

Budget to Actual Expenditures

September 2023 BUDGET TO ACTUAL VARIANCE ANALYSIS

Budget Category	FY23 Amended Budget	FY23 Actuals (September 2023)	% Expensed	Straight-Line Target (100%)	YTD Variance %
Corporate -Personnel	\$ 5,321,472.00	\$ 4,702,865.00	88.38%	\$ 5,321,472.00	11.62%
Corporate -Facilities	\$ 447,817.00	\$ 442,806.00	98.88%	\$ 447,817.00	1.12%
Corporate -Equipment Related	\$ 254,319.00	\$ 232,008.00	91.23%	\$ 254,319.00	8.77%
Corporate -General Office	\$ 665,000.00	\$ 501,870.00	75.47%	\$ 665,000.00	24.53%
Corporate - Professional Services	\$ 1,860,000.00	\$ 1,312,421.00	70.56%	\$ 1,860,000.00	29.44%
Corporate - Board of Directors	\$ 45,000.00	\$ 39,592.00	87.98%	\$ 45,000.00	12.02%
Corporate Total	\$ 8,593,608.00	\$ 7,231,562.00	84.15%	\$ 8,593,608.00	15.85%
Facilities	6,701,232.00	5,406,048.64	80.67%	\$ 6,701,232.00	19.33%
Reserve	10,245,869.02	-	0.00%	\$ 10,245,869.02	100.00%
Projects	424,380.30	421,331.31	99.28%	\$ 424,380.30	0.72%
Service Delivery - TWC Adult	19,326,657.75	15,655,141.50	81.00%	\$ 19,326,657.75	19.00%
Service Delivery - TWC Child Care	112,672,053.31	106,111,652.32	94.18%	\$ 112,672,053.31	5.82%
Service Delivery - Youth	3,390,279.58	2,715,768.23	80.10%	\$ 3,390,279.58	19.90%
Service Delivery Ready to Work	12,830,334.42	6,794,445.27	52.96%	\$ 12,830,334.42	47.04%
Total Budget	\$ 174,184,414.38	\$ 144,335,949.27	82.86%	\$ 174,184,414.38	17.14%



Corporate Expenditures

Personnel:

- The board is currently underspent on salaries and benefits by approximately 10.5% due to attrition.
- Staff training and development was underspent by approximately \$84,000.
 - The board was registered to a more cost savings training provider.
 - This website also offers unlimited training to diverse courses that help staff build their skill sets.

Equipment:

- These reflect a 12% over-budget cost for the board room upgrades.



Corporate Expenditures

General Office:

- Insurance - The primary budget surplus is the insurance contingency, which was not utilized.
- Non-Federal is over budget by approximately \$26,000 due to an employee matter payout and expenses related to community outreach.



Corporate Expenditures

Professional Services:

- Legal Services – The HR-related legal services budget is utilized for employee matters expensed as incurred, and we are awaiting an update to the employee handbook.
- Monitoring – Pending invoices are expected to be accrued in the finalized FY23 financials.



Facilities and Projects

Facilities:

- Facility expenditures represent 80.67% of the approved budget, reflecting a 19.33% straight-line budget surplus.
 - Significant items contributing to this variance that will carry over to FY24 are:
 - Mobile Workforce Center Unit (\$110,000)
 - Port of San Antonio (\$298,839)

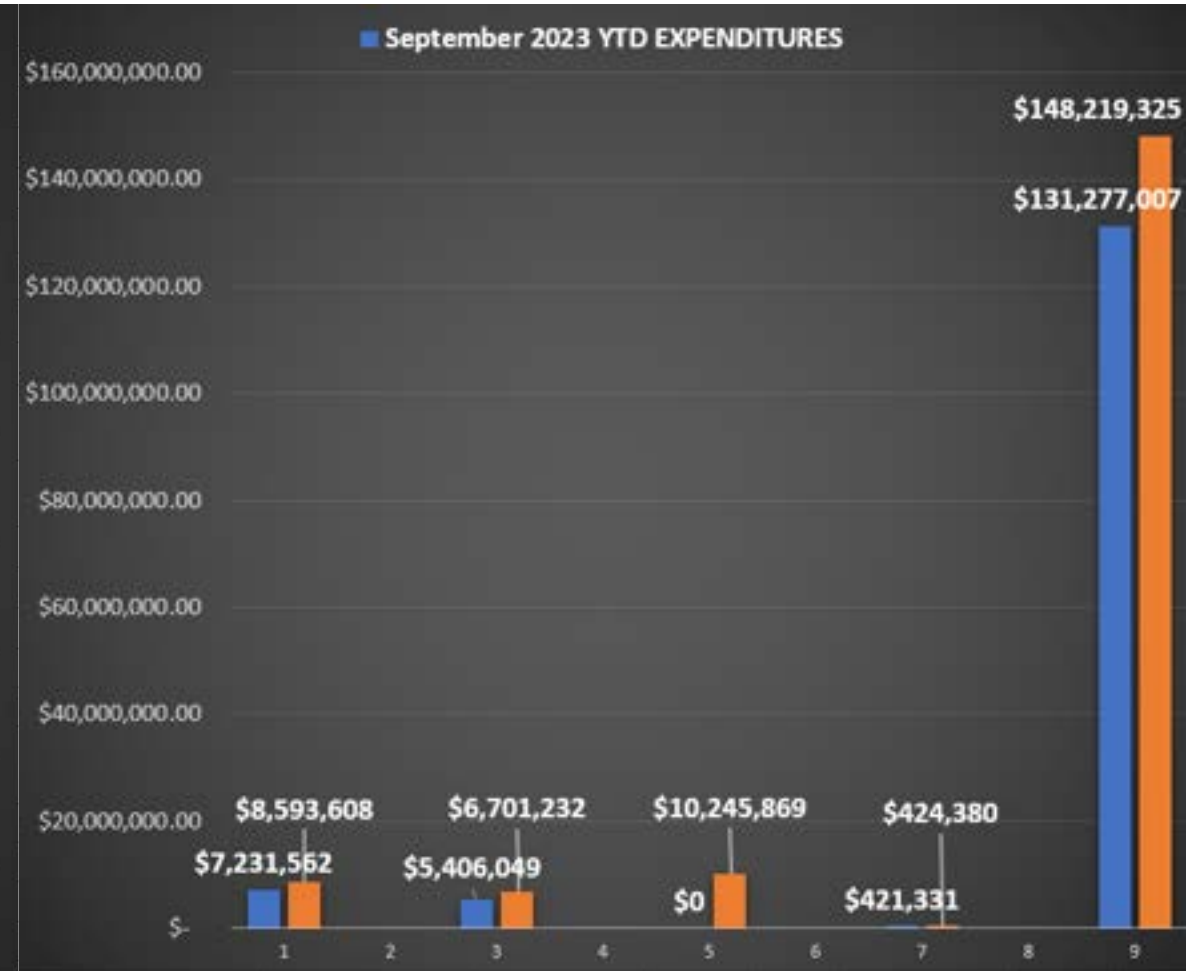
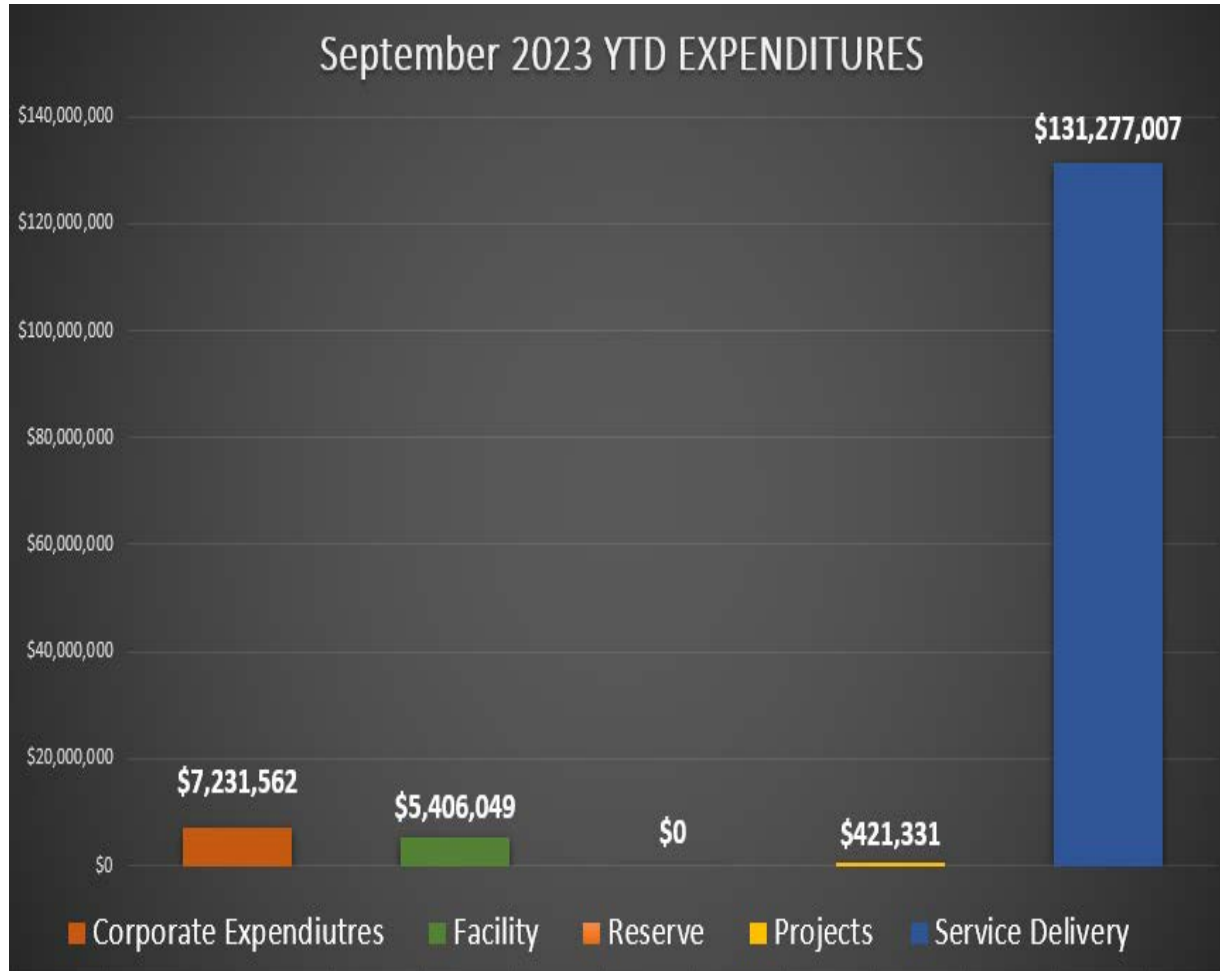
Special Projects Include:

- Workforce Commission Initiatives – WSA has held 4 Career Pathway Youth Events.

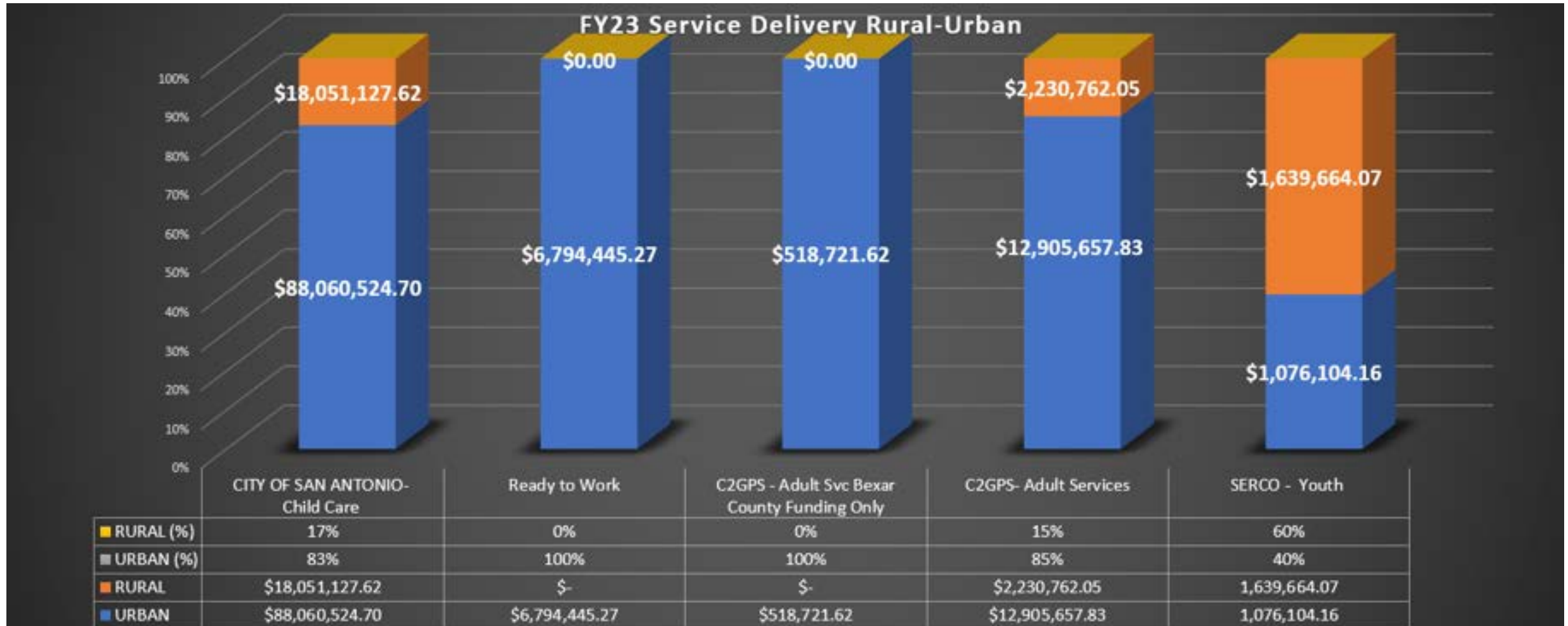


YTD Expenditures by Budget Category

YTD Expenditures by Budget Category Comparison



September 2023 Year-to-Date Service Delivery Rural-Urban



Key Variances

- TANF – Expenditures are currently at 78.37% due to low participation and reduced HHSC referrals. The board’s FY23 allocation is \$2 million higher than average. We are expecting to return approximately \$1.1M.
- Middle Skills – Projections through 11/30/23 are 50% of the contract awarded budget.
 - With 87 referrals we expect to spend fully with 39 participants.
 - Experiencing challenges due to the following:
 - Some customers have been employed and received a couple of paychecks but still have barriers.
 - FNA is not in the negative
 - Pending eligibility documentation



Key Variances

- Child Care Contracted Slots – This grant was extended to 12/31/23. We have three providers enrolled, providing 50 additional slots to children under three. We currently have 30 children in care.
- Child Care Quality – Expect higher expenditures within the next month by issuing incentives and bonuses to childcare providers.
 - Expect to return \$963,861.72 (Mentor and Assessor) of funding. Due to vacancies and transition of Assessor to Mentor positions.
 - Starting 10/1/2023, TWC contractor will assume all the Assessor duties.



Key Variances

- Wagner Peyser – Funding increase of \$297,070 will be used for the Resource Room. Expecting to spend by the end of the contract period.
- Military Family – Projected to spend 91% by the end of the contract period.
- Teacher Externship – We will continue to spend and expect to finalize payments in December.
- Trade Act – We are expecting to be at 90% by the end of December. Outcomes of outreach efforts are being tracked.



Ready to Work

Ready to Work:

- Enrollment and activities increased at a higher rate in the summer.
- As of November 6, 2023:
 - Applicants interviewed: 3,952
 - Enrolled in approved training: 2,322
 - Successfully completed training: 262
 - Placed in jobs: 116
 - WSA paid training: \$3,886,239





Questions





EARLY CARE & EDUCATION COMMITTEE REPORT



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented by Jessica Villarreal, Director of Child Care

Date: November 17, 2023

Subject: Teacher Appreciation Survey Results

Summary: As of May 1, 2023, 556 CCS providers with an active agreement in the Alamo area were given the opportunity to participate in the Teacher Appreciation Survey. A monetary incentive was provided upon the completion of the survey. This monetary incentive was to assist their programs with staff salaries, bonuses, fringe benefits, training, and/or staff development. The results from the survey are provided in this presentation.

Analysis:

- Providers received an opportunity to submit documentation for the Teacher Appreciation Grant.
- The requirement consisted of completing and submitting a Memorandum of Agreement (MOA), as per deadline on Friday, June 30, 2023.
- Providers who submitted documentation were given the opportunity to complete the Teacher Appreciation Survey to finalize the incentive.
- 427 Providers participated in the survey.
 - 324 Bexar
 - 103 Rural
- 57,214 Available slots reflected from centers who have active CCS agreement.
- 30,581 Children are currently enrolled in these 427 centers.
- 10,254 Children receiving scholarship are enrolled.
- Child Care Relief funds issued to these centers were used on Mortgage/Rent, Insurance, Utilities, Payroll, Personal Protective Equipment, Cleaning Supplies, Building Maintenance, Supplies, Tuition Assistance, Employee Retention Bonuses, Other (taxes, mileage, training) – The highest percentage of funding was allocated to payroll.
- Alamo providers invested most funding received to personnel costs, mortgage and utilities, and other allowable expenses.
- Based on Early Learning Program responses on areas for future investments, Higher Wages, followed by Indoor/Outdoor Equipment, Professional Development, Curriculum, then others were requested.

- Survey results showed that 223 centers have participated in a WSA cohort, 116 are actively TRS, 8 have participated in an external cohort, 30 have not participated in a cohort but are interested, and 44 have not participated in a cohort and did not express interest.
- TRS status and ELD status was captured, 10- 2 star, 33- 3-star, 112- 4 star, 263- ELD, 9 unsure what status was. * We have determined that those 9 are all ELD.
- Potential childcare center closures reflected that 9 centers may close due to TRS requirements, 12 centers may close due to loss of TWC CRRSA/ARPA funding, 4 due to staffing, and 3 due to COVID.

Fiscal Impact:

An overall budget of \$500,000 dollars was allocated for this incentive. Below is the matrix used to determine awarded amounts to centers:

CCL Capacity	TRS 4 Star	TRS 3 Star	TRS 2 Star	ELD
0 - 50	\$800.00	\$600.00	\$400.00	\$200.00
51 - 100	\$1,200.00	\$1,000.00	\$800.00	\$600.00
101 - 150	\$1,600.00	\$1,400.00	\$1,200.00	\$1,000.00
151 - 200	\$2,000.00	\$1,800.00	\$1,600.00	\$1,400.00
201 - 250	\$2,400.00	\$2,200.00	\$2,000.00	\$1,800.00
251 - 300	\$2,800.00	\$2,600.00	\$2,400.00	\$2,200.00
301 - 350	\$3,200.00	\$3,000.00	\$2,800.00	\$2,600.00
351 - 400	\$3,600.00	\$3,400.00	\$3,200.00	\$3,000.00
401 - 450	\$4,000.00	\$3,800.00	\$3,600.00	\$3,400.00
451 - 500	\$4,400.00	\$4,200.00	\$4,000.00	\$3,800.00
501 - 550	\$4,800.00	\$4,600.00	\$4,400.00	\$4,200.00

Recommendation: N/A

Next Steps:

- WSA will utilize this information to determine what the needs are for Early Learning programs.
- WSA will explore opportunities to support Early Learning programs in areas where they have expressed a need.
- WSA Business Coaches will continue to reach out to Early Learning Programs to better understand pain points and to provide resources and guidance to enhance business and to work with centers who are expressing possibility of potential closure.
- WSA will use data to have mentors' outreach to Early Learning programs needing support to become TRS certified.
- Child Care Quality Plan will be implemented.
- WSA will continue to meet and collaborate with ECE organizations to maintain awareness of the needs of the ECE community.
- Quality funding and initiatives will continue to be allocated according to TWC guidelines.



Teacher Appreciation Survey Results – July 18 to August 21

Overview of Data

- **Introduction**
- **Incentive Amount**
- **Overview of Child-Care Centers Represented**
- **Children Served**
- **Child-Care Relief Funding Results**
- **Utilization of CCRF – Top 5 in Texas**
- **Workforce Solutions Alamo (WSA) Support for Program Future Initiatives**
- **Participation in Cohort**
- **Texas Rising Star Certification Designation – Status**
- **Potential Child-Care Closures**
- **Looking Ahead**

Introduction

As of May 1, 2023, **556** CCS providers with an active agreement, in the Alamo area were given the opportunity to participate in the Teacher Appreciation Survey. A monetary incentive was provided upon the completion of the survey. This monetary incentive was to assist their programs with staff salaries, bonuses, fringe benefits, training, and/or staff development. The results from the survey are provided in this presentation.



Overall Total for this Incentive:

- An overall budget of **\$500,000** was set aside for this incentive.
- Providers received an opportunity to submit documentation for the Teacher Appreciation Grant.
- The requirement consisted of completing and submitting a Memorandum Of Agreement (MOA), as per deadline on Friday, June 30, 2023.
- Providers who submitted documentation were given the opportunity to complete the Teacher Appreciation Survey to finalize the incentive.

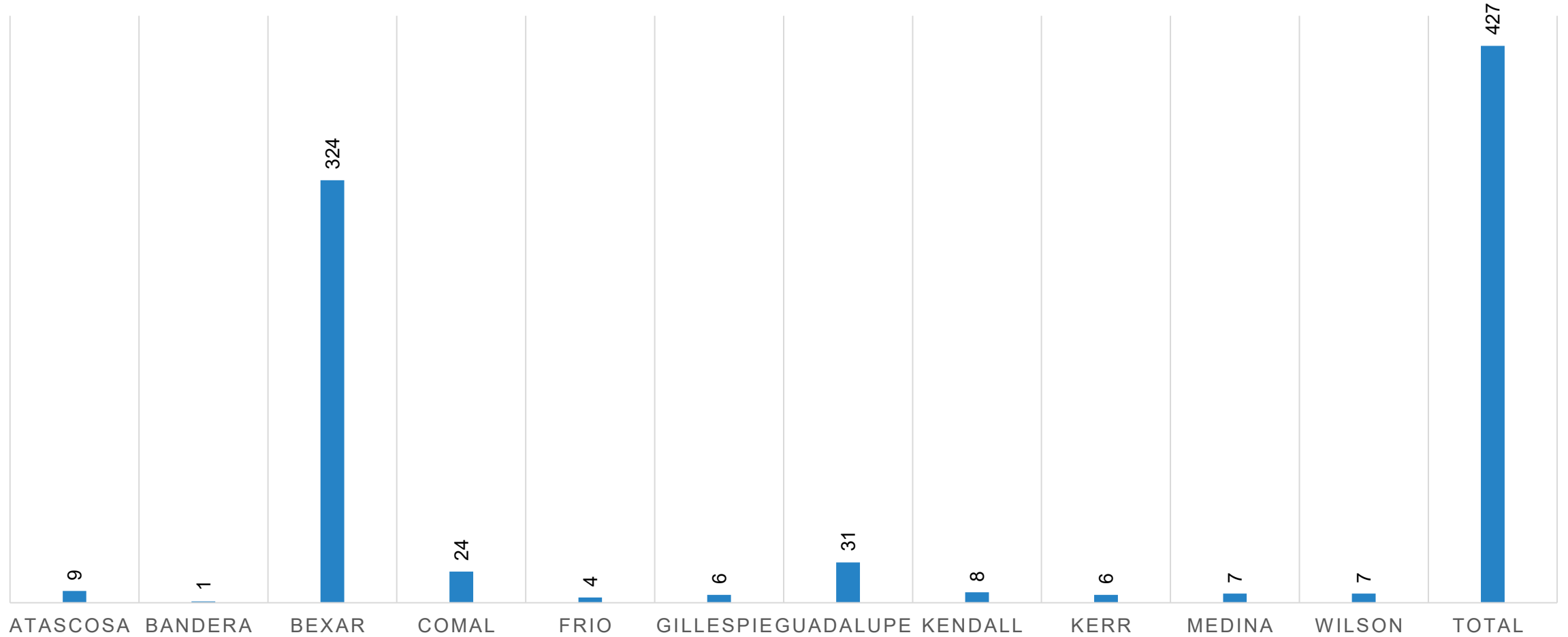
The Matrix Used for Awarded Amounts

CCL Capacity	TRS 4 Star	TRS 3 Star	TRS 2 Star	ELD
0 - 50	\$800.00	\$600.00	\$400.00	\$200.00
51 - 100	\$1,200.00	\$1,000.00	\$800.00	\$600.00
101 - 150	\$1,600.00	\$1,400.00	\$1,200.00	\$1,000.00
151 - 200	\$2,000.00	\$1,800.00	\$1,600.00	\$1,400.00
201 - 250	\$2,400.00	\$2,200.00	\$2,000.00	\$1,800.00
251 - 300	\$2,800.00	\$2,600.00	\$2,400.00	\$2,200.00
301 - 350	\$3,200.00	\$3,000.00	\$2,800.00	\$2,600.00
351 - 400	\$3,600.00	\$3,400.00	\$3,200.00	\$3,000.00
401 - 450	\$4,000.00	\$3,800.00	\$3,600.00	\$3,400.00
451 - 500	\$4,400.00	\$4,200.00	\$4,000.00	\$3,800.00
501 - 550	\$4,800.00	\$4,600.00	\$4,400.00	\$4,200.00



Overview of Child-Care Centers Represented

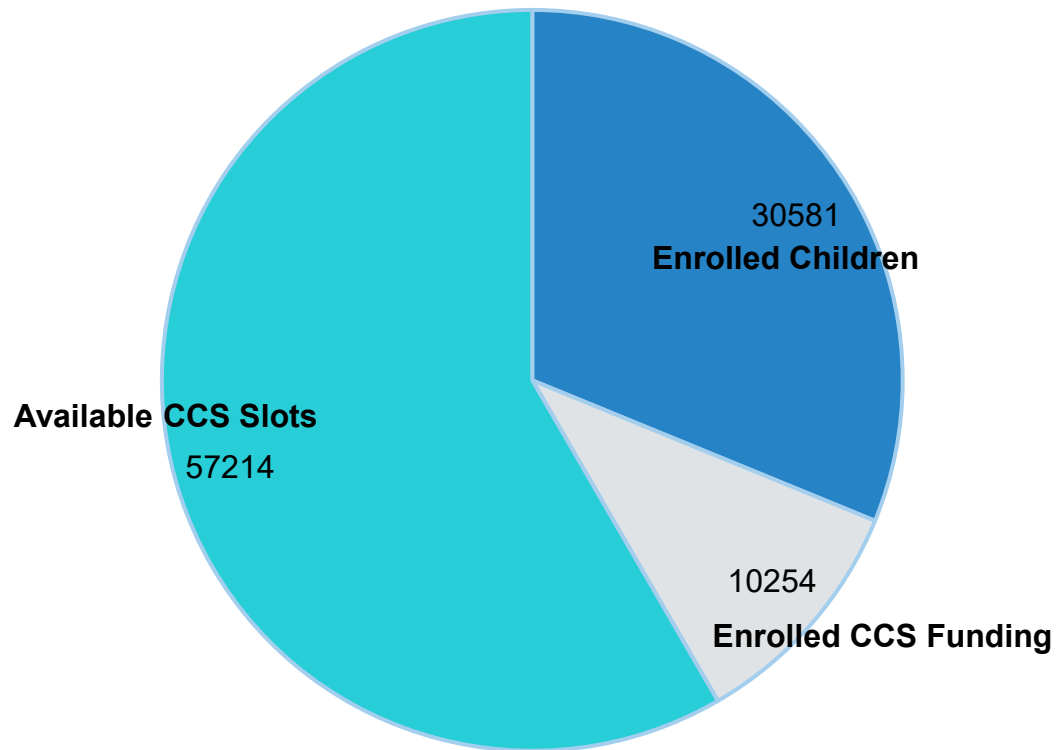
NUMBER OF PROVIDERS PARTICIPATED IN SURVEY



Total Providers Participated 427

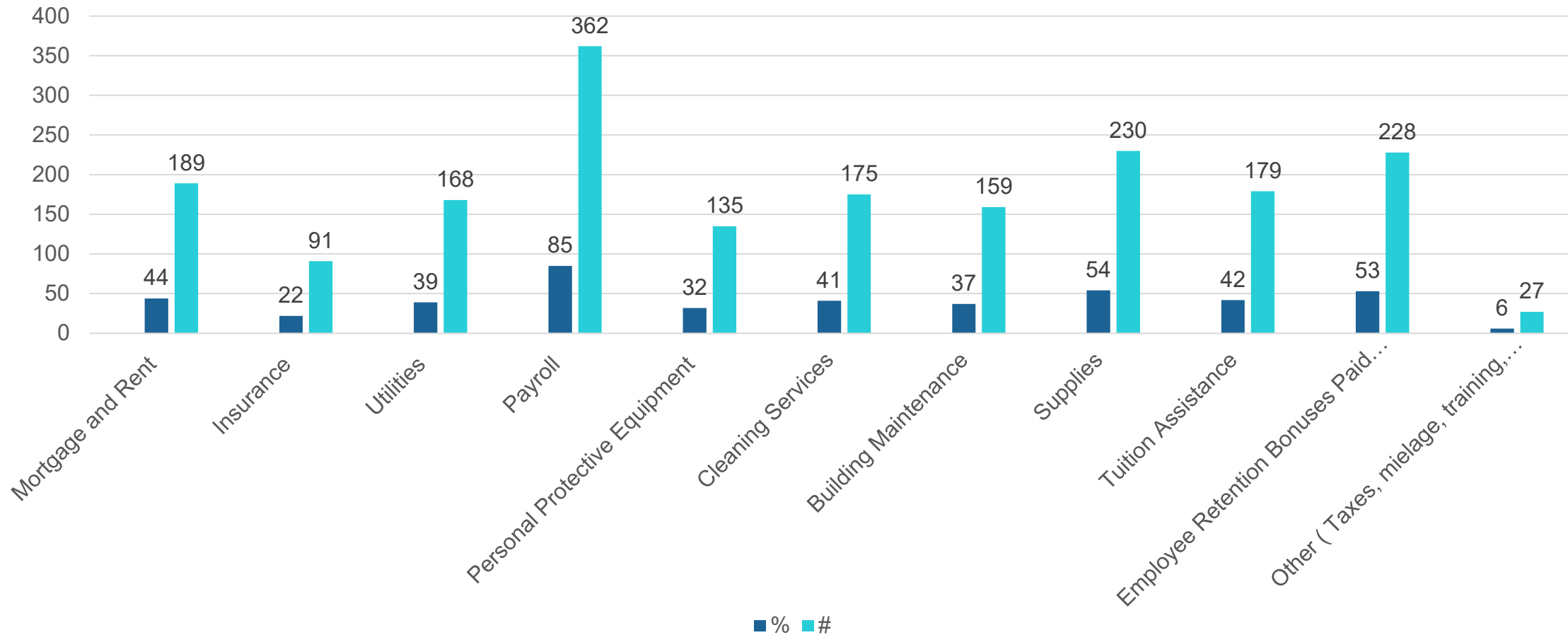


Children Served



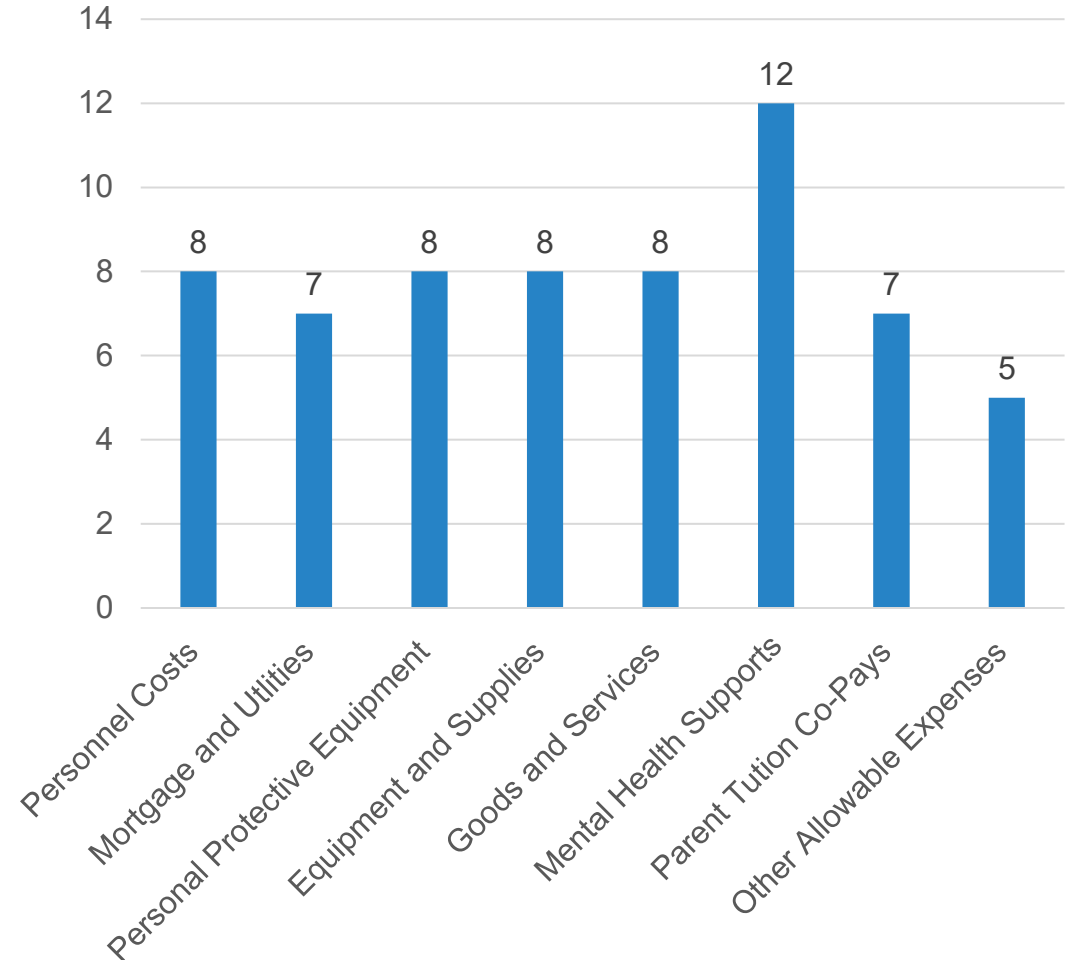
- **Available CCS Slots** The amount of space providers can physically accommodate at the centers.
- **Enrolled Children** is the actual total number of children in the care of the providers to include all funding sources, i.e., private pay, CCS, United Way, etc.
- **Enrolled with CCS Funding** is the total amount of funding from CCS to assist with childcare reimbursement. This year the funding source was fully maximized with CCS enrollment.

Child-Care Relief Funding Results

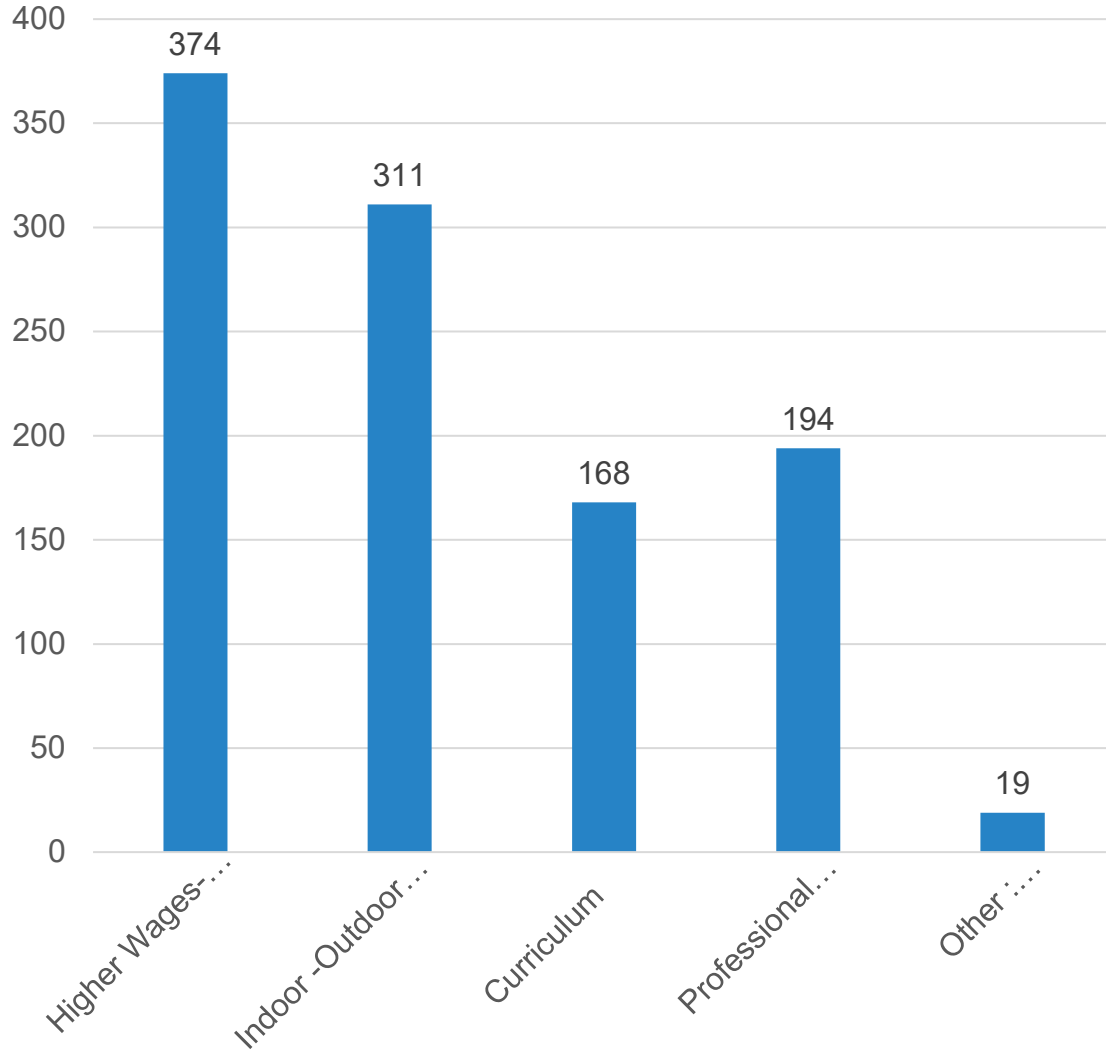


Alamo Workforce – Overall State Expenditures

Categories	Alamo WS Expenditure Total \$	State Expenditure Total \$
Personnel Costs	\$145,853,827.00	\$1,778,901,819.00
Mortgage and Utilities	33,005,750.00	456,814,878.00
Personal Protective Equipment	1,187,565.00	15,714,423.00
Equipment & Supplies	10,388,822.00	134,958,107.00
Goods and Services	7,470,839.00	98,952,183.00
Mental Health Supports	152,111.00	1,312,589.00
Parent Tuition Co-Pays	193,842.00	2,868,151.00
Other Allowable Expenses	8,882,157.00	169,929,544.00
Total:	\$207,134,913.00	\$2,659,451,694.



Workforce Solutions Alamo Support for Program Future Initiatives



Fiscal Year 2022

- Provided approximately **\$1.8 million** in Staff Bonuses to eligible TRS providers.
- All ELD Programs participating in the Quality Cohort received approximately **\$300,000.00** in Indoor and Outdoor equipment.

Fiscal Year 2023

- Provided approximately **\$1 million** in Staff Bonuses to eligible providers.
- Approximately **\$500,000.00** was awarded to **ALL** participating CCS providers in the teacher appreciation grant.

All ELD programs participating in the Quality Cohort have received approximate investments in the following:

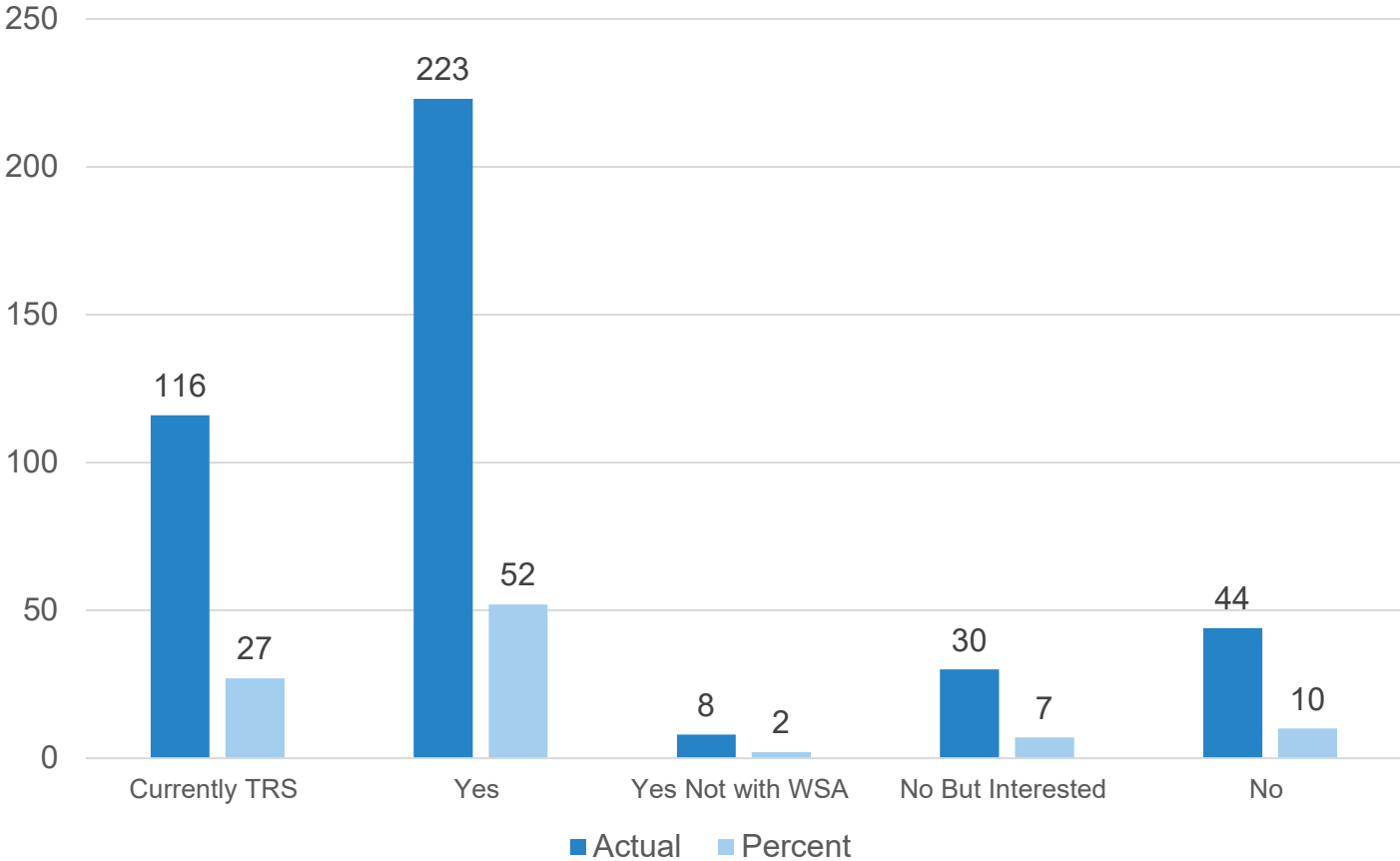
- Indoor and Outdoor **\$162,000.00**
- Curriculum **\$266,000.00**
- Assessment **\$14,000.00**
- Professional Development **\$250,000.00**



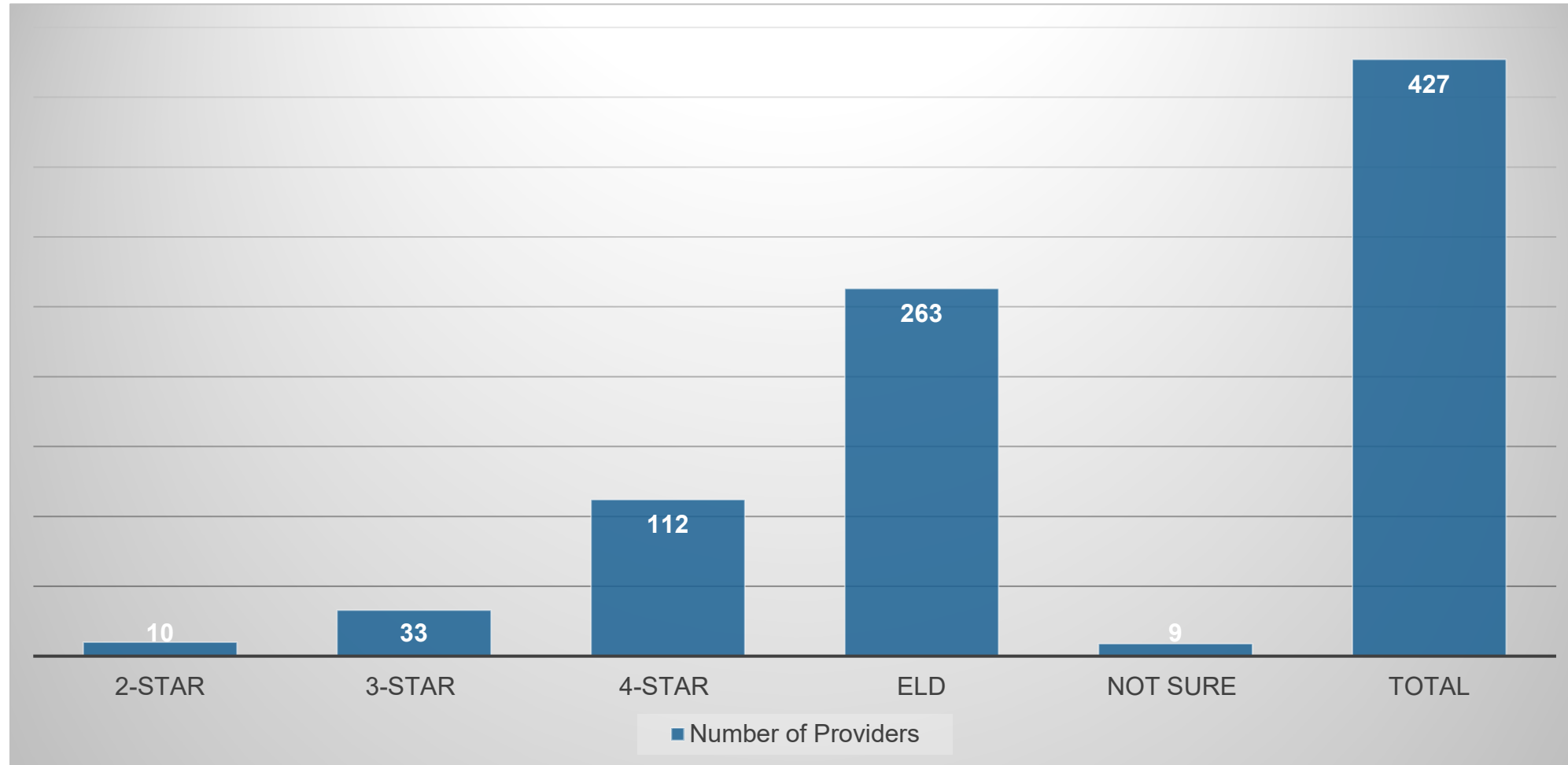
Participating Cohort



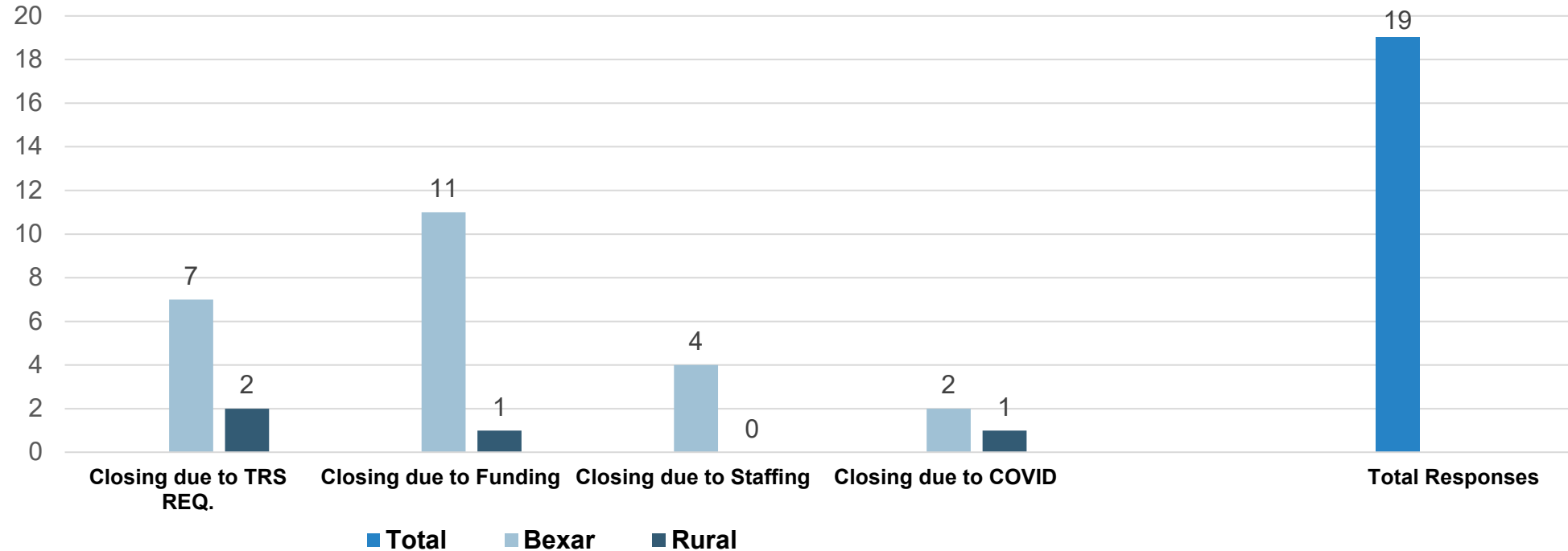
Survey Results



Texas Rising Star Designation – Status



Potential Child Care Center Closures



Looking Ahead



- Organize Focus Groups with Providers.
- Assess activities in areas for improvement for Initiatives Awarded to **ALL** Programs.





**BUILDING
STRONGER
FUTURES
TOGETHER**



QUESTIONS





STRATEGIC COMMITTEE REPORT



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented by: Caroline Goddard, Strategic Community Partnerships Manager

Date: November 17, 2023

Subject: Aspen Institute Workforce Leadership Academy

Summary: Workforce Solutions Alamo is proud to lead our local WSA Aspen Workforce Leadership Academy (WLA), in partnership with the Aspen Institute Economic Opportunities Program (EOP). WSA is one of eight organizations selected across 24 states and Canada.

In accordance with the Local Plan, WSA has worked to create partnerships representing a diverse collection of employers, government entities and elected officials, education and training partners, economic development organizations, labor associations and organizations, and community-based and non-profit social service agencies that create an ecosystem focused on the development of the local workforce and driven by industry demand. WSA has established the agency as the convener of these partnerships and acts as a coordinating partner across multiple sectors to facilitate communication, funding, innovation, and progress. WSA's approach incorporates data collection from specific constituencies in order to create highly customized responses to the needs of target industries. This opportunity directly supports the WSA sector-based partnership strategy.

Aspen Leadership Academy Fellows worked with leading practitioners, applied practical planning tools, applied effective strategies, and engaged in leadership development. Through a Collaborative Learning Lab, academies provided a forum for local leaders to identify local and regional systems-based challenges and created shared solutions. The fellowship program supports the implementation of the WSA Local Plan in the following ways:

- WSA employed best practices in workforce development and the WLA fellowship strengthened leaders' capacity to develop and sustain effective workforce strategies.
- Fellows aligned with the WSA partnership strategy and fostered a more clearly aligned workforce ecosystem that delivers integrated services to businesses and workers.
- The fellowship expanded the number and quality of leaders who advance opportunities for low-wage workers and job seekers as they meet employers' talent development needs.

The Academy is employer-driven, and data informed and helped us with the implementation of our local plan.

- The Academy aligns with WSA’s core values of accountability (being the convener of workforce development), collaboration (community leaders and partners), excellence, innovation (first Academy in Texas and done by a workforce board), and integrity. The WSA board vision provides the inspiration to execute an integrated community workforce network in the nation and the Academy increased our ability to do so.
- The sector-based framework of WSA prioritizes strategies that promote systems change and partnership across multiple sectors of the workforce ecosystem. Best practices associated with the Sector-Based model include:
 - The development of collaborative infrastructure with a lead agency in the role of convener or lead organization that facilitates connection with education, industry, and economic development partners with a shared vision for workforce development.
 - Transparency and communication among regional partners to promote a shared vision for workforce development.
 - Creation of a playbook to define communications plan for programs and partnerships.
 - Emphasize local wisdom and community voice in program development and evaluation.
 - Create measurable goals and objectives with culturally responsive data-gathering and evaluation processes.
 - Inform the development career pathways that address the needs of employers and jobseekers.

Analysis

No analysis has commenced at this time. Future data collection and analysis will include the impact and outcomes of the WLA. Data points and collection method to be determined.

Alternatives:

No alternatives are being considered at this time.

Fiscal Impact:

The Aspen Institute Economic Opportunities Program (EOP) has awarded WSA \$50,000 in support of the Workforce Leadership Academy. WSA has utilized nonfederal funds, including Fellow sponsors and donations to invest an additional \$40,000 to support the successful implementation of the WLA in the Alamo Region.

Recommendation:

Fellows will be encouraged to continue working on their recommendations past the completion of the WLA in partnership and with guidance of members of the WSA Strategic Committee.

Next Steps:

Fellows will focus efforts on recruitment of stakeholders who are local workforce leaders throughout the Alamo region to validate and align support for the recommendations. Next steps include the Stakeholder Pitch on December 4, 2023, at 11:00 AM at Paesano’s in Lincoln Heights (555 E Basse Rd, San Antonio, TX 78209).

Workforce Leadership Academy

WSA was awarded \$50,000 to implement a Fellowship program that will bring cross-sector leaders together to foster a more clearly aligned local workforce ecosystem that delivers integrated services to businesses and workers.

Fellows have conducted their research and interviewed experts that align with their topics:

- **Education & Training for Employers**

(Yousef, Ashley, Chris, Caroline, Sandra, Kat)

- **Partnerships**

(Richard, Kelli, Natasha, Mike, Lakeshia)

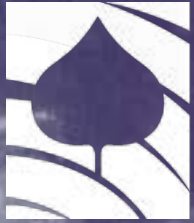
- **Strategic Navigation: Ecosystem Mapping**

(Angelica, Sonia, Nina, Robert S., Manny, Steve)

- **Measures & Outcomes**

(Robert R., Deborah C., Deborah S., Adriana, Janie)





**WORKFORCE
LEADERSHIP
ACADEMIES**

 aspen institute

Board Members: Please join us for lunch to hear our final Recommendations at the Stakeholder Pitch:

December 4, 2023

11:00 AM

Paesano's Lincoln Heights

555 E Basse Rd

San Antonio, TX 78209

RSVP HERE



“Influential people are never satisfied with the status quo. They're the ones who constantly ask, 'What if?' and 'Why not?' They're not afraid to challenge conventional wisdom, and they don't disrupt things for the sake of being disruptive; they do it to make things better.”

- Travis Bradberry

MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented by: Adrian Perez, CIO

Date: November 17, 2023

Subject: Local Plan Update – Rural Partnership Update & Community Conversations

Summary: The current 2021-2024 Workforce Solutions Alamo Local Plan update calls for outreach with partner agencies and braiding of resources under the Sector-Based Model. WSA is midway through development of Rural Workforce Councils initiated through Community Conversations held in each of the 12 rural counties. This work is one of the responses developed in conjunction with Committee of Six partner staff to the list of six items outlined in the “What the Judges Want” document provided on May 22, 2023. WSA staff has also allocated program dollars by county as requested in the document and have preliminarily seen initial demand outpacing those allocations.

Background: As a result of the March 22, 2023, Area Judges meeting discussion regarding Workforce Solutions Alamo’s performance under the Partnership and Interlocal Agreements, WSA has worked with Committee of Six staff to provide a response to the six items outlined in the “What the Judges Want” document provided on May 22, 2023.

Item #3 of the document spoke to reporting and service delivery. WSA outlined the intent to enhance local voice of the rural areas through formalization of sustainable partnerships with local partners in each county through Local/Rural Workforce Councils. To establish these partnerships WSA is developing Local Workforce Councils made up of local agency partnerships working with similar target audiences through execution of Community Conversations in the 12 rural counties. Round two of three conversations planned in the rural communities has been completed.

Item # 2 of the document spoke to the allocation of funds on a county-by-county and program-by-program basis. WSA has approved a budget based on that request and has noted an increase in demand in some rural counties. WSA staff will continue to work with contractors to evaluate actual monthly expenditures as agreed to by the partners during the regular monthly partners meeting.

Recommendation: This is an informational item. No action is requested at this time.

Next Steps: WSA has completed the first and second rounds of Community Conversations. The third round will conclude with the development of Local Workforce Councils in each county. In February, WSA staff will have more information on actual expenditures and county budget management options to work through with the Committee of Six partner staff.

Local Plan Update

Adrian Perez, CIO

November 17, 2023



Summary



The Local Plan calls for implementation of a Sector-Based model. WSA is two-thirds through Community Conversations held in each of the 12 rural counties to develop Local Workforce Councils. This work is one of the responses of six items outlined in the “What the Judges Want” document provided on May 22, 2023. WSA staff has also allocated program dollars by county and are seeing initial demand outpacing those allocations.



Background

- In early 2023 Area Judges requested guidance from TWC regarding bifurcation of Workforce Development Area into urban and rural citing consistent issues with the partnership.
- WSA staff presented the final recommendations to the Committee of Six in August in response to the six points established by the *What the Judges Want* document provided on May 22, 2023.
- Points 1 and 3 included allocation of resources on a county-by-county and program by program basis as well as reporting on expenditures and number served and reporting on variances.
 - Development of county Local Workforce Councils to ensure that a strong partnership developed and grown in each county.
 - Local input and leadership in a model to develop local Outreach and Action Plans.





Questions?



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OVERSIGHT COMMITTEE REPORT



MEMORANDUM

To: Board of Directors
From: Adrian Lopez, CEO
Presented by: Ricardo Ramirez, Director of Quality Assurance
Date: November 17, 2023
Subject: Briefing – TWC Annual Monitoring

SUMMARY: Quality Assurance’s briefing of TWC’s Annual Monitoring for the WSA Board of Directors. The item does not require Board action.

TWC Annual Monitoring

Annual Monitoring: TWC conducted its Annual Monitoring and completed the onsite testing (performed in a hybrid format) from October 10th through the 24th. TWC provided an Exit Conference with an accompanying Exit Report on the 24th.

TWC Initial/Draft Exit Conference Report

TWC’s Exit Conference Report cited the following items. Please note that the report is in an initial or draft format, meaning that the items may or may not be included (or adjusted) in the Final Report.

- **Fiscal Disbursements – this is a prior year (repeat) finding:**
 - *Syndicate Wave – Procurement Consultant:*
 - Extension of the duration of the original scope of work (from four months to 16 months);
 - Increase of costs beyond the RFP/contract terms (from \$20,700 to \$76,212).
 - TWC’s comments:
 - May result in potential questioned costs.
 - Extending work beyond the original scope of the solicitation is, generally, seen as bypassing the standard of full and open competition.
 - *Martin & Drought – Legal:*
 - Increase of costs beyond the RFP/contract terms (from \$90,000 to \$110,000 annually).
 - Direct payments for services to Caldwell East & Finlayson, PLLC (Martin & Drought’s subcontractor).
 - TWC’s comments:
 - May result in potential questioned costs.
 - Extending work beyond the original scope of the solicitation is, generally, seen as bypassing the standard of full and open competition.

- **Leases – this is a prior year (repeat) finding.**
 - *Marbach Workforce Center:*
 - Needs determination not dated.
 - *San Antonio Food Bank:*
 - Initial needs determination and market assessment not dated.
 - One needs determination was dated after the effective date of the agreement.
 - Market analysis conducted after the effective date of the agreement.
 - *Port Authority of San Antonio:*
 - Initial needs assessment not dated.
 - One needs assessment dated after the lease’s effective date.

- **Procurements:**
 - *Professional Development Training Services for Childcare Providers:*
 - Conflict of Interest (COI): Missing a COI for one evaluator.
 - *Mechanical Services (Handyman):*
 - Missing independent estimate of the needs assessment section.

- **Personal Identifiable Information (PII):**
 - *Note: PII is confidential or sensitive information that must be properly protected.*
 - TWC Walkthrough at the Marbach Workforce Center:
 - Lack of barriers to cover/secure PII at the reception desk.
 - Unsecured emails and passwords in staff cubicle.

Next Steps

- TWC Audit Resolution may issue an “Initial Resolution Notification” with administrative findings or questioned costs.
- WSA will have 45 calendar days from issuance of the notification to respond.

Procurement Items (item “VI. a. i.”)

WSA Procurement includes a presentation of the items that TWC included in their Exit Report.

FINANCIAL IMPACT: Potential questioned costs.

ATTACHMENTS: TWC’s Exit Conference Report.

Workforce Solutions Alamo Exit Conference Report Project #24.20.0001

To: Board's Staff, Other Representatives, & TWC Monitoring Team
From: Ernesto Cantú, Project Manager
Date: October 24, 2023
Time: 2:30 PM
RE: Exit Conference Report with the Workforce Solutions **Alamo**

I. Introductions & Sign-In:

Please enter your name, title, and department in Teams "Chat Box" section. Please distinguish between Board or subrecipient.

II. Scope

The scope of this review encompassed the program year beginning August 1, 2022, through July 31, 2023.

III. Issues and Documentation

Fiscal: This is a prior year finding.

Syndicate Wave-

- The Board procured the provider and executed a contract commencing April 4, 2022, to July 31, 2022, and not to exceed \$20,700. The contract was extended from August 1, 2022, to August 31, 2022. The contract was again extended from September 1, 2022, to July 31, 2023 (1 year), increasing by \$56,212 to \$76,212. When the original project and contract was completed, the next segment of the project should have been procured. By extending work beyond the original scope of the solicitation is, generally, seen as bypassing the standard of full and open competition. This may result in a potential question cost.

Martin & Draught –

- The contract provided for a one-year agreement and four one-year options to renew; the original procurement was not to exceed \$90,000 and the total contract with options was \$450,000. For the third one-year renewal option of the contract (10/1/2022 to 9/30/2023), the contract was increased to not to exceed \$110,000. In addition, the Board also paid Martin & Draught's subcontractor, Caldwell East & Finlayson, PLLC, directly for services. Extending work beyond the original scope of the solicitation is, generally, seen as bypassing the standard of full and open competition. This may result in a potential question cost.

Procurements:

Conflict of Interest

In one procurement tested, the Board did not ensure one Professional Development Training Services for Childcare Providers evaluator had a signed Conflict of Interest.

Independent Estimates

In one procurement tested, the Board did not maintain documentation to support an independent estimate was conducted.

Mechanical Services (Handyman)-

- The independent estimate section of the needs assessment is blank.

Leases: This is a prior year finding.

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In three leases tested, the Board did not ensure its needs determinations and market assessments were dated. In addition, for two leases tested, the Board did not maintain documentation to support a market analysis was conducted prior to contract issuance.

Marbach Workforce Center-

- The needs determination is not dated.

San Antonio Food Bank-

- The initial needs determination and the market assessment are not dated. During the review, the Board provided a second needs determination dated 6/19/23, which was after the effective date of the agreement on 1/1/22. In addition, the market analysis was conducted on 10/5/23, which was also after the effective date of the agreement.

Port Authority of San Antonio-

- The initial needs assessment provided by the Board was not dated. During the review, the Board provided a second need assessment dated 4/3/23, which was after the lease was effective on 2/9/22.

Note: The Board provided a Memorandum for Record dated 10/4/23, stating an audit was conducted and gaps in needed areas of improvement for the three leases were identified.

Board:

Personal Identifiable Information (PII):

A walkthrough of the Marbauch center was conducted and as a result the following was noted:

- The Board has no barriers in place to cover and secure the PII information from the public that a new customer is entering into the computer at receptionist desk.
- During the walkthrough, a notebook with emails and passwords belonging to a staff who was out, was found unsecured in an empty cubicle.

Issues and potential questioned costs identified in this report may require additional research regarding the status as findings and the final amount of costs. Therefore, we will continue communications with Board staff, as necessary, after our return to Austin. If circumstances warrant, an issue may be removed from this review and addressed in a subsequent special review. Findings from previous reports that are still in process with TWC Audit Resolution may be included in this year's report as a prior year issue.

IV. Reporting Process:

You will receive a report of our findings, if any, upon completion of our fieldwork. The Executive Director (or appropriate representative for non-Board reviews) will be provided a courtesy copy of the final report twenty-four (24) hours prior to its dissemination. If the review results in no issues identified, a management letter will be issued, and the review closed. (40 T.A.C. 802.65(a))

V. Resolution Process:

After issuance of the monitoring report, TWC Audit Resolution will issue you an Initial Resolution Notification regarding administrative findings and questioned costs noted in the report. The monitored entity will have 45 calendar days from the issuance of the Initial Resolution Notification to respond. (40 T.A.C. 802.65(b)(1) and (2)).

Administrative Findings: If administrative findings are resolved based on the responses to the Initial Resolution Notification, a monitoring closure letter is issued. (40 T.A.C. 802.65(b)(1)(A)). Unresolved administrative findings remain open; TWC's Audit Resolution Department will continue to work with the monitored entity until the next scheduled review to ensure follow-up. ((40 T.A.C. 802.65(b)(1)(B))

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Questioned Costs: If questioned costs are resolved based on the responses to the Initial Resolution Notification, a monitoring closure letter is issued. (40 T.A.C. 802.65(b)(2)(A)). Unresolved questioned costs will result in the issuance of an Initial Determination. (40 T.A.C. 802.65(b)(2)(B)).

VI. Special Requests:

Special requests for or any of the following areas can be facilitated by the Subrecipient Monitoring Department or in conjunction with other departments.

A. Monitoring Technical Assistance – For monitoring tools, procedures and training: informal or formal.

Contact person is: Alma I. Gonzalez, Training Coordinator/Monitoring TA
Telephone: (512) 936-2513 (O); (512) 755-5546 (C); Fax: (512) 936-3517
Email: alma.gonzalez2@twc.texas.gov

B. Fiscal Technical Assistance – For answers to financial questions, you may email TWC fiscal technical assistance workgroup at Fiscal.ta@twc.texas.gov

C. Program Technical Assistance Requests:

Applicable Contract Manager: Tangela Niemann
Email: tangela.neimann@twc.texas.gov

Workforce Policy & Program Assistance:
Email wfpolicy.clarifications@twc.texas.gov

VII. Customer Service

The Subrecipient Monitoring Department strives to continually improve our processes and procedures. As such, a *Customer Satisfaction Survey* will be provided to the Executive Director. We would greatly appreciate your time in completing the survey and returning it to:

Charles E. Ross, Jr.,
Director

Fraud Deterrence and Compliance Monitoring Division
Email: chuck.ross@twc.texas.gov

VIII. Closing Remarks & Questions

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IX. Acknowledgement

The purpose of the exit conference report is to provide monitored entities, upon completion of the on-site review, a written record of potential issues and questioned costs which could be included in the monitoring report. It also documents one of our primary goals; assurance that entities we monitor are provided daily feedback, verbally and/or in writing as requested by the entity, throughout the duration of the on-site review.

Signatures below acknowledge that the TWC team gave frequent verbal and written updates on the status of the monitoring visit. It also acknowledges that the Board understands that the issues identified may be written as findings in the TWC Monitoring Report. ***The signature below does not acknowledge agreement or disagreement with the issues noted, merely that the issues and potential questioned costs were communicated during the course of the review.***

DocuSigned by:

ADRIAN LOPEZ

Executive Director or Designee

10/27/2023

Date

TWC SRM Project Manager

Date



Charles E. Ross, Jr.
Director, Division of Fraud Deterrence and Compliance Monitoring
Texas Workforce Commission

Date



**Workforce Solutions Alamo
Exit Conference Report
Project #24.20.0001**

Sign-In Sheet

PLEASE PRINT CLEARLY

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MEMORANDUM

To: Board of Directors
From: Adrian Lopez, CEO
Presented by: Jeremy Taub, Director of Procurement and Contracts
Date: November 17, 2023
Subject: Draft Plan for Responses

Summary: This report is intended to summarize procurement processes and improvements the Board is implementing to increase controls related to contracts and leases.

In October 2023, the annual TWC monitoring review of procurement was performed to ensure historical procurements were completed following policies and procedures. During the monitoring, several areas were identified as impacting WSA’s compliance with the procurement process. As a result, the Board is reviewing its strengthening of contracts, policies, procedures, and additional tools to implement the recommendations by TWC.

Full and open competition is a basic tenet of public purchasing. It promotes public opportunity to compete for publicly funded awards without concern for partiality and preferential treatment. It also promotes the accomplishment of fair and reasonable prices through market competition. Actions that restrict or limit competition can erode public trust, result in award protests, reduce suppliers’ willingness to respond to solicitations, and lessen or eliminate the achievement of cost-effective pricing through market influence.

The Texas Workforce Commission, TWC monitors indicated that the Board may have improperly amended two (2) contracts by adding services to the existing scope and increasing costs not provided for by the original proposal solicitation and contract documents. Additionally, it was noted that documentation for two of the Boards leases wasn’t dated properly.

Update: The table below is intended to summarize the procurement items notated in TWC monitoring report:

Item	Area of Concern	Issue
Legal Services Contract	Amended to increase the budget	The contract exceeded the budget of \$90,000 annually
Procurement Consultant Contract	Extended and increased scope of the contract and increased the budget	The contract exceeded budget of \$20,700 over a four-month period
Lease – San Antonio Food Bank	Needs Determination and Market Assessment were improperly dated.	Needs Determination and Market Assessment were dated after lease execution.
Lease – Port Authority San Antonio	Needs Determination and Market Assessment were improperly dated.	Needs Determination and Market Assessment were dated after lease execution.

1. Legal Services Contract - The original Contract Value is not to exceed \$90,000, which may be amended pursuant to section 1.8 of the RFP; Workforce Solutions Alamo reserves the right to vary or change the terms of any contract resulting from this RFP, including funding levels, scope of work, performance measures, adding other related programs or services and funding sources, and shortening or extending the contract period, as it deems necessary and in the best interests of Workforce Solutions Alamo. The original contract value excluded a budget for non-routine matters, which caused the contract to be amended.
2. Procurement Consultant Services - In October 2022, the Board sought to amend the contract with The Syndicate Wave to enable implementation of their recommendation plan and provide ongoing support services for an increased cost of \$56,212.72. The Board felt that continuing the services with The Syndicate Wave was in its best interest as the contractor, having specialized knowledge at this point, was well familiarized with TWC and Board policy and procedures. In a review of the original proposals submitted, an analysis further supports that based on the proposed hourly rates and the estimated number of hours needed to complete the amended scope of work, continuing with The Syndicate Wave was the most cost-effective.

Therefore, rather than rebid Phase II, the Board elected to contract the additional services with the Syndicate Wave beyond what the original RFP and contract indicated. The Board took this action to amend the contract for Procurement Consultant Services to maintain business continuity. The action taken by the Board enabled the Procurement Director to implement policies and procedures while focusing on hiring highly trained experienced staff.

3. Leases – The monitoring review recently conducted by TWC noted that required Needs Determination and Market Analysis for two of the Board’s leases weren’t dated properly for the San Antonio Food Bank and the Port San Antonio locations. The Needs Determination and Comparative Market Assessment (CMA) is completed for every procurement that we request for properties. The assessments were added to our Lease Policy and Procedures following last year’s audit review and from the direction provided by TWC Audit Resolution to have more concise and detailed documentation that clearly shows that the Board has demonstrated proper compliance. Compliance with the aforementioned is pending final review and determination by TWC.

TWC Recommendations: The Board should strengthen controls over amending contracts. The Board should adhere to the requirements of the FMGC and work with TWC Audit Resolution on amending contracts. Subject to an entity’s own procurement procedures, a Board may amend contracts so long as the solicitation document and contract clearly defines the conditions and dollar amount for which the contract can be amended. Amending contracts beyond the original scope, length, and amount is not permitted unless provided for in the original contract.

TWC Lease Recommendation: The Board has proactively started to implement the recommendations by TWC and TWC’s Audit Resolution unit to cure the non-compliant leases before any future lease renewals. After meeting with TWC, the Board will continue to take the following steps to cure potential findings:

- WSA will perform a lease-by-lease summary of each property to ensure the required documentation is properly dated to align with the recent implementation of WSA lease procedures and tools.
- TWC does not request WSA to break any lease but expects WSA to perform a complete and transparent procurement before exercising any renewal options on a current lease.

As an outcome of the recommendations and technical assistance provided, the Board shall take the following steps and will provide regular updates to the Board as developments progress:

- Develop expenditure tracking processes and reporting monitor budget spend rates to prevent exceeding unauthorized contracted expenditures.
- Revise Standard Operating Procedures to outline the conditions for amending contracts, including proper procedures adding additional services that were not originally procured.
- The Board staff will conduct a subsequent internal review of all property leases. This process will further analyze the existing leases to ensure they align with the TWC's Financial Manual for Grants Contracts, and WSA Lease Procurement procedures. In addition, this process will ensure that documentation is properly dated and on file for each one of the Boards leases.

Additional Controls Over Expiring Contracts: TWC has recommended that the Board review and strengthen controls to ensure contracts are renewed or reprocured promptly and appropriately. Procurement has developed a contract management database that is updated regularly by reviewing contract expiration dates and in addition to any other contract-related action.

Procurement and Contracts utilizes e-procurement software to issue automated reminders to contract end users for necessary action requirements on renewing and expiring contracts. Additionally, procurement staff performs follow up with end users individually for status updates. This follow-up process creates an opportunity for collaboration, training, and development throughout the agency.

Agency-Wide Procurement Improvements: In March 2022, the Board contracted with The Syndicate Wave, LLC to address the prior year's TWC recommendation, listing procurement as an area of concern. The independent consultant assessed the procurement area, identifying several required vital control needs. The Board had contracted with The Syndicate Wave, LLC to assess, recommend, and implement agency-wide improvements to the procurement and contract management process. This includes strengthening controls by updating policies and implementing standard operating procedures.

The outcome of the assessment resulted in the identification of key risk control areas of capacity, governance, and process effectiveness. The Syndicate Wave, LLC scope and contracted course of action is to recommend, enhance, and implement the following agency-wide:

- Procurement staff will coordinate with the Fiscal department, Programs and Operations, and Quality Assurance as appropriate to obtain necessary information to complete the amendment.
- Improve Procurement Governing Practices and Enhancing Best Practices
- Capacity Building and Strengthening Policy & Procurement System(s) Performance
- Procurement checklists and other tool kits to improve efficiency and effectiveness.

- Contract Compliance and Monitoring
- Standardization of Procurement Planning, Timeline, Requirements, and Operating Procedures
- Records Management Policies (including the utilization of electronic storage)
- Vendor Diversity Outreach Policy Improvements (SMWVBE/HUB)
- Procurement of Professional Development Recommendations and Training
- Support Audit reconciliation activities and any “Cure” actions

WSA and The Syndicate Wave, LLC collectively finalized all enhancements and actively implemented these new policy and procedures recommendations. WSA is committed to conducting procurement acquisitions to the maximum extent practical, in a manner providing full and open competition consistent with the standards detailed in the Financial Manual for Grants and Contracts (FMGC), Texas Workforce Commission Procurement Supplement, Grant Management Common Rule, and Uniform Grant Management Standards (2 CFR 200).

Next Steps: Procurement and Contracts Management will continue proactively monitoring compliance, embracing a continuous process improvement culture, implementing the recommendations from TWC, integrating an internal quality assurance process, and implementing the recommendations from the Syndicate Wave.

Timeline: The procurement process improvements have remained ongoing since October 2022, and are anticipated to continue indefinitely.

Fiscal Impact: Strengthening controls will ensure full compliance and guard against future questioned costs, which none exist for the monitoring review. Additionally, these controls will yield more significant contract negotiation positions.

Attachments: None