division of the Employment Department*] **Office of Child Care** each year the
11 employer wishes to receive the credit. The [*Child Care Division*] **Early**
12 **Learning Council** shall prescribe by rule the form of the application and
13 the information required to be given on the application.

14 “(b) The **Office of Child Care** [*Division*] shall issue a certificate to each
15 employer that submits an application under this subsection.

16 “(3) The amount of the credit allowed under subsection (1) of this section
17 shall be 50 percent of the amount so paid or incurred by the employer during
18 the taxable year but shall not exceed \$2,500 of dependent care assistance
19 actually provided to the employee.

20 “(4)(a) A credit against the taxes otherwise due under ORS chapter 316
21 (or, if the taxpayer is a corporation, under ORS chapter 317 or 318) shall be
22 allowed to a resident employer, or to a corporation that is an employer,
23 based upon amounts paid or incurred by the employer during the taxable
24 year to provide information and referral services to assist employees of the
25 employer employed within this state to obtain dependent care.

26 “(b) The amount of the credit allowed under this subsection shall be 50
27 percent of the amounts paid or incurred during the taxable year.

28 “(5) No amount paid or incurred during the taxable year of an employer
29 in providing dependent care assistance to any employee shall qualify for the
30 credit allowed under subsection (1) of this section if the amount was paid

1 or incurred to an individual described in section 129(c)(1) or (2) of the
2 Internal Revenue Code.

3 “(6) No amount paid or incurred by an employer to provide dependent
4 care assistance to an employee shall qualify for the credit allowed under
5 subsection (1) of this section if the amount paid or incurred is paid or in-
6 curred pursuant to a salary reduction plan or is not paid or incurred for
7 services performed within this state.

8 “(7) If the credit allowed under subsection (1) or (4) of this section is
9 claimed, the amount of any deduction allowed or allowable under ORS
10 chapter 316, 317 or 318 for the amount that qualifies for the credit (or upon
11 which the credit is based) shall be reduced by the dollar amount of the credit
12 allowed. The election to claim a credit allowed under this section shall be
13 made at the time of filing the tax return in accordance with any rules
14 adopted by the Department of Revenue.

15 “(8) The amount upon which the credit allowed under subsection (1) of
16 this section is based shall not be included in the gross income of the em-
17 ployee to whom the dependent care assistance is provided. However, the
18 amount excluded from the income of an employee under this section shall
19 not exceed the limitations provided in section 129(b) of the Internal Revenue
20 Code. For purposes of ORS 316.162, with respect to an employee to whom
21 dependent care assistance is provided, ‘wages’ does not include any amount
22 excluded under this subsection. Amounts excluded under this subsection
23 shall not qualify as expenses for which a credit is allowed to the employee
24 under ORS 316.078.

25 “(9) A nonresident shall be allowed the credit allowed under subsection
26 (1) or (4) of this section. The credit shall be computed in the same manner
27 and be subject to the same limitations as the credit granted to a resident.

28 “(10) If a change in the taxable year of the taxpayer occurs as described
29 in ORS 314.085, or if the department terminates the taxpayer’s taxable year
30 under ORS 314.440, the credit allowed by this section shall be prorated or

1 computed in a manner consistent with ORS 314.085.

2 “(11) If a change in the status of a taxpayer from resident to nonresident
3 or from nonresident to resident occurs, the credit allowed by this section
4 shall be determined in a manner consistent with ORS 316.117.

5 “(12) Any tax credit otherwise allowable under this section which is not
6 used by the taxpayer in a particular year may be carried forward and offset
7 against the taxpayer’s tax liability for the next succeeding tax year. Any
8 credit remaining unused in such next succeeding tax year may be carried
9 forward and used in the second succeeding tax year, and likewise any credit
10 not used in that second succeeding tax year may be carried forward and used
11 in the third succeeding tax year, and any credit not used in that third suc-
12 ceeding tax year may be carried forward and used in the fourth succeeding
13 tax year, and any credit not used in that fourth succeeding tax year may be
14 carried forward and used in the fifth succeeding tax year, but may not be
15 carried forward for any tax year thereafter.

16 “(13) For purposes of the credit allowed under subsection (1) or (4) of this
17 section:

18 “(a) The definitions and special rules contained in section 129(e) of the
19 Internal Revenue Code shall apply to the extent applicable.

20 “(b) ‘Employer’ means an employer carrying on a business, trade, occu-
21 pation or profession in this state.

22 “(14) In the case of an on-site facility, in accordance with any rules
23 adopted by the department, the amount upon which the credit allowed under
24 subsection (1) of this section is based, with respect to any dependent, shall
25 be based upon utilization and the value of the services provided.

26 **“SECTION 78.** ORS 315.208 is amended to read:

27 “315.208. (1) A credit against the taxes otherwise due under ORS chapter
28 316 (or, if the taxpayer is a corporation that is an employer, under ORS
29 chapter 317 or 318) is allowed to an employer, based upon costs actually paid
30 or incurred by the employer, to acquire, construct, reconstruct, renovate or

1 otherwise improve real property so that the property may be used primarily
2 as a dependent care facility.

3 “(2) The credit allowed under this section shall be the lesser of:

4 “(a) \$2,500 multiplied by the number of full-time equivalent employees
5 employed by the employer (on the property or within such proximity to the
6 property that any dependents of the employees may be cared for in the fa-
7 cility) on any date within the two years immediately preceding the end of
8 the first tax year for which credit is first claimed;

9 “(b) Fifty percent of the cost of the acquisition, construction, recon-
10 struction, renovation or other improvement; or

11 “(c) \$100,000.

12 “(3) To qualify for the credit allowed under subsection (1) of this section:

13 “(a) The amounts paid or incurred by the employer for the acquisition,
14 construction, reconstruction, renovation or other improvement to real prop-
15 erty may be paid or incurred either:

16 “(A) To another to be used to acquire, construct, reconstruct, renovate
17 or otherwise improve real property to the end that it may be used as a de-
18 pendent care facility with which the employer contracts to make dependent
19 care assistance payments which payments are wholly or partially entitled to
20 exclusion from income of the employee for federal tax purposes under section
21 129 of the Internal Revenue Code; or

22 “(B) To acquire, construct, reconstruct, renovate or otherwise improve
23 real property to the end that it may be operated by the employer, or a com-
24 bination of employers, to provide dependent care assistance to the employees
25 of the employer under a program or programs under which the assistance is,
26 under section 129 of the Internal Revenue Code, wholly or partially excluded
27 from the income of the employee.

28 “(b) The property must be in actual use as a dependent care facility on
29 the last day of the tax year for which credit is claimed and dependent care
30 services assisted by the employer must take place on the acquired, con-

1 structed, reconstructed, renovated or improved property and must be entitled
2 to an exclusion (whole or partial) from the income of the employee for fed-
3 eral tax purposes under section 129 of the Internal Revenue Code on the last
4 day of the tax year for which credit is claimed.

5 “(c) The person or persons operating the dependent care facility on the
6 property acquired, constructed, reconstructed, renovated or improved must
7 hold a certification (temporary or not) issued under ORS 657A.030 and
8 657A.250 to 657A.450 by the **Office of Child Care** [*Division*] to operate the
9 facility on the property on the last day of the tax year of any tax year in
10 which credit under this section is claimed.

11 “(d) The dependent care facility acquired, constructed, reconstructed,
12 renovated or otherwise improved must be located in Oregon. No credit shall
13 be allowed under this section if the dependent care facility is not acquired,
14 constructed, reconstructed, renovated or improved to accommodate six or
15 more children.

16 “(e) The employer must meet any other requirements or furnish any in-
17 formation, including information furnished by the employees or person oper-
18 ating the dependent care facility, to the Department of Revenue that the
19 department requires under its rules to carry out the purposes of this section.

20 “(f) The dependent care facility, the costs of the acquisition, construction,
21 reconstruction, renovation or improvement upon which the credit granted
22 under this section is based, must be placed in operation before January 1,
23 2002.

24 “(4) The total amount of the costs upon which the credit allowable under
25 this section is based, and the total amount of the credit, shall be determined
26 by the employer, subject to any rules adopted by the department, during the
27 tax year in which the property acquired, constructed, reconstructed, reno-
28 vated or otherwise improved is first placed in operation as a dependent care
29 facility certified by the **Office of Child Care** [*Division*] under ORS 657A.030
30 and 657A.250 to 657A.450. One-tenth of the total credit is allowable in that

1 tax year and one-tenth of the total credit is allowable in each succeeding tax
2 year, not to exceed nine tax years, thereafter. No credit shall be allowed
3 under this section for any tax year at the end of which the dependent care
4 facility is not in actual operation under a current certification (temporary
5 or not) issued by the **Office of Child Care** [*Division*] nor shall any credit
6 be allowed for any tax year at the end of which the employer is not providing
7 dependent care assistance entitled to exclusion (whole or partial) from em-
8 ployee income for federal tax purposes under section 129 of the Internal
9 Revenue Code for dependent care on the property. Any tax credit allowable
10 under this section in a tax year may be carried forward in the same manner
11 and to the same tax years as if it were a tax credit described in ORS 315.204.

12 “(5) Nothing in this section shall affect the computation of depreciation
13 or basis of a dependent care facility. If a deduction is allowed for purposes
14 of ORS chapter 316, 317 or 318 for the amounts paid or incurred upon which
15 the credit under this section is based, the deduction shall be reduced by the
16 dollar amount of the credit granted under this section.

17 “(6) For purposes of the credit allowed under this section:

18 “(a) The definitions and special rules contained in section 129(e) of the
19 Internal Revenue Code shall apply to the extent applicable.

20 “(b) ‘Employer’ means a resident, part-year resident or full-year nonresi-
21 dent employer carrying on a business, trade, occupation or profession in this
22 state.

23 “(7) The department shall require that evidence that the person operating
24 the dependent care facility on the date that the taxpayer’s tax year ends
25 holds a current certification (temporary or otherwise) to operate the facility
26 accompany the tax return on which any amount of tax credit granted under
27 this section is claimed, or that such evidence be separately furnished. If the
28 evidence is not so furnished, no credit shall be allowed for the tax year for
29 which the evidence is not furnished. The **Office of Child Care** [*Division*]
30 shall cooperate by making such evidence, in an appropriate form, available

1 to the person operating the facility, if the person is currently certified
2 (temporary or not) so that, if necessary, it may be made available to the
3 taxpayer.

4 **SECTION 79.** ORS 315.213 is amended to read:

5 “315.213. (1) A credit against the taxes otherwise due under ORS chapter
6 316 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 is al-
7 lowed to a taxpayer for certified contributions made to the **Office of Child**
8 **Care** [*Division*] under ORS 657A.706.

9 “(2) The amount of a tax credit available to a taxpayer for a tax year
10 under this section shall equal the amount stated in the tax credit certificate
11 received under ORS 657A.706.

12 “(3) The credit allowed under this section may not exceed the tax liability
13 of the taxpayer for the tax year in which the credit is claimed.

14 “(4) If the amount claimed as a credit under this section is allowed as a
15 deduction for federal tax purposes, the amount allowed as a credit under this
16 section shall be added to federal taxable income for Oregon tax purposes.

17 “(5) A credit under this section may be claimed by a nonresident or
18 part-year resident without proration.

19 “(6) Any tax credit otherwise allowable under this section that is not used
20 by the taxpayer in a particular tax year may be carried forward and offset
21 against the taxpayer’s tax liability for the next succeeding tax year. Any
22 credit remaining unused in the next succeeding tax year may be carried
23 forward and used in the second succeeding tax year, and likewise any credit
24 not used in that second succeeding tax year may be carried forward and used
25 in the third succeeding tax year, and any credit not used in that third suc-
26 ceeding tax year may be carried forward and used in the fourth succeeding
27 tax year, but may not be carried forward for any tax year thereafter.

28 “(7) The definitions in ORS 657A.700 apply to this section.

29 **SECTION 79a.** ORS 326.604 is amended to read:

30 “326.604. (1) **As used in this section, ‘care’ means the provision of**

1 **care, treatment, education, training, instruction, supervision, place-**
2 **ment services, recreation or support to children, youth or persons with**
3 **disabilities.**

4 “(2) For the purpose of requesting a state or nationwide criminal records
5 check under ORS 181.534, the Department of Education may require the fin-
6 gerprints of a person who:

7 “[1(a)] (a)(A) Is employed or applying for employment by the depart-
8 ment; or

9 “[b)] (B) Provides services or seeks to provide services to the department
10 as a contractor, **subcontractor**, vendor or volunteer; and

11 “[2)] (b) Is, or will be, working or providing services in a position:

12 “[a)] (A) In which the person [*has*] **may have** unsupervised access to
13 children;

14 “(B) **In which the person may have contact with recipients of care;**

15 “[b)] (C) In which the person has access to confidential or personal in-
16 formation about children, as may be further defined by the State Board of
17 Education by rule;

18 “[c)] (D) In which the person is providing information technology ser-
19 vices and has control over, or access to, information technology systems that
20 would allow the person to harm the information technology systems or the
21 information contained in the systems;

22 “[d)] (E) In which the person has access to information, the disclosure
23 of which is prohibited by state or federal laws, rules or regulations or in-
24 formation that is defined as confidential under state or federal laws, rules
25 or regulations;

26 “[e)] (F) That has payroll functions or in which the person has respon-
27 sibility for receiving, receipting or depositing money or negotiable instru-
28 ments, for billing, collections or other financial transactions or for
29 purchasing or selling property or has access to property held in trust or to
30 private property in the temporary custody of the department;

1 “[(f)] (G) That has mailroom duties as the primary duty or job function
2 of the position;

3 “[(g)] (H) In which the person has responsibility for auditing the depart-
4 ment;

5 “[(h)] (I) That has personnel or human resources functions as one of the
6 position’s primary responsibilities; or

7 “[(i)] (J) In which the person has access to personal information about
8 employees or members of the public, including Social Security numbers, dates
9 of birth, driver license numbers, medical information, personal financial in-
10 formation or criminal background information.

11 **“(3) In addition to the authority granted by subsection (2) of this
12 section and for the purpose of requesting a state or nationwide crimi-
13 nal records check under ORS 181.534, the Department of Education
14 may require the fingerprints of a person for the purposes of licensing,
15 certifying, registering or otherwise regulating or administering pro-
16 grams under the authority of the department.**

17 **“(4) The Department of Education may make fitness determinations
18 based on criminal offender records and information furnished by the
19 Federal Bureau of Investigation through the Department of State Po-
20 lice as provided by ORS 181.534.**

21 **“SECTION 80.** ORS 343.499, as amended by section 41, chapter 37, Oregon
22 Laws 2012, is amended to read:

23 “343.499. (1)(a) There is created the State Interagency Coordinating
24 Council.

25 “(b) The Governor shall appoint members of the council from a list of
26 eligible appointees provided by the council and agencies described in sub-
27 section (2) of this section and shall ensure that the membership of the
28 council reasonably represents the population of this state.

29 “(c) The Governor shall designate one member of the council to serve as
30 the chairperson, or if the Governor chooses not to name a chairperson, the

1 council may elect one of its members to serve as chairperson. However, any
2 member of the council who represents the Department of Education may not
3 serve as the chairperson of the council.

4 “(2) The membership of the council shall be composed as follows:

5 “(a) At least 20 percent of the council members shall be parents, including
6 minority parents, of preschool children with disabilities or of children with
7 disabilities who are 12 years of age or younger who have knowledge of or
8 experience with programs for infants and toddlers with disabilities. At least
9 one council member shall be a parent of an infant or toddler with a disability
10 or of a child with a disability who is six years of age or younger.

11 “(b) At least 20 percent of the council members shall be public or private
12 providers of early intervention and early childhood special education ser-
13 vices.

14 “(c) At least one council member shall be a member of the Legislative
15 Assembly.

16 “(d) At least one council member shall be involved in personnel prepara-
17 tion.

18 “(e) At least one council member shall represent the Department of Hu-
19 man Services.

20 “(f) At least one council member shall represent the federal Head Start
21 program.

22 “(g) At least one council member shall represent the [*Child Care Division*
23 *of the Employment Department*] **Office of Child Care.**

24 “(h) At least one council member shall represent the Department of Edu-
25 cation.

26 “(i) At least one council member shall represent the Department of Con-
27 sumer and Business Services.

28 “(j) At least one council member shall represent the Early Learning
29 [*Council*] **Division.**

30 “(k) At least one council member shall represent the Child Development

1 and Rehabilitation Center of the Oregon Health and Science University.

2 “(L) At least one council member shall be a member of the State Advisory
3 Council for Special Education created under ORS 343.287.

4 “(m) At least one council member shall be a representative designated by
5 the state coordinator for homeless education.

6 “(n) At least one council member shall represent the state child welfare
7 agency responsible for foster care.

8 “(o) At least one council member shall represent the state agency re-
9 sponsible for children’s mental health.

10 “(p) At least one council member shall be from the Oregon Health Au-
11 thority.

12 “(q) The council may include other members appointed by the Governor,
13 including but not limited to one representative from the United States Bu-
14 reau of Indian Affairs or, where there is no school operated or funded by the
15 bureau, from the Indian Health Service or the tribe or tribal council.

16 “(3) An individual appointed to represent a state agency that is involved
17 in the provision of or payment for services for preschool children with disa-
18 bilities under subsection (2)(e) and (h) to (k) of this section shall have suf-
19 ficient authority to engage in making and implementing policy on behalf of
20 the agency.

21 “(4) The State Interagency Coordinating Council shall:

22 “(a) Advise the Superintendent of Public Instruction, the State Board of
23 Education and the Early Learning Council on unmet needs in the early
24 childhood special education and early intervention programs for preschool
25 children with disabilities, review and comment publicly on any rules pro-
26 posed by the State Board of Education and the distribution of funds for the
27 programs and assist the state in developing and reporting data on and eval-
28 uations of the programs and services.

29 “(b) Advise and assist the represented public agencies regarding the ser-
30 vices and programs they provide to preschool children with disabilities and

1 their families, including public comments on any proposed rules affecting the
2 target population and the distribution of funds for such services, and assist
3 each agency in developing services that reflect the overall goals for the
4 target population as adopted by the council.

5 “(c) Advise and assist the Department of Education and other state
6 agencies in the development and implementation of the policies that consti-
7 tute the statewide system.

8 “(d) Assist all appropriate public agencies in achieving the full partic-
9 ipation, coordination and cooperation for implementation of a statewide
10 system that includes but is not limited to:

11 “(A) Seeking information from service providers, service coordinators,
12 parents and others about any federal, state or local policies that impede
13 timely service delivery; and

14 “(B) Taking steps to ensure that any policy problems identified under
15 subparagraph (A) of this paragraph are resolved.

16 “(e) Advise and assist the Department of Education in identifying the
17 sources of fiscal and other support for preschool services, assigning financial
18 responsibility to the appropriate agencies and ensuring that the provisions
19 of interagency agreements under ORS 343.511 are carried out.

20 “(f) Review and comment on each agency’s services and policies regarding
21 services for preschool children with disabilities, or preschool children who
22 are at risk of developing disabling conditions, and their families to the
23 maximum extent possible to assure cost-effective and efficient use of re-
24 sources.

25 “(g) To the extent appropriate, assist the Department of Education in the
26 resolution of disputes.

27 “(h) Advise and assist the Department of Education in the preparation
28 of applications and amendments thereto.

29 “(i) Advise and assist the Department of Education regarding the transi-
30 tion of preschool children with disabilities.

1 “(j) Prepare and submit an annual report to the Governor, **the Early**
2 **Learning System Director, the Early Learning Council, the Legislative**
3 **Assembly** and [to] the United States Secretary of Education on the status
4 of early intervention programs operated within this state.

5 “(5) The council may advise appropriate agencies about integration of
6 services for preschool children with disabilities and at-risk preschool chil-
7 dren.

8 “(6) Terms of office for council members shall be three years, except that:

9 “(a) The representative from the State Advisory Council for Special Edu-
10 cation shall serve a one-year term; and

11 “(b) The representatives from other state agencies and the representative
12 from the Legislative Assembly shall serve indefinite terms.

13 “(7) Subject to approval by the Governor, the council may use federal
14 funds appropriated for this purpose and available to the council to:

15 “(a) Conduct hearings and forums;

16 “(b) Reimburse nonagency council members under ORS 292.495 for at-
17 tending council meetings, for performing council duties, and for necessary
18 expenses, including child care for parent members;

19 “(c) Pay compensation to a council member if the member is not employed
20 or if the member must forfeit wages from other employment when performing
21 official council business;

22 “(d) Hire staff; and

23 “(e) Obtain the services of such professional, technical and clerical per-
24 sonnel as may be necessary to carry out its functions.

25 “(8) Except as provided in subsection (7) of this section, council members
26 shall serve without compensation.

27 “(9) The Department of Education shall provide clerical and administra-
28 tive support, including staff, to the council to carry out the performance of
29 the council’s function as described in this section.

30 “(10) The council shall meet at least quarterly. The meetings shall be

1 announced publicly and, to the extent appropriate, be open and accessible to
2 the general public.

3 “(11) No member of the council shall cast a vote on any matter that would
4 provide direct financial benefit to that member or otherwise give the ap-
5 pearance of a conflict of interest under state law.

6 **“SECTION 81.** ORS 343.507, as amended by section 42, chapter 37, Oregon
7 Laws 2012, is amended to read:

8 “343.507. (1) Each contractor for early childhood special education and
9 early intervention services shall assist in the development of a local early
10 intervention interagency advisory council in every county within the
11 contractor’s service area.

12 “(2) Each local early intervention interagency advisory council shall in-
13 clude as members at least 20 percent parents of preschool children with dis-
14 abilities, 20 percent providers of early childhood special education and early
15 intervention services or other services to preschool children with disabilities,
16 a representative of the Early Learning Council and representatives from
17 public and private agencies that serve young children and their families, in-
18 cluding but not limited to Head Start and Oregon prekindergartens, commu-
19 nity child care, the [*Child Care Division of the Employment Department*]
20 **Office of Child Care**, local school districts, education service districts, De-
21 partment of Education regional special education programs, community
22 mental health programs, community developmental disabilities programs,
23 Department of Human Services health programs, child welfare programs and
24 public assistance programs, Indian education agencies, migrant programs
25 serving young children and community colleges.

26 “(3) Each local early intervention interagency advisory council shall se-
27 lect its own chairperson and vice chairperson and fix the duties of its offi-
28 cers.

29 “(4) The department shall establish procedures pursuant to rules of the
30 State Board of Education for seeking and considering local council advice

1 regarding the selection of contractors, coordination of services and proce-
2 dures for local resolution of disputes.

3 **“SECTION 82.** ORS 419B.005, as amended by section 60, chapter 37,
4 Oregon Laws 2012, and section 1, chapter 92, Oregon Laws 2012, is amended
5 to read:

6 “419B.005. As used in ORS 419B.005 to 419B.050, unless the context re-
7 quires otherwise:

8 “(1)(a) ‘Abuse’ means:

9 “(A) Any assault, as defined in ORS chapter 163, of a child and any
10 physical injury to a child which has been caused by other than accidental
11 means, including any injury which appears to be at variance with the ex-
12 planation given of the injury.

13 “(B) Any mental injury to a child, which shall include only observable
14 and substantial impairment of the child’s mental or psychological ability to
15 function caused by cruelty to the child, with due regard to the culture of the
16 child.

17 “(C) Rape of a child, which includes but is not limited to rape, sodomy,
18 unlawful sexual penetration and incest, as those acts are described in ORS
19 chapter 163.

20 “(D) Sexual abuse, as described in ORS chapter 163.

21 “(E) Sexual exploitation, including but not limited to:

22 “(i) Contributing to the sexual delinquency of a minor, as defined in ORS
23 chapter 163, and any other conduct which allows, employs, authorizes, per-
24 mits, induces or encourages a child to engage in the performing for people
25 to observe or the photographing, filming, tape recording or other exhibition
26 which, in whole or in part, depicts sexual conduct or contact, as defined in
27 ORS 167.002 or described in ORS 163.665 and 163.670, sexual abuse involving
28 a child or rape of a child, but not including any conduct which is part of
29 any investigation conducted pursuant to ORS 419B.020 or which is designed
30 to serve educational or other legitimate purposes; and

1 “(ii) Allowing, permitting, encouraging or hiring a child to engage in
2 prostitution or to patronize a prostitute, as defined in ORS chapter 167.

3 “(F) Negligent treatment or maltreatment of a child, including but not
4 limited to the failure to provide adequate food, clothing, shelter or medical
5 care that is likely to endanger the health or welfare of the child.

6 “(G) Threatened harm to a child, which means subjecting a child to a
7 substantial risk of harm to the child’s health or welfare.

8 “(H) Buying or selling a person under 18 years of age as described in ORS
9 163.537.

10 “(I) Permitting a person under 18 years of age to enter or remain in or
11 upon premises where methamphetamines are being manufactured.

12 “(J) Unlawful exposure to a controlled substance, as defined in ORS
13 475.005, that subjects a child to a substantial risk of harm to the child’s
14 health or safety.

15 “(b) ‘Abuse’ does not include reasonable discipline unless the discipline
16 results in one of the conditions described in paragraph (a) of this subsection.

17 “(2) ‘Child’ means an unmarried person who is under 18 years of age.

18 “(3) ‘Higher education institution’ means:

19 “(a) A community college as defined in ORS 341.005;

20 “(b) A public university listed in ORS 352.002;

21 “(c) The Oregon Health and Science University; and

22 “(d) A private institution of higher education located in Oregon.

23 “(4) ‘Law enforcement agency’ means:

24 “(a) A city or municipal police department.

25 “(b) A county sheriff’s office.

26 “(c) The Oregon State Police.

27 “(d) A police department established by a university under ORS 352.383.

28 “(e) A county juvenile department.

29 “(5) ‘Public or private official’ means:

30 “(a) Physician, osteopathic physician, physician assistant, naturopathic

1 physician, podiatric physician and surgeon, including any intern or resident.

2 “(b) Dentist.

3 “(c) School employee, including an employee of a higher education insti-
4 tution.

5 “(d) Licensed practical nurse, registered nurse, nurse practitioner, nurse’s
6 aide, home health aide or employee of an in-home health service.

7 “(e) Employee of the Department of Human Services, Oregon Health Au-
8 thority, Early Learning [*Council*] **Division**, Youth Development Council,
9 [*Child Care Division of the Employment Department*] **Office of Child Care**,
10 the Oregon Youth Authority, a county health department, a community
11 mental health program, a community developmental disabilities program, a
12 county juvenile department, a licensed child-caring agency or an alcohol and
13 drug treatment program.

14 “(f) Peace officer.

15 “(g) Psychologist.

16 “(h) Member of the clergy.

17 “(i) Regulated social worker.

18 “(j) Optometrist.

19 “(k) Chiropractor.

20 “(L) Certified provider of foster care, or an employee thereof.

21 “(m) Attorney.

22 “(n) Licensed professional counselor.

23 “(o) Licensed marriage and family therapist.

24 “(p) Firefighter or emergency medical services provider.

25 “(q) A court appointed special advocate, as defined in ORS 419A.004.

26 “(r) A child care provider registered or certified under ORS 657A.030 and
27 657A.250 to 657A.450.

28 “(s) Member of the Legislative Assembly.

29 “(t) Physical, speech or occupational therapist.

30 “(u) Audiologist.

1 “(v) Speech-language pathologist.

2 “(w) Employee of the Teacher Standards and Practices Commission di-
3 rectly involved in investigations or discipline by the commission.

4 “(x) Pharmacist.

5 “(y) An operator of a preschool recorded program under ORS 657A.255.

6 “(z) An operator of a school-age recorded program under ORS 657A.257.

7 “(aa) Employee of a private agency or organization facilitating the pro-
8 vision of respite services, as defined in ORS 418.205, for parents pursuant to
9 a properly executed power of attorney under ORS 109.056.

10 “(bb) Employee of a public or private organization providing child-related
11 services or activities:

12 “(A) Including but not limited to youth groups or centers, scout groups
13 or camps, summer or day camps, survival camps or groups, centers or camps
14 that are operated under the guidance, supervision or auspices of religious,
15 public or private educational systems or community service organizations;
16 and

17 “(B) Excluding community-based, nonprofit organizations whose primary
18 purpose is to provide confidential, direct services to victims of domestic vi-
19 olence, sexual assault, stalking or human trafficking.

20 “(cc) A coach, assistant coach or trainer of an amateur, semiprofessional
21 or professional athlete, if compensated and if the athlete is a child.

22 “**SECTION 83.** ORS 419B.020 is amended to read:

23 “419B.020. (1) If the Department of Human Services or a law enforcement
24 agency receives a report of child abuse, the department or the agency shall
25 immediately:

26 “(a) Cause an investigation to be made to determine the nature and cause
27 of the abuse of the child; and

28 “(b) Notify the **Office of Child Care** [*Division*] if the alleged child abuse
29 occurred in a child care facility as defined in ORS 657A.250.

30 “(2) If the abuse reported in subsection (1) of this section is alleged to

1 have occurred at a child care facility:

2 “(a) The department and the law enforcement agency shall jointly deter-
3 mine the roles and responsibilities of the department and the agency in their
4 respective investigations; and

5 “(b) The department and the agency shall each report the outcomes of
6 their investigations to the **Office of Child Care** [*Division*].

7 “(3) If the law enforcement agency conducting the investigation finds
8 reasonable cause to believe that abuse has occurred, the law enforcement
9 agency shall notify by oral report followed by written report the local office
10 of the department. The department shall provide protective social services
11 of its own or of other available social agencies if necessary to prevent fur-
12 ther abuses to the child or to safeguard the child’s welfare.

13 “(4) If a child is taken into protective custody by the department, the
14 department shall promptly make reasonable efforts to ascertain the name and
15 address of the child’s parents or guardian.

16 “(5)(a) If a child is taken into protective custody by the department or a
17 law enforcement official, the department or law enforcement official shall,
18 if possible, make reasonable efforts to advise the parents or guardian imme-
19 diately, regardless of the time of day, that the child has been taken into
20 custody, the reasons the child has been taken into custody and general in-
21 formation about the child’s placement, and the telephone number of the local
22 office of the department and any after-hours telephone numbers.

23 “(b) Notice may be given by any means reasonably certain of notifying
24 the parents or guardian, including but not limited to written, telephonic or
25 in-person oral notification. If the initial notification is not in writing, the
26 information required by paragraph (a) of this subsection also shall be pro-
27 vided to the parents or guardian in writing as soon as possible.

28 “(c) The department also shall make a reasonable effort to notify the
29 noncustodial parent of the information required by paragraph (a) of this
30 subsection in a timely manner.

1 “(d) If a child is taken into custody while under the care and supervision
2 of a person or organization other than the parent, the department, if possible,
3 shall immediately notify the person or organization that the child has been
4 taken into protective custody.

5 “(6) If a law enforcement officer or the department, when taking a child
6 into protective custody, has reasonable cause to believe that the child has
7 been affected by sexual abuse and rape of a child as defined in ORS 419B.005
8 (1)(a)(C) and that physical evidence of the abuse exists and is likely to dis-
9 appear, the court may authorize a physical examination for the purposes of
10 preserving evidence if the court finds that it is in the best interest of the
11 child to have such an examination. Nothing in this section affects the au-
12 thority of the department to consent to physical examinations of the child
13 at other times.

14 “(7) A minor child of 12 years of age or older may refuse to consent to
15 the examination described in subsection (6) of this section. The examination
16 shall be conducted by or under the supervision of a physician licensed under
17 ORS chapter 677 or a nurse practitioner licensed under ORS chapter 678 and,
18 whenever practicable, trained in conducting such examinations.

19 “(8) When the department completes an investigation under this section,
20 if the person who made the report of child abuse provided contact informa-
21 tion to the department, the department shall notify the person about whether
22 contact with the child was made, whether the department determined that
23 child abuse occurred and whether services will be provided. The department
24 is not required to disclose information under this subsection if the depart-
25 ment determines that disclosure is not permitted under ORS 419B.035.

26 **“SECTION 84.** ORS 419B.035, as amended by section 4, chapter 348,
27 Oregon Laws 2009, and section 2, chapter 3, Oregon Laws 2012, is amended
28 to read:

29 “419B.035. (1) Notwithstanding the provisions of ORS 192.001 to 192.170,
30 192.210 to 192.505 and 192.610 to 192.990 relating to confidentiality and ac-

1 ccessibility for public inspection of public records and public documents, re-
2 ports and records compiled under the provisions of ORS 419B.010 to 419B.050
3 are confidential and may not be disclosed except as provided in this section.

4 The Department of Human Services shall make the records available to:

5 “(a) Any law enforcement agency or a child abuse registry in any other
6 state for the purpose of subsequent investigation of child abuse;

7 “(b) Any physician, at the request of the physician, regarding any child
8 brought to the physician or coming before the physician for examination,
9 care or treatment;

10 “(c) Attorneys of record for the child or child’s parent or guardian in any
11 juvenile court proceeding;

12 “(d) Citizen review boards established by the Judicial Department for the
13 purpose of periodically reviewing the status of children, youths and youth
14 offenders under the jurisdiction of the juvenile court under ORS 419B.100
15 and 419C.005. Citizen review boards may make such records available to
16 participants in case reviews;

17 “(e) A court appointed special advocate in any juvenile court proceeding
18 in which it is alleged that a child has been subjected to child abuse or neg-
19 lect;

20 “(f) The **Office of Child Care** [*Division*] for certifying, registering or
21 otherwise regulating child care facilities;

22 “(g) The Office of Children’s Advocate;

23 “(h) The Teacher Standards and Practices Commission for investigations
24 conducted under ORS 342.176 involving any child or any student in grade 12
25 or below;

26 “(i) Any person, upon request to the Department of Human Services, if
27 the reports or records requested regard an incident in which a child, as the
28 result of abuse, died or suffered serious physical injury as defined in ORS
29 161.015. Reports or records disclosed under this paragraph must be disclosed
30 in accordance with ORS 192.410 to 192.505; and

1 “(j) The [*Child Care Division of the Employment Department*] **Office of**
2 **Child Care** for purposes of ORS 657A.030 (8)(g).

3 “(2)(a) When disclosing reports and records pursuant to subsection (1)(i)
4 of this section, the Department of Human Services may exempt from disclo-
5 sure the names, addresses and other identifying information about other
6 children, witnesses, victims or other persons named in the report or record
7 if the department determines, in written findings, that the safety or well-
8 being of a person named in the report or record may be jeopardized by dis-
9 closure of the names, addresses or other identifying information, and if that
10 concern outweighs the public’s interest in the disclosure of that information.

11 “(b) If the Department of Human Services does not have a report or re-
12 cord of abuse regarding a child who, as the result of abuse, died or suffered
13 serious physical injury as defined in ORS 161.015, the department may dis-
14 close that information.

15 “(3) The Department of Human Services may make reports and records
16 compiled under the provisions of ORS 419B.010 to 419B.050 available to any
17 person, administrative hearings officer, court, agency, organization or other
18 entity when the department determines that such disclosure is necessary to
19 administer its child welfare services and is in the best interests of the af-
20 fected child, or that such disclosure is necessary to investigate, prevent or
21 treat child abuse and neglect, to protect children from abuse and neglect or
22 for research when the Director of Human Services gives prior written ap-
23 proval. The Department of Human Services shall adopt rules setting forth the
24 procedures by which it will make the disclosures authorized under this sub-
25 section or subsection (1) or (2) of this section. The name, address and other
26 identifying information about the person who made the report may not be
27 disclosed pursuant to this subsection and subsection (1) of this section.

28 “(4) A law enforcement agency may make reports and records compiled
29 under the provisions of ORS 419B.010 to 419B.050 available to other law
30 enforcement agencies, district attorneys, city attorneys with criminal

1 prosecutorial functions and the Attorney General when the law enforcement
2 agency determines that disclosure is necessary for the investigation or
3 enforcement of laws relating to child abuse and neglect.

4 “(5) A law enforcement agency, upon completing an investigation and
5 closing the file in a specific case relating to child abuse or neglect, shall
6 make reports and records in the case available upon request to any law
7 enforcement agency or community corrections agency in this state, to the
8 Department of Corrections or to the State Board of Parole and Post-Prison
9 Supervision for the purpose of managing and supervising offenders in custody
10 or on probation, parole, post-prison supervision or other form of conditional
11 or supervised release. A law enforcement agency may make reports and re-
12 cords compiled under the provisions of ORS 419B.010 to 419B.050 available
13 to law enforcement, community corrections, corrections or parole agencies
14 in an open case when the law enforcement agency determines that the dis-
15 closure will not interfere with an ongoing investigation in the case. The
16 name, address and other identifying information about the person who made
17 the report may not be disclosed under this subsection or subsection (6)(b) of
18 this section.

19 “(6)(a) Any record made available to a law enforcement agency or com-
20 munity corrections agency in this state, to the Department of Corrections
21 or the State Board of Parole and Post-Prison Supervision or to a physician
22 in this state, as authorized by subsections (1) to (5) of this section, shall be
23 kept confidential by the agency, department, board or physician. Any record
24 or report disclosed by the Department of Human Services to other persons
25 or entities pursuant to subsections (1) and (3) of this section shall be kept
26 confidential.

27 “(b) Notwithstanding paragraph (a) of this subsection:

28 “(A) A law enforcement agency, a community corrections agency, the
29 Department of Corrections and the State Board of Parole and Post-Prison
30 Supervision may disclose records made available to them under subsection

1 (5) of this section to each other, to law enforcement, community corrections,
2 corrections and parole agencies of other states and to authorized treatment
3 providers for the purpose of managing and supervising offenders in custody
4 or on probation, parole, post-prison supervision or other form of conditional
5 or supervised release.

6 “(B) A person may disclose records made available to the person under
7 subsection (1)(i) of this section if the records are disclosed for the purpose
8 of advancing the public interest.

9 “(7) An officer or employee of the Department of Human Services or of
10 a law enforcement agency or any person or entity to whom disclosure is
11 made pursuant to subsections (1) to (6) of this section may not release any
12 information not authorized by subsections (1) to (6) of this section.

13 “(8) As used in this section, ‘law enforcement agency’ has the meaning
14 given that term in ORS 181.010.

15 “(9) A person who violates subsection (6)(a) or (7) of this section commits
16 a Class A violation.

17 **“SECTION 85.** ORS 646A.504 is amended to read:

18 “646A.504. As used in ORS 646A.500 to 646A.514:

19 “(1) ‘Commercial user’ means any person, firm, corporation, association
20 or nonprofit corporation, or any agent or employee thereof, including child
21 care facilities or family child care homes certified or registered by the **Office**
22 **of Child Care** [*Division*] under ORS 657A.250 to 657A.450, who:

23 “(a) Deals in cribs of the kind governed by ORS 646A.500 to 646A.514;

24 “(b) By virtue of the person’s occupation, purports to have knowledge or
25 skill peculiar to the cribs governed by ORS 646A.500 to 646A.514; or

26 “(c) Is in the business of remanufacturing, retrofitting, selling, leasing,
27 subletting or otherwise placing cribs in the stream of commerce.

28 “(2) ‘Crib’ means:

29 “(a) Any full-size crib as that term is defined in 16 C.F.R. 1508.3; or

30 “(b) Any nonfull-size crib as that term is defined in 16 C.F.R. 1509.2(b).

1 “(3) ‘Individual’ means a natural person who is not a commercial user of
2 cribs.

3 “(4) ‘Infant’ means an individual who is less than three years of age.

4 “**SECTION 86.** Section 130, chapter 37, Oregon Laws 2012, is amended to
5 read:

6 “**Sec. 130.** (1) In addition to the minimum standards established for child
7 care facilities and the operation of child care facilities under ORS 657A.260
8 and subject to available funds, the [*Child Care Division of the Employment*
9 *Department*] **Office of Child Care**, under the direction and with the approval
10 of the Early Learning Council, shall initiate development of a tiered quality
11 rating and improvement system for child care facilities.

12 “(2) The tiered quality rating and improvement system implemented under
13 this section shall:

14 “(a) Establish a set of progressively higher standards that are used to
15 evaluate the quality of an early learning and development program and to
16 support program improvement.

17 “(b) Consist of the following components:

18 “(A) Tiered standards that define a progression of quality for early
19 learning and development programs.

20 “(B) Monitoring of programs to evaluate quality based on established
21 standards.

22 “(C) Support for programs and providers of programs to meet tiered
23 quality standards, including training, technical assistance and financial in-
24 centives.

25 “(D) Program quality ratings that are publicly available.”.

26 On page 51, line 21, after “326.021,” insert “326.604,”.

27 In line 23, after “417.793,” insert “417.795,”.

28 In line 28, delete “section 10, chapter 519, Oregon Laws 2011, and”.

29 In line 29, delete “89” and insert “87”.

30