JANUARY 2026

Analysis of Texas LWDB Fiscal Spending of Child Care Quality Investments

Executive Summary

PAVING THE WAY TO QUALITY

children at Risk

Acknowledgments

This report has been generously supported by our donors and community partners. We appreciate their commitment to CHILDREN AT RISK and our mission to improve the quality of early childhood education in Texas. This report includes data retrieved from the Texas Workforce Commission; we thank them for making the data accessible. We are grateful for the many organizations that provided feedback and assisted with verifying the facts. The interpretations and recommendations included in this report are those of CHILDREN AT RISK and do not reflect the views of the funders or state agencies mentioned in this report.

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This Report is a statewide analysis that examines:

1. How each LWDB spends their Child Care Quality dollars,
2. Overall participation in TRS and Child Care Deserts in their region, and
3. Variables related to LWDB choices in critical areas of both provider professional development and family access to Child Care Services.

This is a companion report, meant to accompany regional profiles across Texas' 28 LWDB regions. To *view the local analyses*, scan the QR code.

INTRODUCTION

In September 2024, CHILDREN AT RISK published *Paving the Way to Quality: Analysis of Texas Local Workforce Development Board Spending & Quality Investments*, the first comprehensive examination of how Texas invests in child care quality and the role local decision-making plays in strengthening the system. The report analyzes how each Local Workforce Development Board (LWDB) allocated its Child Care Quality funds, levels of Texas Rising Star (TRS) participation, and the prevalence of Child Care Deserts across regions—recognizing that stable, high-quality child care is foundational to workforce participation, economic growth, and equitable outcomes for children and families. While the Texas Workforce Commission (TWC) grants Boards flexibility in how these funds are used, all LWDBs share a common purpose: ensuring that child care providers participating in Child Care Services (CCS), the program offering scholarships to low-income families, have the resources and supports necessary to achieve and sustain TRS quality ratings that meet the needs of their local communities.

Child Care Funding

The Texas Workforce Commission (TWC) administers the federal Child Care Development Block Grant (CCDBG), providing funding to 28 Local Workforce Development Boards (LWDBs) for child care scholarships for low-income working families, with required set-asides for quality improvements. Federal rules mandate that no less than 70% of funds be used for direct care, no less than 9% for quality initiatives, no less than 3% for infants & toddlers, and no more than 5% for administration.

In 2024, Texas reported meeting the 70% direct care requirement after exclusions, while spending ≈19% on quality improvement, ≈6% on Infants & Toddlers and ≈3% on administration. Each LWDB receives an allocation from TWC for direct care and quality improvement, along with additional Texas Rising Star (TRS) mentor funds, which are divided between Personnel Costs for staff salaries/benefits involved in technical assistance and Promotions and Supports for necessary staff supports like training, supplies, and technology to enhance quality.

CHILD CARE QUALITY DOLLAR INVESTMENTS

Trends In Quality Allocations

In 2024 Board Calendar Year (BCY24), 77% of Child Care Quality funds across the 28 LWDBs were allocated between Texas Rising Star (TRS) and "Other" categories, 42% and 35% respectively. This reflects a shift from 2023, when 81% of funds were concentrated in the TRS category alone. The Infant & Toddler and Professional Development categories experienced modest increases from BCY23 to BCY24, rising from 5% to 9% and from 10% to 13%, respectively.

PERCENT OF QUALITY DOLLARS SPENT STATEWIDE		
Category	2023	2024
Infant & Toddler	5%	9%
Professional Development	10%	13%
Texas Rising Star	81%	42%
Health & Safety	1%	1%
Evaluation & Assessment	3%	1%
National Accreditation Support	0%	0%
Other	0%	35%

Table 1

ANALYSIS OF LWDB QUALITY INVESTMENT TRENDS (2023-2024)

The BCY 2024 analysis of LWDB investments in quality child care initiatives reveals a continued commitment across all 28 Boards to the TRS program, while also reflecting **significant strategic shifts in resource allocation** compared to 2023. Key trends include increased investment in infant/toddler support and staffing-related expenditures, particularly in wage retention bonuses and achievement-based stipends and wage supplements.

Consistent with 2023, all 28 LWDBs (100%) invested in TRS Supports and Professional Development activities. The **largest percentage increase in category participation was seen in the Infant/Toddler** category, which rose from 79% of Boards in 2023 to 100% in 2024.

Investment percentages across the remaining categories for 2024 are as follows, showing a decline in commitment in two areas:

Category	2024 LWDB Investment	Change from 2023
Infant/Toddler	100% (28 Boards)	Largest Growth (from 79%)
Other	64% (18 Boards)	Increase (from 46%)
Health and Safety	43% (12 Boards)	Slight Decline (from 46%)
Evaluation and Assessment	43% (12 Boards)	Slight Decline (from 46%)
National Accreditation	21% (6 Boards)	Increase (from 14%)
TRS Supports	100% (28 Boards)	No Change
Professional Development	100% (28 Boards)	No Change

Table 2

Analysis Of Quality Dollars Allocation BCY24

SPENDING BREAKDOWN BY CATEGORY

1. PROFESSIONAL DEVELOPMENT

All 28 Boards invested in general training. The strategy is moving toward higher education, such as college courses, while reducing spending on conferences and TRS orientations as compared to the previous BCY23.

- **Child Development Associate (CDA) Support:** 19 Boards
- **Early Childhood Education (ECE) Apprenticeships:** 3 Boards

2. TEXAS RISING STAR (TRS) SUPPORTS

All 28 Boards provided resources to help providers meet TRS quality standards, with a heavy emphasis on classroom tools and staffing.

- **Equipment, Materials, and Resources:** 25 Boards
- **Curriculum:** 22 Boards
- **Mentor Salaries:** 16 Boards
- **Outdoor Learning Resources:** 13 Boards
- **Family Engagement:** 5 Boards

3. INFANT AND TODDLER CARE

Every Board directed funds toward the youngest learners, primarily focusing on improving the quality of instruction.

- **Specialized Professional Development:** 18 Boards
- **Targeted Curriculum:** 16 Boards
- **Expansion Grants or Equipment:** 4 Boards

4. WORKFORCE STABILIZATION AND SYSTEMS

In the "Other" category, the primary goal was keeping teachers in the classroom.

- **Wage Supplements (Retention):** 15 Boards
- **Child Care Management Systems:** 5 Boards

5. HEALTH, SAFETY, AND QUALITY STANDARDS

These categories saw consistent participation or slight declines compared to previous years.

- **Health and Safety Training/Equipment:** 12 Boards
- **Evaluation and Assessment:** 12 Boards
- **National Accreditation Support:** 6 Boards

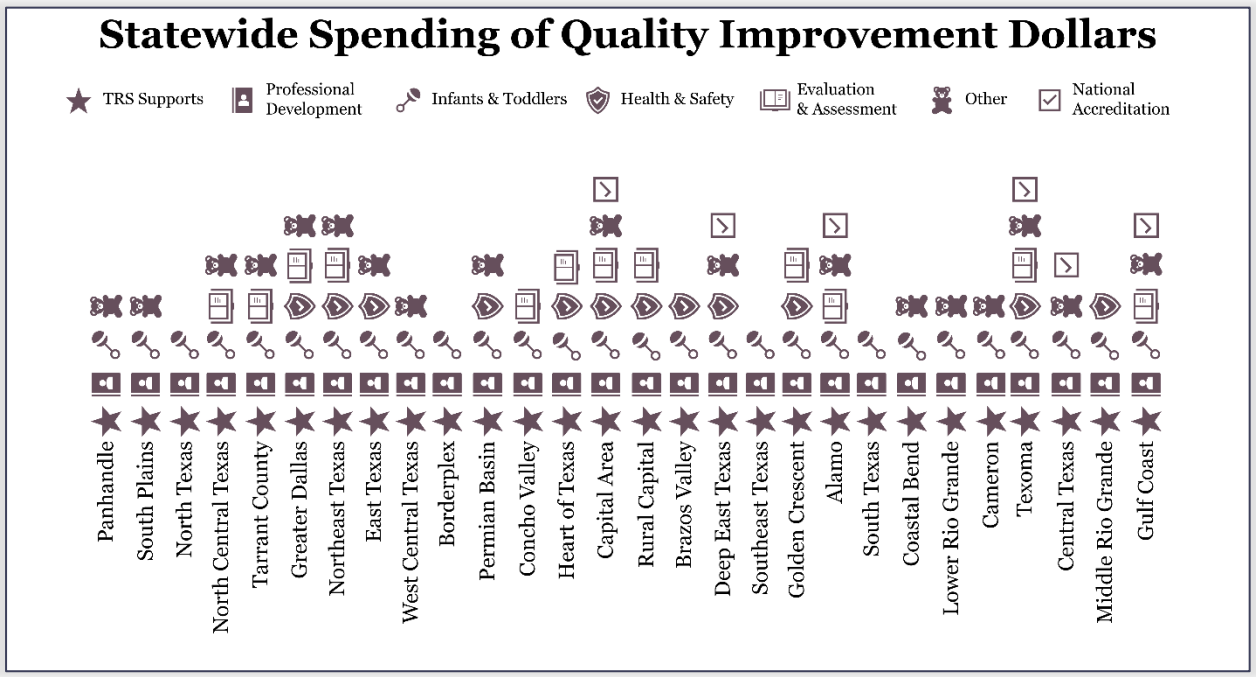

Figure 1

Key Expenditure Shifts: Focus on Staffing Retention & Resource Support

The most pronounced trend in the 2024 analysis is a pivot toward expenditures that directly support staff compensation and staff retention, technical assistance and infant/toddler-focused professional development.

Major Sub-Category Shifts (2023-2024):

STAFF COMPENSATION: The most significant shift was the increase in wage supplements for child care professionals, rising from 25% of Boards in 2023 to 54% (15 Boards) in 2024. These funds were largely disbursed as retention bonuses, or for reaching TRS qualifications and certification criteria.

RESOURCE SUPPORT: The rise of the TECPDS SME (Subject Matter Expert) sub-category, now an investment for 36% (10 Boards), reflects a new, administrative focus required by the statewide mandate for all Child Care Services (CCS) programs to achieve TRS certification. This role provides critical technical assistance for teacher/director account creation and system administration. Additional LWDB's are likely to have used this type of TA but categorized it differently (i.e. by wrapping into all TRS staff support).

INFANT/TODDLER FOCUS: The jump in LWDBs investing in Infant/Toddler-specific professional development (now 64% of Boards) highlights a responsive effort to address the needs of I/T classrooms within the TRS system

This focus on personnel and direct support is likely due to the conclusion of COVID-era American Rescue Plan Act (ARPA) funds, necessitating LWDBs to fill funding gaps for essential staff retention and systemic administrative needs.

STRATEGIC IMPLICATIONS AND FUTURE OUTLOOK

The 2024 expenditure analysis reveals a clear strategic pivot by the Local Workforce Development Boards (LWDBs) away from broad initiatives and toward targeted investments in workforce stabilization and TRS quality compliance resources. This trend suggests a highly responsive approach to the immediate pressures facing the child care industry in the post-COVID environment and achieving mandatory TRS status.

STRATEGIC TREND	DATA POINT	INTERPRETATION
Workforce Stabilization	Wage Supplements: 25% to 54%	Direct response to staffing crisis; shift to financial incentives.
Compliance Resources	New TECPDS SME category (36% inv.)	Dedicating resources to manage the administrative burden of the TRS mandate.
Targeted Quality	Infant/Toddler PD: Significant jump to 64%	Addressing the most critical area of child development within the TRS system.

Table 3

DETAILED BREAKDOWN

1. PRIORITIZING THE CHILD CARE WORKFORCE

The most critical strategic implication is the significant investment in staff compensation. The jump in Boards providing wage supplements (rising from 25% to 54%) demonstrates a clear recognition that the retention and recruitment of qualified personnel is the primary challenge to quality improvement. These funds, largely used for retention bonuses and achievement-based stipends, shift the LWDBs' role toward direct financial incentives for the workforce.

> **OUTLOOK:** Future success in the TRS program may be increasingly dependent on the sustained financial support for child care professionals, rather than solely relying on professional development opportunities.

2. REINFORCING THE TRS SYSTEM

The use of the TECPDS SME sub-category and the 100% investment in TRS Supports and Infant/Toddler initiatives solidify the LWDBs' function as the implementers of the statewide TRS mandate. The focus on TECPDS indicates an acceptance of the administrative complexity involved in bringing all CCS programs into the system.

> **OUTLOOK:** The strategic goal is now less about *encouraging* participation in TRS and more about *operationalizing and sustaining* it and for TRS programs to increase quality by reaching the 4-star level. The rise in I/T professional development specifically addresses a historically underserved and highly impactful area of child care quality.

3. DE-EMPHASIS ON FOUNDATIONAL CATEGORIES

The slight decline in investment participation in Health and Safety and Evaluation and Assessment suggests that LWDBs may be assuming that these foundational activities are either being funded through other state or federal sources, or that their relative priority has temporarily dropped below the immediate crises of staffing and TRS compliance. Similarly, the slower growth in National Accreditation (21% investment) confirms that TRS remains the dominant and preferred quality framework for the Boards.

> **OUTLOOK:** While the shift to staffing is necessary, future reports should monitor the stability of funding for foundational quality assurance (Health & Safety, Evaluation) to ensure that immediate priorities do not erode essential standards.

QUALITY CHILD CARE: TEXAS RISING STAR

In December 2023, only 35.3% of child care programs contracting with their LWDBs were TRS certified, serving 68,482 children. By December 2024, this share had increased to 55.3%, with TRS programs serving 100,960 children. Despite this progress, 45,911 children were still enrolled in non-TRS programs in December 2024. Although this reflects a decline in the number of children in subsidy programs who are not in TRS quality programs from 71,973 children the previous year, significant work remains to ensure that all children have access to high-quality TRS-certified care.

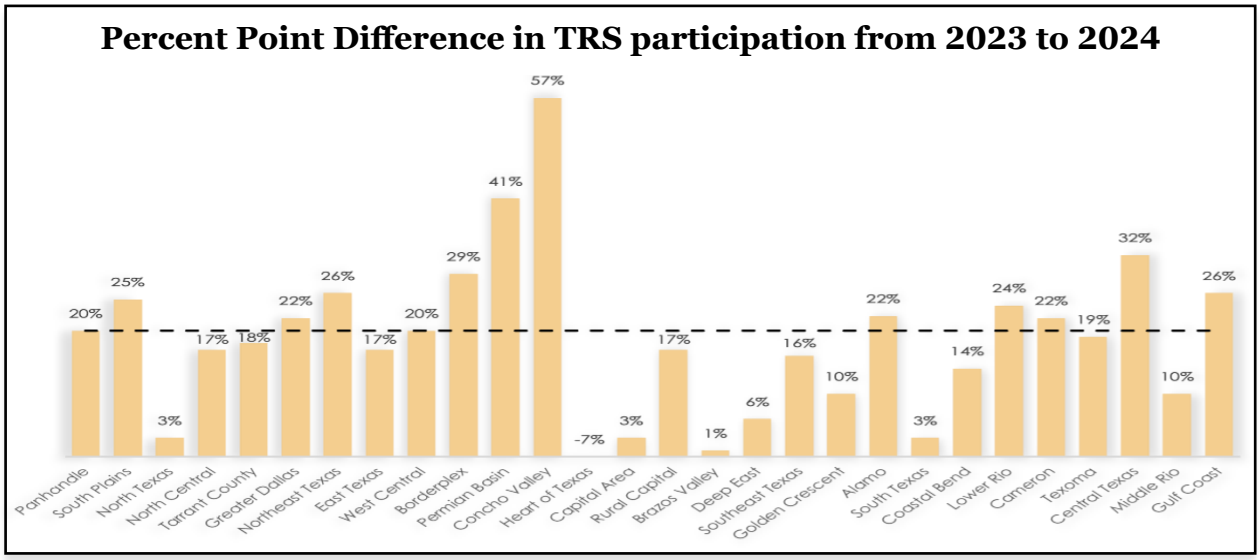

Figure 2

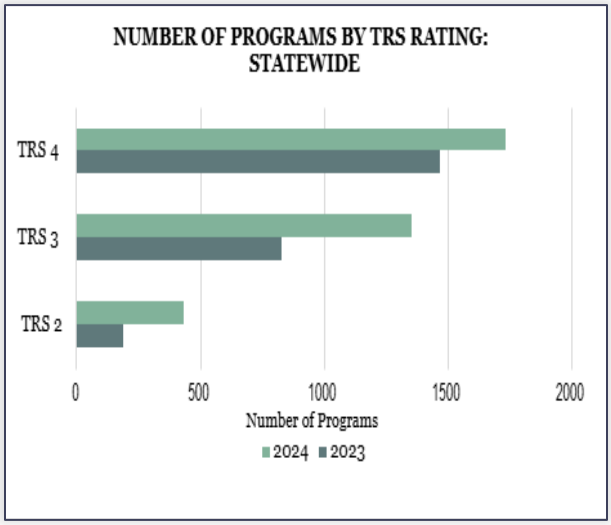

Figure 3

Between 2023 and December 2024, the distribution of programs across the TRS rating tiers shifted considerably. In 2023, the system included 1,538 TRS 4-star programs (60%), 827 TRS 3-star programs (32%), and 204 TRS 2-star programs (8%). By December 2024, the total number of programs had increased at every level, though the proportional distribution changed: TRS 4-star programs grew to 1,779, TRS 3-star programs increased to 1,491, and TRS 2-star programs experienced the largest rise, expanding to 767. ***See Local Analysis* for trends in TRS.**

CHILD CARE DESERTS

Access to quality child care is a critical issue. To build an effective child care system, we must consider both the availability and location of quality programs, especially in areas where there's little to no quality child care.

In Texas, there's a significant shortage of available child care seats, particularly for low-income families. Based on data from September 2024, the state has lost nearly 75,000 child care spots in the past year, leading to a rise in Child Care Deserts. These are areas where the demand for quality care is three times greater than the supply. This issue disproportionately affects low-income working families, with 88% of them living in these desert zones. Despite many providers receiving child care subsidies from the Texas Workforce Commission (TWC), over 90,000 children are on a waitlist, and an estimated 485,000 eligible low-income children ages 0-5 are not being served. While the 89th legislative session resulted in a $100M dollar investment to address the waiting list, the investment is expected to maintain, rather than increase, the number of children to be served. This is largely due to higher reimbursement rates driven by increased costs of doing business and greater participation in higher TRS quality levels.

Even with recent legislative investment, Texas child care providers and families need support.

*Over **90,000** children are on the TWC Waitlist.*

*Since last year, Texas has lost nearly **75,000** child care seats.*

***88%** of working families with children under the age of five live in an identified Child Care Desert, leaving an estimated 485,000 eligible low-income children without access to care.*

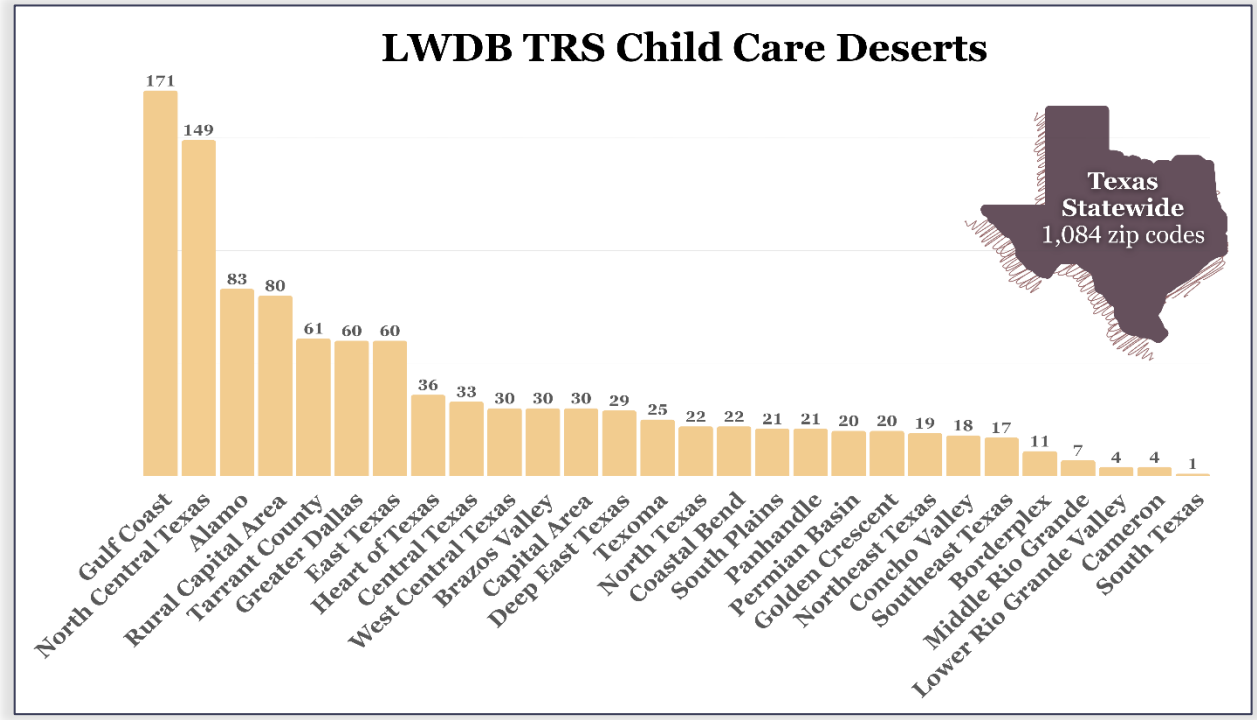

Figure 4

While the overall landscape is challenging, some progress has been made to increase the availability of high-quality child care. The 2021 law, HB 2607, requires providers who receive subsidies to participate in the state's TRS program, which rates the quality of care. This has led to a **41% increase in TRS-provider participation**, **and the number of areas designated as TRS deserts has decreased**. However, Texas Rising Star deserts remain widespread. Only seven Local Workforce Development Boards (LWDBs) exceed the state average of 29 quality seats per 100 children, while 17 LWDBs (61%) have fewer than 20 seats per 100 children for low-income working families.

TO EXPLORE MORE DATA ON TEXAS CHILD CARE DESERTS, VISIT CHILDRENATRISK.ORG/CHILDCAREDESERTS

Priority Rankings: Regional Need vs. Investment

The following table highlights where advocacy and funding are most critical based on the current service gap.

PRIORITY LEVEL	REGIONS	KEY CHARACTERISTICS
Highest Proportional Gap	North Central, Rural Capital, and Capital Area	**90%+ Service Gap.** These regions are effectively unable to serve 9 out of 10 eligible families.
Highest Volume Gap	Gulf Coast and North Central	**100k+ unserved in both North Central and Gulf Coast.** These areas have the highest number of families waiting for scholarships.
High Volume Gap	Tarrant, Greater Dallas, Capital Area, and Alamo	**30-50,000** underserved in each of these board areas.

Table 4

RECOMMENDATIONS FOR LWDBS, TEXAS LEGISLATURE, & TEXAS WORKFORCE COMMISSION

As Local Workforce Development Boards (LWDBs) continue to support child care providers through the Texas Rising Star (TRS) process, more programs enter the system and local child care committees have become more clearly defined. Between the BCY 2023 and 2024, the majority of LWDBs adjusted how they allocate quality funds in ways that reflect the unique needs of their regional child care ecosystems, demonstrating flexibility, responsiveness, and a commitment to continuous improvement. Yet, LWDBs can further strengthen this work by learning from one another, sharing not only innovative approaches, but also proven best practices for effective implementation.

While these locally driven adjustments are essential, LWDBs are limited by finite time, authority, and resources. Meaningful, system-level progress will require continued leadership and investment from the Texas Workforce Commission and the Texas Legislature. As multiple statewide efforts, including the Governor's Task Force on Early Childhood Education Governance, the Quad-Agency Child Care Initiative Commission and the Sunset Commission, examine opportunities to strengthen the child care system ahead of the 90th Legislative Session, the following recommendations are offered for consideration.

I. FORMALIZING "WAGE FLOORS" AND MULTI-YEAR RETENTION STIPENDS

- **THE CASE FOR CHANGE:** Data reveals a dramatic increase in wage supplement adoption, jumping from **25% to 54%.** To transition from emergency "crisis response" to long-term "systemic stability," LWDBs must move away from sporadic bonuses toward structured, multi-year compensation ladders. While low compensation destabilizes the workforce, predictability of more adequate wages results in a more consistent ECE workforce and therefore a more dependable and productive general workforce.

- **THE POLICY:** Establish a tiered **"Quality Stipend"** framework integrated with Texas Rising Star (TRS) and the Texas Early Childhood Professional Development System (TECPDS) to include a stipend scale and best practices. Rather than flat-rate bonuses, these stipends should scale based on a professional's years of service and specific certification levels.

- **THE GOAL:** To drastically reduce "churn" within TRS-certified centers by providing a predictable income floor that competes with other sectors, specifically the K-12 public school system.

II. EXPANDING DIRECT CARE ACCESS

- **THE CASE FOR CHANGE:** Current subsidy levels often leave families on waiting lists and some providers at capacity.[1] Economic growth in Texas is currently constrained by a lack of accessible care, which prevents parents from fully participating in the labor market. While a $100 million dollar investment in child care scholarships was approved during the 89th Legislative Session, those funds were quickly needed to sustain the current scholarship recipients.

- **THE POLICY:** Infuse significant, sustainable state dollars into the existing subsidy system to increase the total number of children served and eliminate existing waiting lists.

- **THE GOAL:** To enable more families to enter or remain in the workforce, thereby strengthening the Texas economy and maximizing the reach of the current child care infrastructure.

[1] *Wessler, R. (2025, November 7). No time to wait: How child care funding uncertainty and the reemergence of waitlists are shaping families' futures. Child Care Aware of America. Link to source.*

III. STABILIZING PROVIDER REIMBURSEMENT RATES

- **THE CASE FOR CHANGE:** Relying on a provider's "published rate" often results in underfunding, particularly in lower-income areas where providers cannot afford to list higher rates. This creates "Child Care Deserts" where quality care is financially unsustainable. The 89th Legislative Session resulted in an important step to allow LWDB to reimburse at the TWC established rate, but fell short of mandating implementation.

- **THE POLICY:** Mandate that provider reimbursements be paid at the **TWC-established market rate** rather than the provider's published rate.

- **THE GOAL:** To ensure the financial solvency of providers in low-income areas, providing the necessary capital to shrink "Child Care Deserts" and maintain high-quality standards regardless of a community's zip code.

CONCLUSION

Taken together, these findings and recommendations underscore a clear path forward for strengthening Texas's child care system: build on the flexibility and innovation demonstrated by LWDBs while pairing local leadership with sustained, statewide investment and policy alignment. Formalizing wage floors and retention stipends, expanding direct access to care, and stabilizing provider reimbursement rates are not isolated reforms, they are interdependent strategies that support workforce stability, provider viability, and family access. As Texas prepares for the 90th Legislative Session, aligning the efforts of LWDBs, the Texas Workforce Commission, and the Legislature around these priorities will be critical to moving from short-term stabilization to long-term system sustainability, ensuring that high-quality child care is accessible, equitable, and economically viable across all communities.

END NOTES

DATA – Capacity by TRS Level 'percent change' and 'difference' MAIN SCORE CARD '% non-TRS Providers' and '% TRS Providers' CHILDREN AT RISK Child Care Deserts. CHILDREN AT RISK. (2025, April 2025). https://childrenatrisk.org/childcaredeserts/

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APPENDIX A

Methodology

DATA SOURCES AND COLLECTION

CHILDREN AT RISK compiled Texas Workforce Commission (TWC) child care data, including Local Board Child Care Quality Funds Annual Plans and Quarterly Expenditure Reports, and Child Care by the Numbers. When public reporting did not provide sufficient detail to interpret local investments, CHILDREN AT RISK supplemented the dataset through open records requests and follow-up clarification with TWC and/or Local Workforce Development Boards (LWDBs).

CHILREN AT RISK also collected LWDB administrative policies and governance information using publicly available LWDB materials and verified unclear or missing information through direct outreach to LWDB staff.

Qualitative Content Analysis with Quantitative Summarization of LWDB Quality Dollars

To describe how LWDBs invested quality funds beyond high-level categories, CHILDREN AT RISK conducted a qualitative content analysis of LWDB quality spending narratives and line-item descriptions in LWDB Annual Plans and Quarterly Expenditure Reports and summarized coded results descriptively.

Specifically, CHILDREN AT RISK:

1. **EXTRACTED AND STANDARDIZED** quality expenditure entries across LWDBs using the existing LWDB spending categories (e.g., TRS Supports, Professional Development, and other quality categories).
2. **VERIFIED ALIGNMENT** between reported spending categories and narrative descriptions by reviewing whether the described activities matched the category in which LWDBs reported spending.
3. **DEVELOPED SHARED SUB-THEME BUCKETS WITHIN EACH CATEGORY** to describe *how* LWDBs spent funds inside major categories. For example, within Texas Rising Star Supports, CHIDLREN AT RISK grouped spending into consistent sub-themes such as Equipment/Materials & Resources, Curriculum, Outdoor Learning, TRS Mentor Salaries, and Family Engagement, based on patterns observed across LWDB narratives.
4. **SUMMARIZED RESULTS ACROSS LWDBS** using these sub-themes to support consistent local and statewide descriptions of quality investments.

SUBSIDY CHILDREN UNDER AGE SIX – CALCULATION APPROACH

To estimate the average number of subsidy children under age six served by each LWDB, CHILDREN AT RISK used Texas Workforce Commission administrative data obtained through a Public Information Request (PIR). The data is through September 2024. Because subsidy participation totals can include school-aged children, CHILDREN AT RISK calculated an under-six measure by removing school-aged children from the total subsidy children served. This adjustment aligns the subsidy children served metric with the other administrative data outlined in those sections, which all define children as under age six.

CENSUS UNDERCOUNT AND BORDER-REGION LIMITATIONS

Child Care Desert indicators compare the estimated number of children under age six with working parents to the licensed capacity of child care in a given geography. In Border and other hard-to-count communities, Census/ACS-based inputs can be less reliable due to undercount, high mobility, complex household structures, and informal or cross-border work that may be inconsistently captured. These factors potentially bias both the measured "demand" (children with working parents) and how deserts are classified. For LWDB-level child population totals used in this report, CHILDREN AT RISK aggregated Census Bureau county-level Vintage 2024 population estimates (through 7/1/2024); these provide consistent regional rollups but may not fully reflect within-county/local variation that matters for neighborhood-level access.

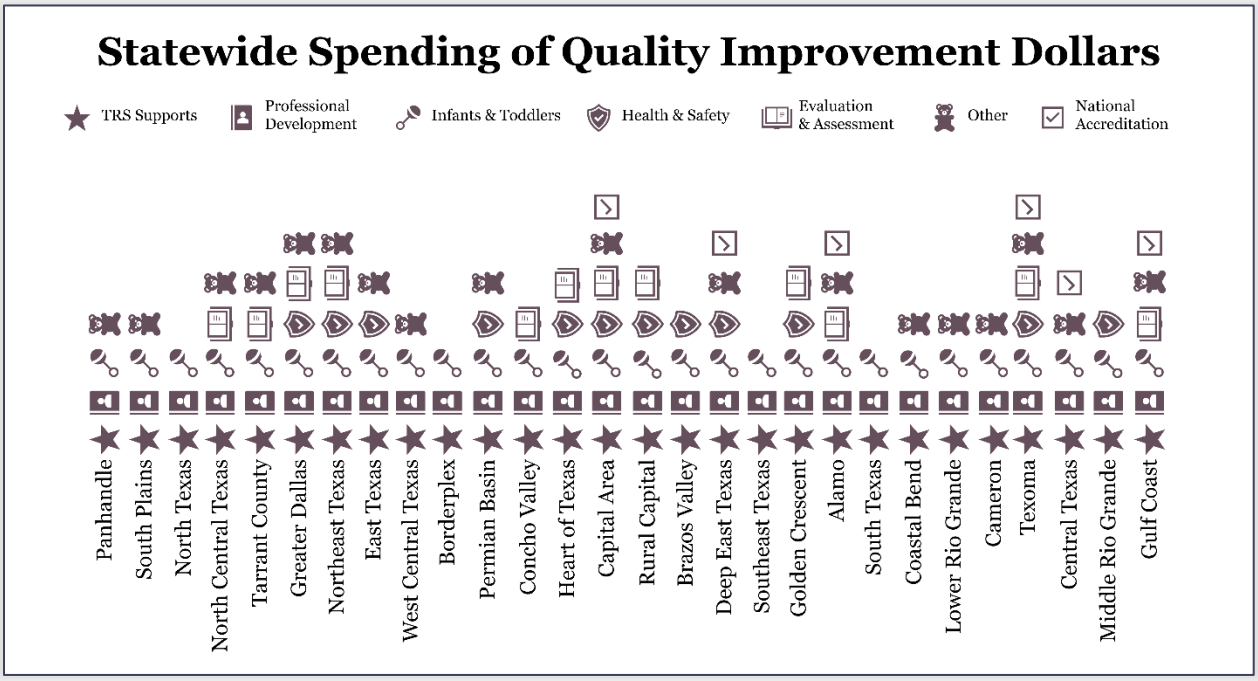
DATA COLLECTION CONSIDERATIONS & CONSTRAINTS

Our Child Care Deserts and child care capacity estimates are based on licensed capacity (the maximum number of children a provider is permitted to serve), not real-time enrollment. Texas does not maintain a consistent, statewide measure of current enrollment by site, and in practice enrollment is almost always lower than licensed capacity due to staffing constraints, classroom closures, age-ratio requirements, and fluctuating demand — so licensed capacity should be interpreted as an upper bound rather than the number of children currently being served.

APPENDIX B

SPENDING BREAKDOWN BY CATEGORY

Figure 5



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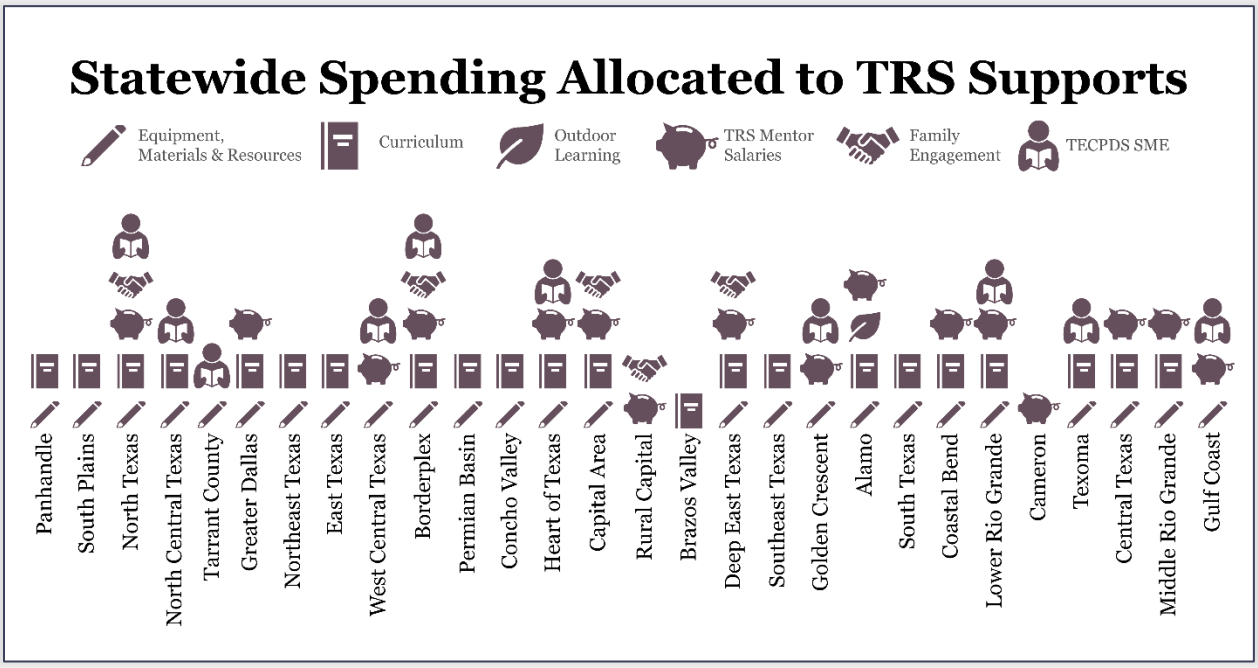

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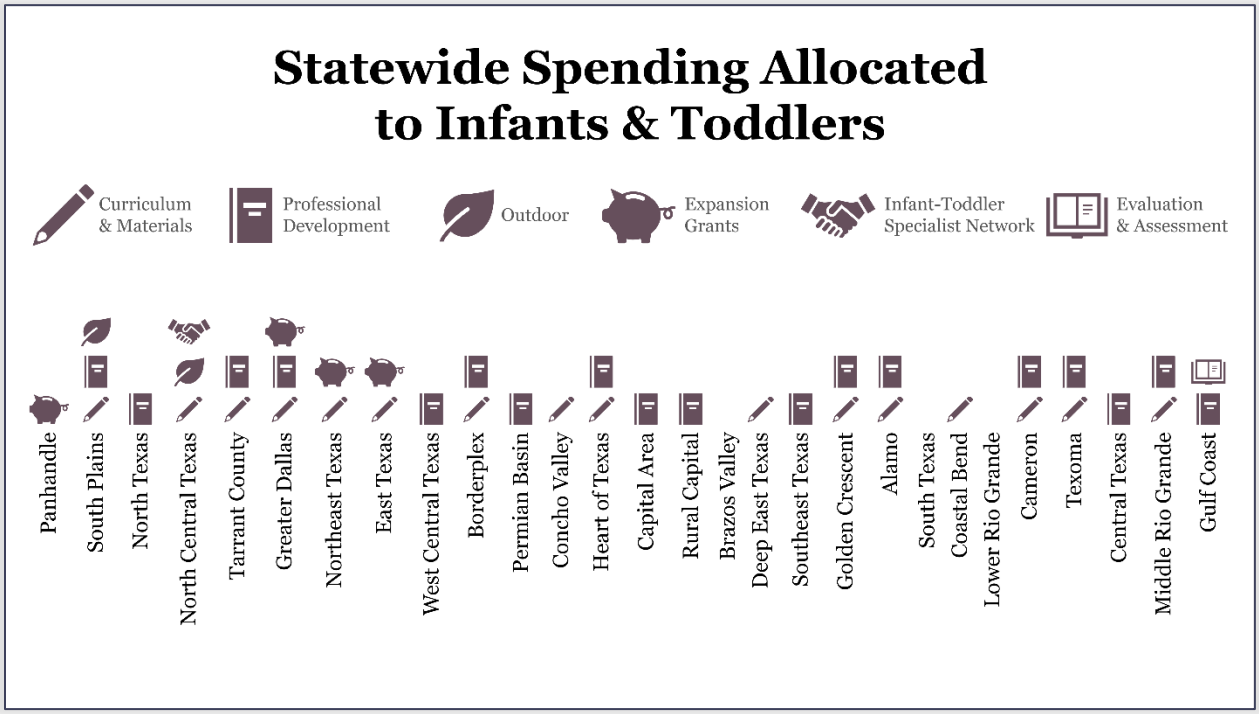

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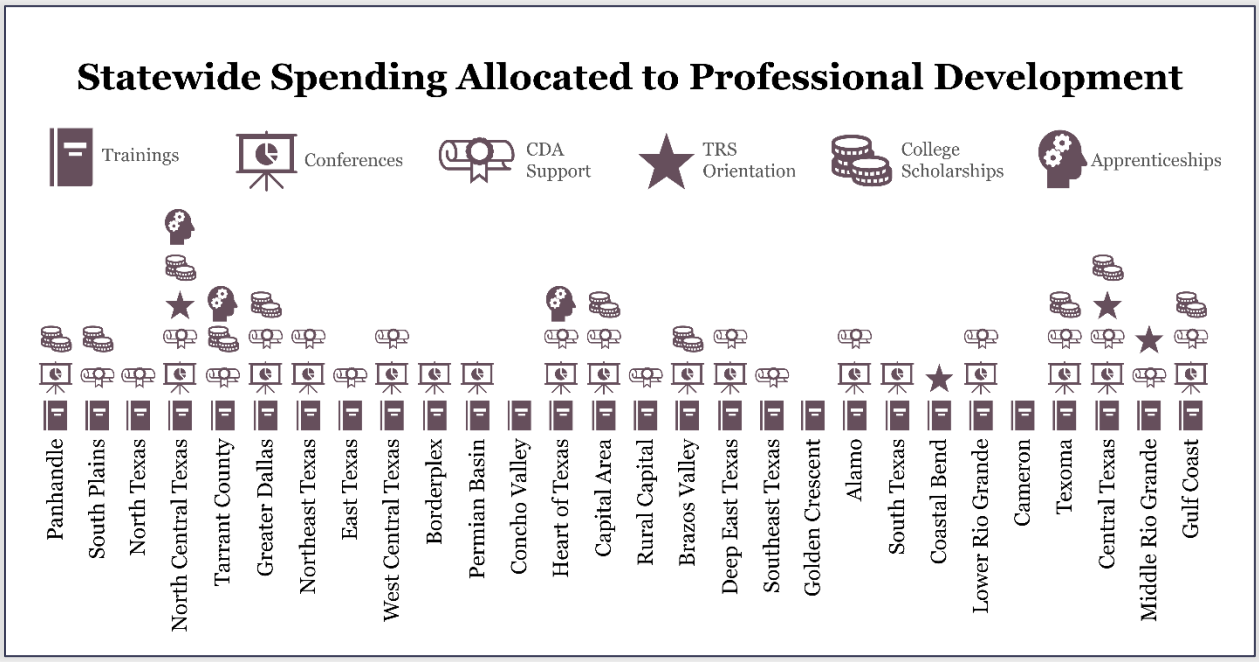

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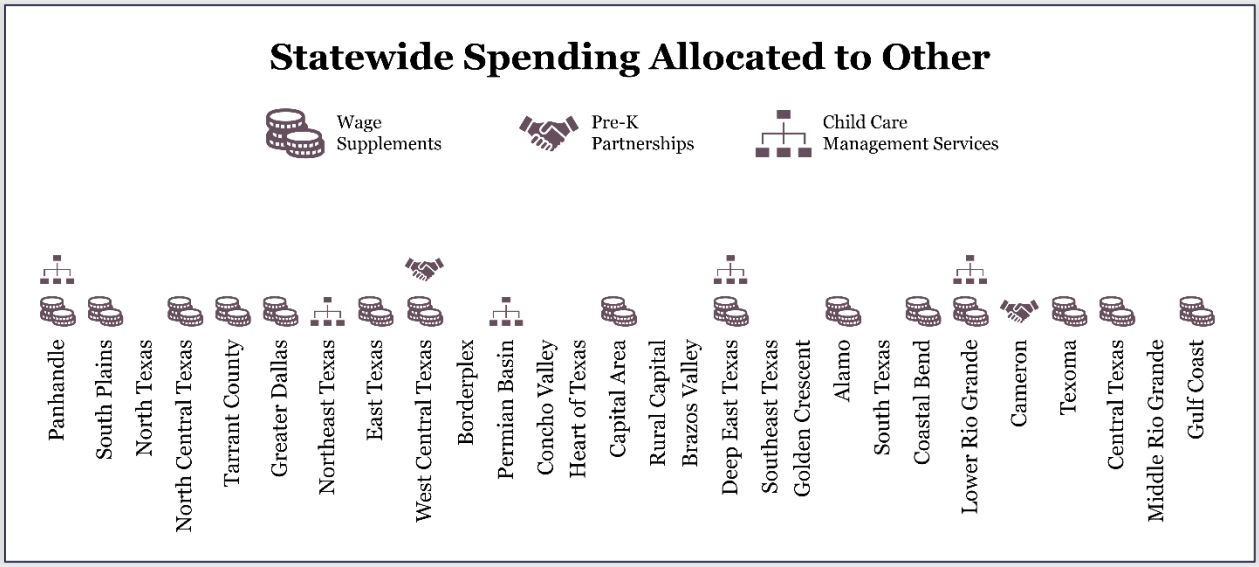
Statewide Spending Allocated to Other
Wage Supplements
Pre-K Partnerships
Child Care Management Services
Panhandle
South Plains
North Texas
North Central Texas
Tarrant County
Greater Dallas
Northeast Texas
East Texas
West Central Texas
Borderplex
Permian Basin
Concho Valley
Heart of Texas
Capital Area
Rural Capital
Brazos Valley
Deep East Texas
Southeast Texas
Golden Crescent
Alamo
South Texas
Coastal Bend
Lower Rio Grande
Cameron
Texoma
Central Texas
Middle Rio Grande
Gulf Coast

APPENDIX C

Glossary of Terms

BOARD CONTRACT YEAR (BCY) The time span in which LWDBS base their budget. The Texas Workforce Commission approves allocations for the Board Contract Year (BCY). The TWC's three-member Commission approves the allocations, which include child care allocations. The Commission also approves the BCY Statewide Initiatives.

CHILD CARE DESERT A zip code is a "Child Care Desert" if the number of children under the age of six with working parents is three times greater than the licensed capacity of child care providers in the area.

CHILD CARE DEVELOPMENT BLOCK GRANT (CCDBG) The federal funding source for subsidized child care and Texas Rising Star, which is managed by the Texas Workforce Commission. This also pays for child care administration and direct child care costs in states. Texas's annual CCDBG amount was approximately $947 million in FY24, excluding one-time stimulus funds received.

CHILD CARE PROVIDER (also referred to as "provider") Texas has over 14,000 child care providers, also known colloquially as "day cares". They are often small business, nonprofit organizations, or churches and can operate in a variety of settings including homes and centers. A child care center often has a director who is in charge of day-to-day operations and managing staff, which can include lead educators, assistant educators, cooks, curriculum development leads, and more. A director can also be the owner of the facility. A Family Child Care Provider can either be registered to care for 6 or fewer children or licensed to care for 12 or fewer children in the caregiver's own home for less than 24 hours per day, typically the director is the sole caregiver and is in charge of day-to-day operations.

CHILD CARE SERVICES (CCS) The Child Care Services (CCS) is a Texas state program that provides scholarships for child care. They offer child care scholarships help parents work, search for work, or attend school or job training. The CCS program works to inform parents about the availability and benefits of high-quality child care and supports providers in their mission to improve the quality of services through the Texas Rising Star program. CCS supports and encourages child care programs to capitalize on and expand the Pre-K Partnership program.

FAMILY CHILD CARE (FCC) in Texas refers to child care provided in a caregiver's home. FCC providers must meet specific licensing requirements, such as becoming a Listed Family Home if they care for children for a certain amount of time weekly or yearly. Child Care Regulation (CCR) oversees both homebased and center-based child care. A Registered Child Care Home allows a caregiver to care for up to six children (from birth to age 13) and six additional elementary school children after-school hours. FCC

providers offer a small group setting in a nurturing home environment, often building long-term relationships with the children and families they serve.

LOCAL WORKFORCE DEVELOPMENT BOARD (LWDB) The Texas Workforce Commission (TWC) oversees 28 Local Boards; each varies in terms of size and geography. As the operating entities for both the subsidized child care program and Texas Rising Star, Local Boards have significant local control over the day-to-day functions of both programs. Local Boards also exercise independent policy authority in key areas – within modest state parameters – and implement all programs for which they are responsible. Each Local Board has its own executive leadership staff including a chief elected official, Board members, and an Executive Director.

LOW-INCOME The income status of individuals and families with annual household earnings below 200% of the Federal Poverty Level (FPL). For a family of 3 in 2024, this equals an annual income of $51,640. A child is eligible for a child care subsidy in Texas if their family earns up to 85% of State Median Income (SMI).

MENTORS FOR TEXAS RISING STAR Mentors work with child care providers to help them achieve, improve, and maintain Texas Rising Star certifications. They are typically employees or contractors of the Local Boards.

QUALITY RATING AND IMPROVEMENT SYSTEM (QRIS) Systematic framework used to measure, improve, and communicate the quality of ECE providers across a range of indicators. Most states have a QRIS, and each one is different. A state can spend their CCDBG funding on building and maintaining their QRIS. A QRIS typically covers topics such as curriculum, staff/educator qualifications, nutrition, and a program's physical space. Participation in a state's QRIS can be mandatory or voluntary, or some combination depending on program characteristics. Texas's QRIS is called Texas Rising Star (TRS).

REIMBURSEMENT RATES The amounts Local Boards pay to child care providers participating in the child care subsidy program for the care they provide to children receiving subsidies. Reimbursement rates vary by Local Board area, based on local market rates and other factors. Texas reimburses providers at four levels, based on their Texas Rising Star (TRS) certification level. In 2021, the Texas Workforce Commission increased reimbursement rates to the following: the TRS 4-Star reimbursement rates for infants to the 85th percentile market rate, the 80th percentile market rate for toddlers in their region and the 75th percentile market rate in their region for preschool and school-age children. TRS 3-Star providers receive 90% of the TRS 4-Star rate; TRS 2-Star providers receive 90% of the TRS 3-Star rate; and all non-TRS providers receive the base reimbursement rate of 60th percentile for infants, 55th percentile for toddlers and 50th percentile for preschool and school-age children.

SUBJECT MATTER EXPERT (SME) Someone with specialized knowledge and experience in areas that help programs increase quality reach standards. These may include SME's in the area of technical and administrative needs or in specific areas child development, assessment and evaluation or other identified areas of focus where assistance is needed outside of the normal staff resources. Examples include TECPDS SME and I/T SME.

SUBSIDIZED CHILD CARE PROGRAM (also referred to as "subsidies" or "subsidy program") Financial assistance to low-income parents who are either working or in school and meet the eligibility income thresholds. The program is targeted to serve approximately 146,000 children in Texas each day. TWC oversees the program, and it is primarily funded by federal CCDBG money. Approximately 6,700 programs of the state's 14,500 child care providers participate in the subsidy program (as of December 2024).

TEXAS EARLY CHILDHOOD PROFESSIONAL DEVELOPMENT SYSTEM (TECPDS) Texas' early childhood workforce registry. It offers opportunities to learn about the workforce through an aggregate report and houses the Texas Trainer Registry. TECPDS supports early childhood professionals by providing them with resources and tools to help them meet their career and professional development goals.

TEXAS RISING STAR (TRS) Texas's QRIS. It is the state's only quality rating system for any ECE program, and it is only open to child care providers who accept families receiving child care subsidy assistance. Participation was voluntary until HB 2607 was passed during the 87th Texas Legislative Session. HB 2607 now requires all child care providers who receive subsidy assistance to participate in TRS. TWC will implement Child Care rules to implement this requirement; the draft policy allows for up to two years for a provider to attain TRS certification. TRS assesses child care programs across four categories covering a range of criteria, including staff qualifications, educator-student interactions, curriculum, nutrition, and physical space. Participating providers can be quality certified at three levels: 2-, 3-, and 4-Star by meeting progressively rigorous benchmarks.

TEXAS WORKFORCE COMMISSION (TWC) The state agency that supports the development of the Texas workforce. Half of their budget is dedicated to the operation and management of the child care subsidy program and Texas Rising Star.