

Texas Can Empower More Parents to Find Work and Access High-quality Child Care

Testimony to the Senate Finance Committee on Funding for the Child Care Services Program in Article VII

The Child Care Services program is essential to enabling Texas parents to go to work and helping young children thrive.

The **Child Care Services (CCS)** program, managed by the **Texas Workforce Commission (TWC)**, provides financial aid (also known as scholarships or subsidies) for parents who meet work and income requirements to access high-quality child care. **Through CCS, eligible parents of children under the age of 13 receive financial assistance to cover a portion or, in some cases, all of the costs for child care so they can work, search for work, or participate in job training.** About 30,000 Texas employers employ someone benefiting from CCS scholarships.¹

The Impact of Child Care Scholarships from the State's CCS Program



Helps parents find and retain work, getting on a path to greater self-sufficiency

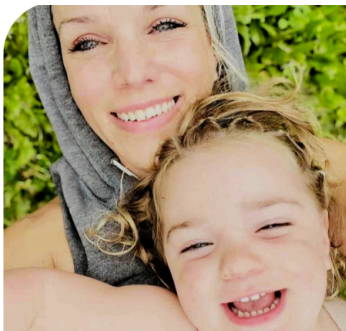


Helps children develop the social and learning skills they will need to succeed in school



Helps employers recruit and sustain a reliable workforce

Local Workforce Development Boards administer child care services through local Workforce Solutions offices. Specific eligibility requirements and coverage amounts can vary by service area. **Critically, through the CCS program, families are empowered to enroll their children in child care that meets their needs and values, such as faith-based programs, programs specializing in serving children with disabilities, or home-based programs with just a few other children.**



“I could only work a few hours a day. Now, I can work more. I’m in a way better position. I’m housed now... If I had to pay for daycare right now, I don’t know how I would do it... I’m so grateful we have it.”

– Rachael, a mother of two children, who received a CCS scholarship

Due to insufficient state funding, the CCS program is leaving many eligible families on a waitlist for months or even years.

Funding for CCS programs comes primarily from the federal Child Care and Development Block Grant, but many states provide additional state dollars to reach more eligible working families. Texas does not. Using federal funds, TWC plans to serve approximately 145,000 children per day in fiscal year 2024. However, due to the limits of current funding, many eligible Texas children are left out of the scholarship program. When the annual federal funds run out, the waitlist for the Texas program grows, meaning thousands of eligible children are not being served.

In fiscal year 2024, the average waitlist for the CCS program in Texas was approximately 78,000 children.² In some areas, families can expect to be on the waitlist for at least six months and up to two years.³ A long waitlist for this program is not the norm across the country. National research on child care access in 2023 showed that Texas was one of only four states that increased the number of children and families on their waitlists for child care assistance or began placing families on a waitlist for child care assistance.⁴

Because of the longstanding waitlist, serving more currently eligible Texas families in high-quality settings should be a priority. For working families on the waitlist and unable to access scholarships, the average annual cost of child care may be untenable. This could lead to them leaving the workforce altogether. For a single toddler in Texas, parents can expect to pay, on average, \$9,672 per year for home-based care and \$10,608 per year for center-based care.⁵ Depending on the community, the cost may be significantly higher than that.

Red states across the country are investing state funding for child care.

Across the country, child care is a top bipartisan priority for state legislatures and governors.⁶ In Florida, lawmakers and Governor Ron DeSantis approved a 2023 budget with an increase of \$100 million in state funding for their CCS program (known in Florida as School Readiness) as well as an additional \$77 million to sustain enrollment levels among working families.⁷ In 2024, Florida doubled down on the progress they made in 2023, allocating an additional \$200 million to raise rates paid to early learning centers and family child care homes serving children in the School Readiness program.⁸

Lawmakers in Alabama— which has a population one-sixth the size of Texas— passed legislation to invest an additional \$30 million in state funding, for a total state allocation of \$47.8 million, to support the financial stability of child care programs.⁹

As Texas considers funding strategies, lawmakers should consider the promising examples set by these and other states across the country.

Recommendation: The Legislature should invest in getting more families off the waitlist and into a job.

According to the Texas Workforce Commission, TWC's projected cost for scholarships for fiscal year 2026 is \$741 per month, per child and \$768 per month, per child in fiscal year 2027.¹⁰ **If Texas invests about \$90 million per year, Texas can serve approximately 10,000 more eligible children** in the Child Care Services program, enabling their parents to go to work and have the choice of high-quality care for their children.



“When we first got [a child care scholarship], we were going through a rough patch financially.

Now, I’m able to come to work and have my kids in a high-quality place where I know they will have the education that they will need.”

– Anaelys, a mother of two children receiving child care scholarships

Endnotes

1. Child Care by the Numbers (2024). Texas Workforce Commission. Retrieved at: <https://www.twc.texas.gov/data-reports/child-care-numbers>
2. Child Care by the Numbers (2024). Texas Workforce Commission. Retrieved at: <https://www.twc.texas.gov/data-reports/child-care-numbers>
3. For Parents (2024). Workforce Solutions Capital Area. Retrieved at: <https://www.wfscapitalarea.com/our-services/childcare/for-parents/#waitlist>
4. Two Steps Forward, One Step Back: State Child Care Assistance Policies in 2023 (2024). National Women's Law Center. Retrieved at: <https://nwlc.org/resource/two-steps-forward-one-step-back-state-child-care-assistance-policies-2023/>
5. Child Care Affordability in Texas (2023). Child Care Aware. Retrieved at: <https://www.childcareaware.org/thechildcarestandstill/#LandscapeAnalysis>
6. Red States are Confronting the Child Care Crisis (2024). Texans Care for Children. Retrieved at: <https://txchildren.org/could-texas-be-the-next-state-to-support-working-parents-by-ensuring-more-children-have-access-to-high-quality-early-learning-programs/>
7. State Child Care and Early Education Updates 2023 (2023). National Women's Law Center. Retrieved at: <https://nwlc.org/wp-content/uploads/2024/01/State-Child-Care-and-Early-Education-Updates-2023-NWLC.pdf>
8. Bright spots for young learners and families in Florida's budget (2024). Tallahassee Democrat. Retrieved at:
9. Alabama advocates celebrate historic \$42 million increase in state early childhood education investments (2023). Alabama School Readiness Alliance. Retrieved at: <https://www.alabamaschoolreadiness.org/alabama-advocates-celebrate-historic-42-million-increase-in-state-early-childhood-education-investments/>
10. Child Care scholarship projected cost data provided by TWC for FY 26 and FY 27. Received in September 2024. (on file with author)