

## HB 3005 A -A4 STAFF MEASURE SUMMARY

### Joint Committee On Ways and Means

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**Prepared By:** Tim Walker, Fiscal Analyst

**Meeting Dates:** 6/5

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#### **WHAT THE MEASURE DOES:**

Directs Oregon Business Development Department (Business Oregon) to administer grant and loan program to provide financial assistance to eligible applicants to cover costs of early child care infrastructure activities. Establishes Early Childhood Infrastructure Fund in State Treasury for the purpose of providing financial assistance to eligible applicants. Requires Business Oregon to coordinate with Department of Early Learning and Care (DELIC), consult with Oregon Department of Education (ODE) and Oregon Housing and Community Services Department (OHCS), and engage with relevant stakeholders to design and implement program. Directs Business Oregon, in consultation with DELIC, to adopt rules governing implementation of program. Specifies guidelines and limitations for financial assistance amounts to be prescribed by rule. Specifies eligible applicants for recipients financial assistance and allowable costs for early child care infrastructure activities. Allows Business Oregon, in consultation with DELIC and Early Learning Council, to determine additional eligible applicants and allowable costs, and to prioritize distribution to applicants that serve families with greatest child care needs. Authorizes Business Oregon to award grants to nonprofit entities for providing technical assistance to eligible applicants and specifies guidelines for allowable uses of grant moneys. Authorizes DELIC to provide technical assistance to eligible applicants. Directs Business Oregon and DELIC to enter into interagency agreement to facilitate providing technical assistance. Declares legislative findings and provides definitions. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

- Effect of amendment

#### **EFFECT OF AMENDMENT:**

-A4 The -A4 amendment makes various changes to the measure with reference to OBDD providing technical assistance, deletes the appropriation language, fund distribution for administrative costs incurred by DELIC, directs DELIC to establish programming to award grants to nonprofit entities that have experience in providing technical assistance to child care providers for redistribution by the nonprofit organization to eligible applicants, and strikes language directing OBDD to enter into an interagency agreement with DELIC over the transfer of funding. Funding for this measure, if legislatively approved, would be included in the end-of-session Lottery bonding bill (HB 5030); this measure does not include any appropriations and only establishes the Childcare Infrastructure Program. The end-of-session bill (HB 5506) would include any necessary funding or establishment of position authority.

#### **BACKGROUND:**

Child care providers face costs when opening, operating, and expanding their services and facilities, particularly costs related to workforce and capital improvements. These costs significantly impact the overall supply of child care availability across the state. A 2020 report prepared by Oregon State University for the Early Learning Division found that all of Oregon's 36 counties meet the definition of a "child care desert" for infants and toddlers, meaning that there are three or more children for each available child care slot offered by a provider. For preschool age children, 25 of Oregon's counties meet this standard, suggesting that there is a substantial statewide shortage of child care slots for young children. The supply of child care slots was also disrupted by the COVID-19 public health emergency, when providers were ordered to temporarily close.

**HB 3005 A -A4 STAFF MEASURE SUMMARY**

House Bill 3005 A directs the Oregon Business Development Department to administer a financial assistance program for child care providers to cover the costs of expansion and improvements of child care facilities and services and establishes the Early Childhood Infrastructure Fund.