

Child Care FY24 Statewide Initiatives

Discussion Paper

1 **Background**

2 The Texas Workforce Commission's (TWC) three-member Commission (Commission) initiated several
3 new initiatives with child care stimulus funding. Child Care and Early Learning (CC&EL) Division staff
4 would like the Commission to consider ongoing Child Care Development Fund (CCDF) support for
5 several of the stimulus funded initiatives. In addition, CC&EL staff recommend that the Commission set-
6 aside funding for the creating of a new automated interface with the Department of Family and Protective
7 Services. several of these

8 9 *Stimulus to Regular CCDF*

10 11 **Issue 1: Shared Services Alliances**

12 TWC approved up to \$22 million in stimulus funding to support the development of new Shared Services
13 Alliances (SSAs) and awarded \$6.4 million. SSAs are intended to reduce costs and improve the strength
14 of management and the quality of services by sharing administrative functions with other organizations
15 that provide the same types of services. The goal of SSAs is to create administrative efficiencies, which
16 allow child care programs to reinvest their savings into program improvements/enhancements and pay a
17 nominal annual fee for the SSA hub coordinator.

18 It generally takes up to four years to SSAs to mature, and for the participating child care programs to start
19 realizing these administrative efficiencies. TWC also procured a national technical assistance entity to
20 provide SSAs with support in their development and implementation. The stimulus funded SSA grants
21 were awarded in June and July 2022. CCE&L recommends that TWC continue supporting these SSAs, at
22 a reduced level, to allow them additional time to achieve their goals, and begin realizing administrative
23 savings.

24 **Decision Point 1**

25 Staff recommends dedicating \$2,000,000, and providing each SSA with \$450,000, and providing the SSA
26 technical assistance entity with \$200,000.

27 28 **Issue 2: Agri-Life Online Training**

29 The Commission approved \$8 million in stimulus funding for [Texas A&M AgriLife](#) to develop new
30 online training modules for child care professionals, to package existing courses into a series that fulfills
31 CDA training requirements, and to make modules that fulfil preservice training requirements freely
32 available to Texas child care professionals. The demand for the free online courses has been high, and
33 CC&EL staff recommend ongoing funding to allow these courses to continue to be available at no cost to
34 early childhood educators.

35 **Decision Point 2**

36 Staff recommends dedicating \$2,500,000 for Texas A&M to continue to offer [online child care training](#)
37 [courses](#) at no cost.

1 **Issue 3: Skills for Small Business – Child Care**

2 TWC offers the Skills for Small Business (SSB) program to assist employers with fewer than 100
3 employees access training for full-time staff. The Commission approved \$1 million in child care stimulus
4 funding specifically to support care programs that meet the following parameters:

- 5 • Child care employer has under 100 employees
- 6 • Training for full-time employees
- 7 • Within a 12-month period, funding for tuition and fees up to:
 - 8 ○ \$1800 per newly hired employee (hired within 12 months of the SSB application date)
 - 9 ○ \$900 per incumbent worker
- 10 • Training provided by a public community or technical college or Texas A&M Engineering
11 Extension Service (TEEX)
- 12 • Training selected from the active course catalogs/schedule – credit, continuing education, online
13 or other available unpublished courses

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15 **Decision Point 3**

16 Staff recommends dedicating \$1,000,000 in federal child care funds annually for Skills for Small
17 Business for child care specific training, as outlined above.

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19 **Issue 4: Child Care Regulation Supply-Building Navigators**

20 The Commission approved \$1 million in child care stimulus funding, provided to the Health and Human
21 Services Commission, to allow Child Care Regulation (CCR) to hire supply-building navigator staff.
22 These staff assist prospective child care providers in understanding CCR’s regulatory requirements,
23 understanding how local ordinances may also need to be considered, and in accessing other resources to
24 assist new child care operations. The demand for these services has been high, and CC&EL recommends
25 that the Commission continue supporting these efforts.

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27 **Decision Point 4**

28 Staff recommends dedicating \$1,000,000 in federal child care funds annually to support CCR’s child care
29 regulation supply-building navigators.

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31 **Issue 5: Child Care Business Coaching and Training**

32 The Commission previously approved two child care business focused initiatives: 1) Child Care Business
33 Forums (\$1.5 million annually, Track 76037), and 2) Child Care Business Coaching (\$48 million for three
34 years, stimulus funded). CC&EL recommends combining these two initiatives into one comprehensive
35 project focused on both business coaching and business training. Services will include tailored one-on-
36 one business coaching; assisting providers with general business support, which may include strategies
37 for the management of their business, their financial policies and financial operations; education and
38 training on financial stability; business management,; personnel management; recruitment/retention of
39 staff; communication, including family and community engagement; and providing information about the
40 benefits of participating in TWC’s subsidized child care program and the benefits of pursuing Texas Rising
41 Star certification

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43 **Decision Point 5**

44 Staff recommends dedicating \$5 million annually for a comprehensive Child Care Business Coaching and
45 Training initiative.

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Increases/Decreases to Existing CCDF Initiatives

Issue 6: Rescoping the Size of Existing Initiatives

	FY23 Budget	FY24 Request	↑ ↓	Comments
76007 Texas Rising Star (TRS) Mentor Support	\$22,000,000	\$27,000,000	↑	Increase due to mandatory TRS; Previously approved by the Commission
76013 Professional Development Scholarships	\$4,250,000 • \$750,000 regular CCDF; • \$3.5 million stimulus	\$3,000,000	↑	Increase in regular CCDF to support HB619 Strategic Plan strategies
76019 Early Childhood Learning Summit	\$750,000	\$3,000,000	↑	Increase due to mandatory TRS; Previously approved by the Commission
76026 Workforce Registry	\$946,005	\$950,000	↑	Increase due to mandatory TRS
76038A Family Childcare Networks	\$371,091	\$5,500,000	↑	Increase to include funding for new home-based provider capacity expansion
76038B Child Care Staff Retention	\$2,000,000	\$1,000,000	↓	Terminated 1 grant
76042 Market Rate Survey	\$400,400	\$416,416	↑	4% annual increase in cost
76051 Inter-Rater Reliability Framework (Ongoing Supports)	\$450,000	\$1,005,000	↑	Increase due to mandatory TRS
76053 TRS Centralizing Assessors	\$16,289,265 • \$9.9 M for Centralized Assessor entity • \$6.38 M for Boards	\$10,000,000	↑	Increase (for Centralized Assessor entity) due to mandatory TRS
76057/CCPCQC CC PCQC	\$1,209,253	\$275,000	↓	Annual cost to update data is lower.

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6 **Decision Point 6**
7 Staff recommends increases/decreases as outlined above.
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1 *New CCDF Initiative*

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3 **Issue 7: Automated Interface for DFPS Child Care Referrals**

4 The Department of Family and Protective Services (DFPS) contracts with TWC to administer child care
5 services for children in DFPS protective services. Currently, all DFPS child care authorizations are
6 transmitted through email. TWC and DFPS have been coordinating on the development of an automated
7 interface between the DFPS Impact system, and the TWC Texas Child Care Connection (TX3C) system.

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9 **Decision Point 7**

10 Staff recommend that the Commission provided DFPS with \$1 million in child care funding to support
11 the development of an automated interface, for more efficient and accurate administration of DFPS child
12 care.