

- SUBJECT:** Establishing TWC reimbursement rates for certain child-care providers
- COMMITTEE:** International Relations and Economic Development — committee substitute recommended
- VOTE:** 6 ayes — Button, C. Morales, Beckley, C. Bell, Metcalf, Ordaz Perez
- 0 nays
- 3 absent — Canales, Hunter, Larson
- WITNESSES:** For — Charles Cohn, Angels Care & Learning Center; Melanie Rubin, North Texas Early Education Alliance; Sarah Baray, Pre-K 4 SA; (*Registered, but did not testify:* Lyn Lucas, Camp Fire First Texas; Marnie Glaser, Child Care Associates; Mandi Kimball, Children At Risk; Christine Wright, City of San Antonio; Tom Hedrick, Dillon Joyce Ltd; Libby McCabe, Early Matters and The Commit Partnership; Sandy Dochen, Early Matters Greater Austin; David Feigen, Texans Care for Children; Kimberly Kofron, Texas Association for the Education of Young Children; Stephanie Retherford, Texas Licensed Child Care Association; Jennifer Lucy, TexProtects; Dana Harris, The Greater Austin Chamber of Commerce; Ashley Harris, United Ways of Texas; Brooke Freeland)
- Against — None
- On — Reagan Miller, Texas Workforce Commission
- BACKGROUND:** Government Code sec. 2308.315 requires local workforce development boards to establish graduated reimbursement rates for child care based on the Texas Workforce Commission's Rising Star Program. Some have suggested that more child-care providers might participate in the subsidization program if reimbursement rates were adjusted for factors such as the age groupings of children and child-to-caregiver ratios.
- DIGEST:** CSHB 1695 would require each local workforce development board to

establish and implement graduated reimbursement rates for child-care providers participating in the Texas Workforce Commission's (TWC) subsidized child-care program that aligned TWC's age groupings with the child-to-caregiver ratios and group sizes adopted by the Health and Human Services Commission.

The graduated rates would have to provide the highest reimbursement rate to child-care providers that provided care to children in the age group with the lowest child-to-caregiver ratio. TWC would have to supply any demographic data needed by a local board to establish the rates.

The bill would require 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.

Each local workforce development board would have to establish the child-care reimbursement rates required by the bill not later than December 1, 2023.

The bill would take effect September 1, 2021.