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April 17, 2026

Monitoring Committee Meeting Notice

Members of the Monitoring Committee will meet on **Wednesday, 4/29/2026, at 11:00 AM via Zoom** link below.

Join Zoom Meeting

<https://us06web.zoom.us/j/81018551512?pwd=GeGFidKrTMMP6loR2b524Wu4qzUUwv.1>

Meeting ID: 810 1855 1512 Passcode: 791781 One tap mobile +13462487799

AGENDA

1. Call to order and introductions – Rhonda Schreiber, Chair
2. TWC 26.03.0001 Monitoring May 4-8 2026, EO Monitoring, CCS Monitoring Plan
3. DSA Fiscal Monitoring FY2026, Program Monitoring FY2026



DSA Equus FY26
Financial Monitoring FY26



DSA Rolling Plains
Financial Mon Workforce Program



DSA Equus



DSA RPMC CCS
Program Monitoring

4. Review summary of Workforce Center reviews



26.04 Summary of
Monitoring by Center

5. Review summary of Child Care reviews



Monitoring
Committee Report F

6. Other discussion
7. Next meeting date to be determined with email poll.
8. Adjourn

Report on the
Annual Financial
Monitoring
Evaluation
Of the:

Equus Workforce Solutions

In their capacity of, *Workforce and Specialty* Contractor for the
Workforce Solutions North Texas

March 27, 2026

R

eport Demographics

Report Number: WFSNT 26-05

Report Type: Final

Report Issue Date: March 27, 2026

Review Type: Annual *Workforce* Financial Monitoring Evaluation

Entity Reviewed: *Equus Workforce Solutions, (EWS)*
In their capacity of Workforce Contractor for the
Workforce Solutions North Texas (the Board)

Review Period: February 1, 2025 through December 31, 2025

Review Conducted by: Diaz, Smith, and Associates
Anna Rocha-Diaz
Sujuane Smith
Donna Richardson, CPA
Edward Taylor

Dates of Fieldwork: Off-site desk review

Exit Conference: March 19, 2026

Report Developed by: Sujuane Smith

Applicable Definitions

Board: The *North Texas Workforce Development Board Dba Workforce Solutions North Texas* created pursuant to Texas Government Code §2308.253 and certified by the Governor pursuant to Texas Government Code §2308.261.

Briefing Items: are general noncompliance conditions that are observed and documented by the monitors based on established law, procedures, or other authoritative guidance. These noncompliance conditions are considered lower risk findings but could potentially result in a higher risk finding based on the nature of the deficiency (i.e., repeat violations, issues indicative of systemic problems). These items while documented in the workpapers may or may not be included in the report. All briefing items are discussed on-site during the review. The determination of report inclusion shall be based on criteria as determined by the Board.

Disallowed Costs: Those charges to an award that are determined to be unallowable, in accordance with the applicable Federal cost principles, applicable State rules, regulations, policies or other terms and conditions contained in the award.

Finding: an instance where noncompliance with requirements contained in federal or State law, regulation, administrative code, guidance or other promulgations are determined and are considered to be issues that are of high risk that could potentially result in questioned costs and/or impact the integrity of program operations.

FMGC: *Texas Workforce Commission Financial Manual for Grants and Contracts*

Notable Practices - are informative statements that highlight and recognize positive processes and improvements.

Observations: A reportable condition that does not currently have a material effect on internal controls and the accuracy of the financial information. An observation, if not addressed, presents the possibility of a future circumstance of non-compliance and/or internal control weaknesses. Additionally, observations are informative statements or constructive comments made to identify processes that can assist the entity being reviewed improve service delivery and result in positive program outcomes. Observations are not expected to be responded to

Questioned cost: A cost that is questioned by the monitor because of a monitoring finding **(1)** that resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; **(2)** where the costs, at the time of the monitoring review, are not supported by adequate documentation; or **(3)** where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Recommendation: Suggested corrective action(s) for a finding and/or observation identified in a monitoring report. The recommendation, where and when appropriate, should address the cause of the problem, not the problem itself.

F inancial Monitoring Review Scope

This financial monitoring evaluation of *Equus Workforce Solutions, (EWS)* in its capacity of Workforce Center contractor of the *Workforce Solutions North Texas* (the Board) was performed to assess the reliability of review period fiscal data. Additionally, the review evaluated the degree of compliance with the applicable Board contract(s), policies, laws, regulations, and the adequacy of internal fiscal controls. The following areas/items were examined:

1. Applicable Contract(s):

2021-005 WFC PY2025, Amend #s 1-6, Period 10/1/24 - 9/30/25, Approx. \$6,697,651.83
2021-005 WFC PY2026, Period 10/1/25 - 9/30/26, Approx. \$2,952,575.77

2. Cash Management: The EWS, bank statements and reconciliations for the months ended October 2025, November 2025, and December 2025 were reviewed for the following accounts:

- Bank of America, Account Ending (Operation Account)

Our review included an evaluation of internal bank reconciliation controls and collateral agreement adequacy, if applicable, for any balances in-excess of FDIC coverage.

3. Cost Allocation Plan: We examined the Equus Cost Allocation Plan, for the program year ending 2025, for compliance with the applicable sections of the TWC FMGC chapter 11. The plan was determined to contain all of the FMGC Chapter 11 requirements.

4. Cost Allocation Testing: We tested the months of March 2025 and December 2025. We recalculated the percentages for the various programs. No exceptions were noted.

5. Disbursements: Supporting documentation for fifty (50), judgmentally selected direct disbursement transactions occurring during the review period were examined.

6. Individual Training Account (ITA): We examined supporting documents for ten (10) ITA's occurring in and/or applicable to the review period. Documents reviewed include: ITA checklist, Training Authorization Form, WFS Training Agreement, State ETPL, ITA Voucher, and TWIST ITA printout

7. **Payroll:** Payroll documentation for ten (10) EWS employees charged directly and/or indirectly all or in part, to its contracts with the Board was reviewed for the pay periods as follows:

No	PAY PERIOD START	PAY PERIOD END	PAY DATE
1	3/22/2025	4/4/2025	4/11/2025
2	4/5/2025	4/18/2025	4/25/2025
3	4/19/2025	5/2/2025	5/9/2025
4	8/23/2025	9/5/2025	9/12/2025
5	9/6/2025	9/19/2025	9/26/2025
6	9/20/2025	10/3/2025	10/10/2025
7	11/29/2025	12/12/2025	12/19/2025
8	12/13/2025	12/26/2025	1/2/2026
9	12/27/2025	1/9/2026	1/16/2026

Items reviewed included employee time sheets, pay (rate) authorization documents, job descriptions, forms I-9 and W-4, canceled checks, leave authorizations, and allocation worksheets (where applicable).

8. **Audit:** We examined the Equus Workforce Solutions Report on *Financial Statements and Contract Expenditures under Federal Awards* for the fiscal years ending June 30, 2024. The reports were prepared by *ML Weekes & Company, PC* and issued, dated April 30, 2025.
9. **Insurance:** We examined EWS insurance policies applicable to this project for the review period February 1, 2025 through December 31, 2025.
10. **On the Job Training Agreement (OJT):** We reviewed 2 OJTs during our review period. Items reviewed included:
- *OJT Agreement*
 - *OJT Training Contract*
 - *Invoice*
 - *OJT Policy*
11. **Cash Equivalents:** We reviewed the physical inventory values of the bus passes, gas cards and incentive cards as of December 31, 2025, (as prepared by Equus), to the General Ledger. We did not randomly select bus passes, gas cards, or incentive cards from the "on-hand" inventory list, as this area has historically tested clean.

12. **Procurement:** We examined the EWS procurement documentation associated with five (5) *micro/small purchase* procurements.

13. **Work Experience:** The following work experience documentation occurring in and/or applicable to the review period was examined for five (5) clients for the review period. Items reviewed included:

- *Worksite Agreements*
- *Applicable Policies*
- *Timesheets*
- *Pay Stubs*
- *I-9s & W-4s*

Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

*The work-papers and source documents resultant from this review are maintained by **Diaz, Smith and Associates** and are available for inspection with approval by the **North Texas Workforce Development Board** (the Board).*

Financial Monitoring Review Findings and Observations

Findings

Our financial review of the *Equus Workforce Solutions, (EWS)* evaluated the areas outlined in the Review Scope section of this report and did not determine any reportable findings. Accordingly, no findings are presented.

Observations

Our financial review of the *Equus Workforce Solutions, (EWS)* evaluated the areas outlined in the Review Scope section of this report and did not determine any reportable observations. Accordingly, no observations are presented.

Report on the
Annual Financial
Monitoring
Evaluation
Of the:

Rolling Plains Management Corporation

In their capacity of, *Child Care* Contractor for the
Workforce Solutions North Texas

March 27 ,2026

Report Number: WFSNT 26-04

Report Type: FINAL

Report Issue Date: March 27, 2026

Review Type: Annual *Child Care* financial monitoring evaluation

Entity Reviewed: *Rolling Plains Management Corporation, (RPMC)*
In their capacity of Child Care Contractor for the
Workforce Solutions North Texas (the Board)

Review Period: February 1, 2025 through December 31, 2025

Review Conducted by: **D**iaz, **S**mith, and **A**ssociates
Anna Rocha-Diaz
Sujuane Smith
Donna Richardson, CPA
Edward Taylor

Dates of Fieldwork: Off-site desk review

Exit Conference: March 18, 2026

Report Developed by: Sujuane Smith

Applicable Definitions

Board: The *North Texas Workforce Development Board Dba Workforce Solutions North Texas* created pursuant to Texas Government Code §2308.253 and certified by the Governor pursuant to Texas Government Code §2308.261.

Briefing Items: are general noncompliance conditions that are observed and documented by the monitors based on established law, procedures, or other authoritative guidance. These noncompliance conditions are considered lower risk findings but could potentially result in a higher risk finding based on the nature of the deficiency (i.e., repeat violations, issues indicative of systemic problems). These items while documented in the workpapers may or may not be included in the report. All briefing items are discussed on-site during the review. The determination of report inclusion shall be based on criteria as determined by the Board.

Disallowed Costs: Those charges to an award that are determined to be unallowable, in accordance with the applicable Federal cost principles, applicable State rules, regulations, policies or other terms and conditions contained in the award.

Finding: an instance where noncompliance with requirements contained in federal or State law, regulation, administrative code, guidance or other promulgations are determined and are considered to be issues that are of high risk that could potentially result in questioned costs and/or impact the integrity of program operations.

FMGC: *Texas Workforce Commission Financial Manual for Grants and Contracts*

Notable Practices - are informative statements that highlight and recognize positive processes and improvements.

Observations: A reportable condition that does not currently have a material effect on internal controls and the accuracy of the financial information. An observation, if not addressed, presents the possibility of a future circumstance of non-compliance and/or internal control weaknesses. Additionally, observations are informative statements or constructive comments made to identify processes that can assist the entity being reviewed improve service delivery and result in positive program outcomes. Observations are not expected to be responded to

Questioned cost: A cost that is questioned by the monitor because of a monitoring finding **(1)** that resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; **(2)** where the costs, at the time of the monitoring review, are not supported by adequate documentation; or **(3)** where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Recommendation: Suggested corrective action(s) for a finding and/or observation identified in a monitoring report. The recommendation, where and when appropriate, should address the cause of the problem, not the problem itself.

F inancial Monitoring Review Scope

This annual financial monitoring evaluation of the *Rolling Plains Management Corporation, (RPMC)* was conducted on behalf of the **Workforce Solutions North Texas (the Board)**. The review was performed to assess the reliability of review period fiscal data. Additionally, the review evaluated the degree of compliance with the applicable Board contract(s), policies, laws, regulations, and the adequacy of internal fiscal controls. The following areas/items were examined:

1. **Applicable Contracts:** The following contracts were applicable to this review:
 - 2022-008, CCS PY2025, Amend 1 - 5, in the amount of approx. \$10,292,931.05, for the period 10/1/2024-10/31/2025
 - 2022-008, CCS PY2026, in the amount of approx. \$11,087,919.15, for the period 10/1/2025-10/31/2026
2. **Cash Management:** The following RPMC Bank, bank statements and reconciliations for the account for the three-months ending our review period.
 - *Operating Account* October through December 2025
 - *Payroll Account* October through December 2025
 - *Health Insurance Account* October through December 2025
 - *RPMC 1 Account* October through December 2025

Our review included an evaluation of internal bank reconciliation controls and collateral agreement adequacy, if applicable, for any balances in-excess of FDIC coverage.

3. **Direct Child Care:** We selected fifteen (15) Child Care clients from 245 reports for the months of March 2025, June 2025, and November 2025. Our review consisted of an evaluation and/or consideration of the following where applicable.
 - *Client Files*
 - *Provider files for each applicable client*
 - *Billing files for each selected provider*
 - *EFTs for the selected billings*
 - *Listing of TRS and School Ready Providers*
 - *Child Care Policies and Procedures*
 - *CCMS Maximum Rates*
 - *Rate schedule for each provider selected*
4. **Cost Allocation Plan:** We examined the RPMC *Cost Allocation Plan* applicable to the review period.

5. **Payroll:** Payroll documentation for four (6) RPMC employees charged directly and/or indirectly all or in part, to its contracts with the Board was reviewed for the pay periods as follows:

No	PERIOD START	PERIOD END	PAY DATE
1	3/30/2025	4/12/2025	4/18/2025
2	4/13/2025	4/26/2025	5/2/2025
3	4/27/2025	5/10/2025	5/16/2025
4	7/20/2025	8/2/2025	8/8/2025
5	8/3/2025	8/16/2025	8/22/2025
6	8/17/2025	8/30/2025	9/5/2025
7	11/23/2025	12/6/2025	12/12/2025
8	12/7/2025	12/20/2025	12/26/2025
9	12/21/2025	1/3/2026	1/9/2026

Items reviewed included employee time sheets, pay (rate) authorization documents, job descriptions, forms I-9 and W-4, canceled checks, leave authorizations, and allocation worksheets (where applicable).

6. **Disbursements:** Supporting documentation for forty (40), randomly selected disbursement transactions occurring during the review period, were examined.
7. **Audit:** We examined the RPMC *Financial Statements and Independent Auditors Report* for the fiscal years ending November 30, 2024. The reports were prepared by *MWH Group PC* and timely issued.
8. **Insurance:** We examined Rolling Plains' insurance policies applicable to this project for the review period February 1, 2025 through December 31, 2025. The Board *is* the Certificate Holder for the policy.
9. **Indirect Costs:** RPMC uses the De Minimis Indirect Rate to allocate its overhead expenses.
10. **Procurement:** We examined the RPMC procurement documentation associated with one (1) *micro/small purchase* procurement occurring during the review period.

Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

*The work-papers and source documents resultant from this review are maintained by **Diaz, Smith and Associates** and are available for inspection with approval by the **North Texas Workforce Development Board** (the Board).*

Financial Monitoring Review Findings and Observations

Findings

Our financial review of the *Rolling Plains Management Corporation, (RPMC)* evaluated the areas outlined in the Review Scope section of this report and did not determine any reportable findings. Accordingly, no findings are presented.

Observations

Our financial review of the *Rolling Plains Management Corporation, (RPMC)* evaluated the areas outlined in the Review Scope section of this report and did not determine any reportable observations. Accordingly, no observations are presented.

Report on the Annual
Program Monitoring
Evaluation
Of the Workforce
Grants Administered
by:

Equus Workforce Solutions

In their capacity as the Workforce Contractor in the *North Texas*
Workforce Development Area

Draft: March 27, 2026
Final: April 15, 2026

EQUUS RESPONSE

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Report Demographics

Report Number: 2026-03

Report Type: 2025 Annual Workforce Program Monitoring Report

Report Status: **Final**

Final Report Issue Date: April 15, 2026

Entity Reviewed: **Equus Workforce Solutions**

Review Type: Annual Workforce Program Review of the Workforce Grants administered by EQUUS Workforce Solutions and funded by the *Workforce Solutions North Texas* (the Board)

Applicable Period: January 1, 2025, through December 31, 2025

Dates of Fieldwork: Off-site desk review conducted during the month of February and March 2026

Exit Date: March 24, 2026

Issuance of Draft Report: March 27, 2026

Contractors Response: April 8, 2026

Review Conducted by: **D***iaz, S**mith and A**ssociates*
Rachael Robertson

Report Developed by: Rachael Robertson

Applicable Definitions

AREA OF CONCERN: A general noncompliance conditions that are observed and documented by the monitors based on established law, procedures, or other authoritative guidance. These noncompliance conditions are considered lower risk findings but could potentially result in a higher risk finding based on the nature of the deficiency (i.e., repeat violations, issues indicative of systemic problems). These items while documented in the workpapers may or may not be included in the report. All areas of concern items are discussed during the review and/or exit conference.

Board: North Texas Workforce Development Board dba. *Workforce Solutions North Texas* created pursuant to Texas Government Code§2308.253 and certified by the Governor pursuant to Texas Government Code §2308.261.

Briefing Item: A general noncompliance conditions that are observed and documented by the monitors based on established law, procedures, or other authoritative guidance. These noncompliance conditions are considered lower risk findings but could potentially result in a higher risk finding based on the nature of the deficiency (i.e. repeat violations, issues indicative of systemic problems). These items while documented in the workpapers may or may not be included in the report. All briefing items are discussed during the review and/or exit conference.

Finding: An instance where noncompliance with requirements contained in federal or State law, regulation, administrative code, guidance, or other promulgations are determined and are issues that are of high risk that could potentially result in questioned costs and/or impact the integrity of program operations.

Observation: A reportable condition that does not currently have a material effect on internal controls and the accuracy of the financial information. An observation, if not addressed, presents the possibility of a future circumstance of non-compliance and/or internal control weaknesses.

Questioned Cost: A cost that is questioned by the monitor because of a monitoring finding **(1)** that resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; **(2)** where the costs, at the time of the monitoring review, are not supported by adequate documentation; or **(3)** where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Recommendation: Suggested corrective action(s) for a finding and/or observation identified in a monitoring report. The recommendation, where and when appropriate, should address the cause of the problem, not the problem itself.

Program Review Purpose

Purpose

The review was conducted to ensure compliance with standards prescribed by the Texas Workforce Commission, the U.S. Department of Labor Employment and Training Administration, TWC Financial Grants and Contracts Manual, program regulations, contractual agreements, Board Plan(s), OMB Circulars, H.B. 1863, Appendix A of the Workforce Board’s contractual agreement with Texas Workforce Commission, WD Letters and other regulatory rules as prescribed by each grant. It focused on appropriateness of training for workforce customers, quality of training processes, training outcomes and other benefits to participants and workforce performance outcomes.

Additionally, future reviews will be assessed based on the effectiveness of corrective action implemented by the Contractor to address findings identified in this monitoring report.

Scope

We randomly selected and reviewed program files for the review period of January 1, 2025, to December 31, 2025. In some instances, the review went beyond the scope to attain a more accurate understanding of the services and/or activities. In some instances, the scope may have been reduced due to program changes, or corrective action. The program element(s) reviewed included, but were not limited to, the following:

1. CHOICES

- Eligibility
- Data Integrity
- Personal Identifiable Information (PII)
- Documentation/Verification of Participation Hours/Employment
- Timely and Reasonable Attempts
- Initiation of Sanction and Good Cause

2. TAA

- EOS
- Waivers
- Case Management - Remedial and/or Prerequisite Training
- Reemployment Plans
- Benchmarks
- Service Tracking
- Data Integrity

3. SNAP E&T

- Eligibility
- Noncooperation
 - Penalty
 - Good Cause
- Data Integrity
- Participation Hours – Documentation/Verification
- Forms 1817 and 1822
- Case Management
 - Support Services
 - Personal Identifiable Information (PII)

4. WIOA Eligibility

- Orientation to Complaint
- Authorization to Work
- Documentation of Date of Birth
- Selective Service, if applicable

- Family Status
- Low Income, Disability, or 5% Exemption
- Dislocation Documents
- Barriers Documents, if applicable

5. Support Services

- Allowable
- Determination of Need
- Written Justification
- Documentation of Other Sources of Support Services
- Allowable Amount Established by the Board
- Allowable Duration Established by the Board
- Additional Required documentation
- Support Services/ Incentives Tracked in TWIST

6. Individual Training Accounts (ITA)

- Determination of Need
- Training was on the Target Occupational List
- Provider was on the Statewide Eligible Training Provider List
- Allowable Amount Established by the Board
- Overall Financial Need
- All Financial Awards tracked in TWIST ITA Tab

7. RESEA

- The claimant received an invitation letter from the Board with the RESEA Babel notice,
- Claimant scheduled for RESEA one-to-one appointment no sooner than seven (7) days to allow for mailing and not later than twenty-one (21) days from the date the scheduler ran after the claimant was added to the outreach pool
- All three methods of communication for outreach appointment reminder used and document in the case note
- The claimant received the following required services on the same day during the Initial RESEA appointment
- UI Eligibility Review Form completed, uploaded to the customer's profile
- Work search logs for the prior two weeks reviewed and uploaded profile
- Client Labor Market Information (CLMI) form completed and uploaded profile
- All RESEA services entered into WIT within seven (7) calendar days from the scheduled RESEA initial appt. date
- Individual Reemployment Plan contain all the goals outlined in the guide and complete
- WF-42 sent in a password or encrypted protected email

The number of files per Program, or Area of Review reviewed:

NUMBER OF FILES REVIEWED	
Program Area	NUMBER
Choices	14
TAA	0
SNAP E&T	24
WIOA – Adult 14	22
WIOA – Dislocated Worker 9	
WIOA – Youth 7	
Support Services	6
ITA	3
RESEA	10
TOTAL	82

Because of inherent limitations in any system of internal and administrative controls used in administering federal programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. The workpapers and source documents resulting from this review are maintained by *Diaz, Smith and Associates* and are available for inspection with approval by the *North Texas Workforce Development Board (the Board)*.

Choices

Scope Reduced to August 1, 2025 – December 31, 2025, for Penalties

FINDINGS:

No reportable finding.

AREAS OF CONCERN:

1. In one (1) of the ten (10) files, the penalty was not initiated timely (10.00% error rate). **STATE ID 170232972** was initiated one day late.

Reference: Texas Workforce Commission Choices Guide states in section B-803: Timely and Reasonable Attempt for Failure to Meet Participation Requirements “*By the seventh calendar day from the date of noncompliance, the Choices participant is required to be either fully participating, been granted good cause, or a penalty has been initiated.*”

RECOMMENDATION: Contractor must ensure that if the client is noncompliant the penalty is entered within the required timeframe.

EQUUS Response: Contractor will take the following steps to ensure timely initiation of penalties for clients who are noncompliant:

Staff Refresher Training

All Choices staff will participate in refresher training, scheduled for 04/09/2026 at 2:00 p.m., on Section B-803 of the Choices Guide, with specific focus on:

- The seven (7) calendar-day timeliness requirement
- Required actions when a participant does not meet participation requirements
- Documentation expectations and timeliness standards

Quality Assurance Monitoring

- As part of ongoing internal monitoring, a sample of Choices cases with noncompliance will be reviewed monthly to ensure compliance with timeliness requirements.

Follow up from Prior Review:

1. The Timely and Reasonable Attempt (TRA) process was not followed

STATUS: Resolved

Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)

Scope was reduced from August 1, 2025 - December 2025 for Activities and Reconsiderations

FINDINGS:

1. Form H1817 was not completed and submitted to HHSC for a reconsideration request per guidance, if applicable in five of the ten applicable cases (50.00%). This was a finding during the last Annual Review with a 27.27% error rate, and the follow-up review with a 33.33% error rate.

- **STATE ID 163974040** - Employment was reported on 12/15/25; reconsideration was not submitted until 12/30/25. Staff attempted to verify employment before submitting the reconsideration. Additionally, the case note reflects an incorrect submission date (12/29/25).
- **STATE ID 168039396** - It is unknown when the client reported employment. Staff verified employment on 9/4/25, reconsideration was submitted 9/8/25. Staff attempted to verify employment before submitting the reconsideration.
- **STATE ID 170056827** – Case notes do not document when employment was reported. Gap in client contact 12/8/25-1/6/26 – no explanation. Reconsideration for employment was sent 1/6/26.
- **STATE ID 170241845** – It is unknown when the client reported employment. Employment was verified with a start date of 9/24/25, but the reconsideration was not submitted until 9/29/25. Staff attempted to verify employment before submitting the reconsideration.
- **STATE ID 60967758** – Form H1817 or fax confirmation was not found in the case file.

Reference: TWC, Supplemental Nutrition Assistance Program Employment and Training Guide

A-205: Requests for Reconsideration

Workforce Solutions Office staff does not conduct redeterminations of SNAP recipients who attend an employment planning meeting. However, if a SNAP recipient informs Workforce Solutions Office staff that they meet one of the federal exemptions, or if Workforce Solutions staff determines that a SNAP recipient is not suited for any E&T component, Boards must ensure that Workforce Solutions Office staff:*

- *completes and sends HHSC Form H1817 to HHSC requesting that the SNAP recipient's work registration status be reconsidered;*
- *records the reconsideration request into WorkInTexas.com;*
- *enters into WorkInTexas.com:*
 - ☐ *a statement that Form H1817 was sent;*
 - ☐ *the date Form H1817 was sent; and*
 - ☐ *the reason for the reconsideration;*
- *closes out all SNAP E&T services, support services, and the SNAP E&T application;*
- *ensures that all completion dates are entered in the employment plan; and*
- *keeps a copy of Form H1817 and fax confirmation on file at the Workforce Solutions Office.*

A-204.a(1): Exemption Criteria and Corresponding Work Codes

Boards must ensure that at the time the recipient informs Workforce Solutions Office staff that they are potentially eligible for an exemption, a penalty is not initiated, and a reconsideration is processed within one business day. Refer to A-205.

RECOMMENDATION: Reinforce staff adherence to one-business-day submission requirements for Form H1817 upon any report of employment or potential exemption, regardless of verification status. Require supervisors to conduct targeted monthly reviews of reconsideration cases. Provide refresher training on A-204, A-205, and A-301 to ensure staff understand that verification is not a prerequisite for submitting Form H1817.

EQUUS Response: Contractor will take the following steps to ensure timely action is taken on individuals requesting a reconsideration.

Staff Refresher Training on SNAP E&T Reconsideration Requirements

All SNAP case management staff will participate in refresher training, scheduled for 04/10/2026 at 10:00 a.m., in the following policy areas:

- **A-204** (Exemptions and work codes)
- **A-205** (Reconsideration requests)
- **A-301**, with emphasis on the requirement that verification is **not** a prerequisite for submitting Form H1817

Training will explicitly reinforce staff compliance with the **one business day submission requirement** for Form H1817 upon any report of employment or potential exemption, regardless of verification status. Scenario based examples reflecting the deficiencies cited in the monitoring report will be incorporated to reinforce correct application of policy.

Training completion will be documented and retained for monitoring and audit purposes.

To strengthen oversight and accountability, **ongoing weekly peer reviews** will continue, and **QA and supervisor will conduct targeted monthly reviews of reconsideration cases** to ensure adherence to policy and timeliness standards.

Desk aids were reviewed/revise and provided to SNAP team that clearly and explicitly state the following:

- Form H1817 must be submitted **immediately upon receipt of a report**, and no verification is required prior to submission.

MONITOR'S RESPONSE: The corrective action appears sufficient to address the cases. This area will be reviewed during the next monitoring cycle or at the request of the Board. The monitor will assess the effectiveness of the implementation of corrective action.

STATUS: Pending

2. A penalty was not initiated for noncompliance, if applicable, in four of the seventeen applicable cases (23.53%). **STATE ID 165274641, 170056827, 170241845, and 170017225.** In all four cases, the recipient was noncompliant for more than three days.

Reference: TWC, Supplemental Nutrition Assistance Program Employment and Training Guide B-113: Noncooperation with SNAP E&T Requirements

Workforce Solutions Office staff is responsible for determining noncooperation with SNAP E&T requirements and for initiating a sanction request in WorkInTexas.com.

When a mandatory work registrant fails to respond to outreach, notifies staff that they do not wish to participate, or fails to cooperate with SNAP E&T requirements, Boards must ensure that Workforce Solutions Office staff initiates a sanction request. The request must be entered into WorkInTexas.com by close of business on the fourth day following a mandatory work registrant's failure to cooperate, unless the SNAP recipient indicates that they were unable to participate based on an extenuating circumstance and Workforce Solutions Office staff recommends good cause to HHSC. Day one of the compliance period begins the day the recipient does not cooperate with SNAP E&T requirements.

RECOMMENDATION: Ensure staff initiate a sanction request when noncompliance lasts more than three days, unless good cause is documented and recommended to HHSC. Provide focused coaching on B-113 to reinforce the four-day sanction.

EQUUS Response: Contractor will take the following steps to ensure SNAP case managers take timely action on recipients who are noncompliant for more than three days:

Staff Refresher Training, scheduled for 04/10/2026 at 10:00 a.m., on the following:

- Initiating a sanction request by close of business on Day Four following noncooperation, unless good cause is documented and recommended to HHSC, consistent with B-113.
- Reviewing of sanction initiation under B-113
- Proper calculation and tracking of timelines (one business day versus four-day compliance period)
- Documentation standards

Quality Assurance Monitoring

- As part of ongoing internal monitoring, a sample of SNAP cases with noncompliance will be reviewed monthly to ensure compliance with timeliness requirements.

MONITOR'S RESPONSE: The corrective action appears sufficient to address the cases. This area will be reviewed during the next monitoring cycle or at the request of the Board. The monitor will assess the effectiveness of the implementation of corrective action.

STATUS: Pending

AREAS OF CONCERN:

1. Hard copy documentation of participation hours did not match WIT Attendance in one of the nine applicable files (11.11%). **STATE ID 169428007** This was a finding during the last review and is considered resolved, however should be a focus for improvement.

Reference: TWC, Supplemental Nutrition Assistance Program Employment and Training Guide

- B-108 SNAP E&T Activities for ABAWDs and General Population
- B-306 Documentation under B-306.c (Monitoring participation) and
- Appendix pg.92

RECOMMENDATION:

- Ensure hard-copy attendance records match WIT entries exactly.
- Use a two-step review: staff check documentation before entry, and supervisors complete weekly spot-checks.
- Provide refresher training on B-108 and B-306.
- Continue monitoring due to recurrence in prior reviews.

EQUUS Response: Contractor will take the following steps to address this area of concern by providing:

Staff Refresher Training, scheduled for 04/10/2026 at 10:00 a.m., on the following:

- B-108 SNAP E&T Activities for ABAWDs and General Population
- B-306 Documentation requirements, with emphasis on monitoring participation and acceptable source documentation

Ongoing Monitoring and Continuous Improvement

- **Trend tracking:** QA Specialist, Supervisor and Peers will track discrepancies identified during spot checks to identify patterns or training needs.
- **Corrective follow-up:** Any discrepancies found will be corrected immediately and discussed with staff to prevent repeat errors.
- **Sustained focus:** Given recurrence in prior reviews, this area will remain a standing agenda item in internal quality assurance reviews.

Observations:

- In all applicable cases, no follow up was conducted on penalties or good cause. Refer to Guidance: B-404.c: Follow-up after the Initiation of Penalty. Recommendation: Strengthen SNAP E&T Penalty/Good Cause Follow-up procedures.

Follow up from Prior Review:

1. Hard-copy documentation of participation hours did not match TWIST Daily Time Tracking.
STATUS: Resolved, however focused improvement should continue
2. Form H1817-Reconsideration Request was not recorded in TWIST/WIT Good Cause Ribbon and Case Notes, per instructions.
STATUS: Resolved

WORKFORCE INNOVATION and OPPORTUNITY ACT (WIOA)

Eligibility

FINDINGS:

No reportable finding.

SUPPORT SERVICES

FINDINGS:

No reportable finding.

AREA OF CONCERN:

1. In two of the six applicable cases the support service and/or amounts were not tracked in WIT.

Reference: North Texas Support Services Guide 04.29.22 states “Enters request under support service tab in WIT.”

RECOMMENDATION: Ensure all support services and amounts are entered in the WIT Support Services tab as required by the North Texas Support Services Guide.

EQUUS Response: Contractor has updated the Support Services Guide to ensure all requests are documented in WIT. Staff adhere to case note requirements by providing justification for each request and accurately recording support services in the actual support service activity, including applicable amounts in the comments section of each entry.

INDIVIDUAL TRAINING ACCOUNTS (ITA)

FINDINGS:

No reportable finding.

Reemployment Services and Eligibility Assessment (RESEA)

Scope Reduced to July 1, 2025- December 31, 2025, due to changes in guidance and training provided by TWC.

FINDINGS:

1. In four of six applicable cases the WF-42 was not sent and documented in accordance with guidance (66.67% error rate).
 - STATE ID 170371043 - A case note documenting the submission of the WF-42 along with its date of submission was not in the case notes. Case note states the WF-42 was completed and what information was included.
 - STATE ID 170195725 - A case note documenting the submission of the WF-42 along with its date of submission was not in the case notes. Case note states the WF-42 was entered into customer documents.
 - STATE ID 168876259 - Date that the WF42 was sent was not in the case note, however email found shows sent NEXT DAY - should be sent same day the form was created.
 - STATE ID 170065340 - Date that WF42 was sent was not in the case note.

Observation regarding WF42, not included in the error rate:

- STATE ID 169552889 - Possible trigger on UI Form, did not send form – N/A in review.
- STATE ID 170159240 – Date was not in the case note but was able to verify via email in WIT documents that form was sent same day – did not count toward error.

Reference: RESEA Program Guide: *“RESEA Program Guide: “To report a potential unemployment benefit eligibility issue using the WF-42 form, Workforce Solutions Office staff password-protects the form and submits the completed form via email to the local WFUI Coordinator. The local WFUI Coordinator sends the password-protected WF-42 form to the state WFUI coordinator for investigation at wfui.coordinator@twc.texas.gov.”*

TAB 312: Accessing and Completing WF-42 in WorkInTexas.com:

To access and complete WF-42, staff members must complete the following steps:

1. *Select Documents (Staff).*
2. *Once the saved WF-42 is identified, select Download.*
3. *The downloaded WF-42 may now be attached to the email sent to the WF/UI coordinator.*

A case note documenting the submission of the WF-42 along with its date of submission must be entered. The WF-42 must be sent to the state WF/UI Coordinator on the same day it is completed.

RECOMMENDATION: Ensure staff send the WF-42 on the same day it is completed and enter a case note documenting the submission and date sent, in accordance with RESEA Program Guide and TAB 312 requirements.

EQUUS Response: Contractor has taken the following steps to address this error:

- RESEA training for accessing and completing WF-42 in WorkInTexas.com was conducted on 03/25/26 by the RESEA supervisor.

QA Specialist will continue to monitor RESEA cases for accurate completion of the WF-42 requirement. Errors will be corrected and trends will be identified in these QA reviews.

MONITOR'S RESPONSE: The corrective action appears sufficient to address the cases. This area will be reviewed during the next monitoring cycle or at the request of the Board. The monitor will assess the effectiveness of the implementation of corrective action.

STATUS: Pending

AREA OF CONCERN:

1. In one of the eight applicable cases the claimant did not receive all required services on the same day during the Initial RESEA appointment (12.50%). **STATE ID 170371043**. It appears all services were provided on the same day however the completion date was entered incorrectly for service 311.

Reference: RESEA Program Guide:

- Confirmation Completion of Reemployment Services Video - Service Code RVD EFFECTIVE 1/8/25 TAB 313 Pilot Board Effective 6/17/24
- Verify Identity, Confirm Information, and complete Wagner-Peyser Registration
- Conduct UI Eligibility Review in WIT - Service Code UEA/257
- Resume Review - Service Code RAS/115
- Provide Customized Labor Market Information Primary Job Family Information - Service Code CLMI/245
- Refer to Job Readiness Workshop(s) - Service Code 262
- Assist Customer in Setup Weekly Virtual Recruiter
- Provide Job Referral(s) - Service Code JSP/125
- Individual Reemployment Plan Develop and Sign with Customer - Service Code 205
- Reemployment Services Appointment Over Service - Service Code RSO 311

RECOMMENDATION: Ensure all required RESEA services are completed and documented on the same day and verify that service completion dates in WIT accurately reflect the date services were delivered.

EQUUS Response: Staff Training-Contractor has reviewed the requirement that all required RESEA services are completed and documented on the same day, reviewing the associated guidance from the RESEA Program Guide with all RESEA staff on 03/25/26.

QA Specialist will continue to monitor RESEA cases to ensure RESEA services are completed and documented on the same day. A case note template will be created to help RESEA staff with consistent, accurate documentation in WorkInTexas.com.

2. In one of the eight applicable cases the job search logs were not found (12.50% error rate) **STATE ID 170065340.**

Reference: Grant Agreement, Section 5 – Award Specific Requirement

Be scheduled as an individual appointment with a minimum duration of sixty (60) minutes and must include the following services...UI Eligibility Review that includes a review of claimant work search activities, and completion of the WIT Eligibility Review Form and referral to adjudication by submitting the Workforce Form (WF-42) within two (2) business days if an issue or potential issue(s) is identified

RECOMMENDATION: Ensure job search logs are obtained and uploaded for every Initial RESEA appointment to support the UI Eligibility Review and compliance with Grant Agreement Section 5.

EQUUS Response: [Staff Training-Contractor](#) has reviewed the job search log requirement and the guidance from the RESEA Program Guide with all RESEA staff on 03/25/26.

[QA Specialist](#) will continue to monitor RESEA cases to ensure job search logs are obtained and uploaded for every initial RESEA appointment.

FILE REVIEW SAMPLE LISTS

CHART A - CHOICES MONITORING SAMPLE LIST

RECORD	STATE ID	RECORD	STATE ID
1	161375570	10	169724566
2	161637920	11	169842244
3	161944036	12	170185159
4	165109693	13	170408696
5	165933040	14	160839725
6	166799827	15	161622437
7	169297601	16	170232972
8	168585444	17	141006733

CHART C - SNAP E&T MONITORING SAMPLE LIST

RECORD	STATE ID	RECORD	STATE ID
1	161398315	17	169117621
2	161522895	18	169428007
3	161845710	19	169793221
4	163974040	20	169984264
5	165091923	21	170056827
6	165274641	22	170241845
7	165666432	23	170304200
8	168039396	24	170363726
9	168141076	25	170017225
10	168247605	26	60967758
11	168530856	27	170330404
12	168536391	28	30810926

CHART D - WIOA - ELIGIBILITY

RECORD	STATE ID	RECORD	STATE ID
1	161625082	12	170184118
2	169783113	13	162343095
3	170062950	14	169722051
4	163675525	15	161810165
5	168987489	16	170258000
6	165171698	17	110752580
7	170416019	18	90560393
8	169590892	19	165580776
9	169962562	20	166757181
10	170062229	21	167717898
11	169929710	22	169411835

CHART E - SUPPORT SERVICES

RECORD	STATE ID		RECORD	STATE ID
1	10998698		4	169656626
2	90008957		5	168409591
3	90844858		6	169478035

CHART F - ITA

STATE ID	STATE ID	STATE ID
167664430	165677944	166021502

CHART G - RESEA

RECORD	TWIST ID		RECORD	TWIST ID
1	170371043		6	170159240
2	170331089		7	170141660
3	169573639		8	168876259
4	170195725		9	170065340
5	165284408		10	169552889

References:

TWC WIOA Guidelines for Adults, Dislocated Workers, and Youth; TWC WIOA Eligibility Documentation Log for Adults, Dislocated Workers, and Youth Programs; North Texas Board ITA Policy, North Texas Board Support Services Policy. TWC WD Letter 14-19 change 2 Workforce Innovation and Opportunity Act: Individual Training Accounts and Training Contracts. Equus Procedures: ITA, Support Service Guide, Incentives for WIOA, Counselor Notes WIOA Eligibility Texas Workforce Commission Rules, Texas Workforce Commission Choices Guide, Equus Procedure, Choices Non-Cooperation, Good Cause and Penalty Requests Texas Workforce Commission Rules – Chapter 813, Texas Workforce Commission SNAP Guide, WD Letter 06-13 and Applicable Changes – Documenting Services and Participant Contact in The Workforce Information System of Texas (TWIST) Counselor Notes, TWC RESEA Program Guide, WD Letter 13-23 Claimant Outreach, WD Letter 02-19, Change 1: Babel Notice

Report on the Annual
Program Monitoring
Evaluation
Of the Workforce
Grants Administered
by:

Rolling Plains Management Corporation (RPMC)

In their capacity of Child Care Contractor in the *North Texas Workforce
Development Area*

Draft: March 27, 2026
Final: April 27, 2026

RPMC RESPONSE

Report Demographics

Report Number:	2026-04
Report Type:	2025 Annual Child Care Program Monitoring Report
Report Status:	Final
Final Report Issue Date:	April 27, 2026
Entity Reviewed:	Rolling Plains Management Corporation (RPMC)
Review Type:	Annual Child Care Program Review of the Workforce Grants administered by RPMC and funded by the <i>Workforce Solutions North Texas</i> (the Board)
Applicable Period:	January 1, 2025, through December 31, 2025
Dates of Fieldwork:	Off-site desk review conducted during the month of February and March 2026
Exit Date:	March 26, 2026
Issuance of Draft Report:	March 27, 2026
Contractors Response:	April 17, 2026
Review Conducted by:	D iaz, S mith and A ssociates Rachael Robertson
Report Developed by:	Rachael Robertson

Applicable Definitions

AREA OF CONCERN: A general noncompliance conditions that are observed and documented by the monitors based on established law, procedures, or other authoritative guidance. These noncompliance conditions are considered lower risk findings but could potentially result in a higher risk finding based on the nature of the deficiency (i.e., repeat violations, issues indicative of systemic problems). These items while documented in the workpapers may or may not be included in the report. All areas of concern items are discussed during the review and/or exit conference.

Board: North Texas Workforce Development Board dba. *Workforce Solutions North Texas* created pursuant to Texas Government Code§2308.253 and certified by the Governor pursuant to Texas Government Code §2308.261.

Briefing Item: A general noncompliance conditions that are observed and documented by the monitors based on established law, procedures, or other authoritative guidance. These noncompliance conditions are considered lower risk findings but could potentially result in a higher risk finding based on the nature of the deficiency (i.e. repeat violations, issues indicative of systemic problems). These items while documented in the workpapers may or may not be included in the report. All briefing items are discussed on-site during the review and/or exit conference.

Finding: An instance where noncompliance with requirements contained in federal or State law, regulation, administrative code, guidance, or other promulgations are determined and are issues that are of high risk that could potentially result in questioned costs and/or impact the integrity of program operations.

Observation: A reportable condition that does not currently have a material effect on internal controls and the accuracy of the financial information. An observation, if not addressed, presents the possibility of a future circumstance of non-compliance and/or internal control weaknesses.

Questioned Cost: A cost that is questioned by the monitor because of a monitoring finding **(1)** that resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds, including funds used to match Federal funds; **(2)** where the costs, at the time of the monitoring review, are not supported by adequate documentation; or **(3)** where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Recommendation: Suggested corrective action(s) for a finding and/or observation identified in a monitoring report. The recommendation, where and when appropriate, should address the cause of the problem, not the problem itself.

Program Review Purpose

The scope of the review was from January 1, 2025, to December 31, 2026, and the elements reviewed included but not limited to the following:

Eligibility

- Child Eligible for Services
- Parent Meeting the Work/Training Requirement
- Full-Time, Part-Time or Blended Care Authorized on 2450 Based on Parents Work/Training Status
- All Income Sources Verified, Accurately Recorded and Calculated
- Household Income Within Limits Established by Board for Family Size
- Parent Share of Cost (PSOC) Accurately Determined
- Subsidy Amount Recorded Equals Amount Authorized
- Choices
- Homelessness
- WIOA

Department of Family Protective Services (DFPS) Referrals

- Authorization request for child care made within 3 days after receipt of DFPS referral
- Information from the Form 2054 entered accurately into KinderTrack

PIRTS Fraud Recoupment

- If open after 90 days, a Journal Note that supports the waiving of the 90-day requirement
- Fact-finding results, fraud determination results, and any improper payments in PIRTS
- Determination Letter sent due to an adverse action
- Collection Statement (RID-64) sent to the client
- Demand Letter (RID-65) sent 30 days after sending the RID-64
- After 30 days from the Demand Letter (RID-65), and a payment default of \$100 or more, Warrant Hold sent to TWC Collection
- Fraudulent violation was of a federal requirement

Informal Review of **Provider Files and Rates** was conducted and will be reported as observation.

The number of files reviewed:

NUMBER OF FILES REVIEWED	
Program Area	NUMBER
Client Services – Eligibility	29
DFPS Referrals	15
PIRTS	4
Providers	19
TOTAL	67

Because of inherent limitations in any system of internal and administrative controls used in administering federal programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. The workpapers and source documents resulting from this review are maintained by *Diaz, Smith and Associates* and are available for inspection with approval by the *North Texas Workforce Development Board (the Board)*.

FDCM Letter 01-2024, dated 4/26/2024: Board Instructions: Reporting Requirements for Suspected Fraud, Waste, Theft, Program Abuse Cases, and Recovery of Improper Payments for the Child Care Program

Texas Workforce Commission Child Care Guide

Technical Assistance Bulletin 276 - Child Care Fraud Detection Report Tools—Update

RPMC Procedures

Client Services Procedure: CLIENT ELIGIBILITY

Client Services Procedure: Income Calculations

Client Services Procedure: Redetermination of Services

Multi-Department Procedure: SECURITY OF PERSONALLY IDENTIFIABLE INFORMATION (PII)

Program Review:

Eligibility

Findings:

1. Income was not calculated correctly in five (3) of the twenty-nine (29) applicable files (17.24% error rate). **This was a finding during the last two annual reviews.**
 - 111244 – Self-employment income calculated incorrectly; standard deductions were not applied to income.
 - 219742 – Income for every 2 weeks was calculated as per week income. This case also contributed to an 8% error rate in parents meeting the work/training requirement (2 of 25).
 - Potential Questioned Cost – Staff miscalculated income by treating bi-weekly hours and tips as weekly income, resulting in a monthly income of \$2,313.22 instead of the correct \$1,156.11.
 - The EWV shows 45–50 hours every two weeks, averaging 24 hours per week.
Reference: D-202: Calculating Activity Hours
 - Based on documented hours, the client did not meet the minimum 25 hours per week required for low-income eligibility.
RPMC Response: 219742- I have emailed and called the client requesting paystubs. 04/17/2026 received W2 from parent portal for Rack House LLC for income in 2025. This employer was never reported. Upon further research this case will need to be sent for PIRTS entry, and we will continue to investigate fraud until a determination is made. D Adams
MONITOR'S RESPONSE: Monitor will review outcome during the next monitoring review.
 - 104423 – Income documentation was not accepted and calculated due to a lack of 3 months income. Family was given Initial Job Search, when fully employed.
 - 69369 – Paystub entered incorrectly
 - 212428 – Staff included missing checks as \$0 income, reducing average income significantly.

Reference: Child Care Services Guide November 14, 2025, section

D-107: Calculating Family Income

Boards must ensure that the family income is calculated in accordance with TWC guidelines to:

- *take into account irregular fluctuations in earnings; and*
- *ensure that temporary increases in income, including temporary increases that result in monthly income exceeding 85 percent of SMI, do not affect eligibility or the PSoC.*

Rule Reference: §809.44(a)

D-107.a: Determining Average Gross Monthly Family Income from Earnings at Initial Eligibility and at Eligibility Redetermination

Boards must ensure that calculation of a family's income for the purposes of determining initial eligibility and redetermining eligibility is based on the average monthly family income for each family member.

Unless a family member has an insufficient work history or other constraints to obtaining necessary documentation, in accordance with local procedures, Board contractor staff must review the previous

three months of income for monthly pay periods (or the previous 12 weeks for weekly or biweekly pay periods) for each family member to determine average earnings and the family's financial situation. Boards must inform staff members that three months is a guideline and the preferred method for determining income eligibility. Section [809.44\(a\)](#) requires Boards to consider irregular fluctuations in earnings and to ensure that temporary fluctuations in income do not affect eligibility. When a parent has been continuously employed, three months of income information ensures that adequate information is available to determine typical average monthly income.

However, absent three full months of documentation, the Board may use whatever documentation a parent is able to provide, based on local procedures, including the year-to-date amount on available check stubs. If a parent does not have three full months of documentation because they have not been employed throughout the full three-month period before initial eligibility determination, Boards may obtain pay documents for the period employed. The time frame and type of income documentation used must be clearly explained in the child care case management system. If the number of check stubs differs from what is required based on state and local policy, a clear explanation of the difference must be included in the child care case management system.

Additional references:

- TWC Child Care Services Guide, Section D-200: Income Verification and Calculation
- D-107.f: Income Documentation Requirements
- D-107.g: Income Calculation Methodology
- D-109: Determining Self-Employment Income and all subsections

RECOMMENDATION: The contractor must ensure that income calculations are calculated correctly, and detailed information is in the case note in accordance with TWC guidelines, Board policy, and Contractor procedures. In addition, the contractor may wish to implement the following recommendations.

Training and Education:

- Conduct regular training sessions for staff on accurate income calculation methods and the importance of detailed case notes.
- Provide refresher courses on the organization's procedures and guidelines.

Standardized Procedures:

- Develop and implement standardized procedures for income calculation, including clear guidelines on handling overtime, bonus pay, and inconsistent work schedules.
- Create checklists to ensure all necessary steps are followed and documented.

Quality Assurance:

- Establish a quality assurance process where a second staff member reviews income calculations and case notes before finalizing them.
- Conduct periodic audits to identify and address any recurring issues.

Documentation and Communication:

- Emphasize the importance of thorough documentation in case notes, including explanations for any deviations from standard procedures.
- Encourage open communication among staff to discuss and resolve any uncertainties or discrepancies in income calculations.

RPMC Response: Training on income will be provided. Procedures will be updated, and more thorough income information will be in the case of notes. Changes are coming for the case to be reviewed before finalizing the cases. 04/17/2026 Training is being held April 22 for all client services to retrain on income calculations and self-employment. Procedures will also be reviewed to make sure they are in alignment with the child care guide and explain in detail how to calculate income. D Adams.

MONITOR'S RESPONSE: The corrective action appears sufficient to address the cases. This area will be reviewed during the next monitoring cycle or at the request of the Board. The monitor will assess the effectiveness of the implementation of corrective action.

STATUS: Pending

2. In six (6) of the twenty-nine (29) files reviewed, Subsidy Amount Recorded did not Equal the Amounts Authorized (20.69% error rate). Underpayment and Overpayment of subsidy payments may require further action from the Board. Family IDs:
 - 7526 – staff did not properly override the incorrect PSOC.
 - 201342 – It appears that provider rates were backdated for amended rates submit, 6/11/25. Monitor was not provided with all requested provider documentation, therefore could not verify when the rates became effective.
 - 148136 – subsidy amount was impacted by PSOC miscalculation. This case also contributes to the 3.70% error for lack of documentation of residency (1of 27).
 - 111244, 219742, and 212428 – Subsidy amount was impacted by the income and PSOC miscalculation.

Reference:

- F-300: Provider Payment
- B-700: Maximum Provider Payment Rates
- D-400: Parent Share of Cost

Recommendation: Review payments for corrections. Additional Technical Assistance may be required.

RPMC Response: Training will be held on how to override the system when the PSOC does not pull correctly. We have also changed the income by not using \$0 and only using the paystubs that we have. 04/17/2026 Training on income will be held April 22, 2026 and situations where it is appropriate to use zero's will be discussed as well as when not to use a zero such as in a case where client had income but did not have access to a paystub. D Adams

MONITOR'S RESPONSE: The corrective action appears sufficient to address the cases. This area will be reviewed during the next monitoring cycle or at the request of the Board. The monitor will assess the effectiveness of the implementation of corrective action. **201342 – Payments are incorrect and could not be corrected at the local level, therefor will be submitted to TWC for further guidance.**

STATUS: Pending

3. In four (4) of the seven (7) files reviewed, Initial Job Search (IJS) or Activity Interruption were incorrectly authorized or did not discontinue as required (57.14%). Family IDs:

- 209152 – Activity Interruption did not end, and employment was not verified. The case also contributed to an 8% error rate on parents meeting the work and training requirement (2 of 25).
 - Potential Questioned Cost - The client entered an Activity Interruption (AI) period from 8/30/25–12/1/25 based on Early Warning UI data.
 - No documentation verified the client’s return to work.
 - The child remained in care without confirmation of ongoing eligibility. Reference: D-201: Eligibility for Low-Income Child Care
 - Follow-up occurred after a second Early Warning report was received, and no corrective action was taken.

RPMC Response: Training will be held on making sure the case worker know how to put a case alert in TX3C to follow up with the client and quality assurance will follow before the case is finalized 04/17/2026 care should have ended 12/1/2025. Updating schedule to reflect correct end date, client never sent in documentation required to come off of 3-month continued care. Provider says child has only been in care for holidays only and she is aware that we will be making this recoupment. D Adams

MONITOR’S RESPONSE: Resolved

- 164104 – Care was suspended prior to the end of the IJS, Discontinuation Notice was not sent. Parent did not receive written notice of adverse action.
- 111244 – IJS was authorized for an individual who was self - employed full time. Verbal authorization was given to the provider before IJS was determined and IJS was backdated.
- 104423 – IJS was authorized for an individual who was fully employed. Staff authorized IJS due to the lack of 3 full months of paystubs, employer (USPS) would not complete

Reference: Child Care Services Guide November 14, 2025, section

D-204: Child Care during Initial Job Search

Boards must inform staff members be aware that a parent, including a parent in a dual-parent family, is eligible for child care during Initial Job Search if at initial eligibility determination the family does not meet the minimum participation requirements for Low-Income child care as described in D-200.

Boards must allow parents eligible to receive CCS during Initial Job Search to self-attest that:

- *the family does not meet the minimum participation requirements for Low-Income child care as described in D-200; and*
- *the family income does not exceed 85 percent of the SMI.*

Rule Reference: §809.56(a)–(b)

Boards must not collect income information or activity hours for parents who qualify for child care during Initial Job Search. However, Boards must collect all other eligibility information that is normally required for Low-Income child care, as outlined in D-100.

Additional Reference:

- Board Directive Issuance Initial Job Search Child Care Update; WD 13-21 Change 2
- 40 TAC 809.51
- 40 TAC 806.56
- D-201 – Eligibility for Low Income Child Care

Recommendation: Ensure Initial Job Search (IJS) and Activity Interruption (AI) are authorized, monitored, and discontinued in accordance with policy by implementing the following actions: Reinforce that IJS may only be authorized for parents who are unemployed or underemployed and must not be used to address missing income documentation for fully employed or self-employed parents.

Require staff to verify and document return to work or qualifying activity before continuing care after an Activity Interruption period. If verification is not obtained, care must be timely discontinued.

Require documented follow-up and timely action on Early Warning Verification (EWV) reports, including reassessment or discontinuation when eligibility cannot be confirmed.

Prohibit verbal or retroactive authorization of IJS or other eligibility categories prior to eligibility determination.

Ensure written discontinuation notices are issued when care is suspended or ended, including notice of adverse action and appeal rights.

Provide refresher training to staff on appropriate use of IJS and AI, emphasizing that these provisions are temporary and conditional and must not be used as substitutes for eligibility verification.

RPMC Response: We are going to have a refresher on IJS authorization and use what paystubs the client turns in. We have the authorization to use the work number now to verify employment when needed. Training will be held on making sure that the client's care is terminated in a timely manner when the client does not turn in the appropriate documentation to have care continue and that discontinuation notices are going out in a timely manner.

MONITOR'S RESPONSE: The corrective action appears sufficient to address the cases. This area will be reviewed during the next monitoring cycle or at the request of the Board. The monitor will assess the effectiveness of the implementation of corrective action.

STATUS: Pending

4. **Potential Questioned Costs** Family ID 62548 – Care Not Terminated Timely; Possible Overpayment - The provider reported the older child stopped attending on 6/25, but care was not terminated until 3/26.
- Payments continued for a child not in care.
 - A second child was also moved to blended care on 3/26. Monitoring is questioning if blended care should have begun when school started.

RPMC Response: The second child did not start Head Start until 3/2/26, and we changed the care needs at that time. Client was outreached on 8/21/25, and she never requested care to end. Client emailed and called on 8/21/25 with the care needs for both children and the client never responded. Client called on 11/12/25 about care needs for her children and the caseworker called back on 11/12/25 and had to leave a voicemail and the client did not call us back until 3/2/26 to suspend care. We have made changes that now if the provider calls and wants to suspended care and we cannot get a hold of the client we suspended care immediately and email the client. 04/17/26 Provider called on 08/21/25 to end care for child due to not attending since 6/13/25. Care will be ended effective 6/13/25 and recoupment letter will be sent to provider. D Adams

MONITOR'S RESPONSE: Resolved

Area of Concern:

1. In four (4) of the twenty-nine (29) files reviewed, the Parent Share of Cost (PSoC) was not accessed correctly (13.79%). Family IDs:
 - 148136 – Resulted from a data entry error
 - 219742, 212428, 111244 – PSoC was impacted by income miscalculation.

Reference:

- D-400: Parent Share of Cost
- D-401: Calculating PSOC
- D-402: Applying PSOC to Authorizations

Recommendation: Review PSoC for corrections. Additional Technical Assistance may be required.

RPMC Response: Training for income will be done, and the case will have quality assurance will follow before the case are finalized 04/17/2026 Income training is being held April 22, 2026. D Adams

Observations:

- Case notes did not consistently document eligibility decisions or provide individualized explanations.

DFPS

No Reportable Findings

Area of Concern:

1. In one (1) of the fifteen (15) cases review, the authorization for children was not processed within the 3 days of receiving the DFPD Referral, DFPS ID 114538149. The authorization was one day late.

Reference: Child Care Services Guide November 14, 2025, section

D-704: Authorizations of Care for Children in Protective Services

Within three business days from receipt of a completed DFPS authorization for CCS, Boards must ensure that the child care contractor does one of the following:

- *Completes the authorization request, including all data entry*
- *Contacts the DFPS regional day care coordinator (RDCC) with information regarding any delays in completing the authorization and, if applicable, requests assistance from the RDCC in completing the authorization request*
- *Enters information in the child care case management system explaining any delays that prevent local staff from meeting the three-business-days deadline for authorizing child care, as follows:*
 - *Form 2054 is prefilled by the DFPS IMPACT system, which may prevent some corrections or updates from being completed by an RDCC. If information in the child care case management system does not exactly match information on Form 2054, staff must email the RDCC with the discrepancies and carefully case-note the issue but proceed with CCS.*

- *If a caregiver states that information provided by DFPS is incorrect, staff must instruct the caregiver to contact DFPS for any changes or updates and that CCS may not change information provided by DFPS until DFPS notifies local staff.*
- *Staff notifies the caregiver that CCS are available and enters appropriate information of the outcome of the notification in the child care case management system.*

Note: All email communication from DFPS or an RDCC must be maintained by local staff

RECOMMENDATION: Reinforce procedures to ensure DFPS referrals are authorized within the required three business days and require staff to document and escalate any delays promptly in accordance with CCS Guide D-704 to prevent recurrence.

RPMC Response: We will take this recommendation and make sure that this is followed going forward

PIRTS

No Reportable Findings

Area of Concern:

1. In one case reviewed, the Pending Closure Status was not updated prior to the determination of fraud.

Reference: FDCM Letter 01-2024, dated April 26, 2024: Board Instructions: Reporting Requirements for Suspected Fraud, Waste, Theft, Program Abuse Cases, and Recovery of Improper Payments for the Child Care Program states: BOARD INVESTIGATIONS: "5. SEND DETERMINATION LETTER: When fact-finding results in an adverse action, Boards must send a determination letter to the adversely affected party within one day of the case status changing to "pending closure."

Boards must upload the determination letter into the PIRTS NFS and note the date the determination letter is mailed under Program Collections, which will start a 30-business day response timer in the PIRTS program."

RECOMMENDATION: Ensure that the Pending Closure Status is updated promptly, in accordance with the guidance provided in FDCM Letter 01-2024. Specifically, update the status within one day of the case status changing to "pending closure." Implement a checklist or automated reminder system to ensure that staff update the Pending Closure Status and send the determination letter within the required timeframe. Conduct training sessions to reinforce the importance of timely updates and adherence to the guidance. Provide staff with clear instructions and examples to follow.

RPMC Response: We will take this recommendation and make sure that this is followed going forward

Provider Files

Observation:

The review of provider rate documentation showed several inconsistencies across the sample, and many files would benefit from an in-depth review to confirm rates and fees. Some documentation was incomplete or unclear, and in a few cases the information did not align across sources. A follow-up

review will help ensure that rates, fees, and provider practices are accurately reflected and supported in the file.

1. Multiple providers had incorrect fee calculations across age groups, missing required fees, or incorrect part-time entries.

2. Documentation for several providers did not clearly indicate whether they accept part-time or school-age children, despite Kinder entries showing rates for those categories. The current agreement requires providers to submit part-time rates for all age groups. This requirement appears inconsistent with TWC rule. Part-time rates should only be required for age groups where the provider actually offers part-time care.

Reference: Child Care Services Guide November 14, 2025, section

B-708.b: Calculating Providers' Published Rates

Providers with multiple rates within an age category, as defined in §809.20(a)(2), will average all applicable rates to obtain the published rate for the age category, then determine the daily rate using the appropriate method.

Daily fees include the following fees charged to all parents:

- *Enrollment and registration fees*
- *Supply fees*
- *Activity fees*

The calculated daily fee amount is the total reported fees prorated by the number of days in the provider's program year (full year, school year only, or summer only).

When identifying applicable fees, Boards must inform staff members that activity fees include only the fees that all parents are required to pay and do not include fees for optional activities such as field trips or optional classes.

Additional Reference:

- B-700: Maximum Provider Payment Rates
- F-300: Provider Payment
- WD 14-22, Change 4 Child Care Provider Data and Board Agreements—Update

Recommendation: Conduct an in-depth review of the provider files to verify that all rates, fees, and part-time/school-age practices are accurately documented and aligned with CCS Guide requirements. TWC provided technical assistance confirming that part-time rates are required for all full-time plus and blended-care options, and that the system does not identify when a provider does not accept a specific age group or type of care. Additional technical assistance and training should be provided to ensure staff apply these requirements consistently and maintain clear, complete documentation across all provider files. Further clarification may be needed on calculating fees and daily rates when provider age groups differ from CCS age groups. The monitor also recommends keeping a copy of the Provider's published rates in the file or in KinderTrack as supporting documentation.

RPMC Response:

[A provider packet to include:](#)

- Provider Published Rates
- In house Published Rates Worksheet Calculations
- Signed Provider Agreement
- KT Old & Current Rate Print Screens
- Agreement Packet to be scanned into KT under Documents and in Safe

04/17/2026 All providers were made to update their published rates form and these forms were updated in our system to have on file. The published rates form will be updated annually with the agreements every year going forward. D Adams

Follow-up on Previous Review Finding

Final Report Issue Date: April 9, 2025

18678814 - Customer provided Employment history that details hours, tips, and weekly pay for July 11, 2024- September 12, 2024. The document title says it cannot be used but does not explain why. The case note stated that paystubs were not received. According to the pay history report and the Employment Wage Verification Form (EWV), before staff changes, the parent worked between 15.90-25.30 hours per week. There is no explanation for the change.

Recommendation: Review to ensure client was eligible for services.

RPMC Response: Previous supervisor informed us that if the paystubs or employment information that was turned in did not have the pay period or pay rate, we had to use the employment verification form. Update has now been made to policies and procedures going forward.

MONITOR'S RESPONSE 4/9/2025: This case remains under review pending confirmation that the client fulfills the minimum work/training requirements. The documentation in the file, coupled with the unexplained modifications to the Employment Wage Verification Form (EWV), has led to the classification of this case as a finding. This classification is due to the potential disallowed cost. Board Staff will conduct a follow-up and provide a comprehensive update during the next monitoring cycle.

Follow-up 4/29/26: It was determined that 18678814 was not eligible for services, due to not meeting the work requirement. Board will recoup the cost of care from the contractor in the amount of \$2,972.00.

STATUS: *Resolved*

MONITORING SAMPLE LISTS

CLIENT SERVICES – ELIGIBILITY

CHARACTER	FAMILY ID	CHARACTER	TWIST ID
Low Income	209152	Low Income	148136
Choices	72028	Low Income	214156
Low Income	190193	Low Income	219742
Homeless	164104	Low Income	53772
Homeless	4898	Low Income	201411
Low Income	7526	Low Income	104423
Low Income	113161	Low Income	214049
Low Income	23358	Low Income	62548
Low Income	201342	Low Income	68046
Low Income	29727	Low Income	69369
Low Income	111244	Low Income	212428
Low Income	214337	Low Income	220175
Low Income	32926	Low Income	219752
Low Income	36377	Choices	216955
Low Income	37583		

DFPS REFERRALS

CHARACTERISTIC	DFPS ID	CHARACTERISTIC	DFPS ID
DFPS Foster Care Not IV-E	92258431	DFPS Foster Care Not IV-E	104670287
DFPS General Protective	114538149	DFPS Foster Care IV-E	104158050
DFPS General Protective	114357187	DFPS General Protective	110711132
DFPS General Protective	114237517	DFPS Reltv/Other Caregiver	107607740
DFPS General Protective	110710330	DFPS Foster Care Not IV-E	107159107
DFPS General Protective	113793746	DFPS Foster Care Not IV-E	114067547
DFPS General Protective	113657996	DFPS Reltv/Other Caregiver	108110660
DFPS General Protective	107478039		

PIRTS

PIRT CASE	TX3C ID
2025-CASE-000011314	19562289
2025-CASE-000011243	1475806
2025-CASE-000011727	16916252
2025-CASE-000011348	1794038

PROVIDERS

NAME	LICENSE	NAME	LICENSE
Tot City Child Care (8303)	882571	YMCAWF Dillard Early Learning & Youth Academy (3507)	220446-5031
Perfected Praise Child Development Center (206)	883705	Herschel Zale (2465)	48002
Tadpole Children's Academy (179)	1475806	Imagination Station Child Care Center (311)	1590036
First Baptist Church CDC (94)	531422	Above It All Academy (12012)	1797036
Curious Minds ECE (17152)	1802034	Lewis Learning Center Graham (2670)	1723126
Learn and Play (344)	1528432	KNA Daycare (3461)	1718506
Legacy Church of God dba Lion Cub Academy (2351)	1711660	Cherished Dreams Daycare (8537)	869130
University Academy (159)	880190	Children's Corner Daycare LLC (224)	1066926
Oh2BKids Learning Center (1186)	1628707	Sarahi Cristina Munoz (12113)	1789398
Learning Depot (2660)	1721709		



Summary of Monitoring by Center April 2026

Workforce Center Contractor: Equus Workforce Solutions

INTERNAL MONITORING REPORT	Period	Accuracy Rate	Final Accuracy Rate	Disallowed Cost
CHOICES Noncooperation-50%	2026.03	100%	100%	None
CHOICES Work Activities-10%	2026.03	100%	100%	None
SNAP Non-Cooperation-50%	2026.01	96%	96%	None
SNAP Work Activities-10%	2026.01	76%	100%	None
SUPPORT SERVICES REVIEW-100%	2026.01	98%	100%	None
WIOA CASE NOTE REVIEW-10%	2026.03	100%	100%	None
WIOA DV, MSG, Credential-10%	2025.Q4	93%	100%	None
WIOA ELIGIBILITY REVIEW-100%	2026.02	98%	100%	None
PROCUREMENT REVIEW-100%	2025.Q4	92%	98%	None
RESEA - 10%	2025.Q4	91%	91%	None

Child Care QA Report -Feb 26-Mar 26

The Quality Assurance (QA) process is an in-house, case file auditing process that involves a preliminary QA audit for any case being determined eligible for child care services.

Quality Assurance Numbers

Feb-26	Total # reviewed cases	Total # of Errors					
Placements	28	4					
Redeterminations	25	9					
Updates/Rollovers	18	0					
Total Cases	71	13					
Average Monthly Accuracy rate	82%					Disallowed Cost	\$0.00
Mar-26	Total # reviewed cases	Total # of Errors					
Placements	26	7					
Redeterminations	73	13					
Updates/Rollovers	18	4					
Total Cases	117	24					
Average Monthly Accuracy rate	79%					Disallowed Cost	\$0.00