

SB 1535-2
(LC 293)
2/9/26 (VSR/DJ/ps)

Requested by Senator ANDERSON

**PROPOSED AMENDMENTS TO
SENATE BILL 1535**

1 In line 2 of the printed bill, after “care” insert “; creating new provisions;
2 amending ORS 329A.500; and prescribing an effective date”.

3 Delete lines 4 through 8 and insert:

4 **“SECTION 1.** ORS 329A.500 is amended to read:

5 “329A.500. (1) As used in this section, ‘family’ means any individual who
6 is responsible for the care, control and supervision of a child.

7 “(2) The Early Learning Council shall adopt rules for the operation of the
8 Employment Related Day Care subsidy program and for other subsidy pro-
9 grams administered by the Department of Early Learning and Care.

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

13 “(a) Cultural diversity;

14 “(b) Linguistic diversity;

15 “(c) Racial and ethnic diversity; and

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

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

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

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

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

3 “(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;

7 “(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

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

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

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

13 “(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.

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

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

18 “(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.

23 “(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.

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

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

9 “(A) Participating in quality improvement measures;

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

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

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

13 “(E) Providing infant or toddler care;

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

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

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

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

23 “(b) Must provide that eligibility to participate in the Employment Re-
24 lated Day Care subsidy program:

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

27 “(B) Shall, for a child who met the initial eligibility requirements pre-
28 scribed under subsection (4) of this section, continue for a minimum of 12
29 months from the date of initial eligibility unless the child’s family leaves this
30 state or requests a termination of benefits or for any other reason identified

1 by the council. Rules adopted under this subparagraph [*shall*] **may** give pri-
2 ority to families receiving temporary assistance under the temporary assist-
3 ance for needy families program described in ORS 412.006.

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

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

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

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

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

23 **“SECTION 2. (1) The Department of Early Learning and Care shall**
24 **convene a work group to study the cost and availability of liability**
25 **insurance and other liability issues for child care providers certified**
26 **under ORS 329A.280, registered under ORS 329A.330 or recorded under**
27 **ORS 329A.255. The work group may also study impacts to programs**
28 **or entities that would typically be exempt from Department of Early**
29 **Learning and Care regulation. The objective of the work group is to**
30 **develop strategies for lowering insurance costs for these providers in**

1 this state.

2 “(2) The work group shall consist of members selected by the De-
3 partment of Early Learning and Care, in consultation with the De-
4 partment of Consumer and Business Services.

5 “(3) When making selections for the work group under subsection
6 (2) of this section, the Department of Early Learning and Care shall,
7 to the extent practicable, select the following as members:

8 “(a) Representatives from certified, registered, recorded and exempt
9 child care providers located in different regions of this state.

10 “(b) Representatives from the insurance industry with experience
11 in liability insurance offered to child care facilities certified under ORS
12 329A.280, registered under ORS 329A.330 or recorded under ORS
13 329A.255, or to other types of exempt child care that are not subject
14 to Department of Early Learning and Care regulation.

15 “(c) Representatives from the Department of Consumer and Busi-
16 ness Services with expertise in liability insurance regulation.

17 “(d) Representatives from the Department of Early Learning and
18 Care with expertise in licensing and insurance requirements for pro-
19 viders of early learning services and care.

20 “(e) Representatives from the Oregon Department of Administrative
21 Services with expertise in risk management, including expertise in
22 establishing contractor and grantee insurance requirements.

23 “(f) Any other representatives that the Department of Early
24 Learning and Care determines are necessary to fulfill the purposes of
25 this section.

26 “(4) The Department of Early Learning and Care may select up to
27 five additional members provided that such members have experience
28 relevant to the objective of the work group as described in subsection
29 (1) of this section.

30 “(5) Members of the work group must be individuals who reflect the

1 geographic, racial, ethnic and gender diversity of this state.

2 “(6) The work group shall review information and research from
3 within Oregon and nationally concerning the impact of liability in-
4 surance and regulations pertaining to insurance requirements appli-
5 cable to providers of child care and child care facilities as defined in
6 ORS 329A.250, including certain types of care that are exempt from
7 Department of Early Learning and Care regulation.

8 “(7) The work group shall prepare a report that summarizes the
9 findings of the review required under subsection (6) of this section.
10 The report must:

11 “(a) Include policy options to increase child care provider accessi-
12 bility to liability insurance and to reduce the financial burden of li-
13 ability insurance on providers of child care; and

14 “(b) Explore the feasibility of using liability immunity, liability
15 damage caps or other strategies to address liability issues that affect
16 the availability and affordability of liability insurance for providers of
17 early learning services and care.

18 “(8) Not later than November 1, 2027, the work group shall submit
19 the report required by this section, in the manner provided under ORS
20 192.245, to the interim committees of the Legislative Assembly related
21 to early child care. The work group may include in the report sub-
22 mitted under this subsection recommendations for legislation.

23 “**SECTION 3.** Section 2 of this 2026 Act is repealed on January 2,
24 2029.

25 “**SECTION 4.** This 2026 Act takes effect on the 91st day after the
26 date on which the 2026 regular session of the Eighty-third Legislative
27 Assembly adjourns sine die.”.

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