

**EVALUATION OF EFFECTIVENESS OF
SUBSIDIZED CHILD CARE PROGRAM
REPORT TO THE 83RD TEXAS LEGISLATURE
JANUARY 15, 2013**

Background

The Texas Workforce Commission (TWC) provides subsidized child care as a support service to help 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. It also 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 (in TWC's Choices program). For parents receiving both TANF and TWC-subsidized child care for 2009–2010:

- 65 percent found employment; and
- 61 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 2009–2010, 83 percent maintained employment after one year. Parents receiving TWC-subsidized child care in 2009 experienced an average quarterly wage gain of 3 percent, while parents receiving TWC-subsidized child care in 2010 experienced an average quarterly wage gain of 4 percent after one year.

Parents Leaving Child Care

From October 1, 2010, through September 30, 2011, a total of 229,989 unduplicated children were enrolled in TWC-subsidized child care. During that period, 129,309 children left TWC-subsidized child care for at least one month during the year; 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-one percent of the children left care due to the parent's voluntary withdrawal from the subsidy system. Sixteen 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, or no longer meeting the minimum activity requirements; and 7 percent left due to excessive absences or five consecutive absences without notice.

Reason for Leaving Child Care	% of Children
Parent Missed Redetermination/Did Not Return Paperwork	34.5%
Parent Voluntarily Withdrew from Child Care	21.2%
Termination per Choices Case Manager (Non-Cooperation/Voluntary Withdrawal)	15.8%
Parent No Longer Meeting Work, Training, or Education Requirements	9.8%
Excessive Absences/Consecutive Absences without Notice	6.9%
Termination per WFC Case Manager	5.2%
Parent Failed to Report Change in Income/Work/Family Size	3.2%
Parent Nonpayment of Parent Fees	1.8%
Family No Longer Eligible Due to Income	1.1%
Child Exceeds Age Limit	0.4%

For all parents whose children left TWC-subsidized child care in 2009, 89 percent did not receive TANF within 12 months of their children leaving care. In 2010, 93 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.

In Fiscal Year 2012 (FY' 12) Boards entered into 69 local match agreements with colleges and universities. Through these agreements, colleges and universities certified approximately \$12.6 million in child care and early education professional development expenses as match to draw down approximately \$25.3 million in federal Child Care and Development Fund (CCDF) funds. Although Boards used most of the resulting federal funds to subsidize direct child care services, approximately \$3.7 million of the federal funds was used for quality improvement activities, including professional development and training for child care professionals. This represents a significant increase in federal funds from the previous report to the 82nd Texas Legislature because of the availability of additional federal matching funds.

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 and 82nd Texas Legislatures, TWC transferred \$1 million in federal CCDF funds to TEA in FY' 11 and FY' 12 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.

In FY' 12, TEA used these funds for the Early Childhood Education Partnership Project, where School Readiness Integration (SRI) specialists provide guidance, training, and professional development to districts and their Head Start and child care partners within each Education Service Center. The SRI network facilitates participation in professional development, training, mentoring, and interaction with certified educators by early childhood education professionals, encouraging them to seek additional education.

These coordinated efforts ensure eligible prekindergarten (pre-K) students' needs are assessed to ensure that students are provided with quality pre-K services based on proven school-readiness components that include:

- a high-quality, research-based, and rigorous curriculum aligned with the Texas Prekindergarten Guidelines and instructional materials from the TEA commissioner's approved list; and
- professional development for instructional staff, including mentoring, designed to promote student achievement with the goal of dramatically improving early literacy, language, mathematics, and social development skills.

SRI specialists coordinate professional development and training, as well as the implementation of the Kindergarten Readiness System (KRS)—formerly Texas School Readiness Certification System—which evaluates the effectiveness of public pre-K, Head Start, and community-based child care programs in preparing children for kindergarten.

An average of 4,534 teachers per quarter received professional development training activities in FY'12.

The Texas legislature also requires TWC to transfer to TEA \$11.7 million of federal CCDF funds in each year of the FY'12–13 biennium to assist providers participating in integrated school readiness models developed by the Children's Learning Institute (CLI) at the University of Texas Health Science Center at Houston.

CLI uses these funds to administer the Texas School Ready! (TSR!) Project, which is a high-quality early childhood model based on proven school readiness components, including:

- high-quality, developmentally appropriate, and rigorous curriculum;
- continuous student progress monitoring;
- professional development for teachers; and
- creation and implementation of a School Readiness Integration Partnership to coordinate services among school districts, child care providers, and Head Start programs participating in KRS.

During the 2011–2012 school year, the TSR! Project served 41,564 students in 2,363 classrooms. Also during the same period, 457 ISDs, 814 Head Start programs, and 1,066 child care facilities participated in the TSR! Project

(<http://www.tea.state.tx.us/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=2147510191&libID=2147510178>).

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'12, Boards entered into 79 local agreements in which ISDs contributed approximately \$9.9 million in local child care funds. These local funds drew down approximately \$18.2 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.

Texas Early Learning Council (formerly known as State Advisory Council on Early Childhood Education and Care)

TWC participates in the Texas Early Learning Council (TELC), which is the state advisory council for Head Start. In the Improving Head Start for School Readiness Act of 2007 (Head Start Act, 42 USC §9801 et seq.), Congress authorizes each state governor to designate or establish a state advisory council. The overall responsibility of TELC 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, preschool and infants and families programs, and pre-K programs and services.

TWC assists TELC with the following TELC goals:

- Making recommendations to integrate diverse child care quality rating initiatives into a statewide Quality Rating Improvement System;
- Making recommendations for developing an integrated early childhood data system; and
- Developing Infant and Toddler Early Learning Guidelines.

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."

Interagency Council on Early Childhood Intervention

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

The Texas Early Childhood Professional Development System

TWC participates in the Texas Head Start State Coordination Office's Texas Early Childhood Professional Development System (TECPDS). The goal of TECPDS is to ensure that high-quality professional development opportunities are available statewide to individuals working in early care and education.

Military Child Care Initiative/National Association of Child Care Resource and Referral Agencies

TWC participated in the partnership between the National Association of Child Care Resource and Referral Agencies and the U.S. Department of Defense to address the unique challenges facing military families, build stronger civilian-military community ties, and address the growing need of military families to access quality community-based child care. The initiative was a two-year pilot program through December 2012 to expand the availability of quality, affordable community-based child care for military families in 13 states, including Texas.

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.

Assisting Boards to Disseminate Consumer Education on Quality Child Care Providers

Pursuant to §2308.3171 of the Texas Government Code (Senate Bill 264, 82nd Texas Legislature, Regular Session (2011)), TWC assisted Boards in providing information to parents and the public on quality child care indicators for each licensed or registered child care provider in the local workforce development area. TWC developed reports for Boards to give to parents, listing providers that meet quality indicators.

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 65 percent of unemployed TANF parents were able to find employment within 12 months of receiving child care. Additionally, approximately 83 percent of non-TANF parents maintained employment 12 months after receiving child care and experienced an average quarterly wage gain of 3 to 4 percent.