

SUBJECT: Changing license terms and setting licensing fees for childcare facilities

COMMITTEE: Human Services — committee substitute recommended

VOTE: 7 ayes — Frank, Hinojosa, Clardy, Deshotel, Klick, Meza, Noble

0 nays

2 absent — Miller, Rose

WITNESSES: For — Lonnie Hutson, Kids R Kids Childcare; (*Registered, but did not testify*: Jerry Hulburt, Kids R Kids Spring; Tiffany Cantrell, Invicus Partners; Michael Engle, Pallavi Karnani, and Bill Pewitt, Kids R Kids Child Care; Joan Altobelli, Texas Licensed Child Care Association; and 14 individuals)

Against — None

BACKGROUND: Human Resources Code sec. 42.054(h) authorizes the Health and Human Services Commission to charge operators of and applicants to operate childcare facilities, child-placing agencies, and continuum-of-care residential operations certain fees set by the executive commissioner.

Some have suggested that the Legislature should be responsible for setting these fee amounts.

DIGEST: CSHB 2177 would repeal statutory provisions requiring the executive commissioner of the Health and Human Services Commission (HHSC) to set fees for operators of and applicants to operate childcare facilities, child-placing agencies, and continuum-of-care residential operations.

The bill would set fees charged by HHSC as follows:

- \$35, nonrefundable, for an application for an initial license to operate a childcare facility, child-placing agency, or continuum-of-care residential operation;

- \$35 for an initial license to operate a childcare facility;
- \$50 for an initial license for a child-placing agency or continuum-of-care residential operation;
- an annual license fee of \$35 plus \$1 multiplied by the maximum number of children for whom a childcare facility was authorized to provide care;
- an annual license fee of \$100 for operating a child-placing agency or continuum-of-care residential operation;
- an annual fee of \$20 for a listed family home or \$35 for a registered family home to cover a part of HHSC's cost in regulating family homes.

The bill also would repeal certain provisions governing the license renewal process.

The bill would take effect September 1, 2019, and would apply only to an application, license, or registration and listing fee due on or after the effective date of the bill.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of about \$727,000 to general revenue related funds through fiscal 2020-21.