

HB 2985 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Family Supports

Action Date: 04/18/17

Action: Do pass with amendments
and be referred to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Bynum, Hack, Hayden, Huffman, Keny-Guyer, Lively, Malstrom, Piluso, Smith DB

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Creates 20-member Task Force on Employment-Related Child Care to conduct a study on employment-related day care access and availability of subsidies and to develop plan to expand access. Requires initial report to legislature by January 2, 2018. Requires second report, by January 2, 2019, which is to include recommendations and identification of costs associated with expanding access to program for certain federal poverty guidelines and increasing number of providers of child care. Sunsets January 2, 2020. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Families that are eligible for Employment-Related Day Care but are unable to access it
- Challenges for families to access high-quality, affordable child care
- Positive socioeconomic outcomes for children and families due to subsidizing the cost of child care
- Urban and rural inequalities
- Examining methods other states use to pay subsidies

EFFECT OF AMENDMENT:

Replaces measure.

BACKGROUND:

Oregon State University reports that prices for child care vary across Oregon based on age of the child, type of care, local supply, demand for child care and facility perception of ability to pay. Between 2004-2016, median income has stabilized, while child care prices have increased and will exceed college tuition. In 2016, the median price of child care in Oregon was \$12,500 with parents paying for the majority of child care expenditures; parents pay 72 percent, the federal government funds 19 percent and Oregon funds nine percent.

The Oregon Department of Human Services (DHS) administers the Employment-Related Day Care Program (ERDC) to help offset the cost of child care. ERDC provides subsidies to families that are working or in school with incomes at or below 185 percent of the Federal Poverty Level. Families provide a co-payment directly to a child care provider that is determined by income and family size. Child care providers submit invoices to DHS and DHS pays a subsidy to the providers. Currently, ERDC has 3,529 providers, who serve 8,023 families and cover 15,254 children.

In 2015, House Bill 2015 made changes to ERDC. The legislation allowed families to receive a subsidy for at least one year, regardless of changes in employment status and extended the program to self-employed parents. Also, the measure established a lower co-payment for parents who chose providers that participated and met the standards of the tiered quality rating improvement system and established a higher reimbursement to providers who met the standards.

House Bill 2985-A continues efforts to improve access to employment-related child care by establishing the Task Force on Employment-Related Child Care. It is responsible for conducting a study of employment-related day care

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access and the availability of subsidies and developing a plan to expand access by: supporting child care providers and providing assistance in understanding health and safety regulations; providing information on opportunities for the professional development of child care providers; supporting child care providers who are paid by and families who are enrolled in the employment-related child care program; recruiting additional child care providers; expanding child care access including to families who seek work or are students; and improving outreach to families who may be eligible.