

# Recommendations: Sunset Review HHSC, 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.

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### 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.

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### 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.

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## 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.

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## 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 that 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).

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## 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

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