Interim Hearing of International Relations and Economic Development

Chairwoman Button and Committee Members,

Thank you for holding a hearing on the Early Childhood Education Industry. As you know having a strong early childhood system is vital to the Texas economy. The shortage of affordable, quality child care options for working families in Texas is costing the state an estimated $11.4 billion annually.

Texas Child Care Landscape

Across Texas, over 60% of all child care providers – nearly 8,000 licensed child care centers and homes receive child care subsidy, or scholarships, through Texas Workforce Commission (TWC). With the passage of HB2607 in 2021, we continue to see more child care providers participate in the Texas Rising Star program. For the first time in history, there are more children, who are receiving child care scholarships, being served in TRS programs than non-TRS programs. In BCY 2023, 2,618 child care providers participated in TRS, reflecting a 34.3% increase in the number of providers participating in TRS from the previous year.

Child Care Deserts in Texas

Although some progress has been made, Texas families are still struggling to find child care. There are 365 child care deserts for all children under the age of six and for low-income working families there are 859 child are deserts. A zip code is deemed a "child care desert" if the number of children under age 6 with working parents is three times greater than the licensed capacity of child care providers in the area.

With Texas' current funding level from the Child Care Development Block Grant, we are only serving 13.4% of eligible children. The TWC has between 60,000-90,000 children on the waitlist. 90.7% of children from low-income working families, around 612,000 children under age 6, live in a zip code where the supply of subsidized child care meets less than a third of the demand.

After losing 21% of child care providers between March 2020 and September 2021, child care centers have rebounded from the effects of the COVID-19 pandemic more quickly than family child care homes. Both registered and licensed family child care homes combined have experienced an 18% loss between September 2019 and September 2023, leaving families with limited choices to meet their family's needs.

You can explore our Texas child care desert map https://childrenatrisk.org/childcaredeserts/.

Summary and Call to Action

More needs to be done to provide families access to high quality child care which has historically been under funded in Texas. The Texas Legislature must consider the following actions to improve the state of child care in Texas:

1. Secure revenue to reduce child care deserts and waiting lists for Texas' working families by aligning the capacity of providers (*supply*) to the communities who truly need it (*demand*).
2. Address reimbursement rates for child care providers, allowing them to serve more children in low-income working families and reduce child care deserts.
3. Increase support for home-based providers to reduce child care deserts.