MEMORANDUM

To: Early Care and Education Committee

From: Adrian Lopez, CEO

Presented By: Kimberly Gomez, Assistant Director of Child Care Quality

Date: August 7, 2026

Subject: **Texas Rising Star Update**

Summary: The Texas Rising Star program, a Quality Rating and Improvement System administered in conjunction with the Texas Workforce Commission's (TWC) Child Care Services (CCS) program, recognizes and supports high- quality early childhood education programs. Texas Rising Star certification is available to licensed child care centers, licensed child care homes, registered child care home facilities that meet established criteria. The program offers three distinct levels of quality certification—Two-Star, Three-Star, and Four-Star—designed to incentivize continuous quality improvement. These tiered certifications correlate with enhanced reimbursement rates for providers serving children receiving child care scholarships. Extensive research demonstrates a strong correlation between attendance in high-quality early learning programs and enhanced school readiness. TRS-certified programs, which demonstrably exceed the minimum standards set forth by the Texas Health and Human Services Commission (HHSC) Child Care Regulation (CCR), are positioned to significantly contribute to the positive physical, social-emotional, and cognitive development of children. As programs progress through the TRS levels, their positive impact on children's development is amplified.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan: Goal 2: Service Optimizers Enhance the efficiency, quality, and accessibility of workforce services delivered by the TWC, ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: The Alamo region currently benefits from the expertise of 19 mentors who actively support participating centers. As of July 27th, 2026, the Alamo region boasts 482 TRS-certified Early Learning Programs of the 589 CCS programs. This cohort comprises 288 Four-Star, 153 Three-Star, and 41 Two-Star programs. TRS-certified programs represent 82% of all CCS programs within the Alamo region. TRS mentors and boards maintain consistent engagement with the Centralizing Assessment Entity to ensure a shared understanding of roles and responsibilities related to assessments. The number of providers with active scholarship agreements continues to fluctuate. As of July 27th, 2026, 589 centers hold such agreements, encompassing Licensed Centers, Licensed Child Care Homes, Military facilities, and Registered Child Care Homes. Notably, Relative Care Listed Homes are excluded from TRS program counts and percentages.

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Key data points as of July 27th, 2026, are presented below:

Texas Rising Star	Entry Level	Suspension	Total
482	85	22	589
82%	14%	4%	100%

2 Star	3 Star	4 Star	Total
41	153	288	482
8%	32%	60%	100%

Alternatives: Waivers, WSA will continue to submit waivers at the end of a child care programs entry level designation end date for approval to Texas Workforce Commission. As a reminder the criteria for receiving a waiver is the following as outlined by the Texas Rising Star Guidelines: To be eligible for an Entry Level extension waiver the child care and early learning program must be:

- located in a child care desert (an area where the number of children younger than six years of age who have working parents is at least three times greater than the capacity of licensed child care programs in the area); or serving an underserved population* as determined by TWC;
- Unable to meet the certification requirements due to a declared emergency/disaster; or
- Unable to meet the certification requirements due to conditions that are outside the child care program's control.

Fiscal Impact: The fiscal impact of a provider's star level can be significant because reimbursement rates can increase as providers achieve higher quality rating. The fiscal impact on the Board is as providers increase in higher quality, the Board experiences higher child care expenditure for children receiving subsidies, the providers are reimbursed at a higher rate.

Board Responsibilities: This item supports the Board's responsibility to promote high quality care and increase quality access for families in the Alamo area by providing updates on the child care landscape and needs in the community.

Recommendation: N/A

Next Steps: The Workforce Solutions Alamo (WSA) will continue to monitor assessment preparation and program application submissions. The Centralizing Assessment Entity manages assessments and scheduling, adhering to TWC guidance and processes.

MEMORANDUM

To: Early Care and Education Committee

From: Adrian Lopez, CEO

Presented By: Jessica Lockhart, Assistant Director of Child Care Services

Date: August 7, 2026

Subject: TWC Performance Target and Updates

Summary: The Texas Workforce Commission (TWC) has determined that due to the increase in the average rate per child, TWC will be serving fewer CCS children in Board Contract Year 2027. The proposed impact on Workforce Solutions Alamo will be a loss of approximately 1900 slots.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan: Goal 2: Service Optimizers Enhance the efficiency, quality, and accessibility of workforce services delivered by the TWC, ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: Based on the draft spreadsheets provided by TWC, we see a Board Contract Year (BCY) 2027 target of 10,616. This is roughly a 15%+ decrease from BCY26, (approximately 1900 slots).

The chart below shows the BCY27 draft combined target as compared to BCY26 final target.

	BCY27 Draft Combined Target	BCY 27 Draft Mandatory	BCY27 Draft Discretionary	BCY 26 Combined	Percent Change
Alamo	10,616	1,140	9,476	12,509	-15.13%
Statewide	132,689	12,487	120,202	146,736	-9.57%

The next chart shows the projection through BCY31. The piece highlighted in yellow was added locally to show the decrease percentage year over year.

Summary	BCY27	BCY28	BCY29	BCY30	BCY31
Kids per Day	132,689	114,314	100,416	85,273	86,174
Cost per Kid per Month	$ 902.23	$ 1,004.93	$ 1,064.84	$ 1,157.59	$ 1,219.11
LBB Children Served Per $1 Million	87	78	74	68	64
Decrease in Kids per Day Served from Previous Year		-14%	-12%	-15%	1%

The following chart was created locally to show the projected decrease in targets using the proposed BCY27 target and the calculated percentages from previous chart. It estimates a BCY31 target of less than 7,000.

	Proposed	Calculated			
	BCY27	BCY28	BCY29	BCY30	BCY31
Projected Target	10,616	9,146	8,034	6,822	6,894
Decrease in Kids per Day Served from Previous Year		-14%	-12%	-15%	1%

Alternatives: N/A

Fiscal Impact: The child care allocation did not change significantly, however Alamo will go into the new Board Contract Year over the performance target. Depending on the attrition rate, Alamo might end up over expended if attrition does not happen quickly enough or if too many children return from suspension during the year.

Board Responsibilities: This item supports the Board's responsibility to manage the Child Care Services Program by meeting both fiscal and performance targets.

Recommendation: Alamo will close intake to allow numbers to attrition down. This will be discussed further in the Memo Child Care Services – Intake.

Next Steps: Alamo will continue to monitor forecasts to ensure the lower performance target is met. The Child Care Department will be in communication with customers and child care providers to provide transparency on the lowered target. The Child Care Department will work with other community organizations who may have potential openings or funds for children.

Attachment: N/A

MEMORANDUM

To: Early Care and Education Committee

From: Adrian Lopez, CEO

Presented By: Jessica Lockhart, Assistant Director of Child Care Services

Date: August 7, 2026

Subject: Child Care Services – Intake

Summary: At the April Committee meeting it was discussed that based on Alamo's updated BCY'26 Targets and forecasting, there was a need to open enrollment for select priority clients on the waitlist. Alamo was trending towards falling below the optimal performance range of 95% – 100% of target. In April Alamo began the process of enrolling from the Waitlist to increase numbers. In early July, Alamo received initial targets for Board Contract Year 2027 which indicated a large reduction in target. Due to the projected decrease, Alamo has stopped enrolling from the waitlist pending further evaluation of impacts.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan: Goal 2: Service Optimizers Enhance the efficiency, quality, and accessibility of workforce services delivered by the TWC, ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: Alamo Fiscal reviews the forecast submitted by the Contractor to identify any shortfalls, then estimates the cost of new enrollment and suspensions using similar unit averages. There are a variety of factors that go into the review process and many variables to be considered. It is the recommendation of Alamo Fiscal and Child Care Department to stop enrollments, add-ons, and re-enrollments to allow for attrition and then closely monitor expenditures and forecasts.

Alternatives: Alamo could keep add-ons and re-enrollments open but this may slow the rate of attrition and increase the time it takes to come within the performance target optimal range of 95% – 100% of target.

Fiscal Impact: Stopping enrollments, add-ons, and re-enrollments to allow for attrition will help Alamo get to a manageable target percentage and help to ensure that we do not go over budget during Board Contract Year 2027.

Board Responsibilities: This item supports the Board's responsibility to manage the Child Care

Services Program by meeting both fiscal and performance targets.

Recommendation: Alamo will stop enrollments, add-ons, and re-enrollments to allow for attrition.

Next Steps: Alamo will continue to monitor forecasts to ensure the performance target is met and projected carry-over funds do not exceed the recommended amount.

Attachment: N/A

MEMORANDUM

To: Early Care and Education Committee

From: Adrian Lopez, CEO

Presented By: Jessica Lockhart, Assistant Director of Child Care Services

Date: August 7, 2026

Subject: Policy Update – Board Priority Groups

Summary: The current policy over the Board Priority Groups did not include the Texas Workforce Commission set priority groups. In addition, the word "Pilot" was removed from the rural priority group section. These updates were made to ensure all priority groups could be found in one place.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan: Goal 2: Service Optimizers Enhance the efficiency, quality, and accessibility of workforce services delivered by the TWC, ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: The Child Care Department has made updates ensuring all priority groups could be found in one place.

Alternatives: N/A

Fiscal Impact: No fiscal impact on this change.

Board Responsibilities: This item supports the Board's responsibility to manage the Child Care Services Program.

Recommendation: The Child Care Department has updated Priority Group language to show all priority groups in one location.

Next Steps: N/A

Attachment: N/A

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MEMORANDUM

To: Early Care and Education Committee

From: Adrian Lopez, CEO

Presented By: Kimberly Gomez, Assistant Director of Child Care Quality

Date: August 07, 2026

Subject: **Inclusion Specialist**

Summary: Texas Workforce Commission (TWC) helps providers serving low-income families eligible for child care scholarships, this includes up to 190 percent of the reimbursement rate for providers to:

- Make reasonable accommodations to serve a child with disabilities, or
- To assist families if a child's disability requires more fundamental modifications

The higher rate benefits the child and helps child care providers pay for more staff or equipment to support an eligible child's need.

This is the inclusion rate assistance, the parent must begin the inclusion rate assistance process, not the provider. Once the request is submitted by the parent, a designated qualified professional with the Board or child care contractor begins the request. Parents receive the form for inclusion assistance from their child care service caseworker, then child care services caseworker will submit the request to designated professional with child care quality.

The Board will work with:

- Parents verify a child's eligibility for the inclusion rate
- Providers to assess the need for the inclusion rate

Board or its child care contractor must ensure that providers that are reimbursed for additional staff or equipment needed to assist in the care of a child with disabilities are paid a rate up to 190 percent of the provider's payment rate for a child without disabilities of the same age.

Once eligibility is identified the designated qualified professional will conduct the following:

- Reach out to the family to discuss the request
- Reach out to the provider to schedule an initial observation
- Provide an update of the initial observation conducted

The following are observations conducted by the designated qualified professional:

- Initial observation – to determine recommendation for inclusion assistance rate, must be completed within the 30 days of receipt of request from parent

- 30- day unannounced observation – to ensure that the provider is meeting the requirements of the inclusion assistance
- Renewal observation – to determine the need and continuation of inclusion assistance

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan: Goal 2: Service Optimizers Enhance the efficiency, quality, and accessibility of workforce services delivered by the TWC, ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: In 2025, the Board recognized that inclusion request had increased from 26 in 2024 to 47 in 2025. For contract year 2026, the board requested and received approval from Texas Workforce Commission to utilize quality funding to add an Inclusion Specialist to oversee the requests and expand the program to better meet the needs of the community. Below is a table to show the number of inclusion requests that have been requested by parents, renewals conducted and if applicable those that were not recommended.

Year	Total CWDs	Renewals	Denied/Did Not Qualify
2023	13	1	1
2024	26	4	0
2025	47	8	1
2026	40	15	0

In 2026, the quality contractor hired an Inclusion Specialist, Eric Smith. Eric brings 19 years of experience in education, with many years supporting special education as an Inclusion Teacher and Inclusion Coach. Additionally, Eric brings experience as a former Texas Rising Star Mentor, and Inclusion & Family Specialist. As an Inclusion & Family Specialist, he worked to bridge connections between families and schools through data-driven approaches, which helped to identify needs, establish meaningful goals, and demonstrate progress. The experience that Eric brings in inclusive practices. Coaching, family support and collaboration positions him to support programs in creating meaningful and sustainable outcomes for children with differing abilities.

Below is a timeline of the activities that will take place in the Boards efforts for expanding provider capacity, building inclusive practices, measuring children's outcomes, strengthen implementation, increase mentor knowledge, and launch a tiered Inclusive Support Framework.

Implementation Period	Activities	Focus

July-August 2026 Build the Foundation	• Provider Inclusion Capacity Survey • Analyze Provider Needs • Develop inclusion training material	Establish provider capacity baseline
August 2026 Launch Provider Trainings	• Launch provider training through a virtual lunch & learn • Provider and home strategy packets	Build knowledge and confidence in inclusive practices for providers
September 2026 Implement Child Goals	• New CWD referrals receive one individualized inclusion goal • Facilitate collaborative meetings with the provider and family • Develop home and school strategies	Measure child outcomes and strengthen family – provider partnerships
October 2026 Continue Provider Capacity Building	• Monthly inclusion training • Support providers through coaching and resources	Strengthen implementation and data analysis
November 2026 Build Mentor Capacity	• Mentor training • Monthly inclusion training	Increase mentor knowledge
December 2026 Continue Mentor Development	• Mentor training • Monthly inclusion training	Prepare mentors to support implementation of Inclusive Support Framework
January 2027	• Implementation of tiered inclusive support framework	Launch Tiered Inclusive Support Framework

Tiered Inclusive Support Framework		

Alternatives: N/A

Fiscal Impact: N/A

Board Responsibilities: This item supports the Board's responsibility to promote high quality care and increase quality access for families in the Alamo area by providing updates on the child care landscape and needs in the community.

Recommendation: N/A

Next Steps: The Workforce Solutions Alamo (WSA) will provide an overview of the Inclusion Program in October's Early Care and Education Committee, which will be presented by Inclusion Specialist, Eric Smith.

MEMORANDUM

To: Early Care and Education Committee

From: Adrian Lopez, CEO

Presented By: Timothy Schindler, Director of Child Care

Date: August 07, 2026

Subject: **Workforce One Bus**

Summary: This is to provide a summary of the utilization of the Workforce Bus One during the current year and the strategic planning for the upcoming year.

As part of our planning for the upcoming year, Workforce Solutions Alamo has asked the child care contractor to identify activities that maximize the utilization of the Workforce One Bus. The request was part of the July Monthly Contractor Meeting.

These recommendations will inform the development of an annual calendar of events designed to expand outreach, and engagement throughout the region.

Name of Event	Year
Alamo Quality Pathway Ignite the Wonder	BCY 2025
Alamo Quality Pathway Ignite the Wiggle	BCY 2026
Developing a schedule for events	BCY 2027

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan: Goal 2: Service Optimizers Enhance the efficiency, quality, and accessibility of workforce services delivered by the TWC, ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Analysis: In 2026, the Board will utilize the Workforce One Bus at the annual Alamo Quality Pathway on September 26th, 2026, the Workforce One Bus was utilized in last year's conference where participants were able to tour the bus before the event.

The Board is working with the child care contractor to develop a schedule for BCY27 to strategically plan activities to maximize reach

Alternatives: N/A

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Fiscal Impact: N/A

Board Responsibilities: This item supports the Board's responsibility to promote high quality care and increase quality access for families in the Alamo area by providing updates on the child care landscape and needs in the community.

Recommendation: N/A

Next Steps: The Workforce Solutions Alamo (WSA) will provide a schedule of events for the early childhood community for BCY27.

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MEMORANDUM

To: Early Care and Education Committee

From: Adrian Lopez, CEO

Presented By: Timothy Schindler, Director of Child Care

Date: August 7, 2026

Subject: Texas Education Freedom Account Updates

Summary:
Since July 2026, the Texas Education Freedom Accounts (TEFA) program has moved from planning into implementation. The focus has shifted from applications and eligibility to funding, enrollment verification, and management of the inaugural year's waitlist.

Early July:
Beginning July 1, 2026, the Comptroller started distributing the first installment of TEFA awards to eligible students whose enrollment had been confirmed by participating schools.

- Private school students receive 25% of their annual award in the first installment.
- Students participating through approved homeschool or other eligible educational settings receive their full $2,000 annual award in one payment.
- Additional funding rounds are occurring as schools verify enrollment.

Strategic Goal:
This aligns with our strategic plan by Supporting Texas Talent by advising employers. Service optimization by enhancing the efficiency, quality and accessibility of workforce services and, creating Partnership Managers by expanding strategic partnerships among TWC, employers, educational institutions, and community-based organizations.

Analysis:
The implementation schedule now follows a predictable timeline:

- July 1: First funding installment (25%)
- Mid-August: First funding for students confirmed by July 31
- October 1: Second installment
- Remaining installments are scheduled later in the school year.

Alternatives and Fiscal Impact:
Although TEFA is a K–12 education program rather than a child care initiative, it may have several indirect implications for local workforce development and child care systems:
- Families with school-age children may experience greater educational choice, potentially affecting before- and after-school care demand.
- Child care providers serving pre-kindergarten and school-age children may see shifts in enrollment patterns.
- Employers may receive more questions from employees about coordinating TEFA with child care and after-school arrangements.
- Workforce boards may need to monitor whether changes in school enrollment influence demand for Child Care Services (CCS), particularly for wraparound care and summer programs.

Board Responsibilities:
This item supports the Board's responsibility to strengthen workforce and education alignment by providing timely updates on the Texas Education Freedom Accounts initiative. It promotes informed decision-making and strategic engagement with employers, education partners, and community organizations by highlighting program demand, access considerations, and outreach efforts. Additionally, it reinforces the Board's role in supporting equitable access to education and workforce pathways, particularly for priority populations such as students with disabilities and low-to-middle income.

Next Steps:
- Monitoring school-age child care enrollment trends.
- Engaging child care providers regarding changing service demands.
- Collaborating with school districts, private schools, and community organizations to identify emerging needs.
- Explore employer-assisted child care and wraparound care partnerships.
- Provide families with information and referrals related to available child care resources.
- Evaluate potential impacts on Child Care Services utilization and capacity planning.