

HB 2954 STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/22

WHAT THE MEASURE DOES:

Directs Department of Early Learning and Care (DELIC), in consultation with Department of Human Services, to establish and adopt by rule a pilot program that would provide financial assistance to employees of long term care facilities for child care costs. Requires DELIC to consider geographic areas of the state with greatest child care needs when establishing pilot program. Prescribes scope of pilot program and requires DELIC to consult with stakeholders when adopting rules. Requires DELIC to report to legislative committee on program implementation and recommendations by September 15, 2025. Sunsets January 2, 2026.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Long term care facilities are facilities that provide inpatient medical, nursing, rehabilitation, and other health-related care and services to people with disabilities and medical needs. Long term care facilities include nursing facilities, assisted living and residential care facilities, and adult foster homes. Depending on the types of regulated services provided, staff may be required to be registered nurses, certified nursing assistants, or may not be certified at all. While wages in this sector tend to be relatively low, recent workforce shortages have led to efforts to increase compensation and retention. The Department of Human Services established an [Enhanced Wage Add-on Program](#) that provides higher reimbursement rates to long term care providers that pay a starting wage of at least \$15.50 per hour for caregivers and \$17.50 per hour for certified nursing assistants starting in 2022.

Access to affordable child care is a challenge across the state, particularly for low-wage earners. The effects of the COVID-19 public health emergency, when many child care providers were ordered to temporarily close, have also had a lasting impact on the supply of child care. According to a [2020 report](#) by Oregon State University's College of Public Health and Human Sciences, all 36 counties in Oregon meet the definition of a "child care desert" for infants and toddlers, meaning that there are more than three children for each available child care slot in the community. 25 Oregon counties are also child care deserts for preschool-age children. According to a separate, federally required [2020 study](#) on market prices for child care, prices for child care have steadily increased since 1990, in both nominal and inflation-adjusted terms, with sharp increases from 2018. That study also found that prices for child care tend to be higher in urban regions and communities where universities are located. Forthcoming updated versions of these reports, which are due later this year, may reveal the impact of the COVID-19 public health emergency on child care supply and prices.

House Bill 2954 directs the Department of Early Learning and Care, in consultation with the Department of Human Services, to establish and adopt rules to implement a pilot program that would provide financial assistance to staff

at long term care facilities and to report to the legislature by September 15, 2025.

PRELIMINARY