

SUBJECT: Requiring subsidized child care providers participate in Texas Rising Star

COMMITTEE: International Relations and Economic Development — favorable, without amendment

VOTE: 6 ayes — Button, C. Morales, Beckley, C. Bell, Metcalf, Ordaz Perez

0 nays

3 absent — Canales, Hunter, Larson

WITNESSES: For — Marnie Glaser, Child Care Associates; Mandi Kimball, Children At Risk; Sandy Dochen, Early Matters Greater Austin; Kimberly Kofron, Texas Association for the Education of Young Children; (*Registered, but did not testify*: Charles Cohn, Angels Care and Learning Center; Lyn Lucas, Camp Fire First Texas; Christine Wright, City of San Antonio; Libby McCabe, Early Matters and The Commit Partnership; Jonathan Lewis, Every Texan; Ky Ash, Methodist Healthcare Ministries of South Texas; Melanie Rubin, North Texas Early Education Alliance; David Feigen, Texans Care for Children; Dana Harris, The Greater Austin Chamber of Commerce; Ashley Harris, United Ways of Texas; Brooke Freeland; Vanessa MacDougal)

Against — None

On — Reagan Miller, Texas Workforce Commission; (*Registered, but did not testify*: Stephanie Retherford, Texas Licensed Child Care Association)

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

DIGEST: HB 2607 would make participation in the Texas Rising Star Program mandatory for child care providers that participated in the Texas Workforce Commission (TWC) subsidized child care program, introduce

an entry level rating for child care providers in Texas Rising Star, require TWC to assess the number of child care providers in partnerships with public school districts, and require local workforce development boards to inform local school districts in their area of partnership opportunities, among other provisions.

Rating system. The rating system for child care providers under the Texas Rising Star Program would have to include an entry level rating for child care providers and a maximum length of time a provider could participate at the entry level rating. To qualify for the entry level rating a child care provider would have to meet minimum quality standards that qualified that provider to receive technical support and assistance under the Texas Rising Star Program. A provider that participated at the entry level rating would not be eligible for increased reimbursement rates.

TWC evaluation. The commission's evaluation would have to assess the number of places reserved by each local workforce development board in contracts with child care providers for participants in the child care subsidy program out of the total number of children enrolled with a provider on a full-time basis. The evaluation also would have to assess the number of 3-star and 4-star rated child care providers participating in partnerships with public school districts and public charter schools based on data provided by the Texas Education Agency, as necessary.

Local workforce development boards. Each local workforce development board would have to inform the local school districts and open-enrollment charter schools in the workforce development area regarding opportunities to partner with child care providers in the board's area to expand access to and provide facilities for prekindergarten programs.

Under the bill, a local workforce development board would have to update its required report to TWC every 12 months, instead of every six months, from the date the board submitted its initial report to the commission.

Local workforce development boards could allow a child care provider

with whom the board contracted to identify and refer to the board children who could be eligible for subsidized child care services. In making a referral, the child care provider would have to consider whether the child's parent was a member of a group entitled to a priority in the provision of services provided by or in cooperation with TWC.

The bill would take effect September 1, 2021.

**SUPPORTERS
SAY:**

HB 2607 would improve early childhood development outcomes in Texas by requiring subsidized child care providers to participate in the Texas Rising Star Program. The bill also would benefit the Texas workforce by expanding access to quality child care providers for working families.

Despite receiving funds from the state, subsidized child care providers are not required to participate in the Texas Rising Star Program. In December 2020, only around 31 percent of eligible subsidized child care providers participated in Texas Rising Star. Without a child care provider's participation in the program, the state cannot assess the quality of the provider's services and ensure that taxpayer dollars are being spent efficiently. The bill would ensure that subsidized child care providers offered high quality services for low-income children by bringing these providers into the successful Texas Rising Star Program.

The bill also would benefit the Texas workforce by expanding access to high-quality child care for working families and provide flexibility to child care providers by allowing them to recommend eligible children in their area to local workforce development boards. The bill also would bolster pre-K partnerships by requiring the Texas Education Agency to report such partnership agreements, building on the work of the 86th session to build the network of providers eligible to partner with independent school districts to provide pre-K.

The bill would not risk leading to cuts in the reimbursement rate for the Texas Workforce Commission subsidy program because Texas is expecting a steady source of federal money from the American Rescue Plan Act that could be used to fund child care.

CRITICS
SAY:

HB 2607 could result in a reduced number of children subsidized by the Texas Workforce Commission (TWC) being served by child care providers by mandating all providers participate in Texas Rising Star. Because the subsidy program is dependent largely on fluctuating levels of federal money received through the Child Care and Development Block Grant and the state does not provide enough funds to cover the cost of care, child care providers may choose not to accept children subsidized by TWC. Mandating all subsidized child care providers participate in Texas Rising Star could result in cuts to the enhanced reimbursement rate for the program, which could further disincentivize child care providers from accepting TWC-subsidized children.

NOTES:

According to the Legislative Budget Board, the bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.