



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

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

Date: June 12, 2026

Subject: **TWC Performance Target**

Summary: The Texas Workforce Commission (TWC) has determined that the way that the Average Number of Children Served per Day was calculated needed to be corrected. TWC updated BCY'26 Targets based on the corrected Average Cost calculation. Based on the corrected calculation, TWC is serving fewer CCS children.

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: TWC developed FINAL revised BCY'26 Targets, based on data available through December 2025. TWC Commission took action to approve the revised BCY'26 Targets at their March 3, 2026, Commission Meeting.

Alamo exceeded the new BCY 2026 lower midyear target as of December 2025 but were not exceeding the initially approved BCY 2026 target. The result was that Alamo's midyear review target is set at the December 2025 actual number of CCS children enrolled.

Targets for Average Number of Children Served per Day

- Original: 12,994
- Based on Midyear Review: 12,509
- Change: (485)

Alternatives: N/A

Fiscal Impact: Alamo received an additional distribution to support the new higher average cost in the amount of \$576,903. Additionally, an end-of-year (EOY) reconciliation revealed that at the end of BCY 2025, TWC's forecast for Alamo was incorrect and insufficient to cover the CCS cost of care. To accommodate the revised affordable number of children, higher-than-projected costs, and the BCY 2025 EOY reconciliation, the Commission approved \$2,087,625 in additional CCS funding to be distributed to Alamo.



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 begin the intake process for select priority populations to enroll approximately 300 children into care to meet current performance target. This will be discussed further in the Memo Child Care Services – Open Intake.

Next Steps: Alamo will continue to monitor enrollments and forecasts to ensure the revised performance target is met.

Attachment: WD 05–25, Change 2, Attachment 1: Board Contract Year 2026 Child Care Allocations, Distributions, Average Children Served per Day Target, and Initial Job Search Success Rate Targets



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

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

Date: June 12, 2026

Subject: **Child Care Services – Open Intake**

Summary: Based on Alamo’s updated BCY’26 Targets and forecasting, there is a need to open enrollment for select priority clients on the waitlist.

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 to begin by enrolling approximately 300 children and then monitor expenditures and forecasts to see if additional children should be enrolled.

Alternatives: Alamo could keep intake closed but would likely have a surplus of funds at the end of the fiscal year as well as the potential to fall short of the performance target.

Fiscal Impact: Enrolling approximately 300 children will ensure that projected carry-over funds do not exceed the recommended amount

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 begin the intake process for select priority populations to enroll approximately 300 children into care to meet current performance target.

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

Attachment: N/A



MEMORANDUM

To: Board of Directors
From: Adrian Lopez, CEO
Presented By: Timothy Schindler, Director of Child Care
Date: June 12, 2026
Subject: Texas Education Freedom Account (TEFA) Updates

Summary:

Texas Education Freedom Accounts (TEFA) – March 2026 Update
Massive Surge in Applications (160,000 → 200,000+)
Demand for TEFA has been extremely high throughout the application period.

Early March:

By March 9, 2026, more than 160,000 students had applied, and applications surged past 200,000 just one week later according to the Texas Comptroller. This was just one month into the application window and well ahead of the March 17 deadline which was extended through March 31. Pre-K applications were notably high, with nearly 21,000 (12.8%) of applications for students entering Pre-K.

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:

Breakdown by demographics:

- 79% of applicants intend to use funds for private school costs.
- 11% (approx. 18,000) are students with disabilities from families below 500% of the Federal Poverty Level.

Families do not need to choose a school at application time; they have until July 15 to finalize selection.

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**As of mid-March 2026:**

- 2,200+ private schools have registered to participate. Families do not need to choose a school at application time; they have until July 15 to finalize selection.

Following numbers reflect data pulled from March 25, 2026

- San Antonio Area - 248 TEFA locations
- 211 locations supporting Pre-K
- 121 locations supporting Kinder - 5th grade
- 139 TRS locations (#'s pulled from TEFA and cross referenced to 3-and 4-star centers)

Alternatives and Fiscal Impact:

Expected Lottery & Funding Allocation

Because demand dramatically exceeds capacity (200,000+ applicants vs 90,000 available spots):

The Comptroller will run a priority-based lottery after applications close.

Priority categories include:

1. Students with disabilities
2. Low-income and middle-income families

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:

- Continued support to families and providers through webinars
- Distribution of Flyers and Newsletters
- Utilization of Workforce 1 Bus for promotion
- Monitor lottery outcomes and program impact



MEMORANDUM

To: Board of Directors
From: Adrian Lopez, CEO
Presented By: Victoria Rodriguez, Director of Workforce Services
Date: June 12, 2026
Subject: Youth Program Briefing and Performance

Summary: For Program Year 2026, Workforce Solutions Alamo (WSA) continues its partnership with youth contractor SERCO to oversee enrollments and provide education, training, and skills essential for workforce success. WSA maintains active communication with SERCO to ensure performance goals align with the Texas Workforce Commission's (TWC) target range of 95-105% while staying within the allocated budget.

Strategic Goals: 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.

Analysis: The Youth Program is currently meeting three performance targets and exceeding two. Employed/Enrolled in the 4th Quarter after Exit, Median Earnings, and Credential Attainment Rate are meeting the targets established by the Texas Workforce Commission (TWC) and are expected to improve as the program year progresses.

Additionally, Employed/Enrolled in the 2nd Quarter after Exit and Measurable Skills Gains are currently exceeding performance targets. These outcomes are influenced by the timing within the program year, as many participants are completing training and employment outcomes are being captured from participants who exited in prior periods.

TWC-Contracted Performance	Jan26
Employed/Enrolled Q2 Post Exit – Youth (DOL)	EX
Employed/Enrolled Q4 Post Exit – Youth (DOL)	MG
Median Earnings Q2 Post Exit – Youth (DOL)	MG
Credential Rate – Youth (DOL)	AR
Measurable Skills Gains - Youth (DOL)	EX

Lastly, staff continuously monitor service delivery through the Planned Participant



Summary (PPS). The PPS tracks participants in both rural and urban areas and reports on services provided, including supportive services, education and training, and work experience. These services are designed to help participants obtain employment and address barriers to employment through targeted supports (e.g., transportation assistance).

At this point in the program year, In-School Youth (ISY) participation is expected to increase as the summer months approach and seasonal programming expands. Out-of-School Youth (OSY) participation, meanwhile, has demonstrated steady growth throughout the year.

PARTICIPANT PLANNING SUMMARY (PPS)
WIOA Youth YTD
Oct 2025 - Feb 2026

PARTICIPANTS					
	OSY		ISY		Total
Rural	46	27.5%	43	47.8%	89
Urban	121	72.5%	47	52.2%	168
Total	167		90		257
Services - Rural					
Support Services	32		14		46
Education/Training	2		1		3
Work Experience	12		5		17
Services - Urban					
Support Services	80		19		99
Education/Training	10		3		13
Work Experience	55		14		69

Alternatives: N/A

Fiscal Impact: Workforce Solutions Alamo (WSA) continues to make a strong investment in youth workforce development to ensure young individuals gain meaningful skills and access to career opportunities. Currently, twelve youth are engaged in education and training programs supported by WSA.

These strategic efforts reflect WSA’s commitment to empowering youth through education, training, and hands-on work experience—preparing them for successful entry into the workforce and long-term career advancement.

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Board Responsibilities: This item supports the Board’s responsibility to remain informed about and understand the performance accountability of youth services.

Recommendation: Staff will continue to monitor closely all performance measures and hold contractor staff accountable for delivering services appropriately.

Next Steps: Staff will continue to closely monitor all performance measures and ensure contractor staff remain accountable for delivering services effectively and in accordance with program requirements.

Attachment: This items does not have attachments.



MEMORANDUM

To: Board of Directors
From: Adrian Lopez, CEO
Presented By: Victoria Rodriguez, Director of Workforce Services
Date: June 12, 2026
Subject: TX FAME

Summary: In 2024, Workforce Solutions Alamo (WSA) became the HUB organization for TX FAME, establishing a partnership that has strengthened industry engagement and collaboration. Over the past two years, this relationship has generated strong industry participation and support. This memorandum reflects on the progress and impact of the partnership to date and outlines the direction and priorities for continued collaboration in the future.

Strategic Goals: All three goals are engaged for this item.

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: TX FAME advances WSA's strategic goals by connecting employers with job seekers and supporting the upskilling of the region's workforce. Over the past two years, WSA has facilitated 13 recruiting events and supported two graduation ceremonies. Participation in open houses has also grown significantly, driven by targeted outreach through WSA's youth programs and strong partnerships, helping to connect more talent with meaningful career opportunities.



In addition, WSA plans to further strengthen employer engagement through targeted mixers and collaborative events designed to foster meaningful connections between businesses and job seekers. This strategy is informed by labor market data provided by the Texas Workforce Commission (TWC), allowing WSA to align outreach efforts with regional workforce needs and opportunities. Coordinated by WSA's Business Services team, these initiatives aim not only to increase employer participation but also to build long-term partnerships that support talent development and the growth of a skilled, competitive workforce in the region.

Alternatives: N/A

Fiscal Impact: This initiative demonstrates a strong fiscal impact by leveraging resources from all partners, including employers, to enhance the development of the region's talent pipeline. By combining financial and in-kind contributions, the program maximizes investment efficiency, strengthens workforce capacity, and generates measurable returns in regional economic and employment outcomes.

Board Responsibilities: This item supports the Board's awareness of TX FAME updates and progression.

Recommendation:

Continue partnering with youth-serving organizations and schools to leverage resources, maximize outreach efforts, and increase youth participation. These collaborations will help expand overall reach, expose more young people to Workforce Solutions Alamo and the YES! Program, and most importantly, connect them to meaningful career pathway opportunities.

Next Steps: WSA will continue expanding employer engagement by hosting targeted mixers, open houses, and collaborative events to strengthen participation and build long-term partnerships. Employers will be actively engaged to contribute fiscal and in-kind resources that support program activities, recruiting events, and workforce development initiatives. Programs will be aligned with labor market data from the Texas Workforce Commission (TWC) to ensure outreach and design meet regional workforce needs and maximize return on investment. Coordination across WSA's Business Services team, partner agencies, employers, and youth programs will maintain efficiency and effectiveness in all initiatives.

Attachment: This items does not have attachments.



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Victoria Rodriguez, Director of Workforce Services

Date: June 12, 2026

Subject: Strategies for Employment Outcomes

Summary: This memo outlines strategies to strengthen employment outcomes for both employers and job seekers by leveraging Unemployment Insurance (UI) claimant data and labor market job reports across the Alamo region. Workforce Solutions Alamo has access to valuable data assets, including UI claimant records and real-time job demand information. When used strategically, these data sources can improve job matching, reduce unemployment duration, and better align training investments with regional employer needs.

Strategic Goals: This agenda item aligns with the following goal in the Strategic Plan:

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.

Analysis: Workforce Solutions Alamo can improve employment outcomes by strategically using UI claimant data alongside real-time job reports to better align job seekers with employer demand. By segmenting claimants based on work history, wage levels, and duration of unemployment, the organization can prioritize high-impact populations and deliver targeted outreach and re-employment services earlier. At the same time, aligning training investments with verified high-demand occupations ensures that job seekers are prepared for roles that offer sustainable wages and strong hiring potential, while improving the effectiveness of programs like ITAs and work-based learning.

Additionally, integrating data-driven job matching and strengthening employer partnerships allows for more efficient placements and stronger talent pipelines.

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Employers can be engaged using insights on available talent pools, while job seekers benefit from customized pathways into in-demand industries such as healthcare, IT, and logistics. By tracking outcomes through wage records and continuously refining strategies, Workforce Solutions Alamo can reduce time to employment, increase job retention, and better meet the needs of both employers and the regional workforce.

Alternatives: Alternatively, Workforce Solutions Alamo could continue operating under a generalized service delivery model that does not heavily rely on UI claimant data or real-time labor market intelligence. In this approach, services would be offered broadly to all job seekers without prioritization based on wage history, unemployment duration, or industry alignment. Training investments would be guided more by provider availability or participant interest rather than verified employer demand, which may result in less alignment with high-growth occupations.

Fiscal Impact: N/A

Board Responsibilities: This item supports the Board's responsibility to promote employer and industry engagement by providing updates on workforce initiatives, employer partnerships, and regional industry needs.

Recommendation: Staff should implement a data-driven employment strategy that integrates UI claimant data with real-time job demand reports to proactively match job seekers to high-wage, high-demand opportunities. This includes developing targeted outreach for priority claimants, aligning training investments with verified regional labor market needs, and expanding work-based learning models such as OJT and apprenticeships to accelerate re-employment.

Next Steps:

- Reduce time-to-employment for UI claimants
- Increase placement into high-wage, high-demand jobs
- Improve employer satisfaction through better talent alignment
- Strengthen long-term wage and retention outcomes for participants



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Edmundo Patoni, Communities Initiatives Manager

Date: June 12, 2026

Subject: Industry Collaboratives - Construction Overview

Summary: The Industry Collaboratives establish a sector-based engagement model across Construction, Manufacturing, and Healthcare. The Construction Collaborative convened employers, training providers, and workforce partners to align training with industry demand and support the development of strong talent pipelines for the region’s construction sector.

The session included 31 industry representatives across employers, public sector partners, and education providers. Discussions focused on workforce demand, skill gaps, credential alignment, and hiring challenges, providing direct insight to inform training and workforce strategies.

Strategic Goals: The Construction Collaborative supports workforce alignment by engaging employers to define current and emerging needs, skill gaps, and hiring demand. It strengthens coordination between industry and training partners to ensure programs remain responsive and aligned to construction sector workforce needs.

Analysis: The Collaborative served as a platform for employers to provide direct input on hiring needs, credential requirements, and workforce challenges. Employers highlighted the need for skilled trades talent, improved alignment of training with job requirements, and support for hard-to-fill roles.

Participation from partners such as Alamo Colleges District supported alignment between training delivery and employer expectations. The session also reinforced the value of continued employer engagement to strengthen long-term talent pipeline development within the construction sector.



Alternatives: Operating without a structured collaboration limits employer input, reduces alignment between training and industry needs, and weakens talent pipeline development. This approach is not recommended.

Fiscal Impact: N/A

Board Responsibilities: This item supports the Board's responsibility to promote employer and industry engagement by providing updates on workforce initiatives, employer partnerships, and regional industry needs.

Recommendation: Staff recommends the Strategic Committee receive and acknowledge the Industry Collaboratives to support alignment with workforce and employer engagement priorities.

Next Steps:

- Expand employer participation
- Integrate industry feedback into training alignment and workforce strategies
- Provide periodic updates to leadership and the Strategic Committee



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Dr. Ricardo Ramirez, Director of Quality Assurance

Date: June 12, 2026

Subject: **TWC & Associated Monitoring**

Summary: Quality Assurance (QA) briefing on the Texas Workforce Commission (TWC) Annual and associated monitoring. The item does not require Board action.

Strategic Goals: The agenda item mainly aligns with the following goal in the Strategic Plan:

Goal 2: Service Optimizers

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

Analysis:

TWC Annual Monitoring

TWC completed its annual review of WSA from August 14, 2025, through October 23, 2025. TWC has not issued any additional information, nor a Final Report (if there are findings) or a Letter (if there will be no findings).

Fiscal Impact: TWC's Exit Report did not identify any potentially questioned costs.

Recommendation: Staff from the associated departments are developing *action plans* to address TWC's Annual Report potential findings and other items that TWC may have 'flagged' but not reported, including some that staff resolved during the monitoring. The action plans include, at a minimum, four elements:

- An examination of the root causes,
- A review of existing (or the development of) procedures,
- Staff training, and
- Additional internal controls (to monitor and test progress for each item).

Staff will consolidate and prepare the documentation of the actions in anticipation of TWC's audit resolution, which QA will help coordinate.



Next Steps:

- **TWC's 'Embargoed' Report:** TWC will issue an informational (non-public) copy of the report to the CEO five business days before issuing the final report (expected in May 2026).
- **Monitoring Letter:** If there are no issues, TWC will issue a letter (otherwise, they will issue a report).
- **Monitoring Report:** If there are findings, TWC will issue a final report via e-mail to the Board Chair, Board Executive Director, designated representatives of the US Dept of Health and Human Services, Dept of Labor, TWC, and other TWC executive staff.
- **Audit Resolution:** Findings from the report will go to TWC's Audit Resolution department, with whom WSA will coordinate to resolve the issues within 45 days.



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Dr. Ricardo Ramirez, Director of Quality Assurance

Date: June 12, 2026

Subject: **Migrant Seasonal Farm Worker Monitoring**

Summary: Quality Assurance (QA) briefing on a Migrant Seasonal Farm Worker (MSFW) monitoring review. The item does not require Board action.

Strategic Goals: The item mainly aligns with the following goal in the Strategic Plan:

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.

Analysis:

TWC Migrant Seasonal Farm Worker (MSFW) Monitoring

The TWC State Monitor Advocate's (SMA) office completed a review of MSFW services for which an Exit Conference and a follow-up clarification meeting were held on February 18, 2026, and March 23, 2026, respectively.

A Final Report, included as an attachment, was issued April 2, 2026, and addressed by the TWC SMA to TWC's Chief Deputy Division Director (not to WSA). It lists the following areas of concern for WSA:

1. Gaps in MSFW Policies and Guides,
2. Lack of fully standardized Agricultural Recruitment System (ARS) procedures and tools,
3. Need to formalize the Wagner-Peyser complaint framework,
4. Self-monitoring testing consistency and documentation expectations.

The report also requires a comprehensive corrective action plan to be submitted to TWC's Executive Director by May 4, 2026 (however, this is a requirement internal to TWC, not WSA).

Multiple Boards' Executive Directors have expressed their concerns to TWC with the SMA's handling of the monitoring.

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Some of the issues with the monitoring include, but are not limited to:

- The SMA provided technical assistance (TA) to staff while they monitored the same items of the TA that they were providing. Thus, the SMA did not first provide the Boards with technical assistance, second, allow sufficient time to implement the new and unfamiliar elements and requirements, and third, complete the monitoring.
- Throughout the Board's history, only TWC staff have used the ARS system, but the monitors cite that this is not being properly used.
- The Alamo is not a 'significant' MSFW area (based on its MSFW population). However, the SMA monitored the Alamo as if it were a 'significant' area (e.g., some requirements were only applicable to 'significant' areas at the time of monitoring).
- TWC did not issue clear guidelines to Boards concerning the MSFW until after the monitoring.
- The SMA's testing is highly subjective. The 'areas of concern' do not specifically identify objective instances of non-compliance.

Alternatives: Staff is awaiting additional guidance and direction from TWC's Chief Deputy Division Director or Executive Director.

Fiscal Impact: The SMA report does not cite questionable costs.

Recommendation: Staff will continue coordinating with TWC and our partner Boards to be prepared to incorporate and implement updated and new guidance.

Next Steps:

- In coordination with Texoma, QA initiated a *Quality Assurance Network (QAN)* group that will focus on the MSFW changes. Through this group, WSA is coordinating with other Board areas to promote communication, coordination, and implementation of any new requirements.
- WSA and TWC Staff are providing technical assistance to Center Staff, including walkthroughs, planning, logistics, reporting, and documentation.

Attachments: TWC SMA Final Monitoring Report

Texas Workforce Commission

A Member of Texas Workforce Solutions

Joe Esparza, Chairman
Commissioner Representing
Employers

Alberto Treviño III
Commissioner Representing
Labor

Brent Connett
Commissioner Representing
the Public

Steve Pier
Executive Director

April 2, 2026

Ms. Mahalia Baldini

Chief Deputy Division Director

Workforce Development Regional Operations Texas Workforce Commission

101 E. 15th Street

Austin, TX 78778

Re: Alamo Local Workforce Development Board Monitoring Review Report

Dear Ms. Baldini:

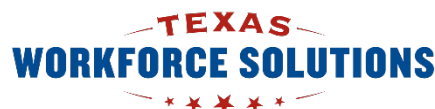
This letter follows the on-site monitoring review conducted by the State Monitor Advocate Program Specialist under delegated authority from February 2, 2026, to February 6, 2026, and the subsequent desk review completed by February 20, 2026. We are pleased to inform that we received full cooperation from Alamo's local Workforce Development Board ("Board") leadership team during our onsite visits.

Please be informed that after the onsite visit and exit conference wrap-up sessions, the Board provided feedback to our executive summary that we feel are important to address in this report. Please see attached response from the Alamo Board to our executive summary (Annex 2).

As part of our standard monitoring process, we provided the Board with an executive summary of our preliminary findings to ensure accuracy and provide an opportunity for clarification before submitting the final report. In this instance, the Board stated both unclarity and disagreement with our preliminary findings (which we identified as areas of concern). After receiving the Board's response, we offered a session to clarify the items included in the executive summary, and on March 23, 2026, we held a virtual meeting (via Teams) with the Board to provide clarifications.

During our meeting, the Board expressed their perspective as an organization subject to numerous audits, monitoring visits and reviews. They suggested that enhanced communication and coordination from TWC could improve the process. Mr. Adrian Lopez further explained that they feel several aspects of TWC's guidance related to applicable regulations and staffing models create operational uncertainty.

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We clarified during our meeting that:

- The State Monitor Advocate (SMA) is an additional layer of the State Workforce Agency’s control function as recipient of the Wagner-Peyser grant, focused on ensuring that the safeguards to Migrant and Seasonal Farmworkers (MSFWs) within federal regulations are in place at the local level, regardless of the designation of significant MSFW offices.
- We explained that because this is the first time the Board has received a monitoring visit from the State Monitor Advocate office, the main purpose is to gather a baseline, and we will note areas of concern as opposed to findings and the review focused on Program Year 2024 compliance.
- Because the staffing model requirements were not yet in effect during that time period and because DOL later extended the implementation date to 2027, we did not look at compliance issues related to the staffing model. We further clarified that the on-site review may yield compliance issues related to regulations in effect at the time of the visit (within program year 2025), such as the prominent display of the complaint posters – which we would include in our monitoring report.
- Although there may be some overlap with other reviews, our review follows a distinct purpose and any findings therefrom, are actionable by different stakeholders: TWC and the US Department of Labor. We further detailed that our final monitoring report is addressed to TWC who is ultimately responsible for any discovered issues, and that TWC will work and collaborate with the Board to address any findings and implement any corrections. We noted that because of this, some of the comments in the Board’s response may be premature or misdirected, as they will have an opportunity to discuss with TWC any implementation strategies after the final monitoring report is submitted. We explained that we strongly suggest and encourage developing a corrective action plan, but it would be up to TWC to develop one with the Board or simply implement measures to ensure that the items noted are addressed and proactively avoid findings the next time we visit.
- Our monitoring reviews are bound by professional standards, and we follow the procedures outlined in regulations as well as applicable DOL guidance, including its Core Monitoring Guide. One particularity of our monitoring reviews is that we must offer technical assistance. We don’t simply point to or list issues, but we provide as much information as possible so that these are understood and how they can be addressed, such as applicable best practices. We do have prepared materials that we present during our technical assistance sessions based on common issues we find in other board areas visited for the first time. These are designed to better illustrate these common pitfalls and best practices, but they are not substitute for staff trainings. TWC is responsible for ensuring that ES staff are trained and for implementing any best practices. We strive to excel in practicing the highest professional standards for each monitoring visit.
- We announced the state-wide monitoring plan during one of TWC’s biweekly communications meetings with all the boards on August 29, 2025¹. We then publicized the possibility of visiting board areas that have not been visited before.

¹ We did not state the precise date during the clarification meeting. We mentioned “less than a year ago”.

Ms. Mahalia Baldini – Final Monitoring Report Alamo
Chief Deputy Division Director

- We initiated contact with the Board well in advance of the planned monitoring visit² and with the Board's agreement, we selected the week for the on-site portion of the monitoring review. We further explained that for future visits, we can select a week that best suits the Board with sufficient time separation from other monitoring visits, reviews and audits, aiming to avoid overwhelming the staff.

After we provided general clarification statements and the Board expressed their perspective, we offered to address their concerns individually. The Board declined further discussion at that time, and we have addressed their individual concerns in writing within this final report.

For any findings identified, a comprehensive corrective action plan must be submitted in writing to the Texas Workforce Commission Executive Director (or his designee) within 30 *calendar* days, by May 4, 2026. This plan must clearly outline the actions to be taken to correct any compliance issues and specify completion deadlines no longer than 30 *business* days from the date of the plan. If a longer timeframe is required for full compliance, the length of and the reasons for the extended period and the major interim steps to correct the compliance issues must be specifically stated.

Even in the absence of findings in the enclosed report, we strongly encourage developing a corrective action plan to address any issues or areas of concern described in the report. This proactive approach will help preempt potential issues that might otherwise lead to findings in future monitoring reviews.

We trust this review and report will prove valuable to your team and the Alamo Board, particularly ES staff assigned to the offices visited. Please contact the Office of the State Monitor Advocate if you have any questions or feedback or require further technical assistance on any issue raised in the enclosed report. We remain available to support your ongoing efforts to better serve Migrant and Seasonal Farmworkers.

Best Regards,



Horacio Lopez Montes
State Monitor Advocate
Texas Workforce Commission

CC: Adrian Lopez, Chief Executive Director, Workforce Solutions Alamo
Michelle Kranes, Deputy Division Director, Workforce Development, Compliance & Assistance, TWC
Timothy L. Grant, Integrated Service Area Manager, TWC
Russell Hunter, Manager, Migrant & Seasonal Farmworker Outreach, TWC
Teresa Chavez, Workforce Solutions Alamo
John E. DeLeon, State Monitor Advocate Program Specialist, TWC
Brian Hart, Division Chief, DOL, Employment and Training Administration (ETA)
Francine Cornier, Regional Monitor Advocate, DOL, Employment and Training Administration (ETA)

² Significantly, we held an introductory/general overview of the monitoring visit meeting with the Board on January 14, 2026 where we explained these basic concepts, answered questions and provided details of what to expect as we follow the stages of the visit.

FINAL REPORT – MONITORING REVIEW

Board Area:	Alamo (20) (“Board”)	Date of Report: April 2, 2026
Dates of the Monitoring review:	On-site: Feb 2 – Feb 6, 2026 / Desk Review: Feb 7 – Feb 20, 2026	
Workforce Solutions Offices reviewed:	Data Point, Port SA, O’Connor, New Braunfels (non-significant MSFW offices)	
Review period:	PY 2024 (July 1, 2024 – June 30, 2025)	
Scope of the review:	To measure progress and identify areas of compliance with the <i>Wagner-Peyser Employment Services Allotment (including distribution to the Board)</i> , as well as to offer opportunities for technical assistance	
Standards for review:	The Wagner-Peyser Act (as amended), 20 CFR parts 651, 652, 653, and 658 (Subparts E and G), ETA’s Core Monitoring Guide (2025), TWC’s Employment Service Guide (March 10, 2025), TWC’s Migrant and Seasonal Farmworker Guide (April 15, 2025), TWC’s Complaint Procedures Guide (July 23, 2025) TEGs 07-18, 08-17, 10-16 (change 2), 10-23 ¹ , 12-23, 14-18, 23-19, and 33-14 (attach. 2)	

REPORT STRUCTURE AND KEY TERMS

All areas of compliance, areas of concern, and findings shall be deemed applicable to all workforce solutions offices reviewed, unless otherwise specifically stated as applicable to a particular workforce solutions office.

Areas of Compliance: Items that meet the standards for review under the scope of the review. Only noteworthy items will be addressed during the monitoring review. Items reviewed but not specifically addressed in this report are deemed compliant.

Areas of Concern: Items or issues discovered during the monitoring review that are potential non-compliance issues (issues that will result in a finding if not addressed). While some level of compliance exists, implementation may be ineffective or negatively impact program indicators. Recommendations will follow each area of concern identified in this report to assist in addressing potential future non-compliance.

¹ TEG 10-23 was rescinded on 3/27/2025 via TEG 10-23 (change 1) and a new TEG 10-23 (change 2) was published on July 10, 2025. On 3/19/2025 TEG 10-23 (change 2) was rescinded.

Findings: Conditions discovered during the monitoring review that are confirmed noncompliant with a specific regulation or standard for review (listed above). This includes missing required items or practices, and those existing that clearly violate current regulations. Recommendations for improvement are included to assist in developing corrective action plan(s). Unless extension(s) were timely filed and granted, corrective action plan(s) must be received by the Texas Workforce Commission with a copy to the office of the State Monitor Advocate within 30 days of the date of the final report.

Promising Practices: Items that show notable, useful, innovative, or exemplary practices that should be continued or enhanced to improve program effectiveness and better serve the Migrant and Seasonal Farmworkers (MSFWs) in the area of service.

The State Monitor Advocate Office offers technical assistance and general guidance in developing corrective action plans to address identified and potential non-compliance issues as well as other plans or actions developed to address areas of concern.

EXECUTIVE SUMMARY – SMA MONITORING REPORT – ALAMO

The review resulted in **four (4)** areas of concern:

Item	Result	Indicator	Standard of Review	WFS Office
A.	AREA OF CONCERN	<p>Gaps in MSFW Policies and Guides:</p> <p>Workforce Solutions Alamo demonstrates a strong commitment to quality MSFW service practices through customer-focused support, Spanish-language and translation assistance, WIT registration help, and recent MSFW trainings. Furthermore, the February 2026 Draft MSFW Policy provides a solid foundation for continued progress. The Board now has an opportunity to implement these new tools and develop local step-by-step guidelines for MSFW identification, LEP accommodations, bilingual service lists, and documentation of referrals and registrations. Aligning these practices, supported by written formal procedures across centers will help ensure consistency in MSFW intake and service delivery throughout the region.</p> <p>(Checklist Item #4)</p> <p><i>Impact:</i> Without an implementation strategy and clear local procedures, some practices may still differ across centers, which can affect consistency in MSFW identification, LEP services, and documentation.</p> <p><i>Initial Recommendations:</i> Develop an implementation strategy and strengthen the draft policy with concise local procedures, standard tools, and continued staff training to support consistent MSFW service delivery across all centers.</p>	20 CFR 653.101, 20 CFR 653.107, 20 CFR 653.103 (a) through (d)	All WFS offices reviewed
B.	AREA OF CONCERN	<p>Agricultural Recruitment System (ARS) Execution:</p> <p>Alamo staff show commitment to agricultural employers and workers. The questionnaire highlights helpful practices such as maintaining communication with agricultural employers, staying aware of seasonal hiring needs, promoting agricultural job postings to center staff, and documenting follow-up in WorkInTexas.com. Alamo’s ARS work is supported by several developing tools and documents—such as employer directories, job-order ledgers, and referral or field-check logs—and as these resources continue to take shape, the Board has an opportunity to bring greater consistency to ARS procedures across centers.</p> <p>(Checklist Items 17-20)</p> <p><i>Impact:</i> Without fully standardized ARS procedures and tools, centers may handle agricultural job orders and referrals differently, affecting consistency in documentation, follow-up, and clearance-order processing.</p> <p><i>Initial Recommendations:</i> Develop a Board-level ARS policy with clear local procedures for job-order intake, referrals, documentation, and clearance-order steps. Standardize ARS tools across centers and reinforce consistency through targeted staff training.</p>	ES Guide C-302, C-1002, C-1003; 20 CFR 653.503 Subpart F—ARS for U.S. Workers	All WFS offices reviewed

C.	AREA OF CONCERN	<p>Need for Formalized Wagner-Peyser Complaint Framework:</p> <p>Alamo staff demonstrate a strong customer-service approach to handling concerns, with ETA Form 8429 available at all centers and a clear intake process involving the Local Complaint System Representative. Recent staff trainings further support consistent practice, creating a solid foundation for a fully compliant Wagner-Peyser complaint system while leaving the Board an opportunity to formalize these practices into a complete local policy and strengthen documentation consistency across centers. (Checklist Items 21, 22)</p> <p><i>Impact:</i> Because several core complaint-system practices are already in place but not yet formalized at the Board level, centers may still handle documentation and follow-up differently, which can affect consistency in how ES-related complaints are recorded and routed.</p> <p><i>Initial Recommendations:</i> Strengthen the existing foundation by adopting a Board-level complaint policy that clearly outlines local procedures for CSR designation, intake, routing, and documentation, helping ensure that centers apply the complaint process consistently across the region.</p>	20 CFR 658.410; ES Guide A-201; TWC Complaint Procedures Guide	All WFS offices reviewed
D.	AREA OF CONCERN	<p>MSFW Policy & Self-Monitoring:</p> <p>Alamo has several formal monitoring tools in place—including ADM 65, the C1 Monitoring Policy and Procedures, the Self-Monitoring Draft, and the Texas Self-Monitoring Checklist—and staff described quality-assurance activities that show a growing commitment to oversight of ES and MSFW services. Opportunities remain to establish a consistent review schedule, strengthen documentation practices, and incorporate regular analysis of Minimum Service Level Indicators, quarterly numerical assessments and annual non-numerical assessments into a unified monitoring process. (Items 5, 8 of the SMA Checklist)</p> <p><i>Impact:</i> A more robust self-monitoring system that incorporates the Board’s existing tools would bring greater consistency to ES and MSFW performance reviews across centers and support continued progress toward regulation expectations.</p> <p><i>Initial Recommendations:</i> Build on the existing MSFW Policy draft by developing a clear framework that outlines a consistent review schedule, standardized documentation expectations, and a defined approach for incorporating MSLI analysis, quarterly and annual assessments into routine monitoring. Enhancing these elements will help ensure that the strong tools already in place are applied consistently across centers and support a more unified, data-informed review process.</p>	20 CFR 653.101; 20 CFR 653.109; and ES Guide D-201 20 CFR 653.100(b) and 20 CFR 653.108(a) DOLETA TEGL 23-19, DOLETA TEGL 14-18, ES Guide D-201, 20 CFR 658.600, 20 CFR 658.601	All WFS offices reviewed

Areas of Compliance:

ES office facilities, co-location of one-stop operations with ES and accessibility workstations	20 CFR 678.305 - 20 CFR 678.315	✓
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General Office Assessments

Centers visited during the review consistently demonstrated a welcoming and professional environment, with facilities that were clean, spacious, and designed to create a positive customer experience. Their strategic locations—often near public transportation and community hubs—support accessibility and reflect the Board’s commitment to reducing barriers for job seekers. Clear and effective signage, both inside and outside the centers, further enhances customer navigation and contributes to an efficient service environment. Additionally, the layout and organization of the facilities align with integrated service delivery, supporting co-located partner services and reinforcing the Board’s emphasis on collaboration and coordinated workforce support as outlined in its Local Plan. It is important to note that this assessment is based on **4 (four) of the 17 (seventeen)** centers within the Alamo Local Workforce Development Board Area. Future reviews will include additional centers, providing a more comprehensive overview.

Concern Regarding the Board’s Role and the Role of the One-Stop Operator: During the clarification session on March 23, 2026, the Board indicated that their discussions with other boards and TWC surrounding the staffing model influenced their perspective on the areas of concern raised in our executive summary (See Annex 2). Specifically, they stated:

“They [areas of concern] refer to areas not currently required in the Board’s contracts and grants with TWC, or that can be specifically found in guidance received from TWC.

“They [areas of concern] appear to be applicable to TWC, SWA (State Workforce Agency)[SIC], and ES Staff, and not to the Board”

“They [areas of concern] refer to TWC guidance that is not, or was not, in effect for WSA at the time of monitoring in February 2026”

It is important to clarify that the Board retains responsibility for Wagner-Peyser (ES) oversight, even when TWC staff provide services at the local centers. As a pass-through entity and subrecipient of federal grant funds under the Agency Board Agreement (ABA) (see ABA pages 3 and 4 and Part 6, subpart 19, 19.2, 19.3), the Board is ultimately accountable for ensuring that all services provided at the local centers adhere to federal regulations. This includes services provided by TWC staff, the Board’s One-Stop Operator or OSO, and any contracted party providing services at the local centers (e.g., business services by one of their contractors), as outlined in Section L of the Wagner-Peyser agreement between TWC and the Board, which specifies compliance with applicable provisions, a monitoring system, performance accountability, and outcome-based evaluations.

This takes us to the discussions held during the exit conference related to the role of the One-Stop Operator. The Board utilizes two competing contractors to provide services at the local workforce solutions offices (these contractors typically bid against each other). One contractor provides ES services, including services to employers (the Business Unit), and also functions as the One-Stop Operator. However, our review found no formal record of this designation, nor documentation of firewalls to prevent potential conflicts of interest arising from the competing nature of the contractors or the dual role as operator and service provider. Furthermore, the contract and related documentation (checklist item #2) lacked key elements typically included in a Memorandum of Understanding (MOU) as required by regulations (20 CFR Part 679 Subpart D and 20 CFR Part 678), such as

detailed descriptions of coordinated service delivery among One-Stop program partners and service providers at each center, including referral processes, data sharing protocols (with privacy safeguards), and conflict resolution mechanisms.

- **MSFW and Accessibility:** The contract lacks clear methods for ensuring that the needs of workers, youth, and individuals with barriers to employment (e.g. MSFWs), including individuals with disabilities, are proactively addressed in providing access to services, including technology and materials.
- **Accountability for Coordination and Integration:** There are no stated goals or performance measures specifically requiring the designated contractor and OSO to make referrals or perform coordinated services.

The Board should consider TWC as a partner when it comes to Wagner-Peyser as much as it does for other programs. Otherwise, the lack of documented responsibilities of the One-Stop Operator, significantly increases the potential risks: diminished customer service when it comes to ES, reduced ES staff productivity, and impaired collaboration between staff involved in other core programs (TWC staff and other staff working for a separate competing contractor), potentially limiting MSFW access to comprehensive services. While the informal practices we observed during this year's visit point to a strong culture of respectful, attentive, and solution-oriented customer service, these issues should be addressed to mitigate the noted risks.

Promising Practices:

Promising practices observed across the four centers include robust partnerships, sector-based planning, and employer-driven strategies that intentionally support priority populations, including MSFWs. A clear example is the MOU the Board holds with the National Farmworker Jobs Program (NFJP) partner: Motivation Education & Training, Inc (MET). Center staff demonstrated a willingness to strengthen their understanding of the process for MSFWs to participate in workforce development activities, outreach requirements, the Agricultural Recruitment System (ARS), and the Wagner Peyser complaint system, signaling readiness to align operations with federal regulations. The Board has also strengthened language access by hiring a language assistance agency to provide on-the-spot translation support, helping ensure that customers with limited English proficiency receive timely and accurate assistance.

FINAL REPORT

All areas of concern described in this report are attributable to the four workforce solutions offices visited.

A. Area of Concern: *Gaps in MSFW Policies and Guides*

Although the Board disagrees with this area of concern, our review acknowledged Workforce Solutions Alamo's commitment to improving quality MSFW service practices through customer-focused support, Spanish-language and translation assistance, WIT registration help, and recent MSFW trainings. Furthermore, the February 2026 Draft MSFW Policy provides a solid foundation for continued progress. The Board cites in its response to the Executive Summary (Annex 2): "*MSFW strategy and procedures are documented in the Migrant Seasonal Farmworker Guide released in April 2025 by TWC. Procedures addressing identification and services are detailed in the Employment Services Guide released by TWC on March 10, 2025*" suggesting an opportunity to implement these tools and develop local step-by-step guidelines for MSFW identification, LEP accommodations, bilingual service lists, and documentation of referrals and registrations. Aligning these practices with written procedures across centers will enhance *consistency* in MSFW intake and service delivery.

Specific Examples of Deficiencies:

- **Lack of Formal MSFW Intake Procedure:** As confirmed by Alamo's response to the executive summary (see Attachment 2), MSFW identification depends entirely on self-disclosure; there is no formal staff intake procedure for MSFW identification.
- **Inconsistent MSFW and LEP Service Practices:** Identification and coding of MSFW status, delivery and documentation of LEP services, provision of bilingual service lists, and completion of referral and registration steps vary between the centers visited.
- **MSFW Policy Not Locally Developed:** The Board initially acknowledged the absence of a formal MSFW policy and indicated intent to consult peer Boards; however, the subsequently submitted document largely reproduces state guidance and does not demonstrate locally developed procedures and practices.

Cause Analysis: The Board has relied on informal practices to serve their community without specific focus on the protections afforded to MSFWs within federal regulations and consideration of the responsibilities of the One Stop Operator (OSO). Moreover, in the Board's response to our executive summary (see Annex 2), the Board states:

"In addition, WSA has letters (available upon request) from TWC's Equal Opportunity (EO) annual monitoring, which document and validate that there have been no findings or areas of concern in the provision of services to all customers, including MSFWs. WSA provides these services consistently throughout the region in accordance with Chapter 801.23 of TWC Rules as codified in the Texas Administrative Code, title 40, part 20."

This may indicate a need for further clarification regarding the distinct requirements of Wagner-Peyser regulations and equal opportunity provisions. Finalizing and fully implementing the new draft MSFW materials is essential. Without complete procedures and standardized tools, along with staff trainings, inconsistencies in MSFW intake and service delivery are likely to persist across centers.

A.1. Criteria: 20 CFR 653.101, 20 CFR 653.107, 20 CFR 653.103 (a) through (d).

A.2. SMA Recommendations: Strengthen and implement the draft MSFW policy by developing Board-level procedures that clearly define MSFW identification and coding steps, LEP accommodation processes, bilingual service list requirements, and documentation standards for referrals and registrations. Incorporate accountability measures for the OSO with concise local procedures and standardized tools to support consistent service delivery across centers. Prioritize putting in place a structured staff training program to ensure all ES staff (regardless of employer of record) understand and apply the procedures uniformly and establish an implementation strategy to reinforce alignment with federal regulations and state guidance.

A.3. Means for Improvement: TWC will continue offering statewide guidance and training to support Boards in refining MSFW policies and service procedures. As new resources become available—particularly those addressing MSFW identification, LEP accommodations, and documentation—the Board can review its draft materials and OSO performance measures to ensure alignment with statewide expectations. Incorporating TWC tools and training content into local procedures will help strengthen consistency across centers and improve intake, coding, and service delivery. The SMA office remains available to provide technical assistance and support coordination efforts between the Board and TWC in applying MSFW best practices regionwide.

B. Area of Concern: *Agricultural Recruitment System (ARS) Execution*

The Board disagrees with this area of concern, asserting that “*TWC staff follow the ARS system’s instructions*” (see Annex 2). However, Section A-103 of TWC’s ES Guide also stipulates: “When placing ARS clearance orders, **Workforce Solutions Office staff must:**” (further describing collaboration efforts to clear the job orders). As business services for agricultural employers are provided by contractor staff, adherence to these steps is expected for *all* ES staff - regardless of employer of record, and, the Board’s oversight responsibilities remain. Questionnaire responses highlighted positive practices such as maintaining communication with agricultural employers, staying aware of seasonal hiring needs, promoting agricultural job postings, and documenting follow-up in WorkInTexas.com. Despite Alamo’s developing ARS tools and documents, including employer directories and job order ledgers, the ARS is not functioning as intended, presenting an opportunity to enhance consistency in ARS procedures across centers.

Specific Examples of Deficiencies:

- **Non-Standardized ARS Procedures:** ARS procedures are not yet fully standardized across centers, including the use of forms ETA 790, 790B and 790A.
- **Incomplete ARS Documentation and Employer Records:** Agricultural employer information, ARS-related documentation, and job order processing steps are not consistently maintained.
- **Limited Staff Understanding of ARS Requirements:** Staff understanding of clearance requirements and required ARS tools varies, and several standard ARS documents—such as employer directories, job order ledgers, and referral/field check logs—are not yet in place.

Cause Analysis: Staff primarily utilized general employer-service practices and locally developed methods that do not fully align with federal regulations for agricultural job order intake, referrals, documentation, and clearance order steps. Although the Board now has several developing ARS tools and documents, the local procedures needed to guide consistent ARS implementation are still being finalized. Without completed procedures and standardized ARS tools, centers apply these processes differently, resulting in variation in documentation, follow-up, and handling of agricultural job orders across the region.

B.1. Criteria: ES Guide C-302, C-1002, C-1003; 20 CFR 653.503 Subpart F—ARS for U.S. Workers.

B.2. SMA Recommendations: Develop and implement Board-level ARS policies and procedures that clearly outline agricultural job order intake steps, referral processes, documentation requirements, and clearance order handling. Standardize ARS tools—such as employer directories, job order ledgers, and referral or field-check logs—to support consistent use across centers. Ensure that targeted ARS training is provided to ES staff (regardless of employer of record) to ensure that they understand and apply the procedures uniformly and reinforce implementation through ongoing guidance and monitoring to promote consistent ARS service delivery throughout the region.

B.3. Means for Improvement: TWC will provide statewide guidance and training to support Boards in developing a sustainable ARS framework, including expectations for Board-level ARS policy, domestic recruitment procedures, documentation requirements, and staff training. As TWC’s ES team finalizes ARS training, the Board can review its local processes to ensure alignment with statewide standards and consistent implementation across centers. Applying TWC’s guidance will help strengthen the ARS procedures and promote more uniform execution of ARS responsibilities. The SMA office offers technical assistance aimed at implementing the ARS and collaboration efforts between TWC ES staff and the Board.

C. Area of Concern: *Need for Formalized Wagner-Peyser Complaint Framework*

The Board disagrees with this area of concern stating:

“WSA’s complaint system has been formalized by the Board for many years. TWC’s EO Annual Monitoring letters, which do not include any reported areas of concern or findings, validate the process and WSA’s policies alignment with requirements. The complaint policy and procedures are consistently implemented across the region and clearly identify each step. In addition to the Board’s policy, the TWC ES Guide on page 15 A-201 outlines the complaint procedure established by the state staff.”

The Board’s response suggests a potential misunderstanding regarding the existence of distinct, co-existing complaint systems within One-Stop Centers, including the specialized Wagner-Peyser complaint system. It is crucial to clarify that all staff, regardless of employer or position, play a vital role in the Wagner-Peyser complaint process. The Board has access to two key tools for implementing this system: TWC’s ES Guide and TWC’s Complaint Procedures Guide. As stated in Section A-201 of the ES Guide: “TWC **and Boards**

are responsible for the operation of the Complaint System in each Workforce Solutions Office. Additionally, each Workforce Solutions Office must be assigned a trained ES Complaint System representative to process ES complaints and to maintain a log for recording all complaints received. Although a physical office presence isn't required, each office must have a designated ES Complaint System Representative available, even if virtually. **All staff located in the Workforce Solutions Office may receive complaints. TWC and Boards** must provide Workforce Solutions Office staff access to training regarding the Complaint System.” These provisions are mirrored in TWC’s Complaint Procedures Guide, which the Board provided for our review.

Despite the Board's disagreement, we observed that Alamo staff demonstrate a strong commitment to customer service when addressing Wagner-Peyser concerns. ETA Form 8429 was available at all centers, and there was a clear intake process involving the Complaint System Representative (CSR). Recent staff trainings on the Wagner-Peyser complaint system further support these practices, providing a foundation for a fully compliant system, and the Board has an opportunity to formalize these practices into a complete local policy and strengthen documentation consistency across centers.

Specific Examples of Deficiencies:

- **Incomplete Wagner-Peyser Complaint System:** Alamo maintains general complaint procedures and a strong customer service culture; however, the Board has not yet established a fully developed Wagner-Peyser complaint system, as reflected in inconsistent awareness and use of ETA 8429 across centers.
- **Lack of a Formalized Complaint Framework:** Staff rely on informal resolution during appointments, and although the Board uploaded the TWC Complaint System Guide as support documentation, there is no evidence of a Board Level complaint policy as prescribed in such Guide (see Introduction section, page 4: “Boards must ensure that they develop and maintain local complaint policies that fully comply with the requirements and procedures included in this guidance. Local complaint policies must identify requirements for the training of Workforce Solutions Office staff on applicable local complaint procedures.”).
- **Lack of CSR Designation and Training Procedures:** The Board did not provide documentation describing its local process for designating a CSR.

Cause Analysis: The current situation suggests a potential for confusion arising from the presence of coexisting grievance procedures. The E.O. complaint system (which the Board asserts is in full compliance) is distinct from the Wagner-Peyser complaint system, which is in early stages of implementation at the local level. While the Board already has several complaint handling practices in place across multiple complaint systems, formalizing the Wagner-Peyser framework would enhance consistency, particularly in areas specific to Wagner-Peyser regulations, such as CSR designation, ES-specific intake steps, routing requirements, and documentation standards. Without finalized procedures and standardized tools tailored to the Wagner-Peyser system, centers may continue to apply processes inconsistently, resulting in variations in how employment services and employment-related law complaints are recorded and routed across offices.

C.1. Criteria: 20 CFR 658.410; ES Guide A-201; TWC Complaint Procedures Guide.

C.2. SMA Recommendations: Develop and adopt a Board-level Wagner-Peyser complaint policy that clearly outlines CSR designation, ES complaint intake steps, recording in complaint logs, routing, documentation and training requirements, including on the use of ETA Form 8429. Ensure that concise local procedures and standardized tools are incorporated to support consistent application across centers, and reinforce implementation through ongoing training and monitoring to promote uniform documentation and routing of complaints throughout the region.

C.3. Means for Improvement: TWC has recently issued statewide guidance and training to support Boards in developing clear ES and employment-related law complaint system procedures, including establishing a CSR designation process, maintaining consistent complaint documentation, and integrating TWC’s Complaint Procedures Guide into local operations. The SMA office offers technical assistance aimed at implementing the Wagner-Peyser complaint system and collaboration efforts between TWC ES staff and the Board.

D. Area of Concern: MSFW Policy & Self Monitoring

The board disagrees with this area of concern stating:

“The item pertains to ‘significant’ MSFW Workforce Solutions offices, which the Alamo is not (MSFW Guide, pp. 12-13). It also requires a full-time outreach merit staff member dedicated to performing the requested role, which the Alamo also does not have. The MSFW Guide, p. 12, states that “MSFW outreach staff are the only staff authorized to perform MSFW outreach work.” The ES Guide, D-202, requires that “MSFW outreach staff must... be year-round ES Merit employees.””

It is important to clarify that this item has no bearing on office designation or MSFW outreach. It relates to the Board’s primary role of oversight. Alamo already has several formal monitoring tools in place—including ADM 65, the C1 Monitoring Policy and Procedures, the concern is that no Wagner-Peyser elements are being monitored. Promising actions to address this are the Self-Monitoring Draft, and the Texas Self-Monitoring Checklist—and that staff described quality-assurance activities. All of these show a growing commitment to oversight of ES and MSFW services. Opportunities remain to establish a consistent review schedule, strengthen documentation practices, and incorporate regular analysis of Minimum Service Level Indicators, quarterly numerical assessments and annual non-numerical assessments into a unified monitoring process.

Specific Examples of Deficiencies:

- **No Defined ES Review Schedule:** The Board does not have a defined schedule for ES-specific reviews, and documentation practices vary across offices.
- **Insufficient Monitoring Documentation:** Monitoring reports and supporting documentation were inconsistently available, with centers describing general review activities in the questionnaire while the checklist reflected missing MSFW applicant data, absent ES-specific monitoring schedules, and no recent CAPs to verify implementation.

- **Lack of Integrated MSLI Analysis:** Routine analysis of Minimum Service Level Indicators (MSLIs) has not yet been incorporated into a consistent review process, and recent ES-related self-monitoring reports or Corrective Action Plans (CAPs) were not available for review.

Cause Analysis: Discussions with the Board indicate lack of specific TWC guidance on integrating Wagner-Peyser elements into self-monitoring practices. There appears to be an opportunity to reinforce the Board’s role derived from the following statement in response to our executive summary (see Annex 2):

“Other comments from the area of concern pertain to the State Monitor Advocate’s role, not the Board’s (e.g., incorporating MSLI analysis and quarterly and annual assessments into routine monitoring). For example, 20 CFR § 653.108 states that the State Workforce Agencies (SWAs) “monitor their own compliance” and that the “State Administrator has overall responsibility for SWA self-monitoring,” which § 658.601 further describes by requiring “each SWA to establish and maintain a self-appraisal system.” The SWA must also collect and track performance accountability measures, as required by § 653.109. The SWA is defined as the State ES agency designated under sec. 4 of the Wagner-Peyser Act.”

It is important to clarify that multiple stakeholders can and should review the same data sets for distinct purposes. While provisions require the State Monitor Advocate to review data, this does not preclude other stakeholders, including the Board, from conducting their own assessments. As subrecipient of the Wagner-Peyser grant funds (pass through entity), the Board is obligated to adhere to all relevant regulations for the SWA (TWC). More specifically, the Board has a contracted responsibility to monitor performance, see ABA art 6, subpart 19, 19.2 “Board shall develop and maintain a monitoring system”. See also the Wagner-Peyser Agreement section 6.2.2. “a monitoring system, performance accountability and outcome-based evaluation”, and Section L Monitor subrecipient (business services). With regard to Subpart G of 20 CFR 658, it is important to note these other provisions not cited in the response:

20 CFR 658.601(a)(1) Numerical appraisal **at the ES office level** must be conducted as follows:

20 CFR 658.601(a)(1)(iv) Results of **ES office** numerical reviews must be documented and significant deficiencies identified. A corrective action plan as described in paragraph (a)(6) of this section must be developed to address these deficiencies.

(v) The result of **ES office** appraisal, including corrective action plans, must be communicated in writing to the next higher level of authority for review. This review must cover adequacy of analysis, appropriateness of corrective actions, and need for higher level involvement. When this review is conducted at an area or district office, a report describing **ES office** performance within the area or district jurisdiction must be communicated **to the SWA** on a quarterly basis.

Numerical appraisal at the SWA level must be conducted as follows:

(i) Performance must be measured on a quarterly basis against planned service levels as stated in the State Plan. The State Plan must be consistent with numerical goals contained in **ES office plans**.

Subpart G emphasizes a collaborative assessment effort where the Board conducts its own assessments at the local office level, aligns with its local plan, and communicates results to TWC. As previously noted, the Board already utilizes several monitoring tools; however, the limited integration of Wagner-Peyser elements remains a concern. This may stem from a lack of specific TWC guidance and/or a misunderstanding of federal regulations. Without a structured Board-level framework, monitoring practices may continue to vary across centers, leading to inconsistent review of MSFW performance at the service level.

D.1. Criteria: 20 CFR 653.101; 20 CFR 653.109; and ES Guide D-201, 20 CFR 653.100(b) and 20 CFR 653.108(a), DOLETA TEGL 23-19, DOLETA TEGL 14-18, ES Guide D-201, 20 CFR 658.600, 20 CFR 658.601

D.2. SMA Recommendations: Establish Board-level procedures that incorporate review of Wagner-Peyser elements with a defined schedule and standardized documentation expectations. Include clear steps for incorporating MSLI analysis, quarterly numerical assessments, and annual non-numerical assessments with their corresponding reports into routine monitoring. Align existing tools—ADM 65, the C1 Monitoring Policy, and the Texas Self-Monitoring Checklist—within a unified framework applied consistently across centers. Provide staff training and ongoing oversight to ensure reviewers understand the legal framework and support a consistent, data-informed reporting.

D.3. Means for Improvement: TWC provided Boards with statewide guidance and tools to support the development of a structured self-monitoring process and to strengthen reporting and documentation practices. Consistent use of TWC’s guidance and tools will help ensure the Board’s monitoring activities are timely, well-documented, and effective in evaluating progress and strengthening program performance. The SMA office offers technical assistance aimed at implementing self-monitoring practices and collaboration efforts between TWC ES staff and the Board.

[END OF FINAL REPORT]

MSFW Service Level Indicators Report

Annex 1

PIRL File Type: PIRL by Program
 Region/LWDB : Alamo WF Board
 Report Period: 4th Quarter 2024
 Quarter Type: Rolling 4 Quarters
 Report Run Time: 04/02/2026 12:25:12 PM

Equity Ratio Indicators (Cohort Period: 07/01/24 - 06/30/25)						
Indicator Name	MSFW's		Non-MSFW's		Equity	
	Count	Percent	Count	Percent	Yes	No
Total Participants	19	100.00%	19694	100.00%		
1. Received Basic Career Services (Staff-Assisted)	19	100.00%	19560	99.32%	Yes	
2. Received Staff-Assisted Career Guidance Services	4	21.05%	1643	8.34%	Yes	
3. Received Staff-Assisted Job Search Activities	18	94.74%	17334	88.02%	Yes	
4. Referred to Employment	10	52.63%	12562	63.79%		No
5. Received Unemployment Insurance (UI) Claim Assistance	0	0.00%	242	1.23%		No
6. Referred to Federal Training	2	10.53%	4288	21.77%		No
7. Referred to Other Federal /State Assistance	2	10.53%	228	1.16%	Yes	
8. Received Individualized Career Service	8	42.11%	7229	36.71%	Yes	
					5	3

Minimum Service Level Indicators								
Indicator Name	MSFW's			Non-MSFW's			Level Met	
	Den	Num	Rate	Den	Num	Rate	Yes	No
Individuals Placed in a Job (as defined in "Employment Rate 2nd Qtr After Exit ") (Cohort Period: 07/01/23 - 06/30/24)	28	15	53.57%	16552	10154	61.35%		No
Median Earnings of Individuals in Unsubsidized Employment (as defined in "Median Earnings 2nd Qtr After Exit ") (Cohort Period: 07/01/23 - 06/30/24)	15	\$3,856.20	NA	10154	\$8,167.59	NA		No
Individuals Placed Long term in Non- agricultural Jobs (as defined in "Retention with the same Employer in the 2nd and 4th Qtr after Exit " for whom a non-agricultural industry is reported (Cohort Period: 01/01/23 - 12/31/23)	9	5	55.56%	9708	6380	65.72%		No
							0	3

MSFW Participant Characteristics (Cohort Period: 07/01/24 - 06/30/25)	Count	Percent
Characteristic Group		
MSFW Participants	19	100.00%
Sex		
Male	11	57.89%
Female	8	42.11%
Age		
<16	0	0.00%

16-18	0	0.00%
19-24	0	0.00%
25-44	<u>9</u>	47.37%
45-54	<u>2</u>	10.53%
55-59	<u>5</u>	26.32%
Race		
60+	<u>3</u>	15.79%
Hispanic/Latino	<u>10</u>	52.63%
American Indian or Alaskan Native	0	0.00%
Asian	0	0.00%
Black or African American	<u>2</u>	10.53%
Native Hawaiian or Other Pacific Islander	0	0.00%
White	<u>13</u>	68.42%
Barriers		
More Than One Race	0	0.00%
Displaced Homemakers	0	0.00%
English Language Learners, Low Levels of Literacy, Cultural Barriers	<u>6</u>	31.58%
Exhausting TANF Within 2 years (Part A Title IV of the Social Security Act)	0	0.00%
Ex-offenders	<u>1</u>	5.26%
Homeless Individuals / Runaway Youth	0	0.00%
Long-term Unemployed (27 or More Consecutive Weeks)	0	0.00%
Low-Income Individuals	<u>2</u>	10.53%
Eligible Migrant and Seasonal Farmworkers	<u>8</u>	42.11%
Individuals with Disabilities	<u>1</u>	5.26%
Single Parents (Incl. Single Pregnant Women)	0	0.00%
Youth in Foster Care or Aged Out of System	0	0.00%



March 17, 2026

John E. DeLeon, Ph.D. - *State Monitor Advocate Program Specialist*
 Texas Workforce Commission
 101 E 15th St, Austin, TX 78778

WSA appreciates **the State Monitor Advocate's** (SMA) visit to the Alamo and the information provided in the service of Migrant Seasonal Farm Workers (MSFWs). We also appreciate the Technical Assistance (TA) and welcome the monitoring review. However, the MSFW monitoring appears to depart from common business practice in several ways.

Common business practice involves agencies: a) issuing written guidance clarifying roles and responsibilities; b) providing TA covering the guidance; c) allowing time for implementation, and d) performing monitoring after these steps and phases have been completed.

The **'areas of concern'** in the *Executive Summary* are being issued outside of these standard business practices:

- They refer to areas not currently required **in the Board's contracts and grants with TWC**, or that can be specifically found in guidance received from TWC.
- They appear to be applicable to TWC, SWA (State Workforce Agency), and ES Staff, and not the Board.
- They refer to TWC guidance that is not, or was not, in effect for WSA at the time of monitoring in February 2026.
- They include general statements that are not applicable to any specific instance, event, or action that could be cited as being in misalignment with federal, state, or local policies.
- They are being issued simultaneously while the State Monitor Advocate provided Technical Assistance, **exhibiting a preconception of "areas of concern."**

In addition, while Texas may have outreach and other performance goals, the Alamo region is not a designated **'significant' MSFW Workforce Solution office**. Further, the MSFW-related outreach requires a fully dedicated merit ES Staff, which TWC does not employ in the Alamo region.

WSA looks forward to continuing to serve MSFWs and, should this be the case in the future, incorporating the functions pertaining to the Texas Workforce Commission (TWC), the State Workforce Agency (SWA), and merit ES Staff, which the report addresses.

WSA looks forward to continuing to serve MSFWs and agricultural employers by promoting local employment.

Sincerely,

DocuSigned by:

 A8080F1A8A84458...

Adrian Lopez
 Workforce Solutions Alamo, CEO

Please find Workforce Solutions Alamo’s (WSA) responses to the Migrant Seasonal Farm Worker (MSFW) *Executive Summary – SMA Monitoring Report* for the Alamo. The report includes four “areas of concern.”

WSA also notes that the Technical Assistance (TA) provided by the monitors was offered at the same time as the monitoring, without allowing a reasonable time for potential implementation, as would be standard practice prior to monitoring and issuing ‘areas of concern.’ In addition, the ‘areas of concern’ do not appear to coincide with currently active guidelines; rather, they may be based on upcoming changes, which WSA looks forward to implementing should these changes occur.

Item A. Gaps in MSFW Policies and Guides

WSA is unclear about this area of concern and disagrees. The report lists actions, items, and services that have been in place as part of WSA’s delivery of services, and which were demonstrated to the monitor during the visit. These items include:

- **MSFW identification:** When an MSFW self-identifies at the reception, staff refer the participant to the appropriate TWC services and resources.
- **LEP accommodations:** WSA offers services to customers in need of LEP accommodations.
- **Bilingual service lists:** WSA offers bilingual services to customers.
- **Documentation of referrals and registrations:** Documentation of referrals and registrations is processed by TWC staff as required.

MSFW strategy and procedures are documented in the *Migrant Seasonal Farmworker Guide* released in April 2025 by TWC. Procedures addressing identification and services are detailed in the *Employment Services Guide* released by TWC on March 10, 2025.

In addition, WSA has letters (available upon request) from TWC’s Equal Opportunity (EO) annual monitoring, which document and validate that there have been no findings or areas of concern in the provision of services to all customers, including MSFWs. WSA provides these services consistently throughout the region in accordance with Chapter 801.23 of TWC Rules as codified in the Texas Administrative Code, title 40, part 20.

Item B. Agricultural Recruitment System (ARS) Execution

WSA is unclear about this area of concern and disagrees. State guidelines state that the ARS system is to be used only by Merit Staff, and TWC staff follow the ARS system’s instructions. As part of WSA’s policy implementation, WSA adheres to the ES Guide page 8 “Participate in clearing labor between states, including the use of a standardized classification system (Agricultural Recruitment System [ARS])” The ES Guide, A-103, requires that “TWC must ensure ES Merit staff follows [the guidelines provided by the guide] to administer the ARS.”

Item C. Need for Formalized Wagner-Peyser Complaint Framework

WSA is unclear about this area of concern and disagrees. WSA’s complaint system has been formalized by the Board for many years. TWC’s EO Annual Monitoring letters, which do not

include any reported areas of concern or findings, validate the process and WSA's policies alignment with requirements. The complaint policy and procedures are consistently implemented across the region and clearly identify each step. In addition to the Board's policy, the TWC ES Guide on page 15 A-201 outlines the complaint procedure established by the state staff.

Item D. MSFW Policy & Self-Monitoring

WSA is unclear about this area of concern and disagrees. The item pertains to 'significant' MSFW Workforce Solutions offices, which the Alamo is not (MSFW Guide, pp. 12-13). It also requires a full-time outreach merit staff member dedicated to performing the requested role, which the Alamo also does not have. The MSFW Guide, p. 12, states that "MSFW outreach staff are the only staff authorized to perform MSFW outreach work." The ES Guide, D-202, requires that "MSFW outreach staff must... be year-round ES Merit employees."

Other comments from the area of concern pertain to the State Monitor Advocate's role, not the Board's (e.g., incorporating MSLI analysis and quarterly and annual assessments into routine monitoring). For example, 20 CFR § 653.108 states that the State Workforce Agencies (SWAs) "monitor their own compliance" and that the "State Administrator has overall responsibility for SWA self-monitoring," which § 658.601 further describes by requiring "each SWA to establish and maintain a self-appraisal system." The SWA must also collect and track performance accountability measures, as required by § 653.109. The SWA is defined as the State ES agency designated under sec. 4 of the Wagner-Peyser Act.



MEMORANDUM

To: Board of Directors
From: Adrian Lopez, CEO
Presented By: Dr. Ricardo Ramirez, Director of Quality Assurance
Date: June 12, 2026
Subject: **Quality Assurance Briefing**

Summary: Quality Assurance (QA) briefing on WSA monitoring activities. The item does not require Board action.

Strategic Goals: This item mainly aligns with the following goal in the Strategic Plan:

Goal 2: Service Optimizers

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

Analysis:

External Program Monitoring Request for Proposal

WSA released a Program Monitoring request for proposals (RFP), which is currently underway. The procurement department will report the item to the Board’s Audit & Fiscal Committee.

External Program Monitoring (Ms. Christine Nguyen, CPA)

- **Child Care Quality Improvement Activities (CCQIA) – COSA:** 100% complete, with an overall 94.11% accuracy rate, which exceeded the 90% threshold. The testing identified one (1) attribute for continuous improvement:
 - Accurately documenting the entire Inclusion Assistance process in TX3C case notes and accurately completing the Children with Disabilities Log (53.33% accuracy).
- **WIOA Adult – C2 GPS:** Testing is 84% complete.
- **WIOA Dislocated Worker – C2 GPS:** Testing is 84% complete.

Internal QA Program Monitoring

- **Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)**
 - **Follow-Up – C2 GPS:** 100% complete. The testing revealed significant progress since the annual review: 10 of the 14 incorrect instances (about 70%) were resolved. The remaining four (4) attributes continue to require progress to attain resolution and prevent recurrence:

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- Case management – Participation Hours (78.9% accuracy),
 - Good Cause and/or Sanctions – Timely and Accurate Entries (88.9% accuracy),
 - Sanctions – Sanction Follow-Up (13.3% accuracy), and
 - Performance – Employment (86.7% accuracy).
 - **Annual Review – C2GPS:** 14% complete.
 - **Reemployment Services and Eligibility Assessment (RESEA) – C2 GPS:** 100% complete. Currently working on the Final Report.
 - **Informal Follow-Up Testing (of attributes <90% accuracy):** 100% complete, including:
 - **C2 GPS:** Choices (one attribute), NCP (six attributes), WIOA Adult (4 attributes), WIOA Dislocated Worker (five attributes).
 - **SERCO:** WIOA Youth (four attributes).
- Although testing revealed improvements, we recommend continuing quality improvement efforts.

Other QA Activities

Additional activities performed by QA include, but are not limited to, the following:

- **Subrecipient Performance & Profits (C2GPS and SERCO):** Completed estimating contractor profits for 2024-2025 and are in the process of coordinating invoicing and payment for close-outs.
- **Performance Analysis:** In coordination with the Operations/Programs department, development of a performance tracking and target-setting system.
- **Data Release Analysis:** Building a workforce strategy framework for the Alamo region using various data sources to measure labor market dynamics. Some of the data sources include TWC's UI, as well as JOLTS, CES, QCEW, ACS, and LAUS.
- **Staff Training:** Dr. Ricardo continues providing staff training (reported in the next agenda item).

Alternatives: Federal and state laws, rules, and regulations require Boards to implement regular oversight and monitoring of contractors, subrecipients, and service providers that receive public and other funds administered by the Board. To that purpose, TWC and entities associated with its funding, including other federal and state agencies, monitor WSA's oversight and monitoring systems.

Fiscal Impact: WSA's External Program Monitoring contract with Ms. Christine Nguyen, CPA: \$225,000 (annual).

Recommendation: QA will continue performing informal testing as staff transition the system to formal Follow-Up reviews. Informal reviews serve as quality control to track attribute progress



with <90% accuracy. In contrast, formal Follow-Up reviews determine whether these attributes have been resolved and help fulfill TWC requirements. To that purpose:

- QA has been coordinating meetings with our subrecipients to provide technical assistance tied to their internal and ongoing testing of items with <90% accuracy, and critical items, including repeat findings.

Next Steps: QA will continue to implement the estimated engagement timeline as presented in a separate agenda item.



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Victoria Rodriguez, Director of Workforce Services

Date: June 12, 2026

Subject: **Performance**

Summary: There are fifteen siloed measures tracked across all WIOA programs (Adult, Dislocated Worker, and Youth) in the Monthly Performance Report (MPR) by TWC. These measures include Claimant Re-Employment within 10 Weeks, Employers Receiving Workforce Assistance from Boards or Self-Services, Choices Full Engagement Rate, and the Average Number of Children Served per Day Combined. Each measure has a specific definition outlined in the presentation. Performance targets vary by measure, with some requiring 90% of the target performance to be met and others 95%. WIOA measures have start periods that run either from July to June or January to December, with the End of Year Report concluding in August. Meanwhile, Claimant Re-Employment within 10 Weeks, Employers Receiving Workforce Assistance, Choices Full Engagement Rate, and the Average Number of Children Served per Day Combined follow a rolling start period from the previous month to the current year, with their End of Year Report concluding in September.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan:

Goal 1: Texas Talent Expert: 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.

Analysis: For October, November, and December Monthly Performance Reports (MPRs) for BCY 2025, WSA did not meet key WIOA performance measures, including the Credential Rate for Dislocated Workers, Measurable Skills Gains for Dislocated Workers, Credential Rate for C&T participants, and Claimant Reemployment within 10 Weeks. In response to these outcomes, the Board has initiated a technical assistance plan focused on improving performance through a detailed analysis of data trends and the identification of underlying root causes impacting outcomes. This effort is intended to guide targeted corrective actions, strengthen program implementation strategies, and improve overall performance in subsequent reporting periods.

The Board Staff has taken proactive steps to strengthen performance and respond to Workforce Innovation and Opportunity Act (WIOA) measures. The Texas Workforce Commission (TWC) previously informed boards that 18 of 28 workforce boards would be placed on a Technical Assistance Plan (TAP) for the Reemployment measure. Following extensive discussions between Board staff and TWC, a formal communication was issued indicating that the implementation of the TAP would be postponed until after the February Monthly Performance Report (MPR) results. The February MPR was subsequently released with several performance measures not displayed, accompanied by a notice from

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TWC stating that data would be further reviewed and reconciled to ensure integrity due to ongoing systemic issues related to the TWIST to WIT system conversion.

Monthly Performance Report | Official Release | February 2026 | Report Type: Board Contracted | Area: Board | LWDA: 20: Alamo
Release Date: 04/21/2026

Measure	Numerator	Denominator	Performance	Current Target	EOY Target	% Current Target	From	To	Notes	% Current Target
Adult: Credential Rate	25	32	78.13%	76.96%	76.96%	101.52%	01/24	06/24	18	N/A 101.52%
Adult: Employed Q2	174	218	79.82%	74.34%	74.34%	107.37%	07/24	12/24	18	N/A 107.37%
Adult: Employed Q4	160	229	69.87%	73.57%	73.57%	94.97%	01/24	06/24	18	N/A 94.97%
Adult: Measurable Skill Gains	44	69	63.77%	70.70%	70.70%	90.20%	07/25	02/26	18	N/A 90.20%
Adult: Median Earnings Q2	N/A	174	\$7,059.97	\$7,000	\$7,000	100.86%	07/24	12/24	18	N/A 100.86%
C&T: Credential Rate	71	104	68.27%	75.00%	75.00%	91.03%	01/24	06/24	18	N/A 91.03%
Child Care: Average # Children Served Per Day - Combined	1,322,870	108	12,249	12,509	12,509	97.92%	10/25	02/26	15	N/A 97.92%
Child Care: Initial Job Search Success Rate	96	209	45.93%	69.20%	69.20%	66.37%	06/25	10/25	19	NM 66.37%
Choices/TANF: Full Engagement Rate - All-Family	N/A	N/A	N/A	50.00%	50.00%	N/A	10/25	02/26	14	N/A N/A
DW: Credential Rate	27	36	75.00%	80.91%	80.91%	92.70%	01/24	06/24	18	N/A 92.70%
DW: Employed Q2	99	115	86.09%	78.28%	78.28%	109.98%	07/24	12/24	18	N/A 109.98%
DW: Employed Q4	128	153	83.66%	82.81%	82.81%	101.03%	01/24	06/24	18	N/A 101.03%
DW: Measurable Skill Gains	42	58	72.41%	76.00%	76.00%	95.28%	07/25	02/26	18	N/A 95.28%
DW: Median Earnings Q2	N/A	99	\$10,832.73	\$9,750	\$9,750	111.10%	07/24	12/24	18	N/A 111.10%
Reemployment: Claimant Reemployment within 10 Weeks	9,218	16,260	56.69%	60.79%	60.79%	93.26%	07/25	11/25	N/A	NM 93.26%
Reemployment: Employers Receiving Texas Talent Assistance	1,732	1	1,732	2,000	4,349	86.60%	10/25	02/26	N/A	NM 86.60%
Youth: Credential Rate	30	57	52.63%	57.45%	57.45%	91.61%	01/24	06/24	18	N/A 91.61%
Youth: Employed/Enrolled Q2	191	229	83.41%	74.21%	74.21%	112.40%	07/24	12/24	18	N/A 112.40%
Youth: Employed/Enrolled Q4	123	150	82.00%	75.56%	75.56%	108.52%	01/24	06/24	18	N/A 108.52%
Youth: Measurable Skill Gains	95	129	73.64%	65.30%	65.30%	112.77%	07/25	02/26	18	N/A 112.77%
Youth: Median Earnings Q2	N/A	183	\$4,334.86	\$4,000	\$4,000	108.37%	07/24	12/24	18	N/A 108.37%

As of the February MPR, based on the available information, the Board is not meeting the Reemployment measure, Initial Job Search, or Texas Talent Assistance performance targets. However, the REEMS measure did show a 3% improvement in a positive direction, and other previously identified areas of concern also appear to be trending upward, indicating early signs of performance improvement despite remaining below target levels.

Alternatives: These items reflect WSA’s ongoing work across various services and TWC-funded grants and will require updates as they progress through their respective timelines.

Fiscal Impact: If TWC decides to impose disciplinary action on the Board, it could have significant consequences on the Board’s ability to secure future grant funding. Such actions may result in reduced eligibility for certain funding opportunities, restrictions on grant allocations, or increased oversight into financial and programmatic operations

Board Responsibilities: This item supports the Board’s responsibility to understand the scope and purpose of services provided by staff.

Recommendation: It is recommended that the Board continue to actively engage with TWC throughout the data validation and system transition process while maintaining close monitoring of

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all WIOA performance measures. Given the instability in reporting during the TWIST to WIT conversion period, the Board should focus on strengthening internal data tracking, documentation practices, and quality assurance processes to ensure accurate reporting and readiness for any future Technical Assistance Plan requirements. Continued collaboration with state partners will be critical to maintaining transparency and positioning the Board for performance stabilization.

Next Steps: The Board Staff should prioritize ongoing communication with TWC to remain informed on updates related to the TAP and any revisions to performance reporting methodologies. Staff should conduct a detailed internal review of Reemployment and other impacted measures to identify potential gaps and support corrective action planning. Additionally, the Board should enhance data reconciliation efforts between internal systems and state reporting platforms, while preparing targeted technical assistance strategies to address identified performance barriers. These actions will help ensure readiness for future reporting cycles and support improved outcomes once system issues are fully resolved.



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Kristen Rodriguez, Director Procurement and Contracts Management

Date: June 12, 2026

Subject: **Discussion and Possible Action: Program Monitoring Services Contract**

Summary: For discussion and potential action: The Workforce Solutions Alamo (WSA) Board of Directors is presented with a with a proposal to award a contract to Christine H Nguyen, CPA for Program Monitoring Services in the estimated aggregate amount of \$1,120,267.50 over a five (5) year span. The contract term will be effective October 1, 2026, through September 30, 2027, with the option to renew for up to four (4) one-year periods upon written mutual consent of Workforce Solutions Alamo and the selected Contractor.

This action aligns with Supporting Texas Talent and Economic Growth - Goal 2, Service Optimizers, in our strategic plan.

Analysis: Workforce Solutions Alamo (WSA) previously identified discrepancies between the Board-approved contract amount and amendments executed under the existing Program Monitoring Contract. As a result of the review, staff elected not to exercise the final renewal option and instead in March 2026, a Request for Proposals (RFP) was advertised online and in the Texas Electronic Business Daily over a 30-day period.

The solicitation closed in April 2026, and five proposals were received. Following the responsiveness review, four proposals were deemed non-responsive due to either failure to submit all required documentation or failure to meet the minimum qualifications outlined in the Request for Proposals (RFP).

Staff completed the evaluation process for the remaining responsive proposal and is recommending award of the new Program Monitoring Services contract with Christine Nguyen, CPA, to ensure continuation of monitoring services for one or more WSA subrecipients, service providers, and/or

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contractors. Federal and state laws, rules, and regulations require Boards to implement regular oversight of their activities and regular monitoring of contractors, subrecipients, and service providers (“service providers”) that receive public or other funds administered by Boards.

WSA Quality Assurance will collaborate with the selected Contractor to provide compliance and programmatic monitoring services for WSA-contracted service providers. These activities are intended to ensure that:

- programs achieve their intended outcomes;
- resources are utilized efficiently, effectively, and solely for authorized purposes while being safeguarded against waste, fraud, and abuse; and
- accurate and timely information is collected and reported to support informed decision-making and continuous improvement.

Monitoring activities will focus on areas identified as having the highest risk and will evaluate service provider compliance with WSA contracts, policies, Board Plan provisions, and all applicable federal and state laws, regulations, and directives.

To accomplish these objectives, the Contractor shall develop and implement:

- a risk assessment methodology;
- monitoring plans;
- monitoring activities and protocols;
- a reporting process; and
- corrective action and resolution procedures.

Alternatives: Any alternative to approving the recommendation, WSA may experience interruptions in monitoring services, limiting the Board’s ability to identify and address compliance issues, performance concerns, and potential risks in a timely manner.

Fiscal Impact: The contract will begin with an initial one-year term, effective October 1, 2026, through September 30, 2027, and may be extended for up to four (4) additional one-year periods, subject to mutual written agreement by both parties. The total projected expenditure over the potential five-year term is \$1,120,267.50, unless modified by a formally executed amendment approved by all parties.



Below is the breakdown of the anticipated costs for the term of the contract:

Year	Oct 26' - Sep 27'	Oct 27' - Sep 28'	Oct 28' - Sep 29'	Oct 29' - Sep 30'	Oct 30' - Sep 31'	**Contingency 10%	Contract Total
Estimated Annual Contract Amount	\$203,685	\$203,685	\$203,685	\$203,685	\$203,685	\$101,842.50	\$1,120,267.50

Notes:

** A contingency amount has been incorporated into the budget to ensure adequate funding is available for any unforeseen or supplemental monitoring services required throughout the contract period.

Breakdown of the programs being monitored and sample size:



Funding	Total Unique Participants	Proposed Sample Size
WIOA Adult	510	15
WIOA Dislocated	378	15
WIOA Youth (ISY)	548	15
WIOA Youth (OSY)	822	15
SNAP E&T	822	15
TANF/CHOICES	799	15
NCP	68	15
RESEA	3791	15
CCS (Low-income)	15627	15
CCS (DFPS)		15
CCS (Initial Job-Search)		15
QIA	653	15
Ready-to-work		15
Total		195

Recommendation: Procurement & Contracts Management recommends approving the contract to Christine H Nguyen, CPA for Program Monitoring Services.

Next Steps: Upon approval, WSA Procurement and Contract Management (PCM), in coordination with WSA Quality Assurance, shall proceed with contract negotiations with Christine Nguyen, CPA. Should negotiations be unsuccessful with the recommended Contractor, WSA reserves the right to negotiate a contract with the next highest ranked Offeror.

Attachments: Bid Tabulation



RFP# 2026-002 - Program Monitoring Services

Active Submissions

	Total	A - Organizational Qualifications and Experience	B - Technical Approach and Methodology-	C - Data Management, Work Plan, and Reporting Deliverables	D - Cost Proposal and Cost Effectiveness	E - VetHUB
Supplier	/ 105 pts	/ 25 pts	/ 25 pts	/ 25 pts	/ 25 pts	/ 5 pts
Christine H Nguyen CPA	92.91	23.18	22.22	22.5	25	0

Eliminated Submissions

	A - Organizational Qualifications and Experience	B - Technical Approach and Methodology-	C - Data Management, Work Plan, and Reporting Deliverables	D - Cost Proposal and Cost Effectiveness	E - VetHUB
Supplier	/ 25 pts	/ 25 pts	/ 25 pts	/ 25 pts	/ 5 pts
FEJI INC.	-	-	-	-	-
Good Samaritan Center	-	-	-	-	-



Public Consulting Group	-	-	-	-	-
Signature Practice Services, LLC	-	-	-	-	-

Notes:

1. ***FEJI INC.***- Does not meet Minimum requirements- Did not provide evidence that experience has been done in the last 3 years and does not contain workforce experience
2. ***Good Samaritan Center***- Did not provide Attachments, or items asked in the proposal. Just had a cover sheet and letter attached.
3. ***Public Consulting Group***- Unresponsive - Missing Attachment J – References
4. ***Signature Practice Services, LLC.*** - submitted wrong project



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Kristen Rodriguez, Director Procurement and Contracts Management

Date: June 12, 2026

Subject: **Discussion and Possible Action: Childcare Professional Development Training Services Contract**

Summary: For discussion and potential action: The Workforce Solutions Alamo (WSA) Board of Directors is presented with a proposal to award Multiple contracts for the Childcare Professional Development Training Services to the following eight (8) qualified vendors.

The recommended awardees are:

1. At the Heart of Teaching, Learning, & Leadership
2. Education Service Center, Region 20
3. Elite Educational Enterprises
4. Kaplan Early Learning Company
5. Shine Early Learning
6. Youth Empowerment Services, Inc
7. KAS Consulting Group
8. The Murchinson Consulting Group, LLC

The contract term will be effective October 1, 2026, through September 30, 2027, with the option to renew for up to two (2) one-year periods upon written mutual consent of Workforce Solutions Alamo and the selected Contractors. The total contract expenditure under this agreement is estimated to be \$750,000 over a three (3) year span; contract values will vary by vendor and number of trainings provided but will remain within the approved budget allocation for this initiative.

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This action aligns with Supporting Texas Talent and Economic Growth - Goal 2, Service Optimizers, in our strategic plan.

Analysis: Workforce Solutions Alamo (WSA) advertised a Request for Proposal (RFP) on March 3, 2026 online and in the Texas Electronic Business Daily over a 30-day period for Professional Development Training Services to secure qualified training providers capable of designing, developing, and delivering high-quality training for early childhood educators, administrators, trainers, and coaches throughout the Agency's designated service area. The solicitation required respondents to demonstrate a minimum of two (2) years of documented experience in early childhood education, child development, childcare provider training, or publicly funded workforce education programs, as well as active use of TECPDS within the past 12 months, with priority given to Texas Registered Trainers.

The solicitation closed on April 6, 2026, and staff completed the evaluation process for twelve (12) submissions received in response to the solicitation. Of those submissions, two (2) proposals were eliminated due to no proven evidence of TECPDS experience within the last twelve (12) months, one (1) proposal was disqualified due to an incomplete submission, and one (1) proposal was eliminated because the total scoring summary fell below the minimum required threshold of 70 points. The remaining eight (8) respondents were determined to be qualified, responsive, and eligible for award consideration. Staff is recommending multiple contract awards to ensure the continued delivery of high-quality professional development training services for early childhood educators, administrators, trainers, and coaches throughout Workforce Solutions Alamo's service area. Awarding multiple qualified providers to strengthen service delivery capacity, reduce operational risk, and provide greater flexibility in meeting program demands across the early childhood education system. This approach supports WSA's commitment to compliance, workforce readiness, and improved educational outcomes while ensuring cost-effective and equitable access to professional development resources.

WSA Child Care Service will collaborate with the selected Contractors to provide professional development training services for early childhood educators, administrators, trainers, and coaches throughout the Agency's designated service area. These activities are intended to ensure that:



- Early childhood professionals receive high quality training that supports continuous learning and workforce development;
- Training providers deliver services that align with Texas Core Competency Areas, Child Care Regulations, Texas Rising Star standards, and all applicable state requirements;
- Accurate and timely participation, attendance, and completion data is collected and reported through TECPDS to support compliance, accountability, and continuous program improvement.

Training activities will focus on strengthening provider knowledge and performance in key areas such as child growth and development, health and safety, inclusive practices, trauma-informed care, leadership development, family engagement, and age-appropriate curriculum delivery.

To accomplish these objectives, the Contractor shall develop and implement:

- High quality professional development training aligned with required standards;
- Virtual, in person, and hybrid training delivery methods;
- Participant registration, attendance tracking, and reporting through TECPDS;
- Training materials, participant surveys, and certificate distribution; and
- Timely reporting processes and performance measures to ensure accountability and service effectiveness.

Alternatives: Any alternative to approving the recommendation may result in interruptions in professional development training services, limiting WSA's ability to support childcare providers, maintain compliance with program requirements, and strengthen workforce readiness and quality outcomes across the early childhood education system.

Fiscal Impact: The contract will have an initial term (1) one year, effective October 1, 2026, through September 30, 2027, and may be extended for up to two (2) additional one-year periods, subject to mutual written agreement by both parties. The total projected expenditure over the potential three-year term is \$750,000, with annual amounts of \$250,000 unless



modified by a formally executed amendment approved by all parties. Each contract awarded under these services is anticipated to range from \$25,000 to \$75,000 annually, contingent upon program needs and the availability of funding.

Below is the breakdown of the anticipated costs for the term of the contract:

Item	Oct 26' - Sep 27'	Oct 27' - Sep 28'	Oct 28' - Sep 29'	Contract Total
Estimated Annual Contract Amount	\$250,000	\$250,000	\$250,000	\$750,000

Recommendation: Procurement & Contracts Management recommends approval of contracts for Professional Development Training Services to support early childhood educators, administrators, trainers, and coaches throughout Workforce Solutions Alamo's service area and ensure the continued delivery of high-quality training services aligned with TECPDS requirements, Texas Core Competencies, and Agency program goals.

The recommended contractors are: At the Heart of Teaching, Learning, & Leadership, Education Service Center, Region 20, Elite Educational Enterprises, Kaplan Early Learning Company, Shine Early Learning, Youth Empowerment Services, Inc., KAS Consulting Group, and The Murchison Consulting Group, LLC.

The contracts will be for an initial term of one (1) year, effective October 1, 2026 through September 30, 2027, with the option to renew for two (2) additional one-year terms. The total projected expenditure for the potential three-year term is \$750,000, with annual expenditures projected at \$250,000, unless modified through a formally executed amendment approved by all parties.

Next Steps: Upon approval, WSA Procurement and Contract Management (PCM), in coordination with WSA Child Care staff, shall proceed with contract negotiations with the selected contractors for Professional Development Training Services.



Attachments: Bid Tabulation

2026-005 - Childcare Professional Development Training Services

Active Submissions

	Total	Minimum Qualifications	A - Technical Approach & Program Design	B - Training Content & Methodology	C - Experience & Past Performance	D - Staffing & Qualifications	E - Performance Measurement & Reporting	F - Budget/Cost Effectiveness	G - VetHUB
Supplier	/ 105 pts	Pass/Fail	/ 25 pts	/ 15 pts	/ 15 pts	/ 20 pts	/ 15 pts	/ 10 pts	/ 5 pts
Elite Educational Enterprises	94	Pass	24	14	14	18.67	13.33	10	0
At the Heart of Teaching, Learning, & Leadership	84.27	Pass	24.33	15	14	16	13.33	1.607	0



Kaplan Early Learning Company	84.07	Pass	23.33	13.53	13.93	16.67	12.33	4.27	0
Shine Early Learning	83.7	Pass	22.67	14	14.53	14.33	13	5.167	0
Education Service Center, Region 20	82.97	Pass	22.67	12.93	12	17	13.33	5.041	0
KAS Consulting Group	82.43	Pass	21	12.4	13.47	17.33	10.67	7.561	0
Youth Empowerment Services, Inc.	82.41	Pass	22.67	13.53	13.47	18	13.33	1.407	0
The Murchison Consulting Group, LLC	77.69	Pass	22	13.53	11.47	14.33	12.33	4.026	0
Lit for Life	67.88	Pass	15	10.47	10	13.67	11	7.75	0



Eliminated Submissions

	Minimum Qualifications
Supplier	Pass/Fail
AVILO inc.	Fail
Lakeshore Learning Materials, LLC	Fail
eTeachingMe	-

Notes:

1. **Avilo Inc.**- Does not meet Minimum requirements- Did not provide evidence of TECPDS within the last twelve (12) months.
2. **Lakeshore Learning Materials, LLC**- Did not meet minimum requirements – Did not provide evidence of TECPDS within the last twelve (12) months.
3. **ETeaching Me**- Unresponsive - Incomplete Submission
4. **Lit for Life** - Failed to reach 70 points. (67.88)



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Kristen Rodriguez, Director Procurement and Contracts Management

Date: June 12, 2026

Subject: **Discussion and Possible Action: Work Number Services Contract**

Summary: For discussion and potential action: The Workforce Solutions Alamo (WSA) Board of Directors is presented with a proposal to increase the current Equifax Work Number Services contract amount by \$100,001 to cover the remaining months of the contract term ending June 30, 2026 and authorize the addition of one (1) optional one-year renewal period.

This action aligns with Supporting Texas Talent and Economic Growth - Goal 2, Service Optimizers, in our strategic plan.

Analysis: The Work Number®, provided by Equifax, is an employment and income verification service that provides access to workforce, wage, and employment data. Workforce Solutions Alamo utilizes these services to support the Ready to Work Program through participant eligibility verification, employment outcome validation, wage tracking, and program performance reporting.

The platform enables staff to efficiently verify employment placements, wage progression, and retention outcomes through third-party validated data, reducing administrative burden while strengthening reporting accuracy, compliance, and program outcome tracking.

The contract was procured utilizing the small purchase procurement method and executed within the CEO's delegated authority. In accordance with Board policy, the CEO is authorized to execute contracts not exceeding \$150,000. Accordingly, the contract was executed for \$149,999 for the period of July 1, 2025, through June 30, 2026.

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Following monitoring of actual utilization and projected service needs, staff has determined that expenditures for employment verification services will exceed the current contract amount prior to the end of the contract term.

Alternatives: If not approved, staff would be required to either discontinue services upon exhaustion of the current contract amount, reduce utilization of the platform, transition to manual verification processes, or pursue an alternate procurement solution. These alternatives may result in increased administrative burden, reduced reporting efficiency, delays in employment verification, and potential disruption to program operations and performance tracking.

Fiscal impact: The current contract amount is \$149,999 for the contract term of July 1, 2025, through June 30, 2026. The requested increase of \$100,001 will revise the contract amount to \$250,000 to support anticipated service utilization for the remainder of the current contract term. Additionally, the contract may be extended for one (1) optional one-year renewal period.

Recommendation: Procurement & Contracts Management recommends approval to increase the Equifax Work Number Services Contract by \$100,001, resulting in a revised annual contract amount not to exceed \$250,000 for the contract term ending June 30, 2026. Staff further recommends approval to add one (1) optional one-year renewal period to allow for continued service availability based on operational need. Staff will continue to monitor service utilization and expenditures to ensure costs remain within the approved annual contract amount, and that services are utilized on an as-needed basis.

Next Steps: Upon approval, WSA Procurement and Contract Management (PCM), in coordination with WSA Program staff, shall proceed with contract amendment.



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Michael Del Toro, CPA, ABIP Partner

Date: June 12, 2026

Subject: **FY24-25 Single Audit**

Summary:

The audit for Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo (WSA) for the fiscal year ended September 30, 2025, has been performed and completed by ABIP, PC. ABIP has performed its audit following auditing standards generally accepted in the United States and those applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the Uniform Guidance. The audit process involved interviews with staff, observation of processes to develop a risk assessment over internal controls, and the development of audit procedures they felt necessary to provide evidence for their audit opinions.

ABIP reports provided:

- Financial Audit- Opinion- Unmodified (clean opinion)
- Compliance Audits- Childcare Development Funds (CCDF) and Temporary Assistance for Needy Families Cluster (TANF)-Unmodified (clean opinion)

Strategic Goals:

ABIP performed the following activity during their audit:

Financial Audit

- Established an audit approach based on risk assessment and tailored programs to guide the audit process for efficiency and completeness.
- Performed analytical reviews on account balances to aid in the extent of audit procedures needed to provide reasonable assurance of overactivity and account balances.
- Reviewed and mailed WSA-prepared confirmations to related parties, legal counsel, and financial institutions,
- Reviewed approval processes over individual transactions and tested allowability for grants and contracts.
- Performed substantive procedures for the various financial statement account balances as of year-end, including cash, accounts receivable, prepaid expenses, fixed assets, accounts payable, accrued liabilities, and deferred revenues.

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- Worked with management to assist in preparing the financial statement and ensure up-to-date disclosures were included.

Compliance Audit- Childcare Development Funds and Temporary Assistance for Needy Families

- Established an audit approach based on risk assessment and tailored programs to guide the audit process for efficiency and completeness.
- Interviewed staff from the Childcare Development Funds (CCDF) and Temporary Assistance for Needy Family (TANF) Clusters to understand processes over disbursements, payroll, and cash reimbursement processes.
- Performed a risk assessment of the compliance requirements over the CCDF and TANF Clusters and planned a test of controls and compliance for each.
- Sampled individual transactions for allowability with CCDF and TANF Clusters and staff approvals before vendors' payments.
- Sampled reimbursement draws (cash receipts) over allowable costs charged to the grants for proper approvals from staff and recording into the general ledger.
- Reviewed completeness and accuracy of Texas Workforce Commission reporting compliance requirements over CCDF and TANF Clusters.

Board Responsibilities:

Ensure the effective use, management, and investment of funds while maintaining full compliance with applicable Federal and state regulations.

Recommendation:

Discussion and approval request for the Alamo Workforce Development's Independent Financial Annual Audit Performed by ABIP from October 1, 2024, to September 30, 2025.

Next Steps:

Once approved, the audit report will be finalized and shared with the relevant stakeholders, including the Chief Elected Officials and the regulatory authorities.

Attachment:

FY25 Draft Audit

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS - ALAMO

FINANCIAL STATEMENTS AND
FEDERAL AND STATE AWARDS REPORTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025



CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alamo Workforce Development, Inc.
dba Workforce Solutions–Alamo
San Antonio, Texas

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo (the Corporation) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation, as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Single Audit Circular*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2026, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

San Antonio, Texas

June 16, 2026



FINANCIAL SECTION



**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF FINANCIAL POSITION

September 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 2,721,128
Grants receivable	7,372,320
Account receivable - other	3,919,202
Prepaid expenses and deposits	<u>3,022,453</u>
Total current assets	<u>17,035,103</u>

PROPERTY AND EQUIPMENT

Property and equipment	31,953,756
Less accumulated depreciation	<u>(14,678,865)</u>
Net property and equipment	<u>17,274,891</u>

Total assets	\$ <u>34,309,994</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,455,356
Accrued liabilities	9,142,581
Deferred revenue	3,974,001
Lease liability	<u>3,333,310</u>
Total current liabilities	<u>19,905,248</u>

NONCURRENT LIABILITIES

Lease liability	<u>13,655,095</u>
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Total liabilities	<u>33,560,343</u>
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NET ASSETS

Without donor restrictions	
Undesignated	463,165
Investment in property and equipment, net	<u>286,486</u>
Total net assets	<u>749,651</u>

Total liabilities and net assets	\$ <u>34,309,994</u>
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The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF ACTIVITIES

For the year ended September 30, 2025

	<u>WITHOUT DONOR RESTRICTIONS</u>		<u>TOTAL</u>
	<u>UNDESIGNATED</u>	<u>INVESTMENT IN PROPERTY AND EQUIPMENT / LEASE LIABILITY</u>	
REVENUE			
Grant contracts - federal	\$ 153,261,540	\$ -	\$ 153,261,540
Grant contracts - state	19,513,509	-	19,513,509
Vocational Rehabilitation			
Student Hireability Navigator	183,802	-	183,802
Summer Earn and Learn Program (SEAL)	385,190	-	385,190
Infrastructure Cost Reimbursement	642,072	-	642,072
Non-federal initiatives			
City of San Antonio - Ready to Work	15,210,431	-	15,210,431
San Antonio Area Foundation	16,679	-	16,679
Texas Mutual	98,632	-	98,632
Unrestricted Revenue-Sponsorships	31,440	-	31,440
Other	51,704	-	51,704
Service fees	47,058	-	47,058
Program income	<u>7,239</u>	<u>-</u>	<u>7,239</u>
Total revenue	<u>189,449,296</u>	<u>-</u>	<u>189,449,296</u>
EXPENSES			
Program services	185,037,645	(2,414,199)	182,623,446
Supporting services	<u>4,358,385</u>	<u>(127,064)</u>	<u>4,231,321</u>
Total expenses	<u>189,396,030</u>	<u>(2,541,263)</u>	<u>186,854,767</u>
Increase (decrease) in net assets	53,266	2,541,263	2,594,529
OTHER REVENUES AND (EXPENSES)			
Fixed assets/right to use - additions	-	6,654,678	6,654,678
Right to use lease liability - additions	-	(6,587,526)	(6,587,526)
Depreciation/amortization	<u>-</u>	<u>(2,861,740)</u>	<u>(2,861,740)</u>
Change in net assets	53,266	(253,325)	(200,059)
NET ASSETS AT BEGINNING OF YEAR	<u>409,899</u>	<u>539,811</u>	<u>949,710</u>
NET ASSETS AT END OF YEAR	<u>\$ 463,165</u>	<u>\$ 286,486</u>	<u>\$ 749,651</u>

The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2025

	PROGRAM SERVICES	SUPPORTING SERVICES	
	ALL PROGRAMS	MANAGEMENT AND GENERAL	TOTAL
EXPENSES			
Salaries and related expenses			
Salaries	\$ 2,280,520	\$ 2,515,756	\$ 4,796,276
Payroll taxes	163,020	166,343	329,363
Employee benefits	<u>402,153</u>	<u>331,293</u>	<u>733,446</u>
Total salaries and related expenses	2,845,693	3,013,392	5,859,085
Advertising/outreach	76,986	110,899	187,885
Client services	22,969,174	-	22,969,174
Professional fees	351,340	679,339	1,030,679
Supplies and equipment	1,575,925	89,779	1,665,704
Facility rental	4,408,268	237,128	4,645,396
Insurance	107,676	37,762	145,438
Training/support services	14,512,288	-	14,512,288
Child care	136,130,289	-	136,130,289
Travel	69,493	61,554	131,047
Staff development	282,178	40,174	322,352
Communication	488,058	24,751	512,809
Software related	881,184	63,607	944,791
Profit	<u>339,093</u>	-	<u>339,093</u>
Total expenses before depreciation	185,037,645	4,358,385	189,396,030
Depreciation and amortization	<u>2,861,740</u>	-	<u>2,861,740</u>
Total expenses	<u>\$ 187,899,385</u>	<u>\$ 4,358,385</u>	<u>\$ 192,257,770</u>

The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

STATEMENT OF CASH FLOWS

For the year ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (200,059)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities	
Depreciation/amortization expense	2,861,740
Loss on disposal of assets	-
(Increase) decrease in operating assets	
Grants receivable	8,408,571
Other receivables	313,170
Prepaid and deposits	(1,730,255)
Increase (decrease) in operating liabilities	
Accounts payable	(5,122,788)
Accrued liabilities	(5,864,475)
Deferred revenue	3,596,571
	<u>2,262,475</u>
Net cash provided by operating activities	<u>2,262,475</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(67,152)</u>
Net cash used in investing activities	<u>(67,152)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payment of right to use leases	<u>(2,541,263)</u>
Net cash used by financing activities	<u>(2,541,263)</u>
Net increase in cash	(345,940)
CASH AT BEGINNING OF YEAR	<u>3,067,068</u>
CASH AT END OF YEAR	<u>\$ 2,721,128</u>
NONCASH INVESTING AND FINANCING ACTIVITIES	
Right to use assets acquired under lease	<u>\$ 6,587,526</u>

The accompanying notes are an integral part of the financial statements.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Reporting entity

Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo (the Corporation) is a nonprofit corporation organized to provide guidance, exercise oversight duties, manage workforce development activities, and promote social welfare and other charitable purposes in the Alamo service delivery area comprised of the thirteen (13) counties of Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, McMullen, and Wilson.

The agency has been designated a local workforce development board to plan and implement employment and training programs. Most of the entity’s funding is derived from contracts awarded by the Texas Workforce Commission (TWC), a state agency receiving pass-through funds from the U.S. Department of Labor, the U.S. Department of Health and Human Services, and the U.S. Department of Agriculture. The following describes the programs the Corporation administered during the year.

“Programs” can be classified in different ways based on the way that they come about. These include “*Formula-Funded Grants*,” “*Fee-for-Service Grants*,” “*Other TWC Grants*,” and “*Other Local Programs*”.

Formula-Funded Grants

Funds for services are allocated to state and local areas based on a formula. These grants are the Board’s ‘bread and butter’ and are part of our primary or core programs.

CHILD CARE FORMULA FUNDED GRANTS

Child Care Development Funds (CCDF). Child Care Service (CCS) funds come from multiple streams and have different goals, supporting multiple CCS initiatives:

Mandatory Children In-Care.

This program supports children who formerly received general child protective services (CPS); these funds provide continuity of care for children and stability for the family. For children of parents who are mandated to participate in the TANF/Choices and SNAP E&T programs. Children are referred to by Texas Health & Human Services (HHS). CCS must be provided to these families (they receive priority over participants on the waiting list for subsidized CCS).

Discretionary Children In-Care.

To support low-income parents/caregivers while they participate in initial job searches, eligible work activities, and school or training to help them become economically self-sufficient, while providing stability for the children through continuity of care. Depending on funding availability, children are enrolled on a waitlist, and the Board has the discretion to prioritize enrollment into services.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

CHILD CARE FORMULA FUNDED GRANTS (continued)

Child Care Local Match. The CCS provider contributes a required match to subsidized childcare for low-income families.

Child Care Quality Improvement Activities (QIA). Child Care Development funds initiatives that help promote the quality of childcare, including training, professional development, and technical assistance. These initiatives are primarily geared to benefit childcare facilities working toward Texas Rising Star (TRS) certification or TRS providers working toward a higher certification level. The board has secured unrestricted operational funds through the Adam R. Scripps Foundation Fund to assist in the supplemental support of the delivery of QIA.

Texas Department of Family & Protective Services (DFPS) Child Care. Funds purchase childcare services for children deemed eligible (e.g., due to abuse and/or neglect) by DFPS. DFPS refers the children to CCS for services.

FORMULA-FUNDED WORKFORCE DEVELOPMENT GRANTS

Supplemental Nutrition & Assistance Program Employment & Training (SNAP). This program helps recipients gain skills, training, or work experience and increases their ability to obtain regular employment.

TANF/Choices. This program offers job preparation and educational services to help parents dependent on public assistance (Temporary Assistance for Needy Families/TANF) transition into economic self-sufficiency through employment.

Non-Custodial Parent Choices (NCP). The program targets low-income, unemployed, or underemployed noncustodial parents who are behind on their child support payments and whose children are current or former public assistance recipients. The goal is to help NCP participants become economically self-sufficient while making consistent child support payments. The project collaborates with TWC, the Office of the Attorney General (OAG), WSA, and the Bexar County court system. The court system refers to NCP clients and will either participate in the project or be subject to court orders.

Wagner-Peyser / Employment Services (ES). As amended, federal legislation established the ‘Employment Service’ and ancillary functions in 1935. Employer, job matching, and other related services offered at the Centers are partly funded using Wagner-Peyser grant funds. The Board utilizes Wagner-Peyser Employment Service funds to support TWC’s ES staff. The Board shall ensure that TWC’s ES staff have access to and use shared equipment, software, or hardware platforms, consumables, and telecommunications networks in shared facilities. The Board may acquire goods or services to support the ES staff.

Training and Employment Navigator Pilot (PAB). This program reaches out to victims of sex trafficking to assist them with training and employment support systems, providing employment, wrap-around support services, and work experience opportunities.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

Workforce Commission Initiatives (WCI)

TWC issues Workforce Commission Initiative (WCI) grant awards to Boards to fund specific project initiatives. The focus and timeframes of these grants vary. These initiatives support the delivery of services to workers and employers and help fund projects that strengthen and add value to the delivery system.

Hiring, Red, White, and You! Job Fair. Employment Service (ES) funds to support the annual job fair event (virtual or in person) for Transitioning Service Members, Veterans, Military Spouses, and the Public.

Youth Career Fair Events. TANF funds support TWC’s Jobs Y’all events for middle, high, and postsecondary students. These events will invite employers to participate in a relevant way to help students explore career opportunities in their industries. Student participation will encourage the exploration of career opportunities, including understanding pathways to in-demand careers, networking, internships, and other applied learning opportunities. Parents will also be invited to attend with their children to discuss their unique role in career exploration.

Texas Veterans Leadership Program (TVLP). The Board utilizes Wagner-Peyser Employment Service funds to support TWC’s Texas Veterans Leadership Program (TVLP) staff. The Board shall ensure that Agency TVLP staff have access to and use shared equipment, software, or hardware platforms, consumables, and telecommunications networks in shared facilities. The Board may acquire goods or services to support the Agency’s TVLP staff.

Foster Care Youth Conference. Utilize TANF funds to cover travel costs for the Foster Care Youth Conference.

Veterans Services. Contract with the Texas Veterans Commission (TVC) to provide space, technical, and administrative support to TVC staff co-located at WSA Career Centers. TVC provides enhanced services to veterans and can only work with veterans. Additional services may be provided using WIOA funds.

Trade Adjustment Assistance (TAA). This initiative provides job training and employment services to workers who lost their jobs due to international trade. Although this program is currently sunseting, eligible participants will continue to be served through Dislocated Worker funds.

Workforce Investment & Opportunity Act (WIOA). WIOA has three central “formula” grants serving Adults, Dislocated Workers, and Youth. However, other smaller grants are funded through WIOA, such as Rapid Response. WIOA funds can also be used for Incumbent Workers and Customized Training, which only require ‘basic’ WIOA eligibility (e.g., being eligible to work in the U.S., being employed, and, for males, being registered in Selective Service). The following grants have additional eligibility requirements that individuals must meet for funding.

WIOA Adult. The program serves economically disadvantaged adults, assisting them in obtaining the skills needed to obtain, retain, and/or advance in employment.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

Workforce Investment & Opportunity Act (WIOA) (continued)

WIOA Dislocated Worker. The program serves individuals who have lost their jobs due to a layoff or closure (e.g., through no fault of their own). It assists dislocated workers in returning to the workforce as quickly as possible.

WIOA Youth. The program serves in-school and out-of-school youth ages 16-24, supporting them so they may enter or complete educational/training opportunities and gain the skills and credentials needed to obtain and retain employment. Under Title 1 of the Workforce Innovation and Opportunity Act of 2014, the WIOA Youth program funds states and outlying areas. States provide local workforce development areas resources to deliver comprehensive youth services that focus on assisting out-of-school youth and in-school youth with one or more barriers to employment, preparing for employment and post-secondary education opportunities, attaining educational skills training credentials, and securing employment with career/promotional opportunities.

Military Family Support Pilot Program. This program is designed to meet the needs of military spouses entering the job market at military installations. It assists displaced military spouses in finding employment, education, and training.

Military to Civilian Employment. This program is designed to provide career services, training, and wraparound support services to assist Transitioning Service Members (TSM), Military Spouses (MS) and Recently Separated Veterans (RSV) transitioning to civilian employers. This assistance will enhance these individuals' employability and earnings, meet the increased demands for employment and training services, and result in a rapid reemployment of Dislocated Workers.

Transitioning Service Member. An individual in Active-Duty status (including separation of leave) who is within twenty-four (24) months of retirement or twelve (12) months of separation from military service.

Military Spouse. A spouse of an Active-Duty military member who has experienced a loss of employment, or significant income reduction, due to relocation to accommodate a permanent change in duty station, or call to active duty, or service-connected disability of such member; or a spouse of a service member killed while on active duty.

Recently Separated Veteran. Any veteran during the three-year period beginning on the date of such veteran's discharge or release from active duty. For WIOA purposes, this period extends to 48 months.

Externship for Teachers. This grant collaborates with employers and independent school districts (ISDs) to provide externships for middle school and high school teachers, counselors, and school administrators. WSA assists in developing and submitting a proposal in partnership with the Alliance for Technology Education in Applied Math and Science (ATEAMS). The project requires matching funds (e.g., non-federal funds from partners and private donors).

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

Rapid Response. Rapid response is a proactive, business-focused strategy designed to help growing companies access a pool of skilled workers. Workers generally result from downsizing companies; the agency supports job seekers during layoffs and plant closings. Services provided during this transitional period include immediate on-site assistance to transition workers into their subsequent employment as soon as possible.

Other Federally Funded Grants:

Reemployment Services and Eligibility Assessment (RESEA). Grant programs funded by Title I of WIOA and the federal-state Unemployment Insurance (UI) program are required partners in a comprehensive, integrated workforce system. This program targets claimants most likely to exhaust benefits and require reemployment services.

Partners for Reentry Opportunities in Workforce Development (PROWD). TWC founded a grant to align better job training and skills development services provided to program participants with the specific labor market needs of the communities where they will reside. In so doing, the program will improve both the employment outcomes of returning citizens and public safety of all community members while increasing the capacity of justice and workforce system partnerships.

DOL Building Pathways to Infrastructure Jobs Grant Program (H-1B Job Training). This grant funded by the Department of Labor (DOL) will train job seekers in advanced manufacturing; information technology; and professional, scientific, and technical services occupations that support renewable energy, transportation and broadband infrastructure sectors.

Fee-for-Service/Reimbursement Grants

TWC has begun issuing funding for Vocational Rehabilitation Services (VRS). These funds ensure that Texas effectively prepares students with disabilities to obtain competitive and integrated employment through participation in employability skills and work readiness training, career exploration activities, work experience, post-secondary education, and other activities.

Summer Earn & Learn (SEAL). This program provided summer work readiness training and paid work experience for students with disabilities.

Student Hire Ability Navigator Project. Funding for two positions to serve as resources in the WDA to support, expand, and enhance pre-employment transition services to students with disabilities in the early phases of preparing for the transition to postsecondary education, employment, and life skills opportunities.

Vocational Rehabilitation – Co-location. Funding for the co-location of Vocational Rehabilitation TWC team members into WSA’s American Job Centers to offer various pre-vocational and vocational services for individuals with disabilities.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Reporting entity (continued)

OTHER LOCAL PROGRAMS

Programs that are funded by non-TWC funds that support local general funding.

Ready to Work San Antonio. The City of San Antonio’s Economic Development Department funds the Ready to Work program to assist residents within city limits. The program provides workforce upskill opportunities through education and training to increase residents’ chances of employment. This program is also supported by the Toyota Finish Line Grant, which incentivizes post-training and job placement reporting.

Kronkosky Foundation Fund. The Kronkosky Charitable Foundation provides unrestricted funds to support supplemental activities for the Ready to Work program, including outreach activities and recruitment events.

San Antonio Area Foundation. The San Antonio Area Foundation has provided a grant to support the Workforce Academy and the board's capacity.

Workforce Academy: The Workforce Academy educated local nonprofit agencies and employers to increase outreach throughout the community. Workforce Ambassadors are provided with outreach materials that promote the brand and services.

Texas Mutual. Texas Mutual provided this grant to strengthen the early childhood community by ensuring programs have resources needed to support children with differing abilities. Funds will assist in creating inclusive and diverse learning environments through curriculum and specialized training for early childhood programs.

Basis of accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting. The accompanying statements of financial position and activities focus on the Corporation as a whole and report the amounts of total assets, liabilities, net assets, and changes in net assets.

The Corporation classifies its financial statements to present two (2) classes of net assets:

- *Net assets without donor restrictions* include those net assets whose use is not restricted by donor-imposed stipulations. Restricted grant proceeds or contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.
- *Net assets with donor restrictions* include net assets subject to donor-imposed restrictions that may or will be satisfied by the actions of the Corporation or the passage of time. The Corporation had no net assets with donor restrictions at September 30, 2025.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income tax

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation had no unrelated business income during the year ended September 30, 2025. Accordingly, no provision for income taxes were made in the accompanying financial statements.

Pension plan

The Corporation has adopted an employee retirement plan, which is a money purchase pension plan. It covers all employees who have met certain service requirements.

The Corporation may contribute to the plan. During the fiscal year, the Corporation matched up to 6.0% for employees who elected to participate in the plan. Plan expense for the year ended September 30, 2025 was \$149,105.

Compensated absences

Employees of the Corporation earn annual leave on a bi-weekly basis. The maximum amount that will be paid upon separation of employment varies based upon years of employment. The Corporation had an accrued liability at September 30, 2025 of \$254,628.

Receivables

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectability of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

At September 30, 2025, no allowance for future bad debts had been established as it is management's opinion that losses, if incurred, would not materially affect the financial statements.

Grants receivable primarily represent balances due from grantees for funds billed under the terms of the contract. The Corporation does not record an allowance for uncollectibles against the grants receivable because management believes the receivables are considered to be 100% collectible.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Revenue recognition and deferred revenue

Contracts that are entered into by the Corporation are recognized as grant revenue when expenditures are incurred in accordance with the terms of the contract. Amounts received but not yet earned on continuing contracts are recorded as deferred revenue.

In-kind contributions and donated services

Donated services are valued at their estimated fair market value at the time of donation and are included in the statements of activities. During the year ended September 30, 2025, there were none noted to be significant to the financial statements.

Property and equipment

Fixed assets are valued at historical cost or estimated cost if historical cost is not available. Contributed fixed assets are valued at their estimated fair market value at the time of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Expenses for betterments that materially extend the useful life of an asset are capitalized at cost.

The useful lives by type of asset are as follows:

<u>ASSET CLASS</u>	<u>USEFUL LIFE</u>
Information and technology	3- 5 years
Furniture and fixtures	5 years
Leasehold improvements	4-10 years
Right to use leases	3-10 years

Title to equipment is vested with the Corporation; however, TWC reserves the right to transfer title or issue disposition instructions for property with a unit cost of \$5,000 or greater.

Cost allocation plan

The Corporation uses an administrative cost pool to allocate administrative costs which cannot be identified by a workforce funding title. These costs are allocated based on some acceptable measure of benefits received. Only actual, not budgeted, unassignable direct costs are pooled and distributed to the various titles. The Corporation has the following cost pools to be used to distribute costs: Bexar County Workforce Centers, Rural Workforce Centers, Workforce Center Cost, Program, and Administrative. Administrative costs which benefit all programs are allocated to each grant using the administrative cost pool. The cost allocation plan is prepared by the Chief Financial Officer (CFO) and submitted to the Chief Executive Officer (CEO) for approval. The plan may be modified as necessary by the CFO to ensure compliance with the TWC regulations.

The plan is reviewed for modification for addition/deletion of funding sources, significant changes in programs or cost pool expenditures, or other events which could affect the reliability of the cost allocation plan.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) Summary of significant accounting policies (continued)

Functional allocation of expenses

Certain salaries, employee benefits, and other expenses benefiting programs and administrative activities are allocated on a functional basis in the statements of activities and the schedule of functional expenses.

(2) Cash and cash equivalents

The Corporation's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposit for safekeeping and trust with the Corporation's agent bank approved pledged securities in an amount sufficient to protect the Corporation's funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance.

The Corporation's cash deposits at September 30, 2025, were entirely covered by FDIC insurance or by pledged collateral held by the Corporation's agent bank. The deposits were collateralized in accordance with Texas law.

For purposes of the statements of cash flows, all highly liquid instruments with a maturity of approximately 90 days or less are considered to be cash equivalents.

(3) Property and equipment

Property and equipment held by the Corporation at September 30, 2025, consist of the following:

	COST OR BASIS OF PROPERTY			
	BALANCE	DELETIONS AND		BALANCE
	SEPTEMBER 30, 2024	ADDITIONS	RETIREMENTS	SEPTEMBER 30, 2025
Information and technology	\$ 923,900	\$ 24,135	\$ 67,832	\$ 880,203
Furniture and fixtures	407,075	-	174,906	232,169
Vehicle	520,165	35,053	22,327	532,891
Leasehold improvements	1,992,057	7,964	-	2,000,021
Right to use asset - equipment	317,451	135,563	234,580	218,434
Right to use asset - buildings	<u>22,024,783</u>	<u>6,451,963</u>	<u>386,708</u>	<u>28,090,038</u>
Total	<u>\$ 26,185,431</u>	<u>\$ 6,654,678</u>	<u>\$ 886,353</u>	<u>\$ 31,953,756</u>

	ACCUMULATED DEPRECIATION/AMORTIZATION			
	BALANCE	DELETIONS AND		BALANCE
	SEPTEMBER 30, 2024	ADDITIONS	RETIREMENTS	SEPTEMBER 30, 2025
Information and technology	\$ 908,226	\$ 15,401	\$ 67,832	\$ 855,795
Furniture and fixtures	335,787	24,420	174,906	185,301
Vehicle	30,624	106,578	22,327	114,875
Leasehold improvements	1,571,691	79,507	-	1,651,198
Right to use asset - equipment	269,252	52,176	234,580	86,848
Right to use asset - buildings	<u>9,587,898</u>	<u>2,583,658</u>	<u>386,708</u>	<u>11,784,848</u>
Total	<u>\$ 12,703,478</u>	<u>\$ 2,861,740</u>	<u>\$ 886,353</u>	<u>\$ 14,678,865</u>

Depreciation/amortization expense for the year ended September 30, 2025, amounted to \$2,861,740.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(4) Leases

The Corporation leases office facilities and equipment under leases expiring in various years through 2035. The Corporation determined to use the 10-year treasury rate in effect at the inception of each lease as discount rates.

Minimum future rental payments under operating leases, which have remaining terms beyond September 30, 2025, are in the aggregate, as follows:

YEAR ENDED SEPTEMBER 30,	AMOUNT
2026	\$ 3,333,310
2027	3,132,599
2028	2,798,367
2029	2,470,753
2030	1,955,945
Thereafter	5,655,933
	19,346,907
Less interest:	(2,358,502)
Total	\$ 16,988,405

During the year ended September 30, 2025, the Corporation incurred \$2,541,263 of lease expense which is included in the accompanying statement of functional expenses.

(5) Concentration of credit risk

Management believes concentrations of credit risk in grants receivable are limited due to contracts with state governmental agencies which management believes are credit-quality. Also, management believes the receivables from these contracts are collectible.

(6) Contingent liabilities

The Corporation receives a majority of its funding from federally assisted, pass-through grants from the U.S. Department of Labor, Health and Human Services, and Agriculture through TWC. Program expenditures are subject to program compliance audits by the grantor. Any liability reimbursement, which may arise as a result of these audits, would require reimbursement from non-federal sources. It is the position of the Corporation that all costs incurred and charged against these funds for the year ended September 30, 2025, are considered eligible under the terms of the contracts and grants.

The Corporation could potentially be a defendant in legal actions from transactions and activities conducted in the ordinary course of business. Management, after consultation with legal counsel, believes the aggregate liabilities, if any, will not be material to the financial statements.

Risk related to grantor concentration – The Corporation’s funding is concentrated in government grants. If funding were discontinued, it would have a severe impact on operations. Services would be curtailed or discontinued, and uncertainty would exist in continuing operations.

**ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(7) Risk management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For all such risks, the Corporation has purchased commercial insurance in varying amounts to mitigate the risk of loss.

(8) Evaluation of subsequent events

Management has evaluated subsequent events through June 16, 2026 the date which the financial statements were available to be issued. No significant subsequent events occurred.



FEDERAL AND STATE AWARDS SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Alamo Workforce Development, Inc.
dba Workforce Solutions–Alamo
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo (the Corporation) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Antonio, Texas

June 16, 2026

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Board of Directors
Alamo Workforce Development, Inc.
dba Workforce Solutions–Alamo
San Antonio, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Alamo Workforce Development, Inc. dba Workforce Solutions–Alamo’s (the Corporation) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the Corporation’s major federal and state programs for the year ended September 30, 2025. The Corporation’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State of Texas Single Audit Circular*. Our responsibilities under those standards, the Uniform Guidance and the *State of Texas Single Audit Circular*, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Corporation’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporations’ federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

San Antonio, Texas
June 16, 2026



ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>FEDERAL PROGRAMS</u>				
<u>U.S. Department of Labor</u>				
Passed Through Texas Workforce Commission and Texas Veteran's Commission:				
Employment Service Cluster				
Wagner Peyser-Employment Services	17.207	2024WPA001	\$ 204,175	-
Wagner Peyser-Employment Services	17.207	2025WPA001	573,534	-
Training & Employment Navigator	17.207	2024WPB001	107,410	75,296
Resource Administration Grant - Employment Services	17.207	2025RAG001	6,973	-
Wagner Peyser - Workforce Commission Initiatives	17.207	2025WCI001	64,895	-
Veterans Service- DVOP	17.801	2024TVC001	(768)	-
Veterans Service- DVOP	17.801	2025TVC001	255,188	-
Total Employment Service Cluster			<u>1,211,407</u>	<u>75,296</u>
Trade Adjustment Assistance Training Program	17.245	2025TRA001	<u>5,000</u>	<u>5,000</u>
WIOA Cluster				
Adult Services	17.258	2017WOA000	(25)	(25)
Adult Services	17.258	2023WOA001	854	(476)
Adult Services	17.258	2023WOA001	1,921	(114,504)
Adult Services	17.258	2024WOA001	970,655	-
Adult Services	17.258	2024WOA001	3,331,429	3,158,431
Military Family Support	17.258	2021WOS001	(10)	(10)
Military Family Support	17.258	2022WOS001	(2)	(2)
Military Family Support	17.258	2023WOS001	(2,143)	(2,143)
Military to Civilian	17.258	2025MTC001	36,438	35,161
Upskills and Training	17.258	2024WOZ001	(5,230)	(5,230)
Youth Services	17.259	2023WOY001	872,063	303,404
Youth Services	17.259	2024WOY001	3,835,829	2,430,222
Youth Services	17.259	2025WOY001	293,597	290,446
Military Family Support	17.278	2024WOS001	40,404	27,495

ALAMO WORKFORCE DEVELOPMENT, INC.
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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>FEDERAL PROGRAMS (CONTINUED)</u>				
WIOA Cluster (continued)				
Dislocated Services	17.278	2023WOD001	\$ 434,808	\$ 7,291
Dislocated Services	17.278	2023WOD001	431,785	191,433
Dislocated Services	17.278	2024WOD001	296,635	-
Dislocated Services	17.278	2024WOD001	2,804,442	2,612,640
Rapid Response	17.278	2024WOR001	32,192	29,293
Rapid Response	17.278	2025WOR001	14,125	14,125
Externship for Teachers	17.278	2025EXT001	151,503	140,864
Total WIOA Cluster			<u>13,541,270</u>	<u>9,118,415</u>
UI-Administration Reemployment Services and Eligibility Assessment	17.225	2024REA001	212,987	157,646
UI-Administration Reemployment Services and Eligibility Assessment	17.225	2025REA001	1,393,692	1,018,396
Total ALN #17.225			<u>1,606,679</u>	<u>1,176,042</u>
Resource Administration Grant - Employment Services	17.273	2024RAG001	(28)	-
Resource Administration Grant - Employment Services	17.273	2025RAG001	1,816	-
Total ALN #17.273			<u>1,788</u>	<u>-</u>
WIOA NDW/WIA National Emergency Grant	17.277	2020NDW001	(885)	(885)
WIOA NDW/WIA National Emergency Grant	17.277	2021NDW001	(5)	(5)
Total ALN #17.277			<u>(890)</u>	<u>(890)</u>
Partners for Reentry Employment Opportunities	17.270	2024REO001	417,233	326,327
H-1B Job Training - San Antonio Infrastructure Academy	17.268	24A60HG000072-01-00	55,792	2,344
Total U.S. Department of Labor			<u>16,838,279</u>	<u>10,702,534</u>
<u>U.S. Department of Agriculture</u>				
Passed Through Texas Workforce Commission:				
SNAP E&T	10.561	2022SNE001	(97)	(97)
SNAP E&T	10.561	2024SNE001	(16,820)	(11,640)
SNAP E&T	10.561	2025SNE001	727,388	634,662
Total U.S. Department of Agriculture			<u>710,471</u>	<u>622,925</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>FEDERAL PROGRAMS (CONTINUED)</u>				
<u>U.S. Department of Health and Human Services</u>				
Passed Through Texas Workforce Commission:				
CCDF Cluster				
Child Care Development Funds	93.575	2025CCF001	\$ 94,363,390	\$ 94,364,392
Child Care Quality Funds	93.575	2024CCQ001	622,625	478,974
Child Care Quality Funds	93.575	2025CCQ001	3,885,414	1,845,030
Child Care Development Funds - Quality Improvement	93.575	2025CQF001	3,811,895	3,811,895
Child Care Development Funds	93.596	2024CCF001	1,194,089	1,235,094
Child Care Development Funds	93.596	2025CCF001	18,442,278	18,442,278
Child Care Development Funds-Mandatory & Matching	93.596	2024CCM001	7,584,186	7,584,186
Total CCDF Cluster			<u>129,903,877</u>	<u>127,761,849</u>
Title XX - Social Services Block Grant	93.667	2025CCF001	<u>183,668</u>	<u>183,668</u>
TANF Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	2022TAF001	(456)	(456)
Temporary Assistance for Needy Families (TANF)	93.558	2025TAF001	5,285,827	4,292,432
Workforce Commission Initiatives	93.558	2025WCI001	35,355	-
Wagner Peyser-Employment Services	93.558	2024WPA001	71,126	-
Wagner Peyser-Employment Services	93.558	2025WPA001	33,362	-
TANF-Non Custodial	93.558	2024NCP001	(5,654)	(4,755)
TANF-Non Custodial	93.558	2025NCP001	205,685	205,685
Total TANF Cluster			<u>5,625,245</u>	<u>4,492,906</u>
Total U.S. Department of Health and Human Services			<u>135,712,790</u>	<u>132,438,423</u>
TOTAL FEDERAL FUNDS			<u>153,261,540</u>	<u>143,763,882</u>

ALAMO WORKFORCE DEVELOPMENT, INC.
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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES	PASS-THROUGH EXPENDITURES
<u>STATE PROGRAMS</u>				
<u>Texas Workforce Commission</u>				
Passed Through Texas Workforce Commission:				
Child Care Development Funds	NA	2025CCF001	\$ 9,423,209	\$ 6,819,028
Child Care DFPS	NA	2025CCP001	7,944,311	7,586,895
Child Care DFPS	NA	2026CCP001	502,206	478,053
RAG- Employment Services	NA	2025RAG001	3,073	-
SNAP E&T	NA	2025SNE001	208,067	-
SNAP E&T	NA	2025SNE002	483,111	270,100
TANF	NA	2025TAF001	781,295	-
TANF- Non Custodial	NA	2022NCP001	(27)	(27)
TANF- Non Custodial	NA	2025NCP001	162,987	79,802
TANF- Non Custodial	NA	2026NCP001	5,277	-
Total Texas Workforce Commission			<u>19,513,509</u>	<u>15,233,851</u>
TOTAL STATE FUNDS			<u>19,513,509</u>	<u>15,233,851</u>
TOTAL FEDERAL AND STATE FUNDS			<u>\$ 172,775,049</u>	<u>\$ 15,233,851</u>

ALAMO WORKFORCE DEVELOPMENT, INC.
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NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended September 30, 2025

(1) Basis of presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes federal and state grant activity of the Corporation under programs of the federal and state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance and *State of Texas Single Audit Circular*. Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Corporation.

Federal and state grant funds are considered to be earned to the extent of expenditures were made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

(2) Summary of significant accounting policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Texas Single Audit Circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

Workforce Solutions Alamo elected not to use the 10 percent de minimis indirect cost rate.

ALAMO WORKFORCE DEVELOPMENT, INC.
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

FEDERAL AND STATE AWARDS

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? Yes X None Reported

Type of auditor’s report issued on compliance for Major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) and the *State of Texas Single Audit Circular*? Yes X No

IDENTIFICATION OF MAJOR FEDERAL PROGRAMS

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.575/93.596	Child Care Development Funds Cluster
93.558	Temporary Assistance for Needy Families Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? X Yes No

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS (CONTINUED)

IDENTIFICATION OF MAJOR STATE PROGRAMS

<u>ALN Number(s)</u>	<u>Name of State Program or Cluster</u>
N/A	Child Care Development Funds
N/A	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee for State Programs? X Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None were noted

SECTION III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None were noted

ALAMO WORKFORCE DEVELOPMENT, INC.
DBA WORKFORCE SOLUTIONS – ALAMO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended September 30, 2025

<u>PROGRAM</u>	<u>CORRECTIVE ACTION PLAN</u>
No prior audit findings	N/A



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Ana De Hoyos O'Connor, Early Care & Education Chair

Date: June 12, 2026

Subject: **Board Retreat**

Summary: The Early Care & Education Committee identified three primary priorities for 2026:

1. Awareness of Child Care Gaps – Including shortages in facilities, sustainability issues, workforce wages, affordability, and entrepreneurship opportunities.
2. Pathways Into the Child Care Field – Providing structured supports such as business planning, training, operational guidance, and workforce development initiatives to strengthen the pipeline.
3. Business Engagement – Increasing local business participation in child care solutions, including exploring tax incentives and opportunity-driven partnership structures.

An additional concept was raised to consider a pilot program with the City or Department of Labor to test solutions with select centers. Staff support is essential in data tracking, partnership development, follow-up, and wage-impact evaluation. Cross-committee alignment will occur through shared toolkits and expanded pre-apprenticeship workforce pathways.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan:

(include only those that apply)

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:

Current Gaps & System Pressures

The region continues to experience significant child care shortages, driven by provider closures, wage stagnation, and increasing operational costs. The committee's emphasis on raising awareness reflects the need to build a shared understanding of these systemic issues.

Workforce Pipeline Challenges

Entry into the child care field remains hindered by limited training access, low compensation, and inconsistent guidance for new providers. The committee's recommendations—such as business plan support, operational coaching, and trust-building—address both structural and relational barriers to workforce stability.

Business Sector as a Key Leverage Point

Local businesses have a growing interest in child care availability as a workforce retention strategy. The committee's focus on tax incentives and employer engagement signals a shift toward public-private partnerships, which can expand both funding and capacity.

Need for Data and Staff Capacity

Successful implementation depends on robust data collection and monitoring. Staff are expected to support pilots, track wage impacts, establish agreements, and measure initiative success, highlighting an ongoing need for internal capacity.

Alternatives:

Alternative 1: Launch a Targeted Pilot Program (Committee-Supported)

Partner with the City or U.S. Department of Labor to pilot new approaches with a small cohort of child care centers, testing strategies related to wages, operations, or financial incentives.

Alternative 2: Regional Child Care Entrepreneurship Accelerator

Expand the "awareness" priority into a structured accelerator or incubator offering:

- Business training
- Licensing navigation
- Mentorship
- Startup financial planning

Alternative 3: Employer-Led Child Care Coalition

Establish a formal employer coalition to advance employer-supported child care, including onsite care, reserved slots, shared services, or tax-leveraged investments.

Pros: Enhances business engagement priority.

Cons: Requires sustained relationship management.

Alternative 4: Strengthening Workforce Pipelines Through Education Partners

Partner with colleges, high schools, and pre-apprenticeship programs to expand child care certification pathways.

Pros: Supports workforce stabilization.

Cons: Slow yield; requires multi-year partnerships.



Fiscal Impact:

The committee's work includes several areas with fiscal implications:

Staff Capacity Requirements

Staff will be needed for:

- Data tracking
- Pilot implementation
- Wage impact studies
- Partnership agreements

Provider Support Costs

Training sessions, business development resources, and coaching for new providers may require investments in:

- Curriculum materials
- Contracts with trainers
- Incentive stipends for participants

Business Engagement Incentives

Exploration of tax incentives or opportunity tax structures may involve coordination with local government and could impact revenue projections if adopted.

Pilot Program Funding

If the pilot moves forward, funding may be needed for:

- Provider stipends
- Evaluation tools
- Administrative oversight

Board Responsibilities: This item supports the Board's responsibility to promote employer and industry engagement by providing updates on workforce initiatives, employer partnerships, and regional industry needs.

Strategic Oversight

- Ensure alignment between committee priorities, pilot initiatives, and broader early childhood strategies.

Resource Allocation

- Approve needed funding for staffing, training, evaluation, and pilot execution.

Partnership Development

- Support outreach to local businesses, government entities, and workforce organizations to strengthen collaboration efforts.

Monitoring & Accountability

- Review data, track progress, and ensure that initiatives are meeting **both** short-term and long-term success indicators, including strengthened collaboration, wage impact evaluation, and child care capacity improvements.

Cross-Committee Coordination

- Help ensure that resources, toolkits, and workforce development pathways are shared across committees for unified impact.

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Recommendation:

Advance a Small-Scale Child-Care Pilot Program - Move forward with a limited cohort pilot in partnership with the City of San Antonio or the Department of Labor, focusing on interventions such as wage supports, provider training, or operational improvements. This will allow rapid learning, controlled costs, and scalable outcomes.

Establish a Child Care Provider Support Hub

- Create a central resource hub offering business planning assistance, licensing guidance, operational support, and connections to training and funding. This directly responds to provider needs and strengthens the workforce pipeline.
- Launch a Business Engagement Strategy
- Develop outreach tools and a value proposition package to bring local employers into child care solutions, including exploration of tax based incentives and partnership models.
- Build Data Infrastructure for Impact Tracking
- Prioritize staff resources to ensure the committee has reliable data for decision making, particularly regarding pilot outcomes, wage impacts, and capacity changes.

Next Steps:

Immediate (0–60 Days)

- Identify 3–5 candidate centers for the pilot program.
- Begin discussions with the City of San Antonio and/or the Department of Labor regarding pilot collaboration.
- Draft partner agreements and a data tracking framework.
- Assemble cross committee working group to develop a shared Committee Toolkit.

Near Term (60–120 Days)

- Launch initial training sessions and business planning support for new and existing providers.
- Initiate a business engagement campaign to build employer awareness of child care challenges and opportunities.
- Finalize evaluation measures for pilot programs and wage related impacts.

Long Term (120+ Days)

- Review pilot outcomes and determine scalability.
- Expand the provider support hub into a sustained workforce pipeline strategy.

Attachment: N/A



MEMORANDUM

To: Board of Directors
From: Adrian Lopez, CEO
Presented By: Anthony Magaro, Youth Chair
Date: June 12, 2026
Subject: Board Retreat

Summary: The Youth Committee identified key priorities to strengthen the region’s youth workforce pipeline in response to declining job growth and limited worker availability. Focus areas include increasing technical skill development, expanding internships and work-based learning opportunities, improving the transition from K–12 to post-secondary pathways, and providing greater career exposure so youth can better understand long-term opportunities. The committee also highlighted challenges such as engaging out-of-school youth, supporting students who are not pursuing higher education, increasing employer participation, and addressing the varying needs of the region’s 57 school districts, particularly in rural communities. Moving forward, WSA will expand partnerships with industry, education, and community organizations to increase experiential learning opportunities, strengthen teacher externships, improve career awareness, and ensure youth gain both technical and transferable skills that prepare them for sustainable careers in the Alamo region.

Strategic Goals: The three goals below address the focus of this memo.

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 Youth Committee identified several priorities aimed at strengthening the region’s youth workforce pipeline in response to declining job growth and a shrinking labor



pool. A key focus is increasing technical skill development among youth while creating clearer on-ramps into employment through internships, work experience, and on-the-job training opportunities that combine classroom learning with hands-on exposure. The committee also emphasized improving the transition from K–12 education to post-secondary pathways by expanding career awareness and helping students better understand long-term opportunities. Many youth struggle to visualize where a training program or entry-level job could lead in 10 to 15 years, highlighting the need to clearly map career pipelines and pathways. Additional priorities include expanding teacher externship opportunities so educators can better connect classroom instruction with real-world industry needs, integrating awareness of emerging technologies such as artificial intelligence and automation across industries, and strengthening partnerships that bring the business community directly in front of students. Increasing job-site exposure—either by bringing students to worksites or bringing employers into classrooms—was also identified as critical for helping youth understand career possibilities.

The committee also discussed several challenges affecting youth workforce engagement. There is a need for stronger collaboration across the region’s 57 independent school districts, particularly given the unique circumstances facing rural communities that require tailored approaches rather than a one-size-fits-all model. A growing concern is the number of youth not pursuing higher education—estimated at roughly 40 percent—raising questions about where these students are transitioning and how workforce programs can better support them. Additional challenges include engaging out-of-school youth who often face barriers such as the need to work to support family obligations, the cost and difficulty of completing GED requirements, and limited access to work-study opportunities. Employers also face challenges understanding how to engage younger workers, particularly in developing soft skills such as communication, social interaction, and critical thinking. Additionally, participation from employers in initiatives such as teacher externships has been difficult to secure, and there is a need to educate businesses on the benefits of workforce partnerships. Workforce systems must also address the reality that youth may feel locked into rigid career pathways and instead emphasize transferable skills that allow them to adapt across industries and roles.

Alternatives: N/A

Fiscal Impact: WSA can expand youth career exposure, work-based learning opportunities, and workforce development activities without requiring significant additional expenditures. These collaborative efforts maximize the impact of current investments while supporting the long-term development of the region’s workforce.

Board Responsibilities: This item supports the Board’s responsibility to promote employer and industry engagement by providing updates on workforce initiatives, employer partnerships

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and regional industry needs.

Recommendation: It is recommended that the Youth Committee continue advancing the Youth Model by strengthening partnerships with school districts, employers, and community organizations to expand career exposure, work-based learning opportunities, and technical skill development for youth across the region. Emphasis should be placed on increasing employer engagement, supporting teacher externships, improving pathways from K–12 to post-secondary education and employment, and expanding access to opportunities for both in-school and out-of-school youth, including those in rural communities.

Next Steps: Staff will identify additional employer partners to support internships, job-site visits, and teacher externship opportunities while strengthening engagement with both urban and rural school districts. Efforts will also focus on improving outreach to out-of-school youth, expanding access to work-study and skill-building opportunities, and increasing awareness of career pathways and transferable skills. Additionally, staff will continue to use labor market data and industry feedback to guide program development and ensure alignment with regional workforce needs.

Attachment: There are no attachments for this item.



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Eric Cooper, Strategic Chair

Date: June 12, 2026

Subject: **Board Retreat**

Summary: The strategic committee breakout discussions identified priorities shaping the workforce strategy: strengthening employer engagement, improving labor market data quality, and clarifying the distinction between strategic goals and compliance measures. Participants also highlighted the need for better coordination across a fragmented workforce ecosystem and expanded access to services, especially in rural areas. Additional focus areas include aligning training with high-demand industries, improving sector strategies, and addressing gaps in employer data reporting. Overall, the committee emphasized the need for a more coordinated, data-driven, and employer-responsive system to support a long-term 5-year growth strategy.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan: 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: Breakout discussions highlighted several systemic challenges impacting the region's workforce strategy. Employer engagement remains inconsistent, limiting demand-driven alignment and restricting access to critical data such as wages and hiring needs. Labor Market Information (LMI), while valuable, is often outdated or incomplete, reducing its effectiveness for real-time decision-making.

Additionally, there is a lack of clarity between long-term strategic priorities and compliance-driven performance measures, which create confusion in execution. The workforce ecosystem

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is highly fragmented, with multiple stakeholders operating independently, resulting in missed opportunities for collaboration and scale.

Geographic disparities persist, particularly in rural communities where awareness of and access to services remain limited. There is also a need to better align training programs with industry demand and explore more flexible, skills-based approaches to workforce development.

Alternatives: Maintain current strategies and engagement approaches with incremental improvements. Focus on improving specific areas such as employer engagement or data quality without broader system changes. Implement a coordinated approach that aligns employer engagement, data systems, service delivery, and partnerships under a unified strategic framework.

Fiscal Impact: No immediate fiscal impact is associated with this discussion item. Future initiatives may require resource allocation for enhanced data systems, outreach efforts, and program expansion, particularly in rural areas.

Board Responsibilities: This item supports the Board's responsibility to promote employer and industry engagement by providing updates on workforce initiatives, employer partnerships, and regional industry needs.

Recommendation: It is recommended that the Strategic Committee identified priority areas and direct staff to incorporate these themes into the development of a comprehensive strategic framework, including a 5-year growth plan and clearly defined performance measures.

Next Steps:

- Refine priority areas into actionable strategies and measurable outcomes
- Align priorities with Board retreat outcomes and planning timelines
- Develop a framework for improved employer engagement and partnership coordination
- Evaluate enhancements to LMI and data validation processes
- Identify opportunities to expand services in rural and underserved areas
- Present a draft strategic roadmap for Committee review

Attachment: N/A



MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Dr. Sammi Morrill, Oversight Chair

Date: June 12, 2026

Subject: **Board Retreat**

Summary: The Oversight Committee breakout session engaged in a detailed discussion on data integrity, performance monitoring, and governance challenges within workforce program oversight. The primary concern centers on the limitations of externally generated (TWC/contractor) data and the need for stronger, more proactive Board-level oversight tools.

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan:

Goal 1: Texas Talent Experts Build a statewide network of Texas Talent Experts to support workforce development by identifying skill gaps, advising employers and job seekers, 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: Current performance reporting is largely lagging, compliance-driven, and reactive. Significant data inconsistencies exist between TWC reports, CCS systems, and internal datasets. Board oversight is constrained by timing delays, limitations in reporting structures, and a lack of predictive indicators. A structural gap exists between reported performance metrics and true program effectiveness. Governance risk increases due to reliance on external systems without independent validation capacity.

Alternatives:

- **Continue reliance on TWC/contractor reports:** Low cost, but high risk of incomplete oversight.
- **Enhanced Reporting:** Increase frequency and detail of existing reports; Improves

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visibility but does not resolve data integrity issues.

- **Independent Data Validation Layer:** Establish an internal reconciliation and validation framework. Cross-check external reports with internal administrative data. Introduce predictive dashboards and risk indicators
- **Full Enterprise Data Governance Model:** Build an integrated data governance and analytics infrastructure. Includes ERM framework, KPI alignment, and real-time monitoring.

Fiscal Impact:

- **Low (Status Quo):** No additional cost, but increased risk exposure and inefficiencies
- **Moderate (Enhanced Reporting):** Staffing and system reporting adjustments required
- **Moderate–High (Validation Layer):** Investment in analytics tools, data staff, and dashboard development
- **High (Full Governance Model):** Significant infrastructure, IT systems, staffing, and ongoing maintenance costs

Board Responsibilities:

Ensure fiduciary oversight through accurate, validated performance data. Require independent verification of key performance metrics. Approve governance structures supporting risk management and accountability. Monitor alignment between: Strategic goals Contractor performance; Federal/state compliance requirements, and Strengthen Board capacity to interpret technical workforce data systems (WIOA/TWC frameworks).

Recommendation:

- Adopt a phased data governance enhancement strategy beginning with:
- Independent data validation and reconciliation protocols
- Development of predictive and leading indicator dashboards
- Formalization of a Board-level Enterprise Risk Management (ERM) framework
- This approach balances improved oversight, fiscal responsibility, and operational feasibility while addressing core data integrity risks.

Next Steps:

- Define scope for data validation and reconciliation framework
- Identify key leading indicators and risk thresholds
- Develop a prototype executive-level dashboard
- Establish data alignment matrix (KPIs, sources, cadence, ownership)
- Launch Board/staff technical briefing series on WIOA/TWC reporting systems
- Present phased implementation plan for Board approval

Attachments: NA

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MEMORANDUM

To: Board of Directors

From: Adrian Lopez, CEO

Presented By: Elizabeth Lutz, Audit & Finance Chair

Date: June 12, 2026

Subject: **Board Retreat**

Summary: The Audit and Finance Committee breakout discussion focused on financial sustainability, operational efficiency, service accessibility, accountability, and data management priorities for Workforce Solutions Alamo (WSA).

Strategic Goals: This agenda item aligns with the following goal(s) in the Strategic Plan:

Goal 1: Texas Talent Experts Build a statewide network of Texas Talent Experts to support workforce development by identifying skill gaps, advising employers and job seekers, 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: Discussion included federal funding impacts, reducing operational costs, expanding partnerships and co-locations, improving outreach efforts, strengthening accountability, and enhancing data accuracy and performance tracking to support compliance and risk mitigation.

Alternatives:

- Maintain current practices.
- Implement phased operational and data management improvements.
- Expand partnerships and co-location strategies incrementally.

Fiscal Impact: Potential cost savings through operational efficiencies and shared resources. Some initiatives may require future funding support.



Board Responsibilities: Provide fiscal oversight, ensure compliance with TWC requirements, monitor performance, and support strategic and operational improvements.

Recommendation: Continue evaluating cost-saving opportunities, partnership expansion, outreach strategies, and performance management improvements.

Next Steps: Review financial safeguards, assess operational efficiencies, explore partnership opportunities, and improve data tracking and reporting processes.

Attachments: NA