

BILL ANALYSIS

Senate Research Center
77R7041 KKA-D

S.B. 1732
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Health & Human Services
4/17/2001
As Filed

DIGEST AND PURPOSE

Child-care Management System vendors often place children in large facilities which can bear lower-than-market-price reimbursement rates. These facilities may not be convenient for parents or provide the “home-like” environment in which children under the age of four thrive. Studies show that such an environment is more conducive to learning and provides a continuity of care, due to lower turnover. As proposed, S.B. 1732 raises the reimbursement rate for operators of family day care homes and provides for pilot projects in support of these facilities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2308.315, Government Code, as follows:

- (a) Adds definitions of “designated vendor” and “family home.”
- (b) Makes a conforming change.
- (c) Requires the minimum reimbursement rate for a designated vendor who is a registered family home and who provides child care for children under four years of age to be at least 95 percent of the vendor’s actual documented cost in providing the child care.

SECTION 2. Amends Chapter 2308G, Government Code, by adding Section 2308.317, as follows:

- Sec. 2308.317. PILOT PROGRAMS FOR SYSTEMS OF FAMILY HOMES. (a) Defines "commission" and "family home."
- (b) Requires the Texas Workforce Commission (commission) to select one or more vendors to operate pilot programs in five different areas of the state under which child care is provided by operators of eligible family homes to children under four years of age. Requires each pilot program to include at least 25 operators of eligible family homes.
 - (c) Requires each board in an affected area of the state, after selection of the vendors, to administer and fund the pilot program operating within that area, subject to guidelines established by the commission. Requires each of those boards to allocate a portion of the board's federal child care development funds to pay the costs of the pilot program operating within that area.
 - (d) Requires the commission to select vendors based on a competitive procurement process. Requires a vendor to have at least seven years of relevant experience to be

eligible to participate in a pilot program.

(e) Requires a vendor selected to participate in a pilot program to carry out certain duties.

(f) Requires an operator of a family home to meet certain requirements to be eligible to participate in a pilot program.

(g) Requires the commission, not later than December 1 of each even-numbered year, to submit to the governor, lieutenant governor, and speaker of the house of representatives a report on the pilot programs established under this section. Requires the report to include an evaluation component prepared by the vendor or vendors of the pilot programs that compares the language development and other developmental features of children receiving child care through the pilot programs to the language development and other developmental features of children receiving child care in other settings. Requires the evaluation component to address the efficacy of providing child care in the manner provided by the pilot programs and provide a cost/benefits ratio relating to that manner of child care delivery. Requires the report to also include recommendations on continuation or expansion of the programs.

(h) Provides that this section expires September 1, 2005.

SECTION 3. Effective date: September 1, 2001.