

- SUBJECT:** Coordination of child-care and early childhood education services
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 7 ayes — Hupp, Eissler, A. Allen, Goodman, Naishtat, Paxton, Reyna
0 nays
2 absent — J. Davis, Gonzalez Toureilles
- SENATE VOTE:** On final passage, March 30 — 28-2 (Nelson, Ogden)
- WITNESSES:** For — Linda Coggins, Texas Licensed Child Care Association; Jason Sabo, United Ways of Texas; (*Registered, but did not testify:* Sandi Borden, Texas Elementary Principals and Supervisors Association; Raif Calvert, Texas Academy of Family Physicians; Hilary Dennis, Texas Medical Association; Sandy Dochen, IBM, TECEC, TBEC; Ann Fickel, Texas Classroom Teachers Association; Kaitlin Guthrow, Texas Early Childhood Education Coalition; Carrie Kroll, Texas Pediatric Society; Rene Lara, Texas Federation of Teachers; Josette Saxton, Texans Care for Children; Jo Hannah Whitsett, Association of Texas Professional Educators)

Against — None

On — (*Registered, but did not testify:* Gary Frederick, Texas Workforce Commission; Wanda Pena, Department of Family and Protective Services)
- BACKGROUND:** The 78th Legislature in 2003 enacted SB 76 by Zaffirini, which requires that providers of early childhood care and education coordinate to ensure, to the extent practicable, that full-day, full-year child-care services are available to meet the needs of low-income parents who are working or participating in workforce training or workforce education. It also provides for the approval of demonstration projects under which government-funded child-care services are operated in a coordinated way. To implement these projects, providers can obtain waivers from existing rules and regulations as long as they do not adversely affect the health and welfare of children involved in the project.

DIGEST:

SB 23 would allow the commissioner of education by rule to establish a program to award grants to providers of early childhood care and education programs that, to the greatest extent practicable, provided information to parents and coordinated services to ensure that full-day, full-year child-care services were available to low-income parents who were working or participating in workforce training or workforce education.

The bill would add to the coordination-of-resources demonstration projects that could be approved those that provided early education services in a coordinated and integrated manner. Approval of the project by the appropriate state agency would be contingent upon the development of a memorandum of understanding regarding the project that was entered into by each participating entity, certified by the State Center for Early Childhood Development, consistent with current statutes and regulations regarding minimum requirements for child-care and early education programs, and that adhered to health and safety standards. The memorandum would provide for:

- equal decision-making authority for participating entities;
- uniform eligibility criteria for the project;
- development of streamlined enrollment procedures;
- strategies for the colocation and management of staff and effective communication among staff;
- alignment and coordination of program calendars;
- delineation of responsibilities for the provision of instructional supplies, materials, and food services;
- development and implementation of a system by which eligible children were referred for services among the participating entities;
- periodic meetings of the participating entities to address concerns relating to the administration and operation of the project; and
- periodic meetings of the participating entities to address common standards for the professional development of program staff and to create opportunities to ensure that local communities had effective program staff.

A demonstration project would include a program evaluation component that, in addition to assessing child-care and early education outcomes for young children, demonstrated the extent to which program quality had been enhanced, the number of children being served by full-day, full-year

programs had increased, and professional development had increased. The evaluation also would demonstrate that there had been no weakening of standards or diminishment of services.

The State Center for Early Childhood Development, in conjunction with the P-16 Council, would develop a voluntary school readiness certification system to certify the effectiveness of prekindergarten programs, Head Start, and Early Head Start programs, and government-subsidized child-care programs provided by nonprofit, for-profit, and faith-based entities preparing children for kindergarten. The system would apply common criteria to each provider based upon the input of stakeholders, research into early childhood care and education, and recognition of the cognitive, social, and emotional development of young children.

The bill would take effect September 1, 2005, and the school readiness certification system would have to be adopted no later than September 1, 2006.

**SUPPORTERS
SAY:**

SB 23 would build upon the progress made by SB 76 in 2003 that has led to greater collaboration and integration of child-care and early childhood education services. Countless studies have demonstrated the positive cognitive and social outcomes for children associated with these services, and SB 23 would enhance parental awareness of quality service providers and facilitate more efficient application of resources.

The voluntary school readiness certification system would enhance accountability because an entity would be required to meet scientifically based criteria that had demonstrated success in preparing children for their education. Obtaining certification would be worthwhile for the business of a service provider and would provide parents a way to ensure that their children received the highest quality of care. Parental spending dwarfs state spending on child-care, and the certification system would be a method by which service providers willing to take on the responsibility of ensuring they met these criteria could attract more business from parents. This competitive tool would harness the market force of investments by parents and lead to better service by all providers through their efforts to stay competitive.

This bill would also increase the return that the state, the federal government, and parents receive on their investment in children through allowing funding streams to work together to ensure that children are

school-ready. The memorandum of understanding for demonstration projects would offer a more structured foundation for providers to understand their individual responsibilities in integrated systems and ensure they were taking advantage of all the mechanisms by which integration could benefit children. It would cut down on duplicate spending, enhance the use of administrator and parental time through streamlined processes, and open lines of communication among all stakeholders. The evaluation criteria would ensure that staff skills and child outcomes were improved and that the knowledge gained from these projects could be imparted for use in other areas.

In addition, service providers who were once concerned that integrating services would divert resources from their businesses have now determined that coordination with other service providers has actually provided access to more resources and provided better outcomes for the children in their care. SB 23 would help local service providers stay in business by building community infrastructure so that parents would continue to see community providers as a credible option and public schools would not feel the need to expand prekindergarten services to make up for a community gap. If local providers began losing four-year-olds to the public school system, then they could go out of business. These children are the backbone of their business because they require fewer resources than younger children. While this bill would not divert resources from local providers to public schools, it would encourage communication with public schools so they could transfer their wealth of knowledge regarding the preparation that would enhance a child's success once the child did enter the public school system.

The fiscal note is only an estimate of what the LBB expects the commissioner to approve for the grant program, and it does not acknowledge the fact that the grant program would be permissive. The commissioner would approve only grants that could be funded out of existing resources.

**OPPONENTS
SAY:**

While establishment of the grant program would be permissive, the statute at least should provide a cap on spending. This system of coordinating child-care and early childhood education services has been in place for only a couple of years, and that is not enough time for a program to demonstrate enough positive outcomes to merit diverting funds from other established programs. In addition, this bill should give the commissioner more definitive guidelines for the basis upon which grants would be

awarded to ensure that any further investment in such programs would be wisely spent and have the potential to lead to desired outcomes.

NOTES:

The fiscal note estimates a cost of \$1,000,000 to general revenue related funds per year. This estimate is based upon the amount proposed for similar incentive programs related to cooperative administrative services arrangements.