AUDIT & FINANCE COMMITTEE MEETING

Workforce Solutions Alamo
100 N. Santa Rosa St., Suite 120, Boardroom
San Antonio, TX 78207
September 4, 2026
10:00 AM

AGENDA

Agenda items may not be considered in the order they appear.

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I. CALL TO ORDER

Presenter: Elizabeth Lutz, Committee Chair

Committee Chair Elizabeth Lutz called the meeting to order at approximately 10:03 a.m.

II. ROLL CALL AND QUORUM DETERMINATION

Presenter: Elizabeth Lutz, Committee Chair

Committee Members Present

- Elizabeth Lutz, Chair
- Yosef Kassim
- Lisa Navarro Gonzalez
- Tony Magaro
- Leslie (arrived after roll call)

Committee Members Absent

- Esmeralda Perez

Staff Present

- Adrian Lopez, Chief Executive Officer
- Gabriela Navarro-Garcia, Controller
- Additional Workforce Solutions Alamo staff

A quorum was established.

III. DECLARATIONS OF CONFLICT OF INTEREST

Presenter: Elizabeth Lutz, Committee Chair

Chair Elizabeth Lutz requested declarations of conflicts of interest.
No conflicts of interest were declared.

IV. PUBLIC COMMENT

Presenter: Elizabeth Lutz, Committee Chair

The Chair opened the floor for public comment.
No public comments were presented.

V. DISCUSSION AND POSSIBLE ACTION ON MEETING MINUTES

Presenter: Elizabeth Lutz, Committee Chair

a. Meeting Minutes from July 10, 2026

Agenda Item V(a): Approval of July 10, 2026 Meeting Minutes
Discussion: Committee members reviewed the July 10, 2026 Audit & Finance Committee Meeting Minutes.
Motion: Amado Gonzales moved to approve the meeting minutes as presented.
Second: Tony Magaro.
Vote: Motion carried unanimously.
Committee Action: The July 10, 2026 Meeting Minutes were approved.

VI. FISCAL UPDATES (DISCUSSION AND POSSIBLE ACTION)

Presenter: Gabriela Navarro-Garcia, Controller

a. *Financials*
b. *Client Expenditure Analysis*
c. *County-by-County Expenditure Analysis*
d. *Financial Monitoring & Single Audit Desk Reviews*
e. *Childcare System Updates*

Agenda Item VI(a): Financial Report

Gabriela Navarro-Garcia presented the financial report through June 30, 2026. Total expenditures were approximately $129.95 million. Staff reported expenditures remained below the 75 percent straight-line budget benchmark and noted favorable variances within both the Corporate Budget and Facilities Budget. No significant fiscal concerns were identified for the remainder of the fiscal year.

Staff reviewed grant expenditures and key variances, including:

- Temporary Assistance for Needy Families (TANF) expenditures totaling 60.78 percent of available funding.
- Child Care Quality expenditures totaling 48.22 percent.
- Quality Improvement Activity expenditures totaling 57.02 percent.
- Military to Civilian Employment Program expenditures totaling 72.29 percent, with approximately $63,410 projected as unutilized due to lower-than-anticipated participation. Staff noted a significantly larger allocation had been received for the new grant cycle.
- National Dislocated Worker Disaster Relief Grant expenditures totaling approximately 25 percent, with committed costs expected to increase spending levels.
- DOL Building Pathways expenditures totaling 6.45 percent during the early stage of the four-year grant period.
- Ready to Work expenditures of 57.47 percent under the three-year contract and 75.09 percent under the one-year renewal

The Committee discussed grant expenditure timelines, differences between grant periods and the Workforce Solutions Alamo fiscal year, and monthly reconciliation processes. Staff explained that expenditures are monitored and reconciled monthly and that grant spending percentages are measured according to the specific contract period rather than the organization's fiscal year.

Committee Action: Information only. No action taken.

Agenda Item VI(b): Client Expenditure Analysis

Staff presented an analysis of client support service expenditures.

For Texas Workforce Commission programs, support services totaled approximately $838,081 through July 2026. Rent assistance and transportation remained the largest support-service categories, with expenditures trending approximately $81,000 higher than the prior fiscal year.

For Ready to Work funding, support service expenditures totaled approximately $421,776. Staff reported significant decreases in rental assistance requests while expenditures for utilities, groceries, and housing assistance increased. Overall spending was approximately double that of the prior fiscal year.

Committee Action: Information only. No action taken.

Agenda Item VI(c): County-by-County Expenditure Analysis
Staff reviewed expenditure distributions between urban and rural counties and explained that budget allocations are developed using factors established under Texas Administrative Code Chapter 800. Actual expenditures are driven by customer demand and community need.
Reported expenditures included:

- TWC Programs: 74 percent urban and 26 percent rural, compared to a budget allocation of 75 percent urban and 25 percent rural.
- Child Care Programs: 84 percent urban and 16 percent rural, compared to a budget allocation of 83 percent urban and 17 percent rural.
- Other Funding: 79 percent urban and 21 percent rural, compared to a budget allocation of 76 percent urban and 24 percent rural.

The Committee discussed county allocation methodologies and monitoring efforts to ensure equitable service delivery throughout the region.
Committee Action: Information only. No action taken.

Agenda Item VI(d): Financial Monitoring and Single Audit Desk Reviews
Gabriela Navarro-Garcia provided an update regarding annual financial monitoring and single audit desk reviews completed in accordance with Texas Workforce Commission Financial Manual for Grants and Contracts requirements.
Financial monitoring reviews of:

- C2 GPS, LLC
- City of San Antonio
- SERCO of Texas, Inc.

had been completed and closed for Fiscal Year 2025-2026. No major findings affecting Workforce Solutions Alamo programs were identified. The review of ECWIS remained in progress and was expected to be completed during September.
Single audit desk reviews were also completed for:

- C2 GPS, LLC
- City of San Antonio
- SERCO of Texas, Inc.

Staff reported that both C2 GPS, LLC and City of San Antonio qualified as low-risk auditees. SERCO of Texas, Inc. did not qualify as a low-risk auditee due to significant deficiencies identified in internal controls; however, those deficiencies did not directly involve Workforce Solutions Alamo-funded programs.
Committee Action: Information only. No action taken.

Agenda Item VI(e): Child Care System Updates
Staff provided an update on the Texas Workforce Commission's TX Child Care Connection (TX3C) system. The Committee was advised that TWC continues implementing system enhancements and corrections related to attendance tracking, payment processing, reporting functionality, family management, provider management, and case processing.
The TX3C release deployed on August 11, 2026 included 37 completed fixes. Several high-

priority and critical issues remained under development, including 245 payment report accuracy, payment processing discrepancies, attendance alerts, and family fee calculations. Committee members discussed impacts to child care provider payments and reporting accuracy. Staff explained that Workforce Solutions Alamo continues to perform extensive manual reconciliation to ensure providers receive accurate and timely payments despite system deficiencies. Staff noted that Workforce Solutions Alamo continues to outperform many local workforce boards in maintaining payment accuracy due to internal expertise and monitoring efforts.

The Committee also discussed the effects of recent severe weather and flooding on child care providers and families, particularly in San Antonio's West Side communities. Staff reported:

- Child care mentors have been deployed to provide technical assistance and assess provider needs.
- Staff previously conducted provider-impact surveys following regional flooding events.
- The organization is working with TWC regarding utilization of Child Care Quality funding for disaster recovery support.
- Twenty-one child care centers have been identified for potential recovery assistance.
- Ongoing assessments will determine facility damage, supply replacement needs, and family impacts affecting access to child care and employment.

Committee Action: Information only. No action taken.

VII. CEO REPORT (DISCUSSION AND POSSIBLE ACTION)

Presenter: Adrian Lopez, CEO

a. Childcare Analysis

b. Expenditure Analysis

Adrian Lopez reported on the Governor's Early Childhood Education Task Force established through House Bill 117. The task force is examining methods to improve affordability, accessibility, and effectiveness within Texas' child care system and is evaluating opportunities for greater coordination among agencies involved in child care administration. Mr. Lopez discussed the historical connection between workforce participation and subsidized child care services and emphasized the importance of maintaining workforce development objectives within any future child care policy changes. He noted that Workforce Solutions Alamo staff had begun evaluating the potential operational and financial impacts should child care administration be transferred from the Texas Workforce Commission to another state agency.

Staff further referenced an internal budget analysis illustrating the impact that reducing child care allocations could have on corporate and facility cost structures and service center operations.

Committee Action: Information only. No action taken.

Agenda Item VII(b): Expenditure Analysis

The CEO presented an expenditure analysis covering fiscal years 2025 and 2026. Staff reported that Workforce Solutions Alamo had served approximately 5,035 unique clients and expended approximately $7.58 million in support services, training assistance, and work experience activities.

Additional analysis identified:

- Individual Training Accounts totaling approximately $2.66 million.
- Work experience expenditures totaling approximately $2.60 million.
- Support service expenditures totaling approximately $1.76 million.
- Transportation and rent assistance remaining the most significant support-service categories.

The Committee reviewed the analysis and discussed continued monitoring of expenditure trends.

Committee Action: Information only. No action taken.

VIII. CHAIR REPORT (DISCUSSION AND POSSIBLE ACTION)

Presenter: Elizabeth Lutz, Committee Chair

Chair Elizabeth Lutz thanked staff for their presentations and committee members for their participation.

Committee Action: Information only. No action taken.

IX. EXECUTIVE SESSION:

No Executive Session was conducted

X. ADJOURNMENT

Presenter: Elizabeth Lutz, Committee Chair

There being no further business before the Committee, Tony Magaro moved to adjourn the meeting.

A second was received.

The motion carried unanimously.

Chair Elizabeth Lutz adjourned the meeting at approximately 10:57 a.m.