

**HOUSE OF REPRESENTATIVES
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Trade, Workforce & Economic Development
For HB 3191

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Note: Comments received by the committee reflect only the view of the individual(s) submitting the comment, who retain sole responsibility for the content of the comment. Neither the committee nor the Texas House of Representatives takes a position on the views expressed in any comment. The committee compiles the comments received for informational purposes only and does not exercise any editorial control over comments.

Hearing Date: April 9, 2025 8:00 AM

MADELYNN DUQUE
UNITED CORPUS CHRISTI CHAMBER OF COMMERCE
CORPUS CHRISTI, TX

This bill strengthens our workforce by supporting working families and giving employers the tools to invest in child care solutions. Access to quality, affordable child care is essential for retaining talent and supporting business growth.

Michael Gallops, President/CEO
Metrocrest Chamber of Commerce
Farmers Branch, TX

Here is a revised, ****strong**** statement in support of ****HB 3191****, tailored for the ****Metrocrest Chamber of Commerce**** and capped at just under 3,000 characters:

The Metrocrest Chamber of Commerce strongly supports HB 3191 because it provides real, practical solutions to one of the most pressing workforce challenges facing our members: the lack of access to affordable, high-quality child care.

In the Metrocrest region—which includes Addison, Carrollton, and Farmers Branch—employers consistently report that child care is a top concern impacting workforce participation, employee retention, and recruitment. Parents can't work if they don't have safe, reliable child care. Businesses can't grow if they can't hire or keep qualified workers. HB 3191 tackles this challenge head-on.

The Employer Child-Care Contribution Partnership Program created by this bill gives businesses the opportunity to contribute directly to their employees' child care costs while receiving a matching contribution from the state. This is smart public policy that supports families, strengthens the workforce, and benefits the broader economy. Employers get a meaningful tool to retain their employees, while parents are empowered to stay in or rejoin the workforce with greater confidence and stability.

The program is designed with flexibility and scalability in mind. It helps businesses of all sizes—including small businesses—provide support to working parents, and it prioritizes participation based on need and income. Importantly, at least 25% of the funding is set aside for businesses with fewer than 50 full-time employees, which aligns with the makeup of many businesses in the Metrocrest region.

Additionally, HB 3191 includes a franchise tax credit for employers who provide child care benefits to employees. This is a powerful incentive that not only encourages participation in the partnership program but also creates new pathways for businesses to offer competitive benefits that support their workforce and improve productivity. By allowing the credits to be sold or assigned, the bill gives employers even more flexibility in how they choose to participate and benefit.

The bill also establishes a Child-Care Innovation Pilot Program that supports local workforce development boards in partnering with employers and high-quality child care providers to expand capacity, improve access, and meet strategic workforce needs. This local control is critical—it allows each region to tailor solutions based on actual needs and gaps.

At its core, HB 3191 recognizes that child care is not just a family issue—it's an economic issue. For employers in the Metrocrest region and across Texas, this legislation provides the tools, incentives, and partnerships needed to keep people working, businesses thriving, and communities strong.

The Metrocrest Chamber of Commerce urges the Texas Legislature to pass HB 3191 and invest in the future of our workforce and economy.

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Metrocrest Chamber of Commerce
Farmers Branch, TX

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ESTHER POKLADNIK

Self/Accountant
Aransas Pass, TX

Working Texas parents need childcare assistance.

Roy Pokladnik

Self/retired
ARANSAS PASS, TX

Working Texas parents need childcare assistance.

Ginny Cross

United Corpus Christi Chamber of Commerce
Corpus Christi, TX

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Gloria Fuentes, VP of Member Engagement

Self

Corpus Christi, TX

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Terry Mills

Self

Corpus Christi, TX

I support this bill.

Kathlyn Mchenry

Early Care and Education Consortium

Austin, TX

On behalf of the Early Care and Education Consortium (ECEC), I write to encourage the Committee support HB 3191, which will have positive impacts on availability of affordable, high-quality child care.

ECEC is a non-profit alliance of high-quality community-based child care and preschool providers, state child care associations, and educational service providers. Our members operate almost 7,000 early learning programs nationwide, with close to 700 centers in Texas alone. Every day, these centers in Texas have the capacity to care for and prepare almost 125,000 children for kindergarten.

Child care remains unaffordable and unattainable for too many families. As a direct result of child care issues, the Texas economy loses more than \$11 billion annually in lost earnings, productivity, and revenue. While acutely impacting our current labor market, high-quality early learning programs also set up our future workforce for success. Therefore, we applaud Chair Button for proposing several promising strategies to address the child care shortages throughout our state.

We believe that the cost sharing model proposed within HB 3191 will be a successful approach for Texas. Based off similar models in Michigan, Kentucky, Iowa, and North Carolina, the approach in HB 3191 would split costs of child care between employers, eligible employees, and the state. This program would be flexible enough to meet differing company and employee needs, while ensuring that state investments are maximized. We also support the sliding state match scale, which both targets support to the families who need it most while recognizing that middle class families still struggle to afford the high costs of child care.

Additionally, the proposed franchise tax credit for employers offering child care benefits will serve as an incentive for companies to support their employees. Florida recently passed similar tax relief that is already encouraging businesses to contribute to the child care expenses of their employees.

Together, the proposals within HB 3191 represent a flexible, Texas-specific approach to expand access to affordable child care for workers with young children. If passed, they will reflect a major step forward for families across Texas and will have positive impacts on children, working parents, and our economy. ECEC recommends the Committee support HB 3191.

Becky Calahan
Philanthropy Advocates
Waco, TX

Philanthropy Advocates thanks you for the opportunity to provide written comments in support of the state establishing a child-care innovation pilot program to increase access to high-quality childcare programs as part of HB 3191.

Research shows that access to high-quality early childhood opportunities improves children's academic achievement and success later in life. Today, families struggle to find affordable early childhood programs that meet their needs. Right now, 66 percent of children under age six have both parents in the workforce.

Further, there is unmet need in the Texas labor market with 604,000 job openings in December 2024. Employers struggle to recruit and retain employees because of childcare issues. Sixty percent of non-working parents say childcare is a top reason they do not participate in the workforce. Replacing an employee costs a business six to nine months of that employee's salary on average.

We encourage the state to address childcare supply issues by targeting resources to high-quality programs in regions with acute supply issues (infant & toddler care, alternative hour care for shift workers and care for children with disabilities, etc.).

We appreciate your consideration and support in investing in access to high-quality early learning and care for our youngest Texans.

Melanie Rubin
NTEEA
Dallas, TX

Thank you, Chair Button, and Members of the Committee for the opportunity to provide testimony in strong support of HB3191 that would create a state employer match and franchise tax credit for businesses that contribute to the cost of child care for their employees. This legislation is smart, targeted, and business-friendly—and it addresses one of the most pressing workforce challenges in Texas today: access to affordable, reliable child care.

Across Texas, employers are struggling to fill jobs—not because Texans don't want to work, but because many parents, especially mothers, cannot find or afford child care. When care is unavailable, parents stay home, jobs remain vacant, and productivity suffers. According to the U.S. Chamber Foundation, inadequate child care access results in over \$9.4 billion in lost earnings and productivity annually for Texas families and employers combined¹.

This bill offers a solution grounded in private-sector leadership, not government expansion.

Many Texas businesses want to help their employees with child care—but the cost is high, and the return uncertain. This legislation would:

- Match employer contributions toward employees' child care costs,
- Offer a franchise tax credit for eligible contributions, and
- Encourage new employer-provider partnerships that expand child care supply in the state.

These are powerful incentives that support working parents. This isn't just good social policy—it's good economics:

- Reduced turnover: Employees with stable child care are less likely to quit, saving employers the high cost of recruitment and retraining.
- Improved productivity: Workers aren't distracted or absent due to child care breakdowns.
- Stronger talent pipelines: Employers that offer child care support are more competitive in recruiting skilled workers.

A 2023 ReadyNation Texas report found that 75% of parents with young children reported productivity challenges due to child care issues². This bill directly addresses those challenges.

This bill uses market-driven incentives to encourage voluntary employer action. It rewards innovation and shared responsibility, not dependence.

Several states are experimenting with tax incentives for employer-sponsored child care, but Texas has the opportunity to lead with a model that puts business in the driver's seat and working families on a stronger foundation. Texas employers are ready to help solve the child care crisis—but they need tools, not mandates. This legislation provides those tools, in the form of strategic tax relief and partnership incentives. HB3191 is pro-business, pro-family, and pro-growth.

Shawneequa Blount
Institute to Advance Child Care
Fort Worth, TX

My name is Shawneequa Blount, and I am the Managing Director of the Institute to Advance Child Care, which for the last three years has overseen the Tarrant County Prime Early Learning Pilot. Thank you, Chairwoman Button, for your support of HB 3191—I am writing in support of the bill, and in particular, the Child Care Innovation Pilot, which has been modeled off of our work in Tarrant County.

Since 2022, we have been working with a cohort of 19 child care providers—11 child care centers and 8 family child care homes—alongside key community partners to develop an alternative approach to sustaining and expanding access to high-quality child care services in our community. Many of child care programs in our community operate at a reduced capacity or no longer provide services such as infant/toddler care, nontraditional houred care, or special needs care. Tarrant County’s Prime Pilot addressed this issue by awarding competitive grants to child care programs tied to clear outcomes and goals.

The grant, developed by economists at Texas Policy Lab, includes three components: 1) Stabilizing the program by supporting overhead. 2) Increasing teacher wages to \$18 an hour. 3) Incentivizing programs to increase infant and toddler enrollment and provide services for special populations.

Notably, all child care programs participating in the Prime Pilot expanded services to meet the requirements of the grant, either by increasing hours of operation, adding infant or toddler slots, or caring for special student populations. We can attribute these achievements to the improved stability of the programs inherent to the Prime grant. With adequate staffing and enrollment, programs were able to keep classrooms open, leaving more seats available to families searching for care.

Our centers saw dramatic improvements in enrollment. Zone 4 Kids in Arlington, saw a 58% increase after moving to a new building and hiring more teachers. This expansion especially impacted infant enrollment, which increased by 62%, despite it being the most expensive age group to serve.

Kami’s Home Daycare, a home-based child care provider in south Arlington, was approached by Child Care Aware on behalf of Naval Air Station JRB in Fort Worth. They were seeking programs that could provide care to children of military personnel who lived far from base and worked nights and weekends. Because of her Prime grant, she was able to hire additional staff, purchase necessary equipment, and extend her hours to meet that need.

The Tarrant County Prime Pilot has proven that investing in existing child care programs—not simply individual seats—creates a rising tide that impacts everyone involved. The Child Care Innovation Program represents an opportunity to scale these impacts to more communities across Texas. By increasing community collaboration to identify supply gaps and allocate resources towards stated goals, we can ensure more families have access to the high-quality, affordable child care they need

David Feigen
Texans Care for Children
Austin, TX

We appreciate the inclusion of the child care innovation pilot program in HB 3191.

The state's Child Care Services program is an effective tool for addressing the problem of child care affordability for working families, but it does not alone address the problem of child care supply. There are not enough child care programs or enough available spots for children, but this is especially true in particular locations — such as rural counties, child care deserts, and low-income areas — and for particular kinds of child care — such as infant/toddler care, care during evenings and weekends, and care for children with disabilities.

The child care innovation pilot builds on an evidence-based model that aligns public and private resources to increase the supply of quality, affordable child care slots that are specifically aligned to needs identified by the community. By taking this pilot statewide, Texas can take a meaningful step in ensuring there are enriching early learning programs and a well-trained workforce in place to meet the needs of working families across the state.

Wendy Uptain

Early Matters Texas

Dallas, TX

Early Matters believes access to high-quality, affordable childcare propels Texas' economic development because it enables families to go to work while simultaneously providing strong learning foundations during critical early learning years.

The high price of childcare comes at a significant cost to families, employers, and taxpayers in Texas.

- \$10,000 - Average annual cost of full-time child care for one infant in Texas, which is more than the cost of in-state tuition and can be more than the cost of rent or a mortgage.
- 60% of nonworking parents say lack of access to childcare is a top reason they're not in the workforce
- \$11 billion - Annual cost to Texas due to lost tax revenue and workforce productivity as a result of childcare issues

In response to this growing workforce challenge, Early Matters, the Texas Restaurant Association, the Texas Association of Business, and Texas 2036 co-founded the Employers for Childcare Taskforce (E4C). The Task Force includes more than 80 businesses and business associations from diverse industries across the state—from the Greater Houston Partnership to Coterra to Flyrite Chicken – each of whom wanted to be more engaged in finding sustainable solutions to provide affordable childcare for their employees.

When considering policy solutions, several E4C members pointed to “shared cost models” between families, employers, and state government that have been adopted in other states and are gaining in popularity. We spoke to leaders in Michigan, Kentucky, Iowa, and North Carolina to understand the implementation efforts of these programs and explore what it could look like in Texas. E4C also evaluated HB 3771, filed during the 88th legislative session and spoke with the Texas Workforce Commission about what the implementation of a shared cost model could entail.

HB 3191 is reflective of those conversations and creates a Texas-specific shared cost model. With the sliding scale articulated in the bill, this program would offer support to low-income families that cannot access the childcare service program due to long wait lists, as well as middle class families who are not eligible for the childcare services program. At the requested amount of \$25 million, up to 37,500 children could be served. And this can easily be scaled up or down.

HB 3191 offers several innovative solutions to a real economic challenge and Early Matters is excited to support both the Childcare Innovation Pilot and resource hub for employers as well. This practical, pro-business approach will help grow our workforce and support Texas families. We urge your support for this bill and appreciate your time and consideration.

David Fincher

Self - retired child care provider, National Child Care Coalition

Mesquite, TX

Even though the state provides childcare services payments for approximately 150,000 eligible children per day, this is only a small portion of the total eligible children in the state. This is proven by the waiting list of approximately 95,000 children who have applied and been determined to be eligible. In addition, some special care needs are non-existent. After hours care, weekend care, and care for disabled children are all in short supply or are unavailable. HB3191, although it may not serve great numbers of children, will meet the needs and develop the models of care to serve workers in several industries in Texas. Hospitality workers, manufacturing industry workers, and shift workers in all industries will benefit from the development of the policies enabled by HB3191. We are FOR this bill and encourage passage for the children, workers and economy of the state of Texas.