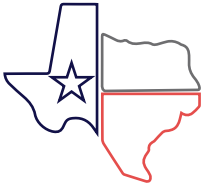


The Texas Child Care Business Coaching Program

OCTOBER 2022

OVERVIEW | The Texas Child Care Business Coaching Program



Across Texas, more than 13,500 licensed or registered home- and center-based providers care for children ages 13 and younger while their parents or guardians work. Under the best of circumstances, the business aspects of running child care operations can be daunting. Historically, many child care business owners face challenges with the business aspect of their work. Business operations is not a primary part of a provider’s early childhood development education, training, or system of ongoing professional supports, and not something they typically have the time to manage as their days are while caring for children and helping support staff.

The COVID-19 pandemic further threatened child care business operations and finances due to declining or stagnant enrollment, staffing difficulties, unexpected closures, and additional expenses.

Two years after the pandemic started, 8% of the providers are closed permanently and home-based child care operations have been slower to reopen.

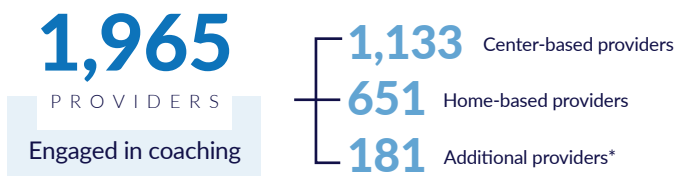
TEXAS HEALTH AND HUMAN SERVICES COMMISSION 2022

In 2021, the **Texas Workforce Commission (TWC)** received \$1.1 billion in Child Care Development Block Grant (CCDBG) funds from the [Coronavirus Response and Relief Supplemental Appropriations Act, 2021 \(CRRSA\)](#), a federal funding package intended to help mitigate the impacts of the COVID-19 pandemic. Recognizing the need to complement direct stimulus funding with access to financial resources, information, and guidance to operate their business during a time of acute crisis and beyond, the TWC implemented the Texas Child Care Business Coaching program.

The **Texas Child Care Business Coaching Program** offers business coaching to help child care providers improve their operations and connect with other systems of support throughout Texas. [Approved](#) by

the Commission in May 2021 through a \$15 million investment, the program was one of the first two priorities developed by the state to support providers with federal stimulus funding. In March 2022, the Commission [extended](#) the Texas Child Care Business Coaching initiative through May 2023 through an additional \$15 million investment.¹

The program’s launch coincided with the [Child Care Relief Fund \(CCRF\)](#), which was developed to stabilize child care providers during the height of the pandemic through direct funding awards. A total of \$775 million was authorized for the CCRF 2021, which funded almost [9,500 providers](#). Building on this effort to stabilize the supply of high-quality child care seats, TWC authorized almost \$3.4 billion for CCRF 2022, which funded [10,800 providers](#).






*The remaining 181 providers engaged in coaching prior to the use of a case management system. For this reason, information on childcare business type/other background data is unavailable.

[1] The second year of the program was made possible by federal CRRSA and American Rescue Plan Act (ARPA) funding.

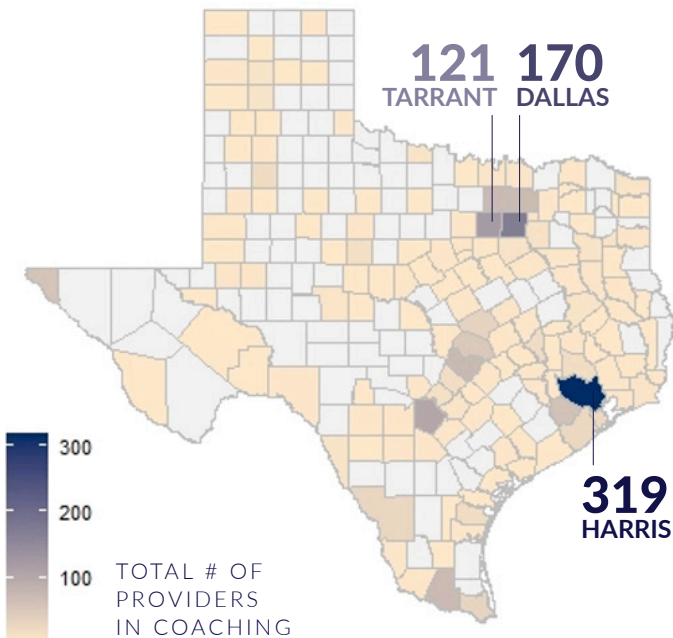
Meeting providers' business needs

The Texas Childcare Business Coaching Program employed a flexible, non-linear model to "meet providers where they are" with individualized, free, virtual support from a dedicated business coach. Business coaches supported providers through a range of activities, including:

 <p>Accessing TWC's Child Care Relief Fund program</p>	 <p>Developing record-keeping infrastructure and necessary documentation on CCRF expenditures</p>	 <p>Accessing the Paycheck Protection Program, Economic Injury Disaster Loans, the Families First Coronavirus Relief Act, and other resources</p>	 <p>Receiving general guidance and business support, to improve financial stability policies and operations</p>
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Overview of Year One

Geographic Location of Coaching Participants



COMPARED WITH PROVIDERS STATEWIDE, participants were more likely to be:

- Home-based
- Located in urban areas
- Texas Rising Star (TRS) certified providers

AMONG THOSE WHO COMPLETED CORE COACHING, AN AVERAGE OF:

- **88 emails** and **12 phone calls** were exchanged between coach and provider

PRIMARY AREAS OF NEED IDENTIFIED BY PROVIDERS:

- **44%**: budgeting and fiscal systems
- **20%**: low enrollment

Coaching Team Partners

To facilitate these relationships and develop the coaching model, TWC contracted with three expert entities who all bring a unique background and perspective to the program. All three partners play a collaborative, well-defined role to make the program a success.



Participants provided valuable feedback regarding areas of program improvement, frequently recommending expanding or extending the program.

Suggestions highlighted an interest in:

- more sessions
- increased coach availability
- additional personalized support
- another round of business coaching
- more written coaching materials

Coaching Pipeline

55% Core and specialized topics

34% Specialized topics

11% Core coaching only

90%

Surveyed providers were satisfied with support

85%

Surveyed providers who attributed the knowledge and skills gained from coaching to improved program operations

1 EXECUTIVE SUMMARY

The Texas Child Care Business Coaching program was rapidly designed and implemented in 2021 to stabilize the child care sector after COVID-19 disrupted business operations and enrollment. By using a flexible, non-linear model, this program has addressed providers' most pressing needs in a systematic way through business coaching on core management strategies and specialized topics such as Child Care Relief Funding.

In its first year, 1,965 providers participated, with 90 percent of those surveyed in a representative sample reporting satisfaction with support. Additionally, 85 percent said the knowledge and skills gained from coaching improved their ability to operate. The program's rapid training and deployment of 58 coaches and the complementary roles of Civitas Strategies Early Start, Curantis Group, and AVANCE, created a system of support to ensure providers accessed available financial resources while strengthening their business practices.

Fueled by a timely launch that coincided with relief fund distribution, this program was geographically widespread, reaching providers in the state's largest urban counties (accounting for roughly one third of participants) as well as more rural counties, such as those with fewer than 20,000 residents like Deaf Smith County. However, with the total number of participants representing 15% of eligible providers in the state, program leaders will consider marketing strategies as the program continues to evolve in Year Two.

Building on strengths

Based on provider needs and data insights, the Texas Workforce Commission (TWC) team is incorporating enhancements while building upon the following foundational elements to strengthen the Business Coaching Program as it enters its second year:

- **Multi-partner coordination and collaboration**
- **Coordination with Child Care Relief Funding**
- **Real-time adaptation through frequent monitoring and bi-weekly review of data dashboards**
- **Support system for coaches including monthly training, weekly office hours, and a quality assurance system**
- **Feedback loop between coaches and program managers/administrators**

Updating coaching model

Programmatic adjustments and further research based on the key findings in this report are already underway. In August of 2022, the Texas Business Coaching model was updated and revised to incorporate a new pathway approach with six modules aimed at strengthening providers' business models.

These core modules include:

- **Financial foundations**
- **Staff recruitment and retention**
- **Risk reduction**
- **Sales and marketing**
- **Sustainable revenue and growth**

1.1 Key Findings

As of June 30, 2022, a total of 1,965 providers registered for business coaching across Texas, representing about 15% of the more than 13,500 licensed or registered providers. This includes more than 1,133 centers and 651 home-based providers.¹

Consistent with the breakdown of all providers in Texas, the majority of those who participated in coaching are located in urban areas and accept families who receive a subsidy. Subsidy-accepting providers and Texas Rising Star certified providers (both TWC programs) were over-represented in coaching relative to providers statewide, which suggests TWC has better methods of existing communication or levels of trust with these providers. Relative to providers state-wide, home-based providers were more likely to participate in the coaching program. On average, child care capacity was slightly lower among business coaching participants than the typical provider across Texas, possibly due to the higher likelihood of a provider being home-based. Being located in a child care desert did not appear to be correlated with the likelihood of participation in the coaching program.

Overall, participants had positive experiences with the coaching program, as indicated by high rates of reported satisfaction, met needs, and perceived improvements to their business practices. Through a survey of a representative sample of providers who participated in the program (described in detail within the report), we found:

- 1) Nearly all participants (90%) were satisfied with coaching
- 2) The majority of providers (86%) believed coaching helped their business
- 3) Most providers had their needs met (79%) and wouldn't change their experience
- 4) Provider satisfaction of the program was most often attributed to their coach
- 5) Providers want to receive access to more coaching

The majority of providers identified budgeting and fiscal systems (44%) as their primary area of need within the coaching program, followed by low enrollment (20%). Among those participating in coaching on specialized topics beyond regular business practices (described later in this report), the most common areas of support were CCRF technical assistance, and applying for the Employee Retention Tax Credit (ERTC) and/or Families First Coronavirus Relief Act (FFCRA).

Most providers participated in 2-4 coaching sessions (44%), followed by 5-8 sessions (20%).² Homes, on average, participated in more sessions compared with centers, being more likely to participate in 5-8 or more. Providers and coaches engaged in frequent communication in addition to formal sessions. Among those who completed core coaching, providers and coaches exchanged, on average, a total of 88 emails and connected over the phone about 12 times. Providers who completed coaching on specialized topics exchanged about 72 emails and had 3 meetings with their coach.

Participants also provided valuable feedback regarding areas of program improvement, frequently recommending an expansion or extension of the program. Their suggestions highlighted an interest in more sessions, increased coach availability, more personalized support, or another round of business coaching.

[1] The remaining 181 providers engaged in coaching prior to the use of the case management system. For this reason, information on childcare business type/other background information is unavailable for these providers. [2] This denotes top priorities among those who participated in at least one coaching session and reported a priority area.