HB 2593 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

Action Date:	04/08/25
Action:	Do pass with amendments and be referred to Ways and Means by prior reference.
	(Printed A-Eng.)
Vote:	9-0-0
Yeas:	9 - Elmer, Hartman, Javadi, McIntire, Nguyen H, Nosse, Ruiz, Scharf, Walters
Fiscal:	Fiscal impact issued
Revenue:	No revenue impact
Prepared By:	Taylor Bickel, LPRO Analyst
Meeting Dates:	3/25, 4/8

WHAT THE MEASURE DOES:

The measure changes the name of the Employment Related Day Care (ERDC) subsidy program to the Oregon Child Care Affordability Program, makes the name change operative on July 1, 2027, and directs the Early Learning Council and the Department of Early Learning and Care (DELC) to take necessary action to reflect the change in name. The measure directs DELC to collaborate with no more than 10 stakeholders to study and develop recommendations to remove families from the ERDC wait-list, outlines individuals who must be included in the group of interested stakeholders, and requires DELC to submit a report to the Legislative Assembly by September 30, 2026.

Detailed Summary:

Oregon Child Care Affordability Program

- Changes the statutory name of the ERDC subsidy program to the Oregon Child Care Affordability Program.
- Becomes operative on July 1, 2027.
- Directs DELC to reflect the name Oregon Child Care Affordability Program in department resources beginning July 1, 2027, and permits DELC to take necessary action before the operative date.
- Directs the Early Learning Council to adopt rules to reflect the name Oregon Child Care Affordability Program beginning July 1, 2027, and permits the Council to take necessary action before the operative date.

Stakeholder Consultation

- Instructs DELC to collaborate with no more than 10 stakeholders to study and develop recommendations to remove families from the ERDC wait-list using existing resources, including implementation plans and legislative changes.
- Outlines interested stakeholders that must be included in the consultation, including representatives of specified state agencies, child care providers, and advocates.
- Requires DELC to submit a report on recommendations to the Legislative Assembly by September 30, 2026.
- Sunsets January 2, 2027.

ISSUES DISCUSSED:

- Changing the name of ERDC
- Copay amounts under ERDC
- Income eligibility for the ERDC program
- Promotion of ERDC program
- Availability of child care providers
- Data currently collected on ERDC applicants

EFFECT OF AMENDMENT:

The amendment replaces the measure.

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BACKGROUND:

<u>The Employment Related Day Care</u> (ERDC) program provides subsidized access to child care for families with working parents, parents who are in school, and families who receive Temporary Assistance for Needy Families (TANF). The program is administered by the Department of Early Learning and Care (DELC), but was previously under the Department of Human Services until 2023. Eligibility for the program is typically determined based on family income, but other factors such as whether parents are enrolled in school may be considered. <u>According to DELC</u>, as of March 2025, the income limit for ERDC initial eligibility is 200 percent of the federal poverty level.

Eligibility for ERDC has expanded in recent years. <u>House Bill 2683</u>, passed by the Legislative Assembly in 2023, directed the Early Learning Council to establish rules to consider factors such as the family's use of or risk of needing to use child welfare services or homelessness services independently of household income when determining ERDC eligibility. Under HB 2683, aspects of these rules must be implemented by July 2025 and July 2027.

In November 2023, ERDC opened a waitlist due to increased program demand (<u>DELC, 2024</u>). Some families, such as those receiving TANF, may bypass the waitlist. <u>According to DELC</u>, families who apply for ERDC are screened for bypass exemptions. If they do not meet a bypass, they are added to the waitlist but are not screened for full ERDC eligibility. This means that the waitlist is not necessarily a representation of eligible families for ERDC. The <u>ERDC</u>. <u>Program Data</u> dashboard publishes data related to the program including the number of families on the waitlist. According to the dashboard, there were 10,200 families on the waitlist as of March 11, 2025.