Comments on the Sunset Advisory Commission Staff Report:
Texas Workforce Commission

Submitted by United Ways of Texas

July 2, 2026

United Ways of Texas appreciates the Sunset Commission's thorough review of the Texas Workforce Commission and its efforts to strengthen the state's workforce system. We support many of the recommendations and believe they present an important opportunity to improve how workforce, education, and support services are coordinated and delivered for Texans.

As the Commission considers comments and finalized its recommendations, we encourage a stronger focus on the individuals the workforce system is intended to serve. Too many Texans–particularly households living below ALICE (**Asset Limited, Income Constrained, Employed)** Threshold–continue to face barriers to workforce training, education, child care, transportation, and other essential supports that limit their ability to obtain in-demand, family-sustaining careers. Strengthening access to these opportunities while reducing unnecessary administrative barriers will help more Texans achieve economic mobility, provide employers with the skilled workforce they need, and support stronger communities and a more competitive Texas economy.

We respectfully urge Sunset staff and the Legislature to consider the following comments and recommendations organized by issue area as the Texas Workforce Commission Sunset recommendations are finalized.

Issue 6: Childcare

United Ways of Texas supports the recommendations outlined under Issue 6 aimed at strengthening the child care subsidy program. We appreciate the Commission's attention to the market rate study and related improvements, given the critical role provider reimbursement rates play in sustaining access to high-quality, affordable child care for working families across Texas. However, additional improvements are needed to truly strengthen access, effectiveness, and integrity of the child care subsidy system.

Specifically, we urge the inclusion of an additional recommendation under Issue 6:

- TWC should actively participate in evaluating the effectiveness of current interagency coordination related to child care and early childhood services, including consideration of whether more formalized governance structures could improve system alignment, efficiency, and consistency across programs administered by TWC, HHSC, TEA, DFPS, and DSHS.

Additionally, Recommendations 6.3 and 6.4 related to the child care market rate study should be expanded to include the following:

- TWC should modify the child care market rate survey methodology to incorporate regional economic conditions, including cost of living and workforce wages, to ensure reimbursement rates more accurately reflect the true cost of child care services and support both provider sustainability and family affordability across Texas communities–especially rural communities.

Sunset staff note that consolidation of child care functions across agencies would likely be more disruptive than beneficial. However, the report also highlights that responsibilities related to early childhood education and child care are distributed across multiple agencies, including TWC, HHSC, TEA, DFPS, and DSHS, which can contribute to fragmentation and inconsistent coordination. Given this challenge and the goals of Sunset, staff should provide the Legislature with options to strengthen interagency governance and clarify decision-making roles across agencies in order to improve systemwide coordination, reduce fragmentation, and better align service delivery across the early childhood system.

Additionally, the current child care market rate methodology is primarily based on provider charges within local markets and does not account for broader regional economic conditions such as cost of living or underlying workforce wage pressures. As a result, reimbursement rates may not fully reflect the actual cost of delivering quality child care, particularly in areas where wages, housing costs, and operating expenses vary significantly across the state. For ALICE households in particular, child care costs remain a significant barrier to workforce participation and economic stability. Aligning market rate methodology more closely with regional economic conditions would improve the accuracy of reimbursement rates, strengthen provider sustainability, and better support access to child care as a foundational workforce support.

Issue 1: SNAP E&T

1.8 Direct TWC to standardize guidance and procedures for Third-Party Partners (TPPs).
United Ways of Texas agrees with the intent of Recommendation 1.8 and appreciates the Sunset Commission's recognition that greater consistency, guidance, procedures are needed for Third-Party Partners (TPPs).

However, as written, the recommendation is too focused on administrative standardization rather than the broader systemic changes needed to strengthen and expand TPPs. While standardizing guidance may improve consistency, it would not address the Sunset report's biggest finding that Texas is not effectively leveraging qualified TPPs.
To meaningfully strengthen and scale TPPs, Recommendation 1.9 should more directly address the structural barriers that limit the state's ability to recruit and retain qualified TPPs.

Specifically, Recommendation 1.8, which directs TWC to standardize guidance and procedures for Third-Party Partners (TPPs), should be expanded to include the following and implemented by TWC in consultation with HHSC and Local Workforce Development Boards (LWDBs):

- **Identify and reduce administrative and procedural barriers** that limit participation by qualified TPPs, including burdensome application processes, inconsistent requirements across regions, and other challenges.
- **Implement strategies to expand the number and reach of qualified TPPs,** including community-based organizations, training providers, and community colleges to increase access to high-quality training opportunities statewide.
- **Establish efficient, standardized case management protocols and systems** that meet SNAP E&T compliance requirements, reduce duplicative documentation between Local Workforce Development Boards (LWDBs) and Third-Party Partners (TPPs), and enable TPPs to focus on participant instruction, credential attainment, and employment outcomes versus administrative reporting.
- **Establish clear performance expectations and outcome measures** for TPP participation in SNAP E&T, including credential attainment, employment placement, and wage progression, to ensure that standardized procedures are tied to measurable program outcomes rather than just administrative compliance.

While Recommendation 1.8 seeks to improve consistency, it remains primarily focused on paperwork and process alignment and does not fully address the core issue identified in the report. Because of this, it does not fully address the core issue identified in the report, which is that Texas is not effectively building or sustaining a robust TPP network capable of delivering high-quality SNAP E&T services statewide. Moreover, as written, the recommendation would add more administrative work for agency staff without fixing the core problems in the SNAP E&T program.

Additionally, reducing administrative and procedural barriers is critical to unlocking provider participation for TPPs. Complex application processes, inconsistent interpretations of requirements across regions, and duplicative reporting requirements discourage organizations from participating as a TPP in SNAP E&T. Streamlining these processes would allow providers to focus on instruction, credential completion, and employment placement rather than administrative compliance.

Finally, establishing standardized case management systems and clear performance expectations ensures that program is tied to outcomes rather than just outputs. By reducing duplicative documentation between LWDBs and TPPs and setting measurable expectations for credential attainment, job placement, and wage progression, Texas can better align SNAP E&T investments with its core objective: helping participants achieve sustainable employment and long-term economic mobility.

1.9 Direct TWC, in consultation with HHSC, to update SNAP E&T systems and procedures

United Ways of Texas agrees with the intent of Recommendation 1.9 and appreciates the Sunset Commission's recognition that Texas must improve coordination between the Texas Workforce Commission (TWC) and the Health and Human Services Commission (HHSC) to strengthen SNAP Employment and Training (SNAP E&T). However, we believe additional direction is needed to ensure these improvements address the underlying structural challenges identified throughout the Sunset report.

Specifically, Recommendation 1.9, which directs TWC, in consultation with HHSC, to update SNAP E&T systems and procedures, should be expanded to include the following:

- **Establish** a formal, ongoing interagency governance structure for SNAP Employment and Training (SNAP E&T) that meets regularly to review program performance, participation, provider capacity, implementation of the SNAP E&T State Plan, and participant outcomes, and to identify and implement policy, operational, and systems improvements that reduce administrative barriers, improve interagency coordination, and maximize federal SNAP E&T funding.
- **Establish** shared performance measures and an annual review process to evaluate SNAP E&T outcomes, including participant enrollment, credential attainment, employment, wage progression, utilization of federal reimbursement opportunities, and third-party partner engagement, and use these findings to inform continuous program improvements.
- **Standardize** the treatment of participation in approved postsecondary education and training programs within SNAP E&T, including community college Credential of Value pathways, to ensure consistent counting of credit-bearing coursework toward participation requirements across workforce areas.
- **Establish standardized protocols** to ensure individuals are accurately assessed for SNAP work requirements before referral to SNAP E&T and/or denial, reducing inappropriate referrals resulting from missed eligibility interviews or administrative communication failures, implementing warm handoffs between HHSC and TWC, and creating clear, coordinated processes for resolving eligibility and sanction issues without requiring participants to navigate multiple agencies.

The Sunset report makes it clear that Texas is underperforming in SNAP E&T administration compared to other states. It also highlights that the current approach does not address the underlying structural inefficiencies in program design and delivery. In practice, SNAP E&T in Texas functions largely as an administrative "check-the-box" exercise rather than a meaningful pathway to economic mobility. Nearly two-thirds of required individuals fail to participate, even fewer complete educational or workforce training, and those who do complete are employed in low-skill jobs earning well below a self-sustaining wage that could help them transition off public assistance.

The report further underscores that current program investments are not producing the intended workforce outcomes that SNAP E&T was designed to accomplish. Texas invests approximately $4.8 million in general revenue annually to administer SNAP E&T; however, the program does not result in meaningful employment, credential attainment, or wage outcomes. Moreover, Texas is not fully leveraging available federal SNAP E&T funding through use of qualified Third-Party Partners (TPPs), which could further strengthen program capacity and improve participant outcomes.

Establishing a formal interagency governance structure would ensure TWC and HHSC regularly evaluate program performance, participation, and outcomes, and jointly review not only operational processes but also SNAP E&T policies, rules, and administrative requirements that may create significant barriers to participation and program effectiveness. This recurring review function is essential to identifying structural constraints, maximizing available federal funding, and continuously strengthening program outcomes for Texans.

Additionally, participation requirements and related program rules should be explicitly included within this proposed joint review process. Aligning participation requirements with the federal 20-hour standard, rather than requiring 30 hours, would improve access, increase engagement with third-party training providers (TPPs), and expand participation in education and training programs that lead to meaningful employment outcomes.

Also, the report stresses SNAP E&T's role in supporting education and training pathways that lead to employment and self-sufficiency but also highlights variation in how these activities are implemented across workforce areas. Standardizing how approved postsecondary coursework is recognized within SNAP and SNAP E&T participation requirements would help reduce administrative inconsistency, improve access to credential-based training, and strengthen alignment between education participation and workforce outcomes.

Lastly, the Sunset report identifies challenges participants face when attempting to resolve SNAP E&T sanctions, including confusing and inconsistent direction between HHSC and TWC. However, the coordination challenges extend beyond sanctions and begin much earlier in the eligibility process. Too often, individuals seeking SNAP benefits are incorrectly referred to SNAP E&T or experience unnecessary delays because work requirement status has not been accurately determined by HHSC. For example, applicants who miss a scheduled eligibility interview with HHSC may be referred to SNAP E&T or experience adverse eligibility actions before it has been determined whether they are actually subject to SNAP work requirements. In many cases, individuals simply miss a phone call due to work schedules, caregiving responsibilities, unreliable phone service, or other communication barriers–not because they are unwilling to comply with program requirements. These administrative breakdowns create unnecessary confusion for participants, increase workload for both agencies, and delay access to both nutrition assistance and workforce services.

Issue 4: IT Modernization

Proposed Addition to Issue 4 (IT Modernization Section)

In addition to ongoing IT modernization efforts, TWC would benefit from leveraging existing statewide systems that can support service access and navigation during system improvements. The 211 Texas Information and Referral Network—managed by HHSC—provides a statewide access point that connects individuals to community resources and services and may serve as a complementary tool while longer-term IT systems are being developed and deployed.

From a workforce development perspective, 211 also provides aggregated information on service demand, access barriers, and unmet needs. In addition, 211 plays a critical role in connecting individuals to supportive services, including basic needs and health and human services supports, that are often necessary for individuals to successfully engage in and complete workforce training and employment programs. Strengthening coordination and appropriate interagency use of this system would improve alignment between workforce services and the supportive services infrastructure that enables sustained participation and better outcomes.