

Recommendations: Sunset Review TWC

Increase Access to Quality Child Care

Governance and Systemwide Coordination

Design a purposeful unified governance with systemwide coordination to improve efficiency and quality

BACKGROUND

Currently, TWC has approximately 24 agreements with different state agencies to support the delivery of quality services for children birth–5yrs. Seven out of the 24 programs funded by TWC are housed at HHSC. 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 child care and development services (HHSC/TWC/DFPS/DSHS) to improve efficiency and effectiveness.

Efficiency

Improve efficiency by reviewing LWDB service areas to better align resources with today's population, community needs, and economic realities.

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 child care providers, families served, and employers seeking child care supports for their workforce.

Recommendation

- Conduct a comprehensive review of the current LWDB service areas to ensure a balanced and strategic distribution of resources aligned with today's population patterns, community needs, and economic realities, and community realities.

Application and Access Streamlining

Streamline and modernize child care systems to improve access, efficiency, and transparency for families and providers, enabling the state to serve more families with existing resources.

BACKGROUND

Families and child 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.
 - Create a common application form for providers to access programs in TWC & HHSC
 - Develop parent-facing portals, either standalone or integrated into the existing child care availability portal, to provide real-time information on scholarship availability, eligibility, waitlists, and application processing times through a transparent public dashboard.

Regulatory and Implementation Alignment

Synthesize key regulations to reduce confusion and improve regulatory alignment

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/TRS and HHSC/CCR staff who are out in the field could minimize confusion, making it more efficient for everyone.

Recommendation

- Require coordinated, agency-wide training across all regions of the state for relevant agencies and programs on child care minimum standards and Texas Rising Star (TRS) standards, including their interpretation and application. Ensure that all TWC TRS mentors and HHSC Child Care Regulation staff receive comprehensive training to provide consistent guidance and strengthen alignment between TRS standards and state licensing requirements.

Contracting Accountability and Performance Management

Improve oversight of contracted services to ensure quality performance

BACKGROUND

The Texas Workforce Commission administers Child Care and Development Block Grant (CCDBG) funds and contracts with outside entities to deliver quality initiatives and technology platforms such as the CCS system (TX3C). Child care services and Texas Rising Star supports are implemented locally through 28 Local Workforce Development Boards, which also contract with external providers to deliver services. While the existence of these programs is publicly known, there is limited information available on their effectiveness, lessons learned, or areas needing improvement. Variation among LWDB contractors has led to inconsistent interpretation of rules and standards with limited oversight from TWC. Additionally, the TX3C platform has experienced a challenging rollout over the past year, further highlighting the need for greater transparency, evaluation, and accountability.

Recommendation

- Develop a system to ensure coordination among LWDB Contractors so programs are delivered uniformly statewide.
- Conduct a comprehensive audit of the effectiveness of how TWC uses CCDBG funds, particularly quality initiatives and infant/toddler quality initiatives, while developing and auditing user-friendly technology systems, including parent-facing portals and the CCS platform (TX3C/KinderConnect).

Access for Children With Disabilities

Improve access to child care services for families of children with disabilities

BACKGROUND

The Child Care Services program offers a number of opportunities to strengthen supports and incentives to serve children with disabilities in high-quality child care settings with their non-disabled peers. Unfortunately, many parents in Texas still struggle to find a full-day, reliable child care provider who will accept their child with a disability and educate them alongside their nondisabled peers.

Recommendation

- Increase use of differential rates for children with special needs by expanding the eligible factors that earn the enhanced rate and simplifying the application process to make it easier for providers to secure the enhanced rate.
- Create an inclusion badge to recognize programs that go above and beyond in serving children with disabilities or developmental delays and their families and establish and administer a grant program for providers who earn these optional certifications.
- Promote and provide deeper guidance on establishing pre-k partnerships for supporting children with disabilities

Recommendations: Sunset Review TWC

Increase Family Financial Security

Background: Family financial security is central to Texas' long-term economic strength. When families have stable employment, are able to grow earnings, and have access to essential supports, children thrive and communities prosper.

Thousands of Texans rely on a combination of workforce programs, including Adult Education & Literacy (AEL), SNAP Employment & Training (SNAP E&T), childcare assistance, and health services as they work toward economic mobility. While Texas has invested in workforce initiatives through TWC, the Tri-Agency initiative, and human services partnerships, families experience these programs as fragmented systems with differing rules, timelines, and requirements.

Strengthening cross-system coordination, accountability, and braided funding strategies — with clear goals focused on low-income and underserved Texans — will create more effective pathways to family financial stability.

Challenges & Barriers

- **Fragmented Systems Create Barriers for Families.** Workforce, education, and human services programs operate under different funding streams, eligibility rules, and performance measures. Misaligned requirements can create service gaps, duplicative paperwork, and instability for families pursuing education or training.
- **SNAP E&T Outcome Gaps** due to current SNAP rules — particularly for student learners enrolled in postsecondary education or credential-based training — can create barriers to accessing SNAP itself, limiting both nutrition support and workforce pathways. Additionally, limited coordination with community colleges, workforce boards, and community-based organizations contributes to low participation, high sanction rates, and missed opportunities to connect Texans to high-quality education and training that lead to self-sufficiency and meet the state's workforce needs.
- **Inconsistent Quality and Outcome Measurement.** Education and training providers overseen by TWC operate under varying accountability frameworks. Without standardized evaluation across provider types, it is difficult to measure effectiveness, ensure quality, and track progress toward family-sustaining wages.
- **Insufficient Two-Generational and Youth-Focused Coordination.** Parents pursuing training often need coordinated supports for both themselves and their children. At the same time, youth and young adults disconnected from school and work face long-term economic consequences. Texas lacks a clearly designated, cross-agency structure to align early childhood, education, workforce, and human services systems to keep families stable, support school and workforce attachment, and ensure accountability for family economic wellbeing.

Recommendations: Sunset Review HHSC, TWC

Family Financial Security

Adult Education/Workforce Development/Family Financial Stability

- Strengthen and standardize program and provider quality evaluation across all education and training providers overseen by TWC—including WIOA Eligible Training Providers, Adult Education and Literacy (AEL) providers, High School Equivalency (HSE) providers, apprenticeships, internships, and other workforce preparation programs.

- Ensure the state's workforce plan explicitly includes clear goals, strategies, and performance measures to improve access and outcomes for low-income and underserved Texans—including populations targeted under the Workforce Innovation and Opportunity Act (WIOA).
- Direct agencies to identify and implement braided funding strategies that align workforce, education, and human services programs, allowing families to receive comprehensive support without gaps or conflicting requirements.
- Support two-generational approaches across the Tri-Agency and other state systems to increase efficiencies and improve outcomes for individuals and families.
- Create a subcommittee or advisory committee focused on supporting opportunity youth and young adults (OYYA) disconnection (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.
- 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. The Ombudsman will collaborate formally with TEA, THECB, HHSC, DFPS, TJJD, local workforce boards, and CBO's.

SNAP E&T

- 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 and post-credentialing.
- 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.
- 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.
- Develop a statewide SNAP E&T provider dashboard tracking key program metrics, including enrollment, completion, job placement, and job retention.

Recommendations are provided by AVANCE, CHILDREN AT RISK, Every Texan, Feeding Texas, Texans Care for Children, the Texas Pediatric Society, TexProtects, and United Ways of Texas in conjunction with the Texas Prenatal-to-Three Collaborative.

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