

**B-Engrossed**  
**Senate Bill 1040**

Ordered by the Senate June 21  
Including Senate Amendments dated March 28 and June 21

Sponsored by Senator ANDERSON; Senator SMITH DB, Representative MANNIX

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs Department of Early Learning and Care to establish and administer by rule pilot program for child care micro centers. Requires department to report to committee or interim committee of Legislative Assembly related to early learning and care no later than September 15, 2025.

Sunset January 2, 2026.

Declares emergency, effective July 1, 2023.

**A BILL FOR AN ACT**

2 Relating to child care; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4       **SECTION 1.** (1) As used in this section, "micro center" means a child care program located inside a residential or nonresidential facility that on a regular basis serves a minimum of three and a maximum of 30 children for more than four hours a day.

7       (2) The Department of Early Learning and Care shall establish and administer by rule a pilot program to develop a sustainable model for micro centers to provide affordable, high-quality early learning opportunities to communities in this state.

10     (3) Under the program, the department shall provide technical assistance to program participants to maximize the potential for micro centers to succeed and serve as a model for others to increase access to child care services in this state.

13     (4)(a) Any child care facility in this state may apply to participate in the program administered under this section.

15     (b) The department shall select three child care facilities to participate in the program as follows:

17       (A) Select one child care facility from the Oregon coast, one child care facility from eastern Oregon and one child care facility from the Willamette Valley, as determined based on criteria established by the department.

20       (B) Give priority to applicants from communities in this state that have the greatest need for child care and that agree to participate in the federal Child and Adult Care Food Program.

23       (5) At a minimum, the department shall:

24       (a) Establish application processes and timelines by which applicants may apply to the department to participate in the program;

26       (b) Provide for the department to review and consider applicant eligibility on a first-

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1    come, first-served basis; and  
2        (c) Establish eligibility criteria for approving or rejecting each application on the basis  
3        of factors that may include, but need not be limited to, the socioeconomic status of the  
4        population to be served.  
5        (6) The department shall consult with relevant stakeholders and adopt guidelines for the  
6        program that streamline the development of micro centers, foster innovation within the child  
7        care industry and inform future regulatory requirements, including, but not limited to,  
8        guidelines related to:  
9            (a) Staff qualifications that are appropriate for a micro center operating in a community  
10          that lacks a sufficient number of college-educated child care providers and child care facil-  
11          ties;  
12            (b) Allowing a director of a micro center to provide child care services to children at the  
13          micro center in addition to handling administrative responsibilities;  
14            (c) Facility requirements, including health and safety requirements, that are appropriate  
15          for a micro center operating in a building that was not initially designed for child care but  
16          can be adapted to provide child care under the program;  
17            (d) Age-group requirements that allow for mixed-aged groups and flexible classrooms  
18          arrangements; and  
19            (e) Adult-to-child ratio and maximum group requirements based on available square  
20          footage, plumbing, staffing and other best practices for small child care operations in child  
21          care deserts.  
22        (7) The department shall prepare and submit a report in the manner provided in ORS  
23          192.245 on the implementation of the micro center pilot program established under this sec-  
24          tion, and may include recommendations for legislation, to a committee or interim committee  
25          of the Legislative Assembly related to early learning and care on or before September 15,  
26          2025.

27        **SECTION 2.** Section 1 of this 2023 Act is repealed on January 2, 2026.

28        **SECTION 3.** Notwithstanding any other provision of law, the General Fund appropriation  
29          made to the Department of Early Learning and Care by section 1 (1), chapter \_\_\_\_\_,  
30          Oregon Laws 2023 (Enrolled House Bill 5013), for the biennium beginning July 1, 2023, for  
31          operations, is increased by \$224,931 to carry out the provisions of this 2023 Act.

32        **SECTION 4.** This 2023 Act being necessary for the immediate preservation of the public  
33          peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect  
34          July 1, 2023.

35          \_\_\_\_\_