

BCY'25 CCS Deferred Allocations

Discussion Paper

Background

During Board Contract Year 2025 (BCY'25), the Texas Workforce Commission launched the Texas Child Care Connection (TX3C), the new child care case management system. With the launch, Local Workforce Development Boards (Boards) and their child care contractors had to learn to navigate a new case management system, including working through several post-launch implementation challenges. As a result, some Boards were not able to enroll as many children into the Child Care Services (CCS) program as anticipated and have BCY'25 child care fund balances.

Issue 1: BCY'25 Child Care Allocation Deferral

Boards who have available balances in BCY'25 would like to retain these funds, so these funds remain within their workforce area to meet the child care needs of their families. In order to do this, the Child Care & Early Learning Division (CC&EL) is recommending that the Texas Workforce Commission's three-member Commission (Commission), allow Boards to defer a portion of their BCY'25 child care allocation into their BCY'26 child care allocation.

This allocation deferral is being considered under the Commission's rules, [§800.76. Voluntary Deobligation of Funds](#), and [§800.77. Reallocation of Funds](#). The following Boards have requested a voluntary deobligation, and reallocation of funds (allocation deferral of Child Care Funds (CCF) from BCY'25 to BCY'26):

- Borderplex \$3,500,000
- Central Texas \$1,750,000
- Heart of Texas \$1,750,000
- Panhandle \$2,300,000
- West Central \$800,000

Issue 2: BCY'25 Performance Targets

With the reduction in BCY'25 child care funds, CC&EL recommends the following changes to the Board's BCY'25 contracted target:

Board	Original BCY'25 CCS Target	New BCY'25 CCS Target
Borderplex	8,102	7,486
Central Texas	3,380	3,115
Heart of Texas	2,594	2,308
Panhandle	2,653	2,307
West Central	1,926	1,790

Attachment 1 is the updated BCY'25 CCS Allocations and Distributions, reflecting these changes.

Issue 3: BCY'26 Performance Targets

CC&EL recommends that 100 percent of the allocation deferral amount be used in the calculation of the average children per day, with no additional funds being set-aside for administration and operational costs. With the increase in BCY'26 child care funds, CC&EL recommends the following changes to the Board's BCY'26 contracted target:

Board	Original BCY'26 CCS Target	New BCY'26 CCS Target	Increase in BCY'26 of
Borderplex	7,681	8,235	554
Central Texas	3,622	3,882	260
Heart of Texas	2,616	2,886	270
Panhandle	2,615	2,929	314
West Central	1,837	1,956	119

These allocation deferrals will result in a BCY'26 Average Number of Children Served Per Day performance measure increase of 1,517, bringing the total to 149,773. Attachment 2 is the updated BCY'26 CCS Performance Targets, reflecting these changes.

Decision Point

Staff recommends that the Commission

- approve an allocation deferral, under the Commission's Deobligation and Reallocation rules, as described above; and
- approve CCS performance target adjustments for the average number of children served per day, as described above.

Attachment 1 – Updated BCY'25 Targets with Allocations and Deferrals

Board Name	#	BCY25 Base Allocation	BCY25 2% Quality Allocation	Amount Available to Operate the Subsidized CC Program	Admin Ops New Recommendation	Admin Ops % of Total	Forecasted Amount Minus Admin Ops Cost	BCY25 to BCY26 Deferrals	Forecasted Amount Minus Admin Ops Cost Minus Deferrals	Forecasted Avg Provider Payment Rate	Forecasted PSOC Per Unit	Forecasted System Cost Per Unit	BCY25 Allocation Target
Panhandle	1	\$20,576,614	\$411,532	\$20,165,082	\$2,534,121.97	12.57%	\$17,630,960	(\$2,300,000)	\$15,330,960	\$30.09	\$4.62	\$25.47	2,307
South Plains	2	\$20,284,137	\$405,683	\$19,878,454	\$1,780,091.76	8.95%	\$18,098,362	\$0	\$18,098,362	\$29.71	\$4.07	\$25.64	2,705
North Texas	3	\$9,244,049	\$184,881	\$9,059,168	\$1,271,024.80	14.03%	\$7,788,143	\$0	\$7,788,143	\$27.48	\$4.02	\$23.46	1,272
North Central	4	\$88,978,222	\$1,779,564	\$87,198,658	\$11,200,580.35	12.84%	\$75,998,077	\$0	\$75,998,077	\$37.00	\$4.60	\$32.40	8,987
Tarrant County	5	\$88,131,380	\$1,762,628	\$86,368,752	\$8,203,494.90	9.50%	\$78,165,258	\$0	\$78,165,258	\$38.83	\$4.42	\$34.42	8,702
Dallas County	6	\$132,666,856	\$2,653,337	\$130,013,519	\$8,574,109.97	6.59%	\$121,439,409	\$0	\$121,439,409	\$34.85	\$4.34	\$30.52	15,248
North East	7	\$13,039,672	\$260,793	\$12,778,879	\$1,841,362.11	14.41%	\$10,937,516	\$0	\$10,937,516	\$26.17	\$4.10	\$22.06	1,899
East Texas	8	\$39,314,097	\$786,282	\$38,527,815	\$6,131,210.91	15.91%	\$32,396,604	\$0	\$32,396,604	\$25.54	\$4.08	\$21.47	5,783
West Central	9	\$13,728,766	\$274,575	\$13,454,191	\$2,104,316.11	15.64%	\$11,349,875	(\$800,000)	\$10,549,875	\$26.42	\$3.84	\$22.58	1,790
Borderplex	10	\$52,678,860	\$1,053,577	\$51,625,283	\$5,566,254.17	10.78%	\$46,059,029	(\$3,500,000)	\$42,559,029	\$25.27	\$3.48	\$21.78	7,486
Permian Basin	11	\$22,612,014	\$452,240	\$22,159,774	\$2,378,518.87	10.73%	\$19,781,255	\$0	\$19,781,255	\$29.68	\$4.04	\$25.64	2,956
Concho Valley	12	\$5,773,806	\$115,476	\$5,658,330	\$1,152,512.53	20.37%	\$4,505,817	\$0	\$4,505,817	\$26.30	\$4.63	\$21.67	797
Heart of Texas	13	\$18,392,219	\$367,844	\$18,024,375	\$2,124,488.67	11.79%	\$15,899,886	(\$1,750,000)	\$14,149,886	\$27.53	\$4.04	\$23.49	2,308
Capital Area	14	\$41,642,973	\$832,859	\$40,810,114	\$6,233,147.79	15.27%	\$34,576,966	\$0	\$34,576,966	\$47.18	\$4.83	\$42.35	3,129
Rural Capital	15	\$33,805,227	\$676,105	\$33,129,122	\$6,693,453.25	20.20%	\$26,435,669	\$0	\$26,435,669	\$37.12	\$5.43	\$31.69	3,196
Brazos Valley	16	\$14,209,024	\$284,180	\$13,924,844	\$2,039,024.46	14.64%	\$11,885,819	\$0	\$11,885,819	\$30.85	\$3.96	\$26.89	1,694
Deep East	17	\$19,204,819	\$384,096	\$18,820,723	\$1,681,291.19	8.93%	\$17,139,431	\$0	\$17,139,431	\$25.88	\$3.58	\$22.30	2,945
Southeast	18	\$18,625,344	\$372,507	\$18,252,837	\$1,896,274.91	10.39%	\$16,356,562	\$0	\$16,356,562	\$25.25	\$3.04	\$22.21	2,821
Golden Crescent	19	\$8,321,144	\$166,423	\$8,154,721	\$1,088,116.72	13.34%	\$7,066,604	\$0	\$7,066,604	\$24.05	\$3.51	\$20.55	1,318
Alamo	20	\$121,144,013	\$2,422,880	\$118,721,133	\$7,714,098.74	6.50%	\$111,007,034	\$0	\$111,007,034	\$33.93	\$4.25	\$29.67	14,335
South Texas	21	\$20,444,595	\$408,892	\$20,035,703	\$2,320,056.25	11.58%	\$17,715,647	\$0	\$17,715,647	\$26.34	\$2.80	\$23.54	2,884
Coastal Bend	22	\$29,757,234	\$595,145	\$29,162,089	\$4,319,643.11	14.81%	\$24,842,446	\$0	\$24,842,446	\$33.00	\$4.26	\$28.74	3,312
Lower Rio	23	\$80,050,476	\$1,601,010	\$78,449,466	\$6,688,803.00	8.53%	\$71,760,663	\$0	\$71,760,663	\$29.27	\$3.45	\$25.82	10,650
Cameron	24	\$32,448,009	\$648,960	\$31,799,049	\$2,564,407.61	8.06%	\$29,234,641	\$0	\$29,234,641	\$34.54	\$3.61	\$30.92	3,622
Texoma	25	\$8,384,486	\$167,690	\$8,216,796	\$789,865.56	9.61%	\$7,426,931	\$0	\$7,426,931	\$26.92	\$4.62	\$22.30	1,276
Central Texas	26	\$26,833,314	\$536,666	\$26,296,648	\$3,960,267.62	15.06%	\$22,336,380	(\$1,750,000)	\$20,586,380	\$29.05	\$3.73	\$25.32	3,115
Middle Rio	27	\$11,028,515	\$220,570	\$10,807,945	\$1,413,238.14	13.08%	\$9,394,707	\$0	\$9,394,707	\$29.36	\$3.34	\$26.03	1,383
Gulf Coast	28	\$327,842,688	\$6,556,854	\$321,285,834	\$25,137,385.68	7.82%	\$296,148,449	\$0	\$296,148,449	\$35.52	\$3.60	\$31.92	35,547
Sum of Boards	99	\$1,319,162,553	\$26,383,251	\$1,292,779,302	\$129,401,161	10.01%	\$1,163,378,141	(\$10,100,000)	\$1,153,278,140.80	\$32.76	\$3.96	\$28.79	153,467

Attachment 2 – Updated BCY'26 Targets with Allocations and Deferrals

Board Name	#	BCY26 Base Allocation	BCY26 2% Quality Allocation	Amount Available to Operate the Subsidized CC Program	Admin Ops New Recommendation	Admin Ops % of Total	Forecasted Amount Minus Admin Ops Cost	BCY25 to BCY26 Deferrals	Forecasted Amount Minus Admin Ops Cost Plus Deferrals	Forecasted Avg Provider Payment Rate	Forecasted PSOC Per Unit	Forecasted System Cost Per Unit	BCY26 Allocation Target
Panhandle	1	\$22,395,962	\$466,583	\$21,929,379	\$2,756,523	12.57%	\$19,172,856	\$2,300,000	\$21,472,856	\$32.16	\$4.07	\$28.09	2,929
South Plains	2	\$22,096,483	\$460,343	\$21,636,140	\$1,936,435	8.95%	\$19,699,705	\$0	\$19,699,705	\$32.05	\$4.12	\$27.93	2,703
North Texas	3	\$9,928,324	\$206,840	\$9,721,484	\$1,363,924	14.03%	\$8,357,560	\$0	\$8,357,560	\$29.03	\$4.37	\$24.66	1,298
North Central	4	\$98,906,703	\$2,060,556	\$96,846,147	\$12,435,045	12.84%	\$84,411,102	\$0	\$84,411,102	\$44.25	\$4.40	\$39.85	8,116
Tarrant County	5	\$95,992,184	\$1,999,837	\$93,992,347	\$8,929,273	9.50%	\$85,063,074	\$0	\$85,063,074	\$43.98	\$4.58	\$39.39	8,273
Dallas County	6	\$141,298,583	\$2,943,721	\$138,354,862	\$9,117,585	6.59%	\$129,237,277	\$0	\$129,237,277	\$42.51	\$4.38	\$38.13	12,987
North East	7	\$14,235,845	\$296,580	\$13,939,265	\$2,008,648	14.41%	\$11,930,617	\$0	\$11,930,617	\$28.67	\$3.87	\$24.80	1,843
East Texas	8	\$42,284,542	\$880,928	\$41,403,614	\$6,587,315	15.91%	\$34,816,299	\$0	\$34,816,299	\$28.65	\$4.15	\$24.50	5,444
West Central	9	\$14,856,779	\$309,516	\$14,547,263	\$2,275,192	15.64%	\$12,272,071	\$800,000	\$13,072,071	\$29.10	\$3.50	\$25.60	1,956
Borderplex	10	\$55,452,450	\$1,155,259	\$54,297,191	\$5,853,237	10.78%	\$48,443,954	\$3,500,000	\$51,943,954	\$28.26	\$4.10	\$24.17	8,235
Permian Basin	11	\$25,263,475	\$526,322	\$24,737,153	\$2,654,297	10.73%	\$22,082,856	\$0	\$22,082,856	\$31.65	\$4.01	\$27.64	3,061
Concho Valley	12	\$6,418,375	\$133,716	\$6,284,659	\$1,280,185	20.37%	\$5,004,474	\$0	\$5,004,474	\$26.68	\$4.84	\$21.84	878
Heart of Texas	13	\$19,617,939	\$408,707	\$19,209,232	\$2,264,768	11.79%	\$16,944,464	\$1,750,000	\$18,694,464	\$28.76	\$3.94	\$24.82	2,886
Capital Area	14	\$44,809,366	\$933,528	\$43,875,838	\$6,699,840	15.27%	\$37,175,998	\$0	\$37,175,998	\$47.82	\$4.68	\$43.14	3,302
Rural Capital	15	\$37,292,320	\$776,923	\$36,515,397	\$7,376,110	20.20%	\$29,139,287	\$0	\$29,139,287	\$38.81	\$4.92	\$33.89	3,294
Brazos Valley	16	\$15,684,499	\$326,760	\$15,357,739	\$2,248,373	14.64%	\$13,109,366	\$0	\$13,109,366	\$33.47	\$3.81	\$29.66	1,693
Deep East	17	\$20,859,230	\$434,567	\$20,424,663	\$1,823,922	8.93%	\$18,600,741	\$0	\$18,600,741	\$28.54	\$3.45	\$25.08	2,841
Southeast	18	\$20,524,902	\$427,602	\$20,097,300	\$2,088,109	10.39%	\$18,009,191	\$0	\$18,009,191	\$28.10	\$3.07	\$25.02	2,758
Golden Crescent	19	\$9,201,820	\$191,705	\$9,010,115	\$1,201,949	13.34%	\$7,808,166	\$0	\$7,808,166	\$26.74	\$3.61	\$23.13	1,293
Alamo	20	\$130,849,352	\$2,726,028	\$128,123,324	\$8,328,016	6.50%	\$119,795,308	\$0	\$119,795,308	\$39.30	\$3.98	\$35.32	12,994
South Texas	21	\$22,364,651	\$465,930	\$21,898,721	\$2,535,872	11.58%	\$19,362,849	\$0	\$19,362,849	\$29.67	\$3.17	\$26.49	2,800
Coastal Bend	22	\$32,265,621	\$672,200	\$31,593,421	\$4,678,986	14.81%	\$26,914,435	\$0	\$26,914,435	\$35.59	\$4.10	\$31.49	3,274
Lower Rio	23	\$89,323,469	\$1,860,906	\$87,462,563	\$7,460,557	8.53%	\$80,002,006	\$0	\$80,002,006	\$33.90	\$3.22	\$30.68	9,990
Cameron	24	\$34,762,114	\$724,211	\$34,037,903	\$2,743,455	8.06%	\$31,294,448	\$0	\$31,294,448	\$39.95	\$3.85	\$36.09	3,322
Texoma	25	\$9,296,493	\$193,677	\$9,102,816	\$874,781	9.61%	\$8,228,035	\$0	\$8,228,035	\$30.45	\$4.35	\$26.10	1,208
Central Texas	26	\$29,246,571	\$609,304	\$28,637,267	\$4,312,772	15.06%	\$24,324,495	\$1,750,000	\$26,074,495	\$29.87	\$4.14	\$25.73	3,882
Middle Rio	27	\$11,996,209	\$249,921	\$11,746,288	\$1,536,414	13.08%	\$10,209,874	\$0	\$10,209,874	\$31.47	\$3.62	\$27.85	1,405
Gulf Coast	28	\$358,805,016	\$7,475,107	\$351,329,909	\$27,473,999	7.82%	\$323,855,910	\$0	\$323,855,910	\$39.08	\$3.70	\$35.37	35,078
Sum of Boards	99	\$1,436,029,277	\$29,917,277	\$1,406,112,000	\$140,845,584	10.02%	\$1,265,266,416	\$10,100,000	\$1,275,366,416	\$36.60	\$3.97	\$32.63	149,743