



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

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Bill Title: Relating to child care; declaring an emergency.

Government Unit(s) Affected: Bureau of Labor and Industries, Oregon Business Development Department, Department of Early Learning and Care

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000	1	0.50
Bureau of Labor and Industries	\$ -	\$ -	\$ -	\$ -	\$ -	1	0.50
Department of Early Learning and Care	\$ -	\$ -	\$ -	\$ -	\$ -	3	1.75
Total Fiscal Impact	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000	5	2.75

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Bureau of Labor and Industries	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Department of Early Learning and Care	\$ -	\$ -	\$ -	\$ -	\$ -	-	-

- The fiscal impact does not include duplicative Other Funds expenditure limitation necessary to expend General Fund revenue deposited into the CHIPS Child Care that the Oregon Business Development Department may transfer into the Child Care Infrastructure Fund. The Oregon Business Development Department, Bureau of Labor and Industries, and Department of Early Learning and Care will need additional expenditure limitation to properly budget for the impact of this measure if it is adopted.
- The estimated fiscal impact in the 2025-27 biennium is presently indeterminate for a number of reasons: future construction schedules are unknown; the work group has yet to determine how much business entities will need to contribute to the CHIPS Child Care Fund in subsequent biennia; and the funding in the measure is one-time only.

Measure Description

The measure directs the Oregon Business Development Department (OBDD) to establish the CHIPS Child Care Work Group to develop recommendations to require businesses that receive a program grant or loan under SB 4 (2023) to make financial contributions to the CHIPS Child Care Fund; and determine the amount of the financial contributions and the mechanism by which those contributions are to be made. The work group must include representatives from relevant state agencies, businesses, and child care advocates. The work group must submit a report with its recommendations to legislative committees related to child care and workforce development.

The measure directs OBDD to enter into an interagency agreement with the Bureau of Labor and Industries (BOLI) to develop and administer a program to provide financial assistance and child care subsidies to construction apprentices and specified journeyworkers. Financial support may be provided to those apprentices or journeyworkers or to their childcare providers. BOLI must evaluate the impact of this program on increasing diversity in the construction workforce.

The measure establishes the CHIPS Child Care Fund. Moneys in the fund are continuously appropriated to OBDD to pay for the costs of the CHIPS Child Care Work Group and the program to provide financial assistance and child care subsidies to construction apprentices and specified journeyworkers.

The measure authorizes transfers from the Oregon CHIPS Fund to the CHIPS Child Care Fund for providing financial assistance and child care subsidies to construction apprentices and specified journeyworkers.

Fiscal Analysis

The estimated fiscal impact is \$2,500,000 General Fund in the 2023-25 biennium. In addition, OBDD, BOLI, and the Department of Early Learning and Care (DELIC) will need Other Funds expenditure limitation to spend General Fund appropriated for deposit into the CHIPS Child Care Fund. Total Other Funds expenditure limitation is estimated at \$3,547,907 and five positions (2.75 FTE) in the 2023-25 biennium.

Oregon Business Development Department

The measure requires OBDD to develop a new program in coordination with BOLI and to establish a new work group. OBDD has three existing positions devoted to the existing Child Care infrastructure program, only one of which is currently filled. While OBDD will leverage existing Child Care Infrastructure program staff to implement this measure and work with BOLI in developing the financial support program, OBDD will need one limited duration, full-time Operations and Policy Analyst 3 position (0.50 FTE) to coordinate the work group and assist in program design and rule implementation. OBDD's administrative costs, including personal services and related services and supplies, are estimated to be \$164,177 Other Funds in the 2023-25 biennium. OBDD will transfer an estimated \$681,662 million from the CHIPS Child Care Fund to BOLI to administer the financial support program established by this measure. The estimated remaining balance of \$1,654,161 will be utilized for payments to support childcare infrastructure at existing or proposed CHIPS worksites. OBDD will need increased Other Funds expenditure limitation of \$2,500,000 to make expenditures and transfers out of this fund.

The estimated fiscal impact on OBDD in the 2025-27 biennium is presently indeterminate for a number of reasons: future construction schedules are unknown; the work group has yet to determine how much business entities will need to contribute to the CHIPS Child Care Fund in subsequent biennia; and the funding in the measure is currently one-time only. Depending on the volume of applications, OBDD may need to return to the Legislature in the 2025 regular session to request additional workload management resources and Other Funds expenditure limitation for this program.

Bureau of Labor and Industries

The measure will require BOLI to enter an interagency agreement (IAA) with OBDD to receive special payments from the CHIPS Child Care Fund or Child Care Infrastructure Fund. In addition, BOLI will enter into an Interagency Agreement (IAA) with DELIC, using the same approach as the current IAA for the Apprenticeship Related Child Care program that DELIC administers. This assumes a cost of \$366,245 Other Funds to enter an IAA with DELIC and \$200,000 Other Funds to contract with a COBID firm to conduct outreach and support of apprentices needing child care services in the 2023-25 biennium. BOLI will need a limited duration, full-time Operations and Policy Analyst 2 position (0.50 FTE) to manage this new program, including administering the IAA contracts and the contract with the COBID firm. The estimated cost of this position, including personal services and related services and supplies, is \$115,417 Other Funds in the 2023-25 biennium. BOLI will need increased Other Funds expenditure limitation of \$681,662 to cover its administrative and programmatic costs in the 2023-25 biennium.

The estimated fiscal impact on BOLI in the 2025-27 biennium is presently indeterminate for a number of reasons: future construction schedules are unknown; the work group has yet to determine how much business entities will need to contribute to the CHIPS Child Care Fund in subsequent biennia; and the funding in the measure is currently one-time only. BOLI may need to return to the Legislature in the 2025 regular session to request additional workload management resources and Other Funds expenditure limitation for this program.

Department of Early Learning and Care

DELC's Direct Pay Unit and the Child Care Assistance Program Office will experience increased numbers of new child care slots added to the current Apprenticeship Related Child Care program through an IAA with BOLI. While the exact number of apprentices and journeyworkers who would qualify for the program is presently unknown, DELC assumes that, based on an investment of \$2.5 million, it will need two limited duration, full-time Human Service Specialist 2 positions (1.17 FTE) to process approximately 60 applications per month per position; and one limited duration Administrative Specialist 1 position (0.58 FTE) to track and maintain billing invoices for accounts payable and other clerical tasks. DELC will need increased Other Funds expenditure limitation of \$366,245 to cover its administrative and programmatic costs in the 2023-25 biennium.

The estimated fiscal impact on DELC in the 2025-27 biennium is presently indeterminate for a number of reasons: future construction schedules are unknown; the work group has yet to determine how much business entities will need to contribute to the CHIPS Child Care Fund in subsequent biennia; and the funding in the measure is one-time only. DELC may need to return to the Legislature in the 2025 regular session to request additional workload management resources and Other Funds expenditure limitation for this program.

Relevant Dates

The measure declares an emergency and takes effect on passage.

Section 3a of the measure, which limits the use of moneys in the CHIPS Child Care Fund to providing financial assistance and child care subsidies to construction apprentices and specified journeyworkers, becomes operative on January 1, 2033.

Section 4 of the measure requires the CHIPS Child Care Work Group to report to legislative committees by November 15, 2024. The work group sunsets on January 2, 2025.