

CHAPTER 631

AN ACT

HB 3073

Relating to early childhood governance; creating new provisions; amending ORS 131A.360, 131A.365, 183.459, 279A.050, 315.264, 326.425, 326.430, 326.435, 327.269, 327.274, 329.155, 329.156, 329.165, 329.170, 329.172, 329.175, 329.181, 329.183, 329.185, 329.195, 329.200, 329.219, 329.841, 329.843, 329.845, 329A.010, 329A.120, 329A.135, 329A.250, 329A.261, 329A.500, 329A.505, 329A.712, 336.101, 336.104, 343.465, 343.475, 343.499, 406.072, 411.882, 417.723, 417.727, 417.728, 417.781, 417.782, 417.784, 417.788, 417.790, 417.793, 417.795, 417.796, 417.827, 417.829, 419B.005, 433.301, 609.652, 805.205 and 805.207; repealing ORS 329.145, 329.150, 329.190, 329A.490 and 329A.493 and section 2, chapter 89, Oregon Laws 2021 (Enrolled House Bill 2059); and declaring an emergency.

Whereas a child's brain makes one million new neural connections every second before the age of five years, with early experiences shaping brain architecture; and

Whereas complex neural, social and emotional development occurs before the age of five years, making early childhood a critical window in which to eliminate disparities; and

Whereas access to continuous, high-quality child care, early care and education and out-of-school programs is critical to a child's success in school and life; and

Whereas both early care and education and out-of-school programs during elementary school predict higher academic achievement at 15 years of age; and

Whereas all children are born full of potential, yet their family's zip code, income and race and ethnicity are powerful predictors of a child's and family's access to high quality child care and early education; and

Whereas child caring disproportionately impacts women, particularly women of color, through child care shortages, lower wages as child care providers and staff and systemic discrimination; and

Whereas an affordable, accessible system of high quality child care is necessary for the health of Oregon's economy because employers benefit when parents have safe, stable, culturally responsive and developmentally appropriate care for their children that meets their needs; and

Whereas the Oregon Early Learning System should provide developmentally appropriate, culturally responsive, relevant and inclusive child care and early care and education for children and families across race, ethnicity, language, geography, ability and income levels, as recommended by Raise Up Oregon; and

Whereas the health and stability of Oregon's child care and early care and education workforce is pivotal to any expansion of child care in Oregon and this workforce, predominately composed of women of color, is structurally afflicted by low

wages, limited or no health care and a severe lack of retirement benefits; and

Whereas Oregon must value the work of caregivers, especially Black and indigenous women, women of color and immigrant women, and ensure that they receive the equitable pay and benefits they deserve for their work, training and services that support workforce development and supports offered to all provider types; and

Whereas Oregon's child care sector supports all providers, which are essential to offering a mixed-delivery child care system and that include family, friend and neighbor child care, regulated subsidy child care, registered family child care, certified family child care, certified child care centers, out-of-school programs, Oregon Prekindergarten, Head Start, Early Head Start, relief nurseries, Healthy Families Oregon programs, privately subsidized child care programs and publicly funded child care programs; and

Whereas the Oregon Early Learning System must be informed by and accountable to the parents and providers who most need it and who know the most about the system; and

Whereas the partnership and collaboration between the Oregon Early Learning System, the kindergarten through grade 12 system, the health system, the human services system and the housing system are critical to the success of every child; now, therefore,

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

STATEWIDE EARLY LEARNING SYSTEM

SECTION 1. ORS 417.728 is amended to read:

417.728. (1) The Early Learning Council [shall lead a joint effort with other state and local early childhood partners to establish the policies necessary for a voluntary] **is responsible for leading cross-sector strategic planning that establishes the goals, objectives and strategies necessary for a statewide early learning system.**

[(2) The voluntary statewide early learning system shall be designed to achieve:]

[(a) The appropriate outcomes identified by the Early Learning Council with input from early childhood partners; and]

[(b) Any other early childhood benchmark or outcome that demonstrates progress toward meeting a target and that is identified by the Early Learning Council with input from early childhood partners.]

(2) The purpose of the statewide early learning system is to make progress toward ensuring that:

(a) Children enter school ready to learn;

(b) Children are raised in families that are healthy, stable and attached; and

(c) Early learning is available and provided in a manner that is aligned, coordinated and family centered.

(3) The [voluntary] statewide early learning system shall include the following components:

(a) A process to identify as early as possible children and families who would benefit from early learning services, including the required use of standardized screening and referral procedures used throughout the [voluntary] statewide early learning system;

(b) A plan to support the identified needs of the child and family that coordinates case management personnel and the delivery of services to the child and family; and

(c) Services to support children who are zero through six years of age and their families who give their express written consent, including:

(A) Screening, assessment and home visiting services pursuant to ORS 417.795;

(B) Specialized or targeted home visiting services;

(C) Community-based services such as relief nurseries, family support programs and parent education programs;

(D) Affordable, quality child care, as defined by the Early Learning Council;

(E) Preschool and other early education services;

(F) Health services for children and pregnant women;

(G) Mental health services;

(H) Alcohol and drug treatment programs that meet the standards promulgated by the Oregon Health Authority pursuant to ORS 430.357;

(I) Developmental disability services; and

(J) Other state and local services.

(4) In establishing the definition of affordable, quality child care under subsection (3)(c)(D) of this section, the Early Learning Council shall consult with child care providers and early childhood educators. The definition established by the council shall support parental choice of child care provider and shall consider differences in settings and services, including but not limited to child care for school-aged children, part-time care, odd-hour and respite care and factors of cultural appropriateness and competence.

[5] *No later than July 1, 2016, for the purpose of ensuring that affordable, quality home-based child care is available through a subsidy program administered by the Department of Human Services, the Early Learning Division, in consultation with the department, shall develop and implement a system of quality supports for exempt family child care providers as defined in ORS 329A.430. The system may use evidence-based practices or best practices that are consistent with state policies for child well-being and development and that are subject to collective bargaining. The system must include professional development opportunities for exempt family child care providers that are available for attendance in person and through the Internet.*

[6] (5) The Early Learning Council shall:

(a) Consolidate administrative functions relating to the [voluntary] statewide early learning system, to the extent practicable, including but not limited

to training and technical assistance, planning and budgeting.

(b) Adopt policies to establish training and technical assistance programs to ensure that personnel have skills in appropriate areas, including screening, family assessment, competency-based home visiting skills, cultural and gender differences and other areas as needed.

(c) Identify research-based age-appropriate and culturally and gender appropriate screening and assessment tools that would be used as appropriate in programs and services of the [voluntary] statewide early learning system.

(d) Develop a plan for the implementation of a common data system for voluntary early childhood programs.

(e) Coordinate existing and new early childhood programs to provide a range of community-based supports.

(f) Establish a common set of quality assurance standards to guide local implementation of all elements of the [voluntary] statewide early learning system, including voluntary universal screening and assessment, home visiting, staffing, evaluation and community-based services.

(g) Ensure that all plans for voluntary early childhood services are coordinated and consistent with federal and state law, including but not limited to plans for Oregon prekindergarten programs, federal Head Start programs, early childhood special education services, early intervention services and public health services.

(h) Identify how the [voluntary] statewide early learning system for children who are zero through six years of age will link with systems of support for older children and their families.

(i) During January of each odd-numbered year, report to the Governor and the Legislative Assembly on the [voluntary] statewide early learning system.

[7] (6) The State Board of Education, the Employment Department, the Department of Human Services and the Oregon Health Authority when adopting rules to administer voluntary early childhood programs under their individual authority shall adopt rules:

(a) That are consistent with the requirements of the [voluntary] statewide early learning system created under this section; and

(b) With the direction of the Early Learning Council.

[8] (7) Information gathered in conjunction with the voluntary comprehensive screening and assessment of children and their families may be used only for the following purposes:

(a) Providing services to children and families who give their express written consent;

(b) Providing statistical data that are not personally identifiable;

(c) Accomplishing other purposes for which the family has given express written consent; and

(d) Meeting the requirements of mandatory state and federal disclosure laws.

SECTION 2. ORS 417.723 is amended to read:

417.723. The Oregon Health Authority and the Early Learning Council shall establish a grant program to provide funding to support effective and scalable strategies that align [voluntary] statewide early learning systems and health systems for the purpose of improving the developmental outcomes for children from zero through three years of age.

SECTION 3. ORS 417.727 is amended to read:

417.727. Based on the findings expressed in ORS 417.708, there is created the Oregon Early Learning System. The goals of the system are to:

- (1) Prevent child abuse and neglect;
- (2) Improve the health and development of young children;
- (3) Promote bonding and attachment in the early years of a child's life;
- (4) Support parents in providing the optimum environment for their young children;
- (5) Link and integrate services and supports in the [voluntary] statewide early learning system pursuant to ORS 417.728;
- (6) Ensure that children are entering school ready to learn; and
- (7) Ensure that parents have access to affordable, quality child care.

SECTION 4. ORS 417.795 is amended to read:

417.795. (1) The Early Learning Division shall establish Healthy Families Oregon programs in all counties of this state as funding becomes available.

(2) These programs shall be nonstigmatizing, voluntary and designed to achieve the appropriate early childhood benchmarks and shall:

- (a) Ensure that express written consent is obtained from the family prior to any release of information that is protected by federal or state law and before the family receives any services;
- (b) Ensure that services are voluntary and that, if a family chooses not to accept services or ends services, there are no adverse consequences for those decisions;
- (c) Offer a voluntary comprehensive risk assessment of all children, from zero through three years of age, and their families in coordination with [voluntary] statewide early learning system screening and referral efforts;
- (d) Ensure that the disclosure of information gathered in conjunction with the voluntary comprehensive risk assessment of children and their families is limited pursuant to ORS 417.728 [(8)] (7) to the following purposes:
 - (A) Providing services under the programs to children and families who give their express written consent;
 - (B) Providing statistical data that are not personally identifiable;
 - (C) Accomplishing other purposes for which the family has given express written consent; and
 - (D) Meeting the requirements of mandatory state and federal disclosure laws;

(e) Ensure that risk factors used in the risk screen are limited to those risk factors that have been shown by research to be associated with poor outcomes for children and families;

(f) Identify, as early as possible, families that would benefit most from the programs;

(g) Provide parenting education and support services, including but not limited to community-based home visiting services;

(h) Provide other supports, including but not limited to referral to and linking of community and public services for children and families such as mental health services, alcohol and drug treatment programs that meet the standards promulgated by the Oregon Health Authority under ORS 430.357, child care, food, housing and transportation;

(i) Coordinate services for children consistent with other services provided through the Oregon Early Learning System;

(j) Integrate data with any common data system for early childhood programs;

(k) Be included in a statewide independent evaluation to document:

- (A) Level of screening and assessment;
- (B) Incidence of child abuse and neglect;
- (C) Change in parenting skills; and
- (D) Rate of child development;

(L) Be included in a statewide training program in the dynamics of the skills needed to provide early childhood services, such as assessment and home visiting; and

(m) Meet statewide quality assurance and quality improvement standards.

(3) The Healthy Families Oregon programs, in coordination with statewide home visiting partners, shall:

(a) Identify existing services and describe and prioritize additional services necessary for a voluntary home visit system;

(b) Build on existing programs;

(c) Maximize the use of volunteers and other community resources that support all families;

(d) Target, at a minimum, all prenatal families and families with children less than three months of age and provide services through at least the child's third birthday; and

(e) Ensure that home visiting services provided by local home visiting partners for children and pregnant women support and are coordinated with local Healthy Families Oregon programs.

(4) Through a Healthy Families Oregon program, a trained home visitor shall be assigned to each family assessed as at risk that consents to receive services through the trained home visitor. The trained home visitor shall conduct home visits and assist the family in gaining access to needed services.

(5) The services required by this section shall be provided by hospitals, public or private entities or organizations, or any combination thereof, capable of providing all or part of the family risk assessment and the follow-up services. In granting a contract, collaborative contracting or requests for proposals

may be used and must include the most effective and consistent service delivery system.

(6) The family risk assessment and follow-up services for families at risk shall be provided by trained home visitors organized in teams supervised by a manager.

(7) Each Healthy Families Oregon program shall adopt disciplinary procedures for trained home visitors and other employees of the program. The procedures shall provide appropriate disciplinary actions for trained home visitors and other employees who violate federal or state law or the policies of the program.

SECTION 5. ORS 417.788 is amended to read:

417.788. (1) The Early Learning Division shall support Relief Nursery programs statewide as funding becomes available. Funding to support Relief Nursery programs may include, but is not limited to:

- (a) Administrative costs;
- (b) Costs for direct service personnel, equipment, supplies and operating expenses;
- (c) Start-up costs;
- (d) Classroom furniture and materials;
- (e) Playground equipment;
- (f) Computers; and
- (g) Transportation vehicles.

(2) The division may encourage communities to establish Relief Nursery programs for young children who are at risk and their families. Communities may choose to establish regional Relief Nursery programs. The Relief Nursery programs shall be consistent with the [voluntary] **statewide** early learning system coordinated by the Early Learning Council.

(3) Relief Nursery programs shall participate in a statewide independent evaluation conducted by the Oregon Association of Relief Nurseries to document improved child safety, reduction in foster care placements, progress in healthy child development and improvement in family functioning and support.

(4) Each Relief Nursery program that receives state funding shall have financial support from the community that, excluding any amounts distributed to the Relief Nursery program pursuant to ORS 131A.360 (4)(d) and 131A.365 (3)(d), is at least equal to 25 percent of any state allocation.

(5) The division shall adopt rules necessary for the administration of this section, including rules requiring that any public funds received by Relief Nursery programs be used to achieve the outcomes identified in subsection (3) of this section.

SECTION 6. ORS 417.793 is amended to read:

417.793. The Early Learning Division shall support parents-as-teachers programs statewide as funding becomes available. If a program is offered, the program shall be part of a comprehensive, research-based approach to parent education and support. The program shall be consistent with the [voluntary] **statewide** early learning system plan coordinated by the Early Learning Council.

**STATE INTERAGENCY
COORDINATING COUNCIL**

SECTION 7. ORS 343.499 is amended to read:

343.499. (1)(a) There is created the State Interagency Coordinating Council.

(b) The Governor shall appoint members of the council from a list of eligible appointees **from this state that is** provided by the council and agencies described in subsection (2) of this section and shall ensure that the membership of the council reasonably represents the **racial, ethnic, linguistic and geographic** population of this state.

(c) The Governor shall designate one member of the council to serve as the chairperson, or if the Governor chooses not to name a chairperson, the council may elect one of its members to serve as chairperson.

(d) [However] **Notwithstanding paragraph (c) of this subsection**, any member of the council who represents the Department of Education may not serve as the chairperson of the council.

[(2) *The membership of the council shall be composed as follows:*

[(a) *At least 20 percent of the council members shall be parents, including minority parents, of preschool children with disabilities or of children with disabilities who are 12 years of age or younger who have knowledge of or experience with programs for infants and toddlers with disabilities. At least one council member shall be a parent of an infant or toddler with a disability or of a child with a disability who is six years of age or younger.*

[(b) *At least 20 percent of the council members shall be public or private providers of early intervention and early childhood special education services.*

[(c) *At least one council member shall be a member of the Legislative Assembly.*

[(d) *At least one council member shall be involved in personnel preparation.*

[(e) *At least one council member shall represent the Department of Human Services.*

[(f) *At least one council member shall represent the federal Head Start program.*

[(g) *At least one council member shall represent the Office of Child Care.*

[(h) *At least one council member shall represent the Department of Education.*

[(i) *At least one council member shall represent the Department of Consumer and Business Services.*

[(j) *At least one council member shall represent the Early Learning Division.*

[(k) *At least one council member shall represent the Child Development and Rehabilitation Center of the Oregon Health and Science University.*

[(L) *At least one council member shall be a member of the State Advisory Council for Special Education created under ORS 343.287.*

[(m) *At least one council member shall be a representative designated by the state coordinator for homeless education.*

[(n) At least one council member shall represent the state child welfare agency responsible for foster care.]

[(o) At least one council member shall represent the state agency responsible for children's mental health.]

[(p) At least one council member shall be from the Oregon Health Authority.]

[(q) The council may include other members appointed by the Governor, including but not limited to one representative from the United States Bureau of Indian Affairs or, where there is no school operated or funded by the bureau, from the Indian Health Service or the tribe or tribal council.]

(2) The membership of the council shall be composed as follows:

(a) At least 20 percent of the council members shall be parents of children with a disability who are 12 years of age or younger at the time the council member is appointed. When appointing council members under this paragraph, the Governor shall ensure that:

(A) At least 50 percent of the council members are parents of a child with a disability who is five years of age or younger at the time the council member is appointed;

(B) At least 20 percent of the council members:

(i) Are parents of a child with a disability who is three years of age or younger at the time the council member is appointed; and

(ii) Have knowledge of, or experience with, programs or services for infants or toddlers with a disability; and

(C) The council members represent the racial, ethnic and linguistic diversity of children in this state who are five years of age or younger.

(b) At least 20 percent of the council members shall be public or private providers of early intervention and early childhood special education services.

(c) At least one council member shall be from a program responsible for preparing early intervention and early childhood special education educators.

(d) At least one council member shall be from a Head Start or Early Head Start program.

(e) At least one council member shall be from a home-based child care program.

(f) At least one council member shall be from a center-based child care program.

(g) At least one council member shall be from the committee that serves as the state advisory council, as described in ORS 326.425 (3).

(h) At least one council member shall be a member of the State Advisory Council for Special Education created under ORS 343.287.

(i) At least one council member shall be from each state agency involved in the provision of, or payment for, early intervention and early childhood special education services to infants and toddlers with a disability and their families.

(j) At least one council member shall be from each state agency responsible for providing pre-school services to children with a disability.

(k) At least one council member shall be from each state agency responsible for children's mental health.

(L) At least two council members shall be from the Department of Human Services with expertise in foster care or self-sufficiency programs.

(m) At least one council member shall be from the Office of Child Care with expertise in the Child Care and Development Fund.

(n) At least one council member shall be a representative of the Department of Education with expertise in the coordination of education of homeless children and youth.

(o) At least one council member shall be from the Department of Consumer and Business Services with expertise in state regulation of private health insurance.

(p) At least one council member shall be from the Oregon Health Authority with expertise in Medicaid and the Children's Health Insurance Program.

(q) At least one council member shall be a representative from a tribal agency responsible for supporting young children with developmental delays and disabilities, from a tribal council or otherwise representing one or more tribes.

(3) An individual appointed to represent a state agency [that is involved in the provision of or payment for services for preschool children with disabilities under subsection (2)(e) and (h) to (k) of this section shall] under subsection (2) of this section must have sufficient authority to engage in making and implementing policy on behalf of the agency. The Governor may appoint a council member to represent more than one program or specialty listed in subsection (2) of this section.

(4) In addition to the council members appointed under subsection (2) of this section:

(a) The Governor may appoint any other council members not listed in subsection (2) of this section.

(b) The President of the Senate shall appoint one member from among members of the Senate to serve as a nonvoting council member.

(c) The Speaker of the House of Representatives shall appoint one member from among members of the House of Representatives to serve as a nonvoting council member.

[(4)] (5) The State Interagency Coordinating Council shall:

(a) Advise the Superintendent of Public Instruction, the State Board of Education, the Early Learning System Director and the Early Learning Council on unmet needs in the early childhood special education and early intervention programs for [preschool] children with [disabilities] a disability, review and comment publicly on any rules proposed by the State Board of Education and the distribution

of funds for the programs and assist the state in developing and reporting data on and evaluations of the programs and services.

(b) Advise and assist the represented public agencies regarding the services and programs they provide to [preschool] children with [disabilities] **a disability** and their families, including public comments on any proposed rules affecting the target population and the distribution of funds for such services, and assist each agency in developing services that reflect the overall goals for the target population as adopted by the council.

(c) Advise [and assist] the Department of Education, **the Early Learning Division** and other state agencies [in] **on** the development and implementation of the policies that constitute the statewide system.

(d) [Assist] **Advise** all appropriate public agencies [in] **on** achieving the full participation, coordination and cooperation for implementation of a statewide system that includes but is not limited to:

(A) Seeking information from service providers, service coordinators, parents and others about any federal, state or local policies that impede timely service delivery; and

(B) Taking steps to ensure that any policy problems identified under subparagraph (A) of this paragraph are resolved.

(e) Advise [and assist the Department of Education in] **the Superintendent of Public Instruction and the Early Learning System Director on** identifying the sources of fiscal and other support for [preschool] **early intervention and early childhood special education** services, assigning financial responsibility to the appropriate agencies and ensuring that the provisions of interagency agreements under ORS 343.511 are carried out.

(f) Review and comment on each agency's services and policies regarding services for **infants, toddlers and preschool children with [disabilities, or] a disability, or infants, toddlers and preschool children** who are at risk of developing disabling conditions, and their families to the maximum extent possible to assure cost-effective and efficient use of resources.

[(g)] *To the extent appropriate, assist the Department of Education in the resolution of disputes.*

[(h)] (g) Advise [and assist] the Department of Education **and the Early Learning Division on** [in] the preparation of applications and amendments thereto.

[(i)] (h) Advise [and assist the Department of Education regarding the transition of preschool children with disabilities] **the Superintendent of Public Instruction and the Early Learning System Director regarding transitions of children with a disability, including transitions to kindergarten.**

[(j)] (i) Prepare and submit an annual report to the Governor, **the Deputy Superintendent of Public Instruction, the Early Learning System Director, the Early Learning Council, the State Board of Education, the Legislative Assembly and the United States Secretary of Education on the**

status of early intervention [programs operated] **and early childhood special education services provided** within this state.

[(5)] (6) The council may advise appropriate agencies about integration of services for preschool children with [disabilities] **a disability** and at-risk preschool children.

[(6)] (7) Terms of office for council members shall be three years, except that:

(a) The representative from the State Advisory Council for Special Education shall serve a one-year term; and

(b) The representatives from other state agencies and the [representative] **representatives** from the Legislative Assembly shall serve indefinite terms.

[(7)] (8) Subject to approval by the Governor, the council may use federal funds appropriated for this purpose and available to the council to:

(a) Conduct hearings and forums;

(b) Reimburse nonagency council members under ORS 292.495 for attending council meetings, for performing council duties, and for necessary expenses, including child care for parent members;

(c) Pay compensation to a council member if the member is not employed or if the member must forfeit wages from other employment when performing official council business;

(d) Hire staff; and

(e) Obtain the services of such professional, technical and clerical personnel as may be necessary to carry out its functions.

[(8)] (9) Except as provided in subsection [(7)] (8) of this section, council members shall serve without compensation.

[(9)] (10) The Department of Education shall provide clerical and administrative support, including staff, to the council to carry out the performance of the council's function as described in this section.

[(10)] (11) The council shall meet at least quarterly. The meetings shall be announced publicly and, to the extent appropriate, be open and accessible to the general public.

[(11)] (12) No member of the council shall cast a vote on any matter that would provide direct financial benefit to that member or otherwise give the appearance of a conflict of interest under state law.

EMPLOYMENT RELATED DAY CARE

SECTION 8. ORS 329A.500 is amended to read:

329A.500. [(1)] *The Department of Human Services, in consultation with the Early Learning Division and the Office of Child Care, shall adopt rules for the operation of subsidy programs for employment-related child care administered by the department. At a minimum, and taking into account the availability of funds, the rules must provide the following:*

[(a)] *Subsidy recipients may be entitled to receive the subsidy for at least one year, regardless of changes in employment. Rules adopted by the department may provide for termination of subsidy eligibil-*

ity for reasons other than changes in employment during the one-year period. Exit eligibility and copays must be structured to mitigate the financial impact of reduced subsidy support due to increased income.]

[(b) Subsidy recipients who are enrolled in coursework, as defined by the department by rule, may be entitled to receive the subsidy to enable the subsidy recipient to attend and participate in the coursework provided all other eligibility requirements are met.]

[(c) Persons who are self-employed may qualify for subsidy programs provided all other eligibility requirements are met.]

[(d) Subsidy recipients who voluntarily choose child care providers that meet minimum standards established under the tiered quality rating and improvement system implemented under ORS 329A.261 may qualify for lower copayments. A fair representation of the subsidy recipients who qualify for lower copayments must be persons with children who are from underserved racial, ethnic or minority populations. In addition, child care providers that meet specified minimum standards established under the tiered quality rating and improvement system may receive an enhanced reimbursement under the subsidy programs.]

[(e) Subsidy recipients must report a change of child care provider to the department during the period a subsidy is being received.]

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

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

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

- (a) Cultural diversity;**
- (b) Linguistic diversity;**
- (c) Racial and ethnic diversity; and**
- (d) Diversity of provider types.**

(4) The rules adopted under this section must provide that:

(a) A child’s eligibility to participate in the Employment Related Day Care subsidy program must be based on:

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

(B) Any other criteria established by the department.

(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 child care providers must be based on enrollment instead of attendance.

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

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

(7) Rules adopted by the department 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 child care provider reimbursement amount under state or federal law.

[(2)] (8)(a) The department shall work to meet federal recommendations for income eligibility and market access in regard to [employment-related child care] the Employment Related Day Care subsidy program administered by the department.

(b) Notwithstanding any provision of this section or any rule adopted by the department 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.

SECTION 8a. ORS 329A.505 is amended to read:

329A.505. (1) At any reasonable time, an authorized representative of the Office of Child Care may conduct an inspection or investigation of a regulated subsidy facility, as defined by the Early Learning Council by rule.

(2) When conducting an investigation under this section, the Office of Child Care may:

- (a) Take evidence;**
- (b) Take the depositions of witnesses, including the person under investigation, in the manner prescribed by law for depositions in civil actions;**
- (c) Compel the appearance of witnesses, including the person under investigation, in the manner prescribed by law for appearances in civil actions;**
- (d) Require answers to interrogatories;**
- (e) Compel the production of books, papers, accounts, documents or testimony that pertains to the matter under investigation;**
- (f) Issue subpoenas; and**
- (g) Inspect the premises of the facility under investigation.**

(3) The Office of Child Care may, as a condition of finalizing an inspection, require improvements, corrections or other measures to ensure that the regulated subsidy facility complies with the requirements under the rules adopted under this section.

(4) [Notwithstanding ORS 329A.500 (1)] In addition to any rules adopted under ORS 329A.500, the Early Learning Council, in consultation with the

Department of Human Services, may adopt rules to establish minimum health and safety standards for regulated subsidy facilities and for the administration of this section.

SECTION 8b. Section 2, chapter 89, Oregon Laws 2021 (Enrolled House Bill 2059) (amending ORS 329A.500), is repealed and ORS 329A.500, as amended by section 8 of this 2021 Act, 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 Department of Human Services and the Early Learning Council shall adopt rules for the operation of the Employment Related Day Care subsidy program administered by the department.

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

- (a) Cultural diversity;
- (b) Linguistic diversity;
- (c) Racial and ethnic diversity; and
- (d) Diversity of provider types.

(4) The rules adopted under this section must provide that:

(a) A child’s eligibility to participate in the Employment Related Day Care subsidy program must be based on:

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

(B) Any other criteria established by the department.

(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 child care providers must be based on enrollment instead of attendance.

(d) A child’s family may qualify for an incentive if the family voluntarily chooses a child care provider 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, child care providers that participate in the quality recognition and improvement system may receive financial incentives under the subsidy programs in accordance with criteria established by rule.

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

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

(7) Rules adopted by the department 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 child care provider reimbursement amount under state or federal law.

(8)(a) The department 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 department.

(b) Notwithstanding any provision of this section or any rule adopted by the department 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.

SECTION 9. (1) The amendments to ORS 329A.500 and 329A.505 by sections 8 and 8a of this 2021 Act become operative on October 1, 2021.

(2) Notwithstanding the operative date specified in subsection (1) of this section, the Department of Human Services and the Early Learning Council may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the department and council to adopt rules as required under ORS 329A.500 (4)(c) and (5) no later than October 1, 2021.

SECTION 9a. The amendments to ORS 329A.500 by section 8b of this 2021 Act become operative on January 1, 2022.

SECTION 10. (1) No later than July 1, 2022, the Early Learning Council shall establish by rule a process by which to determine the true cost of child care compared to the market rate cost.

(2) No later than December 31, 2022, the Early Learning Division shall submit a report to the appropriate interim committees of the Legislative Assembly on the transition to a rate of reimbursement that reflects the true cost of providing care.

ESTABLISHMENT OF THE DEPARTMENT OF EARLY LEARNING AND CARE

SECTION 11. ORS 326.430 is amended to read:

326.430. (1) The **Department of Early Learning [Division] and Care** is established. *[in the Department of Education. The purpose of the division is to ensure that children enter school ready to succeed.]*

(2) The purposes of the department are to:

(a) Ensure that every child in this state is given the best opportunity to succeed in school, work and life by providing:

(A) High-quality early childhood education programs for children from birth through five years of age and child care for children from birth through 12 years of age; and

(B) Care for children who have a physical or developmental disability or who require other specialized care from birth through 17 years of age;

(b) Administer laws and perform functions related to early childhood to ensure that children enter school ready to learn and families are healthy, stable and attached; and

(c) Administer programs in a manner that supports parents' and providers' needs and considers the economic security and well-being of parents and providers.

[2] (3) The [division] department shall function under [the direction and control of] and be coordinated by the Early Learning Council [with].

(4) The Early Learning System Director [serving] appointed under section 12 of this 2021 Act shall serve as the administrative officer of the department.

SECTION 12. (1) The Department of Early Learning and Care is under the supervision and control of the Early Learning System Director, who is responsible for the performance of the duties, functions and powers of the department.

(2) The director shall be appointed by the Governor and serves at the pleasure of the Governor.

(3) The director shall receive such salary as may be provided by law or, if not so provided, as may be fixed by the Governor, and shall be reimbursed for all expenses actually and necessarily incurred by the director in the performance of official duties.

(4) Subject to any applicable provisions of ORS chapter 240, the director shall appoint all subordinate officers and employees of the department, prescribe their duties and fix their compensation.

(5) The director may apply for, receive and accept grants, gifts or other payments, including property or services from any governmental or other public or private person, and may make arrangement to use the receipts, including for undertaking special studies and other projects that relate to the costs of child care and access to child care.

DUTIES, FUNCTIONS AND POWERS OF THE DEPARTMENT OF EARLY LEARNING AND CARE

SECTION 13. (1) The Department of Early Learning and Care shall be responsible, as des-

ignated by the Governor, for administering funds received by the State of Oregon pursuant to the federal Child Care and Development Block Grant Act of 2014, the Child Care and Development Fund and other federal child care funds and grants received by the State of Oregon.

(2) Through the legislative budgeting process, the Legislative Assembly shall identify the portions of the funds received by the State of Oregon pursuant to the federal Child Care and Development Block Grant Act of 2014 to be spent to provide quality child care, to provide child care subsidies and for administrative expenditures. The department shall administer the funds according to the portions identified by the Legislative Assembly.

(3) The department shall submit an annual report to the Legislative Fiscal Office regarding the expenditures of the funds received by the State of Oregon pursuant to the federal Child Care and Development Block Grant Act of 2014 and the most recent estimate of the balance of the funds.

SECTION 14. ORS 131A.360 is amended to read:

131A.360. (1) The provisions of this section apply only to a forfeiting agency other than the state, and apply only to forfeiture proceeds arising out of prohibited conduct as described in ORS 131A.005 (12)(a), (b) and (c).

(2) If the forfeiting agency is not a county, the forfeiting agency shall enter into an agreement, under ORS chapter 190, with the county in which the property was seized to provide a portion of the forfeiture proceeds to the county.

(3) After entry of a judgment of forfeiture, a forfeiting agency shall first pay from the forfeiture proceeds the costs incurred by seizing and forfeiting agencies in investigating and prosecuting the case, including costs, disbursements and attorney fees as defined in ORCP 68 A, special expenses such as the provision of currency for undercover law enforcement operations, the cost of disabling a hidden compartment in a motor vehicle and the expenses of maintaining the seized property. The forfeiting agency may not pay expenditures made in connection with the ordinary maintenance and operation of a seizing or forfeiting agency under this subsection.

(4) After payment of costs under subsection (3) of this section, the forfeiting agency shall:

(a) Deduct an amount equal to five percent of the forfeiture proceeds and deposit that amount in the Illegal Drug Cleanup Fund established under ORS 475.495 for the purposes specified in ORS 475.495 (5) and (6);

(b) Deduct an amount equal to 2.5 percent of the forfeiture proceeds and deposit that amount in the Asset Forfeiture Oversight Account;

(c) Deduct an amount equal to 20 percent of the forfeiture proceeds and deposit that amount in the Oregon Criminal Justice Commission Account es-

tablished under ORS 137.662 for support for specialty courts as defined in ORS 137.680;

(d) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that amount in the **Department of Early Learning [Division] and Care Fund** established under ORS 326.435 for disbursement to Relief Nursery programs as defined in ORS 417.786; and

(e) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that amount in an account established or designated by the State Treasurer in the higher education qualified tuition savings program of the Oregon 529 Savings Network for disbursement to the scholarship program for children of public safety officers established under ORS 348.270.

(5) If the forfeiting agency has entered into an agreement with a county under subsection (2) of this section, after paying costs under subsection (3) of this section and making the deductions required by subsection (4) of this section, the forfeiting agency shall pay the county the amounts required by the agreement.

(6) After making all payments and deductions required by subsections (3), (4) and (5) of this section, the forfeiting agency may use the remaining forfeiture proceeds, including amounts received by a county under subsection (5) of this section or by any other public body under an intergovernmental agreement entered into under ORS 131A.355, only for:

(a) The purchase of equipment necessary for the enforcement of laws relating to the unlawful delivery, distribution, manufacture or possession of controlled substances;

(b) Currency for undercover law enforcement operations;

(c) Drug awareness and drug education programs offered in middle schools and high schools;

(d) The expenses of a forfeiting agency in operating joint narcotic operations with other forfeiting agencies pursuant to the terms of an intergovernmental agreement, including paying for rental space, utilities and office equipment;

(e) Expenses of a district attorney in criminal prosecutions for unlawful delivery, distribution, manufacture or possession of controlled substances, as determined through intergovernmental agreement between the forfeiting agency and the district attorney;

(f) Drug treatment and programs that support drug treatment; and

(g) A CASA Volunteer Program as defined in ORS 184.489.

(7) Notwithstanding subsection (6) of this section, growing equipment and laboratory equipment seized by a forfeiting agency that was used, or intended for use, in the manufacturing of controlled substances may be donated to a public school, community college or institution of higher education.

(8) A forfeiting agency shall sell as much property as may be needed to make the distributions re-

quired by this section. Distributions required under subsection (4) of this section must be made once every three months and are due within 20 days of the end of each quarter. No interest shall accrue on amounts that are paid within the period specified by this subsection.

SECTION 15. ORS 131A.365 is amended to read:

131A.365. (1) The provisions of this section apply only when the forfeiting agency is the state, and apply only to forfeiture proceeds arising out of prohibited conduct as described in ORS 131A.005 (12)(a), (b) and (c).

(2) After entry of a judgment of forfeiture, a forfeiting agency shall first pay from the forfeiture proceeds the costs incurred by seizing and forfeiting agencies in investigating and prosecuting the case, including costs, disbursements and attorney fees as defined in ORCP 68 A, special expenses such as the provision of currency for undercover law enforcement operations, the cost of disabling a hidden compartment in a motor vehicle and the expenses of maintaining the seized property. The forfeiting agency may not pay expenditures made in connection with the ordinary maintenance and operation of a seizing or forfeiting agency under this subsection. Any amount paid to or retained by the Department of Justice under this subsection shall be deposited in the Criminal Justice Revolving Account in the State Treasury. Any amount paid to or retained by the Oregon State Police under this subsection shall be deposited in the State Police Account.

(3) After payment of costs under subsection (2) of this section, the forfeiting agency shall:

(a) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that amount in the Illegal Drug Cleanup Fund established under ORS 475.495 for the purposes specified in ORS 475.495 (5) and (6);

(b) Deduct an amount equal to three percent of the forfeiture proceeds, not to exceed \$50,000 in a biennium, and deposit that amount in the Asset Forfeiture Oversight Account;

(c) Deduct an amount equal to 20 percent of the forfeiture proceeds and deposit that amount in the Oregon Criminal Justice Commission Account established under ORS 137.662 for support for specialty courts as defined in ORS 137.680;

(d) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that amount in the **Department of Early Learning [Division] and Care Fund** established under ORS 326.435 for disbursement to Relief Nursery programs as defined in ORS 417.786; and

(e) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that amount in an account established or designated by the State Treasurer in the higher education qualified tuition savings program of the Oregon 529 Savings Network for disbursement to the scholarship program for children of public safety officers established under ORS 348.270.

(4) If the forfeiting agency has entered into an intergovernmental agreement with another public body under ORS 131A.355, or has entered into an agreement with any other law enforcement agency of the state relating to distribution of forfeiture proceeds, after paying costs under subsection (2) of this section and making the deductions required by subsection (3) of this section, the forfeiting agency shall pay an equitable portion of the forfeiture proceeds to each agency participating in the seizure or forfeiture as provided by the agreement.

(5) After making all payments and deductions required by subsections (2), (3) and (4) of this section, the forfeiting agency shall distribute the remaining forfeiture proceeds as follows:

(a) If no law enforcement agency other than the Department of Justice participated in the seizure or forfeiture, the remaining forfeiture proceeds, and forfeiture proceeds received by the Department of Justice under subsection (4) of this section, shall be divided between the Criminal Justice Revolving Account and the Special Crime and Forfeiture Account according to the following schedule:

(A) One hundred percent of the first \$200,000 accumulated shall be deposited in the Criminal Justice Revolving Account.

(B) Seventy-five percent of the next \$200,000 shall be deposited in the Criminal Justice Revolving Account and the balance in the Special Crime and Forfeiture Account.

(C) Fifty percent of the next \$200,000 shall be deposited in the Criminal Justice Revolving Account and the balance in the Special Crime and Forfeiture Account.

(D) Twenty-five percent of the next \$200,000 shall be deposited in the Criminal Justice Revolving Account and the balance in the Special Crime and Forfeiture Account.

(E) One hundred percent of all additional sums shall be deposited in the Special Crime and Forfeiture Account.

(b) If no law enforcement agency other than the Department of State Police participated in the seizure or forfeiture, the remaining proceeds, and proceeds received by the Department of State Police under subsection (4) of this section, shall be divided between the State Police Account and the Special Crime and Forfeiture Account according to the following schedule:

(A) One hundred percent of the first \$600,000 accumulated shall be deposited in the State Police Account.

(B) Seventy-five percent of the next \$300,000 shall be deposited in the State Police Account and the balance in the Special Crime and Forfeiture Account.

(C) Fifty percent of the next \$200,000 shall be deposited in the State Police Account and the balance in the Special Crime and Forfeiture Account.

(D) Twenty-five percent of the next \$200,000 shall be deposited in the State Police Account and the balance in the Special Crime and Forfeiture Account.

(E) One hundred percent of all additional sums shall be deposited in the Special Crime and Forfeiture Account.

(6) Forfeiture proceeds distributed under subsection (5) of this section may be used only for:

(a) The purchase of equipment necessary for the enforcement of laws relating to the unlawful delivery, distribution, manufacture or possession of controlled substances;

(b) Currency for undercover law enforcement operations;

(c) Drug awareness and drug education programs offered in middle schools and high schools; and

(d) The expenses of a forfeiting agency in operating joint narcotic operations with other forfeiting agencies pursuant to the terms of an intergovernmental agreement, including paying for rental space, utilities and office equipment.

(7) A forfeiting agency shall sell as much property as may be needed to make the distributions required by this section. Distributions required under subsection (3) of this section must be made once every three months and are due within 20 days of the end of each quarter. No interest shall accrue on amounts that are paid within the period specified by this subsection.

SECTION 16. ORS 183.459 is amended to read:

183.459. (1) Notwithstanding ORS 8.690, 9.160 and 9.320, a home care worker or personal support worker, as defined in ORS 410.600, who is a party in a contested case hearing conducted by the Department of Human Services may be represented in the hearing by a labor union representative.

(2) Notwithstanding ORS 8.690, 9.160 and 9.320, a family child care provider, as defined in ORS 329A.430, who is a party in a contested case hearing conducted by the Office of Child Care may be represented in the hearing by a labor union representative.

[(2)] (3) The hearing officer at a contested case hearing in which a labor union representative appears under the provisions of this section shall allow the representative to present evidence, examine and cross-examine witnesses and make arguments relating to the:

(a) Application of statutes and rules to the facts in the contested case;

(b) Actions taken by the agency in the past in similar situations;

(c) Literal meaning of the statutes or rules at issue in the contested case;

(d) Admissibility of evidence; and

(e) Proper procedures to be used in the contested case hearing.

SECTION 17. ORS 279A.050 is amended to read:

279A.050. (1)(a) Except as otherwise provided in the Public Contracting Code, a contracting agency shall exercise all of the contracting agency's procurement authority in accordance with the provisions of the Public Contracting Code.

(b) If a contracting agency has authority under this section to carry out functions described in this section, or has authority to make procurements under a provision of law other than the Public Contracting Code, the contracting agency need not exercise the contracting agency's authority in accordance with the provisions of the code if, under ORS 279A.025, the code does not apply to the contract or contracting agency.

(2)(a) Except as otherwise provided in paragraph (b) of this subsection and the Public Contracting Code, for state agencies the Director of the Oregon Department of Administrative Services has all the authority available to carry out the provisions of the Public Contracting Code.

(b) Except as otherwise provided in the Public Contracting Code, for state agencies the director may delegate to the State Chief Information Officer the authority to procure or supervise the procurement of all goods, services and personal services related to information technology and telecommunications for state contracting agencies. This paragraph does not apply to contracts under which the contractor delivers to the state agency information technology products or services incidentally in performing a personal services contract described in ORS chapter 279C or a construction contract described in ORS chapter 279C.

(3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation has all the authority available to:

(a) Procure or supervise the procurement of all services and personal services to construct, acquire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking facilities in connection with any public transportation system in accordance with ORS 184.689 (5);

(b) Procure or supervise the procurement of all goods, services, public improvements and personal services that relate to operating, maintaining or constructing highways, bridges and other transportation facilities that are subject to the authority of the Department of Transportation; and

(c) Establish standards for, prescribe forms for and conduct the prequalification of prospective bidders on public improvement contracts that relate to operating, maintaining or constructing highways, bridges and other transportation facilities that are subject to the authority of the Department of Transportation.

(4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has all the authority to procure or supervise the procurement of goods, services and personal services related to programs under the authority of the Secretary of State.

(5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has all the authority to procure or supervise the procurement of goods, services and personal services related to programs under the authority of the State Treasurer.

(6) The state agencies listed in this subsection have all the authority to do the following in accordance with the Public Contracting Code:

(a) The Department of Human Services to procure or supervise the procurement of goods, services and personal services under ORS 179.040 for the department's institutions and the procurement of goods, services and personal services for constructing, demolishing, exchanging, maintaining, operating and equipping housing for the purpose of providing care to individuals with intellectual disabilities or other developmental disabilities, subject to applicable provisions of ORS 427.335;

(b) The Oregon Health Authority to procure or supervise the procurement of goods, services and personal services under ORS 179.040 and construction materials, equipment and supplies for the authority's institutions and the procurement of goods, services, personal services, construction materials, equipment and supplies for constructing, demolishing, exchanging, maintaining, operating and equipping housing for individuals with chronic mental illness, subject to applicable provisions of ORS 426.504;

(c) The State Department of Fish and Wildlife to procure or supervise the procurement of construction materials, equipment, supplies, services and personal services for public improvements, public works or ordinary construction described in ORS 279C.320 that is subject to the authority of the State Department of Fish and Wildlife;

(d) The State Parks and Recreation Department to procure or supervise the procurement of all goods, services, public improvements and personal services related to state parks;

(e) The Oregon Department of Aviation to procure or supervise the procurement of construction materials, equipment, supplies, services and personal services for public improvements, public works or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon Department of Aviation;

(f) The Oregon Business Development Department to procure or supervise the procurement of all goods, services, personal services and public improvements related to its foreign trade offices operating outside the state;

(g) The Housing and Community Services Department to procure or supervise the procurement of goods, services and personal services as provided in ORS 279A.025 (2)(o);

(h) The Department of Corrections to procure or supervise the procurement of construction materials, equipment, supplies, services and personal services for public improvements, public works or ordinary construction described in ORS 279C.320 that is subject to the authority of the Department of Corrections;

(i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120, 279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods, services and personal services under ORS 179.040 for its institutions;

(j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate broker and principal real estate broker services related to programs under the department's authority;

(k) The Oregon Military Department to procure or supervise the procurement of construction materials, equipment, supplies, services and personal services for public improvements, public works or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon Military Department;

(L) The Department of Education, subject to any applicable provisions of ORS 329.075, 329.085 and 329.485 and the federal Every Student Succeeds Act (P.L. 114-95, 129 Stat. 1802), to procure or supervise the procurement of goods, services, personal services and information technology related to student assessment; [and]

(m) The Department of Early Learning and Care to procure or supervise the procurement of goods, services, personal services and information technology related to early childhood; and

[*(m)*] **(n)** Any state agency to conduct a procurement when the agency is specifically authorized by any provision of law other than the Public Contracting Code to enter into a contract.

(7)(a) Notwithstanding this section and ORS 279A.140 (1), the Director of the Oregon Department of Administrative Services has exclusive authority, unless the director delegates the authority, to procure or supervise the procurement of all price agreements on behalf of the state agencies identified in subsection (6) of this section under which more than one state agency may order goods, services or personal services.

(b) The director may delegate to the State Chief Information Officer the exclusive authority to procure or supervise the procurement of all price agreements related to information technology and telecommunications on behalf of the state agencies identified in subsection (6) of this section. Notwithstanding any authority that a state agency may have under subsection (3) or (6) of this section, the state agency may not establish a price agreement or enter into a contract for goods, services or personal services without the approval of the director or the State Chief Information Officer if the director or the State Chief Information Officer has established a price agreement for the goods, services or personal services.

(c) The State Chief Information Officer may review any solicitation document for procuring information technology or telecommunications that a state agency intends to issue before the state agency issues the solicitation document and may require the state agency to name the State Chief Information Officer as a third-party beneficiary with full authority to enforce the terms and conditions of any public contract for information technology or telecommunications. The State Chief Information Officer must approve a state agency's procurement for informa-

tion technology or telecommunications if the procurement has an anticipated contract price of \$1 million or more. The State Chief Information Officer may require the state agency to name the State Chief Information Officer as the contracting party on behalf of the State of Oregon in a procurement for information technology or telecommunications that has an anticipated contract price of \$1 million or more.

SECTION 18. ORS 326.425 is amended to read:

326.425. (1) The Early Learning Council is established.

(2) The council is established to coordinate a unified and aligned system of early learning services for the purposes of ensuring that:

(a) Children enter school ready to learn; and

(b) Families are healthy, stable and attached.

(3) The Early Learning Council shall accomplish the purposes described in subsection (2) of this section by:

(a) Designating a committee to serve as the state advisory council for purposes of:

(A) The federal Head Start Act, as provided by ORS 417.796.

(B) Providing advice on matters related to the Oregon prekindergarten program.

(b) Coordinating an integrated system that aligns the delivery of early learning services.

(c) Coordinating the Oregon Early Learning System created by ORS 417.727.

(4) The council consists of members appointed as provided by subsections (5) and (6) of this section.

(5)(a) The Governor shall appoint nine voting members who are appointed for a term of four years and serve at the pleasure of the Governor. A person appointed under this subsection may not be appointed to serve more than two consecutive full terms as a council member.

(b) When determining whom to appoint to the council under this subsection, the Governor shall:

(A) Ensure that each congressional district of this state is represented;

(B) Ensure that at least one member represents the tribes of this state;

(C) Ensure that at least one member represents the workforces for child care and early learning;

(D) Ensure that each member meets the following qualifications:

(i) Demonstrates leadership skills in civics or the member's profession;

(ii) To the greatest extent practicable, contributes to the council's representation of the geographic, ethnic, gender, racial and economic diversity of this state; and

(iii) Contributes to the council's expertise, knowledge and experience in early childhood development, early childhood care, early childhood education, family financial stability, populations disproportionately burdened by poor education outcomes and outcome-based best practices; and

(E) Solicit recommendations from the Speaker of the House of Representatives for at least two mem-

bers and from the President of the Senate for at least two members.

(6) In addition to the members appointed under subsection (5) of this section, the Governor shall appoint nonvoting, ex officio members who represent relevant state agencies.

(7) The activities of the council shall be directed and supervised by the Early Learning System Director *[who is appointed by the Governor and serves at the pleasure of the Governor]*.

(8) In accordance with applicable provisions of ORS chapter 183, the council may adopt rules necessary for the administration of the laws that the council is charged with administering. **When adopting rules related to child care, the council must appoint an advisory committee in accordance with ORS 183.333 that includes representatives of child care providers that are licensed or not licensed, as appropriate.**

SECTION 19. ORS 326.435 is amended to read:

326.435. (1) The **Department of Early Learning [Division] and Care** Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the **Department of Early Learning [Division] and Care** Fund shall be credited to the fund.

(2) Moneys in the **Department of Early Learning [Division] and Care** Fund consist of:

- (a) Amounts donated to the fund;
- (b) Moneys transferred to the fund from the federal government, state agencies and local governments;
- (c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;
- (d) Investment earnings received on moneys in the fund; and
- (e) Other amounts deposited in the fund from any source.

(3) Moneys in the fund are continuously appropriated to the Department of *[Education]* **Early Learning and Care** for the purpose of fulfilling the duties, functions and powers of the **Department of Early Learning [Division] and Care**.

(4) The **Department of Early Learning and Care** may establish accounts and subaccounts within the fund when the **Department of Early Learning and Care** determines that accounts or subaccounts are necessary or desirable and may credit any interest or income derived from moneys in the fund to any account or subaccount in the fund.

SECTION 20. ORS 327.269 is amended to read:

327.269. (1) The Early Learning Account is established within the Fund for Student Success.

(2) The Early Learning Account shall consist of:

- (a) Moneys transferred from the Fund for Student Success under ORS 327.001;
- (b) Moneys appropriated or otherwise transferred to the account by the Legislative Assembly;
- (c) Amounts donated to the account; and
- (d) Other amounts deposited into the account from any source.

(3) The Department of Education **or the Department of Early Learning and Care**, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the Early Learning Account. Moneys received as provided in this subsection shall be deposited into the Early Learning Account.

(4) Moneys in the Early Learning Account are continuously appropriated to the Department of Education **and the Department of Early Learning and Care** for early learning programs as described in ORS 327.274.

SECTION 21. ORS 327.274 is amended to read:

327.274. (1) The Department of *[Education and the]* Early Learning *[Division]* **and Care** shall use moneys in the Early Learning Account to provide funding for early learning programs in a manner consistent with a statewide early learning system plan overseen by the Early Learning Council. Early learning programs that may receive moneys from the Early Learning Account include:

- (a) Early childhood special education or early intervention services, as provided by ORS 343.475;
- (b) Relief nurseries;
- (c) Programs funded by the Early Childhood Equity Fund;
- (d) The Oregon prekindergarten program and other public preschool programs established under ORS 329.170 to 329.200, by increasing:
 - (A) The total number of spaces for children served by the programs; or
 - (B) Existing spaces for full-day programs from half-day programs;
- (e) Professional development for early childhood educators; and
- (f) Early Head Start programs.

(2) In addition to the uses identified in subsection (1) of this section, moneys in the Early Learning Account may be used for staffing needs of the **Department of Early Learning [Division] and Care** for the purpose of implementing this section.

(3) The *[State Board of Education and the]* Early Learning Council shall adopt rules necessary for the distribution of moneys under this section.

SECTION 22. ORS 329.155 is amended to read:

329.155. (1) **As used in this section:**

(a) **"Families"** means groups of individuals related by blood, marriage or adoption, or individuals whose functional relationships are similar to those found in such associations. The family's purpose is the security, support, nurturance, love, transmission of values and facilitation of each member's growth and development, and is the primary social unit affecting a child's well-being.

(b) **"Services"** means education and all other programs and services addressing one or more of a child's basic needs.

(c) **"Young children"** means children prenatal through six years of age.

[(1)] (2) State agencies that administer education programs and other programs that provide services for children and families shall:

(a) Evaluate the effectiveness of the program as related to the principles stated in ORS 329.025 and 417.305 in the earliest stages of the budget process, including components within programs as appropriate;

(b) Articulate ways in which the program is:

(A) An effective component of agency and state priorities, goals and strategies that have been established by the Early Learning Council; and

(B) Relevant to research and professional standards;

(c) Establish plans, interagency partnerships and implementation practices;

(d) Use the information generated by applicable state advisory groups and governing boards in the program assessment of needs and decisions as to service delivery in a given community; and

(e) Identify barriers to improving program capability to serve the needs of young children and make related recommendations, if any, to the Early Learning Council.

[(2)] (3) The processes listed in subsection [(1)] (2) of this section are for the purpose of generating interagency coordination so as to serve to the greatest extent possible young children and their families in a comprehensive and developmentally appropriate fashion. The information generated by these processes shall be considered as a contribution to subsequent budget decisions by state and local agencies, the Oregon Department of Administrative Services and the Legislative Assembly.

SECTION 23. ORS 329.156 is amended to read:

329.156. (1) The Department of Education and the Department of Human Services shall support the development and implementation of a network of community learning centers across the state.

(2) Within available funding, the **Department of Early Learning [Division] and Care**, in conjunction with other organizations that provide training and technical assistance to schools or community programs, shall provide training and technical assistance to promote the development and implementation of community learning centers. To the extent possible, the [division] **Department of Early Learning and Care** shall use voluntary organizations to provide the training and technical assistance.

(3) Community learning centers created pursuant to this section shall:

(a) Be located in or near a school or a cluster of schools;

(b) Involve parents in the care and education of their children;

(c) Involve the local community in developing and overseeing community learning center programs;

(d) Incorporate the principles of family support services described in ORS [329.150 and] 417.342;

(e) In partnership with the local school district board, create or designate an advisory committee to

offer guidance on program development and implementation, with membership that is representative of the diversity of community interests, including representatives of businesses, schools, faith-based organizations, social service and health care agencies, cultural groups, recreation groups, municipal governments, community colleges, libraries, child care providers, parents and youths; and

(f) Conduct an assessment of strengths, needs and assets within the community to be served by the community learning center that identifies services being delivered in the community, defines and clarifies services that are missing or overlapping and builds on any existing community assessments.

(4) The Department of Human Services and the Department of Education shall provide technical assistance to community learning centers to develop policies ensuring that confidential information is disclosed only in accordance with state and federal laws.

SECTION 24. ORS 329.165 is amended to read:

329.165. (1) The **Department of Early Learning and Care**, in consultation with the Early Learning Council, shall develop a long-range plan for serving eligible children and their families and shall report to each odd-numbered year regular session of the Legislative Assembly on the funds necessary to implement the long-range plan, including but not limited to [regular] programming costs, salary enhancements [and program improvement grants], **infrastructure and other continuous quality improvement costs**. The [council] **department** shall determine the rate of increase in funding for programs necessary each biennium to provide service to all children eligible for the Oregon prekindergarten program.

(2) Each biennial report shall include but not be limited to estimates of the number of eligible children and families to be served, projected cost of programs and evaluation of the programs.

SECTION 25. ORS 329.170 is amended to read:

329.170. As used in ORS 329.170 to 329.200:

(1) "Oregon prekindergarten" means a program that is recognized by the **Department of Early Learning [Division] and Care** as meeting the minimum program rules to be adopted by the Early Learning Council and that provides comprehensive health, education and social services to children prenatally through five years of age in order to maximize the potential of those children when they enter kindergarten.

(2) "Oregon prekindergarten program" means the statewide administrative activities carried on within the **Department of Early Learning [Division] and Care** to allocate, award and monitor state funds appropriated to create or assist local Oregon prekindergartens.

[(3)] "*Preschool Promise Program*" means the preschool program administered by the Early Learning Division under ORS 329.172.]

SECTION 26. ORS 329.172 is amended to read:

329.172. (1)(a) The Preschool Promise Program is established. The **Department of Early Learning [Division] and Care** shall administer the Preschool Promise Program as provided by this section. The Preschool Promise Program shall expand preschool options available to the children of this state.

(b) In administering the Preschool Promise Program, the *[Early Learning Division]* **department** shall identify local entities as provided under subsection (3) of this section within the region served by each Early Learning Hub to serve as a preschool provider *[or as a fiscal agent for multiple preschool providers that meet]* **that meets** the eligibility criteria established under subsections (4) and (5) of this section.

(2) For the purpose of expanding and coordinating preschool options under the Preschool Promise Program, Early Learning Hubs shall:

(a) Once every two years, in consultation with resource and referral entities established under ORS 329A.100 to 329A.135, complete a community plan to identify priority populations of children and families to enroll in preschool, to assess the availability of high-quality preschool programs and to identify existing preschool providers and other related services within the region served by the Early Learning Hub.

(b) Based on the results of the most recent community plan, annually coordinate and collaborate with preschool providers to:

(A) Determine the preschool program that best meets the needs of eligible children and their families within the Early Learning Hub; and

(B) Enroll eligible children in preschool programs.

(3) A local entity may apply to the *[Early Learning Division]* **department** to be awarded grants or contracts to be a preschool provider *[or to act as a fiscal agent for multiple preschool providers]* under this section if the local entity is:

(a) An Early Learning Hub designated under ORS 417.827;

(b) A resource and referral entity established under ORS 329A.100 to 329A.135;

(c) An education service district;

(d) A school district;

(e) A federal Head Start program;

(f) A community-based organization; or

(g) Another entity identified by the *[Early Learning Division]* **department**.

(4) A preschool provider that meets the requirements of this subsection may apply to participate in the Preschool Promise Program to receive grants or contracts under the program. The preschool provider:

(a) Must be establishing a new preschool program or expanding an existing preschool program.

(b) Must meet or exceed the requirements of subsection (5) of this section.

(c) May be a federal Head Start program, an Oregon prekindergarten, a child care provider, a relief nursery, a private preschool, a public school, a public charter school, an education service district

or a community-based organization that provides a preschool program.

(5) A preschool provider may participate in the Preschool Promise Program if the provider's preschool program:

(a) Provides, at a minimum, the annual number of instructional hours required for full-day kindergarten.

(b) Takes into consideration the scheduling needs of families who need full-time child care.

(c) Serves children who:

(A) Are at least three years of age but not older than five years of age, as determined by the date used to determine kindergarten eligibility; and

(B)(i) Are members of families whose incomes, at the time of enrollment, are at or below 200 percent of the federal poverty guidelines; or

(ii) Otherwise meet criteria established by the Early Learning Council by rule.

(d) Provides continuity from infant and toddler services to early elementary grades.

(e) Demonstrates an ability to maximize available federal, state and local funds.

(f) Demonstrates *[quality through meeting standards]* **an ability to meet quality standards adopted by the Early Learning Council**, including:

(A) Participating in the quality *[rating]* **recognition** and improvement system for early childhood programs **as established by ORS 329A.261**.

(B) Adopting culturally responsive teaching methods and practices.

(C) Providing a high-quality, culturally responsive family engagement environment that supports parents as partners in a child's learning and development.

(D) Providing high-quality, culturally responsive curricula, assessments and professional development that are linked to one another and to the state's comprehensive early learning standards.

(E) Providing a classroom environment that is inclusive of all children, regardless of ability or family income.

(F) Providing highly trained lead preschool teachers who have:

(i) At least a bachelor's degree in:

(I) Early childhood education or a field related to early childhood education; or

(II) A field not related to early childhood education if the *[Early Learning Division]* **department**, based on rules adopted by the Early Learning Council, determines that the teacher has completed coursework that is equivalent to a major in early childhood education and has sufficient training in early childhood education;

(ii) An associate degree with additional training or additional certification in early childhood education or a field related to early childhood education, as determined by the *[Early Learning Division]* **department** based on rules adopted by the Early Learning Council; or

(iii) Sufficient alternative credentialing to indicate that the teacher is highly trained, as determined by the *[Early Learning Division]* **department**

based on rules adopted by the Early Learning Council.

(G) Providing lead preschool teachers and teaching assistants with a salary that meets the minimum salary requirements established by the Early Learning Council.

(H) Providing at least one teaching assistant in each classroom who provides support for academic instruction and who meets the state's personnel qualification requirements *[of one of the top two tiers for the quality rating and improvement system for early childhood programs]* **as established by rule by the Early Learning Council.**

(I) Providing children and families with additional health and child development supports, such as screening, referrals and coordination with health care providers.

(g) Incorporates best practices in outreach, enrollment and programming for diverse cultural and linguistic populations and children who have been historically underserved in preschool programs.

(h) Works in collaboration with community programs to ensure that families have knowledge of, and are connected to, community resources and supports to meet the needs of children and families served by the preschool program.

(i) Participates in an ongoing monitoring and program evaluation system that is used for continuous program improvement.

(6)(a) While any moneys received under a grant received or a contract entered into as provided by this section must be used to serve children described in subsection (5)(c) of this section, nothing in subsection (5)(c) of this section prevents a preschool provider from serving additional children, including children who:

(A) Pay tuition for the preschool program and whose family income at the time of enrollment exceeds 200 percent of federal poverty guidelines.

(B) Are funded by the Oregon prekindergarten program, a federal Head Start program or another source of funding.

(b) If a preschool provider participating in the Preschool Promise Program serves children described in paragraph (a) of this subsection, moneys received under a grant or contract as provided by this section may not be used to pay for expenses incurred for the children described in paragraph (a) of this subsection.

(7) A preschool provider participating in the Preschool Promise Program may receive a waiver of any of the requirements described in subsection (5) of this section if the waiver:

(a) Is for a preschool program that is maintaining progress toward quality; and

(b) Is anticipated for the first years of the preschool program only.

(8) To assist the *[Early Learning Division]* **department** in administering this section, the Early Learning Council shall:

(a) Identify resources necessary for the *[Early Learning Division]* **department** to develop, support and sustain the implementation of a high-quality

preschool program, including evaluations, professional development opportunities, technical assistance, monitoring guidance and administrative assistance.

(b) Ensure that pathways and supports are available to teaching staff to increase culturally and linguistically diverse staff to teach and assist in preschool classrooms.

(c) Establish minimum salary requirements and target salary guidelines for lead preschool teachers and teaching assistants at preschool providers participating in the Preschool Promise Program. Minimum salary requirements may be differentiated by program type. Target salary guidelines shall be, to the extent practicable, comparable to lead kindergarten teacher and teaching assistant salaries in public schools. The *[Early Learning Division]* **department** shall provide guidelines and technical assistance to preschool providers participating in the Preschool Promise Program to address salary disparities among preschool teachers and preschool staff.

(d) Develop strategies that strive to increase the mean salary for lead teachers, teaching assistants and other preschool staff employed by preschool providers participating in the Preschool Promise Program.

(e) Administer waivers as described in subsection (7) of this section.

(f) Develop strategies to ensure preschool providers have the resources necessary to maintain children in placement in the Preschool Promise Program.

(9) Each biennium, the *[Early Learning Division]* **department** shall submit a report to the Legislative Assembly that describes:

(a) The number of children served by the Preschool Promise Program, including the number of children:

(A) Whose family incomes are at or below 200 percent of the federal poverty guidelines;

(B) Whose family incomes are between 100 and 200 percent of the federal poverty guidelines;

(C) Who pay tuition;

(D) Who are eligible for Head Start programs; and

(E) Who are eligible for early childhood special education.

(b) The cost to serve each child described in subsection (5)(c) of this section.

(c) The level of state support received for implementing the Preschool Promise Program.

(d) The effectiveness of the Preschool Promise Program, including student progress and outcomes.

(e) Improvements that have been made to the administration and evaluation of the Preschool Promise Program to improve the effectiveness of the program.

(f) The salary, education levels and turnover rates of lead preschool teachers and teaching assistants employed by preschool providers participating in the Preschool Promise Program.

(10) The [Early Learning Division] **department** shall coordinate with the Department of Education and other state agencies in support of the Preschool Promise Program.

(11) The [Early Learning Division] **department** shall prescribe the form and timeline for applications to participate in the Preschool Promise Program.

SECTION 27. ORS 329.175 is amended to read:

329.175. (1) The **Department of Early Learning [Division] and Care** shall administer the Oregon prekindergarten program to assist eligible children with comprehensive services including educational, social, health and nutritional development to enhance their chances for success in school and life. Eligible children, upon request of parent or guardian, shall be admitted to approved Oregon prekindergartens to the extent that the Legislative Assembly provides funds.

(2)(a) In administering the Oregon prekindergarten program, the [Early Learning Division] **department** shall adopt a funding formula and methodology that will ensure that Oregon prekindergartens offer high-quality services to eligible children and their families.

(b) Services may be provided under this section to pregnant women and families with children under the age of five years old who are not participating in a federal, state or local program providing comprehensive services and who qualify for eligibility under the federal Head Start program.

(3)(a) Nonsectarian organizations, including school districts and Head Start grantees, are eligible to compete for funds to establish an Oregon prekindergarten.

(b)(A) Grant recipients shall serve children eligible according to federal Head Start guidelines and other children who meet criteria of eligibility adopted by rule by the Early Learning Council.

(B) Grant recipients may serve children not described in subparagraph (A) of this paragraph, but not more than 20 percent of the total enrollment with a grant recipient shall consist of children who do not meet federal Head Start guidelines.

(c) School districts may contract with other governmental or nongovernmental nonsectarian organizations to conduct a portion of the program.

(d) Funds appropriated for the program shall be used to establish and maintain new or expanded Oregon prekindergartens and may not be used to supplant federally supported Head Start programs. Oregon prekindergartens also may accept gifts, grants and other funds for the purposes of this section.

(4) Applicants shall identify how they will serve the target population and provide all components as specified in the federal Head Start performance standards and guidelines, including staff qualifications and training, facilities and equipment, transportation and fiscal management.

(5) Applicants shall identify how they will provide, at a minimum, the annual number of instruc-

tional hours required under performance guidelines and standards of the federal Head Start programs.

(6) Oregon prekindergartens shall provide lead teachers and teaching assistants with a salary that meets the minimum salary requirements established by the Early Learning Council.

(7) Oregon prekindergartens must demonstrate an ability to maximize all available federal, state and local funds.

(8) Oregon prekindergartens shall coordinate with each other and with federal Head Start programs to ensure efficient delivery of services and prevent overlap. Oregon prekindergartens shall also work with local organizations such as local education associations serving young children and make the maximum use of local resources.

(9) Oregon prekindergartens shall coordinate services with other services provided through the Oregon Early Learning System. The coordination of services must be consistent with federal and state law.

(10)(a) The governing body of a recipient of grant funds under this section shall be subject to ORS 192.610 to 192.690 but is subject to ORS 192.311 to 192.478 only:

(A) With respect to records created at a meeting of the governing body, minutes of a meeting of a governing body or records presented at a meeting of the governing body; or

(B) As otherwise provided by law other than this subsection.

(b) As used in this subsection, "governing body" means a board or other entity of two or more persons who are authorized to make decisions with respect to a recipient or who are authorized to advise or make recommendations to a governing body of the recipient.

SECTION 28. ORS 329.181 is amended to read:

329.181. (1) The Higher Education Coordinating Commission and the **Department of Early Learning [Division] and Care** shall jointly administer a scholarship program and a grant program designed to ensure that there is an adequate supply of highly qualified early childhood care and education professionals in this state.

(2) The commission and [division] **department** shall collaborate to approve degree programs for which a scholarship may be awarded under this section.

(3) A person is eligible to receive a scholarship under this section if the person:

(a) Enrolls in a program approved under subsection (2) of this section;

(b) Enrolls in a minimum of six credits, or the equivalent, per term; and

(c) Files a Free Application for Federal Student Aid or the state equivalent.

(4) A person remains eligible to receive a scholarship under this section if the person:

(a) Remains in good academic standing; and

(b) Has not received the scholarship for the equivalent of four years of full-time study.

(5) The commission and [division] **department** may prioritize a person currently employed in a position in the field of early childhood care or education for receiving a scholarship under this section.

(6) An institution of higher education may receive a one-time grant under this section to develop high-quality degree programs for early childhood care and education professionals.

(7) The Early Learning Council and the commission may adopt rules necessary to implement the scholarship program and grant program administered as provided by this section. Rules may provide for the reduction of the costs of the programs in the event amounts requested under the programs exceed amounts available for the programs.

SECTION 29. ORS 329.183 is amended to read:

329.183. (1) The Prekindergarten Program Trust Fund is established as a fund in the State Treasury, separate and distinct from the General Fund. Interest earned by the trust fund shall be credited to the trust fund. The primary purposes of the trust fund are to:

(a) Assist eligible children with comprehensive services, including educational, social, health and nutritional development, to enhance their chances for success in school and life;

(b) Provide scholarships awarded to current and prospective early childhood care and education professionals, as described in ORS 329.181; and

(c) Provide grants to institutions of higher education to develop high-quality degree programs for early childhood care and education professionals, as described in ORS 329.181.

(2) For the purposes identified in subsection (1) of this section, the trust fund is continuously appropriated to the **Department of Early Learning [Division] and Care**.

(3) The [division] **department** may solicit and accept money in the form of gifts, contributions and grants to be deposited in the trust fund. Except as provided in ORS 329.185, the acceptance of federal grants for purposes of ORS 329.170 to 329.200 does not commit state funds nor place an obligation upon the Legislative Assembly to continue the purposes for which the federal funds are made available.

(4) The trust fund may be listed, if otherwise qualified, on the Oregon income tax return for checkoff pursuant to application made to the Oregon Charitable Checkoff Commission under ORS 305.690 to 305.753 by the [division] **department**.

SECTION 30. ORS 329.185 is amended to read:

329.185. When the federal Head Start program provides funding for programs for eligible children at or greater than the 1990-1991 per child level, eligibility for the state funded Oregon prekindergarten program shall be expanded to include programs for children whose family income exceeds the federal Head Start limits or who are in an underserved or unserved age category. After determining the increase in income limits or age level that would make

children most in need of state programs eligible for them, the **Department of Early Learning [Division] and Care** may direct expenditure of any unexpended or unobligated funds appropriated for the biennium for eligible children to be expended for the additional children considered to be most in need. In the following biennium, the [Early Learning Division] **department** shall include the cost of any added program for the children most in need in its biennial budget.

SECTION 31. ORS 329.195 is amended to read:

329.195. (1)(a) The Early Learning Council shall adopt rules for the establishment of the Oregon prekindergarten program.

(b) Rules adopted under this section specifically shall require:

(A) Performance standards and operating standards that are at a level no less than the level required under the federal Head Start program guidelines.

(B) Processes and procedures for recompetition that are substantially similar to the processes and procedures required under the rules and guidelines adopted under the federal Head Start Act.

(C) Implementation plans for any changes to the federal Head Start program rules or guidelines.

(c) Federal Head Start program guidelines shall be considered as guidelines for the Oregon prekindergarten program.

(d) Notwithstanding paragraph (b) of this subsection, the council may adopt rules that allow for the provision of a half-day program or a full-day program, or a combination thereof, to meet community needs, as determined by the council based on community assessments.

(2) In developing rules for the Oregon prekindergarten program, the council shall consider such factors as coordination with existing programs, the preparation necessary for instructors, qualifications of instructors, training of staff, adequate space and equipment and special transportation needs.

(3) The **Department of Early Learning [Division] and Care** shall review applications for the Oregon prekindergarten program received and designate those programs as eligible to commence operation by July 1 of each year. When approving grant applications, to the extent practicable, the [council] **department** shall distribute funds regionally based on percentages of unmet needs for the county or region.

SECTION 32. ORS 329.200 is amended to read:

329.200. (1) The **Department of Early Learning [Division] and Care** shall report to the Legislative Assembly on the merits of continuing and expanding the Oregon prekindergarten program or instituting other means of providing early childhood development assistance.

(2) The [division's] **department's** report shall include specific recommendations on at least the following issues:

(a) The relationship of the state-funded Oregon prekindergarten program with the common school system;

(b) The types of children and their needs that the program should serve;

(c) The appropriate level of state support for implementing the program for all eligible children, including related projects to prepare instructors and provide facilities, equipment and transportation;

(d) The state administrative structure necessary to implement the program; and

(e) Licensing or endorsement of early childhood teachers.

(3) The *[division]* **department** shall examine, monitor and assess the effectiveness of the Oregon prekindergarten program and make biennial reports to the Legislative Assembly on the effectiveness of the program.

SECTION 33. ORS 329.219 is amended to read:

329.219. (1) The **Department of Early Learning** *[Division, under the direction of]* **and Care, in coordination with** the Early Learning Council and in collaboration with the Educator Advancement Council created by ORS 342.940, shall establish and implement policies and practices to achieve vigorous and comprehensive early childhood professional development systems in this state that incorporate improved recruitment, preparation, induction, career advancement opportunities and support for early learning providers and professionals, including professionals who provide home visiting services.

(2) To achieve the objectives described in subsection (1) of this section, the *[division]* **department** shall develop or expand:

(a) Strategies and partnerships that connect early learning providers and professionals with access to education pathways, including college credentials, degrees and certificates;

(b) Coaching and mentorship programs that make available cohorts, mentors and quality improvement specialists to advise, assist, educate and provide information to early learning providers and professionals;

(c) Professional development tracking systems for the workforce for early learning to ensure coverage of the necessary skills and knowledge required of early learning providers and professionals, including professionals who provide home visiting services; and

(d) Collaborations that support exempt family child care providers, as defined in ORS 329A.430, through the advancement of research in child development, peer learning and mentoring.

(3) The *[division]* **department** shall collaborate with any state agencies or other partners to achieve the objectives described in subsection (1) of this section and to carry out the provisions of subsection (2) of this section.

SECTION 34. ORS 329.841 is amended to read:

329.841. (1) For the purposes of this section, “plan student” means a student enrolled in early childhood through post-secondary education who:

(a) Is black or African-American or a member of a student group that is not covered under an existing culturally specific statewide education plan; and

(b) Has experienced disproportionate results in education due to historical practices, as identified by the State Board of Education by rule.

(2)(a) The Department of Education shall develop and implement a statewide education plan for plan students.

(b) The **Department of Education** shall form an advisory group consisting of community members, education stakeholders and representatives of the **Department of Early Learning** *[Division]* **and Care**, the Youth Development Division and the Higher Education Coordinating Commission to advise the **Department of Education** regarding:

(A) Development and implementation of the plan;

(B) Eligibility criteria, applicant selection process and expectations for recipients of grant awards described in this section; and

(C) Adoption of rules by the State Board of Education for the implementation of the plan.

(3) The plan developed under this section shall address:

(a) The disparities experienced by plan students in every indicator of academic success, as documented by the *[department’s]* statewide report card;

(b) The historical practices leading to disproportionate outcomes for plan students; and

(c) The educational needs of plan students from early childhood through post-secondary education by examining culturally appropriate best practices in this state and across the nation.

(4) The plan developed and implemented under this section must provide strategies to:

(a) Address the disproportionate rate of disciplinary incidents for plan students compared to all students in the education system;

(b) Increase parental engagement in the education of plan students;

(c) Increase the engagement of plan students in educational activities before and after regular school hours;

(d) Increase early childhood and kindergarten readiness for plan students;

(e) Improve literacy and numeracy levels among plan students between kindergarten and grade three;

(f) Support plan student transitions to middle school and through the middle and high school grades to maintain and improve academic performance;

(g) Support culturally responsive pedagogy and practices from early childhood through post-secondary education;

(h) Support the development of culturally responsive curricula from early childhood through post-secondary education;

(i) Increase attendance of plan students in community colleges and professional certification programs; and

(j) Increase attendance of plan students in four-year post-secondary institutions of education.

(5) The Department of Education shall submit a biennial report concerning the progress of the plan developed and implemented under this section at each even-numbered year regular session of the Legislative Assembly in the manner provided by ORS 192.245 to an interim committee of the Legislative Assembly related to education.

(6) The Department of Education, in consultation with the advisory group, shall award grants to early learning hubs, providers of early learning services, school districts, post-secondary institutions of education and community-based organizations to implement the strategies developed in the plan developed and implemented under this section.

(7) To qualify for and receive a grant described in this section, an applicant must identify and demonstrate that the applicant meets the eligibility criteria established by the State Board of Education by rule.

SECTION 35. ORS 329.843 is amended to read: 329.843. (1) As used in this section, “plan student” means a student enrolled in early childhood through post-secondary education who:

(a) Is an American Indian or Alaskan Native; and

(b) Has experienced disproportionate results in education due to historical practices, as identified by the State Board of Education by rule.

(2)(a) The Department of Education shall develop and implement a statewide education plan for plan students.

(b) When developing the plan, the Department of Education shall consult with representatives from tribal governments and from executive branch agencies who have formed government-to-government relations to focus on education. Additionally, the Department of Education may receive input from an advisory group consisting of community members, education stakeholders and representatives of the Department of Early Learning [Division] and Care, the Youth Development Division and the Higher Education Coordinating Commission.

(c) The Department of Education shall be responsible for:

(A) Implementing the plan developed under this subsection;

(B) Developing eligibility criteria, the applicant selection process and expectations for recipients of grant awards described in this section; and

(C) Advising the State Board of Education on the adoption of rules under this section.

(3) The plan developed under this section must address:

(a) The disparities experienced by plan students in every indicator of academic success, as documented by the [department’s] statewide report card and other relevant reports related to plan students;

(b) The historical practices leading to disproportionate outcomes for plan students; and

(c) The educational needs of plan students from early childhood through post-secondary education as determined by examining culturally appropriate best practices in this state and across the nation.

(4) The plan developed and implemented under this section must provide strategies to:

(a) Address the disproportionate rate of disciplinary incidents involving plan students as compared to all students in the education system;

(b) Increase parental engagement in the education of plan students;

(c) Increase the engagement of plan students in educational activities before and after regular school hours;

(d) Increase early childhood education and kindergarten readiness for plan students;

(e) Improve literacy and numeracy levels among plan students between kindergarten and grade three;

(f) Support plan student transitions to middle school and through the middle school and high school grades to maintain and improve academic performance;

(g) Support culturally responsive pedagogy and practices from early childhood through post-secondary education;

(h) Support the development of culturally responsive curricula from early childhood through post-secondary education;

(i) Increase attendance of plan students in early childhood programs through post-secondary and professional certification programs; and

(j) Increase attendance of plan students in four-year post-secondary institutions of education.

(5) The Department of Education shall submit a biennial report concerning the progress of the plan developed and implemented under this section to a committee of the Legislative Assembly related to education at each even-numbered year regular session of the Legislative Assembly.

(6) The Department of Education, in consultation with the advisory group, shall award grants to early learning hubs, providers of early learning services, school districts, education service districts, post-secondary institutions of education, tribal governments and community-based organizations to implement the strategies provided in the plan developed and implemented under this section.

(7) To qualify for and receive grants described in this section, an applicant must identify and demonstrate that the applicant meets the eligibility criteria adopted by the State Board of Education by rule.

SECTION 36. ORS 329.845 is amended to read: 329.845. (1) As used in this section, “plan student” means a student enrolled in early childhood through post-secondary education who:

(a) Is Latino or Hispanic, including individuals of Mexican, Cuban, Puerto Rican, South American, Central American or Spanish descent; and

(b) Has experienced disproportionate results in education due to historical practices, as identified by the State Board of Education by rule.

(2)(a) The Department of Education shall develop and implement a statewide education plan for plan students.

(b) The Department of Education shall form an advisory group consisting of individuals representing:

- (A) Urban and rural communities;
- (B) Indigenous and immigrant populations;
- (C) English language learners;
- (D) Individuals with disabilities;
- (E) Parents and students;
- (F) Youth who are lesbian, gay, bisexual, transgender, queer or another minority gender or sexual orientation;
- (G) Community-based organizations serving Latino or Hispanic youth and families; and
- (H) Education stakeholders, including representatives of the **Department of Early Learning [Division] and Care**, the Youth Development Division and the Higher Education Coordinating Commission.

(c) The advisory group formed as provided in paragraph (b) of this subsection shall advise the Department of Education regarding:

- (A) Development and implementation of the plan;
- (B) Eligibility criteria, applicant selection processes and expectations for recipients of grant awards described in this section; and
- (C) Adoption of rules by the State Board of Education for the implementation of the plan.

(3) The plan developed under this section must address:

(a) The disparities experienced by plan students in every indicator of academic success, as documented by the [department's] statewide report card and other relevant reports related to plan students;

(b) The historical practices leading to disproportionate outcomes for plan students; and

(c) The educational needs of plan students from early childhood through post-secondary education as determined by examining culturally appropriate best practices in this state and across the nation.

(4) The plan developed and implemented under this section must provide strategies to:

(a) Address the disproportionate rate of disciplinary incidents involving plan students compared to all students in the education system;

(b) Increase parental engagement in the education of plan students;

(c) Increase the engagement of plan students in educational activities before and after regular school hours;

(d) Increase early childhood education and kindergarten readiness for plan students;

(e) Improve literacy and numeracy levels among plan students between kindergarten and grade three;

(f) Support plan student transitions to middle school and through the middle school and high school grades to maintain and improve academic performance;

(g) Support culturally responsive pedagogy and practices from early childhood through post-secondary education;

(h) Support the development of culturally responsive curricula from early childhood through post-secondary education;

(i) Increase attendance of plan students in community colleges and professional certification programs; and

(j) Increase attendance of plan students in four-year post-secondary institutions of education.

(5) The Department of Education shall submit a biennial report concerning the progress of the plan developed and implemented under this section to a committee of the Legislative Assembly related to education at each even-numbered year regular session of the Legislative Assembly.

(6) The Department of Education, in consultation with the advisory group, shall award grants to early learning hubs, providers of early learning services, school districts, post-secondary institutions of education and community-based organizations to implement the strategies provided in the plan developed and implemented under this section.

(7) To qualify for and receive a grant described in this section, an applicant must identify and demonstrate that the applicant meets the eligibility criteria established by the State Board of Education by rule.

SECTION 37. ORS 329A.010 is amended to read: 329A.010. (1) There is established within the **Department of Early Learning [Division] and Care** the Office of Child Care.

[(2)(a) *The Office of Child Care, as designated by the Governor, shall be responsible for administering funds received by the State of Oregon pursuant to the federal Child Care and Development Block Grant Act of 2014, the Child Care and Development Fund and other federal child care funds and grants received by the State of Oregon.*]

[(b) *Through the legislative budgeting process, the Legislative Assembly shall identify the portion of the funds received by the State of Oregon pursuant to the federal Child Care and Development Block Grant Act of 2014 to be spent to provide quality child care, to provide child care subsidies and for administrative expenditures. The Office of Child Care shall administer the funds according to the portions identified by the Legislative Assembly.*]

[(c) *The Office of Child Care shall submit an annual report to the Legislative Fiscal Office regarding the expenditures of the funds received by the State of Oregon pursuant to the federal Child Care and Development Block Grant Act of 2014 and the most recent estimate of the balance of the funds.*]

[(3)] (2) The Office of Child Care shall comply with directives of the Early Learning Council established in ORS 326.425 in the office's implementation of the provisions of ORS 329A.250 to 329A.450.

[(4)] (3) The Office of Child Care may maintain information about child care facilities and providers through electronic records systems.

[(5)] (4) The Office of Child Care may share information with other public entities when the office determines that sharing the information would sup-

port the health or safety of children in child care, except as otherwise prohibited by state or federal law.

[(6)] (5) There is established in the State Treasury, separate and distinct from the General Fund, the Child Care Fund. The Child Care Fund shall consist of moneys collected, [and] received **and administered** by the Office of Child Care **and Department of Early Learning and Care** pursuant to [subsection (2) of this section,] ORS 329A.310, **329A.700 to 329A.712** and 329A.992 **and section 13 of this 2021 Act** and such moneys as may be otherwise made available by law. Interest earned on the fund shall be credited to the fund. The moneys in the Child Care Fund are appropriated continuously to the [Office of Child Care] **Department of Early Learning and Care** and shall be used in a manner consistent with the grant of funds or for the administration of ORS 181A.200, 329A.030, [and] 329A.250 to 329A.450 **and 329A.700 to 329A.712**.

SECTION 38. ORS 329A.120 is amended to read: 329A.120. (1) The [Office of Child Care] **Department of Early Learning and Care** shall implement the resource and referral system.

(2) Resource and referral entities must provide services including, but not limited to:

(a) Training and technical assistance for existing and potential child care providers that includes, but is not limited to, coaching, mentoring, consulting and advising on professional development;

(b) Referrals for parents or guardians seeking child care providers; or

(c) Recruitment of qualified individuals to meet the child care needs of a community.

SECTION 39. ORS 329A.135 is amended to read: 329A.135. (1) The [Office of Child Care] **Department of Early Learning and Care** shall implement federal requirements for the resource and referral system.

(2) The [office] **department** shall establish criteria for proposals, prepare requests for proposals, receive proposals and award grants or enter into agreements for the establishment of resource and referral entities.

SECTION 40. ORS 329A.250 is amended to read: 329A.250. As used in ORS 329A.030 and 329A.250 to 329A.450, unless the context requires otherwise:

(1) "Babysitter" means a person who goes into the home of a child to give care during the temporary absence of the parent or legal guardian or custodian.

(2) "Certification" means the certification that is issued under ORS 329A.280 by the Office of Child Care to a family child care home, child care center or other child care facility.

(3) "Child" means a child under 13 years of age or a child under 18 years of age who has special needs or disabilities and requires a level of care that is above normal for the child's age.

(4) Subject to ORS 329A.440, "child care" means the care, supervision and guidance on a regular basis of a child, unaccompanied by a parent, guardian or custodian, provided to a child during a part of the 24 hours of the day, in a place other than the child's home, with or without compensation. "Child care" does not include care provided:

(a) In the home of the child;

(b) By the child's parent, guardian, or person acting in loco parentis;

(c) By a person related to the child by blood or marriage within the fourth degree as determined by civil law;

(d) On an occasional basis by a person not ordinarily engaged in providing child care;

(e) By providers of medical services;

(f) By a babysitter;

(g) By a person who cares for children from only one family other than the person's own family;

(h) By a person who cares for no more than three children other than the person's own children; or

(i) By a person who is a member of the child's extended family, as determined by the office on a case-by-case basis.

(5) "Child care facility" means any facility that provides child care to children, including a day nursery, nursery school, child care center, certified or registered family child care home or similar unit operating under any name, but not including any:

(a) Preschool recorded program.

(b) Facility providing care for school-age children that is primarily a single enrichment activity, for eight hours or less a week.

(c) Facility providing care that is primarily group athletic or social activities sponsored by or under the supervision of an organized club or hobby group.

(d) Facility operated by:

(A) A school district as defined in ORS 332.002;

(B) A political subdivision of this state; or

(C) A governmental agency.

(e) Residential facility licensed under ORS 443.400 to 443.455.

(f) Babysitters.

(g) Facility operated as a parent cooperative for no more than four hours a day.

(h) Facility providing care while the child's parent remains on the premises and is engaged in an activity offered by the facility or in other nonwork activity.

(i) Facility operated as a school-age recorded program.

(6) "Family" has the meaning given that term in ORS [329.145] **329.155**.

(7) "Occasional" means that care is provided for no more than 70 days in any calendar year.

(8) "Parent cooperative" means a child care program in which:

(a) Care is provided by parents on a rotating basis;

(b) Membership in the cooperative includes parents;

(c) There are written policies and procedures; and

(d) A board of directors that includes parents of the children cared for by the cooperative controls the policies and procedures of the program.

(9) "Preschool recorded program" means a facility providing care for preschool children that is primarily educational for four hours or less per day and where no child is present at the facility for more than four hours per day.

(10) "Record" means the record that is issued under ORS 329A.255 to a preschool recorded program or under ORS 329A.257 to a school-age recorded program.

(11) "Registration" means the registration that is issued under ORS 329A.330 by the Office of Child Care to a family child care home where care is provided in the family living quarters of the provider's home.

(12) "School age" means of an age eligible to be enrolled in kindergarten or above on or before the first day of the current school year.

(13) "School-age recorded program" means a program for school-age children:

(a) That is not operated by a school district as defined in ORS 332.002;

(b) That is not required to be certified under ORS 329A.280 or registered under ORS 329A.330; and

(c) In which youth development activities are provided to children during hours that school is not in session and does not take the place of a parent's care.

(14) "Youth development activities" means care, supervision or guidance that is intended for enrichment, including but not limited to teaching skills or proficiency in physical, social or educational activities such as tutoring, music lessons, social activities, sports and recreational activities.

SECTION 41. ORS 329A.261 is amended to read: 329A.261. (1) In addition to the minimum standards established for child care facilities and the operation of child care facilities under ORS 329A.260 and subject to available funds, the Office of Child Care, under the direction and with the approval of the Early Learning Council, shall initiate development of a tiered quality *[rating]* **recognition** and improvement system for child care facilities.

(2) The tiered quality *[rating]* **recognition** and improvement system implemented under this section shall:

(a) Establish a set of progressively higher standards that are used to evaluate the quality of an early learning and development program and to support program improvement.

(b) Consist of the following components:

(A) Tiered standards that define a progression of quality for early learning and development programs.

(B) Monitoring of programs to evaluate quality based on established standards.

(C) Support for programs and providers of programs to meet tiered quality standards, including

training, technical assistance and financial incentives.

(D) Program quality *[ratings that are]* **recognition that is** publicly available.

SECTION 42. ORS 329A.712 is amended to read: 329A.712. (1) The *[Office of Child Care]* **Department of Early Learning and Care** shall distribute revenues in the Child Care Fund that are derived from contributions, minus the amounts needed to make refunds under ORS 329A.706 (3) and to cover expenses of the Office of Child Care in administering ORS 329A.700 to 329A.712.

(2) Revenues shall be disbursed to child care providers consistent with rules adopted by the Early Learning Council.

(3) Distributions shall be made to child care providers in the proportion that the *[Office of Child Care]* **department** determines best promotes the provision of high quality child care in this state.

SECTION 43. ORS 336.101 is amended to read: 336.101. (1) The Early Learning Kindergarten Readiness Partnership and Innovation Program is established for the purpose of improving the readiness of children for kindergarten. The program shall be administered by the **Department of Early Learning [Council] and Care** as provided by this section.

(2) The *[Early Learning Council]* **department** shall provide grants under this section based on criteria established by the **Early Learning** Council by rule. Criteria may include requirements that an applicant must meet one or more of the following criteria:

(a) Form a partnership with at least one provider of early learning services, child care provider or elementary school;

(b) Form partnerships with community-based providers of early childhood services to provide preschool and other early-learning strategies;

(c) Establish ambitious but meaningful targets for kindergarten readiness;

(d) Invest resources in students who meet criteria established by the council by rule;

(e) Align with, and supplement, federal programs to provide moneys for educational purposes; and

(f) Agree to report to, and partner with, any Early Learning Hubs serving the region.

(3) Priority for grants provided under this section may be for programs that:

(a) Assist children in becoming ready for kindergarten or being successful in kindergarten; or

(b) Share professional development strategies and resources with providers of early learning services, child care providers and kindergarten teachers.

SECTION 44. ORS 336.104 is amended to read: 336.104. (1) The Early Learning Kindergarten Readiness Partnership and Innovation Account is established within the **Department of Early Learning [Division] and Care** Fund. Separate records shall be maintained for moneys in the account. In-

terest earned by the account shall be credited to the account.

(2) Moneys in the account are continuously appropriated to the **Department of Early Learning [Council] and Care** for the Early Learning Kindergarten Readiness Partnership and Innovation Program described in ORS 336.101.

SECTION 45. ORS 343.465 is amended to read:

343.465. (1) It is the policy of this state to respect the unique nature of each child, family and community with particular attention to cultural and linguistic diversity, and to support a system of services for preschool children with *[disabilities]* **a disability** and their families that:

(a) Recognizes the importance of the **preschool** child's family, supports and builds on each family's strengths and respects family decision-making and input regarding service options and public policy.

(b) Identifies, evaluates and refers services for preschool children with *[disabilities]* **a disability** at the earliest possible time.

(c) Uses specialized services and all other community services and programs for children, including community preschools, Head Start programs, community health clinics, family support programs and other child-oriented agencies.

(d) Uses a variety of funding sources for preschool children with *[disabilities]* **a disability** and their families, including public and private funding, insurance and family resources.

(e) Assists families in utilizing necessary services in the most cost-effective and efficient manner possible by using a coordinated planning and implementation process.

(f) Insures that all children and their families, regardless of disability, risk factors or cultural or linguistic differences, are able to utilize services for which they would otherwise be qualified.

(g) Encourages services and supports for preschool children with *[disabilities]* **a disability** and their families in their home communities and in settings with children without *[disabilities]* **a disability**.

(h) Recognizes the importance of developing and supporting well-trained and competent personnel to provide services to preschool children with *[disabilities]* **a disability**, and their families.

(i) Evaluates the system's impact on the child and family, including child progress, service quality, family satisfaction, transition into public schooling, longitudinal and cumulative reporting over several biennia and interagency coordination at both the state and local level.

(j) Reports information described in paragraph (i) of this subsection to the State Interagency Coordinating Council, the Governor, **the Department of Early Learning and Care**, the State Board of Education, the public universities listed in ORS 352.002 and the Legislative Assembly each biennium.

(2) In carrying out the provisions of subsection (1) of this section, the Department of Education, **the Department of Early Learning and Care**, the De-

partment of Human Services and the public universities listed in ORS 352.002 shall coordinate *[services to preschool children with disabilities]* **the provision of services to preschool children with a disability with other services that are provided to children with a disability**, or who are at risk of developing disabling conditions, and their families. All program planning, standards for service, policies regarding services delivery and budget development for services for preschool children with *[disabilities, and their families]* **a disability, children with a disability, and the families of those children** shall reflect the policy outlined in subsection (1) of this section and elaborated through rules and agreements.

SECTION 46. ORS 343.475 is amended to read:

343.475. (1)(a) In accordance with rules *[adopted by]* **of the State Board of Education adopted in consultation with the Early Learning Council**, the Superintendent of Public Instruction *[in collaboration]* **shall collaborate** with the Early Learning *[Council shall]* **System Director** to develop and administer a statewide, comprehensive, coordinated, multidisciplinary, interagency program of early childhood special education and early intervention services for *[preschool]* children with *[disabilities]* **a disability**.

(b) The program must ensure that each *[preschool]* child with a disability has access to a comprehensive plan for communication that allows the child, by the age of three years, to engage in expressive and receptive communication across all learning, home and community settings. The plan may allow for communication orally, by sign language, by assistive technology or by augmentative communication.

(2) In accordance with rules *[adopted by]* **of the State Board of Education adopted in consultation with the Early Learning Council**, the Superintendent of Public Instruction in collaboration with the Early Learning *[Council]* **System Director** may:

(a) Establish and designate service areas throughout the state for the delivery of early childhood special education and early intervention services that shall meet state and federal guidelines and be delivered to all eligible children.

(b) Designate in each service area a primary contractor that shall be responsible for the administration and coordination of early childhood special education and early intervention services to all eligible *[preschool]* children and their families residing in the service area.

(3) Early childhood special education and early intervention services shall coordinate services with other services provided through the Oregon Early Learning System. The coordination of services shall be consistent with federal and state law.

(4) *[Preschool]* Children with *[disabilities]* **a disability** shall be considered residents of the service area where the children are currently living, including children living in public or private residential programs, hospitals and similar facilities.

(5) In addition to any other remedy or sanction that may be available, the Superintendent of Public Instruction may withhold funds and terminate the contract of any contractor that fails to comply with any provisions of the contract.

SECTION 47. ORS 343.499, as amended by section 7 of this 2021 Act, is amended to read:

343.499. (1)(a) There is created the State Interagency Coordinating Council.

(b) The Governor shall appoint members of the council from a list of eligible appointees from this state that is provided by the council and agencies described in subsection (2) of this section and shall ensure that the membership of the council reasonably represents the racial, ethnic, linguistic and geographic population of this state.

(c) The Governor shall designate one member of the council to serve as the chairperson, or if the Governor chooses not to name a chairperson, the council may elect one of its members to serve as chairperson.

(d) Notwithstanding paragraph (c) of this subsection, any member of the council who represents the Department of Education may not serve as the chairperson of the council.

(2) The membership of the council shall be composed as follows:

(a) At least 20 percent of the council members shall be parents of children with a disability who are 12 years of age or younger at the time the council member is appointed. When appointing council members under this paragraph, the Governor shall ensure that:

(A) At least 50 percent of the council members are parents of a child with a disability who is five years of age or younger at the time the council member is appointed;

(B) At least 20 percent of the council members:

(i) Are parents of a child with a disability who is three years of age or younger at the time the council member is appointed; and

(ii) Have knowledge of, or experience with, programs or services for infants or toddlers with a disability; and

(C) The council members represent the racial, ethnic and linguistic diversity of children in this state who are five years of age or younger.

(b) At least 20 percent of the council members shall be public or private providers of early intervention and early childhood special education services.

(c) At least one council member shall be from a program responsible for preparing early intervention and early childhood special education educators.

(d) At least one council member shall be from a Head Start or Early Head Start program.

(e) At least one council member shall be from a home-based child care program.

(f) At least one council member shall be from a center-based child care program.

(g) At least one council member shall be from the committee that serves as the state advisory council, as described in ORS 326.425 (3).

(h) At least one council member shall be a member of the State Advisory Council for Special Education created under ORS 343.287.

(i) At least one council member shall be from each state agency involved in the provision of, or payment for, early intervention and early childhood special education services to infants and toddlers with a disability and their families.

(j) At least one council member shall be from each state agency responsible for providing preschool services to children with a disability.

(k) At least one council member shall be from each state agency responsible for children's mental health.

(L) At least two council members shall be from the Department of Human Services with expertise in foster care or self-sufficiency programs.

(m) At least one council member shall be from the *[Office of Child Care]* **Department of Early Learning and Care** with expertise in the Child Care and Development Fund.

(n) At least one council member shall be a representative of the Department of Education with expertise in the coordination of education of homeless children and youth.

(o) At least one council member shall be from the Department of Consumer and Business Services with expertise in state regulation of private health insurance.

(p) At least one council member shall be from the Oregon Health Authority with expertise in Medicaid and the Children's Health Insurance Program.

(q) At least one council member shall be a representative from a tribal agency responsible for supporting young children with developmental delays and disabilities, from a tribal council or otherwise representing one or more tribes.

(3) An individual appointed to represent a state agency under subsection (2) of this section must have sufficient authority to engage in making and implementing policy on behalf of the agency. The Governor may appoint a council member to represent more than one program or specialty listed in subsection (2) of this section.

(4) In addition to the council members appointed under subsection (2) of this section:

(a) The Governor may appoint any other council members not listed in subsection (2) of this section.

(b) The President of the Senate shall appoint one member from among members of the Senate to serve as a nonvoting council member.

(c) The Speaker of the House of Representatives shall appoint one member from among members of the House of Representatives to serve as a nonvoting council member.

(5) The State Interagency Coordinating Council shall:

(a) Advise the Superintendent of Public Instruction, the State Board of Education, the Early

Learning System Director and the Early Learning Council on unmet needs in the early childhood special education and early intervention programs for children with a disability, review and comment publicly on any rules proposed by the State Board of Education and the distribution of funds for the programs and assist the state in developing and reporting data on and evaluations of the programs and services.

(b) Advise and assist the represented public agencies regarding the services and programs they provide to children with a disability and their families, including public comments on any proposed rules affecting the target population and the distribution of funds for such services, and assist each agency in developing services that reflect the overall goals for the target population as adopted by the council.

(c) Advise the Department of Education, the **Department of Early Learning [Division] and Care** and other state agencies on the development and implementation of the policies that constitute the statewide system.

(d) Advise all appropriate public agencies on achieving the full participation, coordination and cooperation for implementation of a statewide system that includes but is not limited to:

(A) Seeking information from service providers, service coordinators, parents and others about any federal, state or local policies that impede timely service delivery; and

(B) Taking steps to ensure that any policy problems identified under subparagraph (A) of this paragraph are resolved.

(e) Advise the Superintendent of Public Instruction and the Early Learning System Director on identifying the sources of fiscal and other support for early intervention and early childhood special education services, assigning financial responsibility to the appropriate agencies and ensuring that the provisions of interagency agreements under ORS 343.511 are carried out.

(f) Review and comment on each agency's services and policies regarding services for infants, toddlers and preschool children with a disability, or infants, toddlers and preschool children who are at risk of developing disabling conditions, and their families to the maximum extent possible to assure cost-effective and efficient use of resources.

(g) Advise the Department of Education and the **Department of Early Learning [Division] and Care** on the preparation of applications and amendments thereto.

(h) Advise the Superintendent of Public Instruction and the Early Learning System Director regarding transitions of children with a disability, including transitions to kindergarten.

(i) Prepare and submit an annual report to the Governor, the Deputy Superintendent of Public Instruction, the Early Learning System Director, the Early Learning Council, the State Board of Education, the Legislative Assembly and the United States

Secretary of Education on the status of early intervention and early childhood special education services provided within this state.

(6) The council may advise appropriate agencies about integration of services for preschool children with a disability and at-risk preschool children.

(7) Terms of office for council members shall be three years, except that:

(a) The representative from the State Advisory Council for Special Education shall serve a one-year term; and

(b) The representatives from other state agencies and the *[representative]* **representatives** from the Legislative Assembly shall serve indefinite terms.

(8) Subject to approval by the Governor, the council may use federal funds appropriated for this purpose and available to the council to:

(a) Conduct hearings and forums;

(b) Reimburse nonagency council members under ORS 292.495 for attending council meetings, for performing council duties, and for necessary expenses, including child care for parent members;

(c) Pay compensation to a council member if the member is not employed or if the member must forfeit wages from other employment when performing official council business;

(d) Hire staff; and

(e) Obtain the services of such professional, technical and clerical personnel as may be necessary to carry out its functions.

(9) Except as provided in subsection (8) of this section, council members shall serve without compensation.

(10) The Department of Education shall provide clerical and administrative support, including staff, to the council to carry out the performance of the council's function as described in this section.

(11) The council shall meet at least quarterly. The meetings shall be announced publicly and, to the extent appropriate, be open and accessible to the general public.

(12) No member of the council shall cast a vote on any matter that would provide direct financial benefit to that member or otherwise give the appearance of a conflict of interest under state law.

SECTION 48. ORS 417.781 is amended to read:

417.781. (1) The Early Childhood Equity Fund is established in the State Treasury, separate and distinct from the General Fund. Moneys in the Early Childhood Equity Fund are continuously appropriated to the Department of *[Education for the]* **Early Learning [Division] and Care** to make grants under ORS 417.782 to culturally specific early learning, early childhood and parent support programs and to promote the capacity of culturally specific organizations to deliver these programs.

(2) The fund shall consist of:

(a) Moneys appropriated or otherwise transferred to the fund from the Legislative Assembly;

(b) Earnings received on moneys in the fund; and

(c) Other amounts deposited into the fund from any source.

SECTION 49. ORS 417.782 is amended to read:

417.782. (1) The **Department of Early Learning [Division] and Care** may make grants from the Early Childhood Equity Fund established under ORS 417.781 to culturally specific early learning, early childhood and parent support programs in this state that build capacity in communities, ensure children start kindergarten ready to succeed and support families to be stable, healthy and attached. For purposes of this subsection, a program is in this state if the program serves communities within the geographic boundaries of this state, including communities within Indian country of a federally recognized Oregon Indian tribe that is within the geographic boundaries of this state.

(2) To receive a grant under this section, a program must:

(a) Provide outreach, support and resources to children and families who are at risk because of any combination of two or more factors, including their race, ethnicity, English language proficiency, socioeconomic status and geographic location; and

(b) Demonstrate a proven ability to provide outreach, support and resources to children and families described in paragraph (a) of this subsection.

(3) The *[division]* **department** shall monitor capacity needs and provide technical assistance to grantees.

(4) The *[division]* **department** shall conduct a biennial evaluation of programs that receive grants under this section. The evaluation shall include measurement of outcomes that align with:

(a) Current research regarding positive child and family indicators, including family stability and early childhood school readiness; and

(b) Culturally specific approaches.

(5) The Early Learning Council, in consultation with the *[division]* **department**, shall adopt rules necessary to carry out the provisions of this section. The rules shall include requirements for grant eligibility under this section.

(6) On or before September 15 of each odd-numbered year, the *[division]* **department** shall submit to the interim committees of the Legislative Assembly related to early childhood and child welfare a report on the status and impact of grants made to programs under this section. The report shall include changes in the capacity of culturally specific organizations and the results of any biennial evaluations conducted in accordance with subsection (4) of this section.

SECTION 50. ORS 417.784 is amended to read:

417.784. (1) As used in this section:

(a) "Local entity" includes:

(A) An Early Learning Hub designated under ORS 417.827;

(B) A resource and referral entity;

(C) An education service district;

(D) A federal Head Start program;

(E) A community-based organization; or

(F) Any entity identified by the **Department of Early Learning [Division] and Care**.

(b) "Provider" means a provider of infant and toddler care.

(c) "Resource and referral entity" means a resource and referral entity established under ORS 329A.100 to 329A.135.

(2) The **Department of Early Learning [Division] and Care** shall administer an infant and toddler care program to improve access to high quality infant and toddler care for families whose incomes, at the time of enrollment, are at or below 200 percent of the federal poverty guidelines.

(3)(a) Each biennium, each Early Learning Hub, in consultation with resource and referral entities, shall complete a community plan. The plan must include the following for the region served by the Early Learning Hub:

(A) Identification of priority populations of children and families to enroll in the program;

(B) Assessment of the availability of high-quality infant and toddler care;

(C) Identification of existing providers and opportunities to increase the number and enrollment capacity of providers;

(D) Prioritization of local entities to serve as providers based on community need and enrollment capacity;

(E) Identification of local entities to serve as fiscal agents for multiple providers;

(F) Identification of methods for increasing the enrollment capacity of providers and for providing professional development to providers; and

(G) Identification of other services related to infant and toddler care.

(b) After completing a community plan described in paragraph (a) of this subsection, an Early Learning Hub shall submit the plan to the *[Early Learning Division]* **department** for approval based on rules adopted by the Early Learning Council.

(4)(a) The *[Early Learning Division]* **department** shall contract with resource and referral entities to recruit eligible providers to participate in the infant and toddler care program established under this section.

(b) To be eligible to participate in the program, a provider must demonstrate a commitment and ability to:

(A) Address the needs identified in the community plan approved by the *[Early Learning Division]* **department** under subsection (3) of this section;

(B) Provide care to infants and toddlers;

(C) Serve families whose incomes, at the time of enrollment, are at or below 200 percent of the federal poverty guidelines; and

(D) Serve families who otherwise meet criteria established by the Early Learning Council by rule.

(5)(a) The *[Early Learning Division]* **department** shall identify a local entity within each Early Learning Hub region that shall be responsible for awarding grants and contracts to providers who meet the eligibility criteria established under subsection (4) of this section.

(b) Before a provider may be awarded a grant or contract under this section, the provider must agree

to participate in any quality improvement and professional development activities necessary to meet the standards established by the *[Early Learning Division]* **department**.

(6) Resource and referral entities shall:

(a) In consultation with each provider awarded a grant or contract under this section, develop a quality improvement and professional development plan for the provider; and

(b) Provide coaching and other professional development services necessary to execute the plan developed under this subsection.

SECTION 51. ORS 417.788, as amended by section 5 of this 2021 Act, is amended to read:

417.788. (1) The **Department of Early Learning [Division] and Care** shall support Relief Nursery programs statewide as funding becomes available. Funding to support Relief Nursery programs may include, but is not limited to:

(a) Administrative costs;

(b) Costs for direct service personnel, equipment, supplies and operating expenses;

(c) Start-up costs;

(d) Classroom furniture and materials;

(e) Playground equipment;

(f) Computers; and

(g) Transportation vehicles.

(2) The *[division]* **department** may encourage communities to establish Relief Nursery programs for young children who are at risk and their families. Communities may choose to establish regional Relief Nursery programs. The Relief Nursery programs shall be consistent with the statewide early learning system coordinated by the Early Learning Council.

(3) Relief Nursery programs shall participate in a statewide independent evaluation conducted by the Oregon Association of Relief Nurseries to document improved child safety, reduction in foster care placements, progress in healthy child development and improvement in family functioning and support.

(4) Each Relief Nursery program that receives state funding shall have financial support from the community that, excluding any amounts distributed to the Relief Nursery program pursuant to ORS 131A.360 (4)(d) and 131A.365 (3)(d), is at least equal to 25 percent of any state allocation.

(5) The *[division]* **department** shall adopt rules necessary for the administration of this section, including rules requiring that any public funds received by Relief Nursery programs be used to achieve the outcomes identified in subsection (3) of this section.

SECTION 52. ORS 417.790 is amended to read:

417.790. The **Department of Early Learning [Division] and Care** shall:

(1) Make grants to fund research-based services and initiatives to improve outcomes for children, youth or families.

(2) Make Great Start grants to fund community-based programs for children zero through six years

of age. A recipient shall use Great Start grant funds to provide research-based early childhood programs in community settings and to provide services that have proven to be successful and that meet the needs of the community. These services shall be provided in accordance with ORS 417.728.

(3) Make grants under ORS 417.782 to fund culturally specific early learning, early childhood and parent support programs that build capacity in communities to provide culturally appropriate services to ensure children start kindergarten ready to succeed and to support family stability.

SECTION 53. ORS 417.793, as amended by section 6 of this 2021 Act, is amended to read:

417.793. The **Department of Early Learning [Division] and Care** shall support parents-as-teachers programs statewide as funding becomes available. If a program is offered, the program shall be part of a comprehensive, research-based approach to parent education and support. The program shall be consistent with the statewide early learning system plan coordinated by the Early Learning Council.

SECTION 54. ORS 417.795, as amended by section 4 of this 2021 Act, is amended to read:

417.795. (1) The **Department of Early Learning [Division] and Care** shall establish Healthy Families Oregon programs in all counties of this state as funding becomes available.

(2) These programs shall be nonstigmatizing, voluntary and designed to achieve the appropriate early childhood benchmarks and shall:

(a) Ensure that express written consent is obtained from the family prior to any release of information that is protected by federal or state law and before the family receives any services;

(b) Ensure that services are voluntary and that, if a family chooses not to accept services or ends services, there are no adverse consequences for those decisions;

(c) Offer a voluntary comprehensive risk assessment of all children, from zero through three years of age, and their families in coordination with statewide early learning system screening and referral efforts;

(d) Ensure that the disclosure of information gathered in conjunction with the voluntary comprehensive risk assessment of children and their families is limited pursuant to ORS 417.728 (7) to the following purposes:

(A) Providing services under the programs to children and families who give their express written consent;

(B) Providing statistical data that are not personally identifiable;

(C) Accomplishing other purposes for which the family has given express written consent; and

(D) Meeting the requirements of mandatory state and federal disclosure laws;

(e) Ensure that risk factors used in the risk screen are limited to those risk factors that have

been shown by research to be associated with poor outcomes for children and families;

(f) Identify, as early as possible, families that would benefit most from the programs;

(g) Provide parenting education and support services, including but not limited to community-based home visiting services;

(h) Provide other supports, including but not limited to referral to and linking of community and public services for children and families such as mental health services, alcohol and drug treatment programs that meet the standards promulgated by the Oregon Health Authority under ORS 430.357, child care, food, housing and transportation;

(i) Coordinate services for children consistent with other services provided through the Oregon Early Learning System;

(j) Integrate data with any common data system for early childhood programs;

(k) Be included in a statewide independent evaluation to document:

(A) Level of screening and assessment;

(B) Incidence of child abuse and neglect;

(C) Change in parenting skills; and

(D) Rate of child development;

(L) Be included in a statewide training program in the dynamics of the skills needed to provide early childhood services, such as assessment and home visiting; and

(m) Meet statewide quality assurance and quality improvement standards.

(3) The Healthy Families Oregon programs, in coordination with statewide home visiting partners, shall:

(a) Identify existing services and describe and prioritize additional services necessary for a voluntary home visit system;

(b) Build on existing programs;

(c) Maximize the use of volunteers and other community resources that support all families;

(d) Target, at a minimum, all prenatal families and families with children less than three months of age and provide services through at least the child's third birthday; and

(e) Ensure that home visiting services provided by local home visiting partners for children and pregnant women support and are coordinated with local Healthy Families Oregon programs.

(4) Through a Healthy Families Oregon program, a trained home visitor shall be assigned to each family assessed as at risk that consents to receive services through the trained home visitor. The trained home visitor shall conduct home visits and assist the family in gaining access to needed services.

(5) The services required by this section shall be provided by hospitals, public or private entities or organizations, or any combination thereof, capable of providing all or part of the family risk assessment and the follow-up services. In granting a contract, collaborative contracting or requests for proposals may be used and must include the most effective and consistent service delivery system.

(6) The family risk assessment and follow-up services for families at risk shall be provided by trained home visitors organized in teams supervised by a manager.

(7) Each Healthy Families Oregon program shall adopt disciplinary procedures for trained home visitors and other employees of the program. The procedures shall provide appropriate disciplinary actions for trained home visitors and other employees who violate federal or state law or the policies of the program.

SECTION 55. ORS 417.796 is amended to read:

417.796. (1) The **Department of Early Learning [Council] and Care** shall:

(a) Conduct a periodic statewide needs assessment concerning the quality and availability of early childhood education and development programs and services for children from birth to school age, including an assessment of the availability of high-quality prekindergarten services for low-income children in this state.

(b) Identify opportunities for, and barriers to, collaboration and coordination among federally funded and state-funded child care and early childhood education and development programs and services, including collaboration and coordination among state agencies responsible for administering those programs and services.

(c) Develop recommendations for increasing the overall participation of children in existing federal, state and local early childhood education and development programs and services, including outreach to underrepresented and special populations.

(d) Develop recommendations for establishing a unified data collection system for public early childhood education and development programs and services throughout this state.

(e) Develop recommendations regarding statewide professional development and career advancement plans for providers of early childhood education and development programs and services in this state.

(f) Assess the capacity and effectiveness of two-year and four-year public and private institutions of higher education in this state in supporting the development of early childhood educators, including the extent to which the institutions have articulation agreements, professional development and career advancement plans, and internships or other training opportunities that allow students to spend time with children enrolled in the federal Head Start program or another prekindergarten program. The assessment conducted under this paragraph must be conducted in coordination with appropriate higher education governance bodies.

(g) Make recommendations for improvements in state early learning standards and undertake efforts to develop high-quality comprehensive early learning standards when appropriate.

(2) The [council] **department** shall hold public hearings and provide an opportunity for public com-

ment in relation to the actions described in subsection (1) of this section.

(3)(a) The [council] **department** shall submit an annual statewide strategic report addressing the activities described in subsection (1) of this section to the State Director of Head Start Collaboration, the Legislative Assembly and the Governor.

(b) Following submission of a statewide strategic report described in paragraph (a) of this subsection, the [council] **department** may meet periodically to review the implementation of the recommendations in the report and to review any changes in state or local needs.

SECTION 56. ORS 417.827 is amended to read:

417.827. (1) As used in this section and ORS 417.829:

(a) "Early Learning Hub" means any entity designated by regional partners to coordinate early learning services, as determined by rules adopted by the Early Learning Council.

(b) "Regional partners" includes counties, cities, school districts, education service districts, community colleges, public universities, private educational institutions, faith-based organizations, nonprofit service providers and tribes.

(2) The council shall implement and coordinate a system that coordinates the delivery of early learning services to the communities of this state through the direction of Early Learning Hubs. The system may not include more than 16 Early Learning Hubs.

(3) The system implemented and coordinated by the council must ensure that:

(a) Providers of early learning services are accountable for outcomes;

(b) Services are provided in a cost-efficient manner; and

(c) The services provided, and the means by which those services are provided, are focused on the outcomes of the services.

(4) The council shall develop and implement a process for requesting proposals from entities to become Early Learning Hubs. Proposals submitted under this subsection must comply with criteria and requirements adopted by the council by rule, including:

(a) The entity will be able to coordinate the provision of early learning services to the community that will be served by the entity. An entity may meet the requirement of this paragraph by submitting evidence that local stakeholders, including but not limited to service providers, parents, community members, county governments, local governments and school districts, have participated in the development of the proposal and will maintain a meaningful role in the Early Learning Hub.

(b) The services coordinated by the entity will be in alignment with the services provided by the public schools of the community that will be served by the entity.

(c) The entity will be in alignment with, and make advantageous use of, the system of public

health care and services available through local health departments and other publicly supported programs delivered through, or in partnership with, counties and coordinated care organizations.

(d) The entity will be able to integrate efforts among education providers, providers of health care, providers of human services and providers of other programs and services in the community.

(e) The entity will use coordinated and transparent budgeting.

(f) The entity will operate in a fiscally sound manner.

(g) The entity must have a governing body or community advisory body that:

(A) Has the authority to initiate audits, recommend the terms of a contract and provide reports to the public and to the council on the outcomes of the provision of early learning services to the community served by the entity.

(B) Has members selected through a transparent process and includes both public and private entities, locally based parents and service recipients, human social service providers, child care providers, health care providers and representatives of local governments from the service area.

(h) The entity will collaborate on documentation related to coordinated services with public and private entities that are identified by the council as providers of services that advance the early learning of children.

(i) The entity will serve a community that is based on the population and service needs of the community and will demonstrate the ability to improve results for at-risk children, including the ability to identify, evaluate and implement coordinated strategies to ensure that a child is ready to succeed in school.

(j) The entity will be able to raise and leverage significant funds from public and private sources and to secure in-kind support to support early learning services coordinated by the entity and operate in a fiscally sound manner.

(k) The entity meets any other qualifications established by the council.

(5) The council may adopt by rule requirements that are in addition to the requirements described in subsections (3) and (4) of this section that an entity must meet to qualify as an Early Learning Hub. When developing the additional requirements, the council must use a statewide public process of community engagement that is consistent with the requirements of the federal Head Start Act.

(6) When determining whether to designate an entity as an Early Learning Hub, the council shall balance the following factors:

(a) The entity's ability to engage the community and be involved in the community.

(b) The entity's ability to produce outcomes that benefit children.

(c) The entity's resourcefulness.

(d) The entity's use, or proposed use, of evidence-based practices.

(7) The council shall develop metrics for the purpose of providing funding to Early Learning Hubs designated under this section. The metrics must:

(a) Focus on community readiness, high capacity development and progress toward tracking child outcomes;

(b) Establish a baseline of information for the area to be served by the Early Learning Hub, including information about the inclusion of community partners in the governance structure of the Early Learning Hub, the availability of data on local programs and outcomes and the success in leveraging private, nonprofit and other governmental resources for early learning; and

(c) Include child performance metrics.

(8) The council may require that, as a condition of receiving funding as a designated Early Learning Hub under this section, the Early Learning Hub provide matching funding. The percentage of matching funding shall be determined by the council and may vary for each fiscal year. Any moneys received by an Early Learning Hub are subject to the restrictions of this section.

(9) For any community in this state that is not served by an Early Learning Hub, the council shall coordinate and administer the delivery of early learning services for that community and, to the extent practicable, shall regionalize service administration.

(10) The council may alter the lines of the territory served by an Early Learning Hub only to ensure that all children of this state are served by an Early Learning Hub **and receive adequate early learning services for a community.**

(11) An entity designated as part of an Early Learning Hub may not use more than 15 percent of the moneys received by the entity from the [council] **Department of Early Learning and Care** to pay administrative costs of the entity.

(12) The Department of Human Services or the Oregon Health Authority may not transfer any authority for determining eligibility for a state or federal program to an Early Learning Hub.

SECTION 57. ORS 417.829 is amended to read:

417.829. (1) Each biennium, the **Department of Early Learning [Council] and Care** shall conduct an evaluation of Early Learning Hubs that assesses the efficacy of the Early Learning Hubs with respect to:

(a) Creating an aligned, coordinated and family-centered system of early learning services;

(b) Increasing coordination and collaboration among entities involved in, and providers of services related to, early learning services, education and health and human services;

(c) Increasing focus on outcomes; and

(d) Improving outcomes, including but not limited to outcomes associated with school readiness, for populations defined by statute or rule as being at-risk.

(2) An evaluation performed under subsection (1) of this section must also assess, with respect to Early Learning Hubs:

(a) Governance structure;

(b) Funding mechanisms and metrics for providing funding; and

(c) Compilation and use of data.

(3) The [council] **department** may contract with a third party to perform an evaluation required by this section.

(4) No later than March 15 of each odd-numbered year, the [council] **department** shall submit a report to the interim legislative committees on education and early learning regarding the findings and recommendations made as a result of an evaluation performed under this section. The report shall include any recommendations for legislative changes based upon the findings and recommendations made as a result of the evaluation.

SECTION 58. ORS 419B.005 is amended to read: 419B.005. As used in ORS 419B.005 to 419B.050, unless the context requires otherwise:

(1)(a) "Abuse" means:

(A) Any assault, as defined in ORS chapter 163, of a child and any physical injury to a child which has been caused by other than accidental means, including any injury which appears to be at variance with the explanation given of the injury.

(B) Any mental injury to a child, which shall include only observable and substantial impairment of the child's mental or psychological ability to function caused by cruelty to the child, with due regard to the culture of the child.

(C) Rape of a child, which includes but is not limited to rape, sodomy, unlawful sexual penetration and incest, as those acts are described in ORS chapter 163.

(D) Sexual abuse, as described in ORS chapter 163.

(E) Sexual exploitation, including but not limited to:

(i) Contributing to the sexual delinquency of a minor, as defined in ORS chapter 163, and any other conduct which allows, employs, authorizes, permits, induces or encourages a child to engage in the performing for people to observe or the photographing, filming, tape recording or other exhibition which, in whole or in part, depicts sexual conduct or contact, as defined in ORS 167.002 or described in ORS 163.665 and 163.670, sexual abuse involving a child or rape of a child, but not including any conduct which is part of any investigation conducted pursuant to ORS 419B.020 or which is designed to serve educational or other legitimate purposes; and

(ii) Allowing, permitting, encouraging or hiring a child to engage in prostitution as described in ORS 167.007 or a commercial sex act as defined in ORS 163.266, to purchase sex with a minor as described in ORS 163.413 or to engage in commercial sexual solicitation as described in ORS 167.008.

(F) Negligent treatment or maltreatment of a child, including but not limited to the failure to provide adequate food, clothing, shelter or medical care that is likely to endanger the health or welfare of the child.

(G) Threatened harm to a child, which means subjecting a child to a substantial risk of harm to the child's health or welfare.

(H) Buying or selling a person under 18 years of age as described in ORS 163.537.

(I) Permitting a person under 18 years of age to enter or remain in or upon premises where methamphetamines are being manufactured.

(J) Unlawful exposure to a controlled substance, as defined in ORS 475.005, or to the unlawful manufacturing of a cannabinoid extract, as defined in ORS 475B.015, that subjects a child to a substantial risk of harm to the child's health or safety.

(b) "Abuse" does not include reasonable discipline unless the discipline results in one of the conditions described in paragraph (a) of this subsection.

(2) "Child" means an unmarried person who:

(a) Is under 18 years of age; or

(b) Is under 21 years of age and residing in or receiving care or services at a child-caring agency as that term is defined in ORS 418.205.

(3) "Higher education institution" means:

(a) A community college as defined in ORS 341.005;

(b) A public university listed in ORS 352.002;

(c) The Oregon Health and Science University; and

(d) A private institution of higher education located in Oregon.

(4)(a) "Investigation" means a detailed inquiry into or assessment of the safety of a child alleged to have experienced abuse.

(b) "Investigation" does not include screening activities conducted upon the receipt of a report.

(5) "Law enforcement agency" means:

(a) A city or municipal police department.

(b) A county sheriff's office.

(c) The Oregon State Police.

(d) A police department established by a university under ORS 352.121 or 353.125.

(e) A county juvenile department.

(6) "Public or private official" means:

(a) Physician or physician assistant licensed under ORS chapter 677 or naturopathic physician, including any intern or resident.

(b) Dentist.

(c) School employee, including an employee of a higher education institution.

(d) Licensed practical nurse, registered nurse, nurse practitioner, nurse's aide, home health aide or employee of an in-home health service.

(e) Employee of the Department of Human Services, Oregon Health Authority, **Department of Early Learning [Division] and Care**, Department of Education, Youth Development Division, Office of Child Care, the Oregon Youth Authority, a local health department, a community mental health program, a community developmental disabilities program, a county juvenile department, a child-caring agency as that term is defined in ORS 418.205 or an alcohol and drug treatment program.

(f) Peace officer.

(g) Psychologist.

(h) Member of the clergy.

(i) Regulated social worker.

(j) Optometrist.

(k) Chiropractor.

(L) Certified provider of foster care, or an employee thereof.

(m) Attorney.

(n) Licensed professional counselor.

(o) Licensed marriage and family therapist.

(p) Firefighter or emergency medical services provider.

(q) A court appointed special advocate, as defined in ORS 419A.004.

(r) A child care provider registered or certified under ORS 329A.030 and 329A.250 to 329A.450.

(s) Member of the Legislative Assembly.

(t) Physical, speech or occupational therapist.

(u) Audiologist.

(v) Speech-language pathologist.

(w) Employee of the Teacher Standards and Practices Commission directly involved in investigations or discipline by the commission.

(x) Pharmacist.

(y) An operator of a preschool recorded program under ORS 329A.255.

(z) An operator of a school-age recorded program under ORS 329A.257.

(aa) Employee of a private agency or organization facilitating the provision of respite services, as defined in ORS 418.205, for parents pursuant to a properly executed power of attorney under ORS 109.056.

(bb) Employee of a public or private organization providing child-related services or activities:

(A) Including but not limited to youth groups or centers, scout groups or camps, summer or day camps, survival camps or groups, centers or camps that are operated under the guidance, supervision or auspices of religious, public or private educational systems or community service organizations; and

(B) Excluding community-based, nonprofit organizations whose primary purpose is to provide confidential, direct services to victims of domestic violence, sexual assault, stalking or human trafficking.

(cc) A coach, assistant coach or trainer of an amateur, semiprofessional or professional athlete, if compensated and if the athlete is a child.

(dd) Personal support worker, as defined in ORS 410.600.

(ee) Home care worker, as defined in ORS 410.600.

(ff) Animal control officer, as defined in ORS 609.500.

(gg) Member of a school district board or public charter school governing body.

(hh) An individual who is paid by a public body, in accordance with ORS 430.215, to provide a service identified in an individualized written service plan of a child with a developmental disability.

SECTION 59. ORS 433.301 is amended to read:

433.301. (1) As used in this section, “community” means a geographic region, county, tribe or other group of individuals living in proximity as defined by the Oregon Health Authority by rule.

(2) The authority shall design, implement and maintain a voluntary statewide program to provide universal newborn nurse home visiting services to all families with newborns residing in this state to support healthy child development and strengthen families. The authority shall design the universal newborn nurse home visiting program to be flexible so as to meet the needs of the communities where the program operates.

(3) In designing the program described in subsection (2) of this section, the authority shall consult, coordinate and collaborate, as necessary, with insurers that offer health benefit plans in this state, hospitals, local public health authorities, the **Department of Early Learning [Division] and Care**, existing early childhood home visiting programs, community-based organizations and social service providers.

(4) The program must provide nurse home visiting services that are:

(a) Based on criteria established by the United States Department of Health and Human Services for an evidence-based early childhood home visiting service delivery model;

(b) Provided by registered nurses licensed in this state to families caring for newborns up to the age of six months, including foster and adoptive newborns;

(c) Provided in the family’s home; and

(d) Aimed at improving outcomes in one or more of the following domains:

- (A) Child health;
- (B) Child development and school readiness;
- (C) Family economic self-sufficiency;
- (D) Maternal health;
- (E) Positive parenting;
- (F) Reducing child mistreatment;
- (G) Reducing juvenile delinquency;
- (H) Reducing family violence; or
- (I) Reducing crime.

(5) The services provided in the program must:

(a) Be voluntary and carry no negative consequences for a family that declines to participate;

(b) Be offered in every community in this state;

(c) Include an evidence-based assessment of the physical, social and emotional factors affecting the family;

(d) Be offered to all families with newborns residing in the community where the program operates;

(e) Include at least one visit during a newborn’s first three months of life with the opportunity for the family to choose up to three additional visits;

(f) Include a follow-up visit no later than three months after the last visit; and

(g) Provide information and referrals to address each family’s identified needs.

(6) The authority shall collect and analyze data generated by the program to assess the effectiveness of the program in meeting the aims described in subsection (4)(d) of this section and shall work with other state agencies to develop protocols for sharing data, including the timely sharing of data with primary care providers of care to the families with newborns receiving the services.

(7) In collaboration with the Department of Consumer and Business Services, the authority shall adopt by rule, consistent with the provisions of this section, criteria for universal newborn nurse home visiting services that must be covered by health benefit plans in accordance with ORS 743A.078.

SECTION 60. ORS 609.652 is amended to read: 609.652. As used in ORS 609.654:

(1)(a) “Aggravated animal abuse” means any animal abuse as described in ORS 167.322.

(b) “Aggravated animal abuse” does not include:

(A) Good animal husbandry, as defined in ORS 167.310; or

(B) Any exemption listed in ORS 167.335.

(2) “Law enforcement agency” means:

(a) Any city or municipal police department.

(b) A police department established by a university under ORS 352.121 or 353.125.

(c) Any county sheriff’s office.

(d) The Oregon State Police.

(e) A law enforcement division of a county or municipal animal control agency that employs sworn officers.

(f) A humane investigation agency as defined in ORS 181A.340 that employs humane special agents commissioned under ORS 181A.340.

(3) “Public or private official” means:

(a) A physician, including any intern or resident.

(b) A dentist.

(c) A school employee.

(d) A licensed practical nurse or registered nurse.

(e) An employee of the Department of Human Services, Oregon Health Authority, **Department of Early Learning [Division] and Care**, Youth Development Division, Office of Child Care, the Oregon Youth Authority, a local health department, a community mental health program, a community developmental disabilities program, a county juvenile department, a child-caring agency as defined in ORS 418.205 or an alcohol and drug treatment program.

(f) A peace officer.

(g) A psychologist.

(h) A member of the clergy.

(i) A regulated social worker.

(j) An optometrist.

(k) A chiropractor.

(L) A certified provider of foster care, or an employee thereof.

(m) An attorney.

(n) A naturopathic physician.

(o) A licensed professional counselor.

(p) A licensed marriage and family therapist.

(q) A firefighter or emergency medical services provider.

(r) A court appointed special advocate, as defined in ORS 419A.004.

(s) A child care provider registered or certified under ORS 329A.030 and 329A.250 to 329A.450.

(t) A member of the Legislative Assembly.

SECTION 61. ORS 805.205 is amended to read:

805.205. (1) Except as provided in subsection (7) of this section, the Department of Transportation shall provide for issuance of registration plates described in this section for nonprofit groups meeting the qualifications for tax exempt status under section 501(c)(3) of the Internal Revenue Code and for institutions of higher education. Plates issued under this section may be issued to owners of motor vehicles registered under the provisions of ORS 803.420 (6)(a). Plates issued under this section may not contain expressions of political opinion or religious belief. Rules adopted under this section shall include, but need not be limited to, rules that:

(a) Specify circumstances under which the department may cease to issue plates for any particular group.

(b) Require each group for which plates are issued to file an annual statement on a form designed by the department showing that the group is a nonprofit group or is an institution of higher education and that the group or institution otherwise meets the qualifications imposed for eligibility for plates issued under this section. The statement shall include names and addresses of current directors or officers of the group or institution or of other persons authorized to speak for the group or institution on matters affecting plates issued under this section.

(2)(a) Except as otherwise provided in paragraphs (b) and (c) of this subsection, in addition to any other fee authorized by law, upon issuance of a plate under this section and upon renewal of registration for a vehicle that has plates issued under this section, the department shall collect a surcharge for each year of the registration period. The surcharge shall be determined by the department by rule and may not be less than \$2.50 per plate or more than \$16 per plate. In setting the amount of the surcharge, the department shall consult with the nonprofit group for which the plates are issued.

(b) In addition to any other fee authorized by law, upon issuance of a plate under this section that recognizes an institution of higher education in this state, and upon renewal of registration for a vehicle that has such plates, the department shall collect a surcharge of \$8 per plate for each year of the registration period.

(c) In addition to any other fee authorized by law, upon issuance of a Share the Road registration plate the department shall collect a surcharge of \$5 per year of registration.

(3) Plates issued under this section shall be from the current regular issue of plates except that:

(a) If the group requesting the plates is an institution of higher education, the plates shall, upon

request, contain words that indicate the plates are issued to recognize the institution or shall contain the institution's logo or an image of the institution's mascot; or

(b) If the group requesting the plates is a group that recognizes fallen public safety officers, the plates shall, upon request, contain a decal that indicates the plates are issued to recognize fallen public safety officers.

(4) Except as otherwise required by the design chosen, the plates shall comply with the requirements of ORS 803.535. The department shall determine how many sets of plates shall be manufactured for each group approved under this section. If the department does not sell or issue renewal for 500 sets of plates for a particular group in any one year, the department shall cease production of those plates.

(5) Except as otherwise provided in subsection (6) of this section, each group that is found by the department to be eligible for plates issued under this section may designate an account into which the net proceeds of the surcharge collected by the department under subsection (2) of this section are to be deposited. The department shall keep accurate records of the number of plates issued for each group that qualifies. After payment of administrative expenses of the department, moneys collected under this section for each group shall be deposited by the department into an account specified by that group. If any group does not specify an account for the moneys collected from the sale of plates issued under this section, the department shall deposit moneys collected for those plates into the Passenger Rail Transportation Account established under ORS 802.100 to be used as other moneys in the account are used. Deposits under this subsection shall be made at least quarterly.

(6)(a) Each institution of higher education that requests a plate under this section shall designate an account in the general fund of the institution, and the proceeds in the account shall be used for the purpose of academic enrichment at the institution.

(b) Net proceeds of the surcharge collected by the department for Share the Road registration plates shall be deposited into two accounts designated by The Street Trust Community Fund and Cycle Oregon. The department shall evenly distribute the net proceeds to each account. Deposits under this paragraph shall be made at least quarterly. At any time that the department determines that the accounts designated by The Street Trust Community Fund and Cycle Oregon cease to exist, the department may deposit the proceeds into the Passenger Rail Transportation Account established under ORS 802.100.

(c) Net proceeds of the surcharge collected by the department for Keep Kids Safe registration plates shall be deposited into an account designated by the Children's Trust Fund of Oregon Foundation to fund strategies and approaches shown to prevent or reduce child abuse. Deposits made under this paragraph shall be made at least quarterly. At any

time that the department determines that the account designated by the Children's Trust Fund of Oregon Foundation ceases to exist, the department shall deposit the proceeds into the Keep Kids Safe Registration Plate Account established in ORS 805.207. At the beginning of each biennium, the **Department of Early Learning [Council] and Care** shall evenly distribute the moneys in the Keep Kids Safe Registration Plate Account to the counties in this state, until each county receives \$1,000. After each county has received \$1,000, the [council] **Department of Early Learning and Care** shall distribute any remaining moneys to each county in an amount equal to the percentage of Keep Kids Safe registration plates sold in that county. Each county shall use the moneys received under this paragraph solely for the purpose of funding strategies and approaches shown to prevent or reduce child abuse.

(7) The Department of **Transportation** may not accept applications to create new group registration plates on or after August 12, 2015.

SECTION 62. ORS 805.207 is amended to read: 805.207. The Keep Kids Safe Registration Plate Account is established within the **Department of Early Learning [Division] and Care** Fund. All moneys received by the **Department of Early Learning [Council] and Care** from the sale of Keep Kids Safe registration plates shall be deposited into the account and are continuously appropriated to the [council] **department** to be distributed to counties as provided in ORS 805.205.

SECTION 63. ORS 329.145, 329.150, 329.190, 329A.490 and 329A.493 are repealed.

TRANSITION OF EARLY LEARNING DIVISION TO THE DEPARTMENT OF EARLY LEARNING AND CARE

SECTION 64. (1) Sections 12 and 13 of this 2021 Act, the amendments to ORS 131A.360, 131A.365, 183.459, 279A.050, 326.425, 326.430, 326.435, 327.269, 327.274, 329.155, 329.156, 329.165, 329.170, 329.172, 329.175, 329.181, 329.183, 329.185, 329.195, 329.200, 329.219, 329.841, 329.843, 329.845, 329A.010, 329A.120, 329A.135, 329A.250, 329A.261, 329A.712, 336.101, 336.104, 343.465, 343.475, 343.499, 417.781, 417.782, 417.784, 417.788, 417.790, 417.793, 417.795, 417.796, 417.827, 417.829, 419B.005, 433.301, 609.652, 805.205 and 805.207 by sections 11 and 14 to 62 of this 2021 Act and the repeal of ORS 329.145, 329.150, 329.190, 329A.490 and 329A.493 by section 63 of this 2021 Act become operative on January 1, 2023.

(2) Notwithstanding the operative date set forth in subsection (1) of this section, the Early Learning Division and the Department of Education may take any action before the operative date set forth in subsection (1) of this section that is necessary for the Department of Early Learning and Care to exercise, on and after the

operative date set forth in subsection (1) of this section, all of the duties, functions and powers conferred on the Department of Early Learning and Care by sections 12 and 13 of this 2021 Act and the amendments to ORS 131A.360, 131A.365, 183.459, 279A.050, 326.425, 326.430, 326.435, 327.269, 327.274, 329.155, 329.156, 329.165, 329.170, 329.172, 329.175, 329.181, 329.183, 329.185, 329.195, 329.200, 329.219, 329.841, 329.843, 329.845, 329A.010, 329A.120, 329A.135, 329A.250, 329A.261, 329A.712, 336.101, 336.104, 343.465, 343.475, 343.499, 417.781, 417.782, 417.784, 417.788, 417.790, 417.793, 417.795, 417.796, 417.827, 417.829, 419B.005, 433.301, 609.652, 805.205 and 805.207 by sections 11 and 14 to 62 of this 2021 Act.

(3) For the purpose of ensuring that the Department of Early Learning and Care may exercise, on and after the operative date set forth in subsection (1) of this section, all of the duties, functions and powers conferred on the Department of Early Learning and Care by sections 12 and 13 of this 2021 Act and the amendments to ORS 131A.360, 131A.365, 183.459, 279A.050, 326.425, 326.430, 326.435, 327.269, 327.274, 329.155, 329.156, 329.165, 329.170, 329.172, 329.175, 329.181, 329.183, 329.185, 329.195, 329.200, 329.219, 329.841, 329.843, 329.845, 329A.010, 329A.120, 329A.135, 329A.250, 329A.261, 329A.712, 336.101, 336.104, 343.465, 343.475, 343.499, 417.781, 417.782, 417.784, 417.788, 417.790, 417.793, 417.795, 417.796, 417.799, 417.795, 417.795, 417.796, 417.827, 417.829, 419B.005, 433.301, 609.652, 805.205 and 805.207 by sections 11 and 14 to 62 of this 2021 Act, the Early Learning Division and the Department of Education shall develop and implement a plan that provides for a seamless transfer of duties, functions and powers.

(4) The Governor shall resolve any disputes related to the plan developed and implemented under subsection (3) of this section, and the Governor's decision is final.

SECTION 65. (1) The amendments to ORS 326.430 by section 11 of this 2021 Act are intended to establish the Department of Early Learning and Care as a state agency that is a continuation of the Early Learning Division but separate from the Department of Education.

(2) For the purpose of making the Department of Early Learning and Care separate from the Department of Education, the Superintendent of Public Instruction shall:

(a) Deliver to the Department of Early Learning and Care all records and property within the jurisdiction of the superintendent that relate to the duties, functions and powers transferred by the amendments to ORS 326.430 by section 11 of this 2021 Act; and

(b) Transfer to the Department of Early Learning and Care those employees engaged primarily in the exercise of the duties, functions and powers transferred by the amendments to ORS 326.430 by section 11 of this 2021 Act.

(3) The Early Learning System Director shall take possession of the records and property, and shall take charge of the employees and employ them in the exercise of the duties, functions and powers of the Department of Early Learning and Care without reduction of compensation but subject to change or termination of employment or compensation as provided by law.

(4) The Governor shall resolve any dispute between the Department of Education and the Department of Early Learning and Care relating to transfers of records, property and employees under this section, and the Governor's decision is final.

SECTION 66. (1) The unexpended balances of amounts authorized to be expended by the Department of Education for the biennium beginning July 1, 2021, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers of the Early Learning Division that are transferred by the amendments to ORS 326.430 by section 11 of this 2021 Act are transferred to and are available for expenditure by the Department of Early Learning and Care for the biennium beginning July 1, 2021, for the purpose of administering and enforcing the duties, functions and powers transferred to the Department of Early Learning and Care by the amendments to ORS 326.430 by section 11 of this 2021 Act.

(2) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the Department of Education remain applicable to expenditures by the Department of Early Learning and Care under this section.

SECTION 67. The transfer of duties, functions and powers to the Department of Early Learning and Care by the amendments to ORS 326.430 by section 11 of this 2021 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Department of Early Learning and Care is substituted for the Early Learning Division or the Department of Education in the action, proceeding or prosecution.

SECTION 68. (1) Nothing in sections 12 and 13 of this 2021 Act, the amendments to ORS 131A.360, 131A.365, 183.459, 279A.050, 326.425, 326.430, 326.435, 327.269, 327.274, 329.155, 329.156, 329.165, 329.170, 329.172, 329.175, 329.181, 329.183, 329.185, 329.195, 329.200, 329.219, 329.841, 329.843, 329.845, 329A.010, 329A.120, 329A.135, 329A.250, 329A.261, 329A.712, 336.101, 336.104, 343.465, 343.475, 343.499, 417.781, 417.782, 417.784, 417.788, 417.790, 417.793, 417.795, 417.796, 417.827, 417.829, 419B.005, 433.301, 609.652, 805.205 and 805.207 by

sections 11 and 14 to 62 of this 2021 Act or the repeal of ORS 329.145, 329.150, 329.190, 329A.490 and 329A.493 by section 63 of this 2021 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by the amendments to ORS 326.430 by section 11 of this 2021 Act. The Department of Early Learning and Care may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the Early Learning Division or the Department of Education on behalf of the Early Learning Division legally incurred under contracts, leases and business transactions executed, entered into or begun before the operative date of the amendments to ORS 326.430 by section 11 of this 2021 Act are transferred to the Department of Early Learning and Care. For the purpose of succession to these rights and obligations, the Department of Early Learning and Care is a continuation of the Early Learning Division and not a new authority.

SECTION 69. Notwithstanding the transfer of duties, functions and powers by the amendments to ORS 326.430 by section 11 of this 2021 Act, the rules of the State Board of Education in effect on the operative date of the amendments to ORS 326.430 by section 11 of this 2021 Act continue in effect until superseded or repealed by rules of the Early Learning Council. References in rules of the State Board of Education to the Early Learning Division or an officer or employee of the Early Learning Division are considered to be references to the Department of Early Learning and Care or an officer or employee of the Department of Early Learning and Care.

SECTION 70. Whenever, in any statutory law or resolution of the Legislative Assembly or in any rule, document, record or proceeding authorized by the Legislative Assembly, reference is made to the Early Learning Division or an officer or employee of the Early Learning Division, the reference is considered to be a reference to the Department of Early Learning and Care or an officer or employee of the Department of Early Learning and Care.

SECTION 71. (1) The amendments to ORS 326.430 by section 11 of this 2021 Act are intended to change the name of the "Early Learning Division" to the "Department of Early Learning and Care."

(2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the "Early Learning Division" or its officers, wherever they occur in statutory law, words designating the "Department of Early Learning and Care" or its officers.

SECTION 72. For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the “Early Learning Division Fund,” wherever they occur in statutory law, words designating the “Department of Early Learning and Care Fund.”

TRANSFER OF EMPLOYMENT RELATED DAY CARE TO THE DEPARTMENT OF EARLY LEARNING AND CARE

SECTION 73. ORS 329A.500, as amended by sections 8 and 8b of this 2021 Act, 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 [Department of Human Services and the] Early Learning Council shall adopt rules for the operation of the Employment Related Day Care subsidy program 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 child care providers that meet the needs of families, as those needs are defined by the [department] council by rule, including:

- (a) Cultural diversity;
- (b) Linguistic diversity;
- (c) Racial and ethnic diversity; and
- (d) Diversity of provider types.

(4) The rules adopted under this section must provide that:

(a) A child’s eligibility to participate in the Employment Related Day Care subsidy program must be based on:

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

(B) Any other criteria established by the [department] 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 child care providers must be based on enrollment instead of attendance.

(d) A child’s family may qualify for an incentive if the family voluntarily chooses a child care provider 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, child care providers 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 provider 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 provider 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 [must establish]:

(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 [department] council shall consider policies for increasing the stability and continuity of a child’s access to a family’s preferred child care provider.

(7) Rules adopted by the [department] 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 child care provider reimbursement amount under state or federal law.

(8)(a) The [department] council shall work to meet federal recommendations for income eligibility and market access in regard to the Employment Re-

lated Day Care subsidy program administered by the [department] **council**.

(b) Notwithstanding any provision of this section or any rule adopted by the [department] **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.

SECTION 74. ORS 329A.505, as amended by section 8a of this 2021 Act, is amended to read:

329A.505. (1) At any reasonable time, an authorized representative of the Office of Child Care may conduct an inspection or investigation of a regulated subsidy facility, as defined by the Early Learning Council by rule.

(2) When conducting an investigation under this section, the Office of Child Care may:

(a) Take evidence;

(b) Take the depositions of witnesses, including the person under investigation, in the manner prescribed by law for depositions in civil actions;

(c) Compel the appearance of witnesses, including the person under investigation, in the manner prescribed by law for appearances in civil actions;

(d) Require answers to interrogatories;

(e) Compel the production of books, papers, accounts, documents or testimony that pertains to the matter under investigation;

(f) Issue subpoenas; and

(g) Inspect the premises of the facility under investigation.

(3) The Office of Child Care may, as a condition of finalizing an inspection, require improvements, corrections or other measures to ensure that the regulated subsidy facility complies with the requirements under the rules adopted under this section.

(4) In addition to any rules adopted under ORS 329A.500, the Early Learning Council, *in consulta-*

tion with the Department of Human Services,] may adopt rules to establish minimum health and safety standards for regulated subsidy facilities and for the administration of this section.

SECTION 75. ORS 315.264 is amended to read:

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

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

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

(A) Earned income taxable by Oregon and reportable on the taxpayer's return;

(B) The lesser amount of earned income taxable by Oregon earned by either spouse, if reportable on a joint return; or

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

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

(2) The applicable percentage described in subsection (1) of this section shall be determined in accordance with the following table:

Greater of Federal
or Oregon Adjusted
Gross Income, as
Percentage of Federal
Poverty Level

Applicable percentage based on age of youngest
qualifying individual on January 1 of tax year

Greater than	Less than or equal to	Under 3 years	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
0%	10%	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%

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

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

(5) In order to ensure compliance with the eligibility requirements of the credit allowed under this section, the Department of Revenue shall be afforded access to utilization data maintained by the Department of [Human Services] **Early Learning and Care** in its administration of the Employment Related Day Care **subsidy** program.

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

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

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

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

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

(11) If the amount allowable as a credit under this section, when added to the sum of the amounts allowable as payment of tax under ORS 316.187 or 316.583, other tax prepayment amounts and other

refundable credit amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax year after application of any nonrefundable credits allowable for purposes of ORS chapter 316 for the tax year, the amount of the excess shall be refunded to the taxpayer as provided in ORS 316.502.

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

SECTION 76. ORS 406.072 is amended to read:

406.072. (1) As used in this section:

(a) "Uniformed service" means the Armed Forces of the United States, the Army National Guard or the Air National Guard when the member is engaged in active duty for training, inactive duty for training or full-time National Guard duty, the commissioned corps of the United States Public Health Service and any other category of persons designated by the President of the United States in time of war or national emergency.

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

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

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

(B) Assistance funded under Title IV-A of the Social Security Act as administered in this state by the Department of Human Services;

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

(D) Oregon Health Plan;

[(E) *Employment Related Day Care program administered by the Department of Human Services;*]

[(F)] (E) Programs and services for seniors and persons with disabilities administered by the Department of Human Services; and

~~[(G)]~~ **(F)** Vocational rehabilitation services and programs administered by the Department of Human Services.

(b) Subject to subsection (3) of this section, the Early Learning System Director shall notify the Director of Veterans' Affairs within 30 days of receipt of written information from a member or veteran of a uniformed service who has applied for benefits or services under the Employment Related Day Care subsidy program administered by the Department of Early Learning and Care.

~~[(b)]~~ **(c)** The notification required under this subsection is limited to notifying the Director of Veterans' Affairs of the name and residence address or mailing address of the member or veteran.

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

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

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

SECTION 77. ORS 411.882 is amended to read:

411.882. In administering the JOBS Plus Program and to the extent permitted by federal law, the Department of Human Services shall maximize the use of federal grants and apportionments of the temporary assistance for needy families program[,] and the Supplemental Nutrition Assistance Program [*and employment related child care*].

SECTION 78. (1) The amendments to ORS 315.264, 329A.500, 329A.505, 406.072 and 411.882 by sections 73 to 77 of this 2021 Act become operative on July 1, 2023.

(2) Notwithstanding the operative date set forth in subsection (1) of this section, the Early Learning Division and the Department of Human Services may take any action before the operative date set forth in subsection (1) of this section that is necessary for the Department of Early Learning and Care to exercise, on and after the operative date set forth in subsection (1) of this section, all of the duties, functions and powers conferred on the Department of Early Learning and Care by the amendments to ORS 315.264, 329A.500, 329A.505, 406.072 and 411.882 by sections 73 to 77 of this 2021 Act.

(3) For the purpose of ensuring that the Department of Early Learning and Care may exercise, on and after the operative date set forth in subsection (1) of this section, all of the duties, functions and powers conferred on the Department of Early Learning and Care by the amendments to ORS 315.264, 329A.500, 329A.505, 406.072 and 411.882 by sections 73 to 77 of this 2021 Act, the Early Learning Division and the Department of Human Services shall develop and implement a plan that provides for a seamless transfer of duties, functions and powers.

(4) The Governor shall resolve any disputes related to the plan developed and implemented under subsection (3) of this section, and the Governor's decision is final.

SECTION 79. (1) The amendments to ORS 329A.500 by section 73 of this 2021 Act are intended to transfer the Employment Related Day Care subsidy program from the Department of Human Services to the Department of Early Learning and Care.

(2) For the purpose of the transfer described in subsection (1) of this section, the Director of Human Services shall:

(a) Deliver to the Department of Early Learning and Care all records and property within the jurisdiction of the director that relate to the duties, functions and powers transferred by the amendments to ORS 329A.500 by section 73 of this 2021 Act; and

(b) Transfer to the Department of Early Learning and Care those employees engaged primarily in the exercise of the duties, functions and powers transferred by the amendments to ORS 329A.500 by section 73 of this 2021 Act.

(3) The Early Learning System Director shall take possession of the records and property, and shall take charge of the employees and employ them in the exercise of the duties, functions and powers of the Department of Early Learning and Care without reduction of compensation but subject to change or termination of employment or compensation as provided by law.

(4) The Governor shall resolve any dispute between the Department of Human Services and the Department of Early Learning and Care relating to transfers of records, property and employees under this section, and the Governor's decision is final.

SECTION 80. (1) The unexpended balances of amounts authorized to be expended by the Department of Human Services for the biennium beginning July 1, 2021, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers of the Department of Human Services that are transferred by the amendments to ORS 329A.500 by section 73 of this 2021

Act are transferred to and are available for expenditure by the Department of Early Learning and Care for the biennium beginning July 1, 2021, for the purpose of administering and enforcing the duties, functions and powers transferred to the Department of Early Learning and Care by the amendments to ORS 329A.500 by section 73 of this 2021 Act.

(2) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the Department of Human Services remain applicable to expenditures by the Department of Early Learning and Care under this section.

SECTION 81. The transfer of duties, functions and powers to the Department of Early Learning and Care by the amendments to ORS 329A.500 by section 73 of this 2021 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Department of Early Learning and Care is substituted for the Department of Human Services in the action, proceeding or prosecution.

SECTION 82. (1) Nothing in the amendments to ORS 315.264, 329A.500, 329A.505, 406.072 and 411.882 by sections 73 to 77 of this 2021 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by the amendments to ORS 329A.500 by section 73 of this 2021 Act. The Department of Early Learning and Care may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the Department of Human Services legally incurred under contracts, leases and business transactions executed, entered into or begun before the operative date of the amendments to ORS 329A.500 by section 73 of this 2021 Act are transferred to the Department of Early Learning and Care. For the purpose of succession to these rights and obligations, the Department of Early Learning and Care is a continuation of the Department of Human Services and not a new authority.

SECTION 83. Notwithstanding the transfer of duties, functions and powers by the amendments to ORS 329A.500 by section 73 of this 2021 Act, the rules of the Department of Human Services in effect on the operative date of the amendments to ORS 329A.500 by section 73 of this 2021 Act continue in effect until superseded or repealed by rules of the Early Learning Council. References in rules of the Department of Human Services to the Department of Human Services in relation to the Employment Related Day Care subsidy program or an officer or employee of the Department of Human Services in

relation to the Employment Related Day Care subsidy program are considered to be references to the Department of Early Learning and Care or an officer or employee of the Department of Early Learning and Care.

SECTION 84. Whenever, in any statutory law or resolution of the Legislative Assembly or in any rule, document, record or proceeding authorized by the Legislative Assembly, reference is made to the Department of Human Services or an officer or employee of the Department of Human Services in relation to the Employment Related Day Care subsidy program, the reference is considered to be a reference to the Department of Early Learning and Care or an officer or employee of the Department of Early Learning and Care.

REPORTS TO LEGISLATIVE ASSEMBLY ON TRANSITIONS

SECTION 85. (1) No later than September 30, 2021, the Early Learning Division, in collaboration with the Department of Education and the Department of Human Services, shall report to the appropriate interim committees of the Legislative Assembly. The report shall address the progress on the plans required to be developed and implemented as provided by sections 64 and 78 of this 2021 Act, including:

(a) Progress on the transfer of child care assistance programs, including the Employment Related Day Care subsidy program, to the Early Learning Division.

(b) Progress on efforts to strengthen the alignment of the early childhood special education and early intervention services within the statewide early learning system.

(c) Progress on the adoption of rules related to school-age child care.

(2) No later than January 15, 2022, the Department of Human Services, in collaboration with the Early Learning Division, shall report to the appropriate interim committees of the Legislative Assembly. The report shall address the timelines and fiscal impact of the eligibility requirements as provided by the amendments to ORS 329A.500 by section 73 of this 2021 Act.

(3) No later than January 15, 2022, the Early Learning Division, in collaboration with the Department of Education and the Department of Human Services, shall report to the appropriate interim committees of the Legislative Assembly. The report shall address the progress on the plans required to be developed and implemented as provided by sections 64 and 78 of this 2021 Act, including:

(a) Progress on the transfer of background checks inspections for the Employment Related Day Care subsidy program to the Early Learning Division, including any recommendations for

legislation or other authority necessary for the collection of subsidy overpayments made under the program.

(b) Progress on the transfer of child care assistance programs, including the Employment Related Day Care subsidy program, to the Early Learning Division, and any recommended changes related to the transfer.

(c) Recommendations to strengthen the alignment of the early childhood special education and early intervention services within the statewide early learning system, including any recommended changes to governance, policymaking or other oversight of the system.

(d) Progress on the adoption of rules related to school-age child care.

(e) Any fiscal impacts of the plan and any conflicts of the plan with federal statute that must be resolved.

(f) Any budgetary impacts or recommendations for legislation related to the plan.

(4) No later than September 30, 2022, the Early Learning Division, in collaboration with the Department of Education and the Department of Human Services, shall report to the appropriate interim committees of the Legislative Assembly. The report shall include updates

on the implementation of the plan required to be developed and implemented as provided by section 64 of this 2021 Act and the progress on the plan required to be developed and implemented as provided by section 78 of this 2021 Act.

CAPTIONS

SECTION 86. The unit captions used in this 2021 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 2021 Act.

EFFECTIVE DATE

SECTION 87. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

Approved by the Governor July 27, 2021

Filed in the office of Secretary of State August 2, 2021

Effective date July 27, 2021