

Board of Directors

Finance and Budget Committee



Tuesday, December 16, 2025 9:00 AM — 10:00 AM CST
Houston-Galveston Area Council 3555 Timmons Ln. Houston,
TX 77027

Agenda

1. CALL TO ORDER

2. PUBLIC COMMENT

3. DECLARE CONFLICTS OF INTEREST

4. CONSENT AGENDA

4a. REGIONAL TRANSPORTATION PLAN 2050

Request authorization to contract with firms in the order presented for a contract term of one year; in an amount not to exceed \$1,600,000. (Staff Contact: Brandon Mosley)

4b. CITY OF NEEDVILLE MOBILITY PLAN

Request authorization to contract with firms in the order presented for a contract term of 18 months for a total of \$350,000 for all years including renewals (Staff Contact: Yetunde Oyewale)

4c. SALESFORCE RENEWAL

Request authorization to renew Salesforce annual subscription for a total amount of \$125,000. (Staff Contact: Chau Le)

Board of Directors



4d. PROFESSIONAL RESEARCH AND ADVISORY SERVICES RENEWAL

Request authorization to contract with Gartner, Inc. for one year, through the TX-DIR purchasing vehicle, in the amount of \$78,649. (Staff Contact: Viet Dang)

4e. COMMUTE SOLUTIONS MARKETING CAMPAIGNS 2026-2028

Request authorization to contract with vendors and partners to conduct marketing campaigns for Commute Solutions within the Gulf Coast region; total amount not to exceed \$1,225,000. (Staff Contact: Robyn Egbert)

4f. COMMUTE SOLUTIONS WEBSITE REDESIGN AND MIGRATION

Request authorization to contract with the firm in the order presented, in an amount not to exceed \$125,000. (Staff Contact: Robyn Egbert)

4g. AREA AGENCY ON AGING FISCAL YEAR 2026

Request authorization to contract with Health Solution Dietetics, in an amount not to exceed, \$50,000. We also request to add contractors to an existing direct services contractor pool, for Fiscal Year 2026. (Staff Contact: Curtis Cooper)

4h. DEVELOPMENT OF REGIONAL TRANSPORTATION MODELS AND TOOLS

Request authorization to negotiate a two-year contract (FY2026–FY2027) with Contractor in above order of ranking, in an amount not to exceed \$3,950,000.00 for the development of the Regional Transportation Planning Tools, including training and on-call technical support. (Staff Contact: Heng Wang)

4i. SOLID WASTE MANAGEMENT GRANTS – FISCAL YEARS 2026-2027

Request authorization in the amount of \$941,986 to contract with recommended applicants for FY26-27 solid waste management funds. (Staff Contact: Justin Bower)

4j. INVESTMENT ADVISORY SERVICES

Request authorization to contract with the top-ranking bidder. (Staff Contact: Christina Ordonez-Campos)

5. FINANCE AND BUDGET

Board of Directors



5a. MONTHLY FINANCIAL REPORT – NOVEMBER 2025

Request authorization of the monthly financial report ending November 30, 2025. (Staff Contact: Christina Ordonez-Campos)

5b. Spend Down Update - Transportation

No action required. For information only. (Staff Contact: Christina Ordonez-Campos)

5c. PUBLIC HEARING FOR 2026 H-GAC BUDGET & SERVICE PLAN

Public hearing on proposed H-GAC 2026 Budget and Service Plan. (Staff Contact: Chuck Wemple)

5d. INDIRECT COST RATE PRESENTATION

No action required. For information purposes only. (Staff Contact: Yvette Gonzalez)

5e. 2026 BUDGET AND SERVICE PLAN

Request authorization of the H-GAC 2026 Budget & Service Plan. (Staff Contact: Chuck Wemple)

6. HUMAN SERVICES

6a. ADULT EDUCATION & LITERACY CONTRACT AMENDMENTS

Request authorization to execute contract amendments with consortium members—Houston City College, Lone Star College, San Jacinto College, and Region 6 Education Service Center—to incorporate additional Adult Education and Family Literacy Act funds for the period July 1, 2025, through June 30, 2026, in a total amount not to exceed \$9,535,207. (Staff Contact: Kristi Hayman)

6b. CONTRACT AMENDMENT: OUTREACH STRATEGISTS

Request authorization to amend the existing contract with Outreach Strategists to include the additional \$100,000 for Fiscal Year 2026 for implementation of outreach, engagement, and leadership development activities. The total contract value will increase to \$1,050,000. (Staff Contact: Thomas Brown)

Board of Directors



6c. CONTRACT AMENDMENT: FINANCIAL AID PAYMENT OFFICE

Request authorization to amend the existing Fiscal Year 2026 contract with BakerRipley – Financial Aid Payment Office to include the additional \$600,000 from Houston Endowment, which will increase the total maximum contract value to \$381,100,000. (Staff Contact: Thomas Brown)

7. EXECUTIVE DIRECTORS REPORT

7a. Executive Director's Report

Report on current and upcoming H-GAC activities. (Staff Contact: Chuck Wemple)

8. ADJOURNMENT

REGIONAL TRANSPORATION PLAN 2050

Background

The Houston-Galveston Area Council (H-GAC) is the fiscal agent for the Metropolitan Planning Organization that serves the eight-county region of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller. The Metropolitan Planning Organization is the decision-making body that is responsible for overseeing the metropolitan planning process and decides how to spend federal transportation funds for capital projects and planning studies. Decisions are guided by information and ideas from a broad group of stakeholders, which include elected officials, planners, engineers, transportation agencies, the public, and other interested parties.

The procurement process combined the Regional Transportation Plan and the Regional Active Transportation Plan into a single consultant selection to streamline resources, reduce duplication, and ensure integrated planning. This approach promotes consistency across both plans while maximizing efficiency in project delivery.

H-GAC is required by federal regulation (49 U.S.C. 5304(f) and 23 CFR 450(b)) to develop a Regional Transportation Plan (RTP). The RTP is the long-range comprehensive transportation plan for a planning horizon of at least 20 years. The goal of the RTP is to guide how the transportation system within the region develops long-term over the next twenty plus years. A new RTP is required to be developed every four years, consistent with federal law.

A Regional Active Transportation Plan, last approved in May 2019, needs to be updated to better understand current alternative transportation users, develop a vision for the future, and create a pathway to bridge the gap. The goal is to create an “all ages and abilities” regional active transportation network that will enhance the first mile and last mile solution for multimodal transportation while promoting active transportation as a viable primary mode of travel.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified Contractor(s) for the goods or services requested under Project ID: RFP-TRN25-17. Five responsive submissions were received and thoroughly evaluated by a committee of H-GAC and TxDOT representatives. Vendors had the option to propose on Task 1, Task 2, or both. Cambridge Systematics, Inc. choose to propose only on Task 1 while the other vendors choose to propose on Task 1 and Task 2. Based on the committee’s scoring and evaluation of the proposal responses and interviews, the recommendation and rankings are presented below:

Task 1: Regional Transportation Plan

Ranking Order	Vendor	Final Tabulation
1	Cambridge Systematics, Inc.	147.68
2	Kimley-Horn & Associates, Inc.	135.25
3	Jacobs	132.00
4	Toole Design Group, LLC	128.61
5	MD Consulting, Inc.	17.14

Task 2: Regional Active Transportation Plan

Ranking Order	Vendor	Final Tabulation
1	Jacobs	142.43
2	Kimley-Horn & Associates, Inc.	138.00
3	Toole Design Group, LLC	136.57
4	MD Consulting, Inc.	17.86

Evaluation Criteria: Written-Study Methodology, Qualifications, Experience, and Capability, Challenge, Opportunity and Success Statement, and Schedule and Level of Effort by Task.

Funding Source

Planning Funds

Budgeted

Yes

Action Requested

Request authorization to contract with firms in the order presented for a contract term of one year; in an amount not to exceed \$1,600,000. (Staff Contact: Brandon Mosley)

City of Needville Mobility Plan

Background

H-GAC has established a partnership with the City of Needville to conduct a citywide Mobility Plan (see Attachment 1 - Study Area). The objective of this study is to create a Mobility Plan that identifies future infrastructure investments to enhance safety, access, and mobility for all modes of transportation throughout the City of Needville. The Mobility Plan will recommend a Thoroughfare Plan that will serve as a framework for future roadway connections, right-of-way preservation, and land use coordination, guided by the goals of the City's Comprehensive Plan.

The City of Needville Mobility Plan will guide the city by outlining a vision and necessary improvements to support a comprehensive multimodal transportation environment. The Plan will provide design strategies for key corridors across the jurisdiction. In addition, the plan will identify the location and type of roadway facilities that will be needed to meet projected long-term growth. The study will result in the 2027 City of Needville Mobility Plan which will outline short-, medium-, and long-range transportation investments.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified contractor(s) for the goods or services requested under Project ID: RFP-TRN25-21 on September 10, 2025 and which closed on October 23, 2025. Nine responsive submissions were received and thoroughly evaluated by a committee of H-GAC and TxDOT representatives. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

Company Name	Score
1. TEI Planning + Design	89.50
2. The Goodman Corporation	86.25
3. Novus Integrated Technology Solutions, LLC	83.50
4. Momentum Transport Consultancy, LLC	83.50
5. Transcend Engineers & Planners, LLC	81.50
6. Halff Associates, Inc.	79.75
7. Ardurra Group, Inc.	77.25
8. TJKM	72.75

9. AB Land Planning	56.50
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Evaluation Criteria: Qualifications, Experience, and Capability, Study Methodology, Readiness and Capacity to Perform, Schedule and Level of Effort by Task, and Challenge, Opportunity and Success Statement.

Funding Source

\$350,000.00 Planning Funds

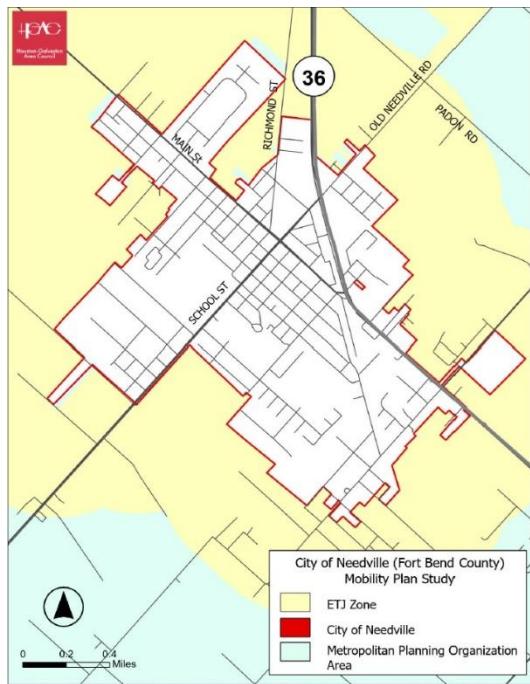
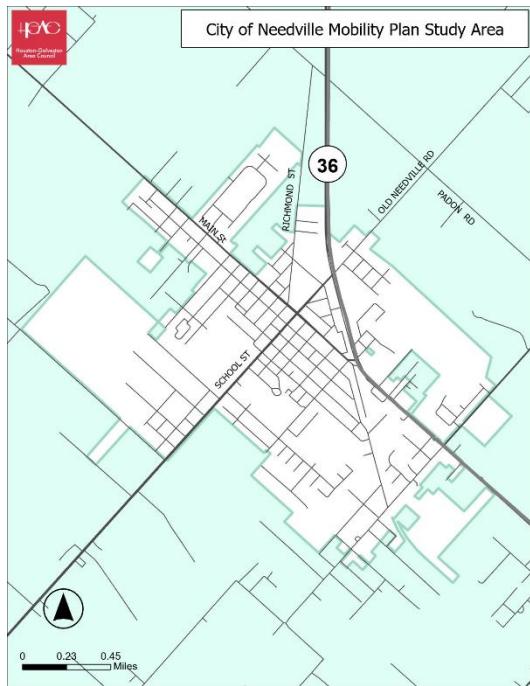
Budgeted

Yes

Action Requested

Request authorization to contract with firms in the order presented for an 18-month contract term for a total of \$350,000.00 for all years including renewals. (Staff Contact: Yetunde Oyewale)

Attachment 1 – Study Area



SALESFORCE RENEWAL

Background

H-GAC uses Salesforce to manage and strengthen engagement with current and prospective contacts. The platform maintains an authoritative record of regional elected officials and committee members, which feeds directly into our public website for accurate and timely display. Salesforce also supports workshop and event operations, including registration management and attendee tracking. This continued initiative enables improved stakeholder relationships, supports cross-agency collaboration, and enhances overall operational efficiency.

Current Situation

The current subscription for H-GAC is at the end of the annual agreement with Salesforce and will require a new subscription to continue operation. Data Services recommends renewing the subscription for a total of 37 licenses for one year from 1/26/2026 to 1/26/2027, at the cost of \$125,000. The subscription licenses will be purchased through the Carahsoft purchasing contract.

Funding Source

Local Funds

Budgeted

Yes

Action Requested

Request approval to renew Salesforce annual subscription for a total amount of \$125,000
(Staff Contact: Chau Le)

PROFESSIONAL RESEARCH AND ADVISORY SERVICES RENEWAL

Background

The Houston-Galveston Area Council established a partnership with Gartner Inc. through a competitive bid process conducted in January 2025. Gartner Inc. is a globally recognized provider of research and advisory services, to enhance the strategic planning and operational capabilities of its Data Services information technology, information security, application development, business intelligence and artificial intelligence programs. The partnership facilitates Gartner's extensive resources to support H-GAC's mission of delivering efficient, resilient, and secure IT services to the communities it serves.

Gartner's deliverables include access to research experts and peer experiences, participation in Gartner IT Symposium/Xpo™ with exclusive member experiences, access to CIO-focused events, research, and leadership development content, strategic business content tailored for IT executives, including IT key metrics and data, access to Gartner's IT Leaders and Leadership Development Research, and IT podcast series and executive-focused resources.

Current Situation

H-GAC's service with Gartner ends on January 31st, 2026. To maintain the current partnership and access to research and advisory resources, H-GAC is seeking to renew services with Gartner, Inc.

Funding Source

Indirect

Budgeted

Yes

Action Requested

Request authorization to contract with Gartner, Inc. for one year, through the TX-DIR purchasing vehicle, in the amount of \$78,649. (Staff Contact: Viet Dang)

COMMUTE SOLUTIONS MARKETING CAMPAIGNS 2026-2028

Background

The Houston-Galveston Area Council is launching a series of marketing campaigns for Commute Solutions, spanning from February 2026 to October 2028. The objective of these campaigns is to raise awareness about the regional transportation demand management program and the various commute options available in the region, with the ultimate goal of reducing congestion, improving air quality, and encouraging mode shift. Targeting the eight-county area in non-attainment status for certain air quality standards, these campaigns will build on the program's previous successes, which have already yielded impressive results. Through targeted marketing and outreach efforts, Commute Solutions has achieved notable successes, including a 15% increase in transit ridership, the addition of three new partners, and a substantial boost in website traffic, with monthly views growing from 100 to over 8,000. By amplifying these efforts, the program aims to further promote sustainable transportation options and improve the overall quality of life for residents in the region.

Current Situation

The marketing campaigns will include multiple channels such as digital, print, radio/tv, and in person/on-ground campaign support with partners and vendors to reach organizations and residents. The goal of these campaigns is to increase awareness about and program participation in the region's transportation options. All marketing will be coordinated by H-GAC Staff. A list of potential vendors and estimated budgets for each marketing type is listed below:

Type	Amount	Potential Vendors/Partners
Print/Digital Advertising	\$400,000	Houston Chronicle, Houston Business Journal, CityBook, Google; Cox Media – KKBQ, KTHT, Telemundo, Univision, Community Impact, Houston Rockets Texas Southern University, University of Houston, LaVoz
Social Media	\$125,000	Facebook, X (Formerly Twitter), Instagram, LinkedIn

Radio/TV/Streaming	\$300,000	Fox 26, Hulu, KTRK, KPRC, KIAH-TV; KRIV, Cox Media – KKBQ, KTHT, iHeart – KOVE, KAMA, KBXX, KMJQ, KODA, KQBT, KTBZ, KRBE, Spotify, You Tube
On Ground Campaign Support	\$400,000	Greater Houston Partnership, HR Houston, Texas Parking and Transportation Association, METRO, The Woodlands Township, TXDOT ConnectSmart, The City of Conroe, Harris County Transit, Island Transit, Gulf Coast Transit District, Colorado Valley Transit, Brazos Transit District, Fort Bend Transit,

Campaigns will occur between February 2026 and October 2028. These efforts are included in the Transportation Improvement Program and are funded through federal transportation funds.

Funding Source

Federal

Budgeted

Yes

Action Requested

Request authorization to contract with vendors and partners to conduct marketing campaigns for Commute Solutions within the Gulf Coast region; total amount to not exceed is \$1,225,000 (Staff Contact: Robyn Egbert)

COMMUTE SOLUTIONS WEBSITE REDESIGN AND MIGRATION

Background

The H-GAC Commute Solutions program is preparing to conduct a website redesign and migration project. The program requires a new website to effectively communicate its mission, products, and services to a diverse audience. The current website is outdated and can no longer meet the needs of our regional partners and our communities. Furthermore, a website migration is necessary to align the site with H-GAC's current Content Management System enhance website security by safeguarding sensitive information and preventing potential cyber threats. This project is a culmination of recommendations provided by AECOM, which worked closely with H-GAC's Commute Solutions program to identify strategies to better meet program goals. A new website will enable Commute Solutions to clearly define its products and services, support multiple languages, and provide a user-friendly experience for commuters and employers, ultimately supporting the program's mission and objectives.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified contractor(s) for the goods or services requested under TRN25-15 on May 28, 2025, and closed on July 10, 2025. Thirty-one responsive submissions were received and thoroughly evaluated by staff from H-GAC. Based on the committee's scoring and evaluation of the proposal responses, rankings of the top five are presented below:

Rank	Company Name	Score
1	Exemplifi	92.00
2.	Planeteria Media	86.67
3.	Blue Whale Apps Inc	86.33
4.	BizStream	83.67
5.	Expentor Inc	75.00

Evaluation Criteria: Experience, Qualifications, Readiness and Capacity to Perform, Methodology and Approach, Past Performance and References, and Price.

Funding Sources:

Federal Highway Administration

Budgeted

Yes

Action Requested

Request authorization to contract with the firm in the order presented, in an amount not to exceed \$125,000. (Staff Contact: Robyn Egbert)

AREA AGENCY ON AGING Fiscal Year 2026 Contract Recommendation

Background

H-GAC is the Area Agency on Aging for Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Liberty, Matagorda, Montgomery, Walker, Waller and Wharton counties. Each year we contract with organizations to provide services for individuals aged sixty and older, including nutrition (congregate and home-delivered meals); transportation; and direct services such as personal assistance and respite care, residential repair, health maintenance, emergency response, nutrition consultation and education, and health promotion. Fiscal Year 2026 Aging programs begin October 1, 2025 and end September 30, 2026.

Current Situation

Nutrition Consultation

Every three years, the Area Agency on Aging solicits for proposals for a dietitian consultant to provide nutrition consultant services.

Nutrition consultants monitor congregate and home delivered meal service delivery, develops healthy menus, and provides nutrition education and training for meal providers. The current contractor, Health Solutions and Dietetics has a proposal evaluation score of 87.25 and has annually performed satisfactorily. We recommend continued funding of \$50,000. We do not recommend funding Triple R Agency, LLC. with an evaluation score of 55.25.

Direct Services

To increase our number contractors, we issued requests for proposals for new qualified contractors to provide personal assistance, health maintenance services and residential repair.

Proposals are evaluated quarterly. The goal of this process is to increase consumer choice and provide timely consumer service delivery. Older adults, individuals with disabilities or caregivers can select from a list approved contractors to receive direct services as authorized by program policies and procedures.

The proposal review committee scored each proposal based on experience and capability, program plan, and fiscal responsibility. We recommend funding proposers scoring 75 or higher. We do not recommend funding proposers scoring 74 or lower.

Attachments A summarizes contract recommendations for Fiscal Year 2026.

The Aging and Disability Advisory Committee Executive Committee recommends adding the additional contractors to the Area Agency on Aging direct service pool at a December 2025 called meeting. The recommendation does not increase funding.

Funding Source: Texas Health and Human Services Commission

Budgeted: Yes

Action Requested

Request authorization to contract with Health Solution Dietetics, in an amount not to exceed, \$50,000. We also request to add contractors to an existing direct services contractor pool, not to exceed, \$3,000,000, for Fiscal Year 2026. (Staff Contact: Curtis Cooper)

Area Agency on Aging
Fiscal Year 2026 Contract Recommendation
Attachment A – Direct Services

Contractor Name	Service Provided	Evaluation Score
Merc Medical Supply Co. Inc.	Health Maintenance	96
Synergy HomeCare of Northeast Houston*	Personal Assistance and Respite Care	95.5
Sentido Health	Health Maintenance	94
Hopewell Home Healthcare, LLC*	Personal Assistance and Respite Care	92
Abby Dot Homecare*	Personal Assistance and Respite Care	88.5
Synergy Homecare of Alvin*	Personal Assistance and Respite Care	85.5
Innovation Painting & Restoration, LLC	Residential Repair	84
Gracious Hearts Home Care*	Personal Assistance and Respite Care	81
FCM Group, LLC dba Nurse Next Door Pearland & Kingwood *	Personal Assistance and Respite Care	79
Right at Home*	Personal Assistance and Respite Care	78
PartnerCare Health, LLC. *	Personal Assistance and Respite Care	77
Companion Care Home Healthcare, LLC*	Personal Assistance and Respite Care	76
Friendly Faces Home Health & Senior Care, Inc.	Personal Assistance and Respite Care	74
Graceful Lights Services	Personal Assistance and Respite Care	71
Mitchell Rx Pharmacy	Health Maintenance	64
21st Century Quality Home Care	Personal Assistance and Respite Care	62
MeetCaregivers, Inc.	Personal Assistance and Respite Care	62
Triple R Agency, LLC		
Home Care Options Houston, Inc.	Personal Assistance and Respite Care	43.5
El Hanun Care	Personal Assistance and Respite Care	34.5
Vowels Lync, LLC	Personal Assistance and Respite Care	34

*- New Contractor

DEVELOPMENT OF REGIONAL TRANSPORTATION MODELS AND TOOLS

Background

H-GAC is developing data-driven, multimodal Advanced Transportation Scenario Planning Tools that integrate the latest regional land-use and transportation data with state-of-the-art modeling techniques. These tools will help address uncertainties related to population growth, policy shifts, emerging technologies, teleworking trends, safety, resilience, and economic impacts. The regional models and tools cover all eight counties within the MPO region.

Current Situation

On November 17, 2023, the H-GAC Transportation Policy Council approved the Regional Transportation Models and Tools Project as part of the proposed revisions to the 2023–2026 Transportation Improvement Program and the 2025 Regional Transportation Plan. The project is funded with \$5.5 million in Federal Surface Transportation Block Grant funds for FY 2024. The Resolution of Local Agreement with the Texas Department of Transportation to utilize these funds was approved by the H-GAC Board in August 2024. The Advance Funding Agreement and the Federal Project Authorization and Agreement were fully executed on November 21, 2024, and the Notice to Proceed from Texas Department of Transportation was received on December 2, 2024.

H-GAC issued a competitive, sealed solicitation to solicit a qualified Contractor for the goods or services requested under Project ID: RFP-TRN25-16. Seven responsive submissions were received and thoroughly evaluated by a committee of H-GAC and TxDOT representatives. Based on the committee's scoring and evaluation of the proposal responses and interviews, the recommendation and rankings are presented below:

Rank	Company Name	Score
1.	AECOM	166.10
2.	Arcadis U.S	136.54
3.	WSP USA	122.73
4.	Resource Systems Group, RSG	122.12
5.	Deloitte Consulting	68.33
6.	Cubic	57.17
7.	Total Recall System	45

Evaluation Criteria: Written-Methodology/Approach, Qualifications, Experience, and Capability, Staff Allocation and Level of Effort, Past Performance. Interviews-Demonstration of Approach and Methodology, Application and Use in Planning & Project Evaluation, Relevant Experience and Proven Tools, Data Integration and Travel Demand Modeling Framework, and Land Use Modeling and Scenario Design.

Funding Source

Advance Funding Agreement with Texas Department of Transportation

Budgeted

Yes

Action Requested

Request authorization to negotiate a two-year contract (FY2026–FY2027) with Contractor in above order of ranking, in an amount not to exceed \$3,950,000. for the development of the Regional Transportation Planning Tools, including training and on-call technical support. (Staff Contact: Heng Wang)

SOLID WASTE MANAGEMENT GRANTS – FISCAL YEARS 2026-2027

Background

The Houston-Galveston Area Council has \$960,000 in funding from the Texas Commission on Environmental Quality for FY26-27 solid waste grants. These funds are intended for projects that will provide direct and measurable reductions in the amount of waste going into landfills or reduce environmental risk by decreasing improper disposal of waste. Eligible grant categories are:

- Local Enforcement
- Source Reduction and Recycling
- Local Solid Waste Management Plans
- Litter and Illegal Dumping Cleanup and Community Collection Events
- Household Hazardous Waste Management
- Technical Studies
- Citizens' Collection Stations and "Small" Registered Transfer Stations
- Education and Training

H-GAC received forty-eight applications from local governments, special districts, and school districts totaling \$3,836,118. A subcommittee comprised of members, alternates, and appointees of H-GAC's Solid Waste Management Committee reviewed the proposals during applicant presentations on October 29 and 30, 2025, and scored them for merit, cost-effectiveness, and level of local effort. The subcommittee also identified areas in proposals where grant amounts could be reduced to allow more projects to be funded.

Current Situation

On November 14, 2025, the Committee reviewed these recommendations and voted to approve and forward them to the H-GAC Board of Directors. The Committee recommended full or partial funding for twenty-one projects, totaling \$941,986, electing to retain \$18,014 for regional projects. The Committee viewed the lower-scored projects as either having a less significant regional impact or not exhibiting an immediate need. The results on the Committee final ranking, funding recommendations, and comments are shown on the following pages. The recommended list is subject to Texas Commission approval. The Committee will develop a specific recommendation for programming the \$18,014 fund balance at their January 2026 meeting.

Funding Source

Texas Commission on Environmental Quality solid waste tipping fees

Budgeted

Yes

Action Requested

Request authorization in the amount of \$941,986 to contract with recommended applicants for FY26-27 solid waste management funds. (Staff Contact: Justin Bower)

Projects Recommended for Funding

Applicant	Project Description	Average Score	Amount Recommended for Funding	Comments
Walker County	Community Cleanup Days (2026 & 2027) for Precincts 3 and 4	93.25	\$32,000	
Wharton County	Wharton County Solid Waste and Recycling Enhancement Project	91.50	\$44,963	
Austin County	Austin County HHW Collection Event	91.00	\$50,000	
Montgomery County	Montgomery County Precinct 4 Community Tire Collection Event	90.80	\$4,050	
Colorado County	FY26/27 Colorado County Household Hazardous Collection and Education Program	90.60	\$90,570	
City of Bay City	Bay City Cardboard Recycling Collection Containers	90.20	\$11,075	
Houston Police Department	Illegal Dumping Enforcement	89.80	\$59,000	
City of Tomball	Tomball Consolidated Recycle Day	89.60	\$10,500	
Austin County	Austin County Tire Recycling Event	89.20	\$40,000	
City of Huntsville	Household Hazardous Waste Collection Event	88.50	\$18,729	
Harris County Constable Precinct 7	Precinct 7 Illegal Dumping Prevention Program	87.25	\$74,760	Recommend reaching out to veteran camera programs in the region prior to purchasing cameras to ensure alignment between the selected cameras and the identified need.

Waller County	Waller County Sheriff's Office Local Enforcement Cameras	87.20	\$50,222	Recommend reaching out to veteran camera programs in the region prior to purchasing cameras to ensure alignment between the selected cameras and the identified need.
County of Brazoria	Brazoria County Tire Collection and Recycling Event	86.80	\$72,500	
Montgomery County	Conroe/North Montgomery County Recycle Facility Expansion Project	85.40	\$37,600	
City of Manvel	Community Wide Hazardous Waste Collection	85.20	\$27,884	Cut personnel at \$1,903.
East Aldine Management District	Residential Recycling Pilot Program for East Aldine	85.20	\$50,256	
The Woodlands Township	The Woodlands Township Household Hazardous Waste Collection Drive-Thru Event	84.60	\$90,582	
Fort Bend County	Recycle Center Equipment Upgrades	84.40	\$80,000	
City of El Campo	Tire Only Spring Sweep	84.00	\$20,000	
City of Mont Belvieu	Citizens' Collection Station Upgrades	83.25	\$72,295	
West Columbia	West Columbia City Clean Up	83.00	\$5,000	Cut \$5,000 for tire recycling and \$5,000 from roll offs as grant funds are not to be used for disposal. Recommend working with Brazoria County on the County's planned tire collection event in West Columbia.
Amount Recommended for Funding:			\$941,986	
Amount Available:			\$960,000	
Balance:			\$18,014	

Projects Not Recommended for Funding

Applicant	Project Description	Average Score	Grant Request
Greater Northside Management District	Litter Abatement and Illegal Dumping Prevention in the Greater Northside District	82.50	\$28,620
Montgomery County	Hats Off to a Cleaner Montgomery County	82.00	\$21,040
Houston ISD	Houston Independent School District (HISD) Zero Waste Initiative	80.50	\$125,030
City of Pearland	Stella Roberts Recycling Center Operational Support	80.40	\$27,768
City of Houston	Recycle Right Houston: A Cart Tagging Initiative to Improve Recycling Quality	78.60	\$54,740
City of Pattison	Community Clean Up Drop Off Event	77.80	\$40,000
City of La Porte	La Porte Feasibility Study for a Solid Waste Transfer Station	77.25	\$65,000
Humble ISD	Humble ISD - Road to Zero Waste Recycling Project	76.00	\$266,256
East Downtown Management District	Keeping EaDo Clean For World Cup Fan Festival	76.00	\$38,552
Chambers County	Chambers County Recycling Partnership	75.75	\$157,730
Harris County	Community Composting Program Pilot	75.50	\$58,200
City of Sugar Land	Compostable Yard Waste Bags and Containers	75.20	\$15,000
Klein ISD	StyroGenie Recycling Initiative	74.80	\$144,125
Galveston County	Jack Brooks Park Security Camera Initiative to Deter Illegal Dumping	74.80	\$166,050
City of Jersey Village	Cameras To Combat Illegal Dumping	74.60	\$90,000
Panorama Village Police Department	Cameras for Illegal Dumping Issues	74.40	\$43,000
City of Katy	Zero Bottle Project	73.40	\$50,000
City of Clute	Systematic Approach to Recycling Mattresses	73.20	\$470,000
Houston Downtown Management District	Play It Forward: Recycling Capacity for Houston's Global Stage	73.00	\$114,680

Near Northwest Management District	Don't Mess with Near Northwest	71.80	\$96,750
City of Willis	Protecting Willis' Environmental Landscape with Surveillance Cameras	70.25	\$67,500
City of Fulshear	The Purchase of a Wood Chipper for Tree and Debris Maintenance	69.40	\$32,968
City of Ames	City of Ames Cleanup	67.00	\$78,500
Greater Southeast Management District	Don't Dump: Deter Dumping to Deliver a Cleaner Neighborhood	66.60	\$101,180
Harris County	Illegal Dumpsite Cleanup in Harris County	65.75	\$188,640
City of Huntsville	Brush and Yard Waste Management Equipment Project – Bulldozer Acquisition	64.75	\$280,900
City of Deer Park	Purchase of a Skid Steer	*Not scored	\$60,000

*Applicant did not make a presentation to the scoring committee, a required part of the application process.

INVESTMENT ADVISORY SERVICES

Background

In early FY25, the CFO identified the need for professional expertise in managing the agency's investments and building a top-notch investment strategy. Investment advisors provide a range of services including, asset management, financial planning, and investment research among other services.

The top reasons for obtaining these services are:

- Ensuring safety & liquidity of funds
- Maximizing investment earnings & optimizing investment portfolios
- Reducing risk via diversification
- Ensuring compliance with H-GAC's investment policy and with Texas Government Code Chapter 2256
- Ensuring the long-term sustainability for the agency

Per the investment policy, H-GAC may conduct business with any broker licensed to conduct business in the State of Texas licensed and authorized to negotiate transactions on the national stock exchange. Qualified brokers must be approved by the H-GAC Finance & Budget Committee and the H-GAC Board of Directors to conduct investment transactions on behalf of the Council.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified Contractor(s) for the goods or services requested under Project ID: RFP-FI-INVESTAS-07-25. Four responsive submissions were received and thoroughly evaluated by a committee of H-GAC representatives. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

Vendor	Final Tabulation	Ranking Order
U.S. Bancorp Asset Management, Inc.	89.97	1
Oppenheimer & Co	76.33	2
John W. Bristol	73.35	3
FIRST FINANCIAL TRUST & ASSET MANAGEMENT COMPANY	58.25	4

Evaluation Criteria: Qualifications and Experience, Methodology/Approach, Firm Stability, Price, References and Past Performance.

Funding Source

Local funds

Budgeted

Yes

Action Requested

Request approval to contract with the top-ranking bidder, U. S. Bancorp Asset Management, Inc for an annual flat fee of \$19,000. (Staff Contact: Christina Ordonez-Campos)



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY25 Monthly Financial Report

For Month Ending November 30, 2025

Prepared on December 3, 2025

Esteemed H-GAC Board of Directors and Executive Director Wemple, please find attached the financial report for last month. The information contained within is intended for managerial reporting purposes. All figures are unaudited and subject to change. Should you have any questions, please feel free to let me or a member of my staff know. Respectfully submitted, Christina Ordóñez-Campos, CPA - Chief Financial Officer.

SUMMARY OF KEY CHANGES

REVENUES

- > Although interest income has declined compared to recent months due to lower interest rates, it remains strong and the year-to-date amount currently represents 99% of the budgeted amount.
- > As of November 2025, cooperative purchasing revenue has reached 82% of the budget. November fee collections totaled 854K, marking the second-highest billing month of 2025. Based on prior-year trends, we are confident that revenue will meet the projected level by the final December close.
- > Federal revenue is performing well. In November, it stands at 87%, compared to 52% in November 2024. The budgeted level should be reached by year-end.

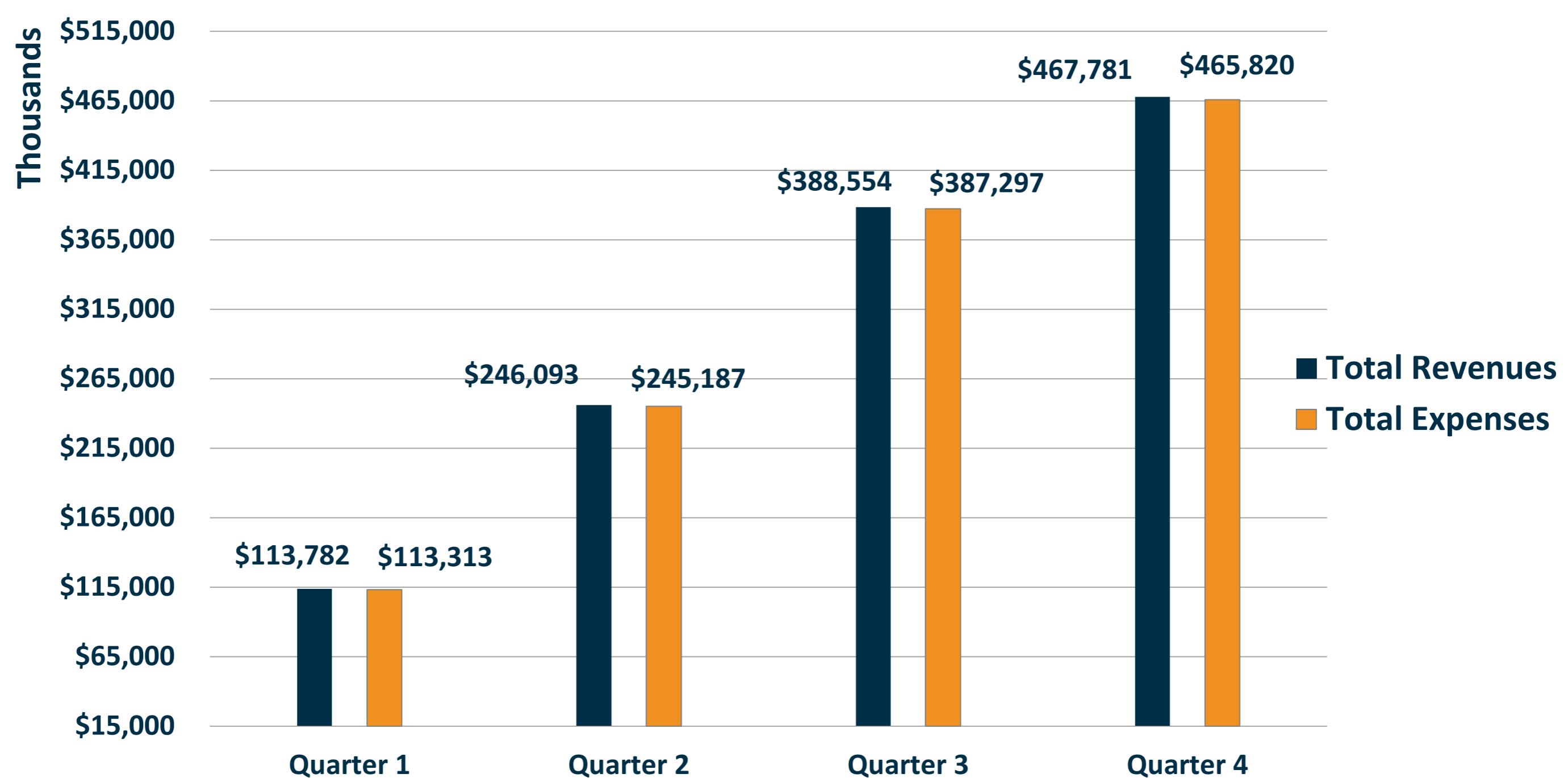
EXPENDITURES

- > Personnel expenditures remain within budget as we continue to fill vacant positions. Year-to-date, personnel costs are at 73% of the budget, compared to 91.67% of the year that has elapsed. At November 30, we had 447 employees, compared to 367 in November 2024.
- > Consultant expenses remain significantly below the budgeted level at 61%. However, spending increased from 46% in October to 61% in November, primarily due to the transportation grant closeout.
- > It was a slow month for travel and related expenses, likely due to the holiday period and reduced travel activity.

***** Please note: the financial activity outlined above and in the report falls within the past trends observed in H-GAC's operations and is not out of the ordinary. *****

Quarterly Trends Chart

As of November 30, 2025



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY25 Quarterly Trends Report

For Month Ending November 30, 2025

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<u>Revenues</u>				
General & Enterprise Fund Revenues				
Membership Dues	\$ -	\$ 305,595	\$ 6,028	\$ 1,348
HGAC Energy Corporation	24,309	29,360	38,154	11,926
Cooperative Purchasing Fees	1,076,030	1,548,937	1,419,954	1,780,175
Gulf Coast Regional 911 Fees	1,045,363	1,767,489	1,292,038	754,398
Interest Income	414,587	289,287	326,018	159,470
Other Revenues	442,002	1,021,203	349,528	256,811
Total General & Enterprise Fund Revenues	\$ 3,002,290	\$ 4,961,871	\$ 3,431,720	\$ 2,964,128
Special Revenue Fund				
Federal Grants	\$ 81,175	\$ 68,712	\$ 168,559	\$ 287,818
State Grants	110,698,514	127,280,687	138,860,704	75,974,537
Total Special Revenue Fund Revenues	\$ 110,779,690	\$ 127,349,398	\$ 139,029,263	\$ 76,262,355
Total Revenues	\$ 113,781,979	\$ 132,311,269	\$ 142,460,982	\$ 79,226,483
Expenditures				
Personnel	\$ 10,160,488	\$ 11,503,546	\$ 13,759,635	\$ 7,649,920
Pass-through Funds - Grant	99,464,950	115,046,882	123,167,828	66,252,482
Consultant and Contract Services	1,879,196	3,029,246	2,315,159	2,597,445
Lease of Office Space	375,414	377,877	387,330	301,615
Equipment	146,886	109,815	301,694	165,714
Travel	99,172	160,152	215,702	96,113
Other Expenses	1,187,183	1,646,144	1,963,138	1,459,747
Total Expenditures	\$ 113,313,289	\$ 131,873,661	\$ 142,110,485	\$ 78,523,037
Excess of Revenues Over(Under) Expenditures	\$ 468,690	\$ 437,608	\$ 350,498	\$ 703,446

HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY25 Budget to Actual Report - All Funds

For Month Ending November 30, 2025

91.67% of Year
Elapsed

	FY25 Budget	FY25 Year-to-Date Actuals	FY25 % of Actuals to Budget	FY24 Budget	FY24 Year-to-Date Actuals	FY24 % of Actuals to Budget
Revenues						
General & Enterprise Fund Revenues						
	FY25 Budget	FY25 Year-to-Date Actuals	FY25 % of Actuals to Budget	FY24 Budget	FY24 Year-to-Date Actuals	FY24 % of Actuals to Budget
Membership Dues	\$ 466,414	\$ 312,971	67%	\$ 462,137	\$ 354,753	77%
HGAC Energy Purchasing Corporation	130,000	103,748	80%	80,000	118,496	148%
Cooperative Purchasing Fees	7,124,694	5,825,095	82%	5,640,451	4,940,600	88%
Gulf Coast Regional 911 Fees	5,465,253	4,859,287	89%	2,767,797	4,421,413	160%
Interest Income	1,200,000	1,189,362	99%	1,200,000	1,388,258	116%
Other Revenues	7,992,736	2,069,544	26%	7,173,876	4,825,255	67%
Total General & Enterprise Fund Revenues	\$ 22,379,097	\$ 14,360,008	64%	\$ 17,324,261	\$ 16,048,774	93%
Special Revenue Fund						
	FY25 Budget	FY25 Year-to-Date Actuals	FY25 % of Actuals to Budget	FY24 Budget	FY24 Year-to-Date Actuals	FY24 % of Actuals to Budget
Federal Grant	\$ 695,000	\$ 606,264	87%	\$ 695,000	\$ 358,735	52%
State Grants	568,351,064	452,814,442	80%	523,305,764	463,098,877	88%
Total Special Revenue Fund Revenues	\$ 569,046,064	\$ 453,420,706	80%	\$ 524,000,764	\$ 463,457,611	88%
Total Revenues	\$ 591,425,161	\$ 467,780,713	79%	\$ 541,325,025	\$ 479,506,385	89%
Expenditures						
	FY25 Budget	FY25 Year-to-Date Actuals	FY25 % of Actuals to Budget	FY24 Budget	FY24 Year-to-Date Actuals	FY24 % of Actuals to Budget
Personnel	\$ 58,728,438	\$ 43,073,588	73%	\$ 39,263,214	\$ 33,640,114	86%
Pass-through Funds - Grant	493,399,060	403,932,143	82%	478,270,303	426,404,134	89%
Consultant and Contract Services	16,205,886	9,821,046	61%	14,691,223	8,837,332	60%
Lease of Office Space	2,496,177	1,442,236	58%	1,461,237	1,346,651	92%
Equipment	6,702,797	724,109	11%	602,696	553,058	92%
Travel	1,078,717	571,139	53%	700,865	430,485	61%
Other Expenses	12,814,086	6,256,212	49%	6,754,873	4,704,658	70%
Total Expenditures	\$ 591,425,161	\$ 465,820,472	79%	\$ 541,744,411	\$ 475,916,433	88%
Excess of Revenues Over(Under) Expenditures	\$ -	\$ 1,960,242		\$ (419,386)	\$ 3,589,952	
Beginning Fund Balance (all funds) - Jan. 1 (1)	\$ 45,454,933	\$ 45,454,933		\$ 43,468,636	\$ 43,468,636	
Ending Fund Balance (all funds) - Nov. 30 (2)	\$ 45,454,933	\$ 47,415,175		\$ 43,049,250	\$ 47,058,588	

(1) All beginning fund balances are as of January 1 for each year. Jan. 1, 2025 beginning fund balance is based on the 2024 ACFR which was presented during the May 2025 Board.

(2) All ending fund balances are as of end of November 30th for each year.

SPEND DOWN UPDATE – TRANSPORTATION

Background

An overview of the H-GAC spend down policy was provided to the Board by Chuck Wemple during the August 2024 board meeting.

Current Situation

Staff will provide an update on the spend down process for Transportation contracts.

Funding Source

N/A

Budgeted

N/A

Action Requested

No action required. For information only. (Staff Contact: Christina Ordonez-Campos)

PUBLIC HEARING FOR 2026 H-GAC BUDGET & SERVICE PLAN

Background

A public hearing is held annually at the Houston-Galveston Area Council located at 3555 Timmons Lane, Houston, TX 77027, to take questions or comments on the proposed agency operating budget for the upcoming fiscal year. The public hearing is held in December following a Budget workshop in October and a presentation of the draft budget in November.

Current Situation

A public hearing will be held on December 16, 2024, to receive questions or comments from members of the public on the proposed 2026 H-GAC annual Budget and Service Plan.

Funding Source

N/A

Budgeted

Yes

Action Requested

Public hearing on proposed H-GAC 2026 Budget and Service Plan. (Staff Contact: Chuck Wemple)

Indirect Costs Presentation

Tuesday, December 16, 2025

What are Indirect Costs?

- Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
- Generally classified as facilities or general administrative costs.
- H-GAC worked with a federal, nationally recognized consultant and have been keeping the external audit firm in the loop as we refine our methodology.
- For a more in-depth explanation, please refer to eCFR 200.414 on the National Archives Code of Federal Regulations website: eCFR :: 2 CFR 200.414 -- Indirect costs.

Budget Comparison Analysis – December Iteration

AGENCY INDIRECT, INTERNAL SERVICES & GIS/NETWORK ALLOCATIONS COSTS			
CATEGORY	2025 MID-YEAR REVISION BUDGET	2026 DECEMBER ITERATION BUDGET	DIFFERENCE
INDIRECT ALLOCATION COSTS	\$ 6,458,675	\$ 17,668,728	\$ 11,210,053
INTERNAL SERVICE ALLOCATION COSTS	5,535,160	-	\$ (5,535,160)
NETWORK/GIS ALLOCATION COSTS	5,498,260	-	\$ (5,498,260)
TOTALS - INDIRECT COSTS	\$ 17,492,095	\$ 17,668,728	\$ 176,633

Note: for fiscal year 2025, our cognizant agency approved our indirect rate at **11.22%**. For fiscal year 2026, our calculations for a **COMBINED** indirect rate produce a **36.236%**. This combined rate adds the formerly known as internal services, network/GIS & shared services to the indirect allocation - we went from **4** separate allocations to **1**. If we had used a **COMBINED** indirect rate for fiscal year 2025, the rate would be **36.523%** - this means that the **COMBINED** indirect rate decreased by **0.288%**.

Budget Comparison Analysis – December Iteration

AGENCY SHARED SERVICES COSTS			
CATEGORY	2025 MID-YEAR REVISION BUDGET	2026 DECEMBER ITERATION BUDGET	DIFFERENCE
COST CENTER 701 - OGA	\$ 1,453,675	\$ -	\$ (1,453,675)
COST CENTER 702 - PURCHASING	411,189	-	(411,189)
TOTALS - SHARED SERVICES	\$ 1,864,864	\$ -	(1,864,864)
NET AGENCY COSTS	\$ 19,356,959	\$ 17,668,728	\$ (1,688,231)

Budget Comparison Analysis – December Iteration

BREAKDOWN OF CHANGE IN SHARED SERVICES AND IMPACTS TO GRANT-FUNDED BUDGETS		
REDUCTION APPLICABLE TO TRANSPORTATION GRANTS (INCLUDING DAR)	\$	(885,309)
REDUCTION APPLICABLE TO WORKFORCE GRANTS		(101,820)
REDUCTION APPLICABLE TO ENTERPRISE SOLUTION REVENUES		(646,365)
REDUCTION APPLICABLE TO C & E GRANTS		(163,026)
REDUCTION APPLICABLE TO AGING GRANTS		(68,344)
TOTAL SHARED SERVICES DECREASE (BEFORE INCREASE IN INDIRECT COSTS)	\$	(1,864,864)

Budget Comparison Analysis – December Iteration

AGENCY INDIRECT, INTERNAL SERVICES, GIS/NETWORK & SHARED SERVICES FTEs		
DEPARTMENT	2025 MID-YEAR REVISION BUDGET	2026 DECEMBER ITERATION BUDGET
COST CENTER 101 - ADMINISTRATION - ED	1.90	2.28
COST CENTER 102 - CFO FINANCE	12.08	3.00
COST CENTER 103 - OUTREACH & GOVERNMENT AFFAIRS	15.82	21.83
COST CENTER 104 - ACCOUNTING	0.00	12.53
COST CENTER 105 - CIO OFFICE	2.00	2.00
COST CENTER 112 - INTERNAL AUDIT	3.16	8.26
COST CENTER 114 - PERSONNEL	11.00	10.00
COST CENTER 124 - PURCHASING	10.04	13.00
COST CENTER 134 - FACILITIES/PRINTSHOP	4.60	4.00
COST CENTER 144/602 - NETWORK/IT	17.10	17.20
COST CENTER 701 - DAR OG&A	8.08	0.00
COST CENTER 702 - DAR Purchasing	2.25	0.00
COST CENTER 704 - DAR GIS	4.90	0.00
TOTALS	92.93	94.10

Note: As of 2026 budget, Cost Centers 102 & 104 was split into two cost centers. Also Cost Centers 701, 702, 704 was disbursed into the various programs.

Indirect Cost by Program Area

INDIRECT COST ALLOCATION BY PROGRAM		
H-GAC PROGRAM AREAS	2026 INDIRECT COST ALLOCATION	ALLOCATION PERCENTAGE
100 - LOCAL/WORKSHOPS	\$ 493,700	2.79%
200 - COMMUNITY & ENVIRONMENTAL	1,793,808	10.15%
206 - AGING	1,390,173	7.87%
300 - ENTERPRISE SOLUTIONS	1,932,263	10.94%
400 - HUMAN SERVICES (WORKFORCE)	6,924,399	39.19%
500 - TRANSPORTATION	5,134,385	29.06%
TOTALS	\$ 17,668,728	100.00%

Note: The total H-GAC budget for 2026 is \$600,197,081. Indirect cost accounts for 2.94% of this total budget.

Historical Indirect Allocations

AGENCY INDIRECT, INTERNAL SERVICES & GIS/NETWORK ALLOCATIONS COSTS - ANNUAL COMPARISON			
CATEGORY	2024	2025	2026
INDIRECT ALLOCATION COSTS	\$ 4,826,735	\$ 6,458,675	\$ 17,668,728
INTERNAL SERVICE ALLOCATION COSTS	3,531,556	5,535,160	-
NETWORK/GIS ALLOCATION COSTS	3,049,761	5,498,260	-
TOTALS - INDIRECT COSTS	\$ 11,408,052	\$ 17,492,095	\$ 17,668,728

Historical Indirect Allocations

AGENCY ALLOCABLE SALARIES & BENEFITS			
CATEGORY	2024	2025	2026
SALARIES	\$ 21,073,240	\$ 32,575,671	\$ 33,254,094
BENEFITS	9,750,587	15,317,080	15,506,384
TOTAL ALLOCABLE SALARIES & BENEFITS	\$ 30,823,827	\$ 47,892,751	\$ 48,760,478
INDIRECT RATE (COMBINED FOR 24-25 SIMPLY FOR COMPARISON PURPOSES)	37.010%	36.523%	36.236%

Historical Indirect Allocations

AGENCY SHARED SERVICES - ANNUAL COMPARISON			
CATEGORY	2024	2025	2026
COST CENTER 701 - OGA	\$ 1,493,310	\$ 1,453,675	\$ -
COST CENTER 702 - PURCHASING	446,255	411,189	-
TOTALS - SHARED SERVICES	\$ 1,939,565	\$ 1,864,864	\$ -
TOTAL AGENCY COSTS	\$ 13,347,617	\$ 19,356,959	\$ 17,668,728

Historical Indirect FTEs

BUDGETED EMPLOYEES BY FUNCTION/PROGRAM					
FUNCTION/PROGRAM	2024	2025	2026	3-YR AMOUNT CHG	3-YR PERCENT CHG
INDIRECT FUNCTIONS/COST CENTERS					
COST CENTER 101 - ADMINISTRATION - ED	4.00	1.90	2.28	-1.72	-43.00%
COST CENTER 102 - CFO FINANCE	3.00	2.40	3.00	0.00	0.00%
COST CENTER 103 - OUTREACH & GOVERNMENT AFFAIRS	17.00	24.40	21.83	4.83	28.41%
COST CENTER 104 - ACCOUNTING	16.00	11.28	12.53	-3.47	-21.69%
COST CENTER 105 - CIO OFFICE	2.00	2.00	2.00	0.00	0.00%
COST CENTER 112 - INTERNAL AUDIT	6.00	2.29	8.26	2.26	37.67%
COST CENTER 114 - PERSONNEL	8.00	11.00	10.00	2.00	25.00%
COST CENTER 124 - PURCHASING	9.00	10.00	13.00	4.00	44.44%
COST CENTER 134 - FACILITIES/PRINTSHOP	4.00	4.60	4.00	0.00	0.00%
COST CENTER 144/602 - NETWORK/IT	21.00	17.10	17.20	-3.80	-18.10%

Historical FTEs by Program

BUDGETED EMPLOYEES BY FUNCTION/PROGRAM					
FUNCTION/PROGRAM	2024	2025	2026	3-YR AMOUNT CHG	3-YR PERCENT CHG
PROGRAM AREAS					
100-LOCAL/WORKSHOPS	0.00	3.83	5.33	5.33	0.00%
200-COMMUNITY & ENVIRONMENTAL	26.00	46.47	41.84	15.84	60.92%
206-AGING	33.00	35.85	38.71	5.71	17.30%
300-ENTERPRISE SOLUTIONS	34.00	42.97	46.39	12.39	36.44%
400-WORKFORCE WITH DATA SERVICES-WORKFORCE*	75.00	175.92	171.33	96.33	128.44%
500-TRANSPORTATION WITH DATA ANALYTICS & RESEARCH**	65.00	107.99	121.29	56.29	86.60%
TOTALS	323.00	500.00	519.00		

*Workforce Includes Data Services FTEs funded by Workforce

** Transportation Includes Data Analytics & Research FTEs funded by Transportation

Indirect Rate From Other COGS

National Association of Regional Councils		
Council of Government	Indirect Cost Rate	Exclusions
Atlanta Regional Commission	31%	Excludes IT
Houston-Galveston Area Council	36.256%	
SouthEast Michigan Council of Governments	50.00%	Data Processing separate
Metropolitan Washington Council of Government	53.65%	40% of Communications spend & 50% of Executive Director Office
Mid-Ohio Regional Planning Commission	61%	
Sacramento Area Council of Governments	88.88%	
San Diego Association of Governments	135.61%	

Indirect Rate From Other COGS

Texas Association of Regional Councils (Based on Survey Not Comprehensive)		
Texas Council of Government	Indirect Cost Rate	Exclusions
Concho Valley Council of Governments	7.9%	IT, HR, Procurement & Facilities billed at cost based on % of use
Permian Basin Regional Planning Commission	11.19%	
Alamo Area Council of Governments	14.74%	Have 3rd party IT Department that's directly charged to program.
West Central Texas Council of Governments	19.67%	Facilities and Network/IT pooled into separate fund
Ark-Tex Area Council of Governments	20.80%	
Capital Area Council of Governments	25.40%	Finance, HR & IT are allocated outside of indirect rate.
Rio Grande Council of Governments	28.97%	
Texoma Council of Governments	30.88%	
South East Texas Regional Planning Commission	33.30%	Facilities billed via rent/sq ft
Houston-Galveston Area Council	36.256%	
Central Texas Council of Governments	42.61%	
Heart of Texas Council of Governments	55.22%	

Function/Cost Center Totals

FUNCTION/COST CENTER	2026 INDIRECT COST CENTER TOTALS
COST CENTER 101 - ADMINISTRATION - EXECUTIVE DIRECTOR	\$ 894,369
COST CENTER 102 - CHIEF FINANCIAL OFFICER - FINANCE	\$ 1,489,699
COST CENTER 103 - OUTREACH & GOVERNMENT AFFAIRS	\$ 3,011,750
COST CENTER 104 - ACCOUNTING	\$ 1,659,383
COST CENTER 105 - CHIEF INNOVATION OFFICER	\$ 282,691
COST CENTER 112 - INTERNAL AUDIT	\$ 1,165,057
COST CENTER 114 - HUMAN RESOURCES	\$ 2,094,595
COST CENTER 124 - PURCHASING	\$ 1,976,317
COST CENTER 134 - FACILITIES/PRINTSHOP	\$ 792,759
COST CENTER 144 - NETWORK	\$ 4,302,107
TOTAL	\$ 17,668,728

Function/Cost Center Verbal Justifications

- Cost Center 103 – Outreach & Governmental Affairs – Rick Guerrero & Miguel Segura
- Cost Center 104 – Accounting – Gilda Mendoza
- Cost Center 112 – Internal Audit – Charles Hill
- Cost Center 114 – Personnel – Teri Ramsey
- Cost Center 124 – Purchasing – Kristina Kollaja
- Cost Center 134 – Facilities/Printshop – Scott Young
- Cost Center 144/602 – Network/I.T. – Viet Dang

Top Three Deliverables by Function/Cost Center

Top Three Deliverables by Indirect Departments			
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3
ADMINISTRATION (EXECUTIVE DIRECTOR)	Board & Governance Support	Government & Public Relations	Regional Service and Accountability
CHIEF FINANCIAL OFFICER (FINANCE)	Budget & Service Plan	Oversight of Internal Controls & Compliance	Oversight of Agency Financial Management and Reporting
OUTREACH & GOVERNMENT AFFAIRS	Boards and Committees Management; Policy Monitoring and Disseminating Legislation of Regional Interest	Digital Engagement, Email Marketing, Social Media Management; Consistent Branding Across Platforms and Programs	Strategic Outreach and Engagement Through Comprehensive Campaign development, targeted audience communication, and coordination through intergovernmental workshops and convenings
ACCOUNTING	Annual Comprehensive Financial Report	Providing Fiscal Support by Maintaining Banking, Auditing & Grant Management Review of Activities	Accounts Payable, Accounts Receivable & Payroll management
CHIEF INNOVATIVE OFFICER (OPERATIONS)	Mission-Aligned Innovation Strategy	Innovation Governance and Performance Reporting	Practical Training and Coaching to Help the Agency Adopt New Methods and Track Progress

Top Three Deliverables by Function/Cost Center

Top Three Deliverables by Indirect Departments			
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3
INTERNAL AUDIT	Internal Audit Project Reports	Site Visit Reports	Desk Review Acceptance Letters
HUMAN RESOURCES (PERSONNEL)	Talent	Performance Management	Total Rewards
PROCUREMENT & CONTRACTS (PURCHASING)	Administer the Agency's Centralized Purchasing Function, Ensuring Compliant, Transparent, and Competitive Procurement Processes	Administer Standardized Contracting Framework and System Oversight/Support Proper Contract Administration Through Tools, Workflows, and Training	Promote Strategic Planning, Increased Efficiency, and Maintain Agency Policies and Procedures to Ensure Compliance with Regulations/Audit Requirements
FACILITIES/PRINTSHOP	Safety & Security	Facility Operations	Risk Management Including All Insurances
DATA SERVICES (NETWORK/IT)	Enterprise IT Operations and Infrastructure Services Strategically Manages and Supports the Agency's Comprehensive Technology Ecosystem, Ensuring Reliable, Secure, and Efficient IT Infrastructure and Services for All Staff.	Business Applications and AI Enablement Services Optimize Organizational Performance by Providing Collaborative Technologies, Data-Driven Insights, Workflow Automation, and Strategic AI Implementation That Empower Staff to Work More Efficiently.	The Information Security, Risk, and Compliance Program Proactively Enhances the Agency's Cybersecurity Posture by Continuously Improving Policies, Tools, and Staff Training While Rigorously Assessing and Mitigating Security Risks Across the Organization.

ANY QUESTIONS?

Deliverables by Functional Area/Cost Center - Accounting (Cost Center 104)			
Accounting Department			
Top Three Deliverables by Indirect Departments			
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3
ACCOUNTING	Preparation of the Agency's Annual Comprehensive Financial Report	Provide Fiscal Support by Maintaining Banking, Auditing & Grant Management Review of Activities	Provide Accounts Payable, Accounts Receivable & Payroll Services

GL Account *	GL Grouping	2026	Comments
50001 - SALARIES	SALARIES	1,019,578.13	
50003 - SALARY CONTINGENCY		28,007.68	
50006 - SALARY CONTINGENCY OFFSET		(28,007.68)	
53002 - TRAVEL	TRAVEL	3,000.00	Acctg staff travel-Aging and TWC Conferences
53002 - TRAVEL	TRAVEL	4,000.00	Acctg. staff travel - TARC (Twice a year)
54004 - EXPENDABLE EQUIPMENT	EXPENDABLE EQUIPMENT	5,500.00	3 LAPTOPS OUT OF WARRANTY IN 2026
55001 - OFFICE SUPPLIES	OTHER DIRECT	800.00	OFFICE SUPPLIES
55002 - MEETING EXPENSES	OTHER DIRECT	1,500.00	Acctg Team Building Retreat
55005 - MAINTENANCE AND REPAIR	OTHER DIRECT	300.00	MAINTENANCE AND REPAIR
55008 - SOFTWARE	OTHER DIRECT	40,000.00	CONCUR
55008 - SOFTWARE	OTHER DIRECT	6,000.00	MICROIX
55008 - SOFTWARE	OTHER DIRECT	25,000.00	ABILA - MIP
55009 - EMPLOYEE DEVELOPMENT	OTHER DIRECT	5,500.00	MONICA'S TUITION (MBA in Finance at University of Houston)
55009 - EMPLOYEE DEVELOPMENT	OTHER DIRECT	5,500.00	TREEBIE'S TUITION (Masters Program in Accounting at University of Houston)
55012 - LICENSES AND PERMITS	OTHER DIRECT	200.00	LICENSES AND PERMITS
55013 - COMMUNICATION	OTHER DIRECT	600.00	CELLPHONE FOR CONTROLLER
55015 - POSTAGE AND DELIVERY	OTHER DIRECT	500.00	POSTAGE AND DELIVERY
63001 - BENEFIT ALLOCATION	BENEFITS	475,429.28	
65002 - INDIRECT ALLOCATION CREDIT	INDIRECT	(1,659,383.23)	Recovery from Allocation " - Indirect Cost Allocation"
80000 - ALLOCATED RENT/COMMUNICATIONS	RENT	65,975.81	Sent from Allocation " - Rent" (2.38%)

Deliverables by Functional Area/Cost Center - Internal Audit (Cost Center 112)

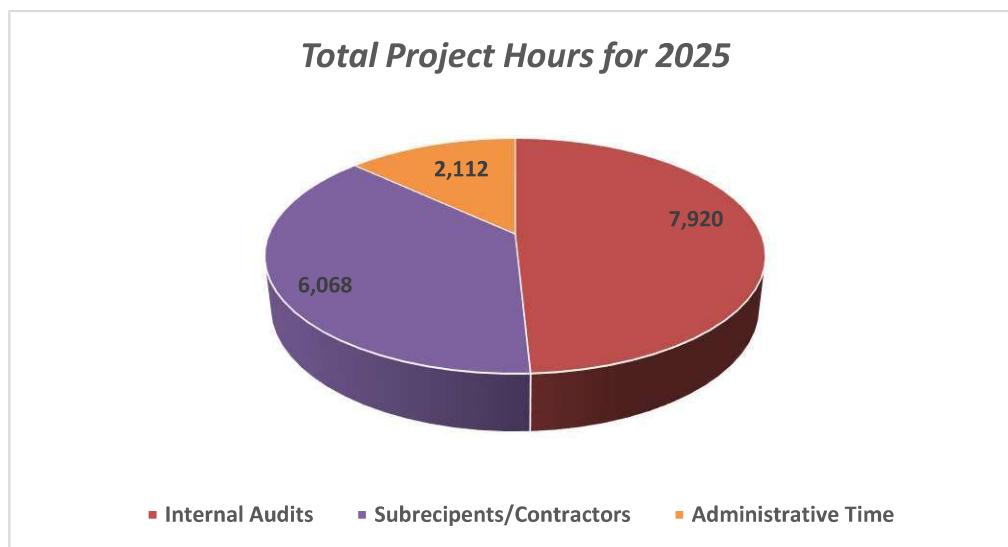
Top Three Deliverables by Indirect Departments			
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3
INTERNAL AUDIT	Internal Audit Project Reports	Site Visit Reports	Desk Review Acceptance Letters

Deliverables by Functional Area/Cost Center - Internal Audit (Cost Center 112)**HOUSTON-GALVESTON AREA COUNCIL
INTERNAL AUDIT PLAN FOR 2025*****Executive Summary***

This plan discusses the responsibilities, goals, scheduled projects, and operational plan for the internal audit function at H-GAC for fiscal year 2025. In addition to internal audits, the staff will also complete subrecipient/contractor monitoring activities. The internal audits will include compliance audits, program audits, administrative reviews, process audits, information technology audits, investigations, follow-up audits, and special projects (see Appendix B for descriptions of types of audits). The subrecipient and contractor monitoring activities will include pre-award reviews, desk reviews, contractor site visits, and contractor reviews.

The department has currently eight (8) positions and plans to add three more positions in 2025 creating a total of eleven (11) positions in the department. This level of staffing is appropriate for the agency given the increases in the H-GAC budget, ongoing cybersecurity risks, the impact of information technology on H-GAC operations, hybrid working conditions, a need for more pre-award reviews, more investigations, more value-added services, and building capacity for complex internal audits. The department is led by a leadership team consisting of a director and two audit supervisors (see Appendix C for Bios).

The total project hours available for 2025 is 16,100 hours allocated to internal audits, subrecipient/contractor monitoring, and administrative time (see Appendix A for a detail listing of projects). The following chart is a breakdown of project hours by the main categories.



HOUSTON GALVESTON AREA COUNCIL INTERNAL AUDIT PLAN – FISCAL YEAR 2025

PURPOSE

The purpose of this document is to discuss the responsibilities, goals, scheduled projects, and the operational plans for the internal audit function at H-GAC for fiscal year 2025. The Director of Internal Audit is responsible for implementing an approved comprehensive plan for internal auditing for organizational units; as well as for subrecipient, and contractor monitoring. The Director also provides periodic reporting of internal audit activities to the Executive Director and members of the H-GAC Audit Committee.

MISSION AND RESPONSIBILITIES

The Internal Audit department will examine and evaluate the activities of the agency to assist directors and managers in the effective discharge of their responsibilities and improve operations. To this end, the Internal Audit department will also furnish management staff with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed. The department also has responsibility for the monitoring of contractors for compliance with contract and program requirements as well as federal regulations. The H-GAC Board of Directors are informed of Internal Audit activities and subrecipient monitoring through its Audit Committee.

BACKGROUND

The Internal Audit Charter was updated and approved by the Board in October 2014. An internal audit planning methodology was approved by the H-GAC Board of Directors in December 2015. The department and its operations adhere to the standards for the International Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors.

The Internal Audit department consists of a director and seven audit professionals. The Director of Internal Audit uses the COSO Framework for evaluating internal controls at the agency. The adoption of this framework requires that directors and managers to perform risk assessments for their operations. Internal Audit requests all departments with federal pass-through funds to complete a risk assessment for all H-GAC subrecipients. In addition, Internal Audit is facilitating a risk assessment for all departments and programs at H-GAC. This work in risk assessments at H-GAC will help develop a risk profile for the agency as well as specific programs.

HOUSTON-GALVESTON AREA COUNCIL INTERNAL AUDIT PLAN – FISCAL YEAR 2025

The Director will also continue to update and implement new audit procedures and operations that will ensure effective and efficient use of resources. The use of a whistleblower hotline, pre-award reviews and site visits, as well as more investigations conducted by internal audit staff have been added to our responsibilities in recent years. We have also conducted more reviews of information technology usage and cybersecurity controls at H-GAC and its subrecipients.

The Texas Grant Management Standards manual and the Texas Cybersecurity Framework represent sources for relevant regulations and guidelines that impact H-GAC operations (see also Appendix D for a listing of relevant laws and guidelines affecting our department). Internal Audit will also provide assurance that H-GAC complies with these guidelines as well as federal regulations in the “Uniform Guidance” (i.e. 2 CFR 200). The effective use of resources; updated processes, meeting program objectives, accurate financial records, and reporting; compliance with agency policies and procedures represent key considerations for the Internal Audit function at H-GAC. Improving audit procedures and practices and addressing new challenges at H-GAC are ongoing activities in Internal Audit, with the goal of continuously adding value to operations.

CORE VALUES

The Internal Audit department staff maintain a level of professionalism that conforms with International Standards for the Professional Practice of Internal Auditing. The core values represent the principles and expectations of behavior and conduct practiced by H-GAC Internal Audit staff. The following are our core values and are consistent with the Institute of Internal Auditors (IIA) Code of Ethics for Internal Auditors.

Integrity – internal audit work shall be performed with honesty, diligence, and responsibility; and observe all laws and make disclosures expected by the law and the profession.

Objectivity – internal audit staff shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment; shall not accept anything that may impair or be presumed to impair their professional judgment; and shall disclose all material facts known to them in reporting activities under review.

Confidentiality – internal audit staff shall be prudent in the use and protection of information acquired in the course of their duties; and shall not use information for any personal gain or in any manner that would be contrary to the law or the ethics of H-GAC.

**HOUSTON-GALVESTON AREA COUNCIL
INTERNAL AUDIT PLAN – FISCAL YEAR 2025**

Competency – internal audit staff shall engage only in those services for which they have the necessary knowledge, skills, and experience; and shall continually improve their proficiency and the effectiveness and quality of their services.

GOALS FOR 2025

The Internal Audit department has established goals for the current fiscal year. These goals are designed to build on the activities of the department from the past year. The goals of the Internal Audit department for Fiscal Year 2025 are as follows:

- 1) Update audit procedures and practices as needed.
- 2) Assign specific areas of responsibilities to staff.
- 3) Add three new staff positions to the department.
- 4) Perform more comprehensive and detailed internal audits.
- 5) Complete investigations based on whistleblower hotline.
- 6) Complete site visits and contract monitoring on selected contractors.
- 7) Facilitate risks assessments procedures affecting H-GAC operations.

SCOPE OF OPERATIONS

In the past, the Internal Audit department covered seven categories: (1) regular audits, (2) program/unit reviews, (3) follow-up audits, (4) subrecipient/contractor monitoring, (5) special projects, (6) administrative time, and (7) leave time. In addition, the standard work year was 2080 hours per staff member. For the year 2025, the Internal Audit department will adopt a new approach based on the expansion of internal audit staff positions, alignment with H-GAC budgeting practices, and improvements in audit coverage of organizational units. Our old system was based on a small staff (i.e., 5 auditors or less) with limited hours for projects and the H-GAC annual budget less than 300 million dollars.

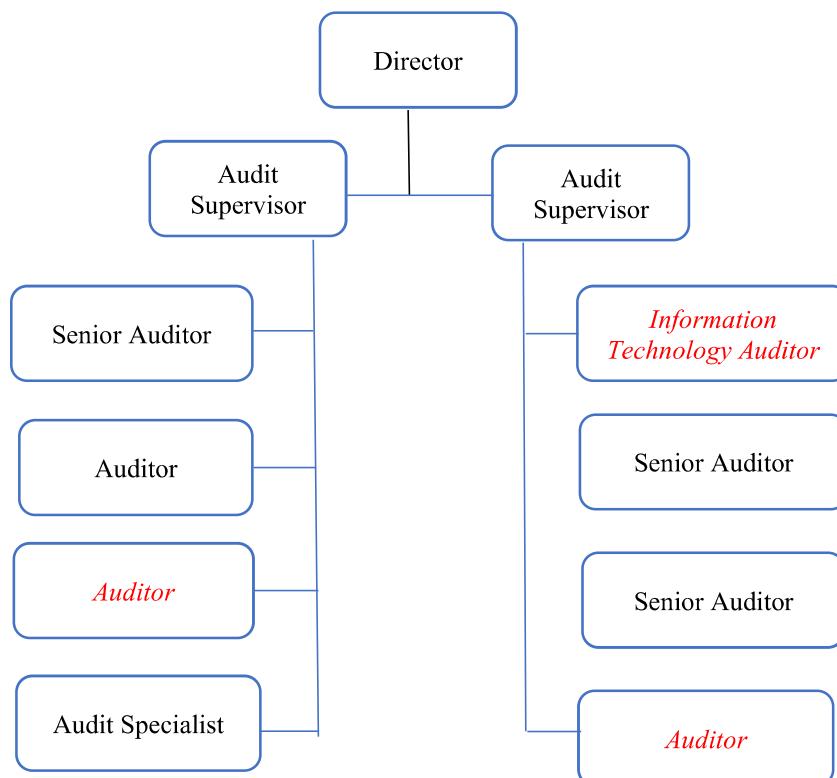
Several factors have impacted the internal audit function at H-GAC. Greater use of information technology, remote working of staff, H-GAC annual budgets and expenditures in excess of 450 million dollars, increases in cybersecurity threats, and recent turnover of key leaders at the agency are just some factors affecting our internal auditing. In addition, H-GAC has changed its approach as to how we interact with communities in our region, being more visible, informative, and responsive to key concerns. The scope and activities of the Internal Audit department has also increased in recent years. We now do far more pre-award reviews and investigations of complaints about program areas as well as specific staff actions.

In the past two years, we have added staff – growing from five to six, and then six to eight staff positions. In the first quarter of fiscal year 2025, we plan to add three more staff members giving us a total staff of 11 positions. We not only added staff but changed the administrative structure of the department. In the past, a director supervised two

HOUSTON-GALVESTON AREA COUNCIL
INTERNAL AUDIT PLAN – FISCAL YEAR 2025

senior auditors, one auditor, and one audit specialist. The director was the key leader in the department. In the current audit plan, the department will be led by a leadership team consisting of a director and two audit supervisors (see Appendix C for staff member bios). This team will determine policies, procedures, and practices of the department. In addition, the team will also train, develop, and evaluate staff performance to ensure an effective and efficient department operations.

***Internal Audit – Organizational Chart
For Fiscal Year 2025***

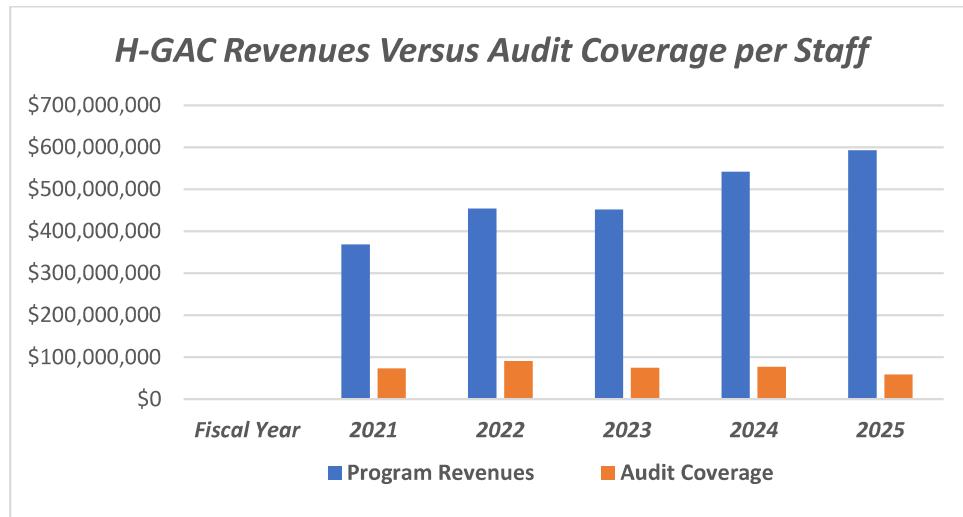


New positions for Fiscal Year 2025

<i>Fiscal Year</i>	<i>Audit Staff FTE</i>	<i>HGAC Program Revenues</i>	<i>Audit Coverage Per Staff Member</i>
2017*	5	\$294,433,538	\$58,886,707
2021	5	\$368,542,267	\$73,708,453
2022	5	\$454,057,724	\$90,811,544
2023	6	\$451,994,362	\$75,332,393
2024	7	\$541,744,411	\$77,392,058
2025	10	\$593,124,189	\$59,312,418

****Note: Fiscal Year 2017 was the most recent year H-GAC Revenues were under \$300 million.***

HOUSTON-GALVESTON AREA COUNCIL
INTERNAL AUDIT PLAN – FISCAL YEAR 2025



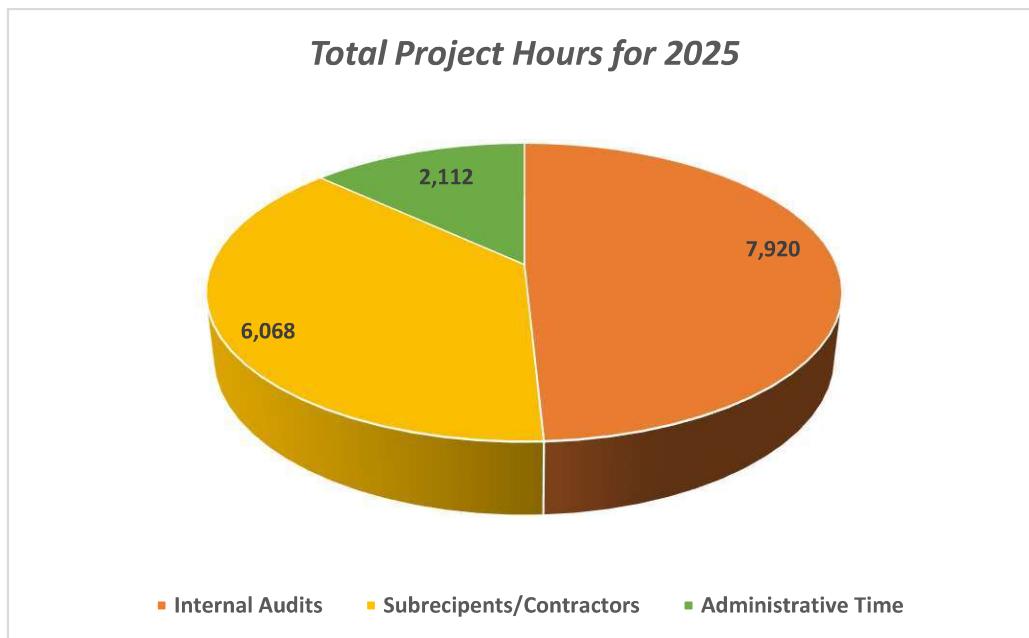
Two broad areas of responsibilities will guide the workload of the Internal Audit department – (1) Internal Audits and (2) Subrecipient/Contractor Monitoring. Internal audits will include program audits, administrative reviews, compliance audits, process audits, information technology audits, complaints and investigations, special projects, and follow-up audits. Subrecipient/Contractor monitoring includes pre-award reviews, desk reviews, and site visits. The report format for internal audits will vary depending on the type of audit and in most cases include a management response.

Pre-award reports are usually issued in a memorandum format. In some cases of a pre-award review, a site visit will be conducted to evaluate the controls and/or cybersecurity capabilities of the potential contractor. Pre-awards cover agreements with subrecipients, contractors for services and/or goods, consultants, and governmental units. Some pre-award agreements are renewals and others are initial contracts. Most large dollar potential contracts with no previous experience with H-GAC will include a site visit to contractor to evaluate their controls as well as cybersecurity and their use of information technology. Administrative time includes Board meetings and H-GAC staff meetings. We changed the reporting of staff hours available for projects excluding leave hours and limiting hours charged to administrative time. In addition, three new staff positions and one staff member returning from family medical leave were prorated for a partial year.

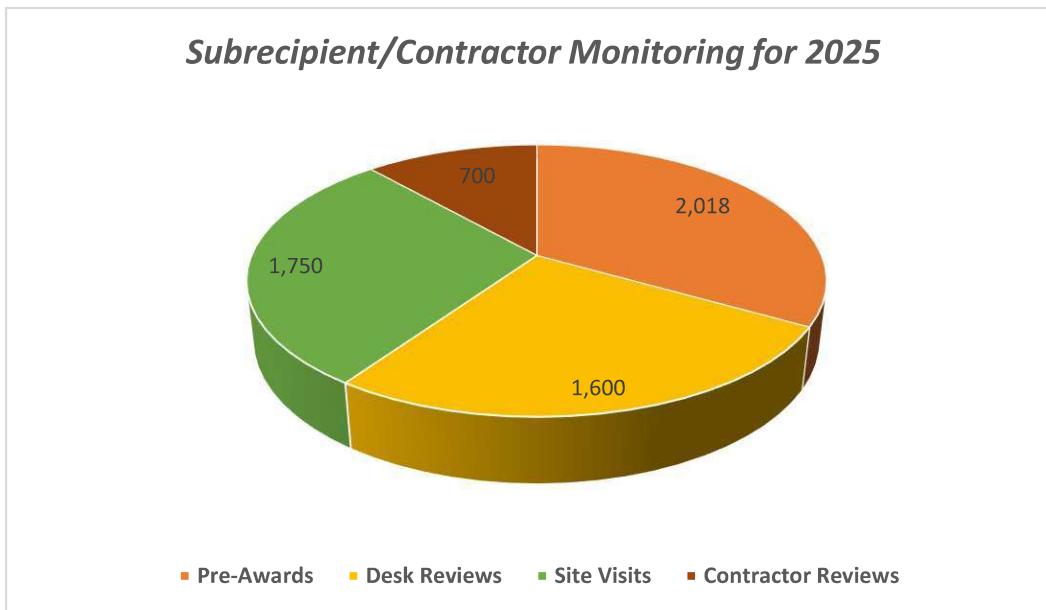
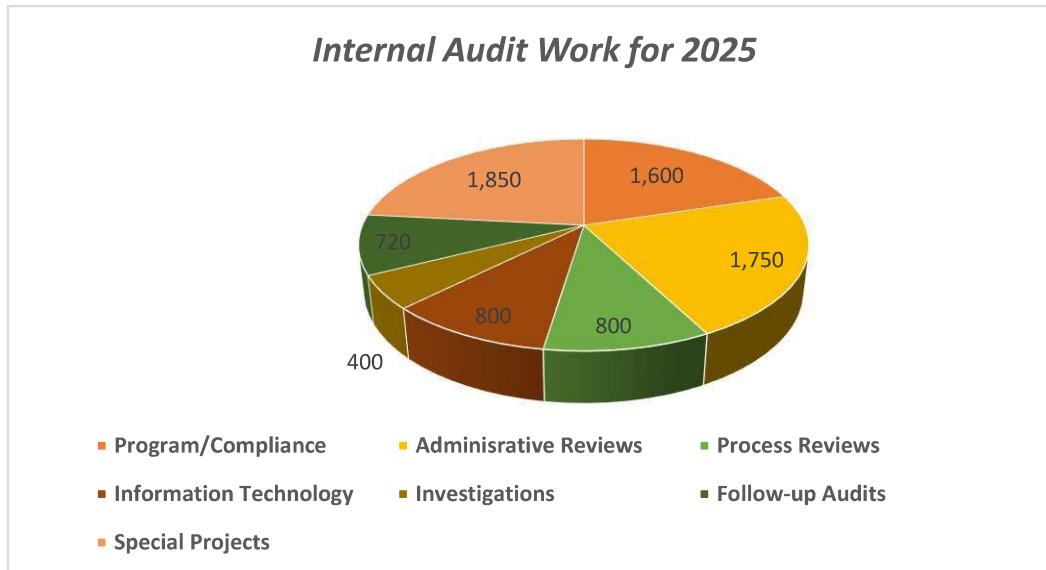
The following is an allocation of hours by project categories (see Appendix A for detailed listing of projects).

HOUSTON-GALVESTON AREA COUNCIL
INTERNAL AUDIT PLAN – FISCAL YEAR 2025

<u><i>Audit Projects</i></u>	<i>Fiscal Year 2025:</i>
<i>Internal Audits:</i>	
<i>Program/Compliance Audits</i>	1,600
<i>Administrative Reviews</i>	1,750
<i>Process Reviews</i>	800
<i>Information Technology Audits</i>	800
<i>Complaints & Investigations</i>	400
<i>Follow-up Audits</i>	720
<i>Special Projects</i>	1,850
<i>Sub-Total – Internal Audits</i>	7,920
<i>Subrecipient/Contractor Monitoring:</i>	
<i>Pre-Award Reviews</i>	2,018
<i>Desk Reviews</i>	1,600
<i>Site Visits</i>	1,750
<i>Contractor Reviews</i>	700
<i>Sub-Total – Subrecipients/Contractors</i>	6,068
<i>Administrative Time</i>	2,112
<i>Total Hours</i>	16,100



**HOUSTON-GALVESTON AREA COUNCIL
INTERNAL AUDIT PLAN – FISCAL YEAR 2025**



An Annual Internal Audit report will be prepared after the completion of the 2025 fiscal year that will compare the actual results in terms of hours and projects completed with this plan. This report will be submitted to the H-GAC Executive Director and members of the H-GAC Audit Committee. Additional information is contained in the appendices of this report.

APPENDIX A

Schedule of Projects for Fiscal Year 2025

<u>Title of Project</u>	<u>Budget Hours</u>	<u>Deliverables</u>
<i>Internal Audits:</i>		
<i>Program/Compliance Audits:</i>		
Transportation Planning Audit	400	Audit Report
Air Quality Programs	400	Audit Report
Cooperative Purchasing	400	Audit Report
Procurement Audit	200	Audit Report
<i>Administrative Reviews:</i>		
Data Services Review	350	Report
Data Analytics Review	350	Report
Outreach & Communications	350	Report
Environmental Planning	250	Report
Community Development	250	Report
Local Development Corporation	200	Report
<i>Process Reviews:</i>		
Fraud Risk Management Review	400	Report
Budget Process Review	400	Report
<i>Information Technology Audits:</i>		
Cybersecurity Incident Reporting	400	Audit Report
Information Security & Privacy	400	Audit Report
Information Systems Audit	200	Audit Report
<i>Complaints and Investigations</i>	400	Reports (10)
<i>Follow-up Audits/Reviews:</i>	720	Audit Reports (12)
<i>Special Projects:</i>		
Audit Committee Reporting	250	Quarterly & Annual Reports
Updating Audit Procedures	150	Written Updates to Manual
Management Advisory	500	Meetings with Key Staff
Recruitment of Staff	250	Hiring of 3 Staff Members
External Monitoring/Audits	200	Records Requests (4 to 5)
CPE Courses/Staff Development	500	40 Hours Per Staff Member
<i>Subrecipient/Contractor Monitoring:</i>		
Pre-Award Reviews	2,018	150 Memo Reports
Desk Reviews	1,600	40 – 50 Acceptance Letters
Transportation Contractors	600	15 Site Visit Reports
Aging Services Contractors	400	10 Site Visit Reports
Workforce Services Contractors	750	15 Site Visit Reports
Program Contractors	250	5 Reports
Program Consultants	250	5 Reports
Subrecipient Risk Assessments	200	Listing by Risk Category
<i>Administrative Time:</i>	<u>2,112</u>	Board & Staff meetings
<i>Total Budget Project Hours</i>	<u>16,100</u>	

APPENDIX B

Types of Internal Audit Projects

The approach taken in various internal audit projects will be described as a type of internal audit. With that in mind, the H-GAC Director of Internal has defined the following items as types of internal audits.

Administrative Reviews – emphasis on administrative structure and appropriate controls in place to promote efficient operations. Procedures include staff interviews and personnel documentation reviews as well as transactions testing of travel and general expenditures.

Process Reviews – emphasis on the key processes in a department or program getting a very detailed understanding of how the processes are working and concerning the possibility of improvements. Procedures include walk-throughs, written narratives, flowcharts, and discussions with owners of the processes on possible changes.

Contract Management Reviews – emphasis on H-GAC interactions with third-party contractors/subrecipients for compliance with written agreements and federal guidelines. Procedures include examining contracts on a sample basis, contract deliverables, contract management documentation, contract payments and reimbursements, and technical assistance given by staff.

Program Reviews – emphasis on organization, staffing, and operations are consistent with the objectives, guidelines, and specific requirements of a program. Procedures include written narratives of operations, evaluation program documentation, and examination of documentation on a sample basis that supports compliance.

Compliance Audit – emphasis on specific contract or program requirements and related documentation that supports compliance. Procedures include examining documentation on a sample basis to verify compliance.

Follow up audits – emphasis on following up with the auditee on correcting findings and observations from Internal Audit's last review or audit. Procedures may include interviewing the auditee, obtaining written documentation, and/or sample testing the corrective actions taken in response to Internal Audit's recommendations. Internal Audit may also sample documents for completed corrective actions.

APPENDIX B – Types of Internal Audit Projects

Investigations – emphasis on the specific issue at hand. This may range from investigating fraud, waste or abuse allegations, management requests to investigate operational program efficiency and effectiveness, human resources, or financial related issues. Procedures are usually very specific to a few concerns as indicated by the source or requestor.

Special Projects – emphasis on the objectives of the special project at hand. Projects are generally longer in duration than investigations and of a broader nature. They may include consulting and advisory projects and can be more collaborative in nature, versus having an ‘auditee-auditor’ nature. Procedures will be determined with the requestor of the project and the Internal Audit leadership team.

HOUSTON-GALVESTON AREA COUNCIL INTERNAL AUDIT CHARTER

PURPOSE

This document defines the scope, authority, and responsibilities of the internal audit function at the Houston-Galveston Area Council (H-GAC). The internal audit function is an independent, objective assurance, and consulting activity designed to add value and improve agency operations. The Office of Internal Audit will accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

AUTHORITY AND RESPONSIBILITY

The Board of Directors through the Audit Committee and the Executive Director for the agency grant authority to the Manager of Internal Audit to plan and carry out a comprehensive and effective internal audit plan. In addition, the Office of Internal Audit shall have full, free, and unrestricted access to all of the agency's functions, records, property, and personnel in completing reviews. H-GAC personnel will cooperate with internal audit staff and assist with information and/or records requested by internal auditors.

All work performed by the Office of Internal Audit will be conducted in a professional manner and within the guidelines of the Institute of Internal Auditors (IIA) Professional Practices Framework which includes the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing*. Internal Audit work will also be conducted when applicable in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accountability Office's publication *Government Auditing Standards* and the state of Texas' *Uniform Grant Management Standards*.

The internal audit staff will not have authority or responsibility over any of the activities or persons that they review, because performing such activities is presumed to impair objectivity. Internal auditors will uphold the principles of integrity, objectivity, confidentiality, and competency. Internal Audit staff will be independent of the activities or operations they review; they will not engage in any activity which would impair their independence.

SCOPE OF ACTIVITIES

The scope of internal auditing shall encompass the examination and evaluation of the agency network of risk management, internal controls, and processes, as designed and represented by H-GAC management. The Manager of Internal Audit based on professional judgment shall define the scope of activities on an ongoing basis. Internal Audit activities shall include, but are not limited to:

H-GAC Internal Audit Charter

Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining the extent of compliance.

Determining the extent to which resources are accounted for and safeguarded against fraud, waste, and abuse, including the review of the economical and efficient use of resources.

Reviewing the reliability and integrity of financial and operating information and the systems used to identify, measure, classify, and report such information.

Reviewing operations and programs to determine whether results are consistent with established objectives and goals, and whether the operations and programs are carried out as planned.

Site visits, financial monitoring and pre-award reviews of contractors, and reviews of consultant contracts, and subrecipient monitoring to ensure compliance with their H-GAC contracts, policies, and procedures, as well as federal and state guidelines.

Coordinating, facilitating, and interfacing with all external auditors and monitors to ensure efficient and effective reviews of H-GAC operations.

Performing consulting services including advisory and related service activities, the nature and scope of which are agreed upon and which are intended to add value and improve H-GAC's governance, risk management, and control processes without assuming management responsibility.

REPORTING

In recognition of the role of internal audit in the management of the H-GAC, the Manager of Internal Audit will discuss findings, recommendations, and conclusions with appropriate levels of management before issuing final audit reports. The respective manager will be given an opportunity to respond in writing to internal audit recommendations before the Manager of Internal Audit issues a final audit report. The Executive Director of H-GAC will be provided a final written report of each internal audit review. The members of the Audit Committee will be given periodic reports and updates on internal audit activities. All internal audit reports, reviews, and site visit reports shall be made available to the Board of Directors upon request.

In circumstances that the Manager of Internal Audit believes to be of a particularly sensitive nature, the report distribution may be varied in an appropriate and prudent manner. An annual audit plan and internal audit annual report will be prepared by the Manager of Internal Audit and submitted to the Executive Director, the Audit Committee, and the Board of

Deliverables by Functional Area/Cost Center - Personnel (Cost Center 114)
Human Resources (Personnel)

Top Three Deliverables by Indirect Departments			
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3
HUMAN RESOURCES	Talent	Performance Management	Total Rewards

Human Resources enables the Gulf Coast Workforce Board to deliver its strategy faster, with lower risk, and better financial outcomes by ensuring the right people, capabilities, structures, and practices are in place. HR is a strategic lever—reducing execution friction, improving productivity and retention, and protecting the business from avoidable risk—so the organization can hit revenue, quality, and cost targets more predictably. Below are the core value areas and outcomes driving by HR.

Talent acquisition and workforce planning

- Aligns hiring plans to demand forecasts, skills needs, and budget
- Builds pipelines for critical roles and reduces time-to-fill and vacancy risk
- Optimizes use of permanent, contingent, and internal mobility to scale efficiently

Onboarding and employee experience

- Accelerates new-hire productivity through structured onboarding and role clarity
- Standardizes processes that reduce ramp time, errors, and attrition in the first year
- Enhances the day-to-day employee experience, boosting engagement and performance

Capability development and leadership

- Closes critical skill gaps with targeted learning and coaching
- Develops frontline leaders to drive team performance, safety, quality, and service
- Builds succession pipelines for key roles to ensure continuity and growth

Performance management and organizational effectiveness

- Establishes clear goals, feedback, and accountability mechanisms
- Designs roles, spans/layers, and team structures to improve throughput and decision speed
- Drives productivity through process standardization, skills matrices, and performance analytics

Total rewards and cost optimization

- Calibrates pay, incentives, and benefits to market and performance
- Designs reward mechanisms that direct effort to priorities (e.g. quality, efficiency)
- Manages labor costs through workforce mix, scheduling, overtime control, and vendor strategy

Culture, engagement, and retention

- Builds a high-trust, inclusive culture that supports innovation and customer focus
- Reduces regrettable turnover through targeted retention actions and career paths
- Improves employer brand to attract scarce talent and reduce hiring costs

Employee relations, compliance, and risk management

- Prevents and resolves issues early, reducing legal, reputational, and operational risk
- Ensures compliance with labor laws, safety, and policies
- Trains managers on fair, consistent practices that protect the business

Change management and transformation

- Orchestrates communications, training, and adoption for new systems and org changes
- Maintains productivity and morale during change, protecting revenue and service levels
- Measures adoption and adjusts interventions to realize intended ROI

HR data and insights

- Provides actionable dashboards and forecasts (hiring, attrition, skills, productivity)
- Identifies hotspots and root causes (e.g., retention drivers, quality issues linked to staffing)
- Supports scenario planning and budget decisions with evidence-based recommendations

What this means for business outcomes:

- Faster execution: Reduced hiring delays, quicker ramp, clearer accountability
- Higher productivity: Better role design, skills alignment, and manager effectiveness
- Lower costs: Optimized labor mix, reduced turnover and overtime, market-aligned pay
- Lower risk: Fewer compliance incidents, grievances, and workplace claims
- Stronger resilience: Bench strength and succession for critical roles
- Better customer outcomes: Stable, skilled teams improve quality and service

Deliverables by Functional Area/Cost Center - Personnel (Cost Center 114)			
Human Resources (Personnel)			
GL Account *	Description	2026	Description of Services
50001 - SALARIES		930,277.21	
50003 - SALARY CONTINGENCY		25,614.97	
50006 - SALARY CONTINGENCY OFFSET		(25,614.97)	
51001 - CONSULTANTS	ALLIANT SERVICES	36,000.00	Insurance brokerage firm consulting fee
51001 - CONSULTANTS	COMPENSATION & SOFTWARE CONSULTING	50,000.00	Compensation survey conducted for agency
51003 - OTHER CONTRACT SERVICES	HR TEMP - TBD as needed	40,000.00	
51003 - OTHER CONTRACT SERVICES	SIGNIUS COMMUNICATIONS	12,000.00	Call handling service
51003 - OTHER CONTRACT SERVICES	BACKGROUND CONNECT	18,000.00	Background check vendor - used for new hire/onboarding process
51003 - OTHER CONTRACT SERVICES	WEX HEALTH	15,000.00	Benefits administrative costs (for Flexible Spending Account, Dependent Care Account, and Health Savings Account)
51003 - OTHER CONTRACT SERVICES	HR TEMP - Receptionist Coverage	5,000.00	Temporary Staff to assist as needed for recruiting, administrative support, events planning, data entry and other related activities
51003 - OTHER CONTRACT SERVICES	HR TEMP - Backfill for HR Specialist	80,000.00	Temporary Staff to assist as needed for recruiting, administrative support, events planning, data entry and other related activities
51003 - OTHER CONTRACT SERVICES	HR TEMP - L&D Coordinator for Q3-4	60,000.00	Temporary Staff to assist as needed for recruiting, administrative support, events planning, data entry and other related activities
51005 - LEGAL SERVICES	LEGAL SRVICES	15,000.00	Legal services
53002 - TRAVEL	CAREER FAIR TRAVEL	2,500.00	Career Fairs - for recruiting purposes
53002 - TRAVEL	CONFERENCE TRAVEL	20,000.00	Conference travel for work
54004 - EXPENDABLE EQUIPMENT	REPLACEMENT LAPTOPS	7,000.00	Replacement laptops
54004 - EXPENDABLE EQUIPMENT	NEW HIRE LAPTOPS	5,000.00	
55001 - OFFICE SUPPLIES	OFFICE SUPPLIES	3,250.00	Office supplies for HR team members
55002 - MEETING EXPENSES	MEETING EXPENSES	1,500.00	Meeting/operation expenses for HR team
55008 - SOFTWARE	HRIS	100,000.00	Human Resources Information Systems (HRIS) procurement
55008 - SOFTWARE	1095-C REPORTING	2,500.00	1095-C Tax Reporting - completed on annual basis
55008 - SOFTWARE	OTHER SOFTWARE (ADOBE, ZOOM, FORMS, ETC.)	6,000.00	Software expenses needed for day-to-day operations
55008 - SOFTWARE	PERFORMANCE MANAGEMENT	30,000.00	Performance management for the agency
55008 - SOFTWARE	SAGE HRMS	5,000.00	HR data entry system
55008 - SOFTWARE	TALEO	10,000.00	Recruiting software
55008 - SOFTWARE	ARTICULATE 630 + AI LICENSE	1,800.00	AI License for Employee Use
55008 - SOFTWARE	eLEARNING AUTHORIZING SOFTWARES	2,000.00	Learning and Development softwares to develop learning and training opportunities for employees agency wide
55009 - EMPLOYEE DEVELOPMENT	SME WORKSHOPS	30,000.00	SME increased from 15,000 to 30,000 to accommodate for any unexpected requests for these SME services (SME FOR ALL AGENCY split into separate categories)
55009 - EMPLOYEE DEVELOPMENT	DISC ASSESSMENTS	3,000.00	
55009 - EMPLOYEE DEVELOPMENT	GALLUP STRENGTHS ASSESSMENT	3,000.00	Agency wide - for training/learning & development initiative
55009 - EMPLOYEE DEVELOPMENT	EMPLOYEE WELLNESS	10,000.00	Increased - to add for new employee wellness benefits (Fitness center, headspace, wellness apps, etc.)
55009 - EMPLOYEE DEVELOPMENT	TOASTMASTER SPONSORSHIP	500.00	Public speaking initiative sponsorship
55009 - EMPLOYEE DEVELOPMENT	HR PROFESSIONAL DEVELOPMENT (12*2500 EACH)	30,000.00	Continued learning/education for HR team members
55011 - RECRUITING	LINKEDIN	30,000.00	Recruiting service/platform
55011 - RECRUITING	FEES FOR CAREER FAIRS	5,000.00	Career fair fees - for recruiting purposes
55013 - COMMUNICATION	CELLPHONE - MARY	600.00	Telecommunications
55013 - COMMUNICATION	CELLPHONE - MARIA	600.00	Telecommunications
55013 - COMMUNICATION	CELLPHONE - TERI	600.00	Telecommunications
55013 - COMMUNICATION	CELLPHONE - MADISON	600.00	Telecommunications
55013 - COMMUNICATION	CELLPHONE - JP	600.00	Telecommunications
55013 - COMMUNICATION	CELLPHONE - LAURA	600.00	Telecommunications
55013 - COMMUNICATION	CELLPHONE - KARLA	600.00	Telecommunications
55015 - POSTAGE AND DELIVERY	POSTAGE AND DELIVERY	500.00	Postage and delivery - HR
55016 - SUBSCRIPTION MEMBERSHIP	TARC MEMBERSHIP	200.00	TARC MEMBERSHIP
55016 - SUBSCRIPTION MEMBERSHIP	SHRM & HR HOUSTON MEMBERSHIPS	2,000.00	HR related memberships
55016 - SUBSCRIPTION MEMBERSHIP	ASSOCIATION FOR TALENT DEVELOPMENT	500.00	Talent Development Tool - for recruiting purposes
55016 - SUBSCRIPTION MEMBERSHIP	LINKEDIN LEARNING	1,000.00	Recruiting service/platform
55016 - SUBSCRIPTION MEMBERSHIP	MAXWELL LEADERSHIP MEMBERSHIP	1,500.00	
55016 - SUBSCRIPTION MEMBERSHIP	TEXAS & HOUSTON BAR ASSOCIATION MEMBERSHIPS	600.00	
55017 - LEGAL NOTICE	LEGAL NOTICES REQUIRED FOR RFPS	3,000.00	
55018 - OPERATING EXPENSES	LEARNING MATERIALS	5,000.00	Learning materials
55018 - OPERATING EXPENSES	ONBOARDING GIFTS	4,000.00	Onboarding gifts for new hire/onboarding process
55018 - OPERATING EXPENSES	AGENCY MILESTONE AWARDS	11,000.00	Agency milestone awards budget for employees
55035 - FOOD & BEVERAGE	NEW HIRE BREAKFAST	1,000.00	New hire initiative - part of onboarding process
55035 - FOOD & BEVERAGE	HR QUARTERLY TEAM BUILDING	1,000.00	HR team building - quarterly basis
63001 - BENEFIT ALLOCATION		433,788.26	
65002 - INDIRECT ALLOCATION CREDIT	Recovery from Allocation " - Indirect Cost Allocation"	(2,094,595.10)	
80000 - ALLOCATED RENT/COMMUNICATIONS	Sent from Allocation " - Rent" (2.02%)	55,979.63	

Deliverables by Functional Area/Cost Center – **Purchasing (Cost Center 124)**

Top Three Deliverables by Indirect Departments			
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3
PROCUREMENT & CONTRACTS (PURCHASING)	Administer the Agency's Centralized Purchasing Function, Ensuring Compliant, Transparent, and Competitive Procurement Processes	Administer Standardized Contracting Framework and System Oversight/Support Proper Contract Administration Through Tools, Workflows, and Training	Promote Strategic Planning, Increased Efficiency, and Maintain Agency Policies and Procedures to Ensure Compliance with Regulations/Audit Requirements

H-GAC Procurement and Contracts Department

H-GAC Procurement and Contracts Department – Main Process and Support/Owned Functions

Procurement is a core governance function that serves as the centralized control point for all H-GAC procurement projects. The Procurement and Contracts Department provides the framework for fiscal controls, legal compliance, transparency, and efficiency, ensuring that funds are spent responsibly and that all H-GAC programs remain eligible for continued funding. **The function has 3 main consistent deliverables:**

- Administer the agency's centralized purchasing function, ensuring compliant, transparent, and competitive procurement processes.
- Administer standardized contracting framework and system oversight/support proper contract administration through tools, workflows, and training.
- Promote strategic planning, increased efficiency, and maintain agency policies and procedures to ensure compliance with regulations/audit requirements.

FY25 Metrics as of 11/12/2025

Procurement Solicitations Issued/In Process: 99	Purchase Orders Processed: 673	Active Contracts Reviewed/Processed: 1,209
Contracts Redlines Reviewed/Templates Revised: 178	New Program Agreements developed from Non-Standard Templates: 24	

Centralized Procurement Authority and Expertise

At H-GAC, procurement is a centralized function managed exclusively through the Procurement and Contracts Department. Departments do not have authorization to issue solicitations independently. The Procurement and Contracts department are tenured experts trained in procurement/contracting. We provide H-GAC the checks and balances to ensure transparency, fairness, and accountability in all competitive processes and contractor selections.

Deliverables by Functional Area/Cost Center – Purchasing (Cost Center 124)

Strategic Planning and Needs Assessment

The Procurement and Contracts Department staff work closely with all agency departments to plan needs strategically. Services include helping to create/define scopes of work, specifications, budget planning/estimating, and aligning project timelines with program needs. This collaboration prevents cost overruns, duplication, and misaligned purchases while ensuring that funding sources are used appropriately and efficiently by H-GAC.

Competitive Sourcing and Solicitation

The Procurement and Contracts Department determines the appropriate procurement method for each purchase and develops and issues solicitation documents that invite fair and open competition and avoid restrictive practices. We ensure all solicitations are evaluated consistently using transparent criteria, promoting fairness, accountability, and public trust while obtaining the best overall value. We ensure solicitation evaluation committees review proposals objectively, and decisions are based on merit and documented criteria. We ensure that every step of the procurement process is defensible.

Contracting Support, Tools, and Oversight

The Procurement and Contracts Department provides high-level support and structure to departments that administer agency agreements. We develop and maintain agency contract templates, guidance documents, checklists, contract management tools and training to aid agency departments in managing contracts in compliance with policy. We support the agency with contract creation, draft new agreements, redline negotiation, terms and conditions review, risk assessment, etc. We oversee and are currently managing the implementation of H-GAC's new contract management system, including data transfer, configuration, governance, and user training. We ensure a standardized, efficient, and transparent contracting process across the organization and help to maintain oversight and compliance.

Compliance, Recordkeeping, and Audit Support

The Procurement and Contracts Department ensures that all agency purchasing activities comply with required state purchasing laws, funding agency requirements and regulations. We ensure that all procurement activity follows uniform procedures. We maintain complete procurement files to demonstrate compliance during audits and reviews to prevent disallowed costs, findings, or funding claw backs.

Fiscal Responsibility and Cost Savings

The Procurement and Contracts Department delivers measurable value by promoting cost-effective spending in coordination with budget allocations and leveraging collective purchasing power through cooperative contracts and competitive sourcing. We ensure H-GAC avoids duplicate purchases, inconsistent pricing, and encourage that limited resources are used wisely and transparently.

Organizational Efficiency and Support

The Procurement and Contracts Department is a partner to all agency departments, owning the procurement process and procedures, ensuring that all procurement activities are compliant, efficient, timely, and aligned with internal controls, while agency departments focus on program delivery.

Accountability and Risk Management

As a public entity, H-GAC is accountable for the proper expenditure of public funds. The Procurement and Contracts Department ensures that every purchase is documented, justified, and defensible, protecting H-GAC from protests and unethical practices. Through policy, standards, and oversight of procurement and contracting procedures, we manage operational and legal risks on behalf of H-GAC.

Deliverables by Functional Area/Cost Center - Facilities/Print Shop (Cost Center 134)

Facilities and Printshop - 2026

This budget advances an agency-wide program to strengthen customer service, safety, security, facility operations, risk mitigation, and project management at the Houston-Galveston Area Council (H-GAC), aligning resources with our mission to deliver high-quality, compliant, and resilient services to inter-agency departments and the communities we serve.

Top Three Deliverables by Indirect Departments			
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3
FACILITIES/PRINTSHOP	Safety & Security	Facility Operations	Risk Management Including All Insurances

GL Account *	Description	2026	Description
51003 - OTHER CONTRACT SERVICES	SAFETY CONSULTANT	25,000.00	Professional services, plans and deliverables for agency-wide security threat assessment, business continuity, crisis management, safety/first aid and emergency response.
53002 - TRAVEL	SEMINARS/NETWORKING	1,700.00	Professional development to travel to conferences and workshops. Also travel to satellite offices in Conroe, Richmond locations to support Area of Aging staff. Travel to San Felipe to support the Workforce Rising Star program.
54004 - EXPENDABLE EQUIPMENT	ACCESS CARD READERS - NEW AND UPGRADE	95,000.00	Transitioning from low encryption to high encryption access card readers for a higher security footprint. Also adding more readers to the additional floors on 6,11 and 15
54004 - EXPENDABLE EQUIPMENT	ACCESS CARDS & KEY FABS FOR ALL EMPLOYEES	9,000.00	Procuring new high encryption access cards for 500 employees
55001 - OFFICE SUPPLIES	Photo Equipment for New Badges	1,200.00	Maintaining professional camera supplies and equipment for employee ID's and headshots
55001 - OFFICE SUPPLIES	OFFICE SUPPLIES	21,000.00	Maintaining basic office supply stock for the agency
55001 - OFFICE SUPPLIES	Fire Warden Safety Equipment for 20 employees	8,000.00	Enhancing safety and emergency response readiness through supplies, equipment and training resources
55001 - OFFICE SUPPLIES	Backup Badge Printer	4,000.00	Enhancing business continuity to establish this printer as primary and designating the current printer for backup during downtime and maintenance schedules
55002 - MEETING EXPENSES	MEETING EXPENSES	1,000.00	Setup and supplies needed to operate Board and other committee meetings for WF and the agency
55003 - PRINTING (OUTSIDE)	ADDITIONAL SIGNAGE FOR FLOORS	18,000.00	Wayfinding, emergency, rooms and cubicle signage for the new floors 6,11,15
55005 - MAINTENANCE AND REPAIR	MAINTENANCE AND REPAIR	15,000.00	Upkeep of the facilities (3555 Timmons, Richmond, Conroe and 5599 San Felipe) to ensure safety, aesthetics and compliance for building code and municipal regulations
55008 - SOFTWARE	Software	500.00	Support for basic printshop functions
55009 - EMPLOYEE DEVELOPMENT	CPR Classes for 24 people	2,000.00	Enhancing safety and emergency response readiness through training
55009 - EMPLOYEE DEVELOPMENT	PROFESSIONAL LEADERSHIP ACADEMY	2,000.00	Professional development for team building and supporting customer service, project management, safety and security leadership initiatives
55009 - EMPLOYEE DEVELOPMENT	PROJECT MANAGEMENT PROFESSIONAL CERTIFICATION	1,500.00	Acquiring the training and certification for Project Management Professional
55009 - EMPLOYEE DEVELOPMENT	NSC Safety Congress & Expo Seminar	955.00	Safety management development for team building and leadership initiatives
55013 - COMMUNICATION	CELLPHONE	600.00	Communications support for facilities and security
55013 - COMMUNICATION	DIGITAL SIGNAGE FOR PRINT SHOP & BREAK ROOM	9,100.00	Communications support for agency wide critical information loops on current events, emergency information/preparedness, safety tips, disaster relief, evacuation planning, agency wide message board
55015 - POSTAGE AND DELIVERY	POSTAGE AND DELIVERY	1,000.00	Mail and postage operations
55018 - OPERATING EXPENSES	OPERATING EXPENSES	500.00	Purchase facilities supplies and tools that support the maintenance requirements for all locations occupied by WF and the agency
55020 - INSURANCE AND BONDING	INSURANCE AND BONDING	61,920.00	Ensure that WF and the agency risks are financially secure. Specifically our Crime Liability has increased to \$20m as a direct result of meeting the needs of WF in the Rising Stars Program at 5599 San Felipe.
55020 - INSURANCE AND BONDING	5% INFLATIONARY FACTOR ON BUILDING	20,000.00	Projected rising costs of all insurance costs
55020 - INSURANCE AND BONDING	DIRECTORS & OFFICERS INSURANCE	30,000.00	Estimated cost of transferring fraud and dishonesty risk liability through insurance
55023 - EQUIPMENT RENTAL	COPIERS AND PRINTERS	25,000.00	Lease for copiers
55030 - SECURITY EXPENSE	OFFICERS FOR BOARD	1,200.00	Security cost of 2 off-duty peace officers stationed for H-GAC Board meetings
63001 - BENEFIT ALLOCATION		128,984.06	
65002 - INDIRECT ALLOCATION CREDIT	Recovery from Allocation " - Indirect Cost Allocation"	(792,759.16)	
80000 - ALLOCATED RENT/COMMUNICATIONS	Sent from Allocation " - Rent" (1.16%)	31,988.36	

H-GAC Facilities & Printshop: Summary and Top Functions

Department Overview

The Facilities Department, including the Printshop, consists of 4 staff members that play a vital role in supporting all 448 H-GAC staff by managing day-to-day operations, special projects, and periods of increased demand to ensure agency programs function efficiently, safely, and without interruption.

Our key responsibilities encompass risk management and insurances, on-site security, access controls, business continuity, crisis and medical response, space management, mail and print processing, event setup, shipping and receiving, and specialized project support such as tenant build-outs, move-ins, and program launches. The department's impact is tracked through detailed metrics, and our workload flexes in response to agency needs.

Top Printshop Functions

- **High-Volume Print Processing & Requests**
 - **2025 YTD Stats:** 4,752 print requests and 834,301 print impressions agency-wide.
 - **Impact:** Printshop covers a broad spectrum, from routine communications to packets for meetings, events, program materials and bulk mailouts.
 - **Value:** Ensures timely, professional-quality production of guides, handbooks, flyers, event materials, and support packets essential for agency operations and outreach.
- **Conference Room Setups & Event Support**
 - **2025 YTD Stats:** 178 conference room setups.
 - **Impact:** Frequent setup, breakdown, and customization of rooms for meetings, trainings, and community events, including the 11th floor and critical program gatherings.
 - **Value:** Provides logistical flexibility and enhances event effectiveness with tailored setups and on-demand printing.
- **Mail & Delivery Handling**
 - **2025 YTD Stats:** 14,088 inbound and 46,807 outbound mail pieces processed; 1,603 checks and 75 travel cards delivered.
 - **Impact:** Seamless uninterrupted Mailroom operations with no significant downtime periods.
 - **Value:** Ensures secure, timely delivery and processing of mail, checks, packages, and supplies critical to agency workflows and service delivery.

Top Facilities Functions

- **Risk, Safety & Security:**
 - **Scope:** Covering agency-wide risk management through insurance administration, business continuity planning, and compliance with OSHA safety and ADA accessibility standards. It also includes maintaining facility security, monitoring staff occupancy for operational efficiency and safety, and conducting regular property walkthroughs to identify and address safety or security concerns.
 - Insurances - Property, Liability, Workers Comp, Crime, Cyber, Errors & Omissions, Directors & Public Officials, Accidental and Auto.
 - Business continuity planning and preparations events that may temporarily disrupt or shut-down agency-wide business operations, projects and functions.
 - Managing OSHA Safety and ADA Accessibility standards in passageways, office and storage spaces, break room, and parking.

- Managing responses to medical incidents, evacuations and emergencies with Fire Wardens stationed on each floor along with staff certified in CRP/First Aid Training
- Maintaining a visible and effective security presence through security cameras and building access controls.
- Checking, verifying, monitoring how many staff are in the building to identify occupational efficiencies, trends and safety.
- Performing daily property and building walk-throughs to observe facility conditions and individuals for proper H-GAC Identification and reporting unsafe conditions or suspicious behavior.
- De-escalating confrontations and belligerent behavior from threatening and/or disruptive individuals in the building or property.
- **Value:** The Facilities Department enhances the safety, security, and operational resilience of all H-GAC departments by ensuring comprehensive risk management, regulatory compliance, and business continuity, while proactively maintaining secure and efficient work environments.
- **Space Planning, Lease Negotiations & Move-in Coordination**
 - **Scope:** Managing lease negotiations, property management relations, space requirements, site readiness, complex moves, demo and construction.
 - Currently Agency-wide demo, build-out, make-ready of 20k sq ft here at Timmons on floors 6,11 and 15.
 - Vetting potential additional offsite parking needs for 150-200 additional vehicles.
 - 22k sq ft move-in and tenant make-ready projects at 5599 San Felipe.
 - **Value:** Facilitates agency growth and maximizes space efficiency through negotiation, due diligence, setup, and ongoing management for productive occupancy.
- **Projects, Operations & Vendor Management**
 - **Scope:** Providing reliable vending and refreshment services, ensuring compliant management and secure disposal of agency records, and systematically tracking and safeguarding all agency assets across locations.
 - **Vending & Refreshments:** Ensures reliable supply and servicing of water, coffee, and concessions.
 - **File & Records Retention:** Manages compliance in the storage and secure disposal of agency records.
 - **Asset Management:** Systematic tracking and safeguarding of all agency assets across locations.
 - **Value:** Ensures quality, compliance, and cost effectiveness by delivering dependable vending services, upholding records compliance and security, and effectively managing agency assets to promote a productive and well-organized work environment.
- **Preventative Maintenance, Janitorial, and Porter Services**
 - **Scope:** Coordination of day and night cleaning crews for 92,000 sq ft; proactive maintenance of mechanical, electrical, HVAC, and general facilities.
 - **Value:** Provides a clean, safe, and fully operational environment, minimizing downtime and creating a professional, welcoming atmosphere for staff and visitors.

Metrics**Printshop**

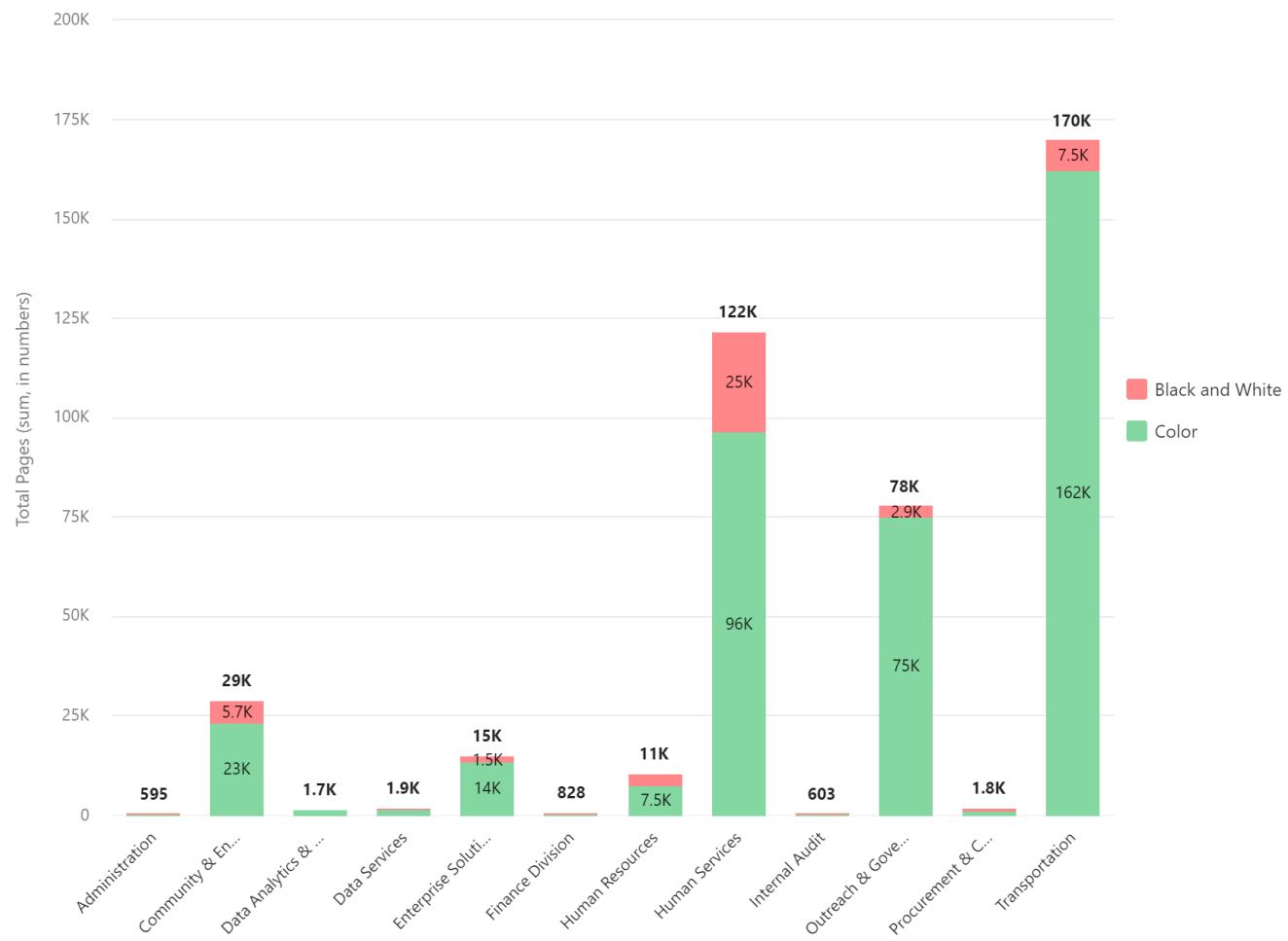
2025 YTD – Agency-wide

Conference room set ups	178
Print Requests via Asana	4,752
Print/Scan Requests walkup	329
Paper usage print impressions	834,301
Purchase Requests	139
Business Card Requests	140
Work Requests Created	146
New Employee Onboarding	149
Inbound mail pieces processed	14,088
Outbound mail pieces processed	46,807
Incoming shipment pieces processed	973
Outbound UPS shipments	98
Temporary badges for employees	517
Checks processed	1603
Travel cards delivered	75

2025 YTD

Total Tasks by Department and Print Type

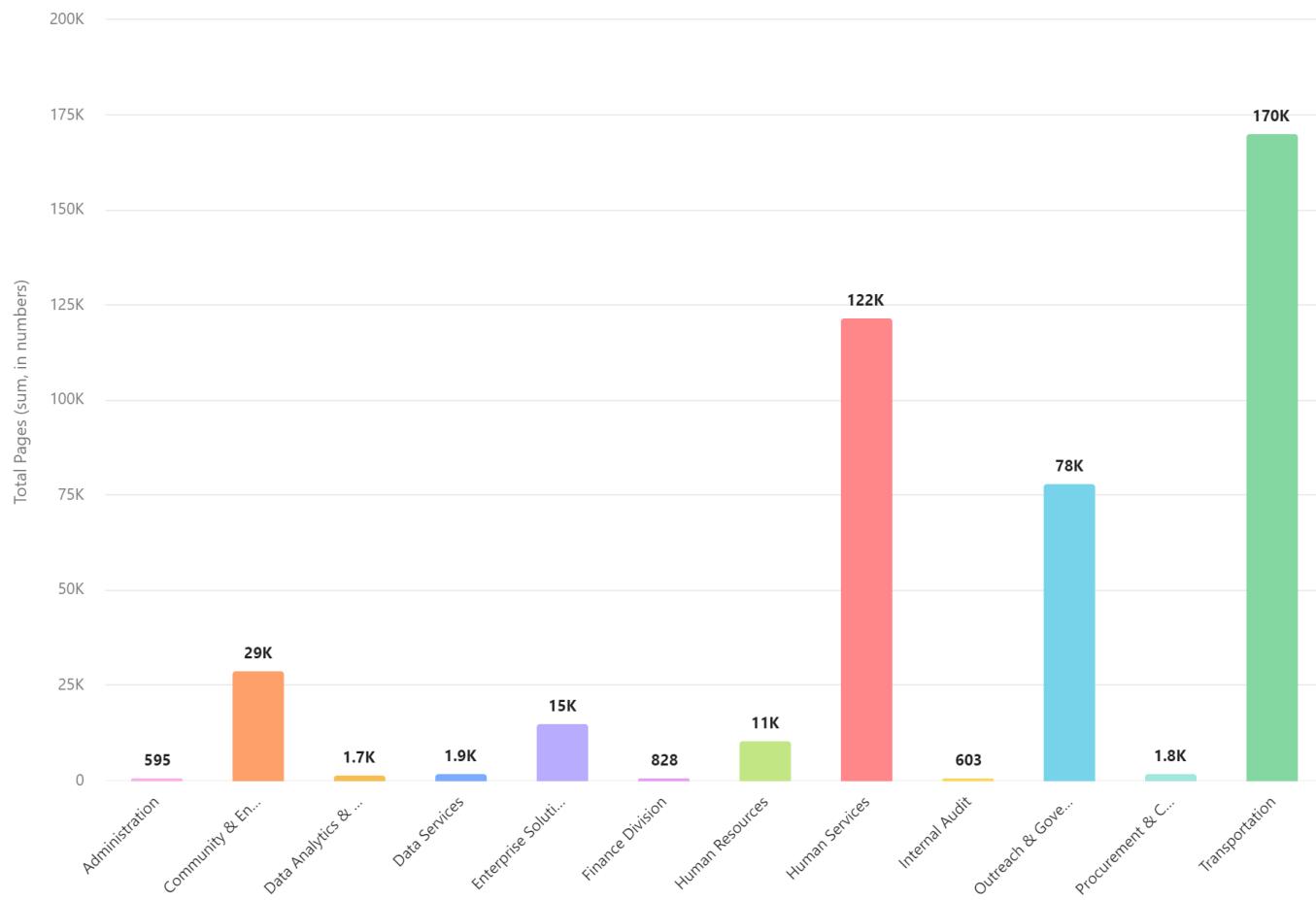
Sum of Total Pages by Department and Print Type



2025 YTD

Total Pages Printed by Department

Sum of Total Pages by Department



Deliverables by Functional Area/Cost Center - Network/IT (Cost Center 144/602)
Data Services

Top Three Deliverables by Indirect Departments				
DEPARTMENT	Deliverable #1	Deliverable #2	Deliverable #3	
DATA SERVICES (NETWORK/IT)	Enterprise IT Operations and Infrastructure Services Strategically Manages and Supports the Agency's Comprehensive Technology Ecosystem, Ensuring Reliable, Secure, and Efficient IT Infrastructure and Services for All Staff.	Business Applications and AI Enablement Services Optimize Organizational Performance by Providing Collaborative Technologies, Data-Driven Insights, Workflow Automation, and Strategic AI Implementation That Empower Staff to Work More Efficiently.	The Information Security, Risk, and Compliance Program Proactively Enhances the Agency's Cybersecurity Posture by Continuously Improving Policies, Tools, and Staff Training While Rigorously Assessing and Mitigating Security Risks Across the Organization.	
GL Account Type	GL Account *	Description	2026	Comments
EXPENSES	51001 - CONSULTANTS	SWITCH LLC - Co-location services	15,000.00	Infrastructure - SWITCH LLC co-location services hosting on-prem servers and services. This will need to be re-procured for 2026 due to TWC audit requirements.
EXPENSES	51001 - CONSULTANTS	Iron Mountain - Offsite storage for backup tapes	4,000.00	Iron Mountain - Offsite storage for backup tapes
EXPENSES	51001 - CONSULTANTS	CloudFlare Web Application Firewall	20,000.00	Infosec - For h-gac.com and hgacbuy.org, wrksolutions.com is in CC-403
EXPENSES	51001 - CONSULTANTS	A/V Maintenance and Support	15,000.00	Gold plan service contract by AVI systems for our meeting rooms on 2, 4, and 5. Also includes additional cost for 6, 11, and 15.
EXPENSES	51001 - CONSULTANTS	Network cabling services	1,500.00	Infrastructure - Network drops and cabling as needed
EXPENSES	51001 - CONSULTANTS	AT&T Agnostic DDoS Mitigation services	20,000.00	Infosec - DDoS mitigation services that will protect attacks on critical circuits
EXPENSES	51001 - CONSULTANTS	CMS Modernization	175,000.00	Plan to migrate to Kentico Xperience cloud or a new CMS. This is a placeholder estimate based on current cost for Kentico Xperience and Umbraco.
EXPENSES	51001 - CONSULTANTS	Human Resources Information System	100,000.00	AppDev - HR Application for orgchart, employee benefits and survey. This is a placeholder amount. Waiting for requirements from Teri.
EXPENSES	51001 - CONSULTANTS	Professional Consulting Services	250,000.00	Development of AI platform for later stages of AI roadmap, SEIM development, network penetration test, etc....
EXPENSES	51001 - CONSULTANTS	Server Room AC Preventative Maintenance	6,000.00	Infrastructure - AC preventative maintenance for server room at main office.
EXPENSES	51001 - CONSULTANTS	Kentico Upgrade Project Vendor services to complete an upgrade of Kentico to Kentico Xperience 13	65,000.00	AppDev - Estimated amount received from vendor quote for upgrade. This is to stay up on compliance until Dec 26
EXPENSES	51001 - CONSULTANTS	Technology Consulting Services	80,000.00	DS Admin - Gartner services for technology research and information.
EXPENSES	53002 - TRAVEL	Infocomm Conference	1,800.00	Infrastructure - Infocomm conference Daniel Yoo
EXPENSES	53002 - TRAVEL	LARSON, SARAH Out of Region Travel	2,200.00	AppDev - Power Platform conference for Sarah Larson
EXPENSES	53002 - TRAVEL	ROTUNDO, EDGAR Out of Region Travel	1,800.00	Infrastructure - Conference/Professional Development Travel
EXPENSES	53002 - TRAVEL	Tran, John Out of Region Travel	1,800.00	Infosec - Conference/Professional Development Travel
EXPENSES	53002 - TRAVEL	Ortiz, James Out of Region Travel	1,800.00	Infosec - Conference/Professional Development Travel
EXPENSES	53002 - TRAVEL	AI/BI/Data Conference	1,800.00	Bi/Al - Khaled Kathouni
EXPENSES	53002 - TRAVEL	AI/BI/Data Conference/IT Initiatives	3,500.00	DS Admin - DS Director
EXPENSES	53002 - TRAVEL	AI/BI/Data Conference	1,800.00	Bi/Al - AI Engineer
EXPENSES	53002 - TRAVEL	AppDev Conference	3,500.00	AppDev - Chau Le
EXPENSES	54004 - EXPENDABLE EQUIPMENT	Miscellaneous technology supplies	5,000.00	Infrastructure - Laptop replacement for Data Services personnel with expiring laptop warranties.
EXPENSES	54004 - EXPENDABLE EQUIPMENT	Mobile AV System	25,000.00	Infrastructure - AV equipment to build out a mobile AV system that allows all departments and programs to conduct offsite meetings that meet H-GAC AV standards. This equipment can also be used in a fee-for-service model where we can host offsite meetings for members or other local government entities.
EXPENSES	54004 - EXPENDABLE EQUIPMENT	Owl cameras	4,000.00	New owl cameras to replace existing ones that are beginning to malfunction. Owls will be used until the completion of 2ABC conference room upgrade.
EXPENSES	54004 - EXPENDABLE EQUIPMENT	Miscellaneous software	5,000.00	Miscellaneous support software (LucidChart, ScribeNow, BitBucket, etc.)
EXPENSES	54004 - EXPENDABLE EQUIPMENT	Staff laptop replacements	16,000.00	Infrastructure - Laptop replacement for Data Services personnel with expiring laptop warranties.
EXPENSES	55001 - OFFICE SUPPLIES	Office supplies and stationaries	500.00	DS Admin - Office supplies and stationaries
EXPENSES	55005 - MAINTENANCE AND REPAIR	Server Infrastructure Maintenance	15,000.00	Maintenance contract for server infrastructure at HQ and colo.
EXPENSES	55005 - MAINTENANCE AND REPAIR	ExaGrid Disk Backup Appliance	7,000.00	Maintenance and warranty agreement for backup disk target
EXPENSES	55005 - MAINTENANCE AND REPAIR	Server Room Incidental expenses	2,000.00	Infrastructure - Includes any incidentals in the server room (electrical work, repairs, etc.)
EXPENSES	55005 - MAINTENANCE AND REPAIR	Wilson Fire - Fire Suppression Inspection	2,000.00	Infrastructure - Fire suppression system for server room. Semi-annual inspection.

GL Account Type	GL Account *	Description	2026	Comments
EXPENSES	55005 - MAINTENANCE AND REPAIR	Server Room AC Preventative Maintenance	5,500.00	AC preventative maintenance for server room at main office.
EXPENSES	55008 - SOFTWARE	Azure cloud hosting platform	50,000.00	Infrastructure - Azure cloud hosting platform
EXPENSES	55008 - SOFTWARE	Microsoft M365 E5 Licenses	350,000.00	This license level for Microsoft combines the functionalities of several critical services we currently subscribe to. These services include: Office 365 E3, Azure P1 Premium, Microsoft Teams Phone license, PowerBI, TrendMicro security suite, and end point management tools. The combined costs of these subscriptions and services are comparable to the cost of M365 E5 and will bring enterprise level security and management features.
EXPENSES	55008 - SOFTWARE	Microsoft Project	1,000.00	Project management software for DS managers team
EXPENSES	55008 - SOFTWARE	ArcGIS Pro Admin License (1)	1,600.00	ArcGIS Pro Admin License for Malik in the amount of \$1,600
EXPENSES	55008 - SOFTWARE	OptiSign - Digital Signage application	2,500.00	Digital signage application for the monitors on the floors. We are adding additional monitors on 2 and 1 and for signage on 6, 11, 15. This application will replace the web page developed in-house and will allow for more dynamic content delivery and information.
EXPENSES	55008 - SOFTWARE	Regroup - Emergency Notification Service	3,000.00	Emergency notification service for polling and feedback from staff (potential replacement for Omnilert)
EXPENSES	55008 - SOFTWARE	SpaceIQ Desk Reservation Service	9,500.00	Desk hoteling reservation service.
EXPENSES	55008 - SOFTWARE	Zoom Business Licenses	2,000.00	Zoom licenses used to conduct public hybrid meetings. Licenses for Edgar, Daniel Yoo, Brianca, and Jacob
EXPENSES	55008 - SOFTWARE	Splunk SIEM Solution	15,000.00	Splunk Security Information and Event Management for security monitoring and network activity visibility.
EXPENSES	55008 - SOFTWARE	ConnectWise Remote assistance software utilized by IT team and 911 team.	2,500.00	Infrastructure - Remote access software for troubleshooting remote clients.
EXPENSES	55008 - SOFTWARE	Domain Name & SSL Certs	1,500.00	Infrastructure - Various domain name and SSL cert purchases and renewals.
EXPENSES	55008 - SOFTWARE	Kentico CMS Maintenance H-GAC.com Content Management System license renewal	10,000.00	Content Management System license renewal
EXPENSES	55008 - SOFTWARE	SysAid IT Ticketing software	22,000.00	ITSM system for H-GAC
EXPENSES	55008 - SOFTWARE	Veeam backup software maintenance	20,000.00	Data Backup and replication management software
EXPENSES	55008 - SOFTWARE	VMWare maintenance agreement	10,000.00	Maintenance agreement for our virtualization infrastructure
EXPENSES	55008 - SOFTWARE	XIO licenses for Crestron devices	4,000.00	Crestron XIO licenses to manage all Crestron devices in the meeting rooms. Increase includes 6, 11, 15
EXPENSES	55008 - SOFTWARE	IBM MaaS MDM standby licenses	1,000.00	maximum of 20 licenses on standby. Cost will transfer to cellphone user once assigned. \$3/month
EXPENSES	55008 - SOFTWARE	Fujitsu Edge Xperience subscription	1,500.00	Infrastructure - Scanning service utilized by Printshop/Facilities. Fujitsu Edge Subscription & fi-7300NX Scanner Renewal
EXPENSES	55008 - SOFTWARE	Itand Backup for Office365 (H-GAC)	5,000.00	Cloud backup target for H-GAC Office365 environment
EXPENSES	55008 - SOFTWARE	KnowBe4 PhishER Supplemental services to H-GAC's KB4 service.	5,000.00	Assists in evaluating and processing reported phishing emails.
EXPENSES	55008 - SOFTWARE	Data modeling tools (Erwin)	7,500.00	Bi/AI - Data modeling tools (Erwin)
EXPENSES	55008 - SOFTWARE	Microsoft Visio Licenses	1,500.00	Data Services diagram tool
EXPENSES	55008 - SOFTWARE	Crestron Flex Warranty	4,000.00	Infrastructure - Warranty service for Crestron devices in meeting rooms. This is to provide warranty coverage for the equipment.
EXPENSES	55008 - SOFTWARE	Artificial Intelligence (AI) Development Platform	12,000.00	Airia.ai platform
EXPENSES	55008 - SOFTWARE	Adobe Sign	9,000.00	AppDev - Adobe Sign licenses for agency
EXPENSES	55008 - SOFTWARE	Adobe licenses for team	3,000.00	AppDev - For DS staff currently with Adobe software. Photoshop licenses for Philippe, Sarah, and Chau
EXPENSES	55008 - SOFTWARE	Asana Business Plan Asana	160,000.00	AppDev - Term: Oct-15-2026 - Oct 15, 2027. Increase due to staff growth and anticipated price increase
EXPENSES	55008 - SOFTWARE	Salesforce CRM	120,000.00	Salesforce CRM licenses renewal.
EXPENSES	55008 - SOFTWARE	KnowBe4 Security Awareness Training	6,000.00	KnowBe4 Security Awareness Training Platinum - Subscription
EXPENSES	55008 - SOFTWARE	Teams Rooms Pro licenses	12,000.00	Teams room licenses used in all conference and huddle rooms. Increase includes 6, 11, and 15
EXPENSES	55008 - SOFTWARE	Omnilert Emergency Notification Omnilert emergency notification system, payment distribution: OMNILERT LLC. TXWC.25.0901= \$4,016.10 (60%), TDOT.25.0110= \$847.85 (%12.67), NETW.25.0101= \$1,459.20 (%21.80), E911.25.0101= \$370.36 (%5.53). Total \$6,693.51	1,500.00	Omnilert emergency notification system. payment distribution
EXPENSES	55008 - SOFTWARE	RingCentral Telephony Services	70,000.00	Annual recurring costs for HGAC telephony system
EXPENSES	55008 - SOFTWARE	Resource Scheduler	3,000.00	2ABC conference room reservation services for our main conference rooms. Integrates with our website to post public meetings as our programs reserves the rooms. FM:SYSTEMS GROUP LLC
EXPENSES	55008 - SOFTWARE	ShareFile File Storage subscription	2,000.00	Online storage similar to OneDrive. Has additional management tools. Utilized primarily to distribute imagery and other GIS data. CITRIX SYSTEMS INC

GL Account Type	GL Account *	Description	2026	Comments
EXPENSES	55008 - SOFTWARE	ShareGate - SharePoint management tool	6,000.00	Sharegate - Subscription license renewal (1 year) - 1 user. Utilized by SharePoint administrators to assist departments restructure their site, migrate data, manage access, etc.
EXPENSES	55008 - SOFTWARE	Palo Alto License and Maintenance	20,000.00	Infrastructure - includes the Palo Alto 820 firewall, the subscription license, the threat prevention subscription, the support plan and the Wildfire file analysis subscription. All licenses and subscriptions are valid for one year after purchase.
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Application Development Manager (Chau Le)	3,000.00	Visual Studio Live
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Lead Application Developer (Phillippe Anchondo)	3,500.00	PMP Certification
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Application Developer (Reggie Andes)	2,000.00	Certified Entry-Level Python Programmer (PCEP) or higher
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	BI/AI TRAINING	2,500.00	AI Training for AI Engineer
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	BI/AI CONFERENCE (Viet Dang)	3,500.00	BI/AI conferences
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	BI/AI CONFERENCE (Khaled Kalhouni)	3,500.00	BI/AI conferences
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Application Analyst (Sarah Larson)	2,500.00	Power platform conference
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	AV Specialist (Jacob Eckhardt)	1,000.00	AVIXA membership, CTS-D Exam
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Information Security Administrator (James Ortiz)	2,000.00	CISM Certification
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	PC Support/Helpdesk Tech (John Bernabe)	1,500.00	CompTIA Network+
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Senior Systems Analyst (Malik Sheriff)	3,000.00	Azure cloud and other infrastructure initiatives
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Senior Systems Analyst (Noe Vicknair)	3,000.00	Azure cloud and other infrastructure initiatives
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Senior Manager (John Tran)	1,000.00	Leadership/Team Management development
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Operational Services Manager (Edgar Rotundo)	1,500.00	Professional development on infrastructure and management
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	Application Analyst (Yusha Risvi)	2,000.00	SharePoint admin training
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	PC Support/Helpdesk Tech (Rowan Mascarenhas)	1,500.00	CompTIA Network+
EXPENSES	55009 - EMPLOYEE DEVELOPMENT	AV Administrator (Daniel Yoo)	1,000.00	AVIXA membership, CTS-D Exam
EXPENSES	55013 - COMMUNICATION	Internet Service - AT&T - 200Mbps	14,000.00	Internet circuit for 3555 Timmons. /24 static IP addresses for hosted services
EXPENSES	55013 - COMMUNICATION	Verizon SIM card for Temperature Guard	1,000.00	Cellphone line for temperature monitor for server room
EXPENSES	55013 - COMMUNICATION	Verizon Wireless - Cellphones for DS team	2,500.00	On call rotating cell phone for Emergency communication. Helpdesk technician company cellphone. DS Director cellphone.
EXPENSES	55013 - COMMUNICATION	Internet Service - Logix - 1Gbps	15,000.00	Internet circuit for 3555 Timmons. Primary circuit for general network traffic. 5 static IPs. LOGIX COMMUNICATIONS LP
EXPENSES	55020 - INSURANCE AND BONDING	Cyber Insurance	100,000.00	Cyber insurance for H-GAC programs.
EXPENSES	55035 - FOOD & BEVERAGE	FOOD AND BEVERAGE	500.00	Miscellaneous food and beverage costs.

2026 BUDGET & SERVICE PLAN

Background

N/A

Current Situation

An overview of the 2026 Budget & Service Plan

Funding Source

N/A

Budgeted

Not Applicable

Action Requested

Request approval of the H-GAC 2026 Budget & Service Plan. (Staff Contact: Chuck Wemple)

[OpenBook](#)

ADULT EDUCATION & LITERACY CONTRACT AMENDEMENTS

Background

The Adult Education and Family Literacy Act—authorized under Title II of the Workforce Innovation and Opportunity Act—supports adult education, literacy, and English language acquisition programs. The Gulf Coast Workforce Board serves as the grantee and fiscal agent for the Gulf Coast Adult Education Consortium, which is composed of two community-based organizations, three community colleges, and one education service center serving as the lead agency providing technical assistance and coordination.

In 2024, the Board was awarded responsibility for nine counties, including Austin, Colorado, Fort Bend, Matagorda, Montgomery, Walker, Waller, and Wharton, as well as 60 percent of Harris County. Services are delivered in-person, remotely, and through hybrid models and include English language instruction, literacy and GED preparation, adult basic and secondary education, integrated education and training programs, college and career readiness, employability skills, services for internationally trained professionals, and workplace and digital literacy.

Each year, the Texas Workforce Commission allocates funding to selected Adult Education grantees with defined performance and fiscal expectations. Timely distribution of funds is critical to ensure consortium members can maintain staffing levels and deliver services without interruption.

Current Situation

When the Board initially received the 2025–2026 allocation from Texas Workforce Commission, the total available funding was significantly reduced compared to previous years. Consequently, consortium contracts were renewed at lower levels effective July 1, 2025, while staff awaited clarification on potential performance-based adjustments.

Texas Workforce Commission has since issued supplemental funding to restore and expand Adult Education and Family Literacy services. These additional funds allow consortium members to resume operations at full capacity and continue addressing the region’s growing demand for literacy and upskilling programs.

Board staff propose amending existing contracts with consortium members to incorporate additional funding. These amendments will adjust total budgets and ensure proportional distribution based on contracted services and performance expectations.

Proposed Amendment Amounts

Provider	Original Amounts	Amendment Increase	Revised Total
Houston City College	\$2,558,000	\$1,502,800	\$4,060,800
Lone Star College	\$1,445,000	\$847,938	\$2,292,938
San Jacinto College	\$816,000	\$480,000	\$1,296,000
Region 6 ESC	\$1,484,000	\$401,469	\$1,885,469

Total	\$6,303,000	\$3,232,207	\$9,535,207
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Funding Source

Texas Workforce Commission

Budgeted

Yes

Action Requested

Request approval to execute contract amendments with consortium members—Houston City College, Lone Star College, San Jacinto College, and Region 6 Education Service Center—to incorporate additional Adult Education and Family Literacy Act funds for the period July 1, 2025, through June 30, 2026, in a total amount not to exceed \$9,535,207. (Staff Contact: Kristi Hayman)

CONTRACT AMENDMENT: OUTREACH STRATEGISTS

Background

The Gulf Coast Workforce Board applied for funding under the Houston Endowment's Collaboration Fund – Strengthening Organizational Leadership & Resiliency Program. This opportunity supports nonprofit and public organizations in strengthening their internal leadership capacity, reinforcing organizational stability, and ensuring long-term resilience in service to the community.

Through this award, the Board will enhance its ability to lead complex workforce initiatives and maintain operational continuity amid evolving economic and labor market conditions. The grant aligns with the Board's strategic goals of building leadership capacity, fostering innovation, and improving outreach and engagement across the regional workforce system. In October 2025, the Board was awarded \$100,000 to implement activities that advance these priorities.

Current Situation

Board staff recommend amending the existing contract with Outreach Strategists to incorporate these funds.

The additional funding will enable Outreach Strategists to expand and elevate communication, outreach, and leadership development initiatives across the region.

Planned activities include:

- Developing and disseminating outreach materials and branded giveaways for use at events, conferences, and community engagements to increase public awareness of Workforce Solutions' programs and impact;
- Hosting regional events and engagement sessions that foster collaboration among partners and strengthen community relationships;
- Hiring Gulf Coast youth to support outreach and communications functions, providing them with exposure to professional career pathways; and
- Implementing Leadership and Resiliency Training for internal staff, partners, and external stakeholders to build leadership skills, improve coordination, and strengthen the resiliency of the regional workforce ecosystem.

Through these efforts, Outreach Strategists will provide technical assistance and capacity-building support to both emerging and established leaders across the system—helping to advance

succession planning, professional development, and long-term sustainability within the Gulf Coast Workforce Board network.

Funding Source

Houston Endowment

Budgeted

Yes

Action Requested

Board staff request authorization to amend the existing contract with Outreach Strategists to include the additional \$100,000 for Fiscal Year 2026 for implementation of outreach, engagement, and leadership development activities. The total contract value will increase to \$1,050,000. (Staff Contact: Thomas Brown)

CONTRACT AMENDMENT: FINANCIAL AID PAYMENT OFFICE

Background

The Gulf Coast Workforce Board applied for a Project Support grant from the Houston Endowment to advance regional educator pipeline strategies. This initiative directly supports the Board's Educator Pathways and Workforce Innovation priorities by addressing the shortage of qualified teachers in the Gulf Coast region.

The Houston Endowment funding provides strategic, flexible resources that strengthen the teacher talent pipeline through wraparound supports for aspiring educators—helping them overcome financial and personal barriers to earning teacher certification. These funds will bridge the gap between the total costs of certification and the limited resources currently available through traditional aid or stipends.

In October 2025, the Board was awarded \$1,250,000 over a two-year period to implement the proposed activities in collaboration with workforce and education partners.

Current Situation

Board staff recommend amending the existing contract with BakerRipley – Financial Aid Payment Office to incorporate \$600,000 of these funds. Under this amendment, Financial Aid Payment Office will administer direct financial support to eligible participants pursuing teacher certification. These supports may include:

- Incentive payments tied to milestones such as program completion or certification attainment;
- Gap funding to cover remaining tuition and testing fees not met by other aid sources; and
- Emergency or wraparound assistance for childcare, transportation, or other unexpected expenses that may otherwise prevent completion.

The remaining grant funds will support Board-led activities such as program coordination, data collection, and evaluation to measure outcomes and ensure alignment with the Houston Endowment's objectives. Oversight will be provided through the Board's established fiscal and program monitoring systems.

Funding Source

Texas Workforce Commission

Budgeted

Yes

Action Requested

Request authorization to amend the existing Fiscal Year 2026 contract with BakerRipley – Financial Aid Payment Office to include the additional \$600,000 from Houston Endowment, which will increase the total maximum contract value to \$381,100,000. (Staff Contact: Thomas Brown)