

HB 4158 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

Action Date: 02/12/24

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 9-1-0-0

Yeas: 9 - Andersen, Cramer, Elmer, Hartman, Hieb, Nelson, Neron, Nguyen H, Reynolds

Nays: 1 - Scharf

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/7, 2/12

WHAT THE MEASURE DOES:

The measure appropriates \$4.5 million from the General Fund to the Oregon Business Development Department (OBDD, commonly called, "Business Oregon") for deposit in the Child Care Infrastructure Fund established under ORS 329A.725 to be used to provide financial assistance to certain eligible applicants for the grant program. The measure also appropriates \$500,000 from the General Fund to the Department of Early Learning and Care (DELIC) to provide technical assistance to certain eligible applicants. The measure declares an emergency and is effective on passage.

Detailed Summary:

Appropriation for Child Care Infrastructure Fund (Section 1)

- Appropriates \$4.5 million from the General Fund to Business Oregon for the current biennium for deposit in the Child Care Infrastructure Fund established under ORS 329A.725.
- Requires that moneys appropriated above be used to provide financial assistance under ORS 329A.727 to eligible applicants that are child care centers serving fewer than 75 children, certified and registered family child care homes, or organizations that support the expansion of child care providers.

Appropriation for Technical Assistance (Section 2)

- Appropriates \$500,000 to DELIC for the current biennium to provide technical support to the eligible applicants described above as provided in ORS 329A.732.

Emergency Clause (Section 3)

- Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Provisions of amendment
- Whether sideboards on use of funds are needed
- Accountability for the agencies in implementation

EFFECT OF AMENDMENT:

The amendment replaces the measure.

BACKGROUND:

Oregon continues to experience a shortage of child care statewide. According to a [2023 report by Oregon State University](#), nearly all of Oregon's counties met the definition of "child care desert" for infants and toddlers in 2022, while 18 counties were considered child care deserts for preschool-age children. A child care desert is a geographic area in which child care slots are available to fewer than one third of the area's children.

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A major barrier experienced by child care providers, many of which are small, independently run businesses, to expanding Oregon's supply of child care is the cost of opening and operating a regulated facility. This can include costs related to property acquisition, capital improvements, and workforce. In recent years, the Legislative Assembly has enacted legislation to address these concerns. In 2023, [House Bill 3005](#) (codified as [ORS 329A.720 to 329A.732](#)) created the Child Care Infrastructure Fund and directed Business Oregon to issue financial assistance grants to child care providers to promote expansion of Oregon's child care infrastructure.