

children at Risk

TESTIMONY IN SUPPORT OF HB 1364 (ROMERO, JR. | MINJAREZ)

Mandi Sheridan Kimball, *Director of Public Policy & Government Affairs, Children at Risk*

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LOCAL FLEXIBILITY FOR CHILD CARE CONTRACT AGREEMENTS

CHILDREN AT RISK supports HB 1364, which encourages local flexibility for use of contract agreements between Local Workforce Development Boards (LWDB) and child care subsidy providers participating in the Texas Rising Star (TRS) system. Under this bill, child care providers may identify and recommend to the LWDB, children who may be eligible to fill an available slot at their center.

SCOPE OF THE PROBLEM

Contract agreements are an effective and proven strategy to build the supply and stabilize high-quality care for children from low-income families, because child care providers can rely on those seats being filled. Contracts build stable, quality supply by guaranteeing the availability of quality seats in areas of great need (i.e., child care deserts, underserved areas, or an area with a shortage of quality child care). Coupled with the subsidy program, contracts also enhance parent choice by expanding options for child care that meet the needs of families.

For many subsidized child care providers, losing a child in their program can mean an extended loss in revenue from reimbursements as they attempt to fill the empty seat. Empty seats also affect the supply of available subsidy slots, as reserved subsidy slots increase the availability of high-quality child care for a subsidy-eligible child. Contract agreements solve this problem by directly contracting with a child care provider to offer a guaranteed number of quality subsidized slots. This allows providers to continue to receive reimbursements for an opened slot as they work to find a child to fill it. By reducing financial pressures to fill open slots, providers are incentivized to accept more subsidized children.

For questions or comments please contact:

Mandi Sheridan Kimball, Director, Public Policy and Government Affairs, 713.869.7740 or mkimball@childrenatrisk.org

WHAT THIS BILL DOES

Currently when a contracted slot becomes open, the LWDB will first contact families, in order of priority, that are on the waiting list and requested care in that ZIP code where the funded slot is available. Unfortunately, this process can sometimes take months to complete. HB 1364 would provide LWDBs more opportunities to collaborate with child care providers and efficiently and quickly fill the available slot. Child care providers can recommend children in their community who could be eligible for subsidized child care and fit into a priority group, which may include children receiving social services, foster children, children with disabilities, and others.

IMPACT

HB 1364 would provide greater stability and autonomy to child care providers, allowing them to fill available contracted subsidy slots more quickly. Additionally, contracts serve as an incentive to increase provider participation in TRS, providing subsidy seats to a greater number of children. Providers often have a waiting list of families trying to seek care and are aware of the families most in need within their communities. Allowing child care providers to recommend children to fill contracted slots would increase the availability of high-quality child care for low-income children.

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