

CHILD CARE GOVERNANCE • TWC SUNSET REVIEW

One System, Two Paths to Reform — A Rare Chance to Act Together

THE ASKS

1 Make the unified data model and cross-agency identifier statutory, with a deadline.

Rec 4.9

2 Consolidate board oversight in a single accountable entity and report on outcomes.

Rec 1.1 • 1.4 • 5.5

3 Leave the “who leads child care” question to the Task Force.

THE DETAIL BEHIND THE SUMMARY

Sunset can act on TWC's systems now; the “who leads child care” question belongs with the Task Force.

Why the timing matters. With TWC, HHSC, and DFPS under Sunset review in 2027, TEA in 2029, and the Governor's Task Force examining all four together, Texas has a rare opportunity to pursue operational improvements while simultaneously considering long-term governance of child care.

1 A data foundation that connects

The agency cannot fully evaluate whether it works as an integrated system to serve Texans across programs (p. 72). The state cannot manage what it cannot measure — and three gaps show the cost:

Quality investment, unmeasured

Texas Rising Star ties provider reimbursement to quality ratings (p. 12), but the state cannot determine whether higher-rated child care providers improve kindergarten readiness because those data remain unlinked. Although the Legislature directed an integrated early childhood data system in 2025 (HB 3963, 89R), it is not yet in place.

A waitlist the state can't size

More than a year after the new child care case-management system launched, a data error still leaves the state unable to know the true subsidy waitlist that should guide funding decisions (p. 64).

One parent, unrelated records

Because TWC cannot track a person across its programs, a parent receiving both a child care subsidy and workforce services can appear as two unconnected records (p. 72).

THE ASK — PUT IT ON A FIRM FOOTING

Make the unified data model and unique identifier a statutory requirement with a firm deadline and a report to the Legislature, and specify that the identifier be designed to reconcile records across agencies, not only within TWC. An identifier confined to TWC solves only half the problem. (Rec 4.9)

2 Local workforce boards held to account

Oversight of the 28 local workforce development boards is fragmented, and the entity empowered to act rarely does — “the council does not exercise this power” (p. 20).

Adverse actions stall

From 2015 to 2025, 76% of adverse actions never progressed beyond a technical assistance plan, regardless of severity (p. 21).

28 boards, 28 standards

Reliance on the boards has left Texas with 28 different standards for investigating child care fraud (p. 80).

THE ASK — CONSOLIDATE AND MEASURE ON OUTCOMES

Consolidate oversight in a single accountable entity (Rec 1.1); report board performance on standardized, comparable outcomes — not the binary scorecard the report rightly critiques (Rec 1.4; cf. p. 29); have TWC staff supervise fraud investigations and track fraud data systematically (Rec 5.5, 5.6); give TWC visibility into partner-agency federal child care spending (Rec 6.1); and make survey improvements permanent — a modernized methodology and a standing pre-session preliminary market-rate report, since year-old data has already produced costly surprises for appropriators (Rec 6.3, 6.4; pp. 95–96).

STRENGTHENING THE FOUNDATION Texas Workforce System

TX 2036

Building on Sunset Staff Recommendations

Texas invests an estimated **\$108 billion a year** in education and workforce programs, and the Legislature has committed to funding what works. HB 8 (88R) tied community college finance to credentials of value, and federal Workforce Pell now requires the state to verify that short-term programs lead to real jobs and earnings. Both depend on the same capability: linking program completers to enhanced wage records and connecting education and workforce data across agencies.

Yet the state's systems remain siloed and compliance-oriented; the Sunset staff report found **TWC's data governance "results in permanent data silos"** (Issue 4, p. 72). SB 1786 (89R) mandates enhanced wage data (occupation, work location, and hours) — but collecting better data is not the same as using it.

The Sunset staff report's initial findings and recommendations set a strong foundation to build the systems needed to **measure performance, generate insight, and drive decision-making to optimize and maximize that \$108 billion annual education and workforce investment.**

THE OPPORTUNITY

From Compliance Reporting to a Real Insights Capability

The Sunset review of TWC and TWIC is a rare, structural moment to close that gap and build the workforce intelligence a fast-changing economy demands:

From compliance to intelligence.

Turn data filed to satisfy a mandate into timely, shared insight that reaches the local boards, employers, educators, and agencies making decisions now

Regional value, in near-real time. Occupation- and location-specific data, shared proactively with workforce boards and economic development leaders, replaces stale estimates with a live picture of which jobs are growing and whether training matches demand.

A win for taxpayers and employers. Richer data sharpens UI fraud detection — protecting the employer-funded Trust Fund and helping keep tax rates low — and lets the state finally verify the return on its multi-billion-dollar investments.

A trusted, durable home for the data. Texas's workforce data lives across TWC, THECB, TEA, as well as other agencies. A neutral, independent home for interagency analytics — modeled on a number of other nascent state efforts, most notably Kentucky's KYSTATS, with a presumption of data availability ("open unless prohibited by law") and public dashboards — is the connective layer the state has never put in place.

The staff report points in this direction. We support the staff report's data-governance and board-accountability recommendations (Recs 4.6, 4.9, 9.3, 1.1, 1.2, 1.4, and 1.5). Our recommended modifications — which make those recommendations deliver — are on the reverse.

WHAT WE KNOW

Wage
\$25/hr

Industry
Retail
Supermarkets and
Other Grocery Retailers



MISSING
Occupation, Location, Hours Worked

Current System
LIMITED VISIBILITY

WHAT WE NEED TO KNOW

Wage
\$25/hr

Occupation
Pharmacy Technician

Location
Lubbock County

Hours
Full-Time

