

**EVALUATION OF EFFECTIVENESS OF SUBSIDIZED CHILD CARE
PROGRAM
REPORT TO THE 82ND TEXAS LEGISLATURE
JANUARY 15, 2011**

Background

Texas Workforce Commission (TWC) subsidized child care is a support service that allows parents to become and remain employed and contribute to the Texas economy. Making affordable child care available to parents addresses a common barrier to employment and enhances parents' ability to participate in workforce training activities. To receive subsidized child care, parents must be employed or participating in training or education activities leading to employment.

Texas Labor Code §302.0043 charges that TWC "evaluate the effectiveness of the commission's child care program in helping parents who receive subsidized child care to maintain employment...." Section 302.0043(a) directs TWC to compile the following information regarding the wage and employment status of each parent receiving TWC-funded child care:

1. If the parent receives both Temporary Assistance for Needy Families (TANF) and subsidized child care, whether the parent:
 - a. finds employment; and
 - b. maintains the employment after one year.
2. If the parent receives only subsidized child care, whether the parent:
 - a. maintains the employment; and
 - b. experiences a change in earnings after one year of employment.
3. If the parent leaves the child care program:
 - a. the parent's reason for leaving the program; and
 - b. whether the parent returns to TANF or becomes a TANF recipient for the first time.

Section 302.0043 also requires TWC to measure the effectiveness of its child care program in:

1. improving the training of child care professionals; and
2. facilitating the collaboration with Head Start, the Texas Education Agency (TEA), the Texas Department of Family and Protective Services (DFPS), and the Texas Health and Human Services Commission (HHSC).

TWC is required to report the results of the evaluation to the legislature no later than January 15 of each odd-numbered year.

Findings

Employment and Wage Outcomes

TANF Parents

Subsidized child care is available for parents receiving TANF in order for them to participate in workforce training and work-related activities (Choices). For parents receiving both TANF and TWC-subsidized child care from 2007–2008:

- 78 percent found employment; and
- 68 percent maintained employment after one year.

Non-TANF Parents

Subsidized child care also provides a vital work support to non-TANF parents that helps them remain in the Texas workforce. For non-TANF parents receiving TWC-subsidized child care from 2007–2008, 84 percent maintained employment after one year. Parents receiving TWC-subsidized child care in 2007 experienced an average quarterly wage gain of 15 percent, while parents receiving TWC-subsidized child care in 2008 experienced an average quarterly wage gain of 11 percent after one year.

Parents Leaving Child Care

From October 1, 2008, through September 30, 2009, a total of 237,178 unduplicated children were enrolled in TWC-subsidized child care. During that period, 96,930 children left TWC-subsidized child care; approximately 35 percent of whom left because the parent missed the eligibility redetermination appointment or failed to return the required documentation to redetermine eligibility. Twenty-three percent of the children left care because of the termination of care by the Choices case manager. In most cases, the Choices case manager terminated care because of parental noncooperation with Choices requirements. Ten percent of the children left care because the parent was no longer in a work, training, or education activity; and eight percent left care because the parent voluntarily withdrew from the child care program.

Reason for Leaving Child Care	% of Children
Parent Missed Redetermination/Did Not Return Paperwork	35.9%
Termination per Choices Case Manager (Non-Cooperation/Voluntary Withdrawal)	23.5%
Parent No longer Working, Training or in School	10.4%
Parent Voluntarily Withdrew from Child Care	8.1%
Parent Failed to Report change in Income/Work/Family Size	3.9%
Parent Decided to stay home	3.6%
Termination per WFC Case Manager	3.4%
Family No longer eligible due to income	2.0%
Parent Non-payment of parent fees	2.0%
Family Moved in-state	1.8%
Excessive absences	1.4%
Child Exceeds Age Limit	1.3%
Other	2.7%

For all parents whose children left TWC-subsidized child care in 2007, 86 percent did not receive TANF within 12 months of their children leaving care. In 2008, 87 percent did not receive TANF within 12 months of their children leaving care.

Child Care Professional Development and State Agency Collaboration

Texas Labor Code §302.0043 also requires TWC to evaluate the effectiveness of its child care program in improving the training of child care professionals and in facilitating collaboration with Head Start, TEA, DFPS, and HHSC.

Even though the primary focus is on the provision of child care services, TWC and Local Workforce Development Boards (Boards) work closely with other state agencies and local governmental entities, especially independent school districts (ISDs), colleges, and universities, to leverage funds for quality initiatives. Additionally, from June 2009 to July 2010, TWC allocated over \$50 million in child care quality improvement funds to Boards through the American Recovery and Reinvestment Act (ARRA) of 2009. Boards use these funds for a variety of quality initiatives, including professional development activities. All Boards have funded professional development activities such as Child Development Associate scholarships and caregiver training, with the majority of training focused on inclusive care, early literacy, and developmentally appropriate practices.

As required by Article XII, §21, of the General Appropriations Act, 81st Texas Legislature, Regular Session (2009), TWC transferred \$4 million in ARRA funds to DFPS to invest in high-quality programs for infants and toddlers. DFPS used these funds for several initiatives, including:

- a public service announcement campaign entitled “Don’t Be in the Dark About Child Care,” which stresses the importance of using regulated child care services;
- infant and toddler training through the Texas A&M University’s AgriLife Extension Service Office; and
- an online technical assistance library, which contains information, advice, training, and consultation to help child care operations comply with, maintain, or more effectively meet minimum licensing standards and achieve program excellence.

In FY’10 Boards entered into 54 local match agreements with colleges and universities. Through these agreements, colleges and universities certified approximately \$9.5 million in child care and early education professional development expenses as match to draw down approximately \$21.3 million in federal Child Care and Development Fund (CCDF) funds. Although Boards used a majority of the resulting federal funds to subsidize direct child care services, approximately \$623,500 of the federal funds was used for professional development and training for child care professionals.

Additionally, as initially required by Article IX, §19.111, of the General Appropriations Act, 80th Texas Legislature, Regular Session (2007) and continued by the 81st Texas Legislature, TWC transferred \$1 million in federal CCDF funds to TEA in FY’09 and FY’10 for early childhood education partnership projects and teacher stipends designed to:

- facilitate increased participation in professional development by early childhood education professionals; and
- encourage those professionals to seek additional education.

TEA uses these funds for the Texas Higher Education and Early Childhood Education Partnership Demonstration Project in four Texas communities through Angelina College, Houston Community College Systems, San Jacinto College, and The University of Texas at Tyler. During the 2010 spring and summer semesters, 167 teachers and caregivers received early childhood education professional development training.

To further encourage child care professionals to seek additional education, 18 colleges and universities, as part of the partnership project with TEA, developed articulation agreements allowing college credit hours to apply toward early childhood education degrees at the university level.

In addition to local and statewide collaboration with TEA and higher education institutions, Boards work closely with local ISDs in providing child care services. In FY'10, Boards entered into 74 local agreements in which ISDs contributed approximately \$8.3 million in local child care funds. These local funds drew down approximately \$17.5 million in federal CCDF funds for Boards to use for direct child care services or child care quality improvement activities. A large percentage of the federal funds are used to provide before- and after-school child care for children in the local ISDs.

TWC collaborates with Head Start, TEA, DFPS, and HHSC through a variety of interagency workgroups.

State Advisory Council on Early Childhood Education and Care

TWC participates in the Head Start State Advisory Council (SAC) on Early Childhood Education and Care. In the Improving Head Start for School Readiness Act of 2007 (Head Start Act, 42 U.S.C. §9801 et seq.), Congress authorizes each state governor to designate or establish a SAC. The overall responsibility of SAC is to lead the development or enhancement of a high-quality, comprehensive system of early childhood development and care that ensures statewide coordination and collaboration among the state's wide range of early childhood programs and services, including child care, Head Start, Individuals with Disabilities Education Act (IDEA), preschool and infants and families programs, and prekindergarten programs and services.

TWC's interest in SAC relates to improving child care quality initiatives in Texas. SAC will make recommendations on Texas Rising Star (TRS) Provider Certification standards, TRS data, tiered child care reimbursement rates, and CCDF.

Raising Texas

TWC is one of nine state agencies participating in HHSC's Raising Texas initiative. Raising Texas is a statewide, collaborative effort to strengthen Texas's system of services

for young children and families so that “all children enter school healthy and ready to learn.”

Council on Early Childhood Intervention

TWC participates in the Interagency Council on Early Childhood Intervention, which provides services for children less than three years of age who face developmental delays in the areas of cognitive, physical, communication, social, emotional, and adaptive development.

Healthy Child Care Texas

TWC also participates in HHSC’s Healthy Child Care Texas (HCCT) initiative. The goals for HCCT are to maximize the health, safety, well-being, and developmental potential of all children so that each child experiences quality child care within a nurturing environment. Additionally, HCCT aims to help increase children’s access to preventive health services, including access to medical homes.

Interagency Coordinating Council for Building Healthy Families

Finally, TWC participates in the Interagency Coordinating Council for Building Healthy Families. The council’s purpose is to facilitate communication and collaboration concerning policies for the prevention of and early intervention in child abuse and neglect among state agencies whose programs and services promote and foster healthy families.

Conclusion: Subsidized Child Care is a Work Support Service

Subsidized child care is a support service that allows parents to become and remain employed, thereby contributing to the Texas economy. This report demonstrates that subsidized child care is an effective work support service that enables parents to participate in the workforce or in work-related activities. As reflected in the report, approximately 78 percent of unemployed TANF parents were able to find employment within 12 months of receiving child care. Additionally, approximately 84 percent of non-TANF parents maintained employment 12 months after receiving child care and experienced an average quarterly wage gain of 11 to 15 percent.