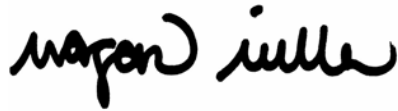


TEXAS WORKFORCE COMMISSION
Workforce Development Letter

ID/No:	WD 20-24
Date:	September 19, 2024
Keywords:	Child Care; TX3C; TWIST
Effective:	October 1, 2024

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 Federal Poverty Guidelines and State Median Income Amounts for Determining Eligibility and Parent Share of Cost for Child Care Services**

PURPOSE:

The purpose of this WD Letter is to provide Local Workforce Development Boards (Boards) with the federal poverty guidelines (FPG) and state median income (SMI) amounts used to determine family eligibility and Parent Share of Cost (PSoC) for child care services (CCS) in Board Contract Year 2025 (BCY 2025).

RESCISSIONS:

WD Letter 24-23

BACKGROUND:

Texas Workforce Commission (TWC) Chapter 809 Child Care Services rule [§809.41](#) establishes a statewide income eligibility limit of 85 percent of the SMI. SMI updates are published annually and updated in TWC's automated systems.

Additionally, [§809.19](#) establishes policies related to assessing the PSoC for CCS. Before the launch of TWC's new child care case management system, Texas Child Care Connection (TX3C), Boards set the PSoC locally. At launch of the full TX3C system, a statewide PSoC methodology will be implemented, as described in [§809.19\(a\)](#).

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: Effective October 1, 2024, Boards must use the:

- BCY 2025 income data: [Board Contract Year 2025 Income Limit Eligibility Code Card for Child Care Services](#), to ensure that income limits do not exceed 85 percent of SMI statewide, as established in [§809.41](#); and
- BCY 2025 income ranges: [Board Contract Year 2025 Parent Share of Cost Chart Effective October 1, 2024, through December 8, 2024](#), and [Board Contract Year 2025 Parent Share of Cost Chart Effective December 9, 2024, through September 30, 2025](#), to assess the PSoC.

LF: Boards may:

- use either the SMI or FPG income ranges to assess the PSoC;
- adjust the PSoC amount for SMI or FPG ranges;¹ and
- continue to use the BCY 2024 PSoC amount for SMI or FPG income ranges for BCY 2024 without Board action in an open meeting.

NLF: Boards must ensure that the appropriate staff member enters the updated BCY 2025 PSoC amount that becomes effective October 1, 2024 (BCY 2025), into The Workforce Information System of Texas (TWIST) by using the WDA Administration’s **Share of Cost** tab and selecting **Child Care Administration** from the drop-down menu.

[Technical Assistance Bulletin 252](#), issued August 9, 2012, and titled “Entering Board Contract Year Parent Share of Cost Amounts into The Workforce Information System of Texas,” explains in detail how to enter the PSoC amounts into TWIST.

NLF: Boards must be aware that the new methodology capping PSoC at 7 percent, as described in [WD Letter 06-24, Change 1](#), and subsequent issuances, will go into effect with the launch of TX3C on December 9, 2024.

INQUIRIES:

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

ATTACHMENTS:

None

REFERENCES:

US Department of Health and Human Services Poverty Guidelines, Federal Register, Vol. 89, No. 11, published January 17, 2024

US Department of Health and Human Services State Median Income Estimates, LIHEAP IM 2024-02, March 29, 2024, State Median Income Estimates FY 2025

¹When adjusting the PSoC, Board members must hold an open meeting, as required by TWC Chapter 802 Integrity of the Texas Workforce System rule [§802.1\(f\)](#) and as explained in [WD Letter 10-07](#).

Texas Workforce Commission Chapter 809 Child Care Services Rules
[Board Contract Year 2025 Income Limit Eligibility Code Card for Child Care Services](#)
[Board Contract Year 2025 Parent Share of Cost Chart Effective October 1, 2024, through December 8, 2024](#)
[Board Contract Year 2025 Parent Share of Cost Chart Effective December 9, 2024, through September 30, 2025](#)
TA Bulletin 252, issued August 9, 2012, and titled “Entering Board Contract Year Parent Share of Cost Amounts into The Workforce Information System of Texas”
WD Letter 10-07, issued February 2, 2007, and titled “Adoption of Local Workforce Development Board Policies in Open Meetings”
WD Letter 06-24, Change 1, issued June 27, 2024, and titled “Child Care Policy and Operational Changes Due to the Release of TX3C—Update”