

Updates to BCY25 CC Average Children Served Per Day Performance Targets Discussion Paper

1 **Background**

2 The Texas Workforce Commission’s three-member Commission (Commission) sets performance
3 standards and targets for the Local Workforce Development Boards (Boards). On September 10,
4 2024, the Commission [approved](#) the Board Contract Year 2025 (BCY’25) Child Care Services
5 (CCS) performance measures and targets for the following two measures:

- 6 • Average Number of Children Served Per Day
- 7 • Initial Job Search Success Rate

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9 Staff is bringing back updates for the Average Children Served per Day targets.

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11 **Issue**

12 Staff is recommending updates to the BCY’25 CCS Average Number of Children Served Per
13 Day targets. When staff developed the performance target methodology, there was an attempt to
14 simplify the administration and operations (admin/ops) model. However, this occurred very late
15 in the process and needed to do additional analysis based on the simplification. Instead, staff
16 applied the original analysis to the simplified model and it had negative impacts.

17 The shift from two admin/ops measures to one coupled with the misapplication of the original
18 analysis, resulted in some of the most efficient Boards having their admin/ops set aside adjusted
19 further downward. Historically, TWC has always tried to reward the most efficient by giving
20 them a little breathing room in the formula.

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22 Staff have now completed the admin/ops analysis that should have been done when the model
23 was simplified and applied that update to the rest of the original model. The corrected model
24 continues to look at recent Rolling 12-month) R12 data from the Agency’s Cash Draw and
25 Expenditure Report (CDER) system. The corrected model adjusts (or “norms”) the assumed
26 admin/ops costs by establishing an expectation that Boards with higher relative admin/ops
27 expenses should try to become somewhat more efficient, and while recognizing that already very
28 efficient Boards with lower admin/ops costs may incur higher operating expenses as they scale
29 up to serve more children. Increases, and decreases, in relative admin/ops expenditures are
30 capped at 12.5% to prevent extreme changes from year to year.

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32 **Decision Point**

33 Staff recommends that the Commission approved the updated BCY’25 CCS Average Children
34 per Day performance targets, as outlined in Attachment 1, with a statewide goal of serving
35 153,465 average children per day.

BCY'25 Updated CCS Targets, Average Children Served per Day

Attachment 1

		1	2	3	4	5	6	7	8	9
#	LWDA	BCY25 Base Allocation	BCY25 2% Quality Allocation	Amount Available to Operate Sub Child Care	BCY 24 Admin/ Ops Averaged R12	Forecasted Amount Minus Admin Ops Cost	Forecasted Avg Provider Reimbursement Rate	Forecasted PSOC Per Unit	Forecasted System Cost Per Unit	BCY25 Allocation Target
1	Panhandle	\$20,576,614	\$428,679	\$20,147,935	\$2,562,474	\$17,585,461	\$30.09	\$4.62	\$25.47	2,646
2	South Plains	\$20,284,137	\$422,586	\$19,861,551	\$1,858,220	\$18,003,331	\$29.71	\$4.07	\$25.64	2,690
3	North Texas	\$9,244,049	\$192,584	\$9,051,465	\$1,380,991	\$7,670,474	\$27.48	\$4.02	\$23.46	1,253
4	North Central	\$88,978,222	\$1,853,713	\$87,124,509	\$11,643,501	\$75,481,008	\$37.00	\$4.60	\$32.40	8,926
5	Tarrant County	\$88,131,380	\$1,836,070	\$86,295,310	\$8,187,722	\$78,107,588	\$38.83	\$4.42	\$34.42	8,696
6	Dallas County	\$132,666,856	\$2,763,893	\$129,902,963	\$10,099,553	\$119,803,410	\$34.85	\$4.34	\$30.52	15,042
7	North East	\$13,039,672	\$271,660	\$12,768,012	\$1,981,654	\$10,786,358	\$26.17	\$4.10	\$22.06	1,873
8	East Texas	\$39,314,097	\$819,044	\$38,495,053	\$6,122,575	\$32,372,478	\$25.54	\$4.08	\$21.47	5,778
9	West Central	\$13,728,766	\$286,016	\$13,442,750	\$2,138,047	\$11,304,703	\$26.42	\$3.84	\$22.58	1,918
10	Borderplex	\$52,678,860	\$1,097,476	\$51,581,384	\$6,128,085	\$45,453,299	\$25.27	\$3.48	\$21.78	7,995
11	Permian Basin	\$22,612,014	\$471,084	\$22,140,930	\$2,463,686	\$19,677,244	\$29.68	\$4.04	\$25.64	2,941
12	Concho Valley	\$5,773,806	\$120,288	\$5,653,518	\$1,420,644	\$4,232,874	\$26.30	\$4.63	\$21.67	749
13	Heart of Texas	\$18,392,219	\$383,171	\$18,009,048	\$2,134,171	\$15,874,876	\$27.53	\$4.04	\$23.49	2,590
14	Capital Area	\$41,642,973	\$867,562	\$40,775,411	\$6,485,262	\$34,290,149	\$47.18	\$4.83	\$42.35	3,103
15	Rural Capital	\$33,805,227	\$704,276	\$33,100,951	\$6,371,568	\$26,729,384	\$37.12	\$5.43	\$31.69	3,232
16	Brazos Valley	\$14,209,024	\$296,021	\$13,913,003	\$2,427,549	\$11,485,454	\$30.85	\$3.96	\$26.89	1,637
17	Deep East	\$19,204,819	\$400,100	\$18,804,719	\$1,759,344	\$17,045,375	\$25.88	\$3.58	\$22.30	2,929
18	Southeast	\$18,625,344	\$388,028	\$18,237,316	\$1,926,165	\$16,311,151	\$25.25	\$3.04	\$22.21	2,814
19	Golden Crescent	\$8,321,144	\$173,357	\$8,147,787	\$1,165,329	\$6,982,457	\$24.05	\$3.51	\$20.55	1,302
20	Alamo	\$121,144,013	\$2,523,834	\$118,620,179	\$8,670,029	\$109,950,151	\$33.93	\$4.25	\$29.67	14,198
21	South Texas	\$20,444,595	\$425,929	\$20,018,666	\$2,690,616	\$17,328,050	\$26.34	\$2.80	\$23.54	2,821
22	Coastal Bend	\$29,757,234	\$619,942	\$29,137,292	\$5,871,483	\$23,265,809	\$33.00	\$4.26	\$28.74	3,102
23	Lower Rio	\$80,050,476	\$1,667,718	\$78,382,758	\$7,333,385	\$71,049,373	\$29.27	\$3.45	\$25.82	10,545
24	Cameron	\$32,448,009	\$676,000	\$31,772,009	\$2,882,935	\$28,889,074	\$34.54	\$3.61	\$30.92	3,579
25	Texoma	\$8,384,486	\$174,677	\$8,209,809	\$789,369	\$7,420,440	\$26.92	\$4.62	\$22.30	1,275
26	Central Texas	\$26,833,314	\$559,027	\$26,274,287	\$4,178,882	\$22,095,404	\$29.05	\$3.73	\$25.32	3,344
27	Middle Rio	\$11,028,515	\$229,761	\$10,798,754	\$1,396,639	\$9,402,115	\$29.36	\$3.34	\$26.03	1,384
28	Gulf Coast	\$327,842,688	\$6,830,056	\$321,012,632	\$28,560,435	\$292,452,197	\$35.52	\$3.60	\$31.92	35,103

		1	2	3	4	5	6	7	8	9
		BCY25 Base Allocation	BCY25 2% Quality Allocation	Amount Available to Operate Subsidized Child Care	BCY 24 Admin/ Ops Averaged R12	Forecasted Amount Minus Admin Ops Cost	Forecasted Avg Provider Reimbursement Rate	Forecasted PSOC Per Unit	Forecasted System Cost Per Unit	BCY25 Allocation Target
	Total	\$1,319,162,553	\$27,482,553	\$1,291,680,000	\$140,630,314	\$1,151,049,686	\$32.70	\$3.96	\$28.74	153,465
		<i>Approved Allocation</i>	<i>2% of Col1</i>	<i>Col1 - Col2</i>	<i>CC Admin Ops Costs Col4 * 2.1% Inflation Factor</i>	<i>Col3 - Col4</i>	<i>See Note below</i>	<i>Based on Historic Trends</i>	<i>Col6 - Col7</i>	<i>Col5 ÷ Col8 ÷ CC Days</i>

Note:

This uses the new, adjusted case mix that projects a shift from regular care towards TRS2 and beyond as the program becomes mandatory.

This new casemix is then applied to the new max rates and adjusted downward based on the difference between Max Rates and Actual Reimbursement Levels (which include PSOC)

