

Requested by Representative REYNOLDS

**PROPOSED AMENDMENTS TO  
HOUSE BILL 3005**

1 On page 1 of the printed bill, delete lines 5 through 31.

2 Delete pages 2 through 4 and insert:

3 **“SECTION 1. Findings. (1) Early educational investments are se-**  
4 **verely underfunded.**

5 **“(2) There is a shortage of affordable and accessible child care in**  
6 **this state.**

7 **“(3) Early learning and care providers have limited finances to fa-**  
8 **cilitate expansion of a robust child care infrastructure.**

9 **“(4) High-quality early child care investment promotes regional**  
10 **economic growth by increasing the number of jobs available within the**  
11 **child care and construction workforce sectors and by providing con-**  
12 **sistent, accessible and reliable care that is necessary to allow parents**  
13 **to participate in the labor force.**

14 **“(5) Quality early learning and care facilities that are develop-**  
15 **mentally appropriate, inclusive of children with disabilities, culturally**  
16 **relevant and responsive and environmentally healthy support child**  
17 **brain development and the well-being of children and early learning**  
18 **and child care staff.**

19 **“(6) Sustained public investment and technical assistance are nec-**  
20 **essary to overcome constraints and incentivize the development and**  
21 **expansion of early learning and care resources in this state.**

1       **“(7) The purpose of sections 1 to 6 of this 2023 Act is to provide fi-**  
2 **nancial assistance to eligible applicants for activities that promote**  
3 **increased early learning and care capacity across the state, in an**  
4 **amount determined on a case-by-case basis by the Oregon Business**  
5 **Development Department.**

6       **“SECTION 2. Definitions. As used in sections 1 to 6 of this 2023 Act:**

7       **“(1) ‘Administrative costs’ includes, but is not limited to, the direct**  
8 **and indirect costs incurred by the Oregon Business Development De-**  
9 **partment for:**

10       **“(a) Reviewing and processing applications for grants and loans for**  
11 **financial assistance submitted by eligible applicants under section 4**  
12 **of this 2023 Act.**

13       **“(b) Directly or indirectly providing technical assistance in accord-**  
14 **ance with section 6 of this 2023 Act.**

15       **“(c) Monitoring the use of funds by recipients.**

16       **“(2) ‘Child care facility’ has the meaning given that term in ORS**  
17 **329A.250.**

18       **“(3) ‘Early child care infrastructure activity’ means an activity that**  
19 **contributes to the development of a robust child care system in this**  
20 **state.**

21       **“(4) ‘Eligible applicant’ means any of the following:**

22       **“(a) A certified or registered family child care provider.**

23       **“(b) A person or nonprofit organization that operates a child care**  
24 **facility.**

25       **“(c) A child care center certified under ORS 329A.280 by the Office**  
26 **of Child Care.**

27       **“(d) Federally recognized Indian tribes in Oregon that are preschool**  
28 **providers participating in the Preschool Promise Program established**  
29 **under ORS 329.172.**

30       **“(e) Organizations that support the expansion or establishment of**

1 **child care providers.**

2 **“(f) Programs that serve children in publicly funded early learning**  
3 **and care programs including:**

4 **“(A) Programs funded by the Early Childhood Equity Fund estab-**  
5 **lished under ORS 417.781.**

6 **“(B) Relief nurseries.**

7 **“(C) Programs that receive subsidies through the Employment Re-**  
8 **lated Day Care subsidy program under ORS 329A.500.**

9 **“(D) Oregon Head Start, prekindergarten and Early Head Start**  
10 **programs.**

11 **“(E) Programs that provide early childhood special education or**  
12 **early intervention services, as provided by ORS 343.475.**

13 **“(g) Culturally specific early learning, early childhood and parent**  
14 **support programs described under ORS 417.782 (1).**

15 **“(h) Any other applicants that the department deems to be an eli-**  
16 **gible applicant as provided by department rule.**

17 **“(5) ‘Family child care provider’ has the meaning given that term**  
18 **in ORS 329A.430.**

19 **“SECTION 3. Child Care Infrastructure Fund. (1)(a) The Child Care**  
20 **Infrastructure Fund is established in the State Treasury, separate and**  
21 **distinct from the General Fund. Interest earned by the Child Care**  
22 **Infrastructure Fund shall be credited to the fund.**

23 **“(b) Moneys in the fund are continuously appropriated to the**  
24 **Oregon Business Development Department for the purposes set forth**  
25 **in sections 4, 5 and 6 of this 2023 Act.**

26 **“(c) The Oregon Business Development Department shall adminis-**  
27 **ter the fund in consultation with the Department of Early Learning**  
28 **and Care.**

29 **“(2) The fund shall consist of moneys credited to the fund, includ-**  
30 **ing:**

- 1       “(a) Moneys appropriated to the fund by the Legislative Assembly;
- 2       “(b) Moneys transferred to the fund by the Oregon Business Development Department;
- 3       “(c) Earnings on moneys in the fund;
- 4       “(d) Moneys received from the federal or state government; and
- 5       “(e) Moneys from any other source, including, but not limited to,
- 6       grants and gifts.

7

8       “SECTION 4. Allowable costs. (1) The Oregon Business Development

9       Department shall administer a grant and loan program to provide financial

10       assistance to eligible applicants for allowable costs expended

11       for early child care infrastructure activities, from moneys in the Child

12       Care Infrastructure Fund established under section 3 of this 2023 Act,

13       in accordance with this section.

14       “(2) The department shall:

15       “(a) Coordinate with the Department of Early Learning and Care

16       and consult with the Department of Education and the Housing and

17       Community Services Department in the design and implementation of

18       the program.

19       “(b) Engage with relevant stakeholders, including but not limited

20       to nonprofit and for-profit entities that are directly or indirectly involved

21       in child care throughout the state, to collect necessary information that

22       may be used to facilitate the design and implementation

23       of the program.

24       “(3) For purposes of this section, allowable costs include, but are

25       not limited to:

26       “(a) Costs for the planning and design of early learning and care

27       facilities.

28       “(b) Costs for property acquisition to be used for early learning and

29       care facilities or child care facility development projects.

30       “(c) Repairs, improvements and renovations to early learning and

1 care facilities, including climate resilience modifications, energy effi-  
2 ciency improvements, seismic retrofitting and necessary repairs due  
3 to a natural disaster.

4 “(d) Child care facility development projects, including direct  
5 project management costs.

6 “(e) Costs of contracting with third parties, including but not lim-  
7 ited to nonprofit entities and community development financial insti-  
8 tutions, to assist in the administration of child care infrastructure  
9 activities.

10 “(f) Construction costs and expenses.

11 “(g) Costs related to child care workforce investments.

12 “(h) Costs related to providing support to organizations in the es-  
13 tablishment or expansion of child care providers and facilities.

14 “(i) Other costs that the Oregon Business Development Depart-  
15 ment, after consulting with the Department of Early Learning and  
16 Care, determines to be necessary to carry out early child care  
17 infrastructure activities.

18 “(4) In addition to the allowable costs under subsection (3) of this  
19 section, the Oregon Business Development Department may use mon-  
20 eys from the Child Care Infrastructure Fund to pay administrative  
21 costs incurred by the department.

22 “(5) Subject to subsection (6) of this section, the amount of finan-  
23 cial assistance provided to eligible applicants under this section shall  
24 be in an amount prescribed by the department by rule, except that the  
25 department may not:

26 “(a) Distribute funds for administrative costs incurred by the De-  
27 partment of Early Learning and Care for technical assistance provided  
28 under section 6 of this 2023 Act, in an amount that exceeds 15 percent  
29 of the total amount in the fund on the date of distribution.

30 “(b) Distribute funds to an eligible applicant that is a school dis-

1 **trict:**

2 **“(A) In an amount that exceeds 25 percent of the amount appro-**  
3 **priated to the Oregon Business Development Department under sec-**  
4 **tion 3 of this 2023 Act.**

5 **“(B) Unless the school district has demonstrated the ability to pro-**  
6 **vide matching funds in an amount that is equal to the amount of**  
7 **matching funds the school district is required to provide under the**  
8 **Oregon School Capital Improvement Matching Program under ORS**  
9 **286A.801.**

10 **“(c) Distribute funds to eligible applicants that are culturally spe-**  
11 **cific early learning, early childhood and parent support programs de-**  
12 **scribed under ORS 417.782 (1), in an amount that is less than 25 percent**  
13 **of the total amount appropriated to the department under section 3**  
14 **of this 2023 Act.**

15 **“(6) The total amount of financial assistance allowable to eligible**  
16 **applicants under this section must be distributed with regard to the**  
17 **availability of funds. If the funds available in the Child Care**  
18 **Infrastructure Fund established under section 3 of this 2023 Act are**  
19 **not adequate to provide financial support to all eligible applicants that**  
20 **have been approved by the department to receive financial assistance**  
21 **under this section, the department may prioritize distribution based**  
22 **on an applicant’s ability or demonstrated commitment to provide any**  
23 **of the following child care services to families with the greatest child**  
24 **care needs:**

25 **“(a) Culturally and linguistically specific and appropriate early**  
26 **learning and care;**

27 **“(b) Child care during nonstandard working hours such as evenings**  
28 **and weekends;**

29 **“(c) Child care for infants and toddlers;**

30 **“(d) Early learning and care that aligns with parent preferences;**

1 or

2 “(e) Early learning and care in communities that have historically  
3 experienced a lack of accessible and affordable child care.

4 “(7)(a) The department, in consultation with the Department of  
5 Early Learning and Care, shall adopt rules to implement this section.  
6 At a minimum, the rules must include:

7 “(A) An application process by which an eligible applicant may ap-  
8 ply for financial assistance under this section;

9 “(B) The terms and conditions for any agreements related to fi-  
10 nancial assistance provided under this section;

11 “(C) A process for reviewing and approving applications submitted  
12 for financial assistance received under this section;

13 “(D) Subject to limitations under subsections (5) and (6) of this  
14 section, the amount of financial assistance that may be provided to  
15 eligible applicants; and

16 “(E) A process for establishing prioritizations upon which the  
17 Oregon Business Development Department may base the awarding of  
18 grants and loans for financial assistance under this section to eligible  
19 applicants located in rural geographic areas and among historically  
20 underserved communities.

21 “(b) The department shall, in consultation with the Early Learning  
22 Council established under ORS 326.425, adopt rules concerning appli-  
23 cants that the department may deem to be eligible applicants.

24 “SECTION 5. Nonprofit grants. (1) The Oregon Business Develop-  
25 ment Department may allocate up to 35 percent from the funds ap-  
26 propriated to the department under section 3 of this 2023 Act to award  
27 grants to nonprofit entities that have experience in providing technical  
28 assistance to child care providers for redistribution by the nonprofit  
29 organization to eligible applicants.

30 “(2) The allowable uses of grant moneys awarded under this section

1 **include:**

2 **“(a) Paying any one or more of the allowable costs described under**  
3 **section 4 of this section;**

4 **“(b) Providing subgrantees with funding resources to promote the**  
5 **establishment and expansion of child care facilities and child care ca-**  
6 **capacity in rural geographic areas and among historically underserved**  
7 **communities that are identified as child care deserts according to**  
8 **standards established by the department by rule.**

9 **“(3) Upon being awarded a grant under this section, the nonprofit**  
10 **grantee shall enter into an agreement with the department that:**

11 **“(a) Indicates the purposes for which the grant funds may be used;**

12 **“(b) Requires the grantee to establish a method by which**  
13 **subgrantees may apply for and receive grants from the nonprofit that**  
14 **is consistent with the grant and loan application process established**  
15 **by rule by the department under section 4 of this section; and**

16 **(c) Directs the nonprofit to administer the distribution of grant**  
17 **funds to subgrantees under this section.**

18 **“(4) The department may adopt any rules necessary to administer**  
19 **this section.**

20 **“SECTION 6. Technical assistance. (1) The Department of Early**  
21 **Learning and Care may provide technical assistance to support eligible**  
22 **applicants approved for financial assistance under section 4 of this 2023**  
23 **Act with implementing child care infrastructure expansion activities.**

24 **“(2) The department shall consult and collaborate with entities that**  
25 **have experience with and are engaged in providing technical assistance**  
26 **to child care providers regarding accessing resources to promote:**

27 **“(a) Child care facility and capacity expansion; and**

28 **“(b) Business strategy and operations support and training.**

29 **“(3) The Oregon Business Development Department shall enter into**  
30 **an interagency agreement with the Department of Early Learning and**



1 Care under which the Oregon Business Development Department may  
2 transfer to the Department of Early Learning and Care, from funds  
3 appropriated to the Oregon Business Development Department under  
4 section 3 of this 2023 Act, amounts sufficient to pay the costs of pro-  
5 viding technical assistance under this section.

6 **“SECTION 7.** The section captions used in this 2023 Act are provided  
7 only for the convenience of the reader and do not become part of the  
8 statutory law of this state or express any legislative intent in the  
9 enactment of this 2023 Act.

10 **“SECTION 8.** This 2023 Act being necessary for the immediate  
11 preservation of the public peace, health and safety, an emergency is  
12 declared to exist, and this 2023 Act takes effect on its passage.”.

13

---