

**APPENDIX N
TEXAS**

**Survey Results on the Status of State Implementation Efforts
October 1, 2002 to May 31, 2003**



Southern Regional Initiative on Child Care: Action Plan to Improve Access to Child Care Assistance for Low-Income Families in the South

**Survey Results on the Status of Implementation Efforts
Current Report Period: October 1, 2002 to May 31, 2003**

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Goal 1 - Federal, State, Local and Private Funds Should Be Sufficient to Meet 100% of Need for Direct Child Care Assistance, Based on Initial Eligibility Levels at 85% of the State Median Income. Redetermination Levels Should Allow Families to Retain Child Care Assistance Until They Reach 100% of State Median Income.

(Action Step 1.1) - Educate federal and state policymakers on the need for action.

2003 Response:

At the Federal level, Diane Rath, Chair of the Texas Workforce Commission (TWC), continues to actively communicate to Texas' members of the U.S. House and Senate on key issues related to the reauthorization of the CCDF and the implications of provisions in proposed federal legislation that would benefit or hamper Texas' efforts to administer child care services efficiently and effectively. Donna Garrett, the State's Child Care Administrator, has continued to participate in policy discussions and the formulation of related recommendations by the APHSA's Child Care Committee, especially as they relate to the reauthorization of the CCDF.

At the State level, Chair Rath and the Child Care Administrator met with individual state elected officials before and during the 2003 legislative session to discuss proposed child care legislation. The Commission and the Child Care Administrator provided testimony at legislative hearings on child care appropriations and initiatives; analyzed proposed legislation with bill authors and their staffs clarifying legislative intent; and advised them on potential fiscal and program implications of proposed statutory changes. The outlook is positive in that Texas will not have to decrease its child care funding and that more children will be served during the 2004-05 biennium.

2002 Response:

At the Federal level, Diane Rath, Chair of the Texas Workforce Commission, has actively informed Texas' members of the House and Senate of key issues related to the reauthorization of the CCDF and of the implications of key provisions in proposed federal legislation. Donna Garrett, the State's Child Care Administrator, has continued to participate in policy discussions and the formulation of related recommendations by the APHSA's Child Care Committee, especially as they relate to the reauthorization of the CCDF.

At the State level, the Commission and the Child Care Administrator have conferred with the state's key elected officials and other stakeholders regarding child care issues and funding in preparation for the upcoming legislative session which begins in January, 2003.

2001 Response:

At the Federal level, Diane Rath, Chair of the Texas Workforce Commission, is a member of the Southern Institute and has actively participated in the policy recommendations formulated by that body. In addition, the State's Child Care Administrator has participated in the policy discussions and recommendations formulated by the American Public Human Services Association's (APHSA) Child Care Affiliate.

At the State level, the Commission and the Child Care Administrator have met with key, individual state elected officials, both prior to and during the 2001 legislative session, to educate them regarding the critical role child care services play in workforce development, enabling low-income families to secure and maintain employment and promoting school readiness among children, and of the current level of unmet need for subsidized child care services in the state. The Chair and Agency staff also provided testimony at legislative hearings on child care appropriations and initiatives. Texas Workforce Commission (Agency) staff have also been very active in analyzing proposed legislation with the authors, clarifying legislative intent, and educating them regarding possible, unintended implications of proposed statutory language.

(Action Step 1.2) - Educate the business community on the need for leadership in achieving state, federal and community resources to meet 100% of need.

2003 Response:

Successful public-private partnerships are critical to child care services in Texas, especially in assuring that Texas draws down all of the federal matching child care funds. Boards pursue agreements with public and private entities for the donation of private funds and the transfer and certification of eligible public funds to be used as state match for CCDF Matching Funds. TWC anticipates that Boards will execute more than 200 local match agreements in fiscal 2004 and again in FFY 2005. These local agreements will produce approximately \$19.7 million annually in local matching funds and will draw down approximately \$29.8 million annually in federal matching funds for a total of approximately \$49.5 million more each year that will be available for child care services.

2002 Response:

The combined amount of local matching funds obtained by the local workforce boards in FY 2002 was twice the combined amount the local workforce boards obtained in FY 2001.

2001 Response:

In Texas, the critical linkage between child care and the needs of working parents was recognized through the creation of local workforce development boards to manage employment and training services and provide support services, including subsidized child care. The local workforce boards consist of a majority of business representatives and are chaired by a business member, and they establish many local policies for the administration of CCDF services. State-level funds necessary to access Texas' entire allotment of unmatched federal child care funds are not appropriated, because the local workforce boards are expected to obtain local donations in order to secure remaining federal funds. The dollars are raised through private contributions, as well as contributions made through Employer Dependent Care Collaborations and other initiatives within individual communities. Workforce Boards, comprised of at least 51% business representatives, work to enlist local contributions to support community child care needs. Donations are used to meet federal match requirements and secure maximum federal funding. Employer Dependent Care Collaboration grants from the Agency promote employer participation and leadership in addressing access and quality issues.

(Action Step 1.3) - Increase federal funding for the Child Care and Development Fund to fulfill current policy allowing federal matching funds for child care assistance up to 85% of the state median income.

2003 Response:

See [federal level](#) response to 1.1 above.

2002 Response:

See [federal level](#) response to 1.1 above.

2001 Response:

See [federal level](#) response to 1.1 above.

(Action Step 1.4) - Increase state funding to provide child care subsidies to all eligible families who seek child care assistance.

2003 Response:

The results of the 2003 legislative session and its impact on the 2004-05 child care budget are not yet finalized. However, the signs are good that Texas will be able to increase its child care funding and serve more children in the upcoming biennium.

2002 Response:

See [state level](#) response to 1.1 above.

2001 Response:

See [state level](#) response to 1.1 above.

(Action Step 1.5) - Mobilize federal, state and community resources in support of families who need child care assistance.

2003 Response:

Over the past year, TWC conducted a business plan to investigate the inclusion of child care resource and referral (R&R) services into the Texas 2-1-1 Information and Referral Network offered by the Texas Health and Human Services Commission (HHSC). Depending on the availability of funds, a partnership with HHSC and the 2-1-1 system would allow TWC to maximize its resources, increase the current level of services, and expand its R&R services to the entire state, 24 hours a day, 365 days a year.

2002 Response:

Eligible Pre-K expenditures continue to be certified to the maximum extent allowed, and local workforce boards doubled in FY 2002 the amount of local matching funds obtained over the amount obtained in FY 2001. In order to expand the CCR&R Network, the Lead Agency is exploring a partnership with the statewide 2-1-1 Information and Referral (I&R) system established by the Texas Health and Human Services Commission.

2001 Response:

Eligible Pre-K expenditures are certified to the maximum extent allowed, and local Boards enter into agreements with local, private and public entities for donated, transferred, and certified local funds to be used as state matching funds to draw down maximum federal CCDF dollars. A new Statewide Network of Child Care Resource and Referral (CCR&R) agencies was created 6/15/2000. Goals of the CCR&R Network include capacity building and ensuring that every parent in Texas has easy access to reliable information on child care services in their respective local communities.

Goal 2: States and Communities Should Broaden Their Child Care Eligibility and Subsidy Policies to Meet the Economic, Work and Education Needs of Families

(Action Step 2.1) - Establish co-payments not to exceed 10% of gross family income.

2003 Response:

No action taken.

2002 Response:

2001 Response:

N/A

(Action Step 2.2) - Provide child care assistance to students who qualify under the income guidelines.

2003 Response:

State law provides that parents, including student, enrolled in the Choices employment program receive the highest priority for subsidized child care. Boards may establish additional priority groups, many of which are for teen parents attending school or other educational activities. To be eligible for subsidized child care, teen parents income cannot exceed the total family gross income of 85 percent of the SMI for a family of equal size. The teen parent must be in enrolled high school. The income limit relates to teens living with the child's grandparent(s), those that do not reside with the grandparent, or those who have or were married.

2002 Response:

No response.

2001 Response:

Individuals, including students, enrolled in Choices (TANF Employment) Services are the highest priority for subsidized child care statewide. Students who are teen parents are given a high priority by most of the State's 28 workforce development boards.

(Action Step 2.3) - Explore broad use of income exemptions to address affordability of child care.

2003 Response:

No action taken.

2002 Response:

N/A

2001 Response:

N/A

(Action Step 2.4) - Eliminate asset testing (e.g. automobile or savings account) from criteria for child care assistance.

2003 Response:

Texas does not use an assets test in calculating income eligibility.

2002 Response:

Texas does not use assets test in calculating income eligibility.

2001 Response:

Texas does not use assets test in calculating income eligibility.

(Action Step 2.5) - Index income eligibility levels for inflation.

2003 Response:

No action taken.

2002 Response:

No response.

2001 Response:

N/A

Goal 3: Outreach Initiatives Should Be Designed and Aggressively Implemented to Assure That Families Have Accessible and Easy-To-Understand Information on Child Care Assistance and Are Provided Assistance in Applying.

(Action Step 3.1) - Provide information on child care subsidies through multiple sources, venues and the media.

2003 Response:

Each of the 270 Texas Workforce Centers provides access to information about the availability of child care services. The information includes an overview of subsidized child care services as well as the application process; and, in many cases, a list of available providers; steps to choosing a child care facility; eligibility requirements; and parent costs. Boards also engage the local media to make information regarding child care services available to the public. Child care contractors participate in informational fairs, numerous community coalitions and community activities for children in order to disseminate information to the public. Contractors also collaborate with workforce centers, social service agencies, school districts, colleges and universities, and private businesses to disseminate information and conduct on-site enrollment of children. TWC provides information on child care subsidies through multiple sources, including internet, and general information and technical assistance lines. Boards are also required to provide parents with a consumer guide to child care providers within the workforce area.

2002 Response:

No response.

2001 Response:

The Agency provides information on child care subsidies through multiple sources, including internet access, a general information and technical assistance line, and brochures available at the 144 workforce centers across the state. The Boards are also required to provide parents with a consumer guide to child care providers within the workforce area.

Employer Dependent Care Collaboration grants have been used to produce child care brochures and fact sheets on finding and choosing child care in 17 communities throughout the state. Some Workforce Centers are connected with their area Child Care Resource and Referral agency to provide child care information to parents.

(Action Step 3.2) - Ensure that information is accurate, family friendly, employer friendly, culturally sensitive and provided in multiple languages, as appropriate.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

Information on websites and in brochures developed both at the state and local levels, and targeted both to employers and families, is provided in customer friendly language and formats. The Agency does periodic checks of the information available on the website and updates the brochures as needed. Both the Agency and the Boards have staff that are bilingual in Spanish and English and can provide information as needed. Boards also provide interpreter services for other languages when necessary.

(Action Step 3.3) - Present information in a manner that would remove the stigma associated with receiving subsidies.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

The Board's provide training on customer service, and their client services personnel are expected to provide information in an informative and professional manner that respects the dignity of each prospective applicant.

(Action Step 3.4) - Provide literature and assistance to help parents make informed provider choices.

2003 Response:

See 3.1.

2002 Response:

No response.

2001 Response:

The Agency requires the local workforce development boards to recruit, train and maintain a sufficient number of providers to offer parents a full range of categories of care and types of providers. The Child Care Contractor staff also provide parents with a local consumer guide that lists of all eligible providers, explains the differences between the different types of providers, and indicates which providers offer transportation services, swimming on site, field trips, etc. The staff also give parents information on Texas Rising Star Providers, those providers that voluntarily meet quality criteria that exceed the state's minimum licensing standards for child care facilities.

(Action Step 3.5) - Coordinate ongoing and strategic outreach activities among common organizations and providers.

2003 Response:

Child Care Services staff actively participate with other common organizations on a variety of statewide committees and taskforces. Some of these groups include: "I Am Your Child" Statewide Network Advisory Committee; Community Resource Coordination Group; Children and Families State Team; Healthy Child Care America Statewide Advisory Committee; Information and Referral Network Advisory Committee (211); Social/Emotional Foundation of Early Learning Task Force; Head Start State Collaboration Office Advisory Committee; Military Child Care Project Team; Office of Early Childhood Coordination Advisory Committee; and the Special Nutrition Program Advisory Committee.

2002 Response:

Recent state legislation created within the Texas Health and Human Services Commission a new Office of Early Childhood Coordination. The Texas Workforce Commission, as the CCDF Lead Agency, is represented on and actively participates in the statewide Advisory Committee established by that Office.

A new task force was created in the spring of 2002 to increase the collaboration between Head Start, Child Care, and Pre-K across the state. The goals are to share best practices in early child development and school readiness and to promote and expand full-day/full year programs for children.

A cooperative agreement between the Child Care Bureau and the Head Start Bureau has recently created the Center on the Social and Emotional Foundations for Early Learning. The Center's purpose is to strengthen the capacity of the Head Start system and the Child Care sector to improve the social and emotional outcomes of young children enrolled in care. Texas has been invited by the Center to be one of ten states that will participate in the strategic planning process, which is scheduled to begin in August of 2002.

2001 Response:

Staff in the Agency's Child Care Department actively participate in 6-8 statewide child care committees or task forces with the purpose of identifying opportunities for sharing child care information with Workforce Board staff at the local level. Groups include the Texas I Am Your Child Network, Adult and Child Nutrition Advisory Committee, Advisory Committee to Texas Early Childhood Intervention, Child Care Resource Groups, Registry of Parent Trainers, Texas Information and Referral Advisory Committee, the United Way of Texas child care conference, planning committee, and the State Head Start Collaboration project.

At the local level, Boards have child care advisory committees comprised of representatives from school districts, community colleges, Head Start, employers, early childhood education programs, child care providers CCR&R contractors, and related community-based organizations.

(Action Step 3.6) - Offer cross-training and information to providers, community organizations, faith organizations, and state agencies to inform them about child care assistance programs and how to assist families in filing applications.

2003 Response:

In addition to the activities cited above, information on child care services and the application process is available at the 270 workforce centers across the state. Boards are required to coordinate child care rule making and planning activities with local government agencies and with other local early childhood program providers.

2002 Response:

No response.

2001 Response:

In addition to the activities cited in the foregoing action steps under Goal 3, information on child care services and the application process is available at the 144 workforce centers across the state, and Boards are required to coordinate child care rule making and planning activities with agencies of local government and providers of other early childhood programs at the local level.

Goal 4: The Child Care Application and Redetermination Processes Should Be Uncomplicated and Family Friendly.

(Action Step 4.1) - Simplify applications for child care assistance.

2003 Response:

To improve accessibility, parents may submit applications and eligibility documents in a variety of ways: by mail; phone; e-mail; fax; or in person at the local workforce center or child care contractor's office. Parents may fax or e-mail applications and verification documents 24 hours a day, 7 days a week. Many Boards' contractors are also open for extended hours to accommodate the schedules and needs of working parents.

2002 Response:

No response.

2001 Response:

Texas already has a simplified application process.

(Action Step 4.2) - Allow filing by mail, phone, fax or internet.

2003 Response:

See action step 4.1.

2002 Response:

No response.

2001 Response:

This system is already in place in Texas.

(Action Step 4.3) - Minimize requests for documentation at initial application and utilize documents already on file.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

For families referred for child care services by staff from TANF Employment, Food Stamp Employment and Training, Workforce Investment Act, and Welfare-to-Work services, initial eligibility is determined by staff in those services, and child care intake workers do no further documentation.

(Action Step 4.4) - Provide applications at multiple sites.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

This has been done in Texas for many years.

(Action Step 4.5) - Offer non-conventional hours of operation for eligibility offices and provide toll-free phone lines to include evening and weekend hours.

2003 Response:

See 4.1.

2002 Response:

No response.

2001 Response:

The majority of Child Care Contractors offer a toll-free phone lines for the clients. The Child Care Contractors offer non-conventional hours of operation during peak enrollment periods, including weekend and extended weekday hours.

(Action Step 4.6) - Explore presumptive eligibility or otherwise provide immediate eligibility contingent upon final approval.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

The Lead Agency's Rules allow local Boards to set their own policies in this area. Some Boards do presumptive eligibility.

(Action Step 4.7) - Eliminate requirements for a face-to-face interview both for initial application and for redetermination.

2003 Response:

See 4.1.

2002 Response:

No response.

2001 Response:

This system has been in place in Texas for a number of years.

(Action Step 4.8) - Provide consultation on making appropriate choices when excessive requests for provider changes are filed.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

Contractors' client services staff has been providing this service for a number of years.

(Action Step 4.9) - Establish a 12-month redetermination period where there are no changes in income or job status.

2003 Response:

TWC rules are flexible in allowing boards to establish their own redetermination periods, which are 6 or 12 months typically.

2002 Response:

No response.

2001 Response:

Each of the State's 28 Workforce Boards establishes their own re-determination periods. Many of those Boards have instituted a 12-month period.

(Action Step 4.10) - Continue eligibility for full subsidy for 12 weeks if family loses employment but can document that a job search is underway.

2003 Response:

No action taken.

2002 Response:

No response.

2001 Response:

N/A

Goal 5: Establish a Coordinated, Seamless Eligibility System So That Funding Sources Are Invisible to Families and Support Continuity of Child Care.

(Action Step 5.1) - Eliminate the need for families to reapply when eligibility categories change by automatically searching to exhaust all eligibility categories before closing cases.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

This system has been in place in Texas for a number of years.

(Action Step 5.2) - Explore the potential for policy and procedural changes to achieve linkages with or combined applications for child care assistance, Head Start, Pre-K and Title I.

2003 Response:

In 2002, TWC coordinated a new statewide work group to address collaboration between Head Start, Child Care, and Pre-K. In developing and implementing the guidelines, the work group plans to:

- Review and update the guidelines for relevance in all child care settings;
- Collect feedback and input from statewide early childhood organizations, child care providers, and parents;
- Revise guidelines based on the feedback and input;
- Develop a plan to train teachers and caregivers on the substance, use, and implementation of the guidelines; and
- Train teachers and caregivers on the guidelines.

2002 Response:

No response.

2001 Response:

Recent legislation enacted by the Texas Legislature requires that children co-enrolled in Pre-K or Head Start and child care services will remain eligible for child care services without eligibility re-determination as long as they or enrolled in the Head Start or Pre-K program.

(Action Step 5.3) - Continue eligibility in programs with multiple funding sources to assure continuity of care in the event that eligibility has expired or terminated in one program.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

This system has been in place in Texas for several years.

(Action Step 5.4) - Work collaboratively with all public and private programs and funding sources to assure that children receive stable and consistent early child care services.

2003 Response:

See Step 5.2.

2002 Response:

No response.

2001 Response:

Each local Board is required to collaborate with public and private programs in the workforce area to maximize resources and stabilize early child care services for children and their families. See response the Action Step 3.5 above.

Goal 6: Establish Customer Service Outcome Goals and Set Standards to Ensure that All Families are Treated With Dignity and Respect and Are Served in an Efficient Manner.

(Action Step 6.1) - Provide professional and well-trained eligibility staff who are culturally and linguistically sensitive.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

In Texas, Child Care Contractors employ the staff that completes the eligibility determinations. Child Care Contractors are contracted entities with the Local Workforce Development Boards. The training of these staff is primarily the responsibility of the contractor and the Board. The Agency provides an email address and a telephone number that is available Monday – Friday for all technical assistance questions and/or concerns that may arise with the child care program. Child Care Services staff is available to provide on-site technical assistance for training on Federal regulations, TWC rules and policy interpretation.

(Action Step 6.2) - Facilitate quick eligibility determination through reasonable caseloads and/or administrative structure.

2003 Response:

See 4.1.

2002 Response:

No response.

2001 Response:

Applications may be taken and available services discussed at multiple sites, and face-to-face interviews are not required.

(Action Step 6.3) - Conduct periodic, independent and thorough consumer satisfaction assessments, assuring the confidentiality of information collected.

2003 Response:

We continue to conduct annual mystery shopper visits.

2002 Response:

No response.

2001 Response:

During the state fiscal year that ended 8-31-01, the Agency performed a child care "mystery shopper" survey in which Agency staff went incognito to workforce centers across the state posing as parents applying for subsidized child care. The survey focused on the overall quality of customer services. Results were shared with the respective Boards. In addition, 16 of the Boards have conducted their own customer satisfaction surveys, generally via a follow-up questionnaire. Those results have been used by the Boards to determine resource and staff training needs.

(Action Step 6.4) - Provide adequate support for child care resource and referral services.

2003 Response:

Over the past year, TWC conducted a business plan to investigate the inclusion of child care resource and referral (R&R) services into the Texas 2-1-1 Texas Information and Referral Network offered by the Texas Health and Human Services Commission (HHSC). Depending on the availability of funds, a partnership with HHSC and the 2-1-1 system would allow TWC to maximize its resources, increase the current level of services, and expand its R&R services to the entire state, 24 hours a day, 365 days a year.

2002 Response:

In order to expand the CCR&R Network, the Lead Agency is exploring a partnership with the statewide 2-1-1 Information and Referral (I&R) system established by the Texas Health and Human Services Commission.

2001 Response:

TWC provides grants to most of the state's 8 Child Care Resource and Referral (CCR&R) agencies for special activities targeting employer support for child care. In addition, \$1 million a year supports the Statewide CCR&R Network, which expands agency capacity to serve parents and collects data on child care supply and demand across the state.

Goal 7: Design the Subsidy System So That Rate Structures Assure That Families Receiving Child Care Assistance Have Access to All Types of Child Care and Disallow Charges Above Established Co-Payments.

(Action Step 7.1) - States should cap reimbursement rates at no less than the 75th percentile based on a market rate survey conducted every two years that accurately reflects the price of all types of care in communities across the state.

2003 Response:

The market rate survey conducted in 2001 did not provide an adequate sampling within each of the 28 Board areas and therefore those distinct child care markets were not considered in the survey sample. TWC, through a competitive procurement process in the Spring of 2003, contracted with the University of Texas at Austin's School of Social Work to conduct a new, statewide market rate survey. The survey is currently in progress, and the contractor's statement of work requires that the survey include a statistically valid sample for each category of care in each of the 28 workforce areas, and also requires that child care facilities serving TWC subsidized children not be excluded from the sample. Such facilities were excluded in the last statewide market rate survey. The data collection phase of the current market rate survey will be completed late in the fall of 2003, and the results will be provided to the Boards in January 2004.

2002 Response:

Planning is currently underway for the next Market Rate Survey, which will be conducted in 2003 in each of Texas' twenty-eight workforce development board areas.

2001 Response:

Market rate surveys are conducted every two years and are a major consideration in the reimbursement rates established by the local Boards.

(Action Step 7.2) - Establish and evaluate reimbursement policies that encourage provider participation and are responsive to family needs.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

All child care policies established at the local Board level, including reimbursement rates, are developed through a public process and must be approved by the Board, which is comprised of a variety of stakeholders, including providers. Each Board's child care advisory committee is also comprised of a variety of stakeholders, including providers and parents.

(Action Step 7.3) - Prohibit providers from charging above the established co-payments.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

Agreements between each Board's child care contractor and individual providers that agree to accept subsidized children require the provider to charge the parents no more than the Board's established parent co-pay amount.

Goal 8: Create Partnerships With Employers to Expand Child Care Assistance for Working Families.

(Action Step 8.1) - Educate employers about the bottom line benefits associated with public and private child care assistance.

2003 Response:

TWC's Texas Work & Family Clearinghouse provides information and links to resources on work-family programs and policies for employers, employees, policymakers, and the public. The web site can be accessed at <http://www.twc.state.tx.us/svcs/workfamch/wfchp.html>.

2002 Response:

For FY 2003, Employer Dependent Care Collaborative grants will focus on the assessment of employees' dependent care needs within five targeted areas throughout the state. The Collaboratives will be responsible for distributing the findings to key stakeholders, and developing a business plan to address the identified dependent care needs in a sustainable manner.

2001 Response:

A 5-year effort to provide information to employers and promote their leadership in community child care issues provides grants to communities, primarily for administrative costs. Employers identify child care improvement projects to undertake, and then pay for them with donations. These projects have provided a return on the state's investment of 200 to 300 percent each year.

(Action Step 8.2) - Enlist business leaders to champion the involvement of southern businesses and to serve as mentors to other businesses.

2003 Response:

No action taken.

2002 Response:

No response.

2001 Response:

At the Regional Conference of the National Association of Child Care Resource and Referral agencies in Houston in July 2001, 80 Texas employers received recognition and an engraved award for their work-family practices. These employers often serve as mentors to other business leaders. Over 100 employers throughout the state have supported the Employer Dependent Care Collaborations, many of which were initiated with grants from the CCDF Lead Agency. Participating employers include many Fortune 500 companies.

(Action Step 8.3) - Provide information to employers on all available tax benefits related to child care assistance, including deductions for donations to tax-exempt child care organizations, capital costs for constructing a child care center and establishing a pre-tax dependent care assistance plan.

2003 Response:

Texas law provides for a child care franchise tax credit for employers. The credit amounts to the lesser of \$50,000 or 50 percent of a corporation's qualifying expenditures for the establishment and operation of a day care center and/or the purchase of child care services for its employees. A similar franchise tax credit has also been instituted for 30 percent of a corporation's qualifying expenditures on "school-aged child care" in Texas. Since the tax credit was first implemented in January 2000, 21 of the state's employers have submitted claims totaling \$4.5 million in tax credits.

Employers may provide eligible employees up to \$5,000 a year in tax-free child care benefits through the Dependent Care Assistance Program (DCAP). Through this arrangement, employees do not have to pay federal income tax and employers do not have to pay employment tax, and neither has to pay payroll taxes on benefits offered through the DCAP. Benefits include cash reimbursements, vouchers, and provision of child care. Most commonly, these arrangements are made through an employer's payroll reduction plan where employees set aside small amounts throughout the year to cover child and dependent care expenses.

You may access information about these tax credit benefits through TWC's web site at <http://www.twc.state.tx.us/svcs/workfamch/parlist.html#taxcr>.

2002 Response:

In June of 2002, the web site for the Work & Family Clearinghouse was re-organized into a more user-friendly format with updated information. This is the first time since 1998 that the web site has been improved. The information is now easier to access, and users may search by topic/subject from an established list provided on the Clearinghouse home page.

2001 Response:

The website of the Work & Family Clearinghouse at the Lead Agency and staff at the website e-mail address, field messages from employers and workers about tax benefits and other programs and policies to support families in the workplace and the community. A link from the Lead Agency's website to the State Comptroller's office provides information and instructions for obtaining an employer-tax credit for on-site child care services.

(Action Step 8.4) - Facilitate collaborative initiatives that enable employers to share ideas as well as pool their resources to address child care needs.

2003 Response:

No change.

2002 Response:

For FY 2003, Employer Dependent Care Collaborative grants will focus on an assessment of employees' dependent care needs within five local areas throughout the state. Collaboratives are responsible for distributing the findings to key stakeholders, and developing a business plan for addressing those needs in a sustainable manner. Only five grants are being awarded for FY 2003, with a more specific focus and a requirement for a comprehensive report at the end of the grant.

2001 Response:

Employer Dependent Care Collaborations are employer-led, community level groups, which study local child, care systems. They propose improvements to the child care system in order to align services to workforce needs. When employers of the group have selected a project to fund, they provide donations to cover the costs. The Lead Agency provides grants to these groups to start-up or expand their activities. As of August 2001, 17 such Collaborations are operational.

(Action Step 8.5) - Provide matching funds or other tax or financial incentives for employers to invest in child care.

2003 Response:

See 8.3.

2002 Response:

No response.

2001 Response:

A tax credit was enacted by the Texas Legislature in 1999 as an incentive for employers to provide child care at the business site or to provide vouchers to employees to help defray child care costs.

(Action Step 8.6) - Establish incentives for employers to create child care benefit programs for their employees or to contribute to child care purchasing pools in their state or community.

2003 Response:

No change.

2002 Response:

Employer Dependent Care Collaborative grants focus on the assessment of employees' dependent care needs. Collaboratives are responsible for distributing the findings to key stakeholders, and developing a business plan for addressing those needs in a sustainable manner, which may include child care purchasing pools as well as vouchers for services

2001 Response:

No response.

(Action Step 8.7) - Reduce the administrative burden on employers participating in any joint public/private child care assistance program.

2003 Response:

No change.

2002 Response:

The Employer Dependent Care Collaborative grants described in 8.6 (above) assist employers in developing efficient ways to meet their employees' child care needs.

2001 Response:

A tax credit was enacted by the Texas Legislature in 1999 as an incentive for employers to provide child care at the business site or to provide vouchers to employees to help defray child care costs.

Goal 9: Provide Child Care Assistance to Working Families Through Federal and State Tax Laws.

(Action Step 9.1) - Make the federal child dependent care tax credit refundable.

2003 Response:

Not applicable to states.

2002 Response:

No response.

2001 Response:

N/A

(Action Step 9.2) - Establish refundable child and dependent care tax credits in states with income taxes.

2003 Response:

No action taken.

2002 Response:

No response.

2001 Response:

N/A

(Action Step 9.3) - Raise federal and state child care tax credit expense limits to accurately reflect the price of quality care.

2003 Response:

No action taken.

2002 Response:

No response.

2001 Response:

N/A

(Action Step 9.4) - Index for inflation the state and federal child and dependent care tax credit income eligibility and expense limits.

2003 Response:

No action taken.

2002 Response:

No response.

2001 Response:

N/A

(Action Step 9.5) - Ensure that child and dependent care tax credits are clearly identified and easy to claim by filers using either the short or long form.

2003 Response:

No action taken.

2002 Response:

No response.

2001 Response:

N/A

(Action Step 9.6) - Encourage the use of effective state tax strategies to provide financial support for child care.

2003 Response:

See 8.3.

2002 Response:

No response.

2001 Response:

The Agency has promoted the state employer child care tax credit for on-site child care services and after-school programs by linking the TWC website to the State Comptroller's website, which offers instructions for qualifying for and obtaining the tax credit. The TWC Commissioners promote the employer child care tax credit through agency newsletters and conferences.

Goal 10: States Should Have Effective, Coordinated Systems to Guide Child Care and Early Childhood Policy Decisions and Direct Use of Resources.

(Action Step 10.1) - Facilitate greater coordination in eligibility policies across child care and early childhood education programs at state and local levels.

2003 Response:

The Texas Education Agency and the University of Texas Health Science Center-Houston's Center for Improving the Readiness of Children for Learning and Education (CIRCLE) have teamed up with the Governor's Office to implement Governor Perry's Early Start Initiatives. This initiative will align the state's existing Pre-K standards with curriculum materials provided to Head Start, child care facilities, faith-based groups, and pre-K classrooms that will help expand pre-school learning and better prepare children for school.

2002 Response:

No response.

2001 Response:

See response to Action Step 5.2.

(Action Step 10.2) - All southern states and the District of Columbia should participate in a collaborative effort to develop and collect common data elements across states.

2003 Response:

No change.

2002 Response:

No response.

2001 Response:

Texas participated in the survey of 17 southern states conducted by the Southern Institute during calendar year 2000.