



CHILD CARE & EARLY LEARNING

## STATE CHILD CARE ASSISTANCE POLICIES: TEXAS

- **Income eligibility limit:** In 2018, local workforce development boards in Texas set the annual income limit for a family of three to qualify for child care assistance between \$30,636 (147 percent of poverty, 50 percent of state median income) and \$51,780 (249 percent of poverty, 85 percent of state median income).<sup>1</sup>
- **Waiting list:** Texas had 65,444 children on waiting lists for child care assistance as of February 2018.<sup>2</sup>
- **Parent copayments:** In 2018, a family of three with an income at 100 percent of poverty (\$20,780 a year) receiving child care assistance in Texas paid as much as \$170 per month, or 10 percent of its income in copayments. A family of three with an income at 150 percent of poverty (\$31,170 a year) receiving child care assistance paid as much as \$270 per month, or 10 percent of its income in copayments.<sup>3</sup>
- **Payment rates:** In 2018, payment rates in Texas for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community—in many areas of the state.<sup>4</sup>
  - The monthly payment rate for center care for a four-year-old in the Gulf Coast Workforce Development Area was \$507,<sup>5</sup> which was \$211 (29 percent) below the 75th percentile of current market rates for this type of care.
  - The monthly payment rate for center care for a one-year-old in the Gulf Coast Workforce Development Area was \$713,<sup>6</sup> which was \$102 (13 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered payment rates:** In 2018, Texas had higher payment rates for higher-quality care.<sup>7</sup>
  - The payment rate for center care for a four-year-old in the Gulf Coast Workforce Development Area at the highest quality tier was 9 percent higher than the rate at the lowest quality tier.
  - The payment 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 75th percentile of current market rates.
- **Eligibility for parents searching for a job:** In 2018, Texas allowed parents already receiving child care assistance to continue receiving it for up to 3 months while searching for a job.<sup>8</sup> However, the state did not allow parents to initially qualify for and begin receiving child care assistance while searching for a job.<sup>9</sup>

Source: Karen Schulman, *Overdue for Investment: State Child Care Assistance Policies 2018* (Washington, DC: National Women's Law Center, 2018). These data reflect policies as of February 2018, unless otherwise indicated.



- 1 Local workforce development boards set their income limits to qualify for assistance within state guidelines; the range shown here indicates the lowest and highest income limits set by local boards. In addition, all local workforce development boards allowed families already receiving assistance to continue doing so up to an income of \$51,780 in February 2018. As of October 2018, the maximum income at which local boards can set their eligibility limits was increased to \$53,472 (85 percent of state median income) to adjust for the updated state median income estimate.
- 2 Local workforce development boards maintain waiting lists. The total shown here represents the aggregate number of children on waiting lists across all of the state's 28 boards. In addition, some boards have frozen intake. In 2018, all 28 boards had waiting lists, including 20 boards that also had frozen intake. Families in the Temporary Assistance for Needy Families (TANF) work program (Choices), families transitioning from TANF, families in the Supplemental Nutrition Assistance Program (SNAP) Employment and Training program, and children receiving protective services are served without being placed on the waiting list.
- 3 Local workforce development boards set their copayments within state guidelines; the copayments shown here reflect the maximum copayment levels used by a local board. Also note that parents participating in the TANF work program (Choices), families applying for TANF, families transitioning from TANF, families participating in the SNAP Employment and Training program, children receiving protective services, and homeless families are exempt from copayments.
- 4 This analysis reflects payment rates as of February 2018. The state increase base payment rates by 2 percent as of August 2018.
- 5 The state requires local workforce development boards to set 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 This analysis reflects tiered payment rates as of February 2018. As of August 2018, payment rates for providers at the four-star level of the state's quality rating and improvement system (which has four levels) were increased to at least the 75th percentile of 2017 market rates; payment rates for three-star providers were increased to at least 90 percent of the four-star rate; and payment rates for two-star providers were increased to at least 90 percent of the three-star rate.
- 8 Parents receiving child care assistance can continue to receive it while searching for a job for up to 3 months or until the end of their eligibility period, whichever comes first.
- 9 Parents can only qualify for child care assistance while searching for a job if their family is experiencing homelessness.

