

## Contracts and Agreements

### **FY2025 - Annual Initial Contract Budgets**

The Board is the recipient of multiple grants, and our funds are allocated and disbursed upon receipt of those grants. The table below represents the Board's subrecipients, contractors, and providers who manage, operate, and provide services for the WFSDallas workforce system. Each of the services has been previously procured and are within their procurement cycles. The proposed budgets are based upon existing and proposed services, past expenditure levels, available grant funds, and negotiated terms. The list below includes proposed initial contract budgets for fiscal year 2025 (*October 1, 2024, through September 30, 2025*):

<b>Contractor/Service Provider</b>	<b>2024 Initial Contract Budget</b>	<b>2025 Initial Contract Budget</b>	<b>Difference from FY2024</b>
Equus Workforce Solutions <b><i>Workforce System Operations Contract</i></b>	\$16,265,383	<b>\$17,018,772</b>	4.6% ↑ additional WIOA and RESEA funding
Christine H. Nguyen, CPA <b><i>Fiscal and Program Compliance Monitoring</i></b>	\$346,129	<b>\$355,350</b>	2% ↑ additional new monitoring reviews
Qnet <b><i>Technology Management Services</i></b>	\$475,000	<b>\$580,000</b>	22% ↑ additional cybersecurity and penetration activities
ChildCareGroup <b><i>Child Care Services Contract</i></b>	\$115,378,976	<b>\$122,075,458</b>	6% ↑ higher cost of quality care

**RECOMMENDATION:** Board authorization to contract with each subrecipient, contractor, and/or service provider listed above for the services and amounts as presented. All contracts are contingent upon receipt of grant funds from Texas Workforce Commission, carry forward funding and/or private funding.

### **FY2025 Local Match Agreements**

Each year, Boards are required to secure match funds from local partners to receive federal funding for child care direct care services. The 2025 fiscal year total amount of local match required to access the federal child care funds is \$4,158,832. Staff has secured \$2,880,000 at this time with each of the local match partners listed below. Our efforts continue to secure the remaining match amount of \$1,278,832 to meet our match requirement by January 31, 2025. We will bring new partnership agreements and/or amendments to existing partners back for ratification in October. The table below represents the total amount of local match funds secured from the listed partners:

<b>Local Match Partners</b>	<b>Local Amount</b>	<b>Federal Amount</b>
Dallas ISD	\$1,100,000	\$2,200,000
Dallas College	\$1,400,000	\$2,800,000
City of Mesquite	\$ 380,000	\$ 760,000
<b>Total Local Match Secured</b>	<b>\$2,880,000</b>	<b>\$5,760,000</b>
<i>WFSDallas FY2025 Child Care Local Match Target</i>	<i>\$4,158,832</i>	<i>\$8,317,664</i>
<i>Remaining Local Match</i>	<i>(\$ 1,278,832)</i>	<i>(\$2,557,664)</i>

**RECOMMENDATION:** Board authorization to accept the contribution for the Local Match agreements as specified above as part of the CCG FY2025 contract to provide direct care to eligible children.

**Handout  
September 2024**

**Child Care Updates – no local flexibility**

On September 10<sup>th</sup>, the Texas Workforce Commissioner's approved two BCY'25 child care items:

▪ **BCY25 Child Care Rates**

The Commission approved setting the base rates at:

- the 75<sup>th</sup> percentile of the Market Rate Survey, or
- the Cost of Quality if higher, and
- in no case, reducing any rates from their current level.

This methodology was approved for BCY25 and future years.

While still using the current system, TWIST, some slight modifications will be necessary initially during the beginning of BCY25. As you know, TWIST pays child care programs based on 4 age ranges. We will not begin paying based on the new 8 age ranges until TX3C launches on December 9, 2024. Rather than averaging the rates within the 4 age brackets, TWC is going to use the lower of the rates. This will ensure that rates are not less when TX3C is launched.

For example: if the rate for 0-11 months is \$35.10, and the rate for 12-17 months is \$35.00, the rate will initially be set at \$35.00. Upon launch of TX3C, the rates will be modified, with the 0-11 months age range's rate increasing from \$35.00 to \$35.10.

▪ **BCY25 Child Care Performance Measures and Targets**

The Commission approved:

Average Children Per Day:

- Average Children Served per Day target of 155,194 statewide
- Conducting a Mid-Year review
- Conducting a Year-End reconciliation

Dallas BCY25 child care performance measures and target is 15,213.

Initial Job Search Success Rate:

- Approving targets for the first year of this measure between 56.91% and 69.20%

Dallas BCY25 target will be 64.98%.

<b>Recommendation:</b> Board authorization to accept the Texas Workforce Commission's approved BCY25 Child Care Rates and Dallas Child Care Performance and Targets as presented above.
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