

# House Bill 4158

Sponsored by Representatives NGUYEN H, NGUYEN D, TRAN; Representatives REYNOLDS, RUIZ, WALTERS, Senators FREDERICK, JAMA, MEEK, PATTERSON (Pre-session filed.)

## 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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would give money to a state agency to help develop or improve child care in the state. (Flesch Readability Score: 76.2).

Establishes the Home and Small Center Child Care Fund.

Directs the Oregon Business Development Department to administer a grant program to provide financial assistance to child care facilities that serve a maximum of 75 children for the purpose of establishing or expanding child care infrastructure.

Appropriates moneys to the department for deposit in the fund to carry out the program.

## A BILL FOR AN ACT

1 Relating to child care.

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

3 **SECTION 1. (1)(a) The Home and Small Center Child Care Fund is established in the**  
4 **State Treasury, separate and distinct from the General Fund. Interest earned by the Home**  
5 **and Small Center Child Care Fund shall be credited to the fund.**

6 **(b) Moneys in the fund are continuously appropriated to the Oregon Business Develop-**  
7 **ment Department to carry out section 2 of this 2024 Act.**

8 **(c) The department shall administer the fund in consultation with the Department of**  
9 **Early Learning and Care.**

10 **(2) The fund shall consist of moneys credited to the fund, including:**

11 **(a) Moneys appropriated to the fund by the Legislative Assembly;**

12 **(b) Moneys transferred to the fund by the Oregon Business Development Department;**

13 **(c) Earnings on moneys in the fund;**

14 **(d) Moneys received from the federal or state government; and**

15 **(e) Moneys from any other source, including, but not limited to, grants and gifts.**

16 **SECTION 2. (1) The Oregon Business Development Department shall administer a grant**  
17 **program to provide financial assistance to child care facilities, as defined in ORS 329A.250,**  
18 **that serve a maximum of 75 children for allowable costs expended to establish or expand**  
19 **child care infrastructure in this state.**

20 **(2) The department shall coordinate with the Department of Early Learning and Care and**  
21 **consult with relevant stakeholders, including but not limited to nonprofit and for-profit en-**  
22 **tities that are directly or indirectly involved in child care throughout the state, to collect**  
23 **necessary information that may be used to facilitate the design and implementation of the**  
24 **program.**

25 **(3) For purposes of this section, allowable costs include but are not limited to:**

26 **(a) Costs for the planning and design of early learning and care facilities.**  
27

**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 (b) Costs for property acquisition to be used for early learning and care facilities or child  
2 care facility development projects.

3 (c) Repairs, improvements and renovations to early learning and care facilities, including  
4 climate resilience modifications, energy efficiency improvements, seismic retrofitting and  
5 necessary repairs due to a natural disaster.

6 (d) Child care facility development projects, including direct project management costs.

7 (e) Construction costs and expenses.

8 (f) Costs related to providing support to organizations in the establishment or expansion  
9 of child care providers and facilities.

10 (g) Other costs that the Oregon Business Development Department, after consulting with  
11 the Department of Early Learning and Care, determines to be necessary to carry out this  
12 section.

13 (4) In reviewing applications on a case-by-case basis under this section, the Oregon  
14 Business Development Department shall:

15 (a) Give priority to applicants that commit to constructing a new child care facility that  
16 will serve a child population comprised of a minimum of 30 percent of children who receive  
17 or are otherwise eligible to receive a child care subsidy.

18 (b) Distribute moneys in a manner that maximizes the development or expansion of child  
19 care infrastructure in this state.

20 (5) In addition to the allowable costs under subsection (3) of this section, the department  
21 may use a maximum of 10 percent of the moneys appropriated to the department under  
22 section 3 of this 2024 Act to:

23 (a) Pay administrative costs incurred by the department.

24 (b) Contract with third parties to provide technical assistance.

25 (6) If the funds available in the Home and Small Center Child Care Fund are not adequate  
26 to provide financial support to all eligible applicants that have been approved by the depart-  
27 ment to receive financial assistance under this section, the department may prioritize dis-  
28 tribution based on an applicant's ability or demonstrated commitment to provide any of the  
29 following child care services to families with the greatest child care needs:

30 (a) Culturally and linguistically specific and appropriate early learning and care;

31 (b) Child care during nonstandard working hours such as evenings and weekends;

32 (c) Child care for infants and toddlers;

33 (d) Early learning and care that aligns with parent preferences; or

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

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

38 (a) An application process by which an eligible applicant may apply for financial assist-  
39 ance under this section;

40 (b) The terms and conditions for any agreements related to financial assistance provided  
41 under this section;

42 (c) A process for reviewing and approving applications submitted for financial assistance  
43 received under this section;

44 (d) The amount of financial assistance that may be provided to eligible applicants; and

45 (e) A process for establishing prioritizations upon which the Oregon Business Develop-

1 **ment Department may base the awarding of grants for financial assistance under this section**  
2 **to eligible applicants located in rural geographic areas and among historically underserved**  
3 **communities.**

4 **SECTION 3. In addition to and not in lieu of any other appropriation, there is appropri-**  
5 **ated to the Oregon Business Development Department, for the biennium ending June 30,**  
6 **2025, out of the General Fund, the amount of \$5,000,000, for deposit in the Home and Small**  
7 **Center Child Care Fund established under section 1 of this 2024 Act.**

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