

# Expanding Access to Quality Child Care Is Critical for Texas Families

## Testimony to the International Relations and Economic Development Committee Interim Charge 1

### State Child Care Policies are Critical for School Readiness and Economic Growth

Infants' and toddlers' experiences during the rapid brain development of these first few years of early childhood serve as the foundation for their future success inside and outside the classroom, underscoring the importance of access to high-quality child care. With recent breakthroughs in brain science, we now know that the number of words a child hears before age three can dramatically improve their school readiness.<sup>1</sup> Young children's environments during their first few years have a dramatic impact on how their brain is wired for the rest of their lives. Access to quality child care ensures that infants, toddlers, and other young children have access to care that is nurturing, attentive, effective, and safe

Furthermore, for parents to return to work and help rebuild the Texas economy, lawmakers must support a quality child care infrastructure. As the U.S. Chamber of Commerce recently wrote, "Without this industry's survival and ability to safely care for the children of working parents, every other American industry will struggle to return to work."<sup>2</sup> Before the COVID-19 pandemic, the industry was responsible for the employment of nearly 130,000 Texans and served over 1.3 million children under the age of five.<sup>3</sup> During the early stages of the pandemic, child care workers were deemed essential by the Texas Workforce Commission because of their critical role in educating children and serving as the backbone for the rest of the workforce. Securing the availability of quality child care is essential to economic recovery and development into the future.

### The State of Quality Child Care in Texas

The COVID-19 pandemic has exposed a longstanding truth: child care is one of the most critical industries for our state's employers, families, and children's health and education. The rapid spread of the coronavirus has put this

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<sup>1</sup> No Small Matter(2019). Retrieved from: <https://www.nosmallmatter.com/>

<sup>2</sup> Letter from U.S. Chamber of Commerce to Congress (2020). Retrieved from: <https://childcarerelief.org/wp-content/uploads/2020/07/Chamber-Child-Care-Letter-to-Congress.pdf>

<sup>3</sup> Child Care in State Economies (2019). Retrieved from: [https://www.ced.org/assets/reports/childcareimpact/talking\\_points/revised/Texas%20Talking%20Points%20CED%201312019.pdf](https://www.ced.org/assets/reports/childcareimpact/talking_points/revised/Texas%20Talking%20Points%20CED%201312019.pdf)

already vulnerable industry into a tailspin that could end Texas child care as we know it. Nearly 40 percent of child care providers have closed with many more on the brink.<sup>4</sup> Even with critical steps taken by TWC to limit the damage, over 25,000 working families are on a waitlist to receive care<sup>5</sup>.

In order to respond effectively to this crisis and help Texas families and small business owners, lawmakers must ensure there is sufficient funding and support to maintain our state's quality child care supply today and into the future. As families return to work and children return to classrooms, increasing the supply of high-quality child care will be more critical than ever.

Unfortunately, even before COVID-19 hit, access to quality care was insufficient for working families.

- In March of this year, nearly 71 percent of the state's licensed child care providers did not participate in the state's quality rating and improvement system, Texas Rising Star (TRS).<sup>6</sup>
- Only about seven percent of the state's licensed providers are rated at the highest level of quality on Texas Rising Star or accredited by the National Association for the Education of Young Children (NAEYC), considered the gold standard of quality child care standards.<sup>7</sup>
- Texas also allows some of the worst teacher-child ratios in the country, with minimum standards allowing 1 adult per 11 two years olds and 1 adult per 15 three year olds.<sup>8</sup>
- Despite the low level of high-quality care available, the average family of four spends nearly \$16,000 per year on child care.<sup>9</sup>

Still, despite the many challenges facing early care providers and the families who rely on them, Texas lawmakers have an opportunity to rebuild the state's child care infrastructure stronger than ever before.

## Progress in the 86th Session

In addition to several pieces of important legislation addressing child care safety standards, the Legislature took an important step in 2019 to address transparency and accountability in the state's child care subsidy system with the passage of **HB 680**, which:

- provides the state critical information related to the effectiveness of the state's subsidy system;
- authorizes Local Workforce Development Boards to contract directly with Texas Rising Star child care providers; and

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<sup>4</sup> Frontline Child Care. (2020). Child Care Options for Texas Frontline Workers. Retrieved from: <https://frontlinechildcare.texas.gov>

<sup>5</sup> Texas Workforce Commission (2020). Child Care & Early Learning Adobe.

<https://documentcloud.adobe.com/link/review?uri=urn:aaid:scds:US:113fac9d-b879-47a3-94bd-a9ef131be4dc>

<sup>6</sup> Texas Workforce Commission (2020) *Child Care by the Numbers*. Retrieved from:

[https://www.twc.texas.gov/childcarenumbers/Texas\\_Statewide\\_System\\_monthly.html](https://www.twc.texas.gov/childcarenumbers/Texas_Statewide_System_monthly.html)

<sup>7</sup> Children at Risk (2020). *Child Care Desert & Affordability Map*. Retrieved from: <https://childrenatrisk.org/childcaredeserts/>

<sup>8</sup> U.S. Department of Health and Human Services (2013). *Child-Staff Ratios and Maximum Group Size Requirements in 2011*. Retrieved from:

[https://childcareta.acf.hhs.gov/sites/default/files/public/547\\_1305\\_ratiosgroupsize\\_2011.pdf](https://childcareta.acf.hhs.gov/sites/default/files/public/547_1305_ratiosgroupsize_2011.pdf)

<sup>9</sup> Child Care Aware of America (2018). *The US and the High Cost of Child Care: A Review of Prices and Proposed Solutions for a Broken System*. Retrieved from: <https://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>

- expands professional development opportunities for child care providers, directors, and employees

## **Additional Steps Needed from State Policymakers**

We encourage the Committee to work with the Governor's office, TWC, HHSC, TEA, and other members of the Legislature to take the following steps:

### **Leverage federal funding and other available resources to ensure quality child care providers can continue to serve the children of low-wage Texans.**

The Texas Workforce Commission has taken critical short-term steps to allocate federal relief funds to support child care for COVID-19 essential workers, offset lost Parent Share of Cost payments from families accepting child care subsidies, and increase reimbursement rates for those providers who take subsidies. Unfortunately, these steps are not enough to ensure that quality child care programs can endure through this crisis. The state should allocate available funding, including future federal relief dollars, to provide direct funding to child care providers to help them financially survive the pandemic.

### **Require subsidy providers to participate in the Texas Rising Star program**

Through a phased approach, Texas should require that child care providers that participate in the subsidy program also take part in the Texas Rising Star program. Public funds should be used on programs that demonstrate a commitment to providing safe and quality care for children.

### **Increase school readiness partnerships with school districts**

Through HB 680, HB 3, and other agency and legislative efforts, school districts and child care providers have more opportunities than ever to leverage new investments and work together to expand access to high-quality, early childhood education in their region. With the impact of COVID-19 on both sectors, the need could also not be greater. Texas lawmakers should consider ways to provide greater incentives to pursue school readiness partnerships, offering a quality early education continuum from birth through the first day of Kindergarten.

### **Increase reimbursement rates permanently, particularly for infants and toddlers.**

Due to the economic impact of COVID-19, the Texas Workforce Commission took the critical step to enhance the subsidy reimbursement rate by 25%. However, even under normal circumstances, our subsidy reimbursement rates fall short of covering the actual cost of quality care, particularly for programs serving infants and toddlers. These rates should be increased permanently to support the cost of quality care and allow providers to survive over the longer term.

### **Strengthen the early childhood workforce**

As this crisis has demonstrated, child care educators are essential workers for the Texas economy and to Texas families. Unfortunately, child care programs struggle to recruit and retain a quality workforce, as educators leave programs due to minimum wage salaries, lack of benefits, insufficient training and support, and unmanageable classroom environments and class sizes. To strengthen this workforce moving forward, the state should create a

state strategic plan for the child care workforce, addressing the number of educators acquiring credentials and degrees, increasing apprenticeships that provide a career pathway for higher education and training, and explore compensation strategies to increase pay.

### **Expand child care contracts**

Texas has the opportunity to build on HB 680 and help stabilize our Texas Rising Star 3- and 4-star child care programs by supporting and cultivating more child care contracts. Contracts are an efficient way to target supportive resources to the highest quality child care programs serving lower-income children (or to achieve other key priorities of the state, such as infant-toddler care and public-private partnership with school districts).

### **Support the needs of family child care**

The availability of quality family child care has been in rapid decline in recent years. Texas lawmakers need to work together on a strategy tailored to providers in this sector to ensure families can rely on these essential programs moving forward. The state should expand outreach efforts to ensure family child care is accessing all available grants and technical assistance. The state should also consider strategies to provide greater support to family child care providers that offer extended-hour or nontraditional hour care, as well as assist with supplies, training, and other expenses. Furthermore, we hope family child care providers will have a seat at the table as Texas moves forward with child care reform efforts.