

Scope and Focus

The following policy recommendations are intended to inform the Sunset Commission's review of state agencies, programs, and investments **affecting children, youth, and families** in Texas. These recommendations emphasize evaluating the effectiveness of existing statutes and agency operations, assessing implementation and outcomes of enacted policies, and identifying statutory, regulatory, and administrative changes needed to improve efficiency, coordination, transparency, and accountability across state systems.

AREAS OF FOCUS INCLUDE:

- **Early Childhood Education:** Improve access to high-quality early learning through better affordability, workforce stability, and interagency coordination.
- **Opportunity Youth and Young Adults:** Enhance cross-system alignment to expand career pathways, credential attainment, and workforce participation for youth 16-24 years.
- **SNAP Employment & Training:** Align policies to support eligible individuals access education and training programs that meet the state's demand for skilled workers and reduce reliance upon public benefits.

Early Childhood Education

Cross-Agency: TWC/HHSC

Background: Currently, TWC has approximately 24 agreements with different state agencies to support the delivery of quality services for children birth through age 5. Seven out of the 24 programs funded by TWC are housed at HHSC, including Child Care Regulations, 211 and ECI among others. Lack of centralization limits TWC's ability to provide legislatively mandated oversight and coordination. The current structure requires parents and providers to have multiple interactions with a variety of state agencies and entities, creating extra expense for the state and confusion about rules and regulations.

- **Recommendation:** Identify a person/entity/agency with decision-making authority over ALL the programs that impact childcare and development services (HHSC/TWC/DFPS/DSHS) to improve efficiency and effectiveness of the system.

Background: Families and day care providers must maneuver multiple state agencies to access the services they need. Variations with intake and referral systems, as well as multiple forms asking for the same information, create inefficiencies and create undo costs for families, providers, and the state.

- **Recommendation:** Create a coordinated intake and referral system across TWC, HHSC, and other relevant agencies so that families can access multiple programs—workforce, human services, and education—through a single-entry point. This cost-saving recommendation will reduce duplication of resources and ensure that families are connected to all services for which they are eligible.
 - a. Create a common application form for providers to access programs in TWC & HHSC
 - b. Create a common application form for families to access programs in TWC & HHSC

Background: A Licensed Day Care Provider who accepts scholarships, and is a Texas Rising Star (TRS) Quality program must complete paperwork through two different agencies and systems that both

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work to make sure the childcare program meets standards. One set of paperwork through Child Care Regulations to become licensed, to engage with the system that reflects the programs' history of assessments through CCR (HHSC). The same provider must complete different paperwork to apply to be a CCS scholarships (TWC) provider, and yet another to apply to be a TRS program provider (TWC). If these systems were integrated, or shared a common portal, application, and way of showing compliance (i.e. training requirements are in Texas Early Childhood Professional Development System portal, used by TRS, feedback from the field indicates Child Care Regulations Representatives are unable to access this “paperwork” to show compliance with the training requirement.)

- **Recommendation:** Modernize the regulatory framework by consolidating compliance paperwork for both childcare providers and families.

Background: When nonprofits or governmental entities contract with HHSC, TWC or other agencies, there are separate contracting, reporting and compliance processes for each state agency. This creates multiple sets of requirements along with any federal requirements if applicable.

- **Recommendation:** Direct HHSC, TWC, (other agencies) to strengthen nonprofit and government contracting by simplifying and coordinating reporting and compliance processes, evaluating contract compliance staff on a regular basis, and reducing duplication and administrative burdens.

Background: Providers report contradictory information from different state agencies. For example, staff of Child Care Regulations at HHSC and Texas Rising Star staff at TWC may interpret laws and regulations differently. Consistent interpretation and understanding of minimum standards and of Texas Rising Star standards by both TWC’s TRS and HHSC’s CCR staff who are out in the field could minimize confusion, making it more efficient for everyone.

- **Recommendation:** Require joint training across agencies and programs on childcare minimum standards and Texas Rising Star (TRS) standards, including their interpretation and application. Ensure that all TWC’s TRS mentors and HHSC’s Child Care Regulation staff receive comprehensive training to provide consistent guidance and strengthen alignment between TRS standards and state licensing requirements

Texas Workforce Commission

Background: Families and providers have been frustrated by their inability to know where families are on the waitlist for Child Care Scholarships, or easily access a place that indicates this information.

- **Recommendation:** Create parent-facing portals, or add to the childcare availability portal, to enhance transparency by showing real-time scholarship availability and subsidy eligibility; transparent public dashboard for waitlist data and processing times.

Background: TWC’s transition from a Child Care Services platform, TWIST, to TX3C in January 2025 has been challenging. This system tracks attendance: it sends payments to childcare providers and holds the entire data system for the Child Care Services across the state. The transition has had many challenges of the past year. And while it is improving, there are still many inaccuracies including errors in attendance and payments.

- **Recommendation:** Conduct a full audit of the technological upgrade of the CCS platform TX3C (KinderConnect).

Background: The 28 Local Workforce Development Boards who provide Child Care Services and Texas Rising Star support to their local regions through funding by Texas Workforce Commission, contract with an outside entity, LWDB Contractors, to deliver those services. These LWDB Contractors vary across the State, adding another layer of interpretation to rules and standards which leads to a lack of consistency between these contractors with little oversight from TWC.

- **Recommendation:** Develop a system to ensure coordination among LWDB Contractors so that programs are delivered uniformly statewide.

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Background: The 28 Local Workforce Development Boards (LWDBs) were established three decades ago, based on the geographic boundaries, population, and community needs of that time. Since then, Texas has experienced significant population growth and demographic shifts. As a result, the LWDBs now differ widely in the number of childcare providers, families served, and employers seeking childcare supports for their workforce.

- **Recommendation:** Conduct a comprehensive review of the current LWDB structure to ensure a balanced and strategic distribution of resources that reflects today's population patterns, community needs, and economic realities.

Background: Recent feedback on a survey from 1200 providers indicated that 40% did not know how to appeal an assessment result they disagree with (called the Reconsideration process in TRS (TWC) and an Administrative Review CCR (HHSC)--another 24% said they were only slightly familiar with the process Even using the same language would help.

- **Recommendation:** Making sure that TRS program leaders know this process exists and how to engage in it would improve transparency, partnership and quality, potentially impacting the TRS rating and reimbursement level for a childcare program.

Health and Human Services Commission

Background: A recent survey of over 1200 providers indicated that background checks are a big barrier to being able to provide staffing for classrooms. According to respondents, the issue was mainly due to the time they had to wait to get a response, and also frustration in the inability of companies, organizations, or other associate groups of providers to allow one teacher to sub-in at a program that is not their home program. Additionally, a teacher may have a cleared background check in the system used by public schools, yet they have to get an additional background check through the approved system for HHSC, which costs both time and money.

- **Recommendation:** Centralize and simplify the Background Check process across state agencies; allow reciprocity between school districts and childcare programs.

Background: The Administrative Review is the process day care operates use when they need to challenge a citation or ruling from Child Care Regulations. This process is cumbersome, time consuming, and with limited information regarding the process nor the Day Care operators' rights throughout the process.

- **Recommendation:** Require mandatory training for all CCR staff on the Administrative Review process and professional development focused on the Texas Rising Star (TRS) quality rating system. In addition, create a streamlined system, with clear instructions and supports, to help childcare operators understand and effectively navigate the Administrative Review process.

Modernize HHSC Texas Child Care website to improve the process for providers to promptly correct inaccurate information on their public-facing records, enhancing transparency and fairness, building on the current high accuracy rate.

Background: Child care providers report that Texas Rising Star (TRS) Mentors are accessible and responsive resources for technical assistance, including timely responses to questions by phone or email. In contrast, providers indicate that Child Care Regulation representatives at the Texas Health and Human Services Commission (HHSC) are less consistently available for informal guidance and that interactions are primarily focused on compliance and deficiency citations. Providers note a difference in approach between technical assistance-oriented support and regulatory enforcement, which may limit opportunities for proactive clarification and continuous quality improvement. Increased access to non-punitive guidance could support compliance, improve program quality, and enhance child safety.

- **Recommendation:** Implement risk-based inspection models that balance regulatory oversight with targeted technical assistance to support compliance and continuous quality improvement.

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Opportunity Youth & Young Adults

Texas Workforce Commission

Background: Young adults aged 16–24 represent the bridge between the education pipeline and Texas’ future workforce. However, many face significant barriers in this transition.

- Over 13% of Texans aged 16–24 are disconnected from school and work (“opportunity youth and young adult [OYYA]”).
- Many OYYA face challenges related to child welfare involvement, housing instability, mental health needs, or justice involvement.
- Services span multiple state agencies—including TEA, THECB, TWC, HHSC, DSHS, DFPS, TJJD, and TDHCA—each with differing eligibility criteria, funding streams, and data systems.

The result is a fragmented landscape that makes it difficult for OYYA to access consistent, coordinated support. Establishing a formal interagency subcommittee would improve systems alignment, reduce duplication, and enable more effective investments in the next generation of Texas workers.

- **Recommendation:** Create subcommittee or advisory committee focused on supporting opportunity youth and young adults (OYYA) (ages 16–24 not in school, training, or employment) across agencies. Appointments from: the Governor, Lieutenant Governor, Speaker of the House, Members include THECB, HHSC, DSHS, TJJD, and TWC Chair serves as Advisory Chair. Include 1-2 spots for Opportunity Youth and/or parents of OYYA.

The committee will explore and advise Commissioners on how to strengthen coordination among human services, education and training for youth 16-24 in order to have a strong and healthy workforce. Identify braided funding strategies that align workforce, education, and human services programs, allowing young adults to receive support without gaps or conflicting requirements. Additional details will be developed (i.e. creation and abolishment dates for committee, reporting structure).

- **Recommendation:** Texas needs a single, accountable point of contact to prevent youth disconnection (ages 16–24 not in school, training, or employment) and to coordinate reengagement across education, workforce, justice, and health systems. An ombudsman would provide leadership, problem-solving, and transparent reporting focused on reconnecting “opportunity youth.” Create in statute a Youth Disconnection Prevention & Reengagement Ombudsman within TWC, appointed by the Governor, reporting to the TWC Executive Director, with a pre-determined term, authority to coordinate statewide strategy, and required annual public reporting to the Legislature. Ombudsman will collaborate formally with TEA, THECB, HHSC, DFPS, TJJD, local workforce boards, and CBO’s. Core duties include developing statewide strategies, promoting cross-agency coordination, program development, and data dissemination. Ombudsman will be responsible for reporting annually to the Legislature on performance metrics such as: OYYA metrics: education reconnection (i.e. school re-enrollment rate, credential attainment, program enrollment), workforce/employment metrics (i.e. earnings rate, employment rate, employer engagement), support metrics (i.e. housing, access to insurance, food support), cross-system metrics (i.e. OYYA served by more than one agency, reduction in services or duplication of services, agency referrals), and long-term impacts (i.e. decrease in disconnection rate for OYYA)
- **Recommendation:** Ensure the state’s workforce plan explicitly defines measurable goals, targeted strategies, and performance indicators to enhance access to workforce opportunities and improve outcomes for low-income and underserved Texans, particularly those served under the Workforce Innovation and Opportunity Act (WIOA).

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- **Recommendation:** Advance two-generational strategies throughout the Tri-Agency and related state systems to streamline services and strengthen outcomes for individuals and families.
- **Recommendation:** Require TWC to partner with the Texas Education Agency to develop a mechanism to target schools with the highest need for vocational services for students who are transitioning from school to work.

Background: Across the state there are an estimated 500,000 youth between the ages of 16-26 who are not plugged in to school, post-secondary and work or who are systems involved. This population is shared across multiple agencies, yet we have not clear understanding of how many are served through any of these agencies and therefore cannot determine how effective we are in supporting them. Furthermore, this population is uniquely challenged with eligibility because they often face housing insecurity, foster care and other conditions that have limited their ability to obtain state identification and paperwork to determine eligibility for services.

We recommend four specific actions to better optimize support for this age group with existing resources and in anticipation of potential block grants in skills development funneling through the Texas Workforce Commission.

- **Recommendation:** TWC to create a discreet definition for this age group of youth and young adults in order to better track progress and assess resources for this population. The specifically the definition for this population would be: between the ages of 16-26 who are not in school, not in postsecondary and not working OR who are systems involved (DFPS, HHS, TJJD)
- **Recommendation:** All agency recipients of youth service funding would be required to provide publicly available unduplicated counts of youth served. Agencies serving youth concurrently (i.e. TWC and DFPS) are required to report how many of this age range that they share.
- **Recommendation:** Simplify the eligibility determination process for youth in youth- serving agency programs through the following actions:
 - a. Develop “fast track” eligibility requirements for income-based eligibility such as evidence from year prior tax records and extend “self-attestation” protocols to 90 days.
 - b. Provide free and expedited processes to obtain state identification cards for eligible work.
- **Recommendation:** Alignment of both agency and workforce investment board occupational priorities with new apprenticeship and work-based learning priorities emerging both through national and state assessments.

Health and Human Services Commission

Background: Texas continues to face a significant challenge in serving Opportunity Youth and Young Adults (OYYA), individuals ages 16 to 24 who are disconnected from education and employment and often experience complex behavioral, social, and mental health needs. Many of these youth have histories of involvement with the Department of Family and Protective Services (DFPS) or the juvenile justice system, and they frequently encounter barriers to achieving educational or economic stability.

The Health and Human Services Commission (HHSC) reaches this population through several programs, including the Youth Empowerment Services (YES) Waiver, the Youth Crisis Outreach Team (YCOT), Community Resource Coordination Groups (CRCGs), and Peer and Family Support Services. While these programs provide critical behavioral health and crisis support, there is no unified framework within HHSC to identify, track, or report outcomes for OYYA across systems. Current data collection primarily measures service utilization and behavioral outcomes (e.g., crisis encounters, functional improvements, or family

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stability), but does not consistently capture long-term transition outcomes, such as educational attainment, workforce participation, or stable housing, that are essential to understanding and improving OYYA success.

- **Recommendation:** For Youth Empowerment Services (YES), Youth Crisis Outreach Teams (YCOT) and peer programs, extend eligibility from age 18 to age 24 and align with workforce, housing, and higher education supports.
- **Recommendation:** Current CRCG data systems and performance measures do not specifically capture outcomes for Opportunity Youth and Young Adults (OYYA), individuals ages 16–24 who are disconnected from school and work, often with overlapping behavioral health, housing instability, or justice involvement. Without tracking outcomes for this population, the state lacks visibility into how well CRCGs support OYYA transition goals such as education completion, job training, and sustained stability.

Embed OYYA indicators into CRCG reporting tools and performance dashboards, tracking outcomes such as educational re-engagement, workforce participation, housing stability, and behavioral health access. In doing this, CRCG operations would help align local coordination efforts with state priorities for workforce readiness, behavioral health, and community reintegration. Example of OYYA metrics: education reconnection (i.e. school re-enrollment rate, credential attainment, program enrollment), workforce/employment metrics (i.e. earnings rate, employment rate, employer engagement), support metrics (i.e. housing, access to insurance, food support), cross-system metrics (i.e. OYYA served by more than one agency, reduction in services or duplication of services, agency referrals), and long-term impacts (i.e. decrease in disconnection rate for OYYA)

Department of Family and Protective Services

Background: Youth and young adults served by DFPS, particularly those transitioning out of foster care or involved in extended care, often face significant barriers to stable employment and self-sufficiency. Many lack access to career pathways, industry-recognized credentials, and postsecondary supports that are critical for long-term economic independence. While DFPS administers transition and independent living programs, formal coordination with the Texas Workforce Commission (TWC), Texas Higher Education Coordinating Board (THECB), and community colleges remains limited and inconsistent across regions. Without statutory requirements for structured collaboration, opportunities for career development, credentialing, and job placement are not fully leveraged for youth exiting care.

- **Recommendation:** Direct the Department of Family and Protective Services (DFPS) to strengthen interagency coordination with the Texas Workforce Commission and the Texas Higher Education Coordinating Board, in collaboration with Local Workforce Development Boards and community colleges, to expand access for former foster youth to industry-recognized credentials, apprenticeships, and certificate programs aligned with regional workforce needs. Prioritize enrollment in programs eligible for Workforce Innovation and Opportunity Youth and Young Adult (OYYA) funding, and require reporting to the Legislature on standardized OYYA education, workforce, support, cross-system coordination, and long-term outcome metrics.

Department of State Health Services

Background: Opportunity Youth and Young Adults (OYYA), youth who are 16-24 and not in school or employed, represent an untapped potential workforce. In Texas, an estimated 470,000 young people fall into this category. They are often involved across multiple systems and have complex needs, including barriers such as lack of transportation, childcare responsibilities, housing instability, and limited access to mental health services. Meanwhile, especially in rural areas of Texas, health care systems are in desperate need of more health care workers. Young people, with the proper support and training, could fill the need

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for this growing industry, improving the provision of healthcare throughout the state while simultaneously creating stable career pathways that offer living wages and advancement opportunities.

Currently, OYYA face fragmented support systems as they age out of various state services, often losing critical resources at precisely the moment they need them most to transition into adulthood. The lack of coordinated workforce development strategies specifically designed for this population means Texas is missing a crucial opportunity to address both youth unemployment and healthcare workforce shortages. By leveraging existing interagency partnerships and expanding career pathways in public health, Texas can transform a population often viewed through a deficit lens into a vital component of the state's healthcare infrastructure.

- **Recommendation:** Expand public health career pipelines to include OYYA through paid apprenticeships, community health worker training, and targeted recruitment partnerships with LWDBs, reentry programs, and CBOs.
- **Recommendation:** Strengthen collaboration and develop interagency transition plans and wraparound supports for OYYA youth aging out of Maternal & Child Health (MCH), foster care, and juvenile systems, ensuring continuity in healthcare, mental health, and vocational services.

SNAP Employment & Training

Cross Agency TWC/HHSC

Background: In Texas, SNAP recipients aged 16-59 are required to participate in the SNAP Employment & Training program (SNAP E&T) unless they qualify for an exemption or are already working 30+ hours per week.

While the stated goal of SNAP E&T is to “help SNAP recipients get jobs and become self-sufficient,” HHSC’s self-evaluation report acknowledges SNAP E&T “participation levels are not at acceptable levels, and sanction levels are much higher than desired.” The small fraction of participants who do complete their assigned E&T component (less than 5%) earn median quarterly wages of approximately \$4,500 — below the monthly income limit for an individual to maintain SNAP eligibility. This means that even those individuals that complete their assigned training activities are not reaching self-sufficiency. That data confirms that without access to credential-based training and career pathways, most participants land back in the same place within a year and miss out on high-demand opportunities within the Texas workforce.

Currently, Texas requires SNAP E&T participants to engage in 30 hours of training per week, which exceeds the standard federal requirement (20 hours per week) and creates a mismatch between policy/regulations and the structure of most workforce training programs. Many qualified and proven workforce development organizations are prevented from participating in Texas’s SNAP E&T program because their nationally-recognized curricula do not meet the 30 hour/week threshold. In addition, Texas has the opportunity to recognize “credentials of value” (HB 8 (88R), SB 1786 (89R)) as being “equivalent to SNAP E&T”, which would allow students enrolled in those programs to satisfy SNAP work requirements with their coursework, which by definition, must lead to a self-sufficient wage.

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Table 3. Texas SNAP E&T program participation and sanction data.^b

Measure	FFY 2022	FFY 2023	FFY 2024
Number of required participants	454,635	472,670	367,708
Number of required participants who began participation in E&T program by attending orientation [percent of total number of required participants]	29,330 [6.45%]	20,792 [4.40%]	26,520 [7.21%]
Number of required participants participating in qualifying component [percent of total number of required participants]	22,329 [4.91%]	16,432 [3.48%]	12,529 [3.41%]
Number of required participants determined ineligible for failure to comply [percent of total number of required participants]	372,923 [82.03%]	240,874 [50.96%]	245,703 [66.82]

Texas' SNAP E&T program is currently failing to help eligible individuals access education and training programs that meet the state's demand for skilled workers and reduce reliance upon public benefits. Aligning Texas' requirements with the federal standard could reduce confusion, lower administrative burden, and improve participation and outcomes in SNAP E&T. In addition, Texas could better leverage community colleges and other workforce partners, which are already equipped to provide industry-aligned training and support, to improve completion, connect participants to credentials, and strengthen economic mobility.

• **Recommendations:**

- a. Direct HHSC (in collaboration with TWC and THECB) to define and identify postsecondary programs that are "equivalent to SNAP E&T" components to ensure students enrolled in "credentials of value" have their coursework recognized as satisfying SNAP's work requirements. This will improve completion rates for students and lead to greater self-sufficiency post-credentialing.
- b. Direct TWC and HHSC to develop and implement standardized contracting and reimbursement models for third-party SNAP E&T providers to be applied across all local workforce development boards & set ambitious goals to scale the number of third-party partners contracted to provide SNAP E&T, with an emphasis on community colleges and other credential-based training providers.
- c. Require HHSC to align SNAP E&T program requirements with the federal baseline (20 hours per week/80 hours per month) to simplify compliance, reduce administrative complexity, and support more consistent program engagement.
- d. Develop a statewide SNAP E&T provider dashboard tracking key program metrics, including enrollment, completion, job placement, and job retention.

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