

SENATE AMENDMENTS
2nd Printing

By: Thompson of Harris, Lopez, Button, H.B. No. 619
Talarico, et al.

A BILL TO BE ENTITLED

1 AN ACT
2 relating to developing a strategic plan to support the child-care
3 workforce.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter A, Chapter 302, Labor Code, is
6 amended by adding Section 302.0062 to read as follows:

7 Sec. 302.0062. STRATEGIC PLAN TO SUPPORT CHILD-CARE
8 WORKFORCE. (a) The commission shall prepare a strategic plan for
9 improving the quality of the infant, toddler, preschool, and
10 school-age child-care workforce in this state. The strategic plan
11 must include:

12 (1) recommendations for local workforce development
13 boards to improve, sustain, and support the child-care workforce;

14 (2) recommendations for increasing compensation for
15 and reducing turnover of child-care workers;

16 (3) recommendations for eliminating racial and gender
17 pay disparity in the child-care workforce;

18 (4) recommendations for increasing paid opportunities
19 for professional development and education for child-care workers,
20 including apprenticeships;

21 (5) best practices from local workforce development
22 boards in this state and other programs designed to support
23 child-care workers;

24 (6) recommendations for increasing participation in

the Texas Early Childhood Professional Development System;

(7) recommendations for public and private institutions of higher education to:

(A) increase the use of articulation agreements with school districts and open-enrollment charter schools; and

(B) assist in the education and training of child-care workers;

(8) specific recommendations for improving the infant and toddler child-care workforce; and

(9) a timeline and benchmarks for the commission and local workforce development boards to implement recommendations from the strategic plan.

(b) The commission shall convene a workgroup to assist the commission in developing the plan. The workgroup shall include:

(1) child-care providers;

(2) community stakeholders; and

(3) child-care workers.

(c) The commission shall use the following information in creating the plan:

(1) demographic data of child-care workers in this state, including:

(A) the race, ethnicity, gender, and educational attainment of child-care workers; and

(B) the ages of the children the worker serves;
(2) compensation data for child-care workers disaggregated by race, ethnicity, gender, and educational attainment;

1 (3) the information described by Subdivisions (1) and
2 (2) for a representative sample set of child-care facilities in the
3 state; and

4 (4) information provided by the workgroup established
5 under Subsection (b).

6 (d) The commission shall provide the strategic plan
7 prepared under this section to the governor, the lieutenant
8 governor, and the speaker of the house of representatives.

9 (e) The commission shall update the strategic plan prepared
10 under this section every three years.

11 SECTION 2. Not later than December 31, 2022, the Texas
12 Workforce Commission shall make the strategic plan required by
13 Section 302.0062, Labor Code, as added by this Act, available to the
14 governor, the lieutenant governor, and the speaker of the house of
15 representatives.

16 SECTION 3. This Act takes effect September 1, 2021.

ADOPTED

MAY 24 2021

Latey Law
Secretary of the Senate

By: *Carl Allen*

H.B. No. 619

Substitute the following for H.B. No. 619 :

By: ~~S. Thompson~~ *Zaffirini*

C.S. H.B. No. 619

A BILL TO BE ENTITLED

AN ACT

relating to developing a strategic plan to support the child-care workforce.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 302, Labor Code, is amended by adding Section 302.0062 to read as follows:

Sec. 302.0062. STRATEGIC PLAN TO SUPPORT CHILD-CARE WORKFORCE. (a) The commission shall prepare a strategic plan for improving the quality of the infant, toddler, preschool, and school-age child-care workforce in this state. The strategic plan must include:

(1) recommendations for local workforce development boards to improve, sustain, and support the child-care workforce;

(2) recommendations for increasing compensation for and reducing turnover of child-care workers;

(3) recommendations for eliminating pay disparities in the child-care workforce;

(4) recommendations for increasing paid opportunities for professional development and education for child-care workers, including apprenticeships;

(5) best practices from local workforce development boards in this state and other programs designed to support child-care workers;

(6) recommendations for increasing participation in

1 the Texas Early Childhood Professional Development System;

2 (7) recommendations for public and private
3 institutions of higher education to:

4 (A) increase the use of articulation agreements
5 with school districts and open-enrollment charter schools; and

6 (B) assist in the education and training of
7 child-care workers;

8 (8) specific recommendations for improving the infant
9 and toddler child-care workforce; and

10 (9) a timeline and benchmarks for the commission and
11 local workforce development boards to implement recommendations
12 from the strategic plan.

13 (b) The commission shall convene a workgroup to assist the
14 commission in developing the plan. The workgroup shall include:

15 (1) child-care providers;

16 (2) community stakeholders; and

17 (3) child-care workers.

18 (c) The commission shall use the following information in
19 creating the plan:

20 (1) demographic data of child-care workers in this
21 state, including:

22 (A) the race, ethnicity, gender, and educational
23 attainment of child-care workers; and

24 (B) the ages of the children the worker serves;
25 (2) compensation data for child-care workers
26 disaggregated by race, ethnicity, gender, and educational
27 attainment;

1 (3) the information described by Subdivisions (1) and
2 (2) for a representative sample set of child-care facilities in the
3 state; and

4 (4) information provided by the workgroup established
5 under Subsection (b).

6 (d) The commission shall provide the strategic plan
7 prepared under this section to the governor, the lieutenant
8 governor, and the speaker of the house of representatives.

9 (e) The commission shall update the strategic plan prepared
10 under this section every three years.

11 SECTION 2. Not later than December 31, 2022, the Texas
12 Workforce Commission shall make the strategic plan required by
13 Section 302.0062, Labor Code, as added by this Act, available to the
14 governor, the lieutenant governor, and the speaker of the house of
15 representatives.

16 SECTION 3. This Act takes effect September 1, 2021.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 24, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB619** by Thompson, Senfronia (Relating to developing a strategic plan to support the child-care workforce.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB619, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

| <i>Fiscal Year</i> | Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i> |
|------------------------|---|
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | \$0 |
| 2026 | \$0 |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable (Cost) from <i>Workforce Commission Federal Acct</i> 5026 |
|------------------------|--|
| 2022 | (\$632,000) |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | (\$632,000) |
| 2026 | \$0 |

Fiscal Analysis

The bill would amend the Labor Code to require the Texas Workforce Commission (TWC) to prepare a strategic plan for improving the quality of the child-care workforce in the state. The bill would require TWC to use specific demographic and compensation data when creating the plan. The bill would require TWC to make the plan available to the governor, lieutenant governor, and speaker of the House of Representatives no later than December 31, 2022 and update the plan every three years.

Methodology

According to TWC, the demographic and compensation data that the bill would require to be used for development of the strategic plan does not currently exist in the disaggregated way stated in the bill. The Texas Labor Market Information (LMI) does include wage data for child care workers, however, that data is not broken down by race, ethnicity, gender, or education level. Additionally, this demographic information is not collected for each child care facility. This analysis assumes this data would be gathered independently from current data collection sources. TWC reports it would collect the data required with a survey of a sample set of child care providers, similar to the surveys currently used for the Child Care Market Rate Survey (MRS). Based on information provided by TWC, this analysis assumes the cost to be the same as the MRS, which is approximately \$382,000 per report.

The bill requires that TWC convene a workgroup, including child care providers, community stakeholders, and child care workers, to assist in the development of the strategic plan. TWC reports it would procure for a contract with an external entity to manage the workgroup meetings, compile and analyze workgroup input, analyze survey data, and prepare the strategic plan. Based on a similar contract, which included management of a workgroup, TWC estimates the monthly contract cost to be approximately \$25,000 and that the contract would last 10 months from January through October, for a total cost of \$250,000 per plan. The bill requires that the plan be completed every three years, with the first plan due by December 31, 2022 (a contract funded in fiscal year 2022). The next plan within the five-year period will be due by December 31, 2025 (a contract funded in fiscal year 2025).

Local Government Impact

According to TWC, the bill may impact local workforce development boards as the bill requires the plan to include recommendations to improve and support the child care workforce.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JMc, LBO, AJL, SZ, MB, DFR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 22, 2021

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB619** by Thompson, Senfronia (Relating to developing a strategic plan to support the child-care workforce.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB619, Committee Report 2nd House, Substituted : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

| <i>Fiscal Year</i> | Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i> |
|--------------------|--|
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | \$0 |
| 2026 | \$0 |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable (Cost) from <i>Workforce Commission Federal Acct 5026</i> |
|--------------------|---|
| 2022 | (\$632,000) |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | (\$632,000) |
| 2026 | \$0 |

Fiscal Analysis

The bill would amend the Labor Code to require the Texas Workforce Commission (TWC) to prepare a strategic plan for improving the quality of the child-care workforce in the state. The bill would require TWC to use specific demographic and compensation data when creating the plan. The bill would require TWC to make the plan available to the governor, lieutenant governor, and speaker of the House of Representatives no later than December 31, 2022 and update the plan every three years.

Methodology

According to TWC, the demographic and compensation data that the bill would require to be used for development of the strategic plan does not currently exist in the disaggregated way stated in the bill. The Texas Labor Market Information (LMI) does include wage data for child care workers, however, that data is not broken down by race, ethnicity, gender, or education level. Additionally, this demographic information is not collected for each child care facility. This analysis assumes this data would be gathered independently from current data collection sources. TWC reports it would collect the data required with a survey of a sample set of child care providers, similar to the surveys currently used for the Child Care Market Rate Survey (MRS). Based on information provided by TWC, this analysis assumes the cost to be the same as the MRS, which is approximately \$382,000 per report.

The bill requires that TWC convene a workgroup, including child care providers, community stakeholders, and child care workers, to assist in the development of the strategic plan. TWC reports it would procure for a contract with an external entity to manage the workgroup meetings, compile and analyze workgroup input, analyze survey data, and prepare the strategic plan. Based on a similar contract, which included management of a workgroup, TWC estimates the monthly contract cost to be approximately \$25,000 and that the contract would last 10 months from January through October, for a total cost of \$250,000 per plan. The bill requires that the plan be completed every three years, with the first plan due by December 31, 2022 (a contract funded in fiscal year 2022). The next plan within the five-year period will be due by December 31, 2025 (a contract funded in fiscal year 2025).

Local Government Impact

According to TWC, the bill may impact local workforce development boards as the bill requires the plan to include recommendations to improve and support the child care workforce.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JMc, AJL, SZ, MB, DFR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 19, 2021

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB619** by Thompson, Senfronia (Relating to developing a strategic plan to support the child-care workforce.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB619, As Engrossed : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

| <i>Fiscal Year</i> | Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i> |
|------------------------|---|
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | \$0 |
| 2026 | \$0 |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable (Cost) from <i>Workforce Commission Federal Acct</i> 5026 |
|------------------------|--|
| 2022 | (\$632,000) |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | (\$632,000) |
| 2026 | \$0 |

Fiscal Analysis

The bill would amend the Labor Code to require the Texas Workforce Commission (TWC) to prepare a strategic plan for improving the quality of the child-care workforce in the state. The bill would require TWC to use specific demographic and compensation data when creating the plan. The bill would require TWC to make the plan available to the governor, lieutenant governor, and speaker of the House of Representatives no later than December 31, 2022 and update the plan every three years.

Methodology

According to TWC, the demographic and compensation data that the bill would require to be used for development of the strategic plan does not currently exist in the disaggregated way stated in the bill. The Texas Labor Market Information (LMI) does include wage data for child care workers, however, that data is not broken down by race, ethnicity, gender, or education level. Additionally, this demographic information is not collected for each child care facility. This analysis assumes this data would be gathered independently from current data collection sources. TWC reports it would collect the data required with a survey of a sample set of child care providers, similar to the surveys currently used for the Child Care Market Rate Survey (MRS). Based on information provided by TWC, this analysis assumes the cost to be the same as the MRS, which is approximately \$382,000 per report.

The bill requires that TWC convene a workgroup, including child care providers, community stakeholders, and child care workers, to assist in the development of the strategic plan. TWC reports it would procure for a contract with an external entity to manage the workgroup meetings, compile and analyze workgroup input, analyze survey data, and prepare the strategic plan. Based on a similar contract, which included management of a workgroup, TWC estimates the monthly contract cost to be approximately \$25,000 and that the contract would last 10 months from January through October, for a total cost of \$250,000 per plan. The bill requires that the plan be completed every three years, with the first plan due by December 31, 2022 (a contract funded in fiscal year 2022). The next plan within the five-year period will be due by December 31, 2025 (a contract funded in fiscal year 2025).

Local Government Impact

According to TWC, the bill may impact local workforce development boards as the bill requires the plan to include recommendations to improve and support the child care workforce.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JMc, AJL, SZ, MB, DFR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 6, 2021

TO: Honorable Angie Chen Button, Chair, House Committee on International Relations & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB619 by Thompson, Senfronia (relating to developing a strategic plan to support the child-care workforce.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB619, Committee Report 1st House, Substituted : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

| <i>Fiscal Year</i> | Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i> |
|------------------------|---|
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | \$0 |
| 2026 | \$0 |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable (Cost) from <i>Workforce Commission Federal Acct</i> 5026 |
|------------------------|--|
| 2022 | (\$632,000) |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | (\$632,000) |
| 2026 | \$0 |

Fiscal Analysis

The bill would amend the Labor Code to require the Texas Workforce Commission (TWC) to prepare a strategic plan for improving the quality of the child-care workforce in the state. The bill would require TWC to use specific demographic and compensation data when creating the plan. The bill would require TWC to make the plan available to the governor, lieutenant governor, and speaker of the House of Representatives no later than December 31, 2022 and update the plan every three years.

Methodology

According to TWC, the demographic and compensation data that the bill would require to be used for development of the strategic plan does not currently exist in the disaggregated way stated in the bill. The Texas Labor Market Information (LMI) does include wage data for child care workers, however, that data is not broken down by race, ethnicity, gender, or education level. Additionally, this demographic information is not collected for each child care facility. This analysis assumes this data would be gathered independently from current data collection sources. TWC reports it would collect the data required with a survey of a sample set of child care providers, similar to the surveys currently used for the Child Care Market Rate Survey (MRS). Based on information provided by TWC, this analysis assumes the cost to be the same as the MRS, which is approximately \$382,000 per report.

The bill requires that TWC convene a workgroup, including child care providers, community stakeholders, and child care workers, to assist in the development of the strategic plan. TWC reports it would procure for a contract with an external entity to manage the workgroup meetings, compile and analyze workgroup input, analyze survey data, and prepare the strategic plan. Based on a similar contract, which included management of a workgroup, TWC estimates the monthly contract cost to be approximately \$25,000 and that the contract would last 10 months from January through October, for a total cost of \$250,000 per plan. The bill requires that the plan be completed every three years, with the first plan due by December 31, 2022 (a contract funded in fiscal year 2022). The next plan within the five-year period will be due by December 31, 2025 (a contract funded in fiscal year 2025).

Local Government Impact

According to TWC, the bill may impact local workforce development boards as the bill requires the plan to include recommendations to improve and support the child care workforce.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JMc, SZ, MB, DFR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 23, 2021

TO: Honorable Angie Chen Button, Chair, House Committee on International Relations & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB619 by Thompson, Senfronia (Relating to developing a strategic plan to support the child-care workforce.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB619, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

| <i>Fiscal Year</i> | Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i> |
|------------------------|---|
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | \$0 |
| 2026 | \$0 |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable (Cost) from <i>Workforce Commission Federal Acct</i> 5026 |
|------------------------|---|
| 2022 | (\$1,199,835) |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | (\$1,199,835) |
| 2026 | \$0 |

Fiscal Analysis

The bill would amend the Labor Code to require the Texas Workforce Commission (TWC) to prepare a strategic plan for improving the quality of the child-care workforce in the state. The bill would require TWC to include recommendations for local workforce development boards (LWDB) to improve and support the child care workforce, compensation increases and staff retention, eliminating racial and gender pay disparities, increasing the use of the Texas Early Care Professional Development System, and best practices from LWDBs and other programs designed to support the child care workforce, among other recommendations.

The bill would require TWC to use specific demographic and compensation data when creating the plan. The bill would require TWC to make the plan available to the governor, lieutenant governor, and speaker of the House of Representatives no later than December 31, 2022 and update the plan every three years.

Methodology

According to TWC, the demographic and compensation data that the bill would require to be used does not currently exist in the disaggregated way stated in the bill. The Texas Labor Market Information (LMI) does include wage data for child care workers, however, that data is not broken down by race, ethnicity, gender, or education level. Additionally, this demographic information is not collected for each child care facility. This analysis assumes this data would be gathered independently from current data collection sources. As TWC notes, child care providers may be reluctant to provide wage, race, ethnicity, gender, and education level for their employees, and, child care workers may care for multiple age groups within a facility, making the collection and reporting of this information problematic.

TWC reports it would collect the data requirements with a survey of each child care provider, similar to the surveys currently used for the Child Care Market Rate Survey (MRS). It is anticipated that the response rate would be low and sampling assumptions would need to be made to extrapolate the data across all child care facilities.

This analysis uses information from TWC related to the cost of the MRS to estimate costs for this legislation. Assuming the cost to be approximately the same as the MRS, the MRS cost of \$382,000 per report for 4,500 providers would equate to a cost of \$84.89 per provider surveyed. As of December 14, 2020, there are 14,134 licensed centers, licensed homes, and registered homes in Texas. Based on information from TWC, this analysis estimates a cost of \$1,199,835 to gather the data required to produce the strategic plan as required by this legislation.

The bill requires that the plan be completed every three years, with the first plan due by December 31, 2022 (a contract funded in fiscal year 2022). The next plan within the five-year period will be due by December 31, 2025 (a contract funded in fiscal year 2025).

Local Government Impact

According to TWC, the bill may impact local workforce development boards as the bill requires the plan to include recommendations to improve and support the child care workforce.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JMc, SZ, MB, DFR