

## **BILL ANALYSIS**

C.S.H.B. 1695

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International Relations & Economic Development  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Less than half of child-care providers in Texas participate in the Texas Workforce Commission's subsidized child-care program, which seeks to help make child-care services more affordable for those families who need the financial assistance. Providers report that low program reimbursement rates are a significant deterrent to participation in the program, which in turn reduces access to quality, affordable child-care services for many Texans. Of particular concern is the fact that program reimbursement rates do not properly factor in age groupings with mandated group sizes and child-to-caregiver ratios. C.S.H.B. 1695 seeks to address this funding issue and increase provider participation in the subsidization program by requiring each local workforce development board to establish graduated reimbursement rates for participating providers that align the age groupings with these ratios and group sizes.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1695 amends the Government Code to require each local workforce development board to establish not later than December 1, 2023, and implement graduated reimbursement rates for child-care providers participating in the Texas Workforce Commission's (TWC) subsidized child-care program that align the TWC age groupings with the child-to-caregiver ratios and group sizes adopted by the Health and Human Services Commission. The graduated rates must provide the highest reimbursement rate to the providers that provide care to children in the age group with the lowest child-to-caregiver ratio. The bill requires the TWC to supply any demographic data needed by a board to establish the rates.

C.S.H.B. 1695 requires the TWC to examine and implement strategies to address the increased costs a Texas Rising Star Program provider with a four-star or three-star rating would incur to provide care to infants and toddlers due to low child-to-caregiver ratios for children in those age groups.

### **EFFECTIVE DATE**

September 1, 2021.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1695 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include a requirement for each local board to equalize the amount that child-care providers providing care to children in the same TWC age group receive based on the maximum number of children the provider may enroll under the adopted child-to-caregiver ratios and group sizes. The substitute requires each board instead to establish and implement graduated reimbursement rates that align the TWC age groupings with those ratios and group sizes. The substitute includes provisions setting out requirements for the reimbursement rates and requiring the TWC to supply necessary demographic data.

The substitute includes a provision requiring the TWC to examine and implement strategies to address certain cost increases faced by particular Texas Rising Star Program providers.

The substitute includes a provision requiring the graduated reimbursement rates to be established not later than December 1, 2023.