

## SB 1535 -2 STAFF MEASURE SUMMARY

### Senate Committee On Early Childhood and Behavioral Health

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**Meeting Dates:** 2/10, 2/12

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#### WHAT THE MEASURE DOES:

The measure directs the Department of Early Learning and Care (DELIC) to study child care and submit a report to the interim committees of the Legislative Assembly related to child care by September 15, 2027. Sunsets January 2, 2028.

*Fiscal impact: May have fiscal impact, but no statement yet issued*

*Revenue impact: May have revenue impact, but no statement yet issued*

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

-2 The amendment replaces the measure, modifies Employment Related Day Care subsidy program (ERDC) priority consideration for families under the temporary assistance for needy families (TANF) program, and directs DELIC to convene a work group to study child care liability insurance. The measure takes effect on the 91<sup>st</sup> day following adjournment sine die.

Detailed Summary:

#### ERDC (Section 1)

- Modifies language to make ERDC priority qualification for TANF families optional.

#### Liability Insurance Work Group (Sections 2-3)

- Directs the work group to study the cost and availability of liability insurance and other liability issues for child care providers.
- Requires the selection of work group members to meet specific criteria.
- Requires the work group to submit a report with recommendations to the interim committees of the Legislative Assembly related to child care by November 1, 2027.
- Sunsets January 2, 2029.

#### BACKGROUND:

In 2021, [House Bill 3073](#) established [DELIC](#) to provide early learning and child care services in Oregon. DELIC funds [Child Care Resource and Referrals](#) (CC&Rs) to recruit and support early learning and care programs regionally and manages the [ERDC](#), assisting qualifying families pay for child care. Although DELIC administers the ERDC program for families and providers, the [Oregon Department of Human Services](#) (ODHS) manages ERDC eligibility through the [ONE system](#). The ERDC program has operated an applicant waitlist since 2023 due to increased demand and limited funding.

In 2024, the National Association for the Education of Young Children reported that [80%](#) of surveyed child care providers saw an increase in liability insurance premiums. DELIC affiliated child care providers participating in [Baby Promise](#), [Preschool Promise](#), [Oregon Prenatal to Kindergarten](#), and [Multnomah County's Preschool For All](#) programs are required to hold liability insurance in Oregon. States including [Nebraska](#), [Montana](#), [North Carolina](#), and [Connecticut](#) have explored legislative action to address rising costs of child care liability insurance in 2024 and 2025.