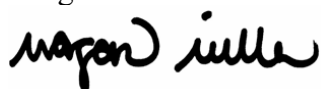


TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 05-25
Date:	August 11, 2025
Keyword:	Child Care; Fiscal-Allocations
Effective:	October 1, 2025

To: Local Workforce Development Board Executive
Directors Commission Executive Offices
Integrated Service Area Managers



From: Reagan Miller, Director, Child Care & Early Learning Division

Subject: Board Contract Year 2026 Child Care Funding

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with guidance on Board Contract Year 2026 (BCY 2026) child care allocations and distributions for the Child Care Services (CCS) program.

RESCISSIONS:

None

BACKGROUND:

On July 8, 2025, the Texas Workforce Commission's (TWC) three-member Commission (Commission) approved the following items for BCY 2026:

- CCS Board allocations for direct care and the state-mandated 2 percent dedicated to child care quality improvement activities
- Distribution of an additional 4 percent in child care quality improvement funding
- Distribution for Texas Rising Star mentor staffing
- Distribution to support Board participation in the annual Child Care Quality Improvement Strategic Planning meeting
- Average Children Served per Day performance targets

PROCEDURES:

No Local Flexibility (NLF): This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by "must."

Local Flexibility (LF): This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by "may" or

“recommend.”

NLF: Boards must inform staff that the Commission approved \$1,436,029,277 to be allocated to all Boards for CCS. The allocation includes the state-mandated 2 percent quality improvement funding totaling \$29,917,277.

NLF: Boards must inform staff that the Commission set BCY 2026 child care performance targets for each Board as detailed in Attachment 1: Board Contract Year 2026 Child Care Allocations, Distributions, and Average Children Served per Day Target. The average number of children served per day is a contracted measure.

NLF: Boards must inform staff that the Commission approved distribution of an additional 4 percent for quality improvement activities, totaling \$59,834,553. TWC provided Boards with parameters on using the Child Care 4 percent funds in [WD Letter 16-24, Change 1](#), issued November 20, 2024, and titled “Child Care Quality Funds Expenditure Plan and Report—Update.”

NLF: Boards must inform staff that the Commission approved the distribution of \$31,000,000 for BCY 2026 Texas Rising Star mentor staffing.

NLF: Boards must inform staff that the Commission approved the distribution of funding to support the BCY 2026 Child Care Quality Improvement Strategic Planning meeting. Each Board will receive funding to support staff attendance at this event.

INQUIRIES:

Send inquiries regarding this WD Letter to childcare.programassistance@twc.texas.gov.

ATTACHMENTS:

Attachment 1: Board Contract Year 2026 Child Care Allocations, Distributions, and Average Children Served per Day Target

REFERENCES:

None