

House Bill 2348

Sponsored by Representative POWER; Representative SALINAS (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Early Learning Division to develop pilot program in rural area of state that reimburses child care providers for cost of providing high-quality child care rather than percentage of market rate. Appropriates moneys from General Fund for pilot program.

Directs Department of Human Services to set reimbursements for child care providers providing services to recipients of Employment Related Day Care program at 75 percent of market rate. Directs department to reduce subsidy recipient copayments to no more than 10 percent of household income. Directs department to contract with child care providers to provide off-hour child care in counties where no more than 10 percent of children zero to three years of age have access to child care. Appropriates moneys from General Fund to department.

Declares emergency, effective on July 1, 2019.

A BILL FOR AN ACT

1
2 Relating to employment-related child care; creating new provisions; amending ORS 329A.500; and
3 declaring an emergency.

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

5 **SECTION 1. (1) As used in this section, "high-quality child care" means child care that**
6 **meets the minimum standards established under the tiered quality rating and improvement**
7 **system developed by the Office of Child Care under ORS 329A.261.**

8 **(2) The Early Learning Division shall develop a pilot program in a rural area of this state**
9 **experiencing child care provider shortages. Notwithstanding ORS 329A.500 (2), the pilot pro-**
10 **gram shall reimburse child care providers for the cost of providing high-quality child care,**
11 **as determined by the division under subsection (3) of this section. The purpose of the pilot**
12 **program is to determine whether paying child care providers based on the cost of providing**
13 **high quality child care rather than a percentage of the market rate will provide incentives**
14 **for more child care providers to offer child care to employment-related child care subsidy**
15 **recipients.**

16 **(3) No later than January 1, 2020, the division shall develop a cost modeling system to**
17 **determine the cost of providing high-quality child care for purposes of determining re-**
18 **imbursement rates under this section.**

19 **(4) The division shall submit an annual report on the outcomes of the pilot program to**
20 **an appropriate interim committee of the Legislative Assembly no later than January 1.**

21 **SECTION 2. ORS 329A.500 is amended to read:**

22 329A.500. (1) The Department of Human Services, in consultation with the Early Learning Di-
23 vision and the Office of Child Care, shall adopt rules for the operation of subsidy programs for
24 employment-related child care administered by the department. At a minimum, and taking into ac-
25 count the availability of funds, the rules must provide the following:

26 (a) Subsidy recipients may be entitled to receive the subsidy for at least one year, regardless
27 of changes in employment. Rules adopted by the department may provide for termination of subsidy

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 eligibility for reasons other than changes in employment during the one-year period. Exit eligibility
 2 and copays must be structured to mitigate the financial impact of reduced subsidy support due to
 3 increased income.

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

7 (c) Persons who are self-employed may qualify for subsidy programs provided all other eligibility
 8 requirements are met.

9 (d) Subsidy recipients who voluntarily choose child care providers that meet minimum standards
 10 established under the tiered quality rating and improvement system implemented under ORS
 11 329A.261 may qualify for lower copayments. A fair representation of the subsidy recipients who
 12 qualify for lower copayments must be persons with children who are from underserved racial, ethnic
 13 or minority populations. *[In addition, child care providers that meet specified minimum standards es-*
 14 *tablished under the tiered quality rating and improvement system may receive an enhanced reimburse-*
 15 *ment under the subsidy programs.]*

16 (e) Subsidy recipients must report a change of child care provider to the department during the
 17 period a subsidy is being received.

18 (2) The department shall:

19 (a) Work to meet federal recommendations for income eligibility and market access in regard
 20 to employment-related child care administered by the department[.];

21 (b) **Set reimbursement rates for child care providers at 75 percent of the department's**
 22 **most recent market rate study;**

23 (c) **Contract with child care providers to provide off-hour child care in counties in this**
 24 **state where no more than 10 percent of children zero to three years of age have access to**
 25 **child care; and**

26 (d) **Reduce subsidy recipient copayments to no more than 10 percent of household income**
 27 **with a copayment target of seven percent of household income.**

28 **SECTION 3.** There is appropriated to the Early Learning Division, for the biennium be-
 29 ginning July 1, 2019, out of the General Fund, the amount of \$_____ for the purpose of
 30 carrying out the provisions of section 1 of this 2019 Act.

31 **SECTION 4.** There is appropriated to the Department of Human Services, for the
 32 biennium beginning July 1, 2019, out of the General Fund, the amount of \$_____ for the
 33 purpose of carrying out the provisions of ORS 329A.500, as amended by section 2 of this 2019
 34 Act.

35 **SECTION 5.** The initial report described in section 1 of this 2019 Act is due no later than
 36 January 1, 2020.

37 **SECTION 6.** Section 1 of this 2019 Act is repealed on January 2, 2022.

38 **SECTION 7.** (1) Section 1 of this 2019 Act and the amendments to ORS 329A.500 by sec-
 39 tion 2 of this 2019 Act become operative on January 1, 2020.

40 (2) The Department of Human Services and the Early Learning Division may take any
 41 action before the operative date specified in subsection (1) of this section that is necessary
 42 for the department and the division to exercise, on and after the operative date specified in
 43 subsection (1) of this section, all of the functions and powers conferred on the department
 44 and the division by section 1 of this 2019 Act and the amendments to ORS 329A.500 by section
 45 2 of this 2019 Act.

1 **SECTION 8. This 2019 Act being necessary for the immediate preservation of the public**
2 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
3 **on July 1, 2019.**

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