

House Bill 3005

Sponsored by Representative REYNOLDS; Representatives LIVELY, TRAN, Senator ANDERSON (Presession 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 Housing and Community Services Department to provide financial assistance to eligible applicants to pay for allowable costs related to early child care infrastructure activities.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to financial assistance for early child care infrastructure activities; and declaring an
3 emergency.

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

5 **SECTION 1. Findings. (1) Early educational investments are severely underfunded.**

6 **(2) There is a shortage of affordable and accessible child care in this state.**

7 **(3) Early learning and care providers have limited finances to facilitate expansion of a**
8 **robust child care infrastructure.**

9 **(4) High-quality early child care investment promotes regional economic growth by in-**
10 **creasing the number of jobs available within the child care workforce and by providing con-**
11 **sistent, accessible and reliable care that is necessary to allow parents to participate in the**
12 **labor force.**

13 **(5) Public assistance is necessary to overcome constraints and incentivize the develop-**
14 **ment and expansion of early learning and care resources in this state.**

15 **(6) The purpose of sections 1 to 5 of this 2023 Act is to provide financial assistance to**
16 **eligible applicants for activities that promote increased early learning and care capacity**
17 **across the state, in an amount determined on a case-by-case basis by the Housing and**
18 **Community Services Department.**

19 **SECTION 2. Definitions. As used in sections 1 to 5 of this 2023 Act:**

20 **(1) "Administrative costs" includes, but is not limited to, the direct and indirect costs**
21 **incurred by the Housing and Community Services Department for:**

22 **(a) Reviewing and processing applications for financial assistance submitted by eligible**
23 **applicants under section 4 of this 2023 Act.**

24 **(b) Directly or indirectly providing technical assistance in accordance with section 5 of**
25 **this 2023 Act.**

26 **(2) "Child care facility" has the meaning given that term in ORS 329A.250.**

27 **(3) "Early child care infrastructure activity" means an activity that contributes to the**
28 **development of a robust child care system in this state.**

29 **(4) "Eligible applicant" means any of the following:**

30 **(a) A certified or registered family child care provider.**

31 **(b) A person who operates a child care facility.**

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 (c) Preschool providers that participate in the Preschool Promise Program established
2 under ORS 329.172.

3 (d) Programs that serve children in publicly funded early learning and care programs
4 including:

5 (A) Programs funded by the Early Childhood Equity Fund established under ORS 417.781.

6 (B) Relief nurseries.

7 (C) An Employment Related Day Care subsidy program.

8 (D) Oregon Head Start, Prekindergarten and Early Head Start programs.

9 (e) Culturally specific early learning, early childhood and parent support programs de-
10 scribed under ORS 417.782 (1).

11 (5) "Family child care provider" has the meaning given that term in ORS 329A.430.

12 **SECTION 3. Early Childhood Infrastructure Fund.** (1)(a) The Early Childhood
13 Infrastructure Fund is established in the State Treasury, separate and distinct from the
14 General Fund. Interest earned by the Early Childhood Infrastructure Fund shall be credited
15 to the fund.

16 (b) Moneys in the fund are continuously appropriated to the Housing and Community
17 Services Department for the purposes set forth in sections 4 and 5 of this 2023 Act.

18 (c) The Housing and Community Services Department shall administer the fund.

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

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

21 (b) Moneys transferred to the fund by the department;

22 (c) Earnings on moneys in the fund;

23 (d) Moneys received from the federal or state governments; and

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

25 **SECTION 4. Allowable uses for financial assistance.** (1) The Housing and Community
26 Services Department may provide financial assistance to eligible applicants for allowable
27 costs expended for early child care infrastructure expansion activities, from moneys in the
28 Early Childhood Infrastructure Fund established under section 3 of this 2023 Act, in accord-
29 ance with this section.

30 (2) The department may directly or indirectly grant, expend or loan moneys in the fund
31 or extend credit to eligible applicants to finance allowable costs related to early child care
32 infrastructure activities.

33 (3) For purposes of this section, allowable costs include:

34 (a) Costs for property acquisition to be used for child care facilities or child care facility
35 development projects.

36 (b) Repairs, improvements and renovations, including climate resilience modifications, to
37 child care facilities.

38 (c) Child care facility development projects, including direct project management costs.

39 (d) Costs of consultant services and expenses.

40 (e) Construction costs and expenses.

41 (f) Costs related to child care workforce investments.

42 (g) Other costs that the department determines to be necessary to carry out early child
43 care infrastructure activities.

44 (4) In addition to the allowable costs under subsection (3) of this section, the department
45 may use moneys from the Early Childhood Infrastructure Fund to pay administrative costs

1 incurred by the department.

2 (5) Subject to subsection (6) of this section, the amount of financial assistance provided
3 to eligible applicants under this section shall be in an amount prescribed by the department
4 by rule, except that the department may not:

5 (a) Distribute funds for administrative costs incurred by the department for technical
6 assistance provided under section 5 of this 2023 Act, in an amount that exceeds 10 percent
7 of the total amount in the fund on the date of distribution.

8 (b) Distribute funds to an eligible applicant that is a school district:

9 (A) In an amount that exceeds 25 percent of the total amount in the fund on the date
10 of distribution.

11 (B) Unless the school district has demonstrated the ability to provide matching funds in
12 an amount that is equal to the amount of matching funds the school district is required to
13 provide under the Oregon School Capital Improvement Matching Program under ORS
14 286A.801.

15 (c) Distribute funds to eligible applicants that are culturally specific early learning, early
16 childhood and parent support programs described under ORS 417.782 (1), in an amount that
17 is less than 25 percent of the total amount in the fund on the date of distribution.

18 (6) The total amount of financial assistance allowable to eligible applicants under this
19 section must be distributed with regard to the availability of funds. If the funds available in
20 the Early Childhood Infrastructure Fund established under section 3 of this 2023 Act are not
21 adequate to provide financial support to all eligible applicants that have been approved by the
22 department to receive financial assistance under this section, the department may prioritize
23 distribution based on an applicant's ability or demonstrated commitment to provide any of
24 the following child care services to families with the greatest child care needs:

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

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

27 (c) Child care for infants and toddlers;

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

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

31 (7) The department shall adopt rules to implement this section. At a minimum, the rules
32 must include:

33 (a) An application process by which an eligible applicant may apply for financial assist-
34 ance under this section;

35 (b) The terms and conditions for any agreements related to financial assistance provided
36 under this section; and

37 (c) A process for reviewing and approving applications submitted for financial assistance
38 received under this section.

39 **SECTION 5. Technical assistance.** (1) The Department of Housing and Community Ser-
40 vices may provide technical assistance to support eligible applicants approved under section
41 4 of this 2023 with implementing early child care infrastructure expansion activities under-
42 taken by the eligible applicant.

43 (2) Technical assistance provided under this section:

44 (a) Must be made available in at least the five languages that are most commonly spoken
45 and written by child care providers in this state.

1 (b) May be provided by the department in collaboration with entities who:

2 (A) Participate in the technical assistance program administered by the Oregon Business
3 Development Department; and

4 (B) Are certified by the Certification Office for Business Inclusion and Diversity of the
5 Oregon Business Development Department under ORS 200.055.

6 **SECTION 6. Appropriation.** In addition to and not in lieu of any other appropriation,
7 there is appropriated to the Housing and Community Services Department, for the biennium
8 beginning July 1, 2023, out of the General Fund, the amount of \$100,000,000, to carry out the
9 purposes of sections 1 to 5 of this 2023 Act.

10 **SECTION 7.** The section captions used in this 2023 Act are provided only for the con-
11 venience of the reader and do not become part of the statutory law of this state or express
12 any legislative intent in the enactment of this 2023 Act.

13 **SECTION 8.** This 2023 Act being necessary for the immediate preservation of the public
14 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect
15 on its passage.

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