

# HOW CAN WE IMPROVE OUR PARENT CO-PAYMENT SYSTEM?

*Making child care affordable for families in the subsidy program*

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## HIGHLIGHTS

- *Texas has some of the highest co-payments in the U.S.*
- *Tying co-payment fees to Texas Rising Star (TRS) participation is one promising strategy for both supporting families and increasing the number of high quality choices available to parents.*

The majority of parents served through the Texas Workforce Commissions' (TWC) subsidized child care program must be low-income and either working or going to school. By definition, these families are facing different constraints and choices than their higher-income counterparts. They often have to choose child care based on cost, location, and hours of operation.

While parents want the best for their children, families struggling to make ends meet can often be too over-burdened to have the luxury of prioritizing quality programming when making child care choices. Without parents demanding quality care, the supply side of the market carries great responsibility in improving access to quality. However, some Local Workforce Development Boards (Local Boards) are finding success in helping families prioritize quality.

Parents in the subsidy program pay a co-pay for subsidized child care based on their income, number of their children in care, and the Local Board in which they reside. Texas has the 12th highest co-pays in the U.S., ranging from \$0 to \$450 per month for one child in care.<sup>1</sup> Parents who are low-income are often constrained by their family's practical needs and circumstances when choosing a child care provider, which can mean they are unable to prioritize program quality. This issue is magnified by the low supply of child care providers certified quality through Texas Rising Star (TRS) – ranging from 9% to 42% of eligible child care providers in each Local Board.<sup>2</sup>

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A few Local Boards reduce or are working to reduce the co-pay when a parent chooses a Texas Rising Star (TRS)-certified provider in order to minimize the cost burden and empower parents to prioritize quality. For the Tarrant County Local Board, this effort led parents to start asking whether potential child care providers were TRS, which boosted child care provider participation in TRS by more than 50%, impacting over 10,600 children from 0 to 13 years of age. This excludes the nearly 50 facilities that have since requested and are beginning the process of TRS certification.<sup>3</sup> This example illustrates that quality improvements to the early childhood education (ECE) system need not focus exclusively on child care providers, who represent the supply side of the equation. Here, increased demand for quality among parents led to an increased supply in quality options.

This is a truly promising strategy, and it is likely that other Local Boards and the families they serve could benefit from this promising practice.

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## NOTES:

1. Texas Workforce Commission. (2018). Child Care and Development Fund (CCDF) 2019-2021 state plan preprint.
2. TRS Provider Data. (2019). Retrieved from <https://twc.texas.gov/files/partners/trs-providers-data-twc.pdf>
3. Child Care Associates. (2018, May 4). Co-pay reduction fact sheet.



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