

HOUSE AMENDMENTS TO HOUSE BILL 2593

By COMMITTEE ON EARLY CHILDHOOD AND HUMAN SERVICES

April 14

1 In line 2 of the printed bill, before the period insert “; creating new provisions; and amending
2 ORS 315.264, 329A.500, 329A.723 and 406.072 and section 28, chapter 27, Oregon Laws 2022”.

3 Delete lines 4 through 23 and insert:
4

“OREGON CHILD CARE AFFORDABILITY PROGRAM

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7 “**SECTION 1.** ORS 315.264 is amended to read:

8 “315.264. (1)(a) A credit against the tax otherwise due under ORS chapter 316 shall be allowed
9 a taxpayer in an amount equal to a percentage of employment-related expenses of a type allowable
10 as a credit pursuant to section 21 of the Internal Revenue Code, notwithstanding the limitation im-
11 posed by section 21(c) of the Internal Revenue Code, and limited as provided in paragraph (c) of this
12 subsection.

13 “(b) The credit allowed under this section may be claimed for expenses for care of a qualifying
14 individual that allow a nonmarried taxpayer to seek employment or to attend school as a degree-
15 seeking student enrolled on a full-time or part-time basis.

16 “(c) The employment-related expenses for which a credit is claimed under this section may not
17 exceed the least of:

18 “(A) The combination of earned income taxable by Oregon and reportable on the taxpayer’s re-
19 turn and imputed income;

20 “(B) The lesser amount, attributable to either spouse, of the combination of the spouse’s imputed
21 income and the spouse’s earned income subject to taxation by Oregon, if reportable on a joint re-
22 turn; or

23 “(C) \$12,000 for a taxpayer for which there is one qualifying individual, or \$24,000 for a taxpayer
24 for which there are two or more qualifying individuals.

25 “(d) The limitations in paragraph (c)(C) of this subsection shall be reduced by the aggregate
26 amount excludable under section 129 of the Internal Revenue Code for the tax year.

27 “(2) The applicable percentage described in subsection (1) of this section shall be determined in
28 accordance with the following table:
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31	Greater of Federal	
32	or Oregon Adjusted	
33	Gross Income, as	Applicable percentage based on age of youngest
34	Percentage of Federal	qualifying individual on January 1 of tax year
35	Poverty Level	

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				At least 3 years but less than 6	At least 6 years but less than 13, or at least 13 but less than 18 if disabled	18 years or older if disabled
Greater than 0%	Less than or equal to 10%	Under 3 years 10%	8%	5%	5%	
10%	20%	20%	18%	15%	5%	
20%	30%	30%	28%	25%	10%	
30%	40%	40%	38%	35%	20%	
40%	50%	50%	48%	45%	30%	
50%	60%	55%	53%	50%	35%	
60%	70%	60%	58%	55%	40%	
70%	80%	65%	63%	60%	45%	
80%	90%	70%	68%	65%	50%	
90%	110%	75%	73%	70%	55%	
110%	120%	71%	69%	66%	50%	
120%	130%	66%	64%	61%	45%	
130%	140%	61%	59%	56%	39%	
140%	150%	55%	53%	50%	33%	
150%	160%	50%	48%	45%	28%	
160%	200%	47%	45%	42%	25%	
200%	210%	45%	43%	40%	22%	
210%	220%	40%	38%	35%	20%	
220%	230%	35%	33%	30%	15%	
230%	240%	30%	28%	25%	10%	
240%	250%	20%	18%	15%	5%	
250%	260%	10%	8%	5%	5%	
260%	280%	6%	6%	4%	4%	
280%	300%	4%	4%	4%	4%	
300%	-	0%	0%	0%	0%	

36 “(3) The applicable percentage for a household in excess of eight members shall be calculated
37 as if for a household size of eight members.

38 “(4) The credit under this section is not allowed to a taxpayer with federal adjusted gross in-
39 come or Oregon adjusted gross income, whichever is greater, in excess of 300 percent of the federal
40 poverty level.

41 “(5) For the purposes of calculating the allowed amount of credit applicable to a student:

42 “(a) Imputed income shall equal \$1,000 per qualified month per student for a student for whom
43 there is one qualifying individual, or \$2,000 per qualified month per student for a student for which
44 there are two or more qualifying individuals.

45 “(b) A qualified month is any month in which the student is a full-time or part-time student and

1 attending school, or a summer month in a calendar year in which the student was enrolled in a
2 degree-seeking program in both the spring and fall academic terms.

3 “(c) The school ratio shall equal 100 percent for a month for which a student is qualified for
4 student financial aid as a full-time student, and 70 percent for a month for which a student is qual-
5 ified for student financial aid as a part-time student.

6 “(d) If a student is a part-time student for a portion of the year and a full-time student for the
7 balance of the year, the credit shall be prorated. The school ratio applicable to the summer months,
8 if any, shall be the school ratio applicable to the immediately preceding spring month.

9 “(6) Notwithstanding subsections (2) and (3) of this section, for a student with adjusted gross
10 income as a percentage of the federal poverty level that is less than or equal to 110 percent, the
11 amount of credit shall be the greater of:

12 “(a) The credit calculated using subsection (2) of this section; or

13 “(b) The product of the applicable percentage, as shown in subsection (2) of this section, corre-
14 sponding to an adjusted gross income percentage of 110 percent, multiplied by:

15 “(A) The lesser of expenses for care of a qualifying individual or imputed income; and

16 “(B) The school ratio.

17 “(7) In order to ensure compliance with the eligibility requirements of the credit allowed under
18 this section, the Department of Revenue shall be afforded access to utilization data maintained by
19 the Department of Early Learning and Care in its administration of the [*Employment Related Day*
20 *Care subsidy program*] **Oregon Child Care Affordability Program.**

21 “(8) The Department of Revenue may assess a penalty in an amount not to exceed 25 percent
22 of the amount of credit claimed by the taxpayer against any taxpayer who knowingly claims or at-
23 tempts to claim any amount of credit under this section for which the taxpayer is ineligible, or
24 against any individual who knowingly assists another individual in claiming any amount of credit
25 for which the individual is ineligible.

26 “(9) The Department of Revenue may adopt rules for carrying out the provisions of this section
27 and prescribe the form used to claim a credit and the information required on the form.

28 “(10) A nonresident individual shall be allowed the credit computed in the same manner and
29 subject to the same limitations as the credit allowed a resident by subsection (1) of this section.
30 However, the credit shall be prorated using the proportion provided in ORS 316.117.

31 “(11) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the
32 Department of Revenue terminates the taxpayer’s taxable year under ORS 314.440, the credit al-
33 lowed by this section shall be prorated or computed in a manner consistent with ORS 314.085.

34 “(12) If a change in the status of a taxpayer from resident to nonresident or from nonresident
35 to resident occurs, the credit allowed by this section shall be determined in a manner consistent
36 with ORS 316.117.

37 “(13) If the amount allowable as a credit under this section, when added to the sum of the
38 amounts allowable as payment of tax under ORS 316.187 or 316.583, other tax prepayment amounts
39 and other refundable credit amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for
40 the tax year after application of any nonrefundable credits allowable for purposes of ORS chapter
41 316 for the tax year, the amount of the excess shall be refunded to the taxpayer as provided in ORS
42 316.502.

43 “(14) Any amount that is refunded to the taxpayer under this section and that is in excess of
44 the tax liability of the taxpayer does not bear interest.

45 “**SECTION 2.** Section 28, chapter 27, Oregon Laws 2022, as amended by section 60, chapter 554,

1 Oregon Laws 2023, is amended to read:

2 “**Sec. 28.** (1)(a) The amendments to ORS 329A.030, 329A.250, 329A.500 and 329A.992 by sections
3 22 to 27, chapter 27, Oregon Laws 2022, apply to subsidized care facilities providing subsidized care
4 under ORS 329A.500 on or after July 1, 2023.

5 “(b) On or after July 1, 2023, a subject individual described in ORS 329A.030 (11)(d) must enroll
6 in the Central Background Registry under ORS 329A.030 for the purpose of the [*Employment Related*
7 *Day Care subsidy program*] **Oregon Child Care Affordability Program**.

8 “(2) Notwithstanding subsection (1) of this section and ORS 329A.030 (2)(a), as amended by sec-
9 tion 26, chapter 27, Oregon Laws 2022:

10 “(a) A subject individual described in ORS 329A.030 (11)(d) who was approved before July 1,
11 2023, as a provider of care by the Department of Human Services for the purposes of the [*Employ-*
12 *ment Related Day Care subsidy program*] **Oregon Child Care Affordability Program** is not required
13 to enroll in the Central Background Registry until the earlier of the expiration of a child care
14 background check or June 30, 2025.

15 “(b) Until July 1, 2023, a subject individual described in ORS 329A.030 (11)(d) who is seeking
16 initial approval or renewed approval as a provider of care for purposes of the [*Employment Related*
17 *Day Care subsidy program*] **Oregon Child Care Affordability Program** may choose to enroll in the
18 Central Background Registry under ORS 329A.030 or may seek a child background check through
19 the Department of Human Services.

20 “(3) For the purpose of transferring the [*Employment Related Day Care subsidy program*] **Oregon**
21 **Child Care Affordability Program** from the Department of Human Services to the Department of
22 Early Learning and Care, as provided by section 79, chapter 631, Oregon Laws 2021, the Department
23 of Human Services and the Early Learning Council shall adopt rules that provide:

24 “(a) Until July 1, 2023, the Department of Human Services shall accept an individual’s enroll-
25 ment in the Central Background Registry as satisfying any requirement for background checks for
26 the [*Employment Related Day Care subsidy program*] **Oregon Child Care Affordability Program**.

27 “(b) Until July 1, 2023, the Office of Child Care shall accept the Department of Human Services’
28 background check of an individual for the purposes of the [*Employment Related Day Care subsidy*
29 *program*] **Oregon Child Care Affordability Program** as satisfying the requirements of the Central
30 Background Registry.

31 “(c) From July 1, 2023, until July 1, 2025, the Department of Early Learning and Care shall ac-
32 cept the Department of Human Services’ background check of an individual for the purposes of the
33 [*Employment Related Day Care subsidy program*] **Oregon Child Care Affordability Program** as
34 satisfying the requirements of the Central Background Registry.

35 “(4) No later than July 1, 2023, the Department of Human Services shall transfer copies of all
36 files necessary for the Office of Child Care to provide background checks for individuals described
37 in ORS 329A.030 (11)(d).

38 “**SECTION 3.** ORS 329A.500 is amended to read:

39 “329A.500. (1) As used in this section, ‘family’ means any individual who is responsible for the
40 care, control and supervision of a child.

41 “(2) The Early Learning Council shall adopt rules for the operation of the [*Employment Related*
42 *Day Care subsidy program*] **Oregon Child Care Affordability Program** and for other subsidy pro-
43 grams administered by the Department of Early Learning and Care.

44 “(3) The rules adopted under this section must support equitable access to a supply of diverse
45 subsidized care facilities that meet the needs of families, as those needs are defined by the council

1 by rule, including:

2 “(a) Cultural diversity;

3 “(b) Linguistic diversity;

4 “(c) Racial and ethnic diversity; and

5 “(d) Diversity of subsidized care facility types.

6 “(4) The council shall adopt rules establishing that:

7 “(a) Each of the following subparagraphs constitutes an independent basis of eligibility for a
8 child to participate in the [*Employment Related Day Care subsidy program*] **Oregon Child Care**
9 **Affordability Program:**

10 “(A) The household income of a child’s family;

11 “(B) The child’s family’s employment, search for employment or enrollment in an education or
12 training program;

13 “(C) The child’s or child’s family’s use of, or risk of needing to use, protective services, includ-
14 ing, but not limited to, child welfare services, child abuse prevention services, family reunification
15 services, foster care services or subsidized guardianship services;

16 “(D) The child’s or child’s family’s use of, or risk of needing to use, homelessness services, teen
17 parent services or domestic violence services; or

18 “(E) Any other criteria established by the council.

19 “(b) A child must be able to receive care that:

20 “(A) Meets the child’s developmental, disability and neurodiversity needs; and

21 “(B) Enables the child’s family to complete activities that relate to family well-being, which may
22 include the family’s work hours, education hours, commute time, study time and other activities that
23 support family well-being.

24 “(c) Payment to subsidized care facilities must be:

25 “(A) Based on enrollment instead of attendance.

26 “(B) Made by the department each month by a date specified by the Early Learning Council by
27 rule or, if paid on a date later than the date specified by rule, paid in an amount that includes an
28 additional nine percent of the amount due unless the additional amount is not required to be paid
29 under exceptional circumstances, as identified by rule.

30 “(d) A child’s family may qualify for an incentive if the family voluntarily chooses a subsidized
31 care facility that participates in the quality recognition and improvement system established under
32 ORS 329A.261. A fair representation of the recipients who qualify for incentives must be families
33 with children who are from underserved racial, ethnic or minority populations. In addition, subsi-
34 dized care facilities that participate in the quality recognition and improvement system may receive
35 financial incentives under the subsidy programs in accordance with criteria established by rule.

36 “(e) A child care facility is not eligible to be a subsidized care facility and to receive a re-
37 imbursement under the subsidy program unless each subject individual described in ORS 329A.030
38 (11)(d) who operates, resides in or may have unsupervised contact with children at the subsidized
39 care facility that provides or will provide subsidized care to the person’s child is enrolled in the
40 Central Background Registry under ORS 329A.030.

41 “(f) A subsidized care facility may be eligible to receive a higher rate of reimbursement or other
42 financial incentives for:

43 “(A) Participating in quality improvement measures;

44 “(B) Providing culturally or linguistically specific or appropriate care;

45 “(C) Providing evening, overnight or weekend care;

1 “(D) Providing care to children with a diagnosed disability;

2 “(E) Providing infant or toddler care;

3 “(F) Providing care to a population that has been identified as historically having an inadequate

4 child care facility supply; or

5 “(G) Providing any other specialized care that justifies a higher rate of reimbursement.

6 “(5) Taking into account the availability of funds, the rules adopted under this section:

7 “(a) Must establish a sliding scale for copayment, with the requirement that a copayment may

8 not exceed seven percent of the household income of the child’s family.

9 “(b) Must provide that eligibility to participate in the [*Employment Related Day Care subsidy*

10 *program*] **Oregon Child Care Affordability Program**:

11 “(A) May not be based on the citizenship or legal status of a child or a child’s family; and

12 “(B) Shall, for a child who met the initial eligibility requirements prescribed under subsection

13 (4) of this section, continue for a minimum of 12 months from the date of initial eligibility unless the

14 child’s family leaves this state or requests a termination of benefits or for any other reason identi-

15 fied by the council. Rules adopted under this subparagraph shall give priority to families receiving

16 temporary assistance under the temporary assistance for needy families program described in ORS

17 412.006.

18 “(c) May provide that a determination of eligibility to participate in the [*Employment Related*

19 *Day Care subsidy program*] **Oregon Child Care Affordability Program** consider the availability of

20 family to attend to the child, regardless of the family’s physical presence.

21 “(6) In developing rules under this section, the council shall consider policies for increasing the

22 stability and continuity of a child’s access to a family’s preferred child care facility.

23 “(7) Rules adopted by the council under this section establish minimum requirements pertaining

24 to the [*Employment Related Day Care subsidy program*] **Oregon Child Care Affordability Program**

25 and may not be construed to preempt, limit or otherwise diminish the applicability of any policy,

26 standard or collective bargaining agreement that provides for an increased subsidy or a subsidized

27 care facility reimbursement amount under state or federal law.

28 “(8)(a) The council shall work to meet federal recommendations for income eligibility and market

29 access in regard to the [*Employment Related Day Care subsidy program*] **Oregon Child Care**

30 **Affordability Program** administered by the council.

31 “(b) Notwithstanding any provision of this section or any rule adopted by the council pursuant

32 to this section, the laws and regulations applicable to any federal funds shall govern when any as-

33 pect of child care is funded by federal funds.

34 “**SECTION 4.** ORS 329A.723 is amended to read:

35 “329A.723. As used in ORS 329A.720 to 329A.732:

36 “(1) ‘Administrative costs’ includes, but is not limited to, the direct and indirect costs incurred

37 by the Oregon Business Development Department for:

38 “(a) Reviewing and processing applications for grants and loans for financial assistance submit-

39 ted by eligible applicants under ORS 329A.727.

40 “(b) Monitoring the use of funds by recipients.

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

42 “(3) ‘Early child care infrastructure activity’ means an activity that contributes to the develop-

43 ment of a robust child care system in this state.

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

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

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

2 “(c) A child care center certified under ORS 329A.280 by the Department of Early Learning and
3 Care.

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

6 “(e) Organizations that support the expansion or establishment of child care providers.

7 “(f) Programs that serve children in publicly funded early learning and care programs including:
8 “(A) Programs funded by the Early Childhood Equity Fund established under ORS 417.781.
9 “(B) Relief nurseries.

10 “(C) Programs that receive subsidies through the [*Employment Related Day Care subsidy pro-*
11 *gram*] **Oregon Child Care Affordability Program** under ORS 329A.500.

12 “(D) Oregon Head Start, prekindergarten and Early Head Start programs.

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

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

17 “(h) Any other applicants that the Oregon Business Development Department deems to be an
18 eligible applicant as provided by department rule.

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

20 “**SECTION 5.** ORS 406.072 is amended to read:
21 “406.072. (1) As used in this section:
22 “(a) ‘Uniformed service’ means the Armed Forces of the United States, the Army National Guard
23 or the Air National Guard when the member is engaged in active duty for training, inactive duty
24 for training or full-time National Guard duty, the commissioned corps of the United States Public
25 Health Service and any other category of persons designated by the President of the United States
26 in time of war or national emergency.

27 “(b) ‘Written information’ means information that is in written form and includes but is not
28 limited to information obtained by electronic means, electronic mail, facsimile or other form of
29 electronic communication.

30 “(2)(a) Subject to subsection (3) of this section and upon implementation or upgrade of an elec-
31 tronic delivery system that will enable the Department of Human Services to provide the notice
32 required by this subsection in a cost-effective and efficient manner, the Director of Human Services
33 shall notify the Director of Veterans’ Affairs within 30 days of receipt of written information from
34 a member or veteran of a uniformed service who has applied for benefits or services under the fol-
35 lowing:
36 “(A) Temporary assistance for needy families program under ORS 412.001 to 412.069;
37 “(B) Assistance funded under Title IV-A of the Social Security Act as administered in this state
38 by the Department of Human Services;
39 “(C) Supplemental Nutrition Assistance Program under ORS 411.806 to 411.845;
40 “(D) Oregon Health Plan;
41 “(E) Programs and services for seniors and persons with disabilities administered by the De-
42 partment of Human Services; and
43 “(F) Vocational rehabilitation services and programs administered by the Department of Human
44 Services.

45 “(b) Subject to subsection (3) of this section, the Early Learning System Director shall notify the

1 Director of Veterans' Affairs within 30 days of receipt of written information from a member or
2 veteran of a uniformed service who has applied for benefits or services under the [*Employment Re-*
3 *lated Day Care subsidy program*] **Oregon Child Care Affordability Program** administered by the
4 Department of Early Learning and Care.

5 “(c) The notification required under this subsection is limited to notifying the Director of
6 Veterans' Affairs of the name and residence address or mailing address of the member or veteran.

7 “(d) The authorization of a member or veteran as required by subsection (3) of this section may
8 be contained in the written information at the time it is received by the Department of Human
9 Services or the Department of Early Learning and Care or separately at another time but the au-
10 thorization must specifically authorize the notification to be made under this subsection.

11 “(3) The Director of Human Services or the Early Learning System Director shall notify the
12 Director of Veterans' Affairs as required by subsection (2) of this section only when authorized to
13 do so by the member or veteran of a uniformed service who submitted the written information.

14 “(4) The Department of Human Services and the Early Learning Council, in consultation with
15 the Department of Veterans' Affairs, shall adopt rules to implement the provisions of this section,
16 including but not limited to the method of notification required under subsection (2) of this section.

17 “**SECTION 6. (1) The amendments to ORS 315.264, 329A.500, 329A.723 and 406.072 and**
18 **section 28, chapter 27, Oregon Laws 2022, by sections 1 to 5 of this 2025 Act are intended to**
19 **change the name of the ‘Employment Related Day Care subsidy program’ to the ‘Oregon**
20 **Child Care Affordability Program.’**

21 “**(2) For the purpose of harmonizing and clarifying statutory law, the Legislative Council**
22 **may substitute for words designating the ‘Employment Related Day Care subsidy program,’**
23 **wherever they occur in statutory law, other words designating the ‘Oregon Child Care**
24 **Affordability Program.’**

25 “**SECTION 7. (1) The amendments to ORS 315.264, 329A.500, 329A.723 and 406.072 and**
26 **section 28, chapter 27, Oregon Laws 2022, by sections 1 to 5 of this 2025 Act become operative**
27 **on July 1, 2027.**

28 “**(2) The Department of Early Learning and Care shall take any action before the opera-**
29 **tive date specified in subsection (1) of this section that is necessary to update department**
30 **resources to reflect the name of the Oregon Child Care Affordability Program on and after**
31 **the operative date specified in subsection (1) of this section.**

32 “**(3) The Early Learning Council shall take any action before the operative date specified**
33 **in subsection (1) of this section that is necessary to update its rules to reflect the name of**
34 **the Oregon Child Care Affordability Program on and after the operative date specified in**
35 **subsection (1) of this section.**

36 37 “STAKEHOLDER CONSULTATION

38
39 “**SECTION 8. (1) The Department of Early Learning and Care shall collaborate with not**
40 **more than 10 interested stakeholders to study and develop recommendations to remove**
41 **families from the Employment Related Day Care subsidy program wait-list using existing**
42 **resources, including implementation plans and any legislative changes.**

43 “**(2) Interested stakeholders must include, at a minimum, the following persons:**

44 “**(a) A person who represents the Department of Human Services Self Sufficiency Pro-**
45 **grams;**

