On page 1 of the printed C-engrossed bill, line 8, after “329A.493” insert “and section 2, chapter 89, Oregon Laws 2021 (Enrolled House Bill 2059)”.

On page 12, after line 41, insert:

"SECTION 8b. Section 2, chapter 89, Oregon Laws 2021 (Enrolled House Bill 2059) (amending ORS 329A.500), is repealed and ORS 329A.500, as amended by section 8 of this 2021 Act, is amended to read:

329A.500. (1) As used in this section, ‘family’ means any individual who is responsible for the care, control and supervision of a child.

(2) The Department of Human Services and the Early Learning Council shall adopt rules for the operation of the Employment Related Day Care subsidy program administered by the department.

(3) The rules adopted under this section must support equitable access to a supply of diverse child care providers that meet the needs of families, as those needs are defined by the department by rule, including:

(a) Cultural diversity;

(b) Linguistic diversity;

(c) Racial and ethnic diversity; and

(d) Diversity of provider types.

(4) The rules adopted under this section must provide that:

(a) A child’s eligibility to participate in the Employment Related Day Care subsidy program must be based on:

(A) The household income of a child’s family; and

(B) Any other criteria established by the department.

(b) A child must be able to receive care that:

(A) Meets the child’s developmental, disability and neurodiversity needs; and

(B) Enables the child’s family to complete activities that relate to family well-being, which may include the family’s work hours, education hours, commute time, study time and other activities that support family well-being.

(c) Payment to child care providers must be based on enrollment instead of attendance.

(d) A child’s family may qualify for an incentive if the family voluntarily chooses a child care provider that participates in the quality recognition and improvement system established under ORS 329A.261. A fair representation of the recipients who qualify for incentives must be families with children who are from underserved racial, ethnic or minority populations. In addition, child care providers that participate in the quality recognition and im-
provement system may receive financial incentives under the subsidy programs in accordance with criteria established by rule.

“(5) Taking into account the availability of funds, the rules adopted under this section must establish a sliding scale for copayment, with the requirement that a copayment may not exceed seven percent of the household income of the child’s family.

“(6) In developing rules under this section, the department shall consider policies for increasing the stability and continuity of a child’s access to a family’s preferred child care provider.

“(7) Rules adopted by the department under this section establish minimum requirements pertaining to the Employment Related Day Care subsidy program and may not be construed to preempt, limit or otherwise diminish the applicability of any policy, standard or collective bargaining agreement that provides for an increased subsidy or a child care provider reimbursement amount under state or federal law.

“(8)(a) The department shall work to meet federal recommendations for income eligibility and market access in regard to the Employment Related Day Care subsidy program administered by the department.

“(b) Notwithstanding any provision of this section or any rule adopted by the department pursuant to this section, the laws and regulations applicable to any federal funds shall govern when any aspect of child care is funded by federal funds.”.

On page 13, after line 3, insert:

“SECTION 9a. The amendments to ORS 329A.500 by section 8b of this 2021 Act become operative on January 1, 2022.”.

On page 59, delete lines 27 through 45.

On page 60, delete lines 1 through 44 and insert:

“SECTION 73. ORS 329A.500, as amended by sections 8 and 8b of this 2021 Act, is amended to read:

“329A.500. (1) As used in this section, ‘family’ means any individual who is responsible for the care, control and supervision of a child.

“(2) The [Department of Human Services and the] Early Learning Council shall adopt rules for the operation of the Employment Related Day Care subsidy program administered by the Department of Early Learning and Care.

“(3) The rules adopted under this section must support equitable access to a supply of diverse child care providers that meet the needs of families, as those needs are defined by the [department] council by rule, including:

“(a) Cultural diversity;

“(b) Linguistic diversity;

“(c) Racial and ethnic diversity; and

“(d) Diversity of provider types.

“(4) The rules adopted under this section must provide that:

“(a) A child’s eligibility to participate in the Employment Related Day Care subsidy program must be based on:

“(A) The household income of a child’s family; and

“(B) Any other criteria established by the [department] council.

“(b) A child must be able to receive care that:

“(A) Meets the child’s developmental, disability and neurodiversity needs; and

“(B) Enables the child’s family to complete activities that relate to family well-being, which may
include the family’s work hours, education hours, commute time, study time and other activities that
support family well-being.

“(c) Payment to child care providers must be based on enrollment instead of attendance.
“(d) A child’s family may qualify for an incentive if the family voluntarily chooses a child care
provider that participates in the quality recognition and improvement system established under ORS
329A.261. A fair representation of the recipients who qualify for incentives must be families with
children who are from underserved racial, ethnic or minority populations. In addition, child care
providers that participate in the quality recognition and improvement system may receive financial
incentives under the subsidy programs in accordance with criteria established by rule.
“(e) A child care provider may be eligible to receive a higher rate of reimbursement or
other financial incentives for:
“(A) Participating in quality improvement measures;
“(B) Providing culturally or linguistically specific or appropriate care;
“(C) Providing evening, overnight or weekend care;
“(D) Providing care to children with a diagnosed disability;
“(E) Providing infant or toddler care;
“(F) Providing care to a population that has been identified as historically having an in-
adequate child care provider supply; or
“(G) Providing any other specialized care that justifies a higher rate of reimbursement.
“(5) Taking into account the availability of funds, the rules adopted under this section [must
establish]:
“(a) Must establish a sliding scale for copayment, with the requirement that a copayment may
not exceed seven percent of the household income of the child’s family.
“(b) Must provide that eligibility to participate in the Employment Related Day Care
subsidy program:
“(A) May not be based on the citizenship or legal status of a child or a child’s family; and
“(B) Shall, for a child who met the initial eligibility requirements prescribed under sub-
section (4) of this section, continue for a minimum of 12 months from the date of initial el-
igibility unless the child’s family leaves this state or requests a termination of benefits or
for any other reason identified by the council. Rules adopted under this subparagraph shall
give priority to families receiving temporary assistance under the temporary assistance for
needy families program described in ORS 412.006.
“(c) May provide that a determination of eligibility to participate in the Employment
Related Day Care subsidy program consider the availability of family to attend to the child,
regardless of the family’s physical presence.
“(6) In developing rules under this section, the [department] council shall consider policies for
increasing the stability and continuity of a child’s access to a family’s preferred child care provider.
“(7) Rules adopted by the [department] council under this section establish minimum require-
ments pertaining to the Employment Related Day Care subsidy program and may not be construed
to preempt, limit or otherwise diminish the applicability of any policy, standard or collective bar-
gaining agreement that provides for an increased subsidy or a child care provider reimbursement
amount under state or federal law.
“(8)(a) The [department] council shall work to meet federal recommendations for income eligi-
bility and market access in regard to the Employment Related Day Care subsidy program adminis-
tered by the [department] council.
“(b) Notwithstanding any provision of this section or any rule adopted by the [department] council pursuant to this section, the laws and regulations applicable to any federal funds shall govern when any aspect of child care is funded by federal funds.”.