

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2346 - A8

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
Reviewed by: Doug Wilson, Laurie Byerly, Theresa McHugh
Date: June 18, 2019**Measure Description:**

Establishes Task Force on Access to Quality Affordable Child Care.

Government Unit(s) Affected:

Department of Education (ODE), Department of Human Services (DHS), Legislative Assembly

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund - ODE		
Personal Services	26,926	
Services and Supplies	8,931	
OCCRP Contract	200,000	
Total Funds	\$235,857	\$0
Positions	0	
FTE	0.25	

Analysis:

HB 2346, with the -A8 amendment, establishes the 17-member Task Force on Access to Quality Affordable Child Care charged with: (1) studying why eligible families are not using child care subsidies and making recommendations for how to increase eligible families' use of child care subsidies; and (2) studying and making recommendations to expand access to high-quality, subsidized child care for families that currently are not eligible for subsidized child care and cannot otherwise afford or access child care. The task force must report its findings and recommendations to the Legislature by December 31, 2020. The task force sunsets on January 2, 2021. The -A8 amendment appropriates \$235,857 General Fund to the Department of Education to conduct studies and prepare reports to support the task force.

The bill directs the Early Learning Division within the Department of Education (ODE) to study and prepare a comprehensive report on existing child care subsidy programs in Oregon and submit the findings to the task force by December 31, 2019. In addition, the Early Learning Division must submit the following two studies to the task force by June 30, 2020:

1. A report on the supply of and demand for child care by geography and household demographic information, including age, race, ethnicity, and language spoken in the home.
2. A report on the barriers to accessing existing child care subsidies, including findings from interviews or surveys of families that have accessed child care subsidies in the past, families that access child care subsidies presently, and child care caseworkers or providers who have assisted families with accessing child care subsidies.

Department of Education (ODE)

ODE estimates the fiscal impact of this bill to be \$235,857 General Fund and .25 FTE for the 2019-21 biennium. Because of the comprehensive work that must be performed by the task force in 12 months, ODE anticipates making full-time an existing part-time Program Analyst 4 position to oversee the work, including conducting initial research, compiling background materials, and producing and submitting the required reports. The bill authorizes the Early Learning Division to contract with a third-party research organization to assist or complete any of the research requirements of the bill; ODE anticipates the need for \$200,000 to partner with the Oregon Child Care Research Partnership (OCCRP) at Oregon State University to conduct the research required by the bill. The bill specifies that the report on the existing child care subsidy programs in Oregon must include:

- The total amount of federal and state funds allocated to or spent on child care subsidies, training, quality, or administration during the 2017-2019 biennium and, to the greatest extent practicable, the 2019-2021 biennium;
- The total population served by child care subsidy programs;
- The eligibility requirements for obtaining child care subsidies and the percentage of the eligible population that is obtaining child care subsidies;
- The copayments and provider rates for child care subsidies;
- The administration and governance structure of child care subsidies;
- The benefits and hours of operation of subsidized child care; and
- The professional development opportunities, accreditation and licensing standards, and recruitment efforts for child care providers.

Department of Human Services (DHS)

The fiscal impact of this bill to DHS is anticipated to be minimal. DHS will use existing staff and resources to serve on the task force and to furnish the task force with existing available data, information, advice, and other support.

Legislative Policy and Research Office (LPRO)

LPRO is directed to provide staffing support to the task force. The 2019-21 LPRO budget should contain funds allocated for supporting interim committees and task forces. If the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required.

Legislative Assembly

The bill specifies that non-legislative members of the task force serve as volunteers and are not entitled to compensation and reimbursement. However, four members of the task force will be legislative members who are entitled to per diem and travel reimbursement. The estimated per diem and travel reimbursement cost for the four legislative members is \$841 per day. This amount includes the Federal Insurance Contribution Act (FICA) tax and assumes per diem remains at \$149 per day, and the average mileage of 90 miles remains at the current rate of \$0.58 per mile. Although the 2019-21 Legislative Assembly budget contains funds allocated for interim committees and task forces, if the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required. The task force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task force, or Legislative Days.