

- SUBJECT:** Modifying TWC reporting requirements for subsidized child care
- COMMITTEE:** Economic and Small Business Development — committee substitute recommended
- VOTE:** 8 ayes — Button, Vo, Bailes, Hinojosa, Leach, Metcalf, Ortega, Villalba
- 0 nays
- 1 absent — Deshotel
- WITNESSES:** For — Shay Everitt, Children At Risk; Melanie Rubin, Dallas Early Education Alliance; Cynthia Pearson, Day Nursery of Abilene; (*Registered, but did not testify*: Megan Herring, Commit Dallas, Early Matters Dallas; Grace Chimene, League of Women Voters of Texas; Sara Sachde, Setting the Foundation; Diane Ewing, Texans Care for Children; James Thurston, United Ways of Texas)
- Against — (*Registered, but did not testify*: Jim Baxa)
- On — Patricia Gonzalez, Texas Workforce Commission
- BACKGROUND:** Labor Code, sec. 302.0043 requires the Texas Workforce Commission (TWC) to compile and periodically analyze information to measure and evaluate the effectiveness of its subsidized child care program. The commission is required to make this information available to local workforce development boards and produce a biennial report to the Legislature with employment information about parents receiving subsidized care.
- Sec. 302.0042 requires the commission to annually evaluate the formulas it uses to distribute federal child care development funds to local workforce development boards. This evaluation must include analysis of:
- the current use of federal funds by each local board;
 - the ability of each local board to meet child care performance

- measures; and
- each local workforce development area's average cost of child care, poverty rate, number of children on waiting lists for child care, and number of vacancies available for child care placement.

Sec. 302.00435 requires the commission to develop a policy to obtain and implement input from interested parties regarding its subsidized child care program.

Government Code, sec. 2308.3155 establishes the Texas Rising Star Program as a voluntary, quality-based rating system of child care providers participating in the commission's subsidized child care program.

Interested parties suggest a need to ensure that state-subsidized child care programs operate with accountability and transparency, as well as further develop interagency coordination efforts and cooperation with private entities.

DIGEST:

CSHB 3323 would modify the Texas Workforce Commission's reporting requirements relating to the subsidized child care program.

Program report. The bill would require the Texas Workforce Commission (TWC) to include in its periodic report on the effectiveness of its subsidized child care program an analysis of its efforts to:

- improve prekindergarten program quality, in coordination with the Texas Education Agency (TEA), school districts, and open-enrollment charter schools;
- facilitate enrollment in and advancement through the Texas Rising Star Program;
- increase coordination between participating providers, school districts, and open-enrollment charter schools;
- develop and implement rates and payments which allow providers to offer high quality care and ensure the commission meets its statutorily required performance measures; and
- assign a Public Education Information Management System

number to children younger than six enrolled in the program, in coordination with TEA.

The bill would require TWC to include these findings in its biennial report to the Legislature and make this information available to school districts, open-enrollment charter schools, and the public.

Formula evaluation. The bill would modify the information TWC is required to include in its annual evaluation of its formulas used to distribute federal child care development funds to local workforce development boards. This evaluation would have to include certain data on the cost of child care, number of Rising Star providers rated 2-star or above, number of total providers, and number of enrolled subsidized children.

The bill would remove the requirement that TWC report on the average cost of child care in each development area and the number of vacant slots available for child care placement in each development area.

Input policy. The bill would require TWC's public input policy to include methods to obtain input from TEA, school districts, open-enrollment charter schools, subsidized child care providers, relevant businesses, and the public. These entities would have to be consulted about improving coordination between subsidized child care programs and prekindergarten programs, as well as increasing the quality of and access to subsidized child care programs.

The bill would take effect September 1, 2017.

NOTES:

A companion bill, SB 940 by Campbell, was reported favorably from the Senate Health and Human Services committee on April 27.