

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

**The Supplemental Budget Bill, HB 500, Includes \$100 Million to Strengthen the State's Child Care Services Program.**

**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 families who meet work and income requirements to access high-quality child care. This program promotes self-sufficiency by enabling parents to work while their children enroll in enriching early learning programs. **Through CCS, eligible parents of children under the age of 13 may 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.** Over 30,000 Texas employers employ someone benefiting from CCS scholarships.<sup>1</sup>

## The Impact of Child Care Scholarships in Texas

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.**

<sup>1</sup> Child Care by the Numbers (2024). Texas Workforce Commission. Retrieved at: <https://www.twc.texas.gov/data-reports/child-care-numbers>

## 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 is serving approximately 150,000 children per day. 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.

The waitlist for the CCS program in Texas is over 90,000 children.<sup>2</sup> In some areas, families can expect to be on the waitlist for at least six months and up to two years.<sup>3</sup> 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. 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.<sup>4</sup> 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 becoming a top bipartisan priority for state legislatures and governors.<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup>

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

## Recommendation: The Legislature Should Support the \$100 Million in HB 500 to Serve Thousands More Families on the Waitlist

The supplemental budget bill, HB 500, includes \$100 million for child care scholarships. The funding will allow the Texas Workforce Commission to serve thousands more families in the Child Care Services program. Through these scholarships, more Texas parents will be able to go to work, and more Texas children will receive enriching early childhood education.



**“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**

<sup>2</sup> Child Care by the Numbers (2024). Texas Workforce Commission. Retrieved at: <https://www.twc.texas.gov/data-reports/child-care-numbers>

<sup>3</sup> For Parents (2024). Workforce Solutions Capital Area. Retrieved at: <https://www.wfscapitalarea.com/our-services/childcare/for-parents/#waitlist>

<sup>4</sup> Child Care Affordability in Texas (2023). Child Care Aware. Retrieved at: <https://www.childcareaware.org/thechildcarestandstill/#LandscapeAnalysis>

<sup>5</sup> 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/>

<sup>6</sup> 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>

<sup>7</sup> Bright spots for young learners and families in Florida’s budget (2024). Tallahassee Democrat. Retrieved at: <https://www.tallahassee.com/story/opinion/2024/06/11/bright-spots-for-young-learners-and-families-in-floridasbudget/74019824007/>