

**EVALUATION OF EFFECTIVENESS OF  
SUBSIDIZED CHILD CARE PROGRAM  
REPORT TO THE 84TH TEXAS LEGISLATURE  
JANUARY 15, 2015**

**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 2011–2012:

- 72 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 2011–2012, 85 percent maintained employment after one year. Parents receiving TWC-subsidized child care in 2011 experienced an average quarterly wage gain of 6 percent, while parents receiving TWC-subsidized child care in 2012 experienced an average quarterly wage gain of 11 percent after one year.

#### *Parents Leaving Child Care*

From October 1, 2012, through September 30, 2013, a total of 116,047 children left TWC-subsidized child care for at least one month during the year. The reasons for leaving care are presented in the table below:

| Reason for Leaving Child Care   | % of Children |
|---|---------------|
| Parent Missed Redetermination/Did Not Return Paperwork                      | 25.5%         |
| Parent Voluntarily Withdrew from Child Care                                 | 20.8%         |
| Termination per Choices Case Manager (Non-Cooperation/Voluntary Withdrawal) | 15.1%         |
| Parent No Longer Meeting Work, Training, or Education Requirements          | 11.3%         |
| Termination per WFC Case Manager  | 10.1%         |
| Excessive Absences/Consecutive Absences without Notice                      | 8.4%          |
| Parent Failed to Report Change in Income/Work/Family Size                   | 4.7%          |
| Parent Nonpayment of Parent Fees  | 1.7%          |
| Family No Longer Eligible Due to Income                                     | 1.7%          |
| Other   | 0.7%          |

For all parents whose children left TWC-subsidized child care in 2011 and 2012, 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.

Beginning in 2014, TWC initiated regularly scheduled quarterly conference calls with the TEA Office of Early Childhood Education, DFPS Child Care Licensing, and the Head Start Collaboration Office, which includes the Texas Early Childhood Professional Development System. The goal of the conference calls is to improve collaboration efforts among the agencies directly involved in child care and early childhood education. During the calls, participants share information related to their specific initiatives and goals, as well as discuss opportunities for collaboration.

*Professional Development for Early Childhood Education (Rider 30)*

Rider 30 of TWC's general appropriation—83rd Texas Legislature, Regular Session (2013)—required TWC to dedicate \$1 million over the Fiscal Years 2014–2015 (FY'14–'15) biennium for programs that encourage increased participation in continuing professional development for early childhood professionals. Funding may be used to fund teacher training programs, programs that lead to a national credential in early childhood education, or work-study programs in child care.

In March 2014, through a competitive procurement process, TWC awarded \$500,000 to the Texas Association for the Education of Young Children (TAEYC) to provide scholarships for child care professionals to obtain a Child Development Associate (CDA) certificate or a Certified Childcare Professional (CCP) credential. TAEYC also uses the funds to provide scholarships to child care professionals to pursue courses that will lead to an associate's degree in early childhood education.

TWC entered into a 24-month contract with TAEYC to award:

- 80 CDA/CCP scholarships; and
- 74 associate's degree scholarships.

During the first six months of the project (25 percent completed), as of October 2014:

- 28 CDA/CCP scholarships have been awarded (35 percent of the target); and
- 24 associate's degree scholarships have been awarded (30.7 percent of the target).

Additionally, the contract has a target of 35 individuals being awarded a CDA or CCP credential. As of October 2014, a total of 10 caregivers have obtained a CDA credential (28.5 percent of the target).

In FY'14, TWC entered into an Interagency Contract with DFPS for \$500,000 of the Rider 30 funds to expand the online training courses related to health and safety for child care providers and caregivers. DFPS is working with Texas A&M AgriLife Extension Services to develop online training and technical assistance documents relating to health and safety practices in child care settings for child care providers and parents. The training courses are aligned with the recently enacted reauthorization of the Child Care and Development Block Grant (CCDBG) Act. The goal of the project is to assist child care providers in complying with the new CCDBG Act.

### *Board Funding for Professional Development*

House Bill 376, enacted by the 83rd Texas Legislature, Regular Session (2013), amends Texas Government Code §2308.317 to require each Local Workforce Development Board (Board) to:

- use at least 2 percent of the local workforce development area's (workforce area) annual allocation from TWC for quality child care initiatives; and
- hire staff to provide mentoring assistance to providers that want to meet the quality requirements for Texas Rising Star certification or increase their level of certification.

In FY'14, Boards used the quality funds to provide training on:

- the Infant and Toddler Guidelines to:
  - 852 licensed child care centers; and
  - 125 licensed or registered child care homes; and
- the Prekindergarten Guidelines to:
  - 367 licensed child care centers; and
  - 34 licensed or registered child care homes.

Boards also used the quality funds to provide:

- mentoring and technical assistance services to:
  - 1,222 caregivers in licensed child care centers;
  - 342 directors or owners of licensed child care centers;
  - 80 caregivers in licensed or registered child care homes; and
  - 58 owners of licensed or registered child care homes.

In addition to providing training and technical assistance, the Boards used the quality funds to provide scholarships and other financial assistance for professional development to 1,676 child care providers.

### *Leveraging Local Funds for Child Care and Professional Development*

TWC and Boards also 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 FY'14 Boards entered into 56 local match agreements with colleges and universities. Through these agreements, colleges and universities certified approximately \$11.9 million in child care and early education professional development expenses as match to draw down approximately \$24.1 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 \$648,848 of the federal funds were used for quality improvement activities, including professional development and training for child care professionals.

Boards also work closely with local ISDs to leverage local funds for child care services. In FY'14, Boards entered into 68 local agreements in which ISDs contributed approximately \$10.4 million in local child care funds. These local funds drew down approximately \$21.1 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 is used to provide before- and after-school child care for children in the local ISDs.

### *Partnerships with the Texas Education Agency*

#### **Early Childhood Education Partnerships:**

Rider 26 of TWC's general appropriation—83rd Texas Legislature, Regular Session (2013)—requires TWC to transfer \$1 million in federal CCDF funds to TEA during the FY'14–'15 biennium 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'14, TEA used these funds to develop the Improving Teacher Preparation project to facilitate participation in high-quality professional development opportunities for early childhood education professionals seeking completion of a bachelor's degree, an associate's degree, or a CDA certificate. In order to create a high-quality workforce, this program will be geared toward improving the quality of teacher preparation programs.

The Improving Teacher Preparation project is administered by the Children's Learning Institute (CLI) at the University of Texas Health Science Center at Houston.

Four key goals:

1. Increase the knowledge and application of the current early childhood research base and effective pedagogical practices among faculty and staff of institutions of higher education that prepare future early childhood teachers.
2. Provide aspiring early childhood teachers with high-quality training in various domains of early childhood development through multiple methods supported by recent research. This includes practices in early childhood that support school readiness, including regularly scheduled mentoring using classroom-based observation and feedback tools, and video reflection and critique.
3. Support the development and sustainability of articulation agreements between institutions providing coursework in early childhood or child development, including high schools, and two- and four-year higher education institutions.
4. Encourage the development of sustainability plans and measures to continue to improve higher education's preparation of teachers for early childhood classrooms.

Improving Teacher Preparation began in spring 2014, and full implementation is expected during FY'15.

### *Texas School Ready! Project*

The Texas legislature also requires TWC to transfer to TEA \$11.7 million of federal CCDF funds in each year of the biennium to assist providers participating in integrated school readiness models developed by CLI.

CLI uses these funds to administer the Texas School Ready! (TSR!) project, 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 TSR!.

During the 2012–2013 school year, TSR! served 44,526 students in 2,506 classrooms. ([http://tea.texas.gov/Curriculum\\_and\\_Instructional\\_Programs/Special\\_Student\\_Populations/Early\\_Childhood\\_Education/Texas\\_School\\_Ready!/#Participating\\_Communities](http://tea.texas.gov/Curriculum_and_Instructional_Programs/Special_Student_Populations/Early_Childhood_Education/Texas_School_Ready!/#Participating_Communities)).

### *Interagency Workgroups*

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

#### *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 child care and education.

#### *Interagency Coordinating Council for Building Healthy Families*

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 workforce area. TWC developed reports for Boards to give to parents, listing providers that meet quality indicators.

**Conclusion: Subsidized Child Care Continues to Serve as an Important 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 72 percent of unemployed TANF parents were able to find employment within 12 months of receiving child care. Additionally, approximately 85 percent of non-TANF parents maintained employment 12 months after receiving child care and experienced an average quarterly wage gain of 6 to 11 percent.

During the next biennium, TWC will expand its collection and analysis of information on the effectiveness of the child care program, both statewide and for each workforce area. Often the availability of stable and affordable child care arrangements is a determining factor in a parent's ability to obtain and retain employment. TWC strives to build upon its success, using outcome data and analyses to improve the delivery of child care services to Texas' working families.