

North Central Texas Workforce Development Board of Directors Meeting

FY 2026 Budget Recommendation

Background:

The available funding for FY 2026 is projected to total **\$148.5 million** including Child Care, Core, and Non-Core funding. This is a projected increase of approximately **\$6.1 million or 4.3%** as compared to FY 2025. Please see Attachment A for more details. More funding information is summarized as follows:

- **Child Care:**

- Total Funding - Approximately \$115.5 million, an increase of \$9.0 million or 8.4%
- New Funding - Approximately \$113.4 million, an increase of \$6.9 million or 6.4% primarily due to the following:
 - Child Care Scholarship Direct Care and Local Match (CCF and CCM) - Increase of \$5.9 million or 6.5%. This funding serves the at-risk child population.
 - Child Care Quality (CCQ) - Increase of \$981,000 or 10.0%. CCQ funding is intended to improve the quality of child care services in the region and promotes the attainment of Texas Rising Star (TRS) certifications by child care providers.
- Carry Over Funding - Approximately \$2.1 million, an increase of \$2.1 million as a result of the items described below:
 - CCF and CCM - Increase of \$2.0 million based on end of FY 2025 expenditure projections.
 - CCQ: - Increase of \$104,000 based on end of FY 2025 expenditure projections.

- **Core Programs (those grants that the NCTCOG receives annually other than Child Care):**

- Total Funding - Approximately \$29.4 million, a decrease of \$2.0 million or 6.4%
- New Funding - Approximately \$23.6 million, a decrease of \$1.6 million or 6.5% primarily due to the funding changes described below:
 - Workforce Innovation and Opportunity Act (WIOA) - Decrease of \$1.2 million or 6.9%
 - Vocational Rehabilitation (VR) - Decrease of \$140,000 or 15.2%
 - Supplemental Nutrition Assistance Program (SNAP) – Estimated decrease of \$172,000 or 22.7%.
- Carry Over Funding - Approximately \$5.7 million, a decrease of \$360,000 or 5.9% primarily due to the following:

- WIOA - Decrease of approximately \$246,000 or 4.3% based on projected FY 2025 expenditure estimates.
 - TANF – Decrease of approximately \$73,000 or 100.0%.
 - Employment Services (ES) – Decrease of approximately \$41,000 or 14.9%.
- **Non-Core Funding (those grants having a finite life which may not be renewed):**
 - Total Funding - Approximately \$3.6 million, a decrease of approximately \$830,000 or 18.6% primarily due to the funding changes as described below:
 - Reemployment Services and Eligibility Assessment (RESEA) – Decrease of \$327,000 or 12.8%.
 - Apprenticeship Texas Expansion Grant (ATG) - Decrease of \$282,000 or 100.0%
 - Teacher Externship Program Grant – Decrease of \$187,000 or 100.0%

The \$148.6 million of projected FY 2026 available funding is proposed to be allocated between the Workforce Board and NCTCOG staff (including centralized functions), the NCTCOG's subrecipients (as pass through), and a small percentage held out as unallocated grant funding. The descriptions of these allocations are below.

Information:

Workforce Board, Staff, and Centralized Functions

The proposed FY 2026 budget for the Workforce Board, staff, and centralized functions (centralized functions including costs such as janitorial, maintenance, rent, utilities, communications, postage, copier, and technology support for the NCTCOG's Workforce Centers) is proposed to total **\$17,268,503**. This represents a **\$925,135 or 5.1%** decrease as compared to FY 2025. Please see Attachment B for more details. Below is an overview of the major cost categories and other notable budget line items.

Staffing

NCTCOG staff positions are proposed to total 66.1 FTEs, a decrease of 4.8 FTEs or 6.7% as compared to the FY 2025 budget. The decrease is described below:

- Industry & Workforce Engagement Specialists (decrease of 4.0 FTEs) – These employer services support roles were transitioned to the Workforce Services Subrecipient in FY 2025. This approach was based off of a business needs analysis conducted both internally and externally. The transition was presented at the January 7, 2025, Board meeting.
- Sr. Early Childhood Specialists (decrease of 2.0 FTEs) – At the January 7, 2025, Board meeting, the transition to a hybrid model with the Child Care Subrecipient for future Early Childhood Specialist positions was presented. This approach was recommended by Board staff and supported by the subrecipient which was included in the planning discussions. When two (2) Sr. Early Childhood Specialists were promoted to new roles in FY 2025, their previous positions were transitioned to the subrecipient in alignment with this hybrid model.

- Administration Department Support (decrease of 0.2 FTEs) – This includes slight adjustments to the allocation of several support roles in the Administration department, including the following:
 - Data Analytics Administrator - decrease of 0.4 FTE.
 - Sr. Accountant I – decrease of 0.1 FTE.
 - Sr. Strategic Projects Manager - increase of 0.3 FTE.
- Research and Information Services (RIS technology support) (increase of 1.4 FTEs) - Workforce funds portions of multiple RIS FTEs so that adequate network support is provided to the workforce centers. The projected number of FTEs increased by 1.4 FTEs to 9.2 total FTEs for FY 2026, reflecting increased centralized support and services as an alternative to contracting out these services to align with the resilient budget strategy.

The personnel (salary, fringe benefits, and indirect costs) budget category is proposed to total \$9,407,223, a decrease of \$460,054 or 4.7% compared to FY 2025. The decrease is mainly due to the following:

- Change in FTEs as described above, including transition of six (6) positions to subrecipients during FY 2025.
- 3.0% budgeted merit increase (decrease from 3.5% within FY 2025 budget).
- Certain staff promotions and salary adjustments planned for FY 2026.

Travel

The Travel budget is projected to total \$163,210, a decrease of \$35,566 or 17.9%. This is primarily due to a reduction in planned travel for FY 2026 to align with resilient budget strategies. The FY 2026 approach for staff development will include sending fewer staff to in-person conferences and trainings, but prioritizing opportunities for those staff to share knowledge and information with the rest of the department upon their return. Staff will also take advantage of trainings with virtual options to decrease travel and staff development costs. This revised approach will ensure that we are still investing in staff development, but in a way that better utilizes available resources.

Professional Services

The Professional Services budget category is projected to total \$2,351,838, a decrease of \$143,647 or 5.8%, primarily due to the following:

- Apprenticeship Texas Expansion Partnerships – Decrease of \$254,000. This is a result of the FY 2026 grant application not being awarded.
- RIS Administrative Allocation – Decrease of \$147,000. Primarily due to a reduction in RIS administrative support staff FTE allocations.
- Strategic Structural Alignment Contract Services – Decrease of \$65,000. It is anticipated that there will be a reduced need for services in FY 2026 due to the completion of primary deliverables in prior fiscal years.
- Data Dashboards Consultant – Decrease of \$56,000. Primarily due to the completion of major deliverables in FY 2025 and the shift to increased internal centralized support in FY 2026 to align with resilient budget strategy.

- Workforce Center of the Future Consulting – Decrease of \$50,000. The strategy for Workforce Center innovation has pivoted for FY 2026 with the transition to a new Workforce Services subrecipient, Career Team, who will be a partner in these efforts.
- Mobile Workforce Unit Branding – Decrease of \$25,000. This is a result of the decision to retire the Mobile Workforce Unit in alignment with the resilient budget strategy and as a result of extensive analysis which determined there is no longer a justifiable business need for a Mobile Workforce Unit. In FY 2026 the new Workforce Services subrecipient, Career Team, will utilize their expertise in rural service delivery to assist with innovative strategies for ensuring access for all customers in our region.
- RIS Network Services Allocation – Increase of \$213,000. Related to increased centralized support and services in FY 2026 as an alternative to contracting out these services to align with the resilient budget strategy.
- Plug & Play Partnership Grant – Increase of \$130,000. This is the outcome of the Workforce Innovation Fund awarded by TWC in FY 2025.
- Website Customization Services – Increase of \$105,000. Includes migration of website to upgraded Kentico platform, integration with NCTCOG's multi-site environment, and general website maintenance.

Other

The "Other" budget category includes several budget line items primarily including supplies, staff development, printing, postage, equipment repair and maintenance, membership dues, subscriptions, advertising, and software. This category is projected to total \$1,254,462, a decrease of \$264,609 or 17.4% primarily due to the following:

- Software and subscriptions – Decrease of \$173,000. This is primarily related to RIS decreases in Zoom and Microsoft licensing.
- Meeting expenses – Decrease of \$32,000. Reductions are primarily related to EDC/Chamber events and the Annual Awards Luncheon to align with the resilient budget strategy. Staff are prioritizing virtual options for EDC/Chamber events in FY 2026 in order to continue providing value to our economic development partners while better utilizing available resources. The Annual Awards Luncheon for 2026 has shifted to a more economical venue to provide cost savings while still resulting in valuable, engaging content and a platform to recognize and celebrate our regional partners. It is also anticipated that there will be increased partnership support and sponsorships for events in FY 2026.
- Staff Development – Decrease of \$29,000. Primarily related to registration fees to align with resilient budget strategy – see detail within travel category above. The FY 2026 approach for staff development will include sending fewer staff to in-person conferences and trainings, but prioritizing opportunities for those staff to share knowledge and information with the rest of the department upon their return. Staff will also take advantage of trainings with virtual options to decrease travel and staff development costs. This revised approach will ensure that we are still investing in staff development, but in a way that better utilizes available resources.

Subrecipient Allocations

The funding available for workforce development subrecipients is projected to total **\$127.6 million**, an increase of approximately **\$6.5 million** or **5.3%**. Please see Attachment B for more details. The increase is a net result of the following:

- Child Care funding - Approximately \$104.7 million, a \$8.0 million or 8.3% increase. The increase is primarily due to the net result of the following:
 - New Funding - \$102.7 million, an increase of \$6.0 million or 6.2%
 - CCF and CCM - Increase of approximately \$5.0 million or 6.0%. Represents new fund allocations related to the at-risk child care population. The NCTCOG received an increase of this funding totaling approximately \$5.9 million or 6.5% as compared to FY 2025 and withheld \$122,000 less for NCTCOG operations and \$954,000 more in the form of unallocated funding.
 - CCQ - Increase of approximately \$970,000 12.9%. The increase in funding reflects the continuing need to support more child care providers in improving the quality of care, and attaining and maintaining TRS certification. Curantis currently manages CCQ program delivery within their contract. The NCTCOG received an increase of this funding totaling approximately \$981,000 or 10.0% as compared to FY 2025 and withheld \$38,000 less for NCTCOG operations and \$50,000 more in the form of unallocated funding.
 - Carry Over - \$2.0 million, an decrease of \$2.0 million related to CCF and CCM. The projected carry-over funding regarding the portion of child care funding that serves the at-risk child care population is projected to decrease based on end of FY 2025 expenditure estimates.
- Workforce/Non-Child Care funding - Approximately \$22.8 million, a \$1.5 million or 6.3% decrease compared to FY 2025, primarily due to the net result of the following:
 - WIOA (New Funding) - Decrease of \$1.2 million or 9.7%. The NCTCOG received a decrease in new WIOA funding totaling approximately \$1.2 million or 6.9% as compared to FY 2025 and withheld \$142,000 less for NCTCOG operations and \$75,000 more in the form of unallocated funding.
 - Re-Employment Services and Eligibility Assessment (RESEA) - Decrease of \$121,000 or 6.9%. The purpose of this program is to assist individuals receiving Unemployment Insurance benefits in finding jobs more quickly. NCTCOG is projected to receive a decrease in funding totaling approximately \$327,000 or 12.8% as compared to FY 2025 and will withhold \$32,000 less for NCTCOG operations and \$174,000 less in the form of unallocated funding.
 - WIOA (Carry-Over) – Decrease of \$246,000 or 4.3%. The decrease in WIOA carry-over is projected based on end of FY 2025 expenditure estimates and is primarily a result of decreased funding received in July 2025 contracts from TWC. These contracts have a two-year period of performance and therefore the available carry-over is less than in FY 2025.
 - Temporary Assistance for Needy Families (TANF – Carry-Over) - Decrease of \$73,000 or 100.0%. This program aims to assist those in need to transition to self-sufficiency.

The decrease in carry-over is projected based on end of FY 2025 expenditure estimates.

- TANF (New Funding) - Increase of \$158,000 or 5.0%. NCTCOG is projected to receive an increase of funding totaling approximately \$34,000 or 0.7% as compared to FY 2025 and will withhold \$173,000 less for NCTCOG operations and \$48,000 more in the form of unallocated funding.

Unallocated Grant Funding

A portion of each fiscal year's grant funding is typically designated as unallocated grant funding. As the year progresses these funds will either be utilized for certain projects, allocated to the NCTCOG's subrecipient, or utilized as carry over for the subsequent year. For FY 2026, approximately \$3.7 million is proposed to be designated as such.

Recommendation:

The North Central Texas Workforce Development Board approves the Workforce Board, Staff, and Centralized functions FY 2026 budget equaling \$17,268,503. The balance of available funds is projected to be allocated to the NCTCOG's subrecipients for program delivery (currently estimated to be \$127,562,763) with a small percentage designated as unallocated grant funds (currently \$3,674,623).

Approval Date: September 2, 2025

Attachment:

- Attachment A - Funds Utilization Summary
- Attachment B - Proposed FY 2026 Budget
- Attachment C - 10 Year Historical Analysis

North Central Texas Workforce Development Board

Funds Utilization Summary

Prepared for Fiscal Year 2026 Budget

Budget Period: 10/01/2025-9/30/2026

Attachment A

Funding Source	FY 2025					FY 2026					\$ CHANGE	% CHANGE
	Workforce Board, Staff, and Centralized Functions Budget	Unallocated	Total Funding Available for Workforce Board	Subrecipient Program Delivery	Total Funding	Workforce Board, Staff, and Centralized Functions Budget	Unallocated	Total Funding Available for Workforce Board	Subrecipient Program Delivery	Total Funding	Total Funding	Total Funding
Available Revenue:												
Core Programs												
<u>Child Care</u>												
Child Care Partially Subsidized Direct Care Allocation (CCF) and Local Match (CCM)	5,162,204	2,045,594	7,207,799	83,766,727	90,974,526	5,045,108	3,000,000	8,045,108	88,801,039	96,846,147	\$ 5,871,621	6.5%
Department of Family and Protective Services (DFPS)	235,000		235,000	5,465,000	5,700,000	235,000		235,000	5,465,000	5,700,000	0	0.0%
Child Care Quality	2,340,302	0	2,340,302	7,498,557	9,838,859	2,302,123	50,000	2,352,123	8,468,136	10,820,259	981,400	10.0%
Child Care - New Funding	7,737,506	2,045,594	9,783,101	96,730,284	106,513,385	7,582,231	3,050,000	10,632,231	102,734,175	113,366,406	\$ 6,853,021	6.4%
Carry Over (CCF and CCM)				0	0				2,000,000	2,000,000	\$ 2,000,000	#DIV/0!
Carry Over (Quality)	40,394		40,394	0	40,394	143,912		143,912		143,912	103,518	256.3%
Child Care - Carry Over	\$40,394	\$0	\$40,394	\$0	\$40,394	\$143,912	\$0	\$143,912	\$2,000,000	\$2,143,912	\$2,103,518	5207.5%
Child Care - Total	\$7,777,900	\$2,045,594	\$9,823,495	\$96,730,284	\$106,553,779	\$7,726,142	\$3,050,000	\$10,776,143	\$104,734,175	\$115,510,318	\$ 8,956,539	8.4%
<u>Core Programs/New Funding (Excluding Child Care)</u>												
Workforce Innovations Opportunities Act (WIOA) Youth	1,789,095	23,857	1,812,952	3,996,216	5,809,168	1,503,374	55,000	1,558,374	3,927,082	5,485,456	(323,712)	-5.6%
WIOA Adult	1,629,418	42,981	1,672,398	3,546,647	5,219,045	1,748,376	55,000	1,803,376	3,194,741	4,998,117	(220,928)	-4.2%
WIOA Dislocated Worker	2,237,814	33,983	2,271,797	4,325,791	6,597,588	2,269,294	55,000	2,324,294	3,606,852	5,931,145	(666,443)	-10.1%
WIOA Rapid Response	10,835	9,500	20,336	57,535	77,871	7,136	20,000	27,136	40,258	67,394	(10,477)	-13.5%
Trade Adjustment Assistance (TAA)	1,514	10,411	11,925	46,075	58,000	2,266	5,000	7,266	8,934	16,200	(41,800)	-72.1%
Temporary Assistance for Needy Families (TANF)	1,648,190	7,081	1,655,271	3,169,967	4,825,238	1,475,971	55,000	1,530,971	3,327,869	4,858,840	33,602	0.7%
Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T)	287,302	25,781	313,083	443,314	756,397	246,283	15,000	261,283	323,515	584,798	(171,599)	-22.7%
Vocational Rehabilitation (VR)	777,018	51,594	828,612	90,779	919,391	703,907	0	703,907	75,663	779,571	(139,821)	-15.2%
Employment Services (ES)	493,370	2,235	495,605	100,432	596,037	345,132	0	345,132	191,301	536,433	(59,604)	-10.0%
Non Custodial Parent (NCP)	119,741	182	119,923	171,629	291,552	98,125	5,000	103,125	159,272	262,397	(29,155)	-10.0%
Veterans	116,413	473	116,886	1,965	118,851	111,511	2,000	113,511	4,218	117,729	(1,122)	-0.9%
Subtotal Core Programs/New Funding	9,110,708	208,080	9,318,788	15,950,351	25,269,138	8,511,374	267,000	8,778,374	14,859,705	23,638,080	\$ (1,631,058)	-6.5%
<u>Core Programs/Carry Over Funding (Excluding Child Care)</u>												
WIOA Dislocated Worker				2,528,771	2,528,771				2,800,171	2,800,171	\$ 271,401	10.7%
WIOA Adult				1,866,488	1,866,488				1,351,090	1,351,090	(515,398)	-27.6%
WIOA Youth				1,343,981	1,343,981				1,341,683	1,341,683	(2,298)	-0.2%
TANF				72,721	72,721				0	0	(72,721)	-100.0%
ES	278,945	0	278,945	0	278,945	237,493	0	237,493	0	237,493	(41,452)	-14.9%
Subtotal Core Programs/Carry Over Funding	278,945	0	278,945	5,811,961	6,090,906	237,493	0	237,493	5,492,945	5,730,437	\$ (360,468)	-5.9%
Subtotal All Funding/Core Programs (Excluding Child Care)	\$9,389,653	\$208,080	\$9,597,733	\$21,762,311	\$31,360,044	\$8,748,867	\$267,000	\$9,015,867	\$20,352,650	\$29,368,517	(\$1,991,527)	-6.4%
SUBTOTAL WIOA-NEW	\$5,667,161	\$110,321	\$5,777,482	\$11,926,190	\$17,703,672	\$5,528,180	\$185,000	\$5,713,180	\$10,768,932	\$16,482,112	\$ (1,221,560)	-6.9%
SUBTOTAL WIOA-CARRYOVER	\$0	\$0	\$0	\$5,739,240	\$5,739,240	\$0	\$0	\$0	\$5,492,945	\$5,492,945	\$ (246,295)	-4.3%
SUBTOTAL WIOA-TOTAL	\$5,667,161	\$110,321	\$5,777,482	\$17,665,429	\$23,442,911	\$5,528,180	\$185,000	\$5,713,180	\$16,261,877	\$21,975,057	\$ (1,467,855)	-6.3%
Non-Core Programs												
<u>Non-Core Programs</u>												
Other: VR Hireability Navigator	0	83,184	83,184	197,577	280,761	0	28,423	28,423	197,577	226,000	(54,761)	-19.5%
Other: Reemployment Services and Eligibility Assessment (RESEA)	577,206	212,993	790,200	1,755,718	2,545,918	545,574	38,770	584,344	1,634,732	2,219,076	(326,842)	-12.8%
Other: Senior Community Service Employment Program (SCSEP)	9,060		9,057		9,057	9,190	22	9,212		9,212	155	1.7%
Other: Summer Earn and Learn (SEAL)	83,062	204,989	288,051	645,949	934,000	40,587	249,784	290,371	643,629	934,000	0	0.0%
Other: Teacher Externship	0	176,670	176,670	10,000	186,670					0	(186,670)	-100.0%
Other: Apprenticeship Texas Expansion Grant	271,245	11,140	282,385		282,385	0	0	0		0	(282,385)	-100.0%
Other: TWC Service Awards	0	100,000	100,000		100,000	147,601		147,605		147,605	47,605	47.6%
Other: Resource Administrative Grant (RAG)	13,477	23,212	36,689		36,689	8,546	851	9,397		9,397	(27,292)	-74.4%
Other: Workforce Commission Initiatives (WCI)	72,033	9,731	81,764	0	81,764	41,994	39,770	81,764	0	81,764	0	0.0%
Subtotal Non-Core Programs	\$1,026,084	\$821,916	\$1,848,000	\$2,609,244	\$4,457,244	\$793,493	\$357,623	\$1,151,116	\$2,475,938	\$3,627,054	(\$830,190)	-18.6%
Subtotal Non-Child Care	\$10,415,737	\$1,029,996	\$11,445,732	\$24,371,556	\$35,817,288	\$9,542,360	\$624,623	\$10,166,983	\$22,828,588	\$32,995,571	(\$2,821,717)	-7.9%
Total Funding	\$18,193,637	\$3,075,590	\$21,269,227	\$121,101,840	\$142,371,067	\$17,268,503	\$3,674,623	\$20,943,126	\$127,562,763	\$148,505,889	\$6,134,822	4.3%

North Central Texas Workforce Development Board

Proposed FY 2026 Budget
Budget Period: 10/01/2025-09/30/2026

Attachment B

Budget Category	FY 2025 Budget	FY 2026 Proposed Budget	Comparison to FY 2025	
			Amount Change	Percentage Change
Workforce Board, Staff, and Centralized Functions				
Total FTEs ⁽¹⁾	70.8	66.1	-4.8	(6.7%)
Salaries ⁽²⁾	\$5,672,133	\$5,407,691	(\$264,442)	(4.7%)
Fringe Benefits ⁽²⁾	2,711,280	2,584,851	(126,428)	(4.7%)
Indirect ⁽²⁾	1,483,864	1,414,680	(69,184)	(4.7%)
Occupancy-rent	447,454	468,068	20,614	4.6%
Workforce Center Infrastructure	2,689,688	2,670,229	(19,458)	(0.7%)
Travel ⁽³⁾	198,776	163,210	(35,566)	(17.9%)
Professional Services ⁽⁴⁾	2,495,485	2,351,838	(143,647)	(5.8%)
Communications	392,567	390,192	(2,375)	(0.6%)
Equipment	237,042	233,281	(3,762)	(1.6%)
Other ⁽⁵⁾	1,519,071	1,254,462	(264,609)	(17.4%)
Subtotal	\$17,847,359	\$16,938,503	(\$908,856)	(5.1%)
Leasehold Improvements	346,278	330,000	(16,278)	(4.7%)
Total Workforce Board, Staff, and Centralized Functions	\$18,193,637	\$17,268,503	(\$925,135)	(5.1%)
Unallocated Grant Funds	3,075,590	3,674,623	599,033	19.5%
Total Funds Available at Board Level	\$21,269,227	\$20,943,126	(\$326,101)	(1.5%)
Program Delivery				
Workforce Center Subrecipient/Child Care ⁽⁶⁾	\$96,730,284	\$104,734,175	\$8,003,891	8.3%
Workforce Center Subrecipient/Non Child Care ⁽⁷⁾	24,371,556	22,828,588	(1,542,968)	(6.3%)
Total Workforce Center Subrecipient	\$121,101,840	\$127,562,763	\$6,460,923	5.3%
Other Subrecipients	-	-	-	-
Total Program Delivery	\$121,101,840	\$127,562,763	\$6,460,923	5.3%
Total	\$142,371,067	\$148,505,889	\$6,134,822	4.3%

			Change	%
Percentage of Total Workforce Board, Staff, and Centralized Functions to Allocated Funding	13.1%	11.9%	-1.1%	(8.7%)
Percentage of Program Delivery to Allocated Funding	86.9%	88.1%	1.1%	1.3%

FY 2026 Budget Attachment B-Notes

(1) The decrease of 4.8 FTEs is due to the following:

- Industry & Workforce Engagement Specialists – Decrease 4.0 FTE (transitioned to the subrecipient during FY 2025).
- Sr. Early Childhood Specialists – Decrease 2.0 FTE (transitioned to the subrecipient during FY 2025).
- Administration Department Support – Decrease 0.2 FTE
- Research and Information Services (RIS, Technology Support) - Increase 1.4 FTE

(2) The \$460,000 decrease in Personnel Costs is primarily due to the following:

- Change in FTEs as described above, including transition of six (6) positions to subrecipients during FY 2025.
- Merit amount of 3.0% budgeted for all staff (decrease from 3.5% within FY 2025 budget).
- Planned promotions and salary adjustments planned for selected staff.

(3) The \$36,000 decrease to Travel is primarily due to a reduction in planned travel for FY 2026 to align with resilient budget strategy. FY 2026 approach for staff development will include sending fewer staff to in-person conferences and trainings, but prioritizing opportunities for those staff to share knowledge and information with the rest of the department upon their return. Staff will also take advantage of trainings with virtual options to decrease travel and staff development costs. This revised approach will ensure that we are still investing in staff development, but in a way that better utilizes available resources.

(4) The \$144,000 decrease to Professional Services is primarily due to the following:

- **Apprenticeship Texas Expansion Partnerships – Decrease of \$254,000.** Result of FY 2026 grant application not being awarded.
- **RIS Administrative Allocation – Decrease of \$147,000.** Primarily due to reduction in RIS administrative support staff FTE allocations.
- **Strategic Structural Alignment Contract Services – Decrease of \$65,000.** It is anticipated that there will be a reduced need for services in FY 2026 due to the completion of primary deliverables.
- **Data Dashboards Consultant – Decrease of \$56,000.** Primarily due to the completion of major deliverables in FY 2025 and the shift to increased internal centralized support in FY 2026 to align with resilient budget strategy.
- **Workforce Center of the Future Consulting – Decrease of \$50,000.** The strategy for Workforce Center innovation has pivoted for FY 2026 with the transition to a new Workforce Services subrecipient, Career Team, who will be a partner in these efforts.
- **Mobile Workforce Unit Branding – Decrease of \$25,000.** Result of decision to retire the Mobile Workforce Unit in alignment with resilient budget strategy, and revised and innovated approaches to direct service delivery.
- **RIS Network Services Allocation – Increase of \$213,000.** Related to increased centralized support and services in FY 2026 as an alternative to contracting out these services to align with resilient budget strategy.

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- **Plug & Play Partnership Grant – Increase of \$130,000.** Outcome of Workforce Innovation Fund awarded by TWC in FY 2025.
- **Website Customization Services – Increase of \$105,000.** Includes migration of website to upgraded Kentico platform, integration with NCTCOG’s multi-site environment, and general website maintenance.

(5) The \$265,000 decrease to Other is primarily due to the following:

- **Software and subscriptions – Decrease of \$173,000.** Primarily related to RIS reductions to Zoom and Microsoft licenses.
- **Meeting expenses – Decrease of \$32,000.** Reductions are primarily related to EDC/Chamber events and annual meeting to align with resilient budget strategy. EDC/Chamber events are being pivoted to virtual platforms, and increased partnership support and sponsorships for events such as “Red, White, and You” has helped reduce costs.
- **Staff Development – Decrease of \$29,000.** Primarily related to registration fees to align with resilient budget strategy – see detail within travel category above. FY 2026 approach for staff development will include sending fewer staff to in-person conferences and trainings, but prioritizing opportunities for those staff to share knowledge and information with the rest of the department upon their return. Staff will also take advantage of trainings with virtual options to decrease travel and staff development costs. This revised approach will ensure that we are still investing in staff development, but in a way that better utilizes available resources.

(6) The \$8.0 million increase to Child Care Subrecipient Program Delivery is primarily due to the net result of the following:

- **Child Care (CCF and CCM) (New Funding)** - Increase of \$5.0 million or 6.0%. Represents new fund allocations related to the at-risk child care population. The NCTCOG received an increase of this funding totaling approximately \$5.9 million or 6.5% as compared to FY 2025 and withheld \$122,000 less for NCTCOG operations and \$954,000 more in the form of unallocated funding.
- **Child Care (CCF and CCM) (Carry-Over)** – Increase of \$2.0 million. The projected carry-over funding regarding the portion of child care funding that serves the at-risk child care population is projected to increase based on end of FY 2025 expenditure estimates.
- **Child Care Quality (New Funding)** - Increase of \$970,000 or 12.9%. The NCTCOG received an increase of this funding totaling approximately \$981,000 or 10.0% as compared to FY 2025 and withheld \$38,000 less for NCTCOG operations and \$50,000 more in the form of unallocated funding.

(7) The \$1.5 million decrease to Workforce Services Subrecipient Program Delivery is primarily due to the net result of the following:

- **WIOA (New Funding) - Decrease of \$1.2 million or 9.7%.** The NCTCOG received a decrease in new WIOA funding totaling approximately \$1.2 million or 6.9% as compared to FY 2025 and withheld \$142,000 less for NCTCOG operations and \$75,000 more in the form of unallocated funding.
- **Re-Employment Services and Eligibility Assessment (RESEA) - Decrease of \$121,000 or 6.9%.** The purpose of this program is to assist individuals receiving Unemployment Insurance benefits in finding jobs more quickly. NCTCOG is projected to receive a decrease in funding totaling approximately \$327,000 or 12.8% as compared

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to FY 2025 and will withhold \$32,000 less for NCTCOG operations and \$174,000 less in the form of unallocated funding.

- **WIOA (Carry-Over) – Decrease of \$246,000 or 4.3%.** The decrease in WIOA carry-over is projected based on end of FY 2025 expenditure estimates and is primarily a result of decreased funding received in July 2025 contracts from TWC. These contracts have a two-year period of performance and therefore the available carry-over is less than in FY 2025.
- **Temporary Assistance for Needy Families (TANF – Carry-Over) - Decrease of \$73,000 or 100.0%.** This program aims to assist those in need to transition to self-sufficiency. The decrease in carry-over is projected based on end of FY 2025 expenditure estimates.
- **TANF (New Funding) - Increase of \$158,000 or 5.0%.** NCTCOG is projected to receive an increase of funding totaling approximately \$34,000 or 0.7% as compared to FY 2025 and will withhold \$173,000 less for NCTCOG operations and \$48,000 more in the form of unallocated funding.

		WF Board, Staff, Centralized Functions Budget						Subrecipient & Unallocated	
Fiscal Year	Total Available Funding	Administration		Program		Total			
		Amount	% of Total Funding	Amount	% of Total Funding	Amount	% of Total Funding	Amount	% of Total Funding
2017	65,451,988	2,786,399	4.3%	7,931,820	12.1%	10,718,219	16.4%	54,733,769	83.6%
2018	74,414,801	2,655,685	3.6%	7,939,193	10.6%	10,594,878	14.2%	63,819,923	85.8%
2019	81,562,632	3,278,552	4.0%	11,370,629	13.9%	14,649,181	17.9%	66,913,451	82.1%
2020	101,282,084	3,177,230	3.1%	11,024,220	10.9%	14,201,450	14.0%	87,080,634	86.0%
2021	91,881,085	3,219,994	3.5%	12,522,783	13.6%	15,742,777	17.1%	76,138,308	82.9%
2022	132,534,288	3,631,716	2.7%	15,270,325	11.5%	18,902,041	14.2%	113,632,247	85.8%
2023	123,292,789	3,279,498	2.7%	13,893,147	11.3%	17,172,645	14.0%	106,120,144	86.0%
2024	131,362,693	4,103,947	3.1%	13,044,903	9.9%	17,148,850	13.0%	114,213,843	87.0%
2025	142,371,067	4,710,269	3.3%	13,483,368	9.5%	18,193,637	12.8%	124,177,430	87.2%
2026	148,505,889	4,904,316	3.3%	12,364,186	8.3%	17,268,503	11.6%	131,237,386	88.4%
10 Year Averages - % of Total Funding		Administration:	3.4%	Program:	11.2%	Total:	14.5%	Total:	85.5%

Definitions

Administration Costs - Those necessary for the overall administration and program management of a program or project. Include the following costs:

- Accounting, financial management, budgeting, cash management, property management, procurement and purchasing, payroll, and personnel management functions
- Audit functions and coordinating the resolution of findings
- Fraud and abuse units
- General legal services functions
- Information systems related to administrative functions, including purchasing, system development, and operations
- The portion of salaries, wages, fringe benefits, staff training, supplies, postage, travel, equipment, facilities, utilities, and other costs required for administrative functions of the program

Program Costs - Expenditures incurred for the management, oversight, and support of Board policies and the delivery of workforce services.