

SUBJECT: Transferring state employee child-care responsibility from TBPC to HHSC

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 7 ayes — Swinford, Miller, B. Cook, Farrar, J. Keffer, Martinez Fischer, Wong

0 nays

2 absent — Gattis, Villarreal

WITNESSES: None

BACKGROUND: State employee child care facilities are administered by the Texas Building and Procurement Commission (TBPC). Under Government Code, ch. 663, the TBPC must:

- set performance standards for child care services in the program;
- set specifications for each facility site;
- acquire, build, renovate, or repair a building, as necessary;
- lease the facility to a child care provider at a reasonable rate;
- monitor the activities of state child care facilities;
- establish procedures for application for enrollment;
- appoint a child care advisory committee; and
- submit a report to the Legislature each biennium.

At present, there is only one facility, the Capitol child care center in downtown Austin. The facility has been closed since the fall of 2004.

DIGEST: HB 2378 would transfer responsibility for state employee child care facilities to the Health and Human Services Commission (HHSC). All of the functions related to these facilities would be transferred except the authority to lease the facility to a child care provider and management of real property, which would remain at TBPC. These functions, as well as any ongoing complaints, investigations, proceedings, funds, and property related to these facilities, would be transferred on November 1, 2005.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS
SAY:**

By transferring authority for state employee child care services to HHSC, HB 2378 would ensure that these services were overseen by the state agency most knowledgeable and competent on child care. While TBPC has ably carried out most of its functions, it has no expertise in the area of child care, and the child care center has been plagued with problems, despite the commission's best efforts.

HHSC is a more logical agency to administer this center, since this agency is responsible for child care in the state. Placing the center under HHSC would not create a conflict of interest because the agency would contract out the required child care services to a provider. Moreover, many agencies regulate activities which they also participate in. For example, TBPC sets rules on procurement and also is responsible for much of the state's procurement.

**OPPONENTS
SAY:**

Placing responsibility for administering the state child care facility at the agency that has control over the department that licenses and regulates these facilities would create a conflict of interest. If the facility was administered by the Department of Family and Protective Services (DFPS), a department within HHSC, DFPS would be in the legally and ethically questionable position of licensing itself. Meanwhile, if the facility remained at HHSC, there still would be concerns because the commission is responsible for rulemaking, and it would be unclear how the DFPS could hold HHSC accountable if the facility was not properly run.

**OTHER
OPPONENTS
SAY:**

While administration of the child care center should be moved, perhaps a different agency or institution would be more appropriate. The University of Texas (UT) has been proposed as a more logical choice because UT already has an exceptionally well run child development lab. However, UT is currently building a second facility and it is not clear that the university would have the resources to administer an additional facility at this time. Another option might be to have UT act as a consultant to advise TBPC on how to set up and run a good child care center.