

DRAFT

SUMMARY

Expands eligibility for certain child care subsidy programs. Transfers rulemaking authority for programs from Department of Human Services to Early Learning Council. Directs council to adopt rules to implement changes to programs. Provides that when federal funds are involved, federal child subsidy program requirements control.

A BILL FOR AN ACT

Relating to child care subsidy programs; amending ORS 329A.500.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 329A.500 is amended to read:

329A.500. *[(1) The Department of Human Services, in consultation with the Early Learning Division and the Office of Child Care, shall adopt rules for the operation of subsidy programs for employment-related child care administered by the department. At a minimum, and taking into account the availability of funds, the rules must provide the following:]*

[(a) Subsidy recipients may be entitled to receive the subsidy for at least one year, regardless of changes in employment. Rules adopted by the department may provide for termination of subsidy eligibility for reasons other than changes in employment during the one-year period. Exit eligibility and copays must be structured to mitigate the financial impact of reduced subsidy support due to increased income.]

[(b) Subsidy recipients who are enrolled in coursework, as defined by the department by rule, may be entitled to receive the subsidy to enable the subsidy recipient to attend and participate in the coursework provided all other eligibility requirements are met.]

1 [(c) Persons who are self-employed may qualify for subsidy programs pro-
2 vided all other eligibility requirements are met.]

3 [(d) Subsidy recipients who voluntarily choose child care providers that
4 meet minimum standards established under the tiered quality rating and im-
5 provement system implemented under ORS 329A.261 may qualify for lower
6 copayments. A fair representation of the subsidy recipients who qualify for
7 lower copayments must be persons with children who are from underserved
8 racial, ethnic or minority populations. In addition, child care providers that
9 meet specified minimum standards established under the tiered quality rating
10 and improvement system may receive an enhanced reimbursement under the
11 subsidy programs.]

12 [(e) Subsidy recipients must report a change of child care provider to the
13 department during the period a subsidy is being received.]

14 **(1) The Early Learning Council shall adopt rules for the operation
15 of child care subsidy programs administered by the Early Learning
16 Division.**

17 **(2) The rules adopted under this section must support a statewide
18 plan for equitable access to a supply of culturally diverse child care
19 providers, consistent with the diverse needs of subsidy program par-
20 ticipants. The council shall develop, by rule, factors for assessing
21 whether the equitable access standard of this subsection has been met.**

22 **(3) At a minimum, and taking into account the availability of funds,
23 the rules must provide that:**

24 **(a) A child is eligible to participate in the subsidy program regard-
25 less of the citizenship or legal status of the child or the child's care-
26 taker.**

27 **(b) A child who meets the eligibility requirements under subsection
28 (4)(a) of this section is entitled to receive the child care subsidy for
29 at least 12 months.**

30 **(c) If the child's caretaker is responsible for a copayment for the
31 child care, the copayment shall be determined by the council on a**

1 **sliding scale based on a percentage of the household income of the**
2 **child's caretaker, not to exceed seven percent.**

3 **(d) The child's caretaker report any change in child care provider**
4 **to the Early Learning Division during the period in which a subsidy**
5 **is being received.**

6 **(e) The rate of reimbursement reflect the true cost of providing**
7 **care.**

8 **(f) Subsidy program payments to child care providers be made in**
9 **advance by no later than the fifth day of the month during which the**
10 **child care will be provided and be based on enrollment.**

11 **(4) The rules developed under this section may provide that:**

12 **(a) A child's eligibility to participate in the subsidy program be**
13 **based on the household income of the child's caretaker, the child's**
14 **family circumstances or any other criteria established by the council.**

15 **(b) The subsidy be used for child care during the hours that the**
16 **child's caretaker is unavailable, regardless of whether the child's**
17 **caretaker is physically present during the period of unavailability or**
18 **whether the child care occurs in the child's home or at a different lo-**
19 **cation.**

20 **(c) The child's caretaker be responsible for a copayment for the**
21 **child care.**

22 **(d) The child care subsidy program enter into contracts directly**
23 **with the child care provider or provide vouchers for child care to the**
24 **caretakers of eligible children, or both.**

25 **(e) A child care provider be eligible for a higher rate of reimburse-**
26 **ment or other financial incentives for participating in quality im-**
27 **provement measures or for providing:**

28 **(A) Culturally or linguistically specific or appropriate care;**

29 **(B) Evening, overnight or weekend care;**

30 **(C) Care to children with diagnosed disabilities or delays;**

31 **(D) Care to a population that the council has identified by rule as**

1 **historically having an inadequate child care provider supply; or**

2 **(E) Any other specialized care that justifies a higher rate of re-**
3 **imbursement, as determined by the council on a case-by-case basis.**

4 **(5) In developing rules under this section, the council shall consider**
5 **policies for increasing the stability and continuity of children's access**
6 **to preferred child care providers.**

7 **[(2)] (6)(a) The [department] council shall work to meet federal recom-**
8 **mendations for income eligibility and market access in regard to**
9 **employment-related child care administered by the [department] Early**
10 **Learning Division.**

11 **(b) In all cases when federally granted funds are involved, the fed-**
12 **eral laws, rules and regulations applicable to the funds shall govern**
13 **notwithstanding any provision to the contrary in this section or any**
14 **rules adopted by the council pursuant to this section.**

15 **(7) As used in this section, "caretaker" means an individual who is**
16 **responsible for the care, control and supervision of a child.**