



COMMITTEE OF SIX MEETING (Co6) - MINUTES

**2700 NE Loop 410, Board Room, Suite 101
San Antonio, TX, 78217
August 23, 2023
12:00 PM**

COMMITTEE OF SIX: Councilwoman Dr. Adriana Rocha Garcia (Chair), Councilman Manny Pelaez, Commissioner Grant Moody, Commissioner Rebeca Clay-Flores, Judge Richard Evans, Judge Kyle Kutscher, Judge James Teal

PARTNER STAFF: Diane Rath, Jordana Mathews, Mike Ramsey, Susan Ernst, Clifford Herberg, Amy Contreras, Alex Lopez

WSA BOARD OF DIRECTOR CHAIR: Leslie Cantu

WSA STAFF: Adrian Lopez, Adrian Perez, Gabriela Navarro Garcia, Penny Benavidez, Kristen Rodriguez, Angela Bush

WSA LEGAL COUNSEL: Frank Burney, Karen Monsen

GUESTS: None.

AMENDED AGENDA

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

Citizens may appear before the Committee to speak for or against any item on the Agenda in accordance with procedural rules governing meetings. For those members of the public that would like to participate and cannot attend in person at the host location, please call toll-free 1-877-858-6860, which will provide two-way communications through a speaker phone. Speakers are limited to three (3) minutes on each topic (6 minutes if translation is needed) if they register at the beginning of the meeting. For additional information, please call Caroline Goddard, (210) 322-6296.

I. **CALL TO ORDER**

Presenter: Councilwoman Dr. Adriana Rocha Garcia, Chair

At 12:00pm, Chair Councilwoman Dr. Adriana Rocha Garcia called the meeting to order.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids, services, or special accommodations should contact Caroline Goddard at (210) 322-6296 so that appropriate arrangements can be made. Relay Texas: 1-800-735-2969 (TDD) or 711 (Voice).

- II. ROLL CALL AND QUORUM DETERMINATION
Presenter: Councilwoman Dr. Adriana Rocha Garcia, Chair
The roll was called, and a quorum was declared present.
- III. DECLARATIONS OF CONFLICT OF INTEREST
Presenter: Councilwoman Dr. Adriana Rocha Garcia, Chair
None.
- IV. PUBLIC COMMENT
Presenter: Councilwoman Dr. Adriana Rocha Garcia, Chair
None.
- V. MEETING MINUTES OF JULY 31, 2023 (DISCUSSION AND POSSIBLE ACTION)
Presenter: Councilwoman Dr. Adriana Rocha Garcia, Chair
Upon motion by Commissioner Rebeca Clay-Flores and seconded by Councilman Manny Pelaez, the Committee of Six unanimously approved the meeting minutes of July 31, 2023.
- VI. WSA FY2023 BUDGET AMENDMENT AND FINANCIALS (DISCUSSION AND POSSIBLE ACTION)
Presenter: Angela Bush, Collective Strategies, CFO Augmentation Services
Presented by: Gabriela Navarro Garcia, Controller
- a. FY2023 Budget Amendment # 2
- Budget amendment #2's proposed budget is \$174,234,414.81 which is an approximate increase of \$2.5 million from budget amendment #1.
 - The main difference is \$3.5 million being redirected from the childcare reserve to childcare direct care, and an increase of \$6.7 million to service delivery.
- Upon motion by Judge Richard Evans and seconded by Commissioner Rebeca Clay-Flores, the Committee of Six unanimously approved the FY2023 Budget Amendment #2.**
- b. WSA Financials
- The June 2023 budget to actual variance analysis has a straight-line target of 75%, and 61.28% has been expensed, which is a 13.71% variance.
 - Expenditures are slightly under target for service delivery with a variance of 9.51%.
 - Personnel: The board is working to fill vacant positions timely. The FY23 budget includes a 5% performance-based incentive which has yet to be paid out.
 - Equipment: The board is working on replacing staff equipment older than 5 years.
 - Insurance: Includes a contingency for high deductible plans related to employee matters and Cyber Security. Expecting a \$100,000 surplus if no unforeseen events occur.
 - Monitoring: Expenditures are in progress and expected to be fully expensed at the end of the fiscal year.
 - Professional Services: Temporary staffing are under budget by approximately 12%.
 - Facilities: Expenditures represent 62.65% of the approved budget, reflecting a 12.35% straight-line budget surplus.
 - Special Projects: Teacher Externship activities occur in the summer and will be reflected in the August financials.
 - Commissioner Rebeca Clay-Flores asked about the allocation to childcare expenses. Angela Bush responded that childcare costs are higher in the summer since some children need full time care then.

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VII. WSA FY2024 BUDGET (DISCUSSION AND POSSIBLE ACTION)

Presenter: Angela Bush, Collective Strategies, CFO Augmentation Services

- The proposed budget for FY24 is \$192,112,907, which is an increase of about \$17 million over the previous fiscal year. The largest increase is about \$13 million for Ready to Work. Childcare has increased overall by 4.23%. TWC programs have decreased by 11.66% due to funds that have expired and were not renewed such as National Dislocated Worker. Corporate expenditures are 3.05% of the overall budget.
- From FY19 to FY24 the budget has increased from \$104,694,229 to \$192,112,907.
- Staffing Changes: The budget includes options for staff increases at 3% COLA and 2% maximum merit. SHRM is estimated employers to increase salaries in FY24 by 4.6% so this is consistent with market rates. There is a 3% performance incentive for exemplary performance as outlined in the board's incentive policy.
- Other Corporate: Board facilities increased at 12.58% for CAM increases, off-site storage, security system, and HVAC repairs. Equipment related increase by 9.31% for replacement of computers that exceed useful and cloud-based infrastructure. Professional services 6.83% increase for monitoring, legal, other consulting, and temporary staffing services.
- Workforce Centers: Increase of 15.2% or \$1,026,096 for delivery of Mobile Unit in spring 2024, dedicated CDL driver, Port San Antonio relocation from Marbach, Walzem relocation, and cloud-based technology upgrades to telephones and resource rooms throughout the workforce centers.
- Reserve and Projects: The Child Care Direct Reserve is \$10,677,098. Projected surpluses are \$214,170 for SEAL at \$60,301 and Ready to Work at \$153,869. Workforce Commission initiatives projects are Red, White & You! and Careers in Texas Industries.
- Commissioner Grant Moody asked for a breakdown of where the \$192 million funds come from. Angela Bush responded that the money comes from federal grants with the exception of Ready to Work. Commissioner Grant Moody also asked for more information on Ready to Work and how many individuals are being served. Angela Bush stated that 90-95% of the \$26 million is direct training and support services. CEO Adrian Lopez added that the budget doubled because the city reevaluated the program and reallocated some funds, and in the past year over 1,400 have been enrolled in training. Commissioner Grant Moody expressed his concern in wanting to know how the Ready to Work program is different from the city, county, and FAME programs. Angela Bush responded that the Ready to Work program is more flexible since it is from general funding and the training providers do not have to be on the Alamo training provider list which is difficult to get on. He also questioned the 9 ½% increase in staff salaries. Angela Bush stated that due to high attrition, it costs more to replace staff rather than retaining staff.
- Judge Kyle Kutscher asked about the budget for the 3% exemplary performance incentive and if it is based upon each position. Angela Bush responded that it is based on each position and since it has never been done before, it will be based on the policy that was approved by the Board of Directors on August 18, 2023. The amount will be reflected in budget amendment #1, which will allow for better budgeting in FY25.
- Service Delivery: An increase of 10.65% or \$15,785,012 is reflected by significant program increases for Ready to Work carry over \$13,696,050, WIOA Youth Services \$627,971, and WIOA Adult Services \$332,446. Covid-19 expired for several grants in FY23, which are highlighted in Line-Item Budget.
- Service Delivery Components: WFC operations and management direct client

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- expenditures which includes tuition, training, work experience, and support services.
- FY24 Service Delivery Budget: Including Ready to Work is \$164,004,337.03 and excluding Ready to Work is \$137,509,217.55. Ready to Work is 16.16% of the budget.
 - FY24 Service Delivery Operations: Cost is about \$21 million and service delivery to the client is about \$116.5 million. Childcare expenditures are about \$4 million per month.
 - FY24 Service Delivery Resource Allocation: Based on initial estimates, an analysis was completed for each fund resulting in an FY Service Delivery average of 82% for Urban and 18% for Rural. Previously the board would analyze urban and rural expenditures in the aggregate; the partners requested that we now monitor expenditures at the individual county level. A budget amendment should be completed if any county or fund exceeds a 10% straight-line variance. This will require additional resources in staffing and systems. This process would take some time to implement correctly. For FY24, the budget was developed using a fair and equitable resource allocation methodology in accordance with Texas Administrative Code (TAC) Chapter 800, Subchapter B, resource allocation guidance, and in accordance with the interlocal agreement, supporting the strategic objectives of the local plan.
 - Several Committee members questioned the potential administrative burden of tracking expenses relating to the specific county allocations. CEO Lopez emphasized the goal of equitable service delivery and offered that allocations may be performed on a floor/ceiling budget since specific line-item allocations may not be sufficient to accomplish service delivery. Also, local county non-profits and local officials will be asked to input on the best method for service delivery. He stated that WSA will continue to work to find an appropriate solution for equitable allocation of services.
 - Approach to Fair and Equitable Resource Allocation: Utilized TAC 800 formulas and TWC Allocation Factors to allocate funds to each county. When a formula does not directly apply, WSA used the following process to establish a fair and equitable distribution of funds by county – Follow the Source of Funding to the Code of Federal Domestic Assistance (CFDA) to determine if a formula can be utilized, determine the target population is being served and if participants could be co-enrolled in a Formula Fund utilizing the formula fund and TWC Allocation Factors, and seek guidance from TWC on Allocation Methodology.
 - FY24 Strategic Alignment Budget Adoption: Ensure the budget is developed and implemented utilizing a fair and equitable resource allocation methodology that is in accordance with TAC 800, Subchapter B, resource allocation guidance from the interlocal agreement, and supporting the strategic objectives of the local plan. Chief Elected Officials and partners have requested that the board revisit the interlocal agreement and prepare a budget utilizing the agreed upon methodology in the agreement, “all resource allocation within the AWD shall, to the extent possible and practical considering need, be based upon the federal and state formulas used to allocate funds”.
 - FY24 Strategic Alignment Budget Implementation and Monitoring: Partners have requested that the board provide a report by Fund and County, and if there is a 10% variance by Fund and County, a budget amendment is prepared. The board is managing millions of dollars, which sometimes could be impractical for smaller counties and amounts. A budget amendment takes a significant effort to prepare and obtain all necessary approvals. The process cannot impact service delivery, where funding is available in other areas. A reasonable budget policy should be developed and adopted with an appropriate minimum floor amount for a budget

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- amendment and percentage.
- TAC 800 Formula Funds: WIOA Adult and WIOA Youth – (A) 33 1/3 percent on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each workforce area, compared to the total number of unemployed individuals in areas of substantial unemployment in the state, (B) 33 1/3 percent on the basis of the relative excess number of unemployed individuals in each workforce area, compared to the total excess number of unemployed individuals in the state, and (C) 33 1/3 percent on the basis of the relative number of disadvantaged adults in each workforce area, compared to the total number of disadvantaged adults in the state.
 - WIOA Dislocated Worker: Insured unemployment, average unemployment, Worker Adjustment and Retaining Notification Act data, declining industries, farmer-rancher economic hardship, and long-term unemployment. Limitation: A weight for each factor was not given, therefore, the board assigned equal weight.
 - Choices/TANF: (1) The relative proportion of the total unduplicated number of all families with Choices work requirements residing within the workforce area during the most recent calendar year to the statewide total unduplicated number of all families with Choices work requirements, (2) an equal base amount, and (3) the application of a hold harmless/stop gain procedure. Limitation: An equal base amount was not given, therefore, the board only utilized factor (1).
 - SNAP: (1) The relative proportion of the total unduplicated number of mandatory work registrants receiving SNAP benefits residing within the workforce area during the most recent calendar year to the statewide total unduplicated number of mandatory work registrants receiving SNAP benefits, (2) an equal base amount, and (3) the application of a hold harmless/stop gain procedure. Limitation: An equal base amount was not given, therefore, the board only utilized factor (1).
 - Employment Services: (1) Two-thirds will be based on the relative proportion of the total civilian labor force residing within the workforce area to the statewide total civilian labor force, (2) one-third will be based on the relative proportion of the total number of unemployed individuals residing within the workforce area to the statewide total number of unemployed individuals, and (3) the application of a hold harmless/stop gain procedure. Methodology: Utilized factors (1) and (2).
 - Child Care Mandatory (CCDF) and CCP (DFPS): Mandatory childcare primary population includes former DFPS (CCP Funds), Choices, TANF applicant, and SNAP. CCP-DFPS are for in home, foster care, and relative care placed by DFPS. The formula is (1) 50 percent will be based on the relative proportion of the total number of children under the age of five years old residing within the workforce area to the statewide total number of children under the age of five years old, and (2) 50 percent will be based on the relative proportion of the total number of people residing within the workforce area whose income does not exceed 100 percent of the poverty level to the statewide total number of people whose income does not exceed 100 percent of the poverty level.
 - Child Care Discretionary and Quality: Childcare primary population includes low income and homeless. The formula is (1) CCDF Discretionary Funds authorized under the Child Care and Development Block Grant Act of 1990, as amended, will be allocated according to the relative proportion of the total number of children under the age of 13 years old in families whose income does not exceed 150 percent of the poverty level residing within the workforce area to the statewide total number of children under the age of 13 years old in families whose income does not exceed 150 percent of the poverty level.
 - FY24 Budget Special Programs: Middle Skills Grant used the adult formula methodology with CFDA number justification. Military Family Support is for Bexar County only with military base justification. Non-Custodial Parent is for Bexar

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County only with special initiative justification. RESEA used dislocated worker long-term unemployed factor methodology with target population justification. Student Hire Ability, VR Paid Work Experience, and SEAL used the youth formula (VR) methodology with target population justification. Ready to Work is for the City of San Antonio only, exceptions may apply to military-connected residents in Bexar County, with target population justification. Child Care Contracted Slots is for TRS eligible providers with target population justification. Teacher's Externship used an equal distribution methodology.

Upon motion by Councilman Manny Pelaez and seconded by Commissioner Rebeca Clay-Flores, the Committee of Six unanimously approved WSA's FY2024 Budget.

VIII. WSA COMMITTEE OF SIX LIASION REPORT (DISCUSSION AND POSSIBLE ACTION)

Presenter: Adrian Perez, CIO

a. FY2024 Operational Plan Presentation

- WSA staff and the board heard the Area Judges and are working through recommendations developed to ensure operational practices are updated to prevent future lapses in service. Meetings have been held with partner staff, contractors, and TWC to discuss issues and potential changes. Community conversations with local stakeholders in rural areas have begun to establish Local Workforce Councils.
- An Operational Plan will guide development of new processes and procedures, a county-by-county allocation method has been adopted for FY24, and plans to implement a County Allocation and Service Delivery Report (CASD) which includes an enhanced report of service delivery by county.
- Plan to update the Committee of Six on progress later this year or early next year.

IX. WSA CEO REPORT

Presenter: Adrian Lopez, CEO

a. TWC Annual Monitoring Report – Update on Resolution

- There were a few findings in the report, however, there were no disallowed costs. All issues have been resolved with TWC except the SNAP finding, which should be resolved within the next 30 days. Final TWC report will be provided to the Committee.

b. Update on Selection of the Adult Contractor

- The Board of Directors awarded the adult contract to C2 Global Professional Services.
- Judge Richard Evans asked if there was any consideration of the adult services contract to be divided between rural and urban counties. Adrian Lopez stated that WSA did consider this option, but analysis showed that operational costs were doubled with no increase in performance.

c. FY2022 Annual Audit

- Unmodified (clean) audit opinion with no findings or questioned costs.

X. EXECUTIVE SESSION:

Pursuant to Chapter 551 of the Texas Open Meetings Act, the Committee of Six may move into Executive Session for discussion on any issue for which there is an exception to the Act as set out in section 551.071 et. seq. including, but not limited to, the following:

- a. Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Workforce Solutions Alamo in Negotiations with a Third Party;
- b. Government Code §551.071 – All Matters Where Workforce Solutions Alamo Seeks the Advice of its Attorney as Privileged Communications Under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas;

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- c. Pending or Contemplated Litigation;
- d. Government Code §551.074 – To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee of Workforce Solutions Alamo; and
- e. Government Code §551.089 – Discussions Regarding Security Devices or Audits.

The Committee of Six went into Executive Session at 1:26pm and returned to Open Session at 1:40pm. No action was taken.

XI. ADJOURNMENT

Presenter: Councilwoman Dr. Adriana Rocha Garcia, Chair

There being no further business, Councilwoman Dr. Adriana Rocha Garcia adjourned the meeting at 1:41pm.

CERTIFIED AGENDA OF CLOSED MEETING

COMMITTEE OF SIX MEETING

I, COUNCILWOMAN DR. ADRIANA ROCHA GARCIA, THE PRESIDING OFFICER OF WORKFORCE SOLUTIONS ALAMO – COMMITTEE OF SIX, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE COMMITTEE CONDUCTED ON AUGUST 23, 2023, AT 1:26 PM.

1. The Executive Session began with the following announcement by the presiding officer: **“The Committee of Six Meeting is now in Executive Session on August 23, 2023, at 1:26pm pursuant to exceptions under Government Code 551.”**

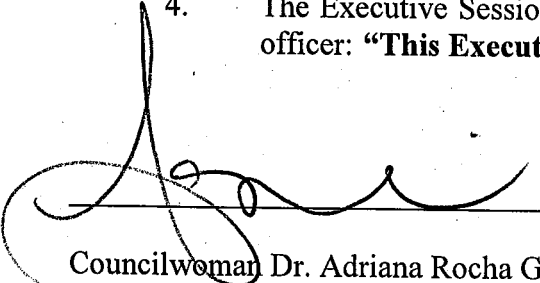
2. SUBJECT MATTER OF EACH DELIBERATION:

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- a. **Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Workforce Solutions Alamo in Negotiations with a Third Party;**
- b. **Government Code §551.071 – All Matters Where Workforce Solutions Alamo Seeks the Advice of its Attorney as Privileged Communications Under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas;**
- c. **Pending or Contemplated Litigation;**
- d. **Government Code §551.074 – Personnel Matters Involving Senior Executive Staff and Employees of Workforce Solutions Alamo; and**
- e. **Government Code §551.089 – Discussions Regarding Security Devices or Audits.**

3. No further action was taken.

4. The Executive Session ended with the following announcement by the presiding officer: **“This Executive Session ended on August 23, 2023, at 1:40pm.**

 (signature)
Councilwoman Dr. Adriana Rocha Garcia, Committee of Six Chair