

HB 4098 A STAFF MEASURE SUMMARY

House Committee On Economic Development and Small Business

Action Date: 02/15/24

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

Vote: 7-3-1-0

Yeas: 7 - Bynum, Elmer, Lively, Nguyen D, Pham H, Ruiz, Walters

Nays: 3 - Diehl, Osborne, Yunker

Exc: 1 - Javadi

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Andrew Hendrie, LPRO Analyst

Meeting Dates: 2/6, 2/15

WHAT THE MEASURE DOES:

The measure establishes the CHIPS Child Care Fund and appropriates \$5,000,000 to the Oregon Business Development Department to be deposited into the fund to build new childcare infrastructure and provide funding for those in construction apprentice programs to pay for childcare. The measure declares an emergency and takes effect on passage.

Detailed Summary:

CHIPS Child Care Work Group

Directs the Oregon Business Development Department (OBDD) to establish the CHIPS Child Care Work Group. Requires the work group to develop recommendations related to financial contributions by businesses that receive specified program grant or loan or federal assistance. Establishes minimum work group membership requirements. Requires work group to submit a report on recommendations to the legislative committees related to child care and workforce development on or before November 15, 2024.

Financial Support for Construction Workforce

Requires OBDD and Bureau of Labor and Industries to develop a program to provide financial support and childcare subsidies for those in construction apprenticeship programs.

CHIPS Child Care Fund

Establishes the CHIPS Child Care Fund. Grants authority to the OBDD to transfer funds from the CHIPS Child Care Fund to the Child Care Infrastructure Fund (ORS 329A.725) for the purpose of increasing child care infrastructure in geographic areas in the state where semiconductor or other advanced manufacturing facilities are located. Authority to transfer funds for this purpose extends until January 1, 2033.

ISSUES DISCUSSED:

- Federal CHIPS Act child care requirements
- Funding sources for the CHIPS Child Care Fund
- Child care needs around the state of Oregon

EFFECT OF AMENDMENT:

The amendment appropriates \$5,000,000 to the Oregon Business Development Department (OBDD) from the General Fund to be deposited into the CHIPS Child Care Fund. It authorizes OBDD to transfer funds from the CHIPS Child Care Fund to the CHIPS Child Care Infrastructure Fund for the purpose of increasing child care infrastructure

HB 4098 A STAFF MEASURE SUMMARY

in geographic areas in the state where semiconductor or other advanced manufacturing facilities are located. The authority to transfer funds extends until January 1, 2033.

BACKGROUND:

During the 2023 session [Senate Bill 4](#) was passed and signed into law. The measure appropriated funds for a grant program to support the semiconductor industry and incentivize economic development in the sector. This measure continues to support that economic development by supporting the workforce for those projects by incentivizing the development of childcare infrastructure and financial support.