

## State Child Care Assistance Policies: Texas

- **Income eligibility limit:** In 2011, local workforce development boards in Texas could set the income limit for a family of three to qualify for child care assistance between \$27,465 per year (148 percent of poverty, 50 percent of state median income) and \$46,658 per year (252 percent of poverty, 85 percent of state median income).<sup>1</sup>
- **Waiting list:** Texas had 22,845 children on a waiting list for child care assistance as of March 2011.<sup>2</sup>
- **Parent copayments:** In 2011, local workforce development boards could set the copayment for a family of three with an income at 100 percent of poverty (\$18,530 a year) receiving child care assistance between \$77 per month, or 5 percent of income, and \$201 per month, or 13 percent of income. Local boards could set the copayment for a family of three with an income at 150 percent of poverty (\$27,795 a year) receiving child care assistance between \$116 per month, or 5 percent of income, and \$301 per month, or 13 percent of income.<sup>3</sup>
- **Reimbursement rates:** In 2011, Texas's reimbursement rates for most child care providers serving families receiving child care assistance were below the federally recommended level—the 75<sup>th</sup> percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.<sup>4</sup>
  - Texas's monthly reimbursement rate for center care for a four-year-old in the Gulf Coast Workforce Development Area was \$507,<sup>5</sup> which was \$169 (25 percent) below the 75<sup>th</sup> percentile of current market rates for this type of care.
  - Texas's monthly reimbursement rate for center care for a one-year-old in the Gulf Coast Workforce Development Area was \$713,<sup>6</sup> which was \$209 (23 percent) below the 75<sup>th</sup> percentile of current market rates for this type of care.
- **Tiered reimbursement rates:** In 2011, Texas paid higher reimbursement rates for higher-quality care.
  - The reimbursement rate for center care for a four-year-old in the Gulf Coast Workforce Development Area at the highest quality tier was 5 percent higher than the rate at the lowest quality tier.
  - The reimbursement rate for center care for a four-year-old in the Gulf Coast Workforce Development Area at the highest quality tier was still below the 75<sup>th</sup> percentile of current market rates.
- **Eligibility for parents searching for a job:** In 2011, Texas allowed parents to continue receiving child care assistance for up to 4 weeks while searching for a job.<sup>7</sup> However, Texas did not allow parents to qualify for child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times* (Washington, DC: National Women's Law Center, 2011). These data reflect policies as of February 2011, unless otherwise indicated.

1 Local workforce development boards set their own income limits within state guidelines. Some local boards allow families an extended year of child care assistance up to a higher income than the initial eligibility limit; however, this exit eligibility limit cannot exceed 85 percent of state median income. As of October 2011, the maximum income at which local boards can set their eligibility limits was expected to increase to \$46,773 (85 percent of state median income) to adjust for the 2011 state median income estimate.

## TEXAS STATE CHILD CARE FACT SHEET

- 2 Local workforce development boards maintain waiting lists. This total represents the aggregate number of children on waiting lists across all boards. In addition, some boards have frozen intake.
- 3 Local workforce development boards set their own copayments within state guidelines. Also note that parents participating in the Temporary Assistance for Needy Families work program (Choices) and the Food Stamp Employment and Training program are exempt from the copayment.
- 4 Local workforce development boards determine and update reimbursement rates at their own discretion. Average rates across board areas range from the 23<sup>rd</sup> to 88<sup>th</sup> percentile of market rates.
- 5 The state has higher rates for higher-quality care; this is the base (lowest) rate, which is the most common rate level.
- 6 This is the base (lowest) rate, which is the most common rate level.
- 7 Parents receiving child care assistance can continue to receive it while searching for a job for up to 4 weeks in a federal fiscal year.