

UNTAPPED POTENTIAL

MOVING TEXAS FORWARD WITH A STRONG MIXED-DELIVERY PRE-K SYSTEM



Introduction

In 1985, Texas proudly became one of the first states to recognize the importance of accessible, high-quality early learning by establishing a publicly funded prekindergarten program for qualifying children. This was a significant win for many Texas families, whose children could begin to receive a free, quality early education in public schools. Since then, thirty-nine additional states have gone on to adopt publicly funded prekindergarten, doing so in a mixed-delivery model¹ through which public pre-k is delivered in a variety of settings, including public schools, community-based child care programs, and Head Start.

Despite recent efforts to expand prekindergarten access through Pre-K Partnerships between public schools and community-based child care programs, Texas lags behind most states in supporting a strong mixed-delivery pre-kindergarten system. Today, due to cumbersome implementation barriers, funding challenges and lack of district will to engage, Pre-K Partnerships make up less than 2% of the state's prekindergarten enrollment.² Meanwhile, Texas continues to struggle with public prekindergarten enrollment, with an estimated 48% of all eligible students—over 286,000 children—still unenrolled in 2022.³ As a result of our limited mixed-delivery system, Texas is failing to meet more families where they already are, leaving roughly \$1 billion in student funding on the table each year, and ultimately missing a critical opportunity to improve the quality and stability of its broader child care infrastructure.

Texas can do better to provide more prekindergarten options for working parents. With some design modeling and forward-thinking, we can build a mixed-delivery system that functions efficiently within the existing early childhood ecosystem, strengthening outcomes for child care programs, schools, children, and their families. This white paper explores the value of a mixed-delivery prekindergarten system, Texas history with prekindergarten, including the current limitations of our own mixed-delivery system, and recommendations for improving pre-k access with this model.

[1] National Institute for Early Education Research. *State of Preschool 2023 Yearbook*. August 2024. https://nieer.org/sites/default/files/2024-08/2023_nieer_yearbook_8-9-24.pdf.

[2] According to a public information request received from the Texas Education Agency on March 14th, 2024, there were 2,433 children enrolled in a Pre-K Partnership setting in 2022-2023. According to the Texas Education Agency's *Enrollment in Texas Public Schools 2022-23* report, the total pre-k enrollment in Texas was 244,284.

[3] "Pre-K Enrollment by District." The Commit Partnership. October 23, 2024. <https://www.commitpartnership.org/insights/data-dashboards/pre-k-enrollment-by-district>.

Mixed-Delivery Prekindergarten: A flexible system with benefits

Providing state-funded prekindergarten in both public schools and community-based child care programs via a mixed-delivery system is a key component to maximizing state resources, supporting working families and, perhaps most importantly, improving kindergarten readiness. There are three major benefits to adopting a strong mixed-delivery system.

1. Supporting Working Families by Increasing Access & Choice

A mixed-delivery system improves pre-k access by allowing eligible families to choose a setting that works best for them. 62% of families with children under six in Texas have all available parents in the workforce,⁴ and nearly three in five say they would prefer their child to receive prekindergarten in a full-day, community-based child care program.⁵ Not only do many parents prefer the more intimate settings provided by a community-based child care center, but more often the standard school-based pre-k hours of 8:30 am — 2:30 pm simply do not align with their work schedules. This is likely a key factor in why school districts are struggling to reach enrollment targets, only serving roughly 10% of eligible 3-year olds and 82% of eligible 4-year olds in the 2021-2022 school year.⁶ It is highly probable that many of these children are enrolled in a full-day, full-year child care program that better meets their parents working needs or is better aligned with their family preferences.

2. Maximizing State Resources to Stabilize the System (Including Infant & Toddler Care)

Child care programs rely on the enrollment of preschool-aged students to balance their budgets and avoid pricing families with younger children out of the market. Unfortunately, infant and toddler care has been largely harmed by the expansion of prekindergarten in public schools, which unintentionally siphons off preschool aged children from child care programs. When preschool enrollment drops, programs are forced to drive up prices for infant and toddler care, pricing out many parents and often leading programs to close their infant and toddler classrooms.⁷ Some programs may even be forced to close their doors altogether. Enabling child care programs to offer state-funded prekindergarten helps them maintain their preschool-aged enrollment, ultimately supporting the supply of infant and toddler care, reducing pressure on the state's child care subsidy waitlist, and keeping prices within reach for all parents of young children.

3. Improving Child Outcomes by Uplifting Child Care Quality

By participating in the state’s prekindergarten system, community-based child care programs receive access to additional revenue and supports not otherwise available to them. Participating programs can blend child care and pre-k revenue to better cover the costs of quality services, while also tapping into additional coaching and instructional supports made available by the public education system. Benefits to programs often extend beyond the prekindergarten classrooms and can result in improved quality across the entire program, including for infant and toddler care. Data from Tarrant County found that teachers in programs participating in mixed-delivery prekindergarten improved across combined domains from 2023 to 2024, while Head Start and TRS programs on average stayed the same, as measured by the CLASS observation tool, a gold-standard early education tool used to measure the quality of teacher-child interactions.⁸



[4] Texas Workforce Commission. *Child Care Workforce Strategic Plan 2023-2025*. <https://www.twc.texas.gov/sites/default/files/ccel/docs/child-care-workforce-strategic-plan.pdf>.

[5] Bipartisan Policy Center. *Parent Child Care Preferences: Are They Changing?*. January 22, 2021. <https://bipartisanpolicy.org/event/parent-child-care-preferences-are-they-changing/>.

[6] “Pre-K Enrollment by District.” The Commit Partnership. October 23, 2024. <https://www.commitpartnership.org/insights/data-dashboards/pre-k-enrollment-by-district>.

[7] Early Care and Education Consortium. *Solutions to Achieve a More Equitable and Sustainable Early Care and Education System*. July 2021. https://www.ececonsortium.org/wp-content/uploads/2021/10/July-2021_ECCEC-National-Solutions-Paper_Final.pdf.

The Texas Mixed Delivery System: Pre-K Partnerships

For 34 years, Texas provided funding to public school districts and open-enrollment charter schools (known as local education agencies (LEAs)) that chose to offer prekindergarten services to eligible three- and four-year-olds. With the passage of House Bill 3 (86R) in 2019, the legislature dramatically expanded state prekindergarten by increasing pre-k funding and mandating LEAs provide pre-k services to eligible four-year-olds (PK4) on a full-day basis if they identify at least 15 eligible children residing in their attendance zone.⁹

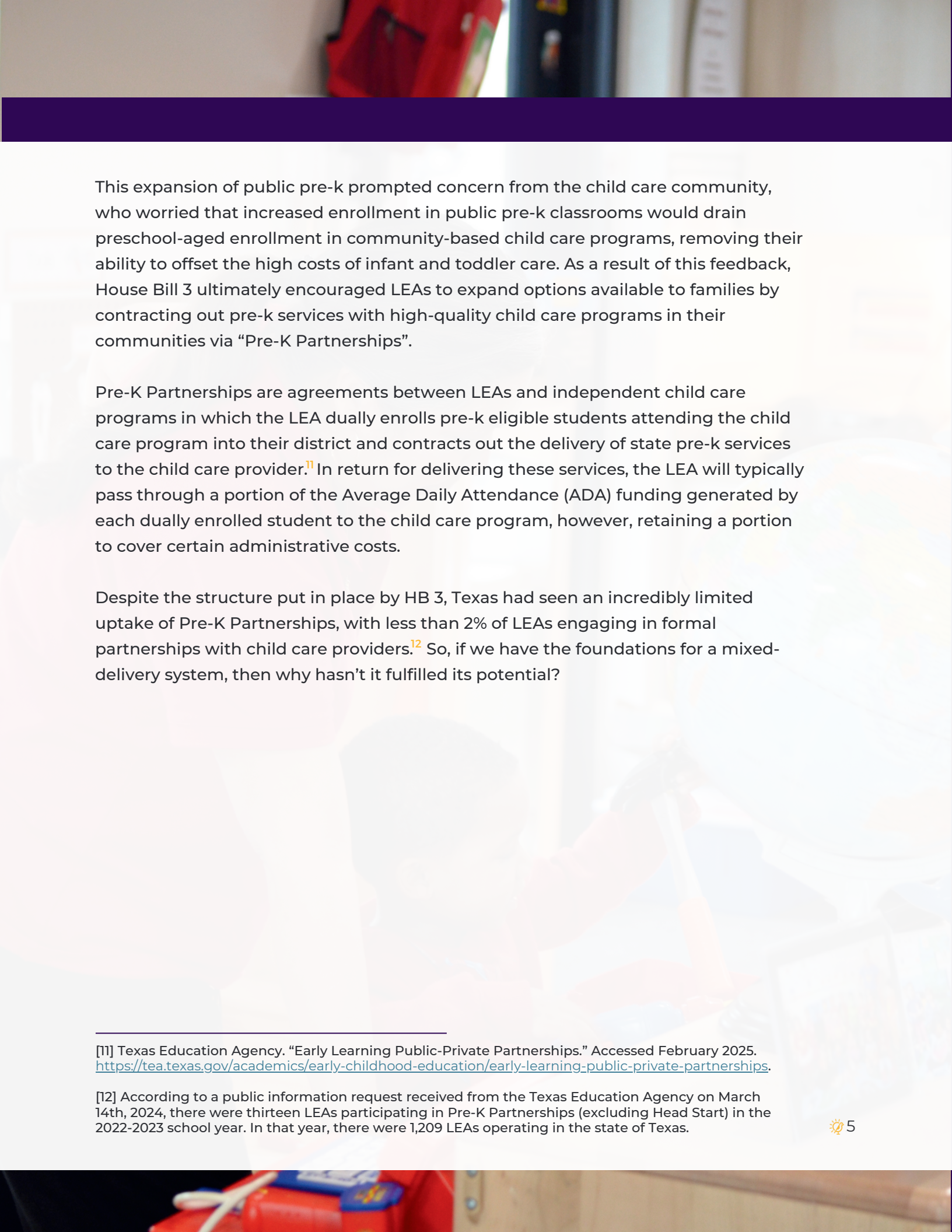
To be eligible for enrollment in a free prekindergarten class, a child must be at least three years of age on or before September 1 of the current school year (if a 3-year-old program is available) or four years of age on or before September 1 of the current school year and meet at least one of the following eligibility requirements:

- unable to speak and comprehend the English language.
- is educationally disadvantaged (eligible to participate in the national school lunch program, meaning household income is below 185% of the Federal Poverty Guidelines (\$57,720 for a family of four in 2024).¹⁰
- is homeless or in foster care.
- is the child of a member of the armed forces or a reserve component of the armed services who is active duty or was injured or killed while serving on active duty.
- is the child of a person eligible for the Star of Texas Award as: a peace officer, firefighter, or emergency medical first responder.

[8] The CLASS tool is a nationally recognized, gold-standard tool measuring teacher-child interactions and practices in early education classrooms. Classrooms with high CLASS scores are highly correlated with strong child outcomes. Classroom Assessment Scoring System: [CLASS Research Summary.pdf \(teachstone.com\)](https://teachstone.com).

[9] Texas Education Code § 29.153(a-1).

[10] For reference, families eligible for Child Care Scholarships must make under 85% of the State Median Income (\$80,296 for a family of four in 2024).



This expansion of public pre-k prompted concern from the child care community, who worried that increased enrollment in public pre-k classrooms would drain preschool-aged enrollment in community-based child care programs, removing their ability to offset the high costs of infant and toddler care. As a result of this feedback, House Bill 3 ultimately encouraged LEAs to expand options available to families by contracting out pre-k services with high-quality child care programs in their communities via “Pre-K Partnerships”.

Pre-K Partnerships are agreements between LEAs and independent child care programs in which the LEA dually enrolls pre-k eligible students attending the child care program into their district and contracts out the delivery of state pre-k services to the child care provider.¹¹ In return for delivering these services, the LEA will typically pass through a portion of the Average Daily Attendance (ADA) funding generated by each dually enrolled student to the child care program, however, retaining a portion to cover certain administrative costs.

Despite the structure put in place by HB 3, Texas had seen an incredibly limited uptake of Pre-K Partnerships, with less than 2% of LEAs engaging in formal partnerships with child care providers.¹² So, if we have the foundations for a mixed-delivery system, then why hasn't it fulfilled its potential?

[11] Texas Education Agency. “Early Learning Public-Private Partnerships.” Accessed February 2025. <https://tea.texas.gov/academics/early-childhood-education/early-learning-public-private-partnerships>.

[12] According to a public information request received from the Texas Education Agency on March 14th, 2024, there were thirteen LEAs participating in Pre-K Partnerships (excluding Head Start) in the 2022-2023 school year. In that year, there were 1,209 LEAs operating in the state of Texas.

Problems with the Texas Partnership Model

1. Limited LEA Engagement

The current model of Pre-K Partnerships gives LEAs the option to engage in partnerships, leaving them with the primary decision-making power. Although partnerships are encouraged by the state, LEAs have been given little incentive to carry them out. For one, development and upkeep is administratively intensive. The process of dually-enrolling children, capturing daily attendance, ensuring compliance with certain support services and managing the data reporting from the partner child care site creates a complicated set of logistics that many school leaders do not find worth the effort. As public schools continue to focus on increasing enrollment at their own campuses and improving student outcomes, Pre-K Partnerships have understandably remained low on their priority list. With so few LEAs opting to pursue Pre-K Partnerships, interested child care programs are too often left without a willing district with which to partner.

2. High Barriers to Entry for Child Care Programs

The single greatest barrier to entry for child care programs to participate in Pre-K Partnerships is the requisite need to find a willing district partner. For many child care programs across the state, their home district is uninterested in engaging in a formal Pre-K Partnership, leaving the child care program without any viable pathway to participation. For child care programs who do find an LEA to partner with, they are often unable to fulfill other requisite requirements due to lack of capacity as a standalone small business.

For example, many child care programs have historically been unable to provide a fully-certified teacher for their Pre-K Partnership classrooms, as required under the state's High-Quality Prekindergarten requirements.¹³ Low pay, long hours, and disjointed professional pathways have made it nearly impossible for child care educators, largely women of color, to advance professionally with an academic degree. Those who do obtain a bachelor's degree typically leave the child care sector to earn nearly \$19,000 more per year in public schools.¹⁴

[13] Texas Education Code § 29.167.

[14] "Preschool Teachers, Except Special Education." U.S. Bureau of Labor Statistics. April 3, 2024. <https://www.bls.gov/oes/current/oes252011.htm#ind>.

Many LEAs have tried to solve for this issue by sending a certified teacher into the child care program to run the pre-k classroom for part of the day. While this seems like a simple solution, it often results in unequal power dynamics that leave experienced child care educators on the sidelines with little room to advance into teaching pre-k. House Bill 2729 (88R) addressed this challenge by adding flexibility for non-degreed, non-certified, yet experienced early educators who meet recognized, high-quality standards to teach in a partnership setting as long as they are supervised by a fully-certified teacher.¹⁵ Although temporary until 2029, this removes a significant barrier for child care providers by allowing them to utilize their own staff for pre-k classrooms and draw down funding that would have otherwise gone towards the LEA teacher's salary.

3. Administrative Burdens & Challenging Implementation Requirements

Complex implementation requirements of Pre-K Partnerships often pose further challenges for both child care programs and district partners, which can lead to even the most well-intentioned partnerships ultimately becoming nonviable. The two parties must engage in a lengthy MOU process, outlining highly nuanced details for cost-sharing, personnel-sharing, data-sharing, and pass-through funding.¹⁶ They also must navigate two sets of administrative and quality standards, ensuring the child care facilities comply with both child care licensing, Texas Rising Star, and public school regulations, which can sometimes conflict with one another. In many cases, independent child care programs are left at a disadvantage during this process, as they rarely have outside legal counsel to counterbalance the LEA during negotiations. For child care programs, the administrative effort to braid multiple funding sources from Pre-K Partnerships can quickly become very complex.

[15] Texas Education Code § 29.167(b-1).

[16] Texas Education Agency. *Developing the Partnership Contract Agreement/MOU*. Accessed February 2025. <https://tea.texas.gov/academics/early-childhood-education/developing-partnership-agreement-mou.pdf>.

Pre-K Partnership classrooms typically generate funding from three primary sources: parent-paid tuition, child care subsidies, and average daily attendance (ADA) funding for prekindergarten. Child care directors must conduct careful projections based on their student population to ensure that the funding they receive for each child is adequate to cover the program's costs. However, in doing so, they must navigate several funding inefficiencies created by the current Pre-K Partnership structure:

- **Misaligned Eligibility for Pre-K & Child Care.** Data from Pre-K Partnership enrollment in PreK Today found that roughly 1 in 4 students enrolled in a partnership classroom qualified for child care subsidies but were not eligible for public prekindergarten.¹⁷ This misaligned eligibility creates gaps in funding for classrooms, which often include a mixture of pre-k eligible and non-eligible students, despite all children receiving the same high-quality prekindergarten services.
- **Barriers to Blending Pre-K & Child Care Funding.** Texas provides half-day funding for prekindergarten despite requiring LEAs to provide full-day classes to eligible 4-year-olds. While LEAs can cover the remaining portion of the day with other funds, such as local funding or the Early Education Allotment, they rarely pass this through to child care programs in Pre-K Partnerships. Further, most LEAs retain a significant percentage of the half-day ADA funding to cover certain administrative costs associated with the partnership. This means child care programs typically receive only a portion of an already insufficient funding source, despite providing the full service. This typically results in child care programs *losing* money in partnerships, particularly for 4-year-olds. Without robust technical assistance during the MOU process, child care directors may not realize their partnership classrooms will operate at a deficit until they are up and running. But once they have signed a contract with an LEA, there are few options for recourse.


[17] Of the 179 children enrolled in the child care program and receiving child care scholarships, 79 did not qualify for public pre-k. Snapshot data collected by PreK Today on February 28, 2025.

Recommendations

While Pre-K Partnerships, in theory, are a viable way to address the needs of families through a mixed-delivery system, several design flaws have hindered the growth of programs statewide. This includes high barriers for child care programs and their educators, lose-lose funding mechanisms, administrative burdens, and complex contract dynamics. In order to stabilize child care programs and increase access to prekindergarten for more eligible families, we must take steps to better support the expansion of pre-k in community-based child care programs. With extensive experience in developing Pre-K Partnerships, Child Care Associates has outlined impactful strategies Texas can utilize to improve its mixed-delivery pre-kindergarten system.

1. Establish neutral coordinating entities that reduce bureaucratic barriers and give any eligible child care providers a direct pathway to engage in Pre-K Partnerships. Neutral coordinating entities, or early learning “hub models” have been shown to successfully promote the expansion of mixed-delivery systems across the country. In Texas, the system is primed to introduce Regional Pre-K Partnership Coordinating Entities, which serve as intermediary hubs between multiple Local Education Agencies (LEAs) and child care programs within a region. These coordinating entities house the majority of the administrative operations such as co-enrollment of students, data-reporting, and funding coordination, which reduces the burden on LEAs and child care programs alike. They may also provide essential technical assistance to both parties, including support with MOU development and instructional supports for the child care programs. Further, by establishing an intermediary to facilitate partnerships across multiple LEAs, child care programs obtain access to a pool of willing partner districts in the region, ensuring that they are no longer reliant on their home district to engage in a partnership.

States like North Carolina and Colorado utilize regional intermediaries to support their mixed-delivery system, and both states have robust pre-k enrollment within community-based settings. In Texas, regional coordination has already happened organically with local non-profits in the Fort Worth, Austin, and Houston regions already supporting Pre-K Partnerships between child care programs and LEAs in their area. PreK Today, operated by Child Care Associates, supports 59 community-based pre-k classrooms in the Fort Worth-Tarrant County area via a partnership with a statewide charter



network, ResponsiveEd, and Fort Worth ISD. In the Austin-Travis County area, United Way supports the coordination of Pre-K Partnerships with Austin ISD and Round Rock ISD. WorkTexas is also coordinating Pre-K Partnerships in the Houston area on behalf of child care programs and local LEAs. It is important to note, however, that each of these coordinating entities are heavily supported by local philanthropy and still continue to face both funding and logistical challenges. To ensure that this model is fully scalable, the Texas legislature will need to guarantee coordinating entities are both adequately resourced and have the flexibilities needed to maximize their impact.

2. Ensure equitable funding for Pre-K Partnerships by improving funding flow and removing barriers to blending pre-k and child care funding.

Texas must ensure that the delivery of high-quality public prekindergarten is a viable option for eligible child care programs. Funding Pre-K Partnership classrooms at the full-day ADA rate (as opposed to the current half-day rate) levels the playing field for child care programs who do not have other public education resources to compensate. Further, setting standards that protect against districts and coordinating partners retaining a disproportionate amount of the funding is critical to ensuring child care programs are left with the resources they need to deliver these services. Lastly, Texas should align student eligibility criteria for child care subsidies and prekindergarten such that funds can be more easily coordinated and efficiently allocated within a Pre-K Partnership setting. This would allow more low-income students to have the larger portion of their day funded by state prekindergarten resources, relying only on child care subsidies for the before- and after-school hours of the day, ultimately taking some pressure off of the already over-burdened Child Care Scholarship program.

3. Ensure efforts to expand state prekindergarten or prekindergarten funding are tied to clear metrics for also expanding Pre-K Partnerships and availability of seats in community-based settings. As Texas continues to strive for more robust prekindergarten enrollment, doing so in a way that promotes a mixed-delivery system is essential for both working families and the overall health of the early learning system. This should include clearly defined goals related to the expansion of Pre-K Partnerships across the state. Efforts to provide more funding for state prekindergarten should be carefully thought through to ensure they simultaneously incentivize districts to engage in Pre-K Partnerships rather than unintentionally undermine them.

Conclusion

As the Texas Legislature convenes this year for the 89th Legislative Session, there are clear opportunities to strengthen our mixed-delivery system.

We encourage the state legislature to pursue policies aimed at removing barriers for high-quality, community-based child care programs to deliver prekindergarten services for eligible families. Doing so will ensure that Texas' early learning system is equipped to meet more families where they are, in a setting that works best for them, ultimately putting more young Texans on a path towards success in school and life.



Child Care Associates: Who We Are



ABOUT CHILD CARE ASSOCIATES

Child Care Associates (CCA) is one of the largest child development nonprofits in North Texas and has served more than half a million young children in the past 55 years. Through Head Start and Early Head Start and Child Care Management Services, CCA delivers quality early education programs to children and families of disadvantaged means, offsetting the high cost of child care for lower-income working families and increasing the quality of child care delivered across Tarrant County. CCA offers an array of whole child, whole family services including services for pregnant mothers, home visiting, Early Head Start and Head Start.

CCA launched PreK Today in 2021 with thirteen community-based child care programs in partnership with an open-enrollment charter school network. Modeling the provisions of HB 2729, PreK Today employs a supervising teacher who oversees program operations and provides staff support, helping child care programs maintain eligibility for partnerships. PreK Today staff also take on the technical aspects of the partnership, such as contract negotiation, curriculum alignment, and funding coordination. As of 2025, PreK Today has expanded to 59 classrooms across 35 sites.