

SB 1535 A STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Wendy Gibson, Budget Analyst

Meeting Dates: 2/24

WHAT THE MEASURE DOES:

The measure modifies the Employment Related Day Care (ERDC) subsidy program's priority consideration for families under the Temporary Assistance for Needy Families (TANF) program and directs the Department of Early Learning and Care (DELIC) to convene a workgroup to study child care liability insurance. The measure takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Modifies language to make the ERDC program's priority qualification (bypass) for TANF families optional. Directs the liability insurance workgroup to study the cost and availability of liability insurance and other liability issues for child care providers. Requires selecting workgroup members who meet specific criteria. Requires the workgroup to submit a report with recommendations to the legislature's interim committees related to child care by November 1, 2027.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2021, [House Bill 3073](#) established DELIC to provide early learning and child care services in Oregon. DELIC funds Child Care Resource and Referrals (CC&Rs) to support early learning and care programs regionally and manages the ERDC program, assisting qualifying families in paying for child care. Although DELIC administers the ERDC for families and providers, the Oregon Department of Human Services manages program eligibility through the ONE system. The ERDC has operated an applicant waitlist since 2023 due to increased demand and limited funding.

In 2024, the National Association for the Education of Young Children reported that [80 percent](#) of surveyed child care providers saw an increase in liability insurance premiums. DELIC-affiliated child care providers participating in Baby Promise, Preschool Promise, Oregon Prenatal to Kindergarten, and Multnomah County's Preschool For All programs are required to hold liability insurance in Oregon. States including [Connecticut](#), [Montana](#), [Nebraska](#), and [North Carolina](#) have explored legislative action to address the rising costs of child care liability insurance in 2024 and 2025.