

SUBJECT: Establishing a professional child-care training scholarship program

COMMITTEE: Economic Development — committee substitute recommended

VOTE: 8 ayes — Jim Solis, Van de Putte, Deshotel, Homer, Keffer, McClendon,
Seaman, Yarbrough

0 nays

1 absent — Luna

WITNESSES: For —Donna Hoffman, National Organization for Women in Texas; Phil
Ritter, Texas Instruments Incorporated

Against —None

On —David Coufal, Texas Workforce Commission

DIGEST: HB 2609 would require the Texas Workforce Commission (TWC) to administer a program to provide scholarships and wage supplements to professional child-care workers. Total funding could not exceed \$2 million per biennium. The scholarship program and wage supplementation would be paid with federal Child Care Development funds or other funding sources available to the commission.

TWC would award scholarships in the amount of \$1,000 each to eligible recipients to pay expenses of obtaining:

- ! Child Development Associate national credentials;
- ! Certified Child-Care Professional credentials; or
- ! a level one certificate or associate's degree in childhood development or early childhood education from a public or private institution of higher education.

To be eligible for a scholarship, a person would have to be employed in a child-care facility and agree to work in a child-care facility for at least 18 additional months.

TWC could provide bonuses or wage supplements for scholarship recipients

remaining employed by the same child-care facility that employed them when the scholarship was awarded, if they were providing care for children under the age of six years, and if they stayed on the job for 18 months.

Amount and duration of supplements would be determined by TWC, to be paid in equal shares by the employer and TWC. TWC rules would provide for recovery of scholarship money from recipients failing to comply with requirements.

This bill would take effect September 1, 1999.

**SUPPORTERS
SAY:**

Texas ranks 48th in the nation in quality of childcare, according to National Association for the Education of Young Children (NAEYC). To make a bad situation worse, many children attend day care facilities staffed by untrained child care workers. The key to improving the quality of child care in Texas is to provide better training and credentials for child-care workers. HB 2609 would help do this by giving financial breaks to dedicated people working in a profession that pays comparatively little.

Child-care facilities also have a high turnover rate for employees. This bill would provide an incentive to child-care workers to obtain training. If they remained with their employer for an least an additional 18 months, they could receive a bonus or wage supplements.

This bill would help parents, children, workers, and child-care facilities in Texas by helping provide better trained staff members. It would provide a mechanism to help the industry in general retain trained workers. By providing a wage-supplement program for eligible workers in the program who stayed at their jobs for 18 months, it would help specific employers retain the kind of valuable staff members that would seek to improve their training. Child-care workers would be able to stay in familiar surroundings, putting their improved training to use.

The federal government will require, by 2003, that 50 percent of the staff at child-care facilities in the Head Start Program have at least an associates degree. Texas must maintain at least the same level of standards. HB 2609

would encourage child-care workers to attain this training and by doing so would improve the overall standard of child-care in Texas.

Funding for this program already is available. The federal government earmarks four percent of child care development funds for programs that improve the quality of care. In Texas, these expenditures are estimated to be \$13 million each year of the next biennium, based on the House and Senate versions of HB 1. Also, a line item in the federal budget has tentatively given Texas an additional \$16 million for quality program expansion.

**OPPONENTS
SAY:**

Most child-care operators cannot to pay higher wages without raising fees beyond the amount most parents can afford. This bill would require employers to pay for half of the wage supplement awarded by the commission. The result could be improved care for children at centers patronized by parents who can afford to pay the higher child-care rates this supplement program could require. Children in low-income families who depend on subsidized child-care would be less likely to benefit.

NOTES:

The committee substitute would allow a scholarship recipient to use the money to obtain Certified Child-Care Professional credentials and a level one certificate or associate's degree, in addition to Child Development Associate national credentials. Under the original bill, a scholarship recipient would have been required to apply \$700 of the scholarship money towards training expenses and the remaining \$300 toward obtaining Child Development Associate national credentials.

The substitute would require a recipient to work in a child-care facility for at least 18 additional months, instead of at least three years as required by the original bill. The substitute also would authorize the commission to provide wage supplementation or a bonus to recipients who provide care to children under the age of six years, instead of under the age of four years. CSHB 2609 also added specifications that the employer and the commission would pay equal amounts of the bonus or wage supplementation.

Several other bills have been filed this session to address child-care issues:

- ! HB 65 by Greenberg, et al. (SB 426 by Ellis, et al.) would create a franchise tax credit of up to 30 percent for businesses that invest in child care for their employees.
- ! HB 66 by Greenberg, et al. (SB 425 by Ellis, et al.) would provide \$1 million in state funds to award \$1,000 scholarships for child-care workers studying to win national credentials in their field.

- ! HB 1689 by Greenberg. et al. (SB 442 by Ellis) would create a college loan forgiveness program for graduates with a degree in early childhood development.
- ! HB 3741 by Greenberg would require the Texas Department of Protective and Regulatory Services to conduct a comprehensive cost-benefit analysis and economic impact study for revisions of minimum standards that would affect staff-child ratios, group sizes, or square footage of child-care facilities.
- ! HB 3333 by Tillery would require a specific portion of federal child-care funds to go to registered family homes and would increase the reimbursement rates for child care in Texas.

HB 1689 passed the House as amended on April 27, and has been referred to the Senate Education Committee. HB 3741 passed the House on May 4, and has been referred to the Senate Human Services Committee. HB 3333 passed the House as amended on April 30, and has been referred to the Senate Economic Development Committee. The other bills are in committee.