

## **BILL ANALYSIS**

C.S.H.B. 423  
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Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Rising child-care costs have made it difficult for working families to have access to adequate and affordable child care. An inability to afford child care has resulted in parents leaving the workforce or relying on unlicensed and often dangerous child-care facilities. Legislative action must be taken to relieve families of the financial burdens associated with quality child care. A study on the cost of child care in Texas in comparison to family income is the first step toward legislative action in future sessions and C.S.H.B. 423 seeks to provide for such a study.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 423 requires the Texas Workforce Commission (TWC) to conduct a study regarding the cost of child care in Texas in comparison to family income. The study must examine the following:

- trends in child-care costs and projections for future child-care costs;
- child-care costs compared to family income, considering federal poverty guidelines, state median income, or other relevant income standards; and
- the amount of governmental money estimated or available to support subsidized child care over the periods applicable to such data and the number of children receiving subsidized child care.

The study must also estimate the number of families eligible to receive subsidized child care. The bill requires TWC to report the results of the study to the governor, the lieutenant governor, the speaker of the house of representatives, and each legislative standing committee with jurisdiction over child-care facilities not later than December 15, 2024. The bill's provisions expire September 1, 2025.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 423 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced required the Health and Human Services Commission (HHSC) to conduct the study with the assistance of TWC, the substitute requires TWC to conduct the study itself. Accordingly, the substitute changes the entity required to submit the report on the results of the study from HHSC to TWC. Additionally, the substitute changes the deadline for the submission of the report from September 1, 2024, as in the introduced, to December 15, 2024.

With respect to the cost comparison made in the study, the substitute changes the study from a comparison of child-care costs to wages, as in the introduced, to a study of the cost of child care in comparison to family income.

With respect to the factors the study must examine, the substitute makes the following changes:

- whereas the introduced required an examination of both past and current trends in child-care costs in comparison to past and current wages, the substitute requires an examination of just trends in child-care costs;
- whereas the introduced required an examination of future trends in child-care costs, including projected costs for child care for each of the next 10 years and projected future wages for each of the next 10 years, the substitute only requires an examination of projections for future child-care costs generally;
- The substitute requires an examination, for which there is no analog in the introduced, of child-care costs compared to family income, considering federal poverty guidelines, state median income, or other relevant income standards;
- the substitute omits the requirement for an examination of the expansion or stabilization of social service programs over a certain period; and
- the substitute requires an examination, for which there is no analog in the introduced, of the amount of governmental money estimated or available to support subsidized child care over a certain period and the number of children receiving subsidized child care.

The substitute does not include the provision from the introduced requiring the study to compare data obtained from the examinations for single-parent and two-parent households. The substitute includes a requirement not in the introduced for the study to estimate the number of families eligible to receive subsidized child care.