

Feedback on Sunset Recommendations to Strengthen TWC Administration of Child Care

We Urge the Sunset Commission to Support the Staff Recommendations and Develop Additional Recommendations

The Texas Workforce Commission (TWC) currently administers the state's Child Care Services (CCS) program. CCS provides child care scholarships to low-income parents so they can go to work and find high-quality child care. The program is largely funded through the federal Child Care Development Fund (CCDF). The Legislature demonstrated its support for these child care scholarships last session by providing an additional \$100 million in funding, which prevented thousands of working parents from losing child care. The Sunset process provides an opportunity to strengthen the state's administration of this highly successful program.

We Support the Following Recommendations from Sunset Staff

Sunset staff's review identifies several important opportunities to strengthen TWC's administration of child care. We support these recommendations and believe they can improve the experience of families and providers while making better use of existing resources.

- **Modernize TWC's technology and data systems.** We support Sunset's recommendations for stronger IT planning, procurement, implementation, and data governance.
- **Strengthen oversight of child care fraud investigations.** We support establishing more consistent statewide procedures and stronger TWC oversight of locally administered fraud investigations.
- **Improve TWC–DFPS coordination.** We support greater transparency regarding CCDF funds used by DFPS and recurring training for DFPS staff and contractors who administer subsidized child care for children in the foster care system.



- **Modernize the Market Rate Survey.** We support updating the methodology used to collect child care market data. Reliable, timely information is essential for TWC and the Legislature to make informed decisions about child care reimbursement rates.
- **Continue TWC's role in administering child care.** We appreciate Sunset staff's conclusion that TWC should continue as the state's child care agency.

We Urge the Commission to Develop Additional Recommendations to Address Challenges Identified in the Staff Report

Sunset staff notes that it received significant input about child care issues beyond the scope of its recommendations. We urge the Commission to include additional recommendations that are closely connected to Sunset's focus on **efficient administration and effective delivery of child care services**.

- **Improve the family experience through better information.** As TWC modernizes its technology, the agency should create a parent-facing system that provides clear, timely information about scholarship eligibility, waitlist status, application processing, and available providers. This would build on Sunset's IT and data recommendations while directly addressing barriers families report when navigating CCS.
- **Implement coordinated intake and referral across early childhood programs.** TWC, HHSC, TEA, and other agencies serve many of the same families through separate systems. Developing better cross-agency coordination and a more unified entry point would reduce administrative burden for families and government alike.
- **Redirect funding from CCDF initiatives to child care scholarships when appropriate.** Given significant unmet demand for child care scholarships, TWC should evaluate CCDF-funded initiatives for measurable impact on access, quality, and child outcomes. Where initiatives fall short, reinvest those dollars into high-impact child care scholarships.
- **Strengthen access to child care for children with disabilities.** The Inclusion Assistance Rate, which drives additional funding through child care scholarships for children with special needs, is underutilized by families. Very few programs can offer adequate child care to children with special needs without the additional funds. TWC should simplify the application process and expand the eligibility for criteria for the enhanced rate.

We appreciate Sunset staff's work to identify practical improvements to TWC's administration of child care. We would welcome continued dialogue about how these recommendations can work together to make Texas' child care system more efficient, transparent, and accessible to the families and providers it serves.