

**SUBJECT:** Making "Rising Star" child care designation and funding permissive

**COMMITTEE:** Economic Development — favorable without amendment

**VOTE:** 5 ayes — Ritter, Cook, Anchia, Deshotel, Seaman  
0 nays  
1 present not voting — Kolkhorst  
1 absent — McCall

**WITNESSES:** For — None  
  
Against — Susan Craven, Texans Care for Children; *Registered, but did not testify:* Josette Saxton  
  
On — Gary Frederick, Texas Workforce Commission

**BACKGROUND:** Government Code, secs. 2308.315-316 establish the "Rising Star" designation for certain child care vendors, with particular emphasis on providers of care to children under four years of age in low-income communities, that implement quality improvement activities. A portion of each local workforce development board's federal child care development funds must be allocated to encourage facilities to implement quality improvement activities and establish graduated reimbursement rates for "Rising Star" vendors that are at least 5 percent higher than the rate for other providers.

**DIGEST:** HB 2959, as amended by a floor amendment acceptable to the author, would make the "Rising Star" designation and funding permissive, rather than mandatory, for local workforce development boards.  
  
The bill would take effect September 1, 2005.

**SUPPORTERS SAY:** Although the Legislature froze payment rates to all child care providers in January 2003, "Rising Star" providers still receive the 5 percent higher rate, and the local boards are locked in to spending money on them even

though the Legislature no longer provides additional funding for quality improvement initiatives. HB 2959, as revised by an acceptable floor amendment, would give local boards flexibility in deciding how to spend their allotted funds by permitting them to either continue the higher rate for "Rising Star" providers or redistribute the funds in another manner. Local boards could use the funds to pay for child care for additional families.

This designation should not be abolished entirely. In the case of some local boards, continuing to spend money on the higher reimbursement rate would be the most appropriate use of the money because of the significant quality improvement it can bring.

OPPONENTS  
SAY:

The quality improvement designation and funding for "Rising Star" providers should not be permissive. Instead, the state should step up and fund these programs. Child care is often the gateway to a family's independence from state assistance and poverty, yet the child care available to these families is often of low quality. Because child care is so important to the state's policy interest of creating strong families, Texas should focus on ensuring access and quality, not making local workforce development boards choose between the two.

OTHER  
OPPONENTS  
SAY:

The "Rising Star" designation and funding should be abolished entirely or moved to the Department of Family and Protective Services (DFPS), a more appropriate agency. Workforce development boards purchase services, so they should not also be performing quality assessments. DFPS regulates child care licensing and would be better able to recognize and implement quality improvement initiatives.

NOTES:

Rep. Paxton intends to accept a floor amendment that would make the "Rising Star" designation and funding permissive, rather than repeal it as the original version of the bill would do.