

DRAFT

SUMMARY

Digest: The Act would give money to a state agency to help develop or improve child care in the state. (Flesch Readability Score: 76.2).

Establishes the Home and Small Center Child Care Fund.

Directs the Oregon Business Development Department to administer a grant program to provide financial assistance to child care facilities that serve a maximum of 75 children for the purpose of establishing or expanding child care infrastructure.

Appropriates moneys to the department for deposit in the fund to carry out the program.

A BILL FOR AN ACT

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Relating to child care.

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

SECTION 1. (1)(a) The Home and Small Center Child Care Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Home and Small Center Child Care Fund shall be credited to the fund.

(b) Moneys in the fund are continuously appropriated to the Oregon Business Development Department to carry out section 2 of this 2024 Act.

(c) The department shall administer the fund in consultation with the Department of Early Learning and Care.

(2) The fund shall consist of moneys credited to the fund, including:

(a) Moneys appropriated to the fund by the Legislative Assembly;

(b) Moneys transferred to the fund by the Oregon Business Development Department;

1 (c) Earnings on moneys in the fund;

2 (d) Moneys received from the federal or state government; and

3 (e) Moneys from any other source, including, but not limited to,
4 grants and gifts.

5 **SECTION 2.** (1) The Oregon Business Development Department
6 shall administer a grant program to provide financial assistance to
7 child care facilities, as defined in ORS 329A.250, that serve a maximum
8 of 75 children for allowable costs expended to establish or expand child
9 care infrastructure in this state.

10 (2) The department shall coordinate with the Department of Early
11 Learning and Care and consult with relevant stakeholders, including
12 but not limited to nonprofit and for-profit entities that are directly or
13 indirectly involved in child care throughout the state, to collect nec-
14 essary information that may be used to facilitate the design and im-
15 plementation of the program.

16 (3) For purposes of this section, allowable costs include but are not
17 limited to:

18 (a) Costs for the planning and design of early learning and care fa-
19 cilities.

20 (b) Costs for property acquisition to be used for early learning and
21 care facilities or child care facility development projects.

22 (c) Repairs, improvements and renovations to early learning and
23 care facilities, including climate resilience modifications, energy effi-
24 ciency improvements, seismic retrofitting and necessary repairs due
25 to a natural disaster.

26 (d) Child care facility development projects, including direct project
27 management costs.

28 (e) Construction costs and expenses.

29 (f) Costs related to providing support to organizations in the es-
30 tablishment or expansion of child care providers and facilities.

31 (g) Other costs that the Oregon Business Development Department,

1 after consulting with the Department of Early Learning and Care, de-
2 termines to be necessary to carry out this section.

3 (4) In reviewing applications on a case-by-case basis under this
4 section, the Oregon Business Development Department shall:

5 (a) Give priority to applicants that commit to constructing a new
6 child care facility that will serve a child population comprised of a
7 minimum of 30 percent of children who receive or are otherwise eligi-
8 ble to receive a child care subsidy.

9 (b) Distribute moneys in a manner that maximizes the development
10 or expansion of child care infrastructure in this state.

11 (5) In addition to the allowable costs under subsection (3) of this
12 section, the department may use a maximum of 10 percent of the
13 moneys appropriated to the department under section 3 of this 2024
14 Act to:

15 (a) Pay administrative costs incurred by the department.

16 (b) Contract with third parties to provide technical assistance.

17 (6) If the funds available in the Home and Small Center Child Care
18 Fund are not adequate to provide financial support to all eligible ap-
19 plicants that have been approved by the department to receive finan-
20 cial assistance under this section, the department may prioritize
21 distribution based on an applicant's ability or demonstrated commit-
22 ment to provide any of the following child care services to families
23 with the greatest child care needs:

24 (a) Culturally and linguistically specific and appropriate early
25 learning and care;

26 (b) Child care during nonstandard working hours such as evenings
27 and weekends;

28 (c) Child care for infants and toddlers;

29 (d) Early learning and care that aligns with parent preferences; or

30 (e) Early learning and care in communities that have historically
31 experienced a lack of accessible and affordable child care.

1 **(7) The department, in consultation with the Department of Early**
2 **Learning and Care, shall adopt rules to implement this section. At a**
3 **minimum, the rules must include:**

4 **(a) An application process by which an eligible applicant may apply**
5 **for financial assistance under this section;**

6 **(b) The terms and conditions for any agreements related to finan-**
7 **cial assistance provided under this section;**

8 **(c) A process for reviewing and approving applications submitted**
9 **for financial assistance received under this section;**

10 **(d) The amount of financial assistance that may be provided to eli-**
11 **gible applicants; and**

12 **(e) A process for establishing prioritizations upon which the Oregon**
13 **Business Development Department may base the awarding of grants**
14 **for financial assistance under this section to eligible applicants located**
15 **in rural geographic areas and among historically underserved com-**
16 **munities.**

17 **SECTION 3.** **In addition to and not in lieu of any other appropri-**
18 **ation, there is appropriated to the Oregon Business Development De-**
19 **partment, for the biennium ending June 30, 2025, out of the General**
20 **Fund, the amount of \$5,000,000, for deposit in the Home and Small**
21 **Center Child Care Fund established under section 1 of this 2024 Act.**

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