

ENROLLED HOUSE  
BILL NO. 2474

By: Seikel and Boyd (Laura)  
of the House

and

Monson, Williams and  
Muegge of the Senate

An Act relating to child care; providing for legislative purposes; requiring the Department of Human Services to provide and augment duties and responsibilities to certain persons providing child care services; providing legislative intent; requiring the Department in collaboration with other state entities to develop a strategic development plan for child care facilities in Oklahoma; providing for a database information system; providing for contents; requiring report; providing for contents; amending 10 O.S. 1991, Section 403, as amended by Section 3, Chapter 122, O.S.L. 1993 (10 O.S. Supp. 1997, Section 403), which relates to the Oklahoma Child Care Facilities Licensing Act; adding to list of exceptions to act; providing a tax credit for employers and entities engaged in the business of providing child care services incurring eligible expenses in connection with child care services; defining terms; limiting certain credits; prohibiting use of certain credits; authorizing certain carryovers; requiring certain reports; providing for codification; providing effective dates; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 430 of Title 10, unless there is created a duplication in numbering, reads as follows:

As an augmentation to the child care component of the Statewide Temporary Assistance Responsibility System (STARS) and to other programs providing for child care assistance benefits, the Department of Human Services and other state entities shall:

1. Evaluate and increase as needed the child care reimbursement rate for both metropolitan and rural areas of the state with special emphasis on those child care providers who serve:
  - a. infants and toddlers 0-24 months of age,
  - b. children with disabilities, and
  - c. clients needing weekend, evening or shift child care;
2. In order to enhance child care services, encourage stronger private/public partnerships at the community level in order to address unmet child care needs and provide training and continued education for child care providers;

3. Generally expedite the child care assistance application, eligibility determination and approval process;

4. Provide for additional grants, stipends, scholarships for training and upgrading personnel and equipment with specific emphasis on strengthening child care development in rural areas;

5. Assist in development of transportation services to transport children to child care and parents to work or school; and

6. Promote mutual respect and understanding between the Department and other entities involved in child care.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 405.1 of Title 10 unless there is created a duplication in numbering, reads as follows:

A. The Department of Human Services shall collaborate with other appropriate agencies to develop by December 31, 1998, a comprehensive strategic plan for child care facilities.

B. The comprehensive strategic plan shall:

1. Set a goal to annually increase the number of new child care programs and thereby expand capacity to meet the need for child care;

2. Describe methods to reduce existing barriers to accessing child care financing;

3. Offer plans to develop new child care capital financing mechanisms;

4. Describe methods to integrate existing capital financing programs;

5. Develop a public information campaign to attract potential providers of child care services; and

6. Propose such other activities deemed appropriate for increasing the supply and quality of child care in this state.

C. As part of the development of the comprehensive strategic plan:

1. The Department shall, from funds available, develop a child care facility information database consisting of data on existing early childhood child care providers serving children including, but not limited to, regulated child care providers, Head Start and prekindergarten programs. The information in the database shall include, but not be limited to:

- a. the types and number of programs,
- b. program location, including county,
- c. ages served,
- d. the capacity of the programs,
- e. the hours and calendar of program operations, and
- f. program rates;

2. County specific information on the number of children currently served shall be compared to the local projected need from:

- a. demographic information and waiting lists maintained for child care programs,
- b. local district estimates of child care needs for participants in the job opportunities and basic skills training program, and
- c. families eligible for child care subsidies;

3. Information shall be compiled regarding:

- a. funding sources and amounts for eligible families,
- b. health and safety grants,
- c. start-up and capital grants,
- d. child care resource and referral programs,
- e. any other public funding which is directed at increasing the number and size of early childhood programs, and

- f. any known private funding sources earmarked for capital, start-up or subsidies for child care providers;

4. The Department shall compile information on technical assistance activities presently available to existing and potential child care providers; and

5. On or before February 1, 1999, the Department shall submit a preliminary report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate containing:

- a. a compilation of the existing data designated in this section,
- b. information available on private sector interest, involvement or plans for development of child care in this state, and
- c. information from child care resource and referral programs about the numbers of inquiries received from parents and businesses.

SECTION 3. AMENDATORY 10 O.S. 1991, Section 403, as amended by Section 3, Chapter 122, O.S.L. 1993 (10 O.S. Supp. 1997, Section 403), is amended to read as follows:

Section 403. A. The provisions of ~~this act~~ the Oklahoma Child Care Facilities Licensing Act shall not apply to:

- 1. Care provided in the child's own home or by relatives;
- 2. Informal arrangements which parents make with friends or neighbors for the occasional care of their children;
- 3. Programs in which school-aged children are participating in home-schooling;
- 4. Programs operated during typical school hours by a public school district;
- 5. Programs operated during typical school hours by a private school that offers elementary education in grades kindergarten through third grade;
- 6. Summer youth camps for children at least five (5) years of age that are accredited by the American Camping Association or other national standard-setting agency or church camp accreditation program;
- 7. Programs in which children attend on a drop-in basis and parents are on the premises and readily accessible;
- 8. A program of specialized activity or instruction for children that is not designed or intended for child care purposes including, but not limited to, scouts, 4-H clubs and summer resident youth camps, and single-activity programs such as academics, athletics, gymnastics, hobbies, art, music, dance and craft instruction;

9. Nursery schools, kindergartens or other facilities whose purpose is primarily educational, recreational or medical and which operate part-day child care programs which provide care and supervision for eight (8) or more children for fifteen (15) or less hours per week;

~~9.~~ 10. Facilities whose primary purpose is medical treatment;

or  
~~10.~~ 11. Day treatment programs and maternity homes operated by a licensed hospital.

B. 1. The provisions of the Oklahoma Child Care Facilities Licensing Act, ~~Section 401 et seq. of this title,~~ shall be equally incumbent upon all private and public child care facilities; ~~provided, that any.~~

2. Any institution furnishing full-time care for children for ten (10) years prior to the effective date of this act shall, upon written notification to the Department of Human Services, be

exempted from the provisions of ~~this act~~ the Oklahoma Child Care Facilities Licensing Act, if it is not receiving any state or federal funds for furnishing food, clothing, shelter, or upkeep for such children; ~~and provided, further, that any.~~

3. Any institution being operated by a war veterans' organization and furnishing full-time care for children on the effective date of this act shall be exempted from the provisions of ~~this act~~ the Oklahoma Child Care Facilities Licensing Act, regardless of whether it is receiving state or federal funds.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.26 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 1998, and ending before January 1, 2004, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for employers incurring eligible expenses in connection with the provision of child care services for children of their employees.

B. As used in this section:

1. "Eligible expenses" means amounts paid by an employer to provide qualifying child care services for children of employees; and

2. "Qualifying child care services" means child care programs that are accredited by a national association recognized by the Department of Human Services.

C. The credit allowed by subsection A of this section shall be twenty percent (20%) of the amount of eligible expenses. Such credit shall not be allowed for any amounts for which the employee claims or receives an income tax credit, exemption or deduction.

D. Any credits allowed but not used in any tax year may be carried over in order to each of the four (4) tax years following the year of qualification.

E. The Oklahoma Tax Commission, on or before January 31 of each year, shall submit a report regarding the credit authorized by this section to both houses of the Oklahoma Legislature. Such report shall summarize the total amount of credits claimed and likely to be claimed and allowed under this section.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.27 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 1998, and ending before January 1, 2004, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for eligible expenses incurred by entities primarily engaged in the business of providing child care services.

B. As used in this section, "eligible expenses" means amounts paid by an entity primarily engaged in the business of providing child care services for expenses incurred by the entity to comply with the standards promulgated by a national accrediting association recognized by the Department of Human Services and which would not have been incurred by the entity to comply with the Oklahoma Child Care Facilities Licensing Act.

C. The credit allowed by subsection A of this section shall be twenty percent (20%) of the amount of eligible expenses. Such credit shall not be allowed for any amounts for which the entity claims or receives an income tax credit, exemption or deduction.

D. Any credits allowed but not used in any tax year may be carried over in order to each of the four (4) tax years following the year of qualification.

SECTION 6. Sections 1, 2 and 3 of this act shall become effective July 1, 1998.

SECTION 7. Sections 4 and 5 of this act shall become effective November 1, 1998.

SECTION 8. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 28th day of May, 1998.

Speaker of the House of  
Representatives

Passed the Senate the 28th day of May, 1998.

President of the Senate