



CHILDREN AT RISK Recommendations

Texas Child Care Access and Innovation Grants

Summary

Employers, working parents, and children need more child care. **Texas needs more child care.** Children at Risk offers the following recommendations to increase workforce productivity in Texas and expand access to quality child care in Texas. We urge the Texas Legislature to increase state spending on child care by \$500 million per biennium. Children at Risk requests that the State of Texas act to:

- Increase Workforce Productivity and Cut Wait List for Child Care (\$181M biennial)
- Reduce Child Care Deserts and Increase Local Flexibility to Support Employers (\$219M biennial)
- Create a Child Care Innovation Grant Program to Incentivize More Child Care (\$100M biennial)

Policy Recommendations

1. Increase Workforce Productivity and Cut Wait List for Child Care

Proposal: Increase child care slots available through the Texas Workforce Commission (TWC) Child Care Scholarship Program at local workforce development boards by 10,000 more children

Rationale: Texas currently serves 146,000 children, ages 6 weeks through 12 years old, through TWC's Child Care Services program - funded by the federal Child Care Development Block Grant. As of December 2024, there were nearly 95,000 children on the waitlist for TWC's scholarships throughout the state. Parents who want to work or are in school and meet the income eligibility would benefit with their children in a Texas Rising Star child care provider.

Cost: According to TWC, the State of Texas will spend \$8900 per year per child for child care in Fiscal Year 2026 and \$9,200 per year per child in Fiscal Year 2027. A **\$181 million investment in wait list reduction will serve an additional 10,000** of the 95,000 children languishing on the statewide child care wait list.

2. Reduce Child Care Deserts and Increase Local Flexibility to Support Employers

Proposal: Under current Texas law, local workforce development boards cannot target the lowest income parts of their service areas to eliminate child care deserts. In fact, current law makes the situation worse for workers and employers. Boards are prohibited from paying equal rates to providers in the highest poverty communities. Instead of assisting employers find workers, these policies create child care deserts in the places where employers are most likely to find their workforce.

FOR QUESTIONS OR COMMENTS, PLEASE CONTACT:

Mandi Sheridan Kimball, Chief Government Relations Officer, 512.785.7132 or mkimball@childrenatrisk.org or Kim Kofron, Senior Director of Education, 512.656.3797 or kkofron@childrenatrisk.org

Rationale: Texas must create a pool of grant funding for interested local workforce boards to eliminate child care deserts. Establishing parity in reimbursement rates will not require any Local Workforce Development Board to raise its base rates. Instead, Boards will now have the ability to assist employers throughout their service areas to find the workers they need and target providers currently not receiving the same compensation as other providers in the same local workforce board area.

Statutory Change Required: Passage of [S.B. 972 \(Zaffirini\)/ H.B. 2294 \(Thompson\)](#) will ensure that local workforce development boards have the flexibility they need to target child care deserts.

Cost: Texas must create a **biennial competitive grant fund of \$219 million** to address child care reimbursement rate disparities and to reduce child care deserts. The Texas Workforce Commission shall make funds available to Local Workforce Development Boards on a competitive basis to assist those local workforce boards who choose to eliminate child care deserts with the flexibility to increase rates. Boards offering local matching funds will be prioritized for financial assistance from the state.

3. Create a Child Care Innovation Grant Program to Incentivize More Child Care

Proposal: Local communities, employers, school districts, child care providers, faith-based partners, public charter schools, and others all have creative and innovative solutions to expand access to quality child care for working parents. Texas can harness this local creativity and establish models for innovative approaches to offering child care in Texas.

Rationale: Child Care Innovation Pilot Program will put dollars directly into child care programs to address child care deserts, keep tuition costs lower for all families and enhance wages for early childhood educators. Each Local Workforce Boards will work with community partners to create innovative and creative approaches to increase access to child care per the needs of that local area.

Statutory Change Required: The innovation grant program will be created in statute at the Texas Workforce Commission. Legislation will include governance, eligibility, performance measures, and administration.

Cost: Texas must create a **4-year pilot program as a competitive grant fund of \$100 million** to spur child care creativity across Texas. Up to ten Local Workforce Development Boards will participate in the competitive grant process. Local projects will be selected by TWC using transparent criteria, including innovation, number of children served, employer participation, and the provision of local matching dollars.

FOR QUESTIONS OR COMMENTS, PLEASE CONTACT:

Mandi Sheridan Kimball, Chief Government Relations Officer, 512.785.7132 or mkimball@childrenatrisk.org or Kim Kofron, Senior Director of Education, 512.656.3797 or kkofron@childrenatrisk.org