

Enrolled
House Bill 4057

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Early Childhood and Human Services for Representative Jules Walters)

CHAPTER

AN ACT

Relating to the development of children; creating new provisions; amending ORS 326.440 and 329A.500; and declaring an emergency.

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

**INFORMATION FOR FAMILIES UNDER
EMPLOYMENT RELATED DAY CARE PROGRAM**

SECTION 1. ORS 326.440 is amended to read:

326.440. The Early Learning System Director and the Director of Human Services may delegate to each other by interagency agreement any duties, functions or powers granted to the Department of Early Learning and Care or the Department of Human Services, as the directors deem necessary for the efficient and effective operation of the respective functions of the departments, including:

- (1) Eligibility determinations for programs established under either department.
- (2) The provision of standardized information to families seeking early learning and care.**
- ~~[(2)]~~ **(3)** Administrative proceedings, including contested case hearings and judicial reviews.
- ~~[(3)]~~ **(4)** The authority to make or receive payments.
- ~~[(4)]~~ **(5)** The recovery of erroneous payments or of overpayments.

SECTION 2. ORS 329A.500 is amended to read:

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

(2) The Early Learning Council shall adopt rules for the operation of the Employment Related Day Care subsidy program and for other subsidy programs administered by the Department of Early Learning and Care.

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

- (a) Cultural diversity;
- (b) Linguistic diversity;
- (c) Racial and ethnic diversity; and
- (d) Diversity of subsidized care facility types.
- (4) The council shall adopt rules establishing that:

(a) Each of the following subparagraphs constitutes an independent basis of eligibility for a child to participate in the Employment Related Day Care subsidy program:

- (A) The household income of a child's family;
 - (B) The child's family's employment, search for employment or enrollment in an education or training program;
 - (C) The child's or child's family's use of, or risk of needing to use, protective services, including, but not limited to, child welfare services, child abuse prevention services, family reunification services, foster care services or subsidized guardianship services;
 - (D) The child's or child's family's use of, or risk of needing to use, homelessness services, teen parent services or domestic violence services; or
 - (E) Any other criteria established by the council.
- (b) A child must be able to receive care that:
 - (A) Meets the child's developmental, disability and neurodiversity needs; and
 - (B) Enables the child's family to complete activities that relate to family well-being, which may include the family's work hours, education hours, commute time, study time and other activities that support family well-being.
- (c) Payment to subsidized care facilities must be:
 - (A) Based on enrollment instead of attendance.
 - (B) Made by the department each month by a date specified by the Early Learning Council by rule or, if paid on a date later than the date specified by rule, paid in an amount that includes an additional nine percent of the amount due unless the additional amount is not required to be paid under exceptional circumstances, as identified by rule.
 - (d) A child's family may qualify for an incentive if the family voluntarily chooses a subsidized care facility that participates in the quality recognition and improvement system established under ORS 329A.261. A fair representation of the recipients who qualify for incentives must be families with children who are from underserved racial, ethnic or minority populations. In addition, subsidized care facilities that participate in the quality recognition and improvement system may receive financial incentives under the subsidy programs in accordance with criteria established by rule.
 - (e) A child care facility is not eligible to be a subsidized care facility and to receive a reimbursement under the subsidy program unless each subject individual described in ORS 329A.030 (11)(d) who operates, resides in or may have unsupervised contact with children at the subsidized care facility that provides or will provide subsidized care to the person's child is enrolled in the Central Background Registry under ORS 329A.030.
 - (f) A subsidized care facility may be eligible to receive a higher rate of reimbursement or other financial incentives for:
 - (A) Participating in quality improvement measures;
 - (B) Providing culturally or linguistically specific or appropriate care;
 - (C) Providing evening, overnight or weekend care;
 - (D) Providing care to children with a diagnosed disability;
 - (E) Providing infant or toddler care;
 - (F) Providing care to a population that has been identified as historically having an inadequate child care facility supply; or
 - (G) Providing any other specialized care that justifies a higher rate of reimbursement.
 - (5) Taking into account the availability of funds, the rules adopted under this section:
 - (a) Must establish a sliding scale for copayment, with the requirement that a copayment may not exceed seven percent of the household income of the child's family.
 - (b) Must provide that eligibility to participate in the Employment Related Day Care subsidy program:
 - (A) May not be based on the citizenship or legal status of a child or a child's family; and
 - (B) Shall, for a child who met the initial eligibility requirements prescribed under subsection (4) of this section, continue for a minimum of 12 months from the date of initial eligibility unless the child's family leaves this state or requests a termination of benefits or for any other reason identified by the council. Rules adopted under this subparagraph shall give priority to families receiving

temporary assistance under the temporary assistance for needy families program described in ORS 412.006.

(c) May provide that a determination of eligibility to participate in the Employment Related Day Care subsidy program consider the availability of family to attend to the child, regardless of the family's physical presence.

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

(7) Rules adopted by the council under this section establish minimum requirements pertaining to the Employment Related Day Care subsidy program and may not be construed to preempt, limit or otherwise diminish the applicability of any policy, standard or collective bargaining agreement that provides for an increased subsidy or a subsidized care facility reimbursement amount under state or federal law.

(8)(a) The council shall work to meet federal recommendations for income eligibility and market access in regard to the Employment Related Day Care subsidy program administered by the council.

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

(9) The department shall, prior to referral to a generalized resource hotline, provide each individual who applies for the Employment Related Day Care subsidy program, or is placed on a waitlist for the program, standardized information on all publicly funded early learning and care programs and resources available in this state, including but not limited to:

- (a) The Preschool Promise Program under ORS 329.172;**
- (b) The Oregon Prenatal to Kindergarten Program under ORS 329.172 to 329.200;**
- (c) The infant and toddler care program under ORS 417.784;**
- (d) Healthy Families Oregon programs under ORS 417.795;**
- (e) Early Learning Hubs under ORS 417.827;**
- (f) Resource and referral entities under ORS 329A.100 to 329A.135;**
- (g) Relief nurseries; and**
- (h) Oregon Head Start, prekindergarten and Early Head Start programs.**

CAPTIONS

SECTION 3. The unit captions used in this 2026 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2026 Act.

EFFECTIVE DATE

SECTION 4. This 2026 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect on its passage.

Passed by House February 17, 2026

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate March 3, 2026

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2026

Approved:

.....M.,....., 2026

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2026

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Tobias Read, Secretary of State