

Parents, Children, Providers, and Employers Need the Legislature to Build on Last Session's Child Care Progress

Testimony to the House International Relations and Economic Development Committee

Submitted jointly by 10 Texas organizations – May 19, 2022

Accessible, high-quality child care enables parents to work and helps them provide their children with the positive experiences they need during this critical age for brain development. Without it, our families, our communities, and our economy suffer. The COVID-19 pandemic highlighted the economic necessity of accessible quality child care and led state leaders to take several important actions to limit the damage.

We appreciate the Legislature – and particularly this Committee and the members of the Texas House Early Childhood Caucus— making significant strides on child care last session by passing the following bills.

- **HB 2607** by Rep. James Talarico and Sen. Eddie Lucio, Jr. improves the experience of children in child care by requiring providers who receive subsidies to also participate in Texas Rising Star, the state's program for measuring and improving the quality of child care.
- **HB 1792** by Chair Angie Chen Button and Sen. Judith Zaffirini will standardize Texas Rising Star assessments.
- **SB 1555** by Sen. Judith Zaffirini and Rep. John Raney aligns reimbursement rates to regulation standards, working to reconcile the high costs of serving infants and toddlers.
- **HB 619** by Rep. Senfronia Thompson and Sen. Carol Alvarado directs the Texas Workforce Commission to develop a strategic plan to improve the sustainability and effectiveness of the child care workforce.

However, there is still a child care crisis facing Texas parents, children, child care providers, and employers.

Even before the pandemic, many Texas families had difficulty finding affordable, high-quality child care. The situation is much worse today: According to HHSC, since 2020, the number of home-based providers decreased by 15 percent and the total licensed capacity in the state decreased by eight percent.

PARENTS need better child care options. Too many parents cannot work because child care is not available nearby or is too expensive, due to the high costs for programs and the lack of public financing. Many of those who have child care are facing crushing monthly tuition bills while they deal with rising prices for housing, gas, and

other essentials. In Texas, the average family spends nearly \$16,000 a year on child care.¹ Seventy percent of Texas children age five and under with low-income working parents live in a community without access to financial assistance for child care, also known as a subsidized child care desert.²

CHILDREN need high-quality child care during this critical age for brain development. Experiences and relationships during the first three years of life — both positive and negative — shape children’s brain architecture and the way they learn, behave, and develop when they start school.

CHILD CARE PROVIDERS need policymakers to step up. Providers of all kinds — centers, home-based, faith-based, non-profit, small businesses, etc. — are in an untenable position, with parents paying more than they can afford, staff who are severely underpaid, and directors/owners often forsaking their own salary. Child care educators often make around \$10 per hour³ with few or no benefits, leaving them in near poverty, and creating constant turnover that puts programs on the verge of closing.

EMPLOYERS need employees who have reliable child care. Texas businesses lose an average of \$13 billion annually due to insufficient child care.⁴ As Angela Farley from the Dallas Regional Chamber and Brendan McGuire from PNC Bank in North Texas wrote, “Access to affordable, high-quality child care is too important for the business community to ignore. The disruption of lives and careers is at stake. By giving working parents the peace of mind that their children are safe and well cared for, companies can look after their bottom lines and growth.”⁵

During the 2023 session, lawmakers should build on progress made last session and prioritize solutions that address the most urgent needs for Texas parents, children, child care providers, and employers, including:

- 1. Enhance access to quality child care across settings for working parents.** The lack of substantial public financing, subsequent high costs of care, and a severe dearth of quality programs leave parents choosing care based on scarce availability, rather than their familial preferences. Lawmakers should support strategies that empower parents to have diverse options and make informed choices on the early education program that works for them, whether that be their neighborhood school, a faith-based

¹ Center for American Progress (2019). Early Learning in the United States: 2019. Retrieved at: <https://www.americanprogress.org/article/early-learning-united-states-2019/>

² Children at Risk (2019). Access to Affordable High-Quality Child Care is Scarce. Retrieved at: <https://catriskprod.wpengine.com/child-care-desert-analysis/>

³ Center for the Study of Child Care Employment (2020). Texas State Profile. Retrieved at: <https://cscce.berkeley.edu/workforce-index-2020/states/texas/>

⁴ Want to Strengthen Texas’ Economy? Fix the Child Care Crisis (2021). ReadyNation. Retrieved at: <https://www.strongnation.org/articles/1665-want-to-strengthen-texas-economy-fix-the-child-care-crisis>

⁵ Angela Farley and Brendan McGuire (2022). Dallas Morning News. Texas lacks affordable child care and businesses are paying a cost. Retrieved at: <https://www.dallasnews.com/opinion/commentary/2022/03/04/texas-lacks-affordable-child-care-and-businesses-are-paying-a-cost/>

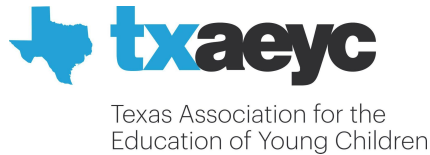
program, Head Start, or a child care program at a center or home.

2. **Strengthen the child care workforce through compensation and benefits.** For quality child care to be available to families and support the Texas economy, policymakers should invest in efforts to recruit and retain more effective child care educators by ensuring they earn professional salaries and have access to health benefits and retirement plans.
3. **Bolster partnerships between public schools and high-quality child care providers to increase the pre-k and child care capacity for working families.** Policymakers have taken initial steps to support a more integrated early learning system by passing HB 3 (the 2019 school finance bill), but the law's vision to strengthen partnerships between school districts and quality child care programs is not yet a reality. Lawmakers should support policies that better support the administration of partnerships, provide increased and improved technical assistance, and break down bureaucratic barriers to make these partnerships easier to set up and more effective. These steps will increase the number of children ready to succeed in school and be strong readers by third grade.
4. **Improve reimbursement rates for child care providers providing quality care.** To ensure programs have the funding necessary to provide safe and enriching early education for Texas kids, policymakers should:
 - a. Ensure access to high quality child care in all communities by reimbursing the highest quality providers at the state rate rather than what the neighborhood can afford. This will address quality deserts because providers' subsidy reimbursement is based on what their parents pay. Therefore, providers in high need communities whose families cannot afford the true cost of care currently receive lower subsidy reimbursements for the same quality provided in higher income areas and cannot sustain programs.
 - b. Support strategies to fund programs based on the costs of maintaining basic levels of quality, rather than relying on ineffective market rate surveys. The current mechanism fails to capture the true costs of what providers have to spend to ensure children are in acceptable early learning environments.
5. **Examine barriers to Local Workforce Development Boards' ability to maximize the number of children receiving quality care.** The Legislature should examine requirements that may limit a Board's ability to ensure access to quality and prevent local needs from being met.
6. **Increase state investment in child care to lower costs for families, expand access to quality child care, and ensure that new and existing quality programs have the ability to stay open and serve more families.** Texas primarily relies on federal funds to pay for subsidized child care. Each year, the federal government provides funding to Texas to offer child care assistance to low-income, working families through the Child Care and Development Block Grant (CCDBG). Many other states bolster CCDBG funding with additional funding streams (beyond required match spending), such as direct state spending.

Texas does not. For Texas to address the urgent and dire needs of children, parents, and communities, Texas policymakers need to develop a strategy to begin to make targeted state investments.

We're committed to working with you during the interim and this session to help develop solutions for parents, children, providers, and employers.

For additional information, please contact David Feigen, Senior Policy Associate for Early Childhood, Texans Care for Children, at dfeigen@txchildren.org.



United Way of
Waco-McLennan County