

HB 2593-3
(LC 1553)
4/7/25 (VSR/ps)

Requested by HOUSE COMMITTEE ON EARLY CHILDHOOD AND HUMAN SERVICES (at the request of Representative Annessa Hartman)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2593**

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

4 Delete lines 4 through 23 and insert:

5
6 **“OREGON CHILD CARE AFFORDABILITY PROGRAM**

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

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

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

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

21 “(A) The combination of earned income taxable by Oregon and reportable

1	50%	60%	55%	53%	50%	35%
2	60%	70%	60%	58%	55%	40%
3	70%	80%	65%	63%	60%	45%
4	80%	90%	70%	68%	65%	50%
5	90%	110%	75%	73%	70%	55%
6	110%	120%	71%	69%	66%	50%
7	120%	130%	66%	64%	61%	45%
8	130%	140%	61%	59%	56%	39%
9	140%	150%	55%	53%	50%	33%
10	150%	160%	50%	48%	45%	28%
11	160%	200%	47%	45%	42%	25%
12	200%	210%	45%	43%	40%	22%
13	210%	220%	40%	38%	35%	20%
14	220%	230%	35%	33%	30%	15%
15	230%	240%	30%	28%	25%	10%
16	240%	250%	20%	18%	15%	5%
17	250%	260%	10%	8%	5%	5%
18	260%	280%	6%	6%	4%	4%
19	280%	300%	4%	4%	4%	4%
20	300%	-	0%	0%	0%	0%

21 “

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

24 “(4) The credit under this section is not allowed to a taxpayer with fed-
25 eral adjusted gross income or Oregon adjusted gross income, whichever is
26 greater, in excess of 300 percent of the federal poverty level.

27 “(5) For the purposes of calculating the allowed amount of credit appli-
28 cable to a student:

29 “(a) Imputed income shall equal \$1,000 per qualified month per student for
30 a student for whom there is one qualifying individual, or \$2,000 per qualified

1 month per student for a student for which there are two or more qualifying
2 individuals.

3 “(b) A qualified month is any month in which the student is a full-time
4 or part-time student and attending school, or a summer month in a calendar
5 year in which the student was enrolled in a degree-seeking program in both
6 the spring and fall academic terms.

7 “(c) The school ratio shall equal 100 percent for a month for which a
8 student is qualified for student financial aid as a full-time student, and 70
9 percent for a month for which a student is qualified for student financial aid
10 as a part-time student.

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

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

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

20 “(b) The product of the applicable percentage, as shown in subsection (2)
21 of this section, corresponding to an adjusted gross income percentage of 110
22 percent, multiplied by:

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

25 “(B) The school ratio.

26 “(7) In order to ensure compliance with the eligibility requirements of the
27 credit allowed under this section, the Department of Revenue shall be af-
28 forded access to utilization data maintained by the Department of Early
29 Learning and Care in its administration of the [*Employment Related Day*
30 *Care subsidy program*] **Oregon Child Care Affordability Program.**

1 “(8) The Department of Revenue may assess a penalty in an amount not
2 to exceed 25 percent of the amount of credit claimed by the taxpayer against
3 any taxpayer who knowingly claims or attempts to claim any amount of
4 credit under this section for which the taxpayer is ineligible, or against any
5 individual who knowingly assists another individual in claiming any amount
6 of credit for which the individual is ineligible.

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

10 “(10) A nonresident individual shall be allowed the credit computed in the
11 same manner and subject to the same limitations as the credit allowed a
12 resident by subsection (1) of this section. However, the credit shall be pro-
13 rated using the proportion provided in ORS 316.117.

14 “(11) If a change in the taxable year of a taxpayer occurs as described in
15 ORS 314.085, or if the Department of Revenue terminates the taxpayer’s
16 taxable year under ORS 314.440, the credit allowed by this section shall be
17 prorated or computed in a manner consistent with ORS 314.085.

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

21 “(13) If the amount allowable as a credit under this section, when added
22 to the sum of the amounts allowable as payment of tax under ORS 316.187
23 or 316.583, other tax prepayment amounts and other refundable credit
24 amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax
25 year after application of any nonrefundable credits allowable for purposes
26 of ORS chapter 316 for the tax year, the amount of the excess shall be re-
27 funded to the taxpayer as provided in ORS 316.502.

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

30 **“SECTION 2.** Section 28, chapter 27, Oregon Laws 2022, as amended by

1 section 60, chapter 554, Oregon Laws 2023, is amended to read:

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

6 “(b) On or after July 1, 2023, a subject individual described in ORS
7 329A.030 (11)(d) must enroll in the Central Background Registry under ORS
8 329A.030 for the purpose of the [*Employment Related Day Care subsidy pro-*
9 *gram*] **Oregon Child Care Affordability Program**.

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

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

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

24 “(3) For the purpose of transferring the [*Employment Related Day Care*
25 *subsidy program*] **Oregon Child Care Affordability Program** from the De-
26 partment of Human Services to the Department of Early Learning and Care,
27 as provided by section 79, chapter 631, Oregon Laws 2021, the Department
28 of Human Services and the Early Learning Council shall adopt rules that
29 provide:

30 “(a) Until July 1, 2023, the Department of Human Services shall accept

1 an individual's enrollment in the Central Background Registry as satisfying
2 any requirement for background checks for the [*Employment Related Day*
3 *Care subsidy program*] **Oregon Child Care Affordability Program**.

4 “(b) Until July 1, 2023, the Office of Child Care shall accept the Depart-
5 ment of Human Services' background check of an individual for the purposes
6 of the [*Employment Related Day Care subsidy program*] **Oregon Child Care**
7 **Affordability Program** as satisfying the requirements of the Central Back-
8 ground Registry.

9 “(c) From July 1, 2023, until July 1, 2025, the Department of Early
10 Learning and Care shall accept the Department of Human Services' back-
11 ground check of an individual for the purposes of the [*Employment Related*
12 *Day Care subsidy program*] **Oregon Child Care Affordability Program** as
13 satisfying the requirements of the Central Background Registry.

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

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

18 “329A.500. (1) As used in this section, ‘family’ means any individual who
19 is responsible for the care, control and supervision of a child.

20 “(2) The Early Learning Council shall adopt rules for the operation of the
21 [*Employment Related Day Care subsidy program*] **Oregon Child Care**
22 **Affordability Program** and for other subsidy programs administered by the
23 Department of Early Learning and Care.

24 “(3) The rules adopted under this section must support equitable access
25 to a supply of diverse subsidized care facilities that meet the needs of fami-
26 lies, as those needs are defined by the council by rule, including:

27 “(a) Cultural diversity;

28 “(b) Linguistic diversity;

29 “(c) Racial and ethnic diversity; and

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

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

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

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

6 “(B) The child’s family’s employment, search for employment or enroll-
7 ment in an education or training program;

8 “(C) The child’s or child’s family’s use of, or risk of needing to use, pro-
9 tective services, including, but not limited to, child welfare services, child
10 abuse prevention services, family reunification services, foster care services
11 or subsidized guardianship services;

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

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

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

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

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

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

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

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

28 “(d) A child’s family may qualify for an incentive if the family voluntarily
29 chooses a subsidized care facility that participates in the quality recognition
30 and improvement system established under ORS 329A.261. A fair represen-

1 tation of the recipients who qualify for incentives must be families with
2 children who are from underserved racial, ethnic or minority populations. In
3 addition, subsidized care facilities that participate in the quality recognition
4 and improvement system may receive financial incentives under the subsidy
5 programs in accordance with criteria established by rule.

6 “(e) A child care facility is not eligible to be a subsidized care facility
7 and to receive a reimbursement under the subsidy program unless each sub-
8 ject individual described in ORS 329A.030 (11)(d) who operates, resides in or
9 may have unsupervised contact with children at the subsidized care facility
10 that provides or will provide subsidized care to the person’s child is enrolled
11 in the Central Background Registry under ORS 329A.030.

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

14 “(A) Participating in quality improvement measures;

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

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

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

18 “(E) Providing infant or toddler care;

19 “(F) Providing care to a population that has been identified as histor-
20 ically having an inadequate child care facility supply; or

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

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

25 “(a) Must establish a sliding scale for copayment, with the requirement
26 that a copayment may not exceed seven percent of the household income of
27 the child’s family.

28 “(b) Must provide that eligibility to participate in the [*Employment Re-*
29 *lated Day Care subsidy program*] **Oregon Child Care Affordability Pro-**
30 **gram:**

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

3 “(B) Shall, for a child who met the initial eligibility requirements pre-
4 scribed under subsection (4) of this section, continue for a minimum of 12
5 months from the date of initial eligibility unless the child’s family leaves this
6 state or requests a termination of benefits or for any other reason identified
7 by the council. Rules adopted under this subparagraph shall give priority to
8 families receiving temporary assistance under the temporary assistance for
9 needy families program described in ORS 412.006.

10 “(c) May provide that a determination of eligibility to participate in the
11 [*Employment Related Day Care subsidy program*] **Oregon Child Care**
12 **Affordability Program** consider the availability of family to attend to the
13 child, regardless of the family’s physical presence.

14 “(6) In developing rules under this section, the council shall consider
15 policies for increasing the stability and continuity of a child’s access to a
16 family’s preferred child care facility.

17 “(7) Rules adopted by the council under this section establish minimum
18 requirements pertaining to the [*Employment Related Day Care subsidy pro-*
19 *gram*] **Oregon Child Care Affordability Program** and may not be con-
20 strued to preempt, limit or otherwise diminish the applicability of any policy,
21 standard or collective bargaining agreement that provides for an increased
22 subsidy or a subsidized care facility reimbursement amount under state or
23 federal law.

24 “(8)(a) The council shall work to meet federal recommendations for in-
25 come eligibility and market access in regard to the [*Employment Related Day*
26 *Care subsidy program*] **Oregon Child Care Affordability Program** admin-
27 istered by the council.

28 “(b) Notwithstanding any provision of this section or any rule adopted
29 by the council pursuant to this section, the laws and regulations applicable
30 to any federal funds shall govern when any aspect of child care is funded

1 by federal funds.

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

3 “329A.723. As used in ORS 329A.720 to 329A.732:

4 “(1) ‘Administrative costs’ includes, but is not limited to, the direct and
5 indirect costs incurred by the Oregon Business Development Department for:

6 “(a) Reviewing and processing applications for grants and loans for fi-
7 nancial assistance submitted by eligible applicants under ORS 329A.727.

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

9 “(2) ‘Child care facility’ has the meaning given that term in ORS
10 329A.250.

11 “(3) ‘Early child care infrastructure activity’ means an activity that con-
12 tributes to the development of a robust child care system in this state.

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

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

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

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

18 “(d) Federally recognized Indian tribes in Oregon that are preschool pro-
19 viders participating in the Preschool Promise Program established under
20 ORS 329.172.

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

23 “(f) Programs that serve children in publicly funded early learning and
24 care programs including:

25 “(A) Programs funded by the Early Childhood Equity Fund established
26 under ORS 417.781.

27 “(B) Relief nurseries.

28 “(C) Programs that receive subsidies through the [*Employment Related*
29 *Day Care subsidy program*] **Oregon Child Care Affordability Program**
30 under ORS 329A.500.

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

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

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

6 “(h) Any other applicants that the Oregon Business Development Depart-
7 ment deems to be an eligible applicant as provided by department rule.

8 “(5) ‘Family child care provider’ has the meaning given that term in ORS
9 329A.430.

10 **“SECTION 5.** ORS 406.072 is amended to read:

11 “406.072. (1) As used in this section:

12 “(a) ‘Uniformed service’ means the Armed Forces of the United States, the
13 Army National Guard or the Air National Guard when the member is en-
14 gaged in active duty for training, inactive duty for training or full-time Na-
15 tional Guard duty, the commissioned corps of the United States Public
16 Health Service and any other category of persons designated by the President
17 of the United States in time of war or national emergency.

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

21 “(2)(a) Subject to subsection (3) of this section and upon implementation
22 or upgrade of an electronic delivery system that will enable the Department
23 of Human Services to provide the notice required by this subsection in a
24 cost-effective and efficient manner, the Director of Human Services shall
25 notify the Director of Veterans’ Affairs within 30 days of receipt of written
26 information from a member or veteran of a uniformed service who has ap-
27 plied for benefits or services under the following:

28 “(A) Temporary assistance for needy families program under ORS 412.001
29 to 412.069;

30 “(B) Assistance funded under Title IV-A of the Social Security Act as

1 administered in this state by the Department of Human Services;

2 “(C) Supplemental Nutrition Assistance Program under ORS 411.806 to
3 411.845;

4 “(D) Oregon Health Plan;

5 “(E) Programs and services for seniors and persons with disabilities ad-
6 ministered by the Department of Human Services; and

7 “(F) Vocational rehabilitation services and programs administered by the
8 Department of Human Services.

9 “(b) Subject to subsection (3) of this section, the Early Learning System
10 Director shall notify the Director of Veterans’ Affairs within 30 days of re-
11 ceipt of written information from a member or veteran of a uniformed service
12 who has applied for benefits or services under the [*Employment Related Day*
13 *Care subsidy program*] **Oregon Child Care Affordability Program** admin-
14 istered by the Department of Early Learning and Care.

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

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

23 “(3) The Director of Human Services or the Early Learning System Di-
24 rector shall notify the Director of Veterans’ Affairs as required by subsection
25 (2) of this section only when authorized to do so by the member or veteran
26 of a uniformed service who submitted the written information.

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

1 **“SECTION 6.** (1) The amendments to ORS 315.264, 329A.500, 329A.723
2 and 406.072 and section 28, chapter 27, Oregon Laws 2022, by sections
3 1 to 5 of this 2025 Act are intended to change the name of the ‘Em-
4 ployment Related Day Care subsidy program’ to the ‘Oregon Child
5 Care Affordability Program.’

6 **“(2)** For the purpose of harmonizing and clarifying statutory law,
7 the Legislative Counsel may substitute for words designating the
8 ‘Employment Related Day Care subsidy program,’ wherever they occur
9 in statutory law, other words designating the ‘Oregon Child Care
10 Affordability Program.’

11 **“SECTION 7.** (1) The amendments to ORS 315.264, 329A.500, 329A.723
12 and 406.072 and section 28, chapter 27, Oregon Laws 2022, by sections
13 1 to 5 of this 2025 Act become operative on July 1, 2027.

14 **“(2)** The Department of Early Learning and Care shall take any
15 action before the operative date specified in subsection (1) of this sec-
16 tion that is necessary to update department resources to reflect the
17 name of the Oregon Child Care Affordability Program on and after the
18 operative date specified in subsection (1) of this section.

19 **“(3)** The Early Learning Council shall take any action before the
20 operative date specified in subsection (1) of this section that is neces-
21 sary to update its rules to reflect the name of the Oregon Child Care
22 Affordability Program on and after the operative date specified in
23 subsection (1) of this section.

24
25 **“STAKEHOLDER CONSULTATION**
26

27 **“SECTION 8.** (1) The Department of Early Learning and Care shall
28 collaborate with not more than 10 interested stakeholders to study and
29 develop recommendations to remove families from the Employment
30 Related Day Care subsidy program wait-list using existing resources,

1 including implementation plans and any legislative changes.

2 “(2) Interested stakeholders must include, at a minimum, the fol-
3 lowing persons:

4 “(a) A person who represents the Department of Human Services
5 Self Sufficiency Programs;

6 “(b) A person who represents the Oregon Eligibility Partnership;

7 “(c) A person who is an early childhood advocate with experience
8 working with child care providers;

9 “(d) A person who is an early childhood advocate with experience
10 working with families who receive subsidized child care; and

11 “(e) A person who is a child care provider certified under ORS
12 329A.280, registered under ORS 329A.330 or regulated under ORS
13 329A.500.

14 “(3) The department shall submit a report on the recommendations
15 developed under this section in the manner provided by ORS 192.245
16 to the interim committees of the Legislative Assembly related to early
17 childhood no later than September 30, 2026.

18 “SECTION 9. Section 8 of this 2025 Act is repealed on January 2,
19 2027.

20
21 “CAPTIONS
22

23 “SECTION 10. The unit captions used in this 2025 Act are provided
24 only for the convenience of the reader and do not become part of the
25 statutory law of this state or express any legislative intent in the
26 enactment of this 2025 Act.”.
27