

## Executive Summary

The U.S. Department of Health and Human Services has provided funding to The University of Texas at Austin to analyze the changes in child care policies, supply of subsidized child care, patterns of subsidy utilization, and child care outcomes that have resulted from Texas' decision to devolve management of its subsidized child care program from the state level to 28 local workforce development boards (LWDBs).<sup>1</sup> This report, along with a companion document, *Preliminary Findings from Interviews with Child Care Program Managers*, are the first products from this study, and contain information gathered in the first year of this three-year research initiative.<sup>2</sup>

In 1995, the Texas legislature passed its first major welfare reform legislation, HB 1863. One provision of HB 1863 consolidated a number of workforce programs — including child care — under a new agency, the Texas Workforce Commission (TWC), and authorized the creation of 28 local workforce development boards, who would become responsible for the management of many workforce development programs in their geographical areas of the state. TWC began devolving responsibility for the management of existing child care contracts to LWDBs in September 1997. Beginning in September 1999, the local boards assumed responsibility for defining specific local goals and setting policies for the provision of child care. Currently, LWDBs can set the following types of policies:

- Deciding which eligible populations receive priority (beyond the state's priorities),
- Managing the waiting list,
- Setting payment schedules for providers,
- Setting sliding scales and co-payments required of clients,
- Determining family eligibility criteria, and
- Establishing the total period of family eligibility.

All LWDBs must adhere to the following three goals in their management of Texas subsidized child care:

1. Expand the availability of full-day child care in order to support participation in employment, training, and educational activities by low-income parents,
2. Support and increase the quality of child care in Texas, and
3. Maximize opportunities to draw down unmatched federal funds for child care services.

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<sup>1</sup> Local workforce development boards are comprised of representatives from the private sector, organized labor, community-based organizations, specified agencies, and educational organizations. Chief Elected Officials (CEOs) select the board representatives based on nominations from business organizations. At least one member of each board must have expertise in child development and care. Boards are responsible for establishing policies and administering the workforce programs, including child care, for their region. Boards are prohibited from providing any direct services.

<sup>2</sup> More information about future products planned from this study can be found at <http://www.utexas.edu/research/cshr/current/devchildcare.htm>.

This report contains information gathered during the first year of the research study from a number of different sources. Unless otherwise noted, the information in this document covers the period from October 1997 – September 2001, or federal fiscal years (FFYs) 1998 –2001.<sup>3</sup>

The data in this report are organized in several different sections. Section 1 gives an overview of this project, the policy context within which Texas local workforce boards were developed, and changes to federal and state-level child care policies that occurred during the first four years of the study period. Section 2 includes maps and rankings that indicate the variation among local workforce areas for a number of demographic, policy, and subsidy utilization variables. Section 3 contains two-page policy and statistical profiles for the state of Texas and each of the 28 local workforce areas. These profiles summarize local policy changes, funding, and patterns of subsidy usages from FY 1998 through FY 2001. They also provide a demographic snapshot of each area in the year 2000. Finally, Section 4 presents a glossary of the terms and acronyms used in this report and the sources from which the data were obtained.

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<sup>3</sup> Future reports will contain comparable information for FFYs 2002 and 2003.