

Requested by Representative NERON

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2503**

1 On page 1 of the printed bill, line 2, after “programs;” delete the rest of  
2 the line and insert “creating new provisions; amending ORS 329A.500; and  
3 prescribing an effective date.”.

4 Delete lines 4 through 30 and delete pages 2 and 3 and insert:

5 **“SECTION 1.** ORS 329A.500 is amended to read:

6 *“329A.500. [(1) The Department of Human Services, in consultation with the*  
7 *Early Learning Division and the Office of Child Care, shall adopt rules for*  
8 *the operation of subsidy programs for employment-related child care adminis-*  
9 *tered by the department. At a minimum, and taking into account the avail-*  
10 *ability of funds, the rules must provide the following:]*

11 *“[(a) Subsidy recipients may be entitled to receive the subsidy for at least*  
12 *one year, regardless of changes in employment. Rules adopted by the depart-*  
13 *ment may provide for termination of subsidy eligibility for reasons other than*  
14 *changes in employment during the one-year period. Exit eligibility and copays*  
15 *must be structured to mitigate the financial impact of reduced subsidy support*  
16 *due to increased income.]*

17 *“[(b) Subsidy recipients who are enrolled in coursework, as defined by the*  
18 *department by rule, may be entitled to receive the subsidy to enable the subsidy*  
19 *recipient to attend and participate in the coursework provided all other eligi-*  
20 *bility requirements are met.]*

21 *“[(c) Persons who are self-employed may qualify for subsidy programs pro-*

1 *vided all other eligibility requirements are met.]*

2 *“(d) Subsidy recipients who voluntarily choose child care providers that*  
3 *meet minimum standards established under the tiered quality rating and im-*  
4 *provement system implemented under ORS 329A.261 may qualify for lower*  
5 *copayments. A fair representation of the subsidy recipients who qualify for*  
6 *lower copayments must be persons with children who are from underserved*  
7 *racial, ethnic or minority populations. In addition, child care providers that*  
8 *meet specified minimum standards established under the tiered quality rating*  
9 *and improvement system may receive an enhanced reimbursement under the*  
10 *subsidy programs.]*

11 *“(e) Subsidy recipients must report a change of child care provider to the*  
12 *department during the period a subsidy is being received.]*

13 **“(1) The Department of Human Services, in consultation with the**  
14 **Early Learning Division and the Office of Child Care, shall adopt rules**  
15 **for the operation of child care subsidy programs administered by the**  
16 **department.**

17 **“(2)(a) The rules adopted under this section must support a state-**  
18 **wide plan for equitable access to care that meets the needs of families**  
19 **in this state, including geographic, racial, ethnic, cultural, linguistic**  
20 **and gender diversity of subsidy program participants and providers.**

21 **“(b) The department shall adopt by rule a methodology for assessing**  
22 **whether the equitable access standard of this subsection has been met.**

23 **“(3) At a minimum, the rules adopted under this section must pro-**  
24 **vide that:**

25 **“(a) A child’s eligibility to participate in the subsidy program be**  
26 **based on the household income of the child’s caretaker, the child’s**  
27 **family circumstances or any other criteria established by the depart-**  
28 **ment by rule.**

29 **“(b) The child be eligible to receive care that meets the child’s de-**  
30 **velopmental needs and enables the child’s caretaker to complete ac-**

1 **tivities that relate to family well-being that may include, but are not**  
2 **limited to, the caretaker’s work hours, education hours, commute**  
3 **time, study time and medical needs.**

4 **“(c) The subsidy may be used for child care during the hours that**  
5 **the child’s caretaker is unavailable, regardless of whether the child’s**  
6 **caretaker is physically present during the period of unavailability or**  
7 **whether the child care occurs in the child’s home or at a different lo-**  
8 **cation.**

9 **“(d) A child be eligible to participate in the subsidy program re-**  
10 **gardless of the citizenship or legal status of the child or the child’s**  
11 **caretaker.**

12 **“(e) Once a child’s eligibility to participate in the program is es-**  
13 **tablished, the child be eligible to receive the child care subsidy for a**  
14 **minimum of 12 consecutive months.**

15 **“(f) A child’s caretaker may be responsible for a copayment for the**  
16 **child care. The copayment shall be determined by the department on**  
17 **a sliding scale and may not exceed seven percent of a child’s household**  
18 **income. Copayments must be set low enough to not be a barrier to**  
19 **participation in child care subsidy programs.**

20 **“(g) The department shall maintain accurate information on where**  
21 **children are in care during the period in which a subsidy is being re-**  
22 **ceived.**

23 **“(h) Subsidy payments be based on enrollment rather than attend-**  
24 **ance.**

25 **“(i) The rate of reimbursement reflect the true cost of providing**  
26 **care.**

27 **“(j) Subsidy program payments to child care providers be made in**  
28 **advance by no later than the fifth day of the month during which the**  
29 **child care will be provided, or, if a child enrolls mid-month, as soon**  
30 **as practicable after the child’s enrollment.**

1       **“(k) The child care subsidy program enter into contracts directly**  
2 **with the child care provider or provide vouchers for child care to the**  
3 **caretakers of eligible children, or both.**

4       **“(L) A child care provider shall receive a higher rate of reimburse-**  
5 **ment or other financial incentives for:**

6       **“(A) Participating in quality improvement measures;**

7       **“(B) Culturally or linguistically specific or appropriate care;**

8       **“(C) Evening, overnight or weekend care;**

9       **“(D) Care to children with diagnosed disabilities or delays;**

10       **“(E) Care to a population that the department has identified by rule**  
11 **as historically having an inadequate child care provider supply; or**

12       **“(F) Any other specialized care that justifies a higher rate of re-**  
13 **imbursement, as determined on a case-by-case basis.**

14       **“(4) In developing rules under this section, the department shall**  
15 **consider policies for increasing the stability and continuity of**  
16 **children’s access to a family’s preferred child care providers.**

17       **“(5) Subsections (1) to (4) of this section establish minimum re-**  
18 **quirements pertaining to the child care subsidy program and may not**  
19 **be construed to preempt, limit or otherwise diminish the applicability**  
20 **of any policy, standard or collective bargaining agreement that pro-**  
21 **vides for higher subsidy levels or increased child care provider re-**  
22 **imbursement under state or federal law.**

23       **“[(2)] (6)(a) The department shall work to meet federal recommendations**  
24 **for income eligibility and market access in regard to employment-related**  
25 **child care administered by the department.**

26       **“(b) In all cases when federally granted funds are involved, the**  
27 **federal laws, rules and regulations applicable to the funds shall govern**  
28 **notwithstanding any provision to the contrary in this section or any**  
29 **rules adopted by the department pursuant to this section.**

30       **“(7) As used in this section, ‘caretaker’ means an individual who is**

1 responsible for the care, control and supervision of a child.

2 **“SECTION 2. (1) The Department of Human Services shall work**  
3 **with stakeholders to submit a state plan amendment to the United**  
4 **States Department of Health and Human Services’ Office of Child Care**  
5 **to transition to a rate of reimbursement that reflects the true cost of**  
6 **providing care.**

7 **“(2) The Department of Human Services shall report to an appro-**  
8 **priate committee or interim committee of the Legislative Assembly**  
9 **on the transition described in subsection (1) of this section no later**  
10 **than December 31, 2022.**

11 **“SECTION 3. (1) Section 2 of this 2021 Act and the amendments to**  
12 **ORS 329A.500 by section 1 of this 2021 Act become operative on January**  
13 **1, 2022.**

14 **“(2) The Department of Human Services may take any action before**  
15 **the operative date specified in subsection (1) of this section that is**  
16 **necessary for the department to exercise, on and after the operative**  
17 **date specified in subsection (1) of this section, all of the duties, func-**  
18 **tions and powers conferred on the department by section 2 of this 2021**  
19 **Act and the amendments to ORS 329A.500 by section 1 of this 2021 Act.**

20 **“SECTION 4. This 2021 Act takes effect on the 91st day after the**  
21 **date on which the 2021 regular session of the Eighty-first Legislative**  
22 **Assembly adjourns sine die.”.**

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