

## **EXECUTIVE SUMMARY**

### **OVERVIEW**

In 2022 CHILDREN AT RISK produced [The Quest for Equity and Quality: Examining Provider Experiences and Participation in Texas Rising Star](#), a report that documents notable variations among the 28 Local Workforce Development Boards (LWDBs or Boards) in Texas. Child care providers, both child care centers and family child care homes, from across the state shared vastly different experiences with the Texas Rising Star (TRS) program, which establishes the standard for high-quality child care statewide.

The Texas Workforce Commission (TWC) allows the Boards autonomy to determine the use of the Child Care Quality funds. However, each LWDB shares the same goal: to provide the necessary supports to ensure all providers participating in Child Care Services—the program which provides child care scholarships to low-income qualified families—reach a level of quality rating to qualify for TRS funding. The Quest for Equity and Quality documents the varied outcomes and experiences with TRS, and that variability largely depends on the location of each program within its prescribed LWDB.

As a follow-up to that work, our September 2024 report, *Paving the Way to Quality: Analysis of Texas Local Workforce Development Board Spending & Quality Investments* dives deeper into [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.

### **PAVING THE WAY TO QUALITY**

We begin the report by providing background information on the interaction between federal and state requirements for funds available to support child care. We then examine five key aspects across the 28 LWDBs in relation to Child Care Services:

1. Enhanced quality through targeted funding investment
2. Provider participation in TRS
3. Child Care Deserts and demonstrable need for services
4. LWDB administrative decisions and policies
5. LWDB engagement of child care experts in governance

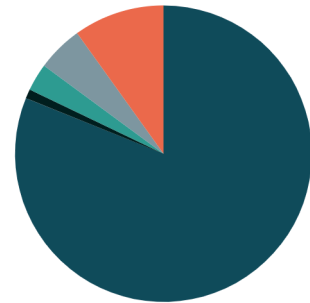
We conclude with a detailed discussion of our findings along with recommendations for the communities served by the Texas Legislature, the TWC, and LWDBs across the state. We are confident that leaders throughout Texas understand the critical role of child care in our economy and in the lives of our children and families. We hope this report will be used not only to look at the system as a whole, but also to leverage the local information to make continued improvements that ensure all children and families have access to high-quality child care.

**TARGETED QUALITY INVESTMENTS**

Our analysis of LWDB funding reveals a focus on enhancing child care quality through investments in targeted areas that include [1] Texas Rising Star, [2] health and safety initiatives, [3] evaluation and assessment, [4] infant and toddler programs, [5] professional development for early childhood educators, and [6] national accreditation. While most LWDBs already prioritize these areas, some also invest in other initiatives like shared services and wage supplements.

Overall, the data confirms a strong LWDB commitment to provide high-quality child care services. However, we observed an 18% loss of family child care, in registered and licensed homes combined, between September 2019 & September 2023. LWDBs are not required to differentiate their quality initiatives specifically to support family child care providers. Most LWDB plans and initiatives offer family child care providers the same supports granted to child care centers. Only a few LWDBs report supporting family child care providers specifically.

**TOTAL QUALITY FUNDS  
EXPENDED STATEWIDE**



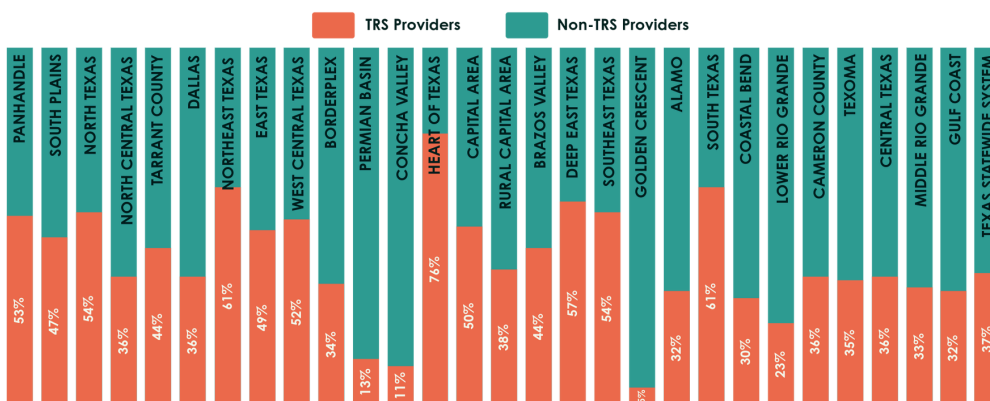
- Texas Rising Star (81.1%)
- Health & Safety (1%)
- Evaluation & Assessment (3%)
- Infants & Toddlers (5%)
- Professional Development (9.9%)

*Although several LWDBs have made investments in National Accreditation, the overall percentage remains below 1%, and as a result, is not captured in the above visualization.*

**PARTICIPATION IN TRS**

The mandatory TRS quality rating program, implemented in 2021 through House Bill 2607, has seen significant growth in participation statewide. Despite challenges posed by the COVID-19 pandemic and system changes, the number of participating providers increased by 38% between Board Contract Year 22-23. This growth has led to a surge in the number of children enrolled in high-quality child care, with TRS programs now serving more children receiving child care scholarships than non-TRS programs.

However, there remains a significant disparity in participation rates across different regions, with some Boards having over 70% of providers participating while others struggle to reach 5.3%. As the deadline for 100% participation approaches in September 2024, ongoing efforts are focused on onboarding and supporting child care programs to meet this goal.



**SHARE OF TRS VS  
NON-TRS PROVIDERS  
ACROSS TEXAS**



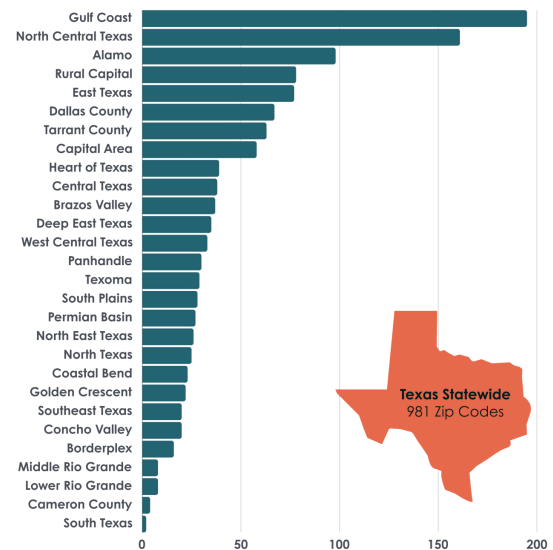
### TRS CHILD CARE DESERTS

While efforts are ongoing to increase TRS participation among child care providers, some areas, particularly along the border, have demonstrated notable success in providing adequate child care options for low-income families.

However, it is crucial to address the geographical distribution of these programs. TRS Child Care Deserts—zip codes with a significant shortage of subsidized child care for low-income families—persist throughout Texas. Since 2017, TRS providers have consistently had the largest share of these Deserts. The Gulf Coast (13 counties) and North Central (14 counties) regions have the highest concentration of TRS Child Care Deserts, while South Texas and Cameron have the fewest. Additionally, access to high-quality child care seats for low-income working families varies widely across the state, with many regions falling far short of the statewide average.

To explore additional Child Care Desert data, please go to CHILDREN AT RISK’s [Child Care Desert Maps](#)

### NUMBER OF TRS CHILD CARE DESERTS



### LWDB ADMINISTRATIVE DECISIONS & POLICIES

LWDBs have a multitude of other ways to support child care programs and families in their service area including [1] the number of holidays child care programs are allowed through Child Care Services without being financially penalized and [2] how children and families are prioritized for eligibility. Each LWDB must provide a minimum of nine paid holidays to child care programs, allowing staff to receive paid holidays while programs still collect fees for children on scholarship. These holidays can be used for traditional holidays or professional development days.

**CURRENTLY, 43% OF LWDBS OFFER AT LEAST NINE PAID HOLIDAYS, AND 25% OFFER 12 OR MORE, WITH THE ALAMO LWDB OFFERING THE MOST AT 15 DAYS ANNUALLY. FOUR LWDBS PROVIDE A TIERED INCREASE IN PAID HOLIDAYS BASED ON TRS LEVEL.**

The federal and state governments set first and second priority tiers for determining child care scholarship eligibility, while LWDBs can add a third tier.

**ALL BUT ONE LWDB (PERMIAN BASIN) HAVE A THIRD TIER, WITH GROUPS IN THIS TIER RANGING FROM NONE TO EIGHT ACROSS DIFFERENT LWDBS. MOST (82%) PRIORITIZE SIBLINGS OF CURRENT SCHOLARSHIP RECIPIENTS, AND THREE LWDBS PRIORITIZE CHILDREN OF PARENTS WORKING IN REGULATED OR LICENSED CHILD CARE FACILITIES.**

### CHILD CARE EXPERTS IN GOVERNANCE

With the passage of House Bill 1615 during the 88th Texas Legislature (2023), each LWDB is now required to have at least one member of their Board represent the child care workforce. Prior to passing HB 1615, LWDBs were required to have a member with expertise in early childhood education. Under HB 1615, a representative from the child care workforce includes a current owner or director of a child care provider who is licensed by or registered with the Texas Health and Human Services Commission’s Child Care Regulation division. Since implementation of HB 1615, many LWDBs have exceeded expectations, with 82% of LWDBs integrating two or more members with some child care expertise into their Boards.

## KEY RECOMMENDATIONS

Texas is grappling with a substantial shortage of subsidized child care seats for low-income families. While local communities continue to explore solutions for children and families, there is work to be done statewide. The Federal Child Care and Development Block Grant (CCDBG) is currently the only funding source Texas uses to assist families in covering the cost of child care and helping child care providers reach and maintain high-quality programs. With an estimated 560,000 more low-income children (ages 0-5 with working parents) than available subsidized child care seats, we have to prioritize funding more child care scholarships in the current system to allow more low-income working parents to provide for their families. Texas has made progress toward increasing the number of TRS-certified child care providers. However, with just over one-third of providers (36.7%) participating in TRS, the state must continue striving to reach 100% of participation. We must do better to provide support for working families with children to thrive, helping our economy—large and small businesses—along the way.

### RECOMMENDATIONS FOR THE TEXAS LEGISLATURE

We must be steadfast in our asks to the Texas Legislature. **First**, we must invest in child care. The current funding stream from the federal government does not meet the demands of Texas families. We need increased state funding to expand access, improve quality, and support families.

Consider possible next steps:

- **Direct care of children:** Add state dollars into the existing system to serve more children, enable families to work, and strengthen the Texas economy.
- **Reimbursement rates:** Ensure provider reimbursement at TWC's established rate (not published rate) to provide financial stability and shrink Child Care Deserts.
- **Foundational (supply-building) funding:** Target high-need areas and incentivize quality to create a more affordable option for families and increase early educator workforce retention linked to program quality and child outcomes.

**Second**, we need to **focus on family child care homes**. We must support the recovery of this vital sector of the child care ecosystem to provide families and communities the resources they need.

### RECOMMENDATIONS FOR LOCAL COMMUNITIES

Communities play a vital role in supporting families with young children by increasing child care options for families and prioritizing local participation of child care providers in TRS. Recommendations for communities include 1. ensuring LWDB funds are utilized effectively and spent on quality improvements needed in their communities, 2. considering additional local incentives to increase overall provider participation in the TRS system, and 3. focusing on collaboration with non-traditional partners to address service gaps and better support both center-based and family child care providers. By taking these steps, local communities can build a more robust child care system that offers a supportive environment and ensures working families have the opportunities they need for their children and local economies to thrive.

### RECOMMENDATIONS FOR TEXAS WORKFORCE COMMISSION

We need to enhance consistency and transparency by improving guidelines and resource allocation for LWDBs. We need to promote statewide collaboration by encouraging LWDBs to share best practices and work together to improve quality and access.