



Audit & Finance Committee

February 6, 2026



Meeting Minutes – November 14, 2025





Procurement Updates

Kristen Rodriguez
Director of Procurement & Contracts





Procurement Schedule

Services	Contract End Date	Planned Solicitation Release	Anticipated Board
Website Hosting, Management & Digital Services	Aug 2026	Late Feb 2026	May/June 2026
Cybersecurity Services	Aug 2026	Late Feb 2026	May/June 2026
Management and Operations of Youth Services	Sept 2026	Mid Feb 2026	July 2026
Childcare Professional Development Training Services	Sept 2026	Mid Feb 2026	July 2026
Program Monitoring Services	Oct 2026	Mid Feb 2026	July 2026
Cloud Services	Sept 2026	Late Feb 2026	July 2026
Seguin Lease	January 2027	NA	May/ June 2026
External Evaluators	NA	March 2026	NA



Questions





Fiscal Updates

Gabriela Navarro Garcia, Controller



FY26 Budget Amendment (Action Item)





Budget Amendment

Workforce Solutions Alamo					
Board Fiscal Year October 1, 2025 - September 30, 2026					
FY26 Budget Amendment #1					
	FY26 Approved Budget	FY26 Budget Amendment #1	% Change	\$ Change	
SUMMARY					
CORPORATE BUDGET					
Personnel	\$ 5,672,536	\$ 5,736,960	1.1%	\$ 64,424	
Facility	\$ 500,378	\$ 500,378	0.0%	\$ -	
Equipment/Related Costs	\$ 284,564	\$ 284,564	0.0%	\$ -	
General Office Expenses	\$ 516,208	\$ 516,208	0.0%	\$ -	
Professional Services	\$ 1,697,690	\$ 1,697,690	0.0%	\$ -	
Board Expenses	\$ 45,000	\$ 45,000	0.0%	\$ -	
TOTAL WSA CORPORATE BUDGET	\$ 8,716,376	\$ 8,780,800	0.7%	\$ 64,424	
FACILITY & INFRASTRUCTURE BUDGET					
Facility Related Occupancy	\$ 4,511,406	\$ 4,511,406	0.0%	\$ -	
Equipment Related	\$ 131,543	\$ 131,543	0.0%	\$ -	
Rental of Equipment	\$ 59,683	\$ 59,683	0.0%	\$ -	
Software Related	\$ 848,974	\$ 848,974	0.0%	\$ -	
Communications	\$ 350,467	\$ 350,467	0.0%	\$ -	
General Office	\$ 193,799	\$ 193,799	0.0%	\$ -	
Other Professional Services	\$ 140,929	\$ 140,929	0.0%	\$ -	
Reserve Facility	\$ 150,000	\$ 150,000	0.0%	\$ -	
TOTAL FACILITY & INFRASTRUCTURE BUDGET	\$ 6,386,802	\$ 6,386,802	0.0%	\$ -	
Reserve Unobligated	\$ 12,318,454	\$ 14,111,623	14.6%	\$ 1,793,170	
Initiatives	\$ 529,947	\$ 771,825	45.6%	\$ 241,878	
Service Selivery	\$ 164,353,802	\$ 169,745,492	3.3%	\$ 5,391,690	
TOTAL BUDGET	\$ 192,305,381	\$ 199,796,542	3.9%	\$ 7,491,161	



Changes by Category



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



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



Reserves - The reserve was initially budgeted at \$12,318,454. The board is projecting a \$1,793,170 increase or approximately 15% for a budget amount of \$14,111,623. This represents adjustments to Child Care service delivery cost due to the decreased target provided by TWC of children in care.



Changes by Category

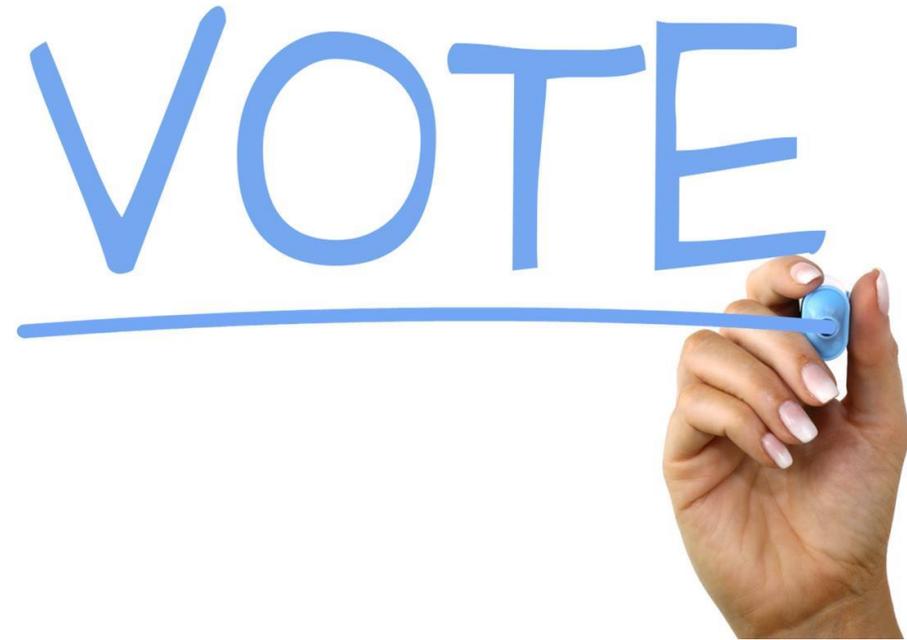
Service Delivery – primary program adjustments are as follow:

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



Recommendation

Staff is requesting Board approval for FY 25-26 Budget Amendment #1, to increase the budget from \$192,305,381 to **\$199,796,542**, an increase of **\$7,491,161** or approximately **3.9%**.





Questions



Financials





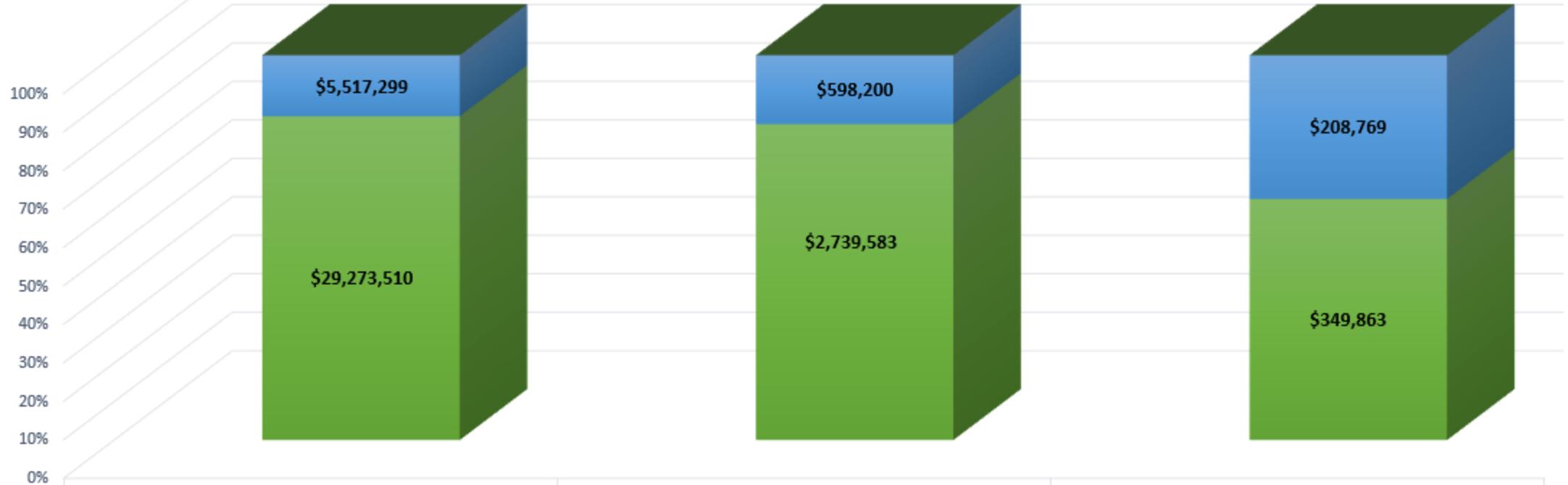
Budget to Actual Expenditures

December 2025 Budget to Actual Variance Analysis					
Budget Category	FY26 Budget	FY26 Actuals	% Expensed	Straight-Line Target (25%)	YTD Variance %
Corporate Total	\$ 8,716,376	\$ 1,766,732	20.27%	\$ 2,179,094	4.73%
Facilities	\$ 6,386,802	\$ 1,541,473	24.14%	\$ 1,596,700	0.86%
Projects - Special Initiatives	\$ 529,947	\$ 85,099	16.06%	\$ 132,487	8.94%
Service Delivery Total	\$ 164,353,802	\$ 41,499,621	25.25%	\$ 41,088,450	-0.25%
Reserve	\$ 12,318,454	\$ -	0.00%	\$ 3,079,613	25.00%
Total Budget	\$ 192,305,381	\$ 44,892,926	23.34%	\$ 48,076,345	1.66%

Service Delivery Comparison – Rural & Urban Counties



FY26 Service Delivery Urban - Rural



	Child Care	Adult Services	Youth
Rural (%)	16%	18%	37%
Urban (%)	84%	82%	63%
Rural	\$5,517,299	\$598,200	\$208,769
Urban	\$29,273,510	\$2,739,583	\$349,863



Key Variances – TWC Programs

TANF– 98.46% Expensed – The board is currently closing out the grant and are expecting an estimate of \$140,000 unutilized funds.

Military to Civilian Employment Program– 31.82% Expensed. \$225,085 grant awarded for a 12-month period ending 04/30/2026. Expenditures are expected to be reflected in the next months.

Summer Earn and Learn– New grant period ending 09/30/2026. TWC increased the targets from 128 to 256, expending increased utilization of the dollars available.

Key Variances – Childcare

- Childcare Quality- Contract ended 10/31/2025 and we have expensed 97.92%.
- The grant was underspent due to the vacancies of mentor staff.





Key Variances – Other Funding

DOL Building Pathways

- \$2M grant received for a 4-year period ending 09/30/2029
- 3.28% Expensed
- Expenditures will start increasing in months.

Ready to Work

- 3- Year Contract: 58.23% Expensed - Expenditures will continue to be realized in the following months as outstanding invoices come in for training started in the contract period.
- 1-Year Renewal 46.09% Expensed - Expenditures will be reflected in the coming months as outstanding invoices come in for training started in the contract period.



Questions



Ready to Work Update





Budget to Actual Expenditures

2022-2025 RTW Contract

WSA has budgeted \$65,554,565 through May 2025. To date, \$38,174,031 has been expended. Final reconciliation is underway for training and emergency services costs, which are not yet reflected in the current reporting period.

3-Year Contract Budget	Expenditures	Budget Balance
\$65,554,565.00	\$38,174,031	\$27,380,534

2025-2026 RTW Contract Renewal

WSA has executed a 1-year renewal with COSA beginning June 1, 2025, for \$11,114,758. WSA has expended \$5,123,289 through December 31, 2025

1-Year Contract Budget	Expenditures	Budget Balance
\$11,114,758	\$5,123,289	\$5,991,469



Expenditures and Reserves

As of 12/31/2025		
	3- Year Contract	1-Year Renewal
Operations		
Earned Fees	\$ 1,860,323	\$ 714,250
Corporate Cost	\$ 1,609,947	\$ 479,140
Operational Reserve	\$ 250,376	\$ 235,110
Program Expenditures		
Intake Fees	\$ 3,178,224	\$ 440,852
Case Management Fees	\$ 11,727,844	\$ 919,913
Tuition	\$ 20,925,019	\$ 3,065,446
Emergency Services	\$ 589,229	\$ 152,257
Total Program Expenditures	\$36,420,314.99	\$4,578,468.93



Key updates



Contract Renewals

All subcontractors have successfully executed contract renewals.



Budget & Expenditures

Current expenditures are at 46% of the total budget.
There is a 11% straight-line variance, which is within an acceptable range.



Cashflow & Billing

No cashflow issues reported.
The board has adopted accrual-based billing, improving financial predictability and aligning revenue recognition with service delivery.



Questions



Client Expenditure Analysis





Client Expenditures

TWC Funding

Client Expenditure Comparison - TWC Programs as of December 2025						
Category	FY24		FY25		FY26	
	FY24 Actuals	Allocation %	FY25 Actuals	Allocation %	FY26 Year-to-Date	Allocation %
Work Related	\$ 30,205	5.59%	\$ 105,232	11.38%	\$ 22,990	10.11%
Rent	\$ 201,270	37.27%	\$ 389,776	42.16%	\$ 108,552	47.75%
Utilities	\$ 31,049	5.75%	\$ 66,829	7.23%	\$ 21,307	9.37%
Transportation	\$ 194,106	35.95%	\$ 251,816	27.24%	\$ 71,664	31.53%
Incentives	\$ 45,056	8.34%	\$ 72,650	7.86%	\$ 2,800	1.23%
Youth - Support Services	\$ 38,313	7.10%	\$ 38,247	4.14%	\$ -	0.00%
TOTAL:	\$ 539,999	100.00%	\$ 924,550	100.00%	\$ 227,313	100.00%



Client Expenditures

Ready to Work Funding

Client Expenditure Comparison- Ready to Work as of December 2025						
Category	FY24		FY25		FY26	
	FY24 Actuals	Allocation %	FY25 Actuals	Allocation %	FY26 Year-to-Date	Allocation %
Rent	\$ 121,209	52.67%	\$ 110,448	37.59%	\$ 49,264	51.81%
Utilities	\$ 52,095	22.64%	\$ 87,881	29.91%	\$ 19,895	20.92%
Transporation	\$ 15,123	6.57%	\$ 37,360	12.71%	\$ 5,419	5.70%
Laptops/Computers	\$ 28,019	12.18%	\$ 22,918	7.80%	\$ 4,370	4.60%
Training Related	\$ 2,113	0.92%	\$ 8,243	2.81%	\$ 2,411	2.54%
Other: Medical, Legal, Food, Daycare, Loans	\$ 11,565	5.03%	\$ 26,988	9.18%	\$ 13,733	14.44%
TOTAL:	\$ 230,125	100.00%	\$ 293,838	100.00%	\$ 95,091	100.00%



Questions



County by County Expenditure Analysis





County by County Comparison

TWC Programs

County	Annual Budget		Straight-line Budget		YTD Expenditures		
	Amount	%	Amount	%	Amount	%	Over/Under Budget
Atascosa	\$ 650,035	2.47%	\$ 162,509	2.47%	\$ 134,672	2.71%	\$ 515,363
Bandera	\$ 252,588	0.96%	\$ 63,147	0.96%	\$ 55,416	1.12%	\$ 197,172
Bexar	\$ 19,963,591	75.72%	\$ 4,990,898	75.72%	\$ 3,698,400	74.43%	\$ 16,265,192
Comal	\$ 1,393,755	5.29%	\$ 348,439	5.29%	\$ 351,755	7.08%	\$ 1,042,000
Frio	\$ 440,372	1.67%	\$ 110,093	1.67%	\$ 86,642	1.74%	\$ 353,730
Gillespie	\$ 243,126	0.92%	\$ 60,781	0.92%	\$ 42,907	0.86%	\$ 200,219
Guadalupe	\$ 1,396,876	5.30%	\$ 349,219	5.30%	\$ 204,916	4.12%	\$ 1,191,960
Karnes	\$ 273,615	1.04%	\$ 68,404	1.04%	\$ 53,159	1.07%	\$ 220,456
Kendall	\$ 487,552	1.85%	\$ 121,888	1.85%	\$ 86,989	1.75%	\$ 400,564
Kerr	\$ 398,146	1.51%	\$ 99,537	1.51%	\$ 100,150	2.02%	\$ 297,996
McMullen	\$ 78,263	0.30%	\$ 19,566	0.30%	\$ 3,081	0.06%	\$ 75,182
Medina	\$ 341,762	1.30%	\$ 85,441	1.30%	\$ 68,196	1.37%	\$ 273,566
Wilson	\$ 445,793	1.69%	\$ 111,448	1.69%	\$ 82,661	1.66%	\$ 363,132
TOTAL	\$ 26,365,475	100.00%	\$ 6,591,369	100.00%	\$ 4,968,945	100.00%	\$ 21,396,530

	Budget	Actual
Urban	76%	74%
Rural	24%	26%



County by County Comparison

Childcare

County	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Atascosa	\$ 2,487,398	1.65%	\$ 621,849	1.65%	\$ 846,027	2.37%	\$ 1,641,371
Bandera	\$ 838,346	0.56%	\$ 209,587	0.56%	\$ 108,886	0.31%	\$ 729,460
Bexar	\$ 125,153,510	83.22%	\$ 31,288,377	83.22%	\$ 29,733,959	83.32%	\$ 95,419,551
Comal	\$ 3,701,983	2.46%	\$ 925,496	2.46%	\$ 1,204,865	3.38%	\$ 2,497,118
Frio	\$ 1,395,962	0.93%	\$ 348,990	0.93%	\$ 318,311	0.89%	\$ 1,077,650
Gillespie	\$ 721,294	0.48%	\$ 180,323	0.48%	\$ 172,796	0.48%	\$ 548,498
Guadalupe	\$ 7,079,848	4.71%	\$ 1,769,962	4.71%	\$ 1,408,471	3.95%	\$ 5,671,377
Karnes	\$ 1,021,494	0.68%	\$ 255,374	0.68%	\$ 116,603	0.33%	\$ 904,891
Kendall	\$ 1,247,742	0.83%	\$ 311,936	0.83%	\$ 310,209	0.87%	\$ 937,533
Kerr	\$ 2,838,123	1.89%	\$ 709,531	1.89%	\$ 435,329	1.22%	\$ 2,402,794
McMullen	\$ 37,329	0.02%	\$ 9,332	0.02%	\$ 11,192	0.03%	\$ 26,136
Medina	\$ 2,352,148	1.56%	\$ 588,037	1.56%	\$ 687,622	1.93%	\$ 1,664,525
Wilson	\$ 1,507,186	1.00%	\$ 376,796	1.00%	\$ 330,164	0.93%	\$ 1,177,022
TOTAL	\$ 150,382,361	100.00%	\$ 37,595,590	100.00%	\$ 35,684,434	100.00%	\$ 114,697,927

	Budget	Actual
Urban	83%	83%
Rural	17%	17%



County by County Comparison

Other Funding

County	Annual Budget		Straight-line Budget		YTD Expenditures		Over/Under Budget
	Amount	%	Amount	%	Amount	%	
Atascosa	\$ 54,503	1.60%	\$ 13,626	1.60%	\$ 7,639	0.63%	\$ 46,864
Bandera	\$ 29,437	0.86%	\$ 7,359	0.86%	\$ 19,559	1.62%	\$ 9,877
Bexar	\$ 2,598,970	76.20%	\$ 649,742	76.20%	\$ 1,001,148	82.76%	\$ 1,597,822
Comal	\$ 217,433	6.38%	\$ 54,358	6.38%	\$ 51,394	4.25%	\$ 166,039
Frio	\$ 66,664	1.95%	\$ 16,666	1.95%	\$ 7,839	0.65%	\$ 58,824
Gillespie	\$ 21,586	0.63%	\$ 5,397	0.63%	\$ -	0.00%	\$ 21,586
Guadalupe	\$ 170,641	5.00%	\$ 42,660	5.00%	\$ 42,307	3.50%	\$ 128,333
Karnes	\$ 19,500	0.57%	\$ 4,875	0.57%	\$ 27	0.00%	\$ 19,473
Kendall	\$ 56,027	1.64%	\$ 14,007	1.64%	\$ 28,094	2.32%	\$ 27,933
Kerr	\$ 97,320	2.85%	\$ 24,330	2.85%	\$ 42,177	3.49%	\$ 55,143
McMullen	\$ 5,913	0.17%	\$ 1,478	0.17%	\$ -	0.00%	\$ 5,913
Medina	\$ 27,755	0.81%	\$ 6,939	0.81%	\$ 8,985	0.74%	\$ 18,770
Wilson	\$ 44,901	1.32%	\$ 11,225	1.32%	\$ 458	0.04%	\$ 44,443
TOTAL	\$ 3,410,649	100.00%	\$ 852,662	100.00%	\$ 1,209,629	100.00%	\$ 2,201,020

	Budget	Actual
Urban	76%	82%
Rural	24%	18%

**Expenditures exclude Bexar County only funds which include: City of San Antonio, Non-Custodial Parent, Military Family, Student Hireability Navigator, and Training and Employment Navigator.*



Questions



Fiscal Monitoring





Financial Monitoring

TWC's Financial Manual for Grants and Contracts (FMGC) requires boards to complete a Financial Monitoring review for all subrecipients of TWC grants. The reviews are conducted by Christine Nguyen, CPA.

The Financial Monitoring reports for the City of San Antonio has been completed FY 24-25.



Questions



Single Audit Briefing





Single Audit Briefing



The audit for Workforce Solutions Alamo for the fiscal year ended September 30, 2025, will be performed and completed by ABIP, PC.



Annual Audit field work: March 23, 2026 through April 17, 2026.



The Audit Report: Audit and Finance Committee on May 30, 2026, Executive Committee on June 5, 2026, and the Board of Directors on June 12, 2026.



Following the approval, the final Annual Audit will be submitted to the Federal Audit Clearing House.



Questions



Childcare System Updates





Background

- **January 2025**, TWC launched the new Childcare System, TX Child Care Connection (TX3C)

- The **new system features** includes
 - A new statewide application for families
 - An easy-to-use interface that works with mobile devices
 - A common user experience for all Texans

- What **changed** with the new system?
 - **One standardized** Parent Share of Cost (PSoC) fee - statewide
 - Families relocating to a new area within the state, **the PSoC remains** the same until they recertify.
 - The fee scale has **more gradual increases** for families with rising incomes **between certification periods**.
 - Childcare providers will receive **payments in advance**.



Status Update

Since the launch of TX3C there have been ongoing challenges related to payments, reporting, and program requirements.

- Payment report (245)
- Payments and adjustments to Providers made it hard to reconcile.
- System and workflow inefficiencies

Staff continue to meet with TWC twice a week to discuss the ongoing challenges with the launch of the TX3C.

Releases Deployed

TWC 01/02/2026



Releases Deployed

KinderTrack Release 4.36 – deployed 1/2/25

Note this release includes the new fields and functionality to support the new Child Care Worker Priority (as required by [SB 462](#), 89th Texas Legislature).

Issue Type	Issue key	Summary	Priority
Bug Fix	KTTX-1449	Sponsor not found under assigned provider in KinderConnect	High
Enhancement	KTTX-1331	Add New Priority Group - Childcare Worker Parent - FM BridgeCare to Intake	Critical
Enhancement	KTTX-1208	Add Parent Contact info to Intake Search Results Grid and CSV	High

Releases Deployed TWC 01/02/2026



Issue Type	Issue key	Summary	Priority
Bug Fix	KTTX-1058	Error when shortening Schedule	High
Enhancement	KTTX-1034	TRS Rating on Payment Statement Report – dbo.spReportStatementDetails	High
Bug Fix	KTTX-1015	Schedule Save Needs to check future agreements – User get the WPI that the provider does not have an agreement when saving a schedule.	High
Enhancement	KTTX-1079	Update Family Notes sizing	Medium
Support	KTTX-1579	245 Report Displays Incorrect Allocation Program	Critical
Enhancement	KTTX-1588	New item to update Provider Utilities	High
Enhancement	KTTX-1650	[BridgeCare] Update Application to Handle New Child Care Worker Priority	High
Enhancement	KTTX-1468	Add Babel and Equal Opportunity Language to Parent Email Messages	Very High
Update	RA-147	DFPS Referral and Family Type Mapping	High
Update	RA-148	Family, Parent, Child & Eligibility Characteristics Dates Mapping for Referrals	High
Bug Fix	KTTX-1621	Payment Calculator Not Using Fee Flag on Notice Causing Fee to be Applied to First Calculated Child in Family Regardless of Child's Ability to Receive Fee	High



Planned Releases

Planned Releases

Below are the current plans for KinderTrack releases 4.37, and 4.38.

KinderTrack Release 4.37 (UAT on 1/5/2026; Prod \approx 1/14/2026 pending successful UAT)

The following issues are currently being considered for inclusion in the 4.37 release. TWC works with KinderSystems to identify the level of effort of each item and to prioritize which issues to include based on criticality and resources.

Issue Type	Issue key	Summary	Priority
Bug	KTTX-1552	UAT KT TX - 245 Payment Report -Adjustment payment amount is displaying double when payment falls across two months	High



Questions





CEO Report

Adrian Lopez, Chief Executive Officer



CEO Updates

**Ready to Work
Grant Submissions and Grants Supported**





Questions





Chair Report

Elizabeth Lutz, Committee Chair





Questions



Thank you!

