

July 2, 2026

The Honorable Lois Kolkhorst, Chair
The Honorable Lacey Hull, Vice Chair
Members of the Sunset Advisory Commission
P.O. Box 13066
Austin, Texas 78711

Re: Philanthropy Advocates Comments on the Texas Workforce Commission Sunset Staff Report

Dear Chair Kolkhorst, Vice Chair Hull, and Members of the Commission:

Philanthropy Advocates brings together almost 60 private, community, and corporate foundations working across Texas to improve outcomes for Texas students by amplifying and engaging the philanthropic sector, from early childhood through postsecondary education and the workforce. We view child care as the front end of the education-to-workforce pipeline. It affects whether parents can work, whether employers can maintain a reliable workforce, and whether Texas children arrive at kindergarten prepared to learn. We appreciate the work the Sunset staff has undertaken in this review, and we welcome the opportunity to comment. Our aim is to offer support and recommendations that help Texas Workforce Commission (TWC) operate more efficiently, better serve families and children, and advance the goals of the state.

We are grateful for the staff's thorough and thoughtful approach in identifying ways to strengthen the work of TWC. We particularly appreciate that the report examines how TWC oversees local workforce development boards (LWDBs) and documents opportunities to strengthen the agency's data systems. These are among the issues that most affect whether the child care system works for families, and we are glad to see them addressed directly. We offer these comments with attention to how child care functions as part of a connected education-to-workforce system rather than a set of isolated programs.

Recommendations we support

We support the report's core child care recommendations and encourage the Commission to retain them:

- Stronger, consolidated oversight of local workforce boards, paired with meaningful public reporting of board performance (Recs 1.1 and 1.4). The finding that, over a decade, “76 percent of adverse actions never progressed beyond a [technical assistance plan] regardless of severity” (p. 21) reveals a clear breakdown in oversight and accountability.
- A unified data foundation. We strongly support completing a unified data model and adopting a unique, cross-program customer identifier (Rec 4.9). As the report notes, the agency

“cannot fully evaluate whether it is working as an integrated system to serve Texans across programs” (p. 72).

- Better data for child care funding decisions, including visibility into how DFPS and other partner agencies spends federal child care funds (Rec 6.1) and a modernized market rate survey that gives the Legislature timelier, more useful, higher-quality data (Recs 6.3 and 6.4).

Opportunities to strengthen the recommendations

Several of these recommendations are framed as management actions on informal timelines. We respectfully encourage the Commission to build on them to ensure strong implementation and meaningful impact:

- **Establish a statutory foundation for the unified data model.** The unified data model and unique identifier (Rec 4.9) are foundational. We encourage a statutory requirement with a firm deadline and a required report to the Legislature, and we encourage ensuring the identifier can ultimately reconcile records across agencies, not only within TWC. Cross-program insight is the central purpose, and an identifier confined to a single agency would not fully address the challenge.
- **Base board performance reporting on outcomes.** In implementing public performance reporting (Rec 1.4), we encourage standardized, comparable metrics reported publicly, rather than the binary scorecard the report identifies as insufficient (p. 29). This performance reporting should be done in a way that can provide actionable insight and drive improvement.

Connecting child care data to education outcomes

A unified data foundation would produce direct value for the state’s education goals. Texas Rising Star is the state’s mandatory quality rating and improvement system for child care providers that serve subsidized families, and reimbursement rates are scaled to a provider’s rating (p. 12). Yet the state cannot reliably determine whether children who attend higher-rated providers arrive at kindergarten better prepared or understand the return on investment the state is making. A central cause is that TWC and TEA do not connect their data across agencies. The child care quality and subsidy records TWC maintains are not linked to the student records TEA holds, including the PEIMS identifiers that follow students through the public education system. As a result, a child’s early care experience cannot be connected to later measures of school readiness and performance. The Legislature moved to close this gap in 2025 when it directed the creation of an integrated early childhood data system (HB 3963, 89R), but that system is not yet built and operational. For this system to provide actionable insights into the effectiveness of programs and longitudinal outcomes for the state, clear expectations that the data should answer and a predictable investment from the state must be made.



Child care governance and structural issues exist across multiple agencies

The Sunset staff findings connect to a larger opportunity around the importance of clear and unified governance. The report documents that TWC, as the lead agency for federal child care funds, was for years unaware how DFPS was spending them (pp. 92–93), and that it lacks a unified view across its own programs (p. 72). Shortcomings like these are what a fragmented system tends to produce. Child care in Texas runs across TWC, HHSC, DFPS, and TEA, and now the Comptroller via Texas Education Freedom Accounts, and no one entity answers for whether the system as a whole works for families.

We recognize and understand that this cross-agency architecture and broad governance question extends beyond a single-agency Sunset review. The Governor’s Task Force on Early Childhood Education and Care has been charged with shaping a new vision and direction for the governance of the early childhood education and care (ECEC) system in Texas. The Sunset process and the Task Force carry distinct but overlapping jurisdictions and scope. Sunset is positioned to strengthen the operations, accountability, and data systems within TWC, while the Task Force is positioned to address the broader question of how the ECEC system should be governed in Texas. We respectfully encourage the Commission to (1) read these findings as evidence of a structural design issue rather than a set of isolated operational fixes, and (2) refer them to the Task Force and the Legislature, so that the two efforts reinforce rather than duplicate one another.

Conclusion

We again thank the Sunset staff for a thorough and careful review, and we appreciate their attention to the operational and data issues that shape how the child care system serves Texas families. The recommendations on board accountability and data infrastructure would meaningfully improve how Texas serves working families and prepares its youngest learners for school. Beyond the specific recommendations, the review surfaces questions about how child care is governed across agencies, questions the Governor’s Task Force is now positioned to consider. We respectfully urge the Commission to retain and strengthen these child care recommendations and to commend its findings to that broader effort, and we thank you for the opportunity to comment.

Respectfully,

Gabe Grantham

Director of Policy and Government Affairs
Philanthropy Advocates

