

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 2607  
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Natural Resources & Economic Development  
5/21/2021  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, participation in Teacher Retirement System of Texas (TRS) by state-subsidized child care providers is voluntary. In 2020, an average of 127,599 children were served daily by state-subsidized child care providers. However, only 38.2 percent of those children were served by subsidized child care providers that participated in TRS.

The quality of the child care providers that serve the majority of children in subsidized child care, then, is not known and thus cannot be readily assessed for improvement. Moreover, due to the lack of information, many working Texas families who would benefit the most from child care may not realize that there are child care providers in their local workforce development area.

C.S.H.B. 2607 requires child care providers that participate in the subsidized child care program to also participate in the Texas Rising Star Program while establishing an entry-level rating for child care providers.

C.S.H.B. 2607 amends current law relating to the powers and duties of the Texas Workforce Commission and local workforce development boards regarding the provision of child care and the subsidized child care program.

### **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 2308.3155, Government Code, by amending Subsection (a) and adding Subsections (b-1) and (b-2), as follows:

(a) Provides that the Texas Rising Star Program is a quality-based, rather than a voluntary quality-based, child care rating system of child care providers participating in the Texas Workforce Commission's (TWC) subsidized child care program.

(b-1) Requires that the rating system adopted under Subsection (b) (relating to requiring TWC to adopt certain rules to administer the Texas Rising Star Program) include an entry level rating for child care providers and a maximum length of time a provider is authorized to participate at the entry level rating. Requires a child care provider, to qualify for the entry level rating, to meet the minimum quality standards that qualify the provider to receive technical assistance and support under the Texas Rising Star Program. Provides that a provider participating at the entry level rating is not eligible for increased reimbursement rates.

(b-2) Requires TWC to develop a process to allow a child care provider to request a waiver to extend the length of time the provider is authorized to participate at the entry level rating described by Subsection (b-1). Prohibits the waiver authorized by this subsection from exceeding 16 months.

SECTION 2. Amends Sections 302.0042(b) and (c), Labor Code, as follows:

(b) Requires that TWC's evaluation assess:

(1)-(7) makes no changes to these subdivisions;

(8) the number of places that are reserved by each local workforce development board in contracts authorized under Section 302.0461 (Child Care Provider Contract Agreements) for participants in the child-care subsidy program out of the total number of children enrolled with a provider on a full-time basis categorized by age of the child for each provider in each local workforce development area that is certified as a 2-star, 3-star, or 4-star provider in the Texas Rising Star Program or that does not participate in the Texas Rising Star Program;

(9)-(11) makes no changes to these subdivisions;

(12) and (13) makes nonsubstantive changes to these subdivisions; and

(14) the number of 3-star and 4-star rated child care providers participating in partnerships with public school districts and public charter schools based on data provided by the Texas Education Agency, as necessary.

(c) Requires TWC, for the purposes of evaluation under Section 302.0042 (Evaluation of Allocation Formulas for Child Care Development Funds), to annually update the information described by Subsections (b)(7)-(14) (relating to requiring TWC to make certain assessments), rather than Subsections (b)(7)-(13).

SECTION 3. Amends Subchapter A, Chapter 302, Labor Code, by adding Section 302.00436, as follows:

Sec. 302.00436. SUBSIDIZED CHILD CARE PROGRAM: INFORMATION FOR PUBLIC SCHOOLS. Requires each local workforce development board to inform the local school districts and open-enrollment charter schools in the workforce development area regarding opportunities to partner with child-care providers in the board's area to expand access to and provide facilities for prekindergarten programs.

SECTION 4. Amends Section 302.0461(d), Labor Code, as follows:

(d) Requires a local workforce development board to update the report required by Subsection (c) (relating to requiring a board to submit a report to TWC evaluating the contract to determine its effect on certain child care providers) every 12 months, rather than every six months, from the date the board submits its initial report to TWC.

SECTION 5. Provides that TWC and local workforce development boards are required to implement a provision of this Act only if federal money is available for that purpose and using the federal money for that purpose would not result in supplanting or decreasing existing funding for programs currently funded by TWC using available money under the Child Care Development Block Grant. Provides that, if the state does not receive additional federal money under the Child Care Development Block Grant or other federal money to implement a provision of this Act, TWC and the boards are authorized, but not required, to implement a provision of this Act using other appropriations available for that purpose.

SECTION 6. Effective date: September 1, 2021.