

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2346 - 1

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: March 29, 2019**Measure Description:**

Establishes Task Force on Access to Quality Affordable Child Care.

Government Unit(s) Affected:

Department of Education (ODE), Department of Human Services (DHS), Legislative Assembly

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund - ODE		
Personal Services	155,201	
Services and Supplies	43,696	
Parent Engagement Contract	100,000	
OCCRP Contract	200,000	
Total Funds	\$498,897	\$0
Positions	1	
FTE	0.75	

Analysis:

HB 2346 with the -1 amendment appropriates an unspecified amount of General Fund to the Early Learning Division within the Department of Education to support the Task Force on Access to Quality Affordable Child Care. The bill establishes the 23-member Task Force on Access to Quality Affordable Child Care charged with: (1) evaluating the current state of child care in Oregon; and (2) developing recommendations to expand access to and affordability of quality child care using federal funds, General Fund moneys, and new revenue. The task force must report its findings and recommendations regarding all state and federally funded child care and early learning programs in Oregon to the Legislature by December 31, 2019 and its recommendation to expand access to and affordability of quality child care using federal funds, General Fund moneys, and new revenue by September 15, 2020. The task force sunsets on December 31, 2020.

Department of Education (ODE)

ODE estimates the fiscal impact of this bill to be \$498,897 General Fund and one position (0.75 FTE) for the 2019-21 biennium. Because of the comprehensive duties that must be performed by the task force within 18 months, ODE anticipates dedicating one limited duration full-time Program Analyst 4 position to coordinating the work of the task force, including drafting the work plan and operating guidelines, conducting initial research and compiling background materials, coordinating and meetings, and producing and submitting the required reports. In addition to clerical and administrative staffing costs, ODE has identified the need for \$100,000 for a contract with parent engagement organizations to create parent advisory networks to solicit input from parents of color, immigrant parents, or parents from diverse geographic areas in Oregon. ODE has also identified the need for \$200,000 to partner with the Oregon Child Care Research Partnership (OCCRP) at Oregon State University to conduct the research required by the bill. The bill specifies that the task force must:

- Research past and current use and recipients of child care subsidies to better understand program assets and barriers.
- Study all state and federally funded child care and early learning programs in Oregon including quantifying the: (1) existing funding stream; (2) demand and availability of child care based on geography, age, race, language spoken in the home and provider type; (3) professional development, accreditation, licensing, and recruitment of child care providers by local, state, and federal governments or contractors; (4) number of families that lose state child care assistance and the reason for the loss; (5) the number of families who are found to be ineligible for existing child care assistance and the reasons for the ineligibility; and (6) the number of families who stop using current child care assistance and the reasons for stopping.
- Develop recommendations to expand access to and affordability of quality child care that address issues relating to: (1) provider rates; (2) eligibility levels and copayments for subsidy recipients; (3) target numbers of practitioners working in care settings and policies to address provider recruitment, training and retention; and (4) public outreach to inform parents of child care options.

Department of Human Services (DHS)

The fiscal impact of this bill to DHS is anticipated to be minimal. DHS will use existing staff and resources to serve on the task force and to furnish the task force with existing available data, information, advice, and other support.

Legislative Assembly

The bill specifies that non-legislative members of the task force serve as volunteers and are not entitled to compensation and reimbursement. However, two members of the task force will be legislative members who are entitled to per diem and travel reimbursement. The estimated per diem and travel reimbursement cost for the two legislative members is \$420 per day. This amount includes the Federal Insurance Contribution Act (FICA) tax and assumes per diem remains at \$149 per day, and the average mileage of 90 miles remains at the current rate of \$0.58 per mile. Although the 2019-21 Legislative Assembly budget contains funds allocated for interim committee and task force, if the work required by this task force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required. The task force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task force, or Legislative Days.