

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Transportation and Economic Development Subcommittee

From: Ben Ruef, Legislative Fiscal Office

Date: February 27, 2024

Subject: HB 4098 – Relating to child care
Work Session Recommendations

House Bill 4098 address the need for child care support and workforce development. The bill establishes the CHIPS Child Care Fund, appropriating \$2.5 million General Fund to the Oregon Business Development Department (OBDD) for deposit into this fund.

The CHIPS Child Care Fund is intended to support child care infrastructure and services, with OBDD tasked with its administration. OBDD will distribute payments to support the development and administration of child care infrastructure programs, as well as for increasing child care infrastructure in areas where semiconductor or other advanced manufacturing facilities are located or scheduled to be constructed.

The bill mandates financial contributions from businesses that receive program grants, loans, or federal semiconductor financial assistance, with the specific amount and mechanism for contributions to be determined by the CHIPS Child Care Work Group. The CHIPS Child Care Work Group, established by the bill, is required to submit a report to the legislative committees related to child care and workforce development by November 15, 2024. The report is expected to cover recommendation for financial contributions, the monetary amount of contributions, and mechanism for contributions.

Additionally, the bill directs collaboration between the OBDD and the Bureau of Labor and Industries (BOLI) to provide financial support and child care subsidies to apprentices and journey workers in the construction industry.

The fiscal impact of HB 4098 is \$2,500,000 General Fund and five limited duration positions (2.75 FTE).

The -A3 amendment appropriates \$2,500,000 General Fund to OBDD for the CHIPS Child Care Fund in the 2023-25 biennium. The amendment also increases \$2,500,000 Other Funds expenditure limitation in the OBDD budget; \$681,662 Other Funds expenditure limitation

in the BOLI budget; and \$366,245 Other Funds expenditure limitation in the Department of Early Learning and Care budget for CHIPS Child Care Fund expenditures related to administration and distributions.

Recommended Changes

LFO recommends adoption of the –A3 amendment.

MOTION: I move adoption of the –A3 amendment to HB 4098. (VOTE)

Final Subcommittee Action

LFO recommends that HB 4098, as amended by the –A3 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 4098, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____