



MEMORANDUM

To: Committee of Six

From: Adrian Lopez, Chief Executive Officer

Presented By: Gabriela Navarro Garcia, Controller

Date: April 22, 2026

Subject: **FY25-26 Budget Amendment #1**

Summary: The board staff prepares a budget based on the assumption of planned allocations from the Texas Workforce Commission and anticipated carryover funds from existing contracts. The budget is prepared by utilizing Texas Workforce Commission planning estimates and forecasting contractor expenditures before actual budgets and allocations are received. Budget Amendment #1 provides a reconciliation from estimates to actual.

Strategic Goals:

Goal 1: Texas Talent Experts

Build a statewide network of Texas Talent Experts to support workforce development by identifying skill gaps, advising employers and jobseekers, and promoting talent recruitment and retention across Texas.

Goal 2: Service Optimizers

Enhance the efficiency, quality, and accessibility of workforce services delivered by the Texas Workforce Commission (TWC), ensuring Texans experience seamless access to job training, unemployment benefits, and career support.

Goal 3: Partnership Managers

Strengthen and expand strategic partnerships among TWC, employers, educational institutions, and community-based organizations to deliver coordinated and innovative workforce development solutions.

Analysis: The staff requests approval to increase the budget from \$192,305,381 to \$199,796,542, an increase of \$7,491,161 or approximately 3.9%. The increase of \$5,391,690 in service delivery is primarily due to Childcare of \$5,077,177; additional adjustments are summarized below.

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Fiscal Impact:

Corporate: There was an increase in personnel fringe benefits of \$64,424 due to increase of employee insurance rates. The approved corporate budget was \$8,716,376 and the amended budget will be \$8,780,800, a .7% increase.

Reserve: The reserve was initially budgeted at \$12,318,454. The board is projecting a \$1,793,170 increase or approximately 14.6% for a budget amount of \$14,111,623. This represents adjustments to Child Care service delivery costs due to the decreased target provided by TWC of children in care.

Initiatives: Initiatives were initially budgeted at \$529,947, which represented TWC, Workforce Initiatives that include jobs fairs such as Red White and YOU, and youth job fairs. The board is requesting to increase the project by \$241,878 for several grants that were extended or have been awarded since the initial budget approval.

Service Delivery: The primary Service Delivery adjustments of \$5,391,689 are as follows:

Program	Grant	Amount
Adult	RESEA	\$351,574
Adult	TANF	\$300,112
Adult	WIOA Adult	\$450,076
Adult	WIOA Dislocated	\$600,068
Child Care	CCDF, CCM, CCP, Quality	\$5,528,599
Non-TWC	Ready to Work	(\$2,453,068)
Total		\$4,777,361

Alternatives: None

Recommendation: Increase the budget from \$192,305,381 to \$199,796,542, an increase of \$7,491,161 or approximately 3.9%.

Next Steps: Board staff will continue to monitor expenditures and report any significant variance through a subsequent budget amendment.

Attachment: WSA FY26 Budget Amendment #1