

CEO Meeting
Wednesday, December 17, 2025, 10:00 AM
MST

NALWDB Conference Room
525 Camino De Los Marquez
Suite 250
Santa Fe, NM 87505

Cibola County	Absent
Colfax County	Absent
Los Alamos County	Present
McKinnley County	Absent
Mora County	Present
Rio Arriba County	Present
Santa Fe County	Present
San Juan County	Absent
San Miguel County	Present
Taos County	Present

Present: 6, Absent: 4.

Also in attendance: NALWDB Staff: Lisa Ortiz - Executive Director, Barney Trujillo - Operations Manager, Ruthie Castellon – Quality Assurance Specialist, Brittany Valencia – Program/Finance Specialist, Issy Lozano – Program Support Specialist. **Guests:** Rick Sandoval – Zlotnick & Sandoval, Ericka Van Eckhoutte – Adult/DW Director, Veronica Alonzo NMDWS, Chanin Kelly O’Rourke – DWS, Margarito Aragon – DWS, Julio Garcia – Legal Counsel, Rudy Garcia – Board Member, Pablo Lujan – Board Member,

1. Call Meeting to Order

The meeting was called to order at 10:02 AM by Commissioner Chairman Alex Naranjo.

2. Roll Call and Determination of a Quorum

Roll call was conducted by NALWDB Program Support Specialist Issy Lozano, who indicated that a quorum was present.

3. Pledge of Allegiance

The pledge of allegiance was recited by all in attendance.

4. Approval of Agenda

Motion to approve the agenda. This Motion was made by Martin Sena – Commissioner Vice Chair San Miguel, seconded by George Trujillo – Commissioner of Mora County, and passed unanimously by rollcall vote.

5. Approval of Board Meeting Minutes

Motion to approve the agenda. This Motion was made by Martin Sena – Commissioner Vice Chair San Miguel County, seconded by George Trujillo – Commissioner of Mora County, and passes unanimously by rollcall vote.

6. Action Items

6.1 By-Laws Revision

Madam Executive Director Lisa Ortiz, informed the CEO Committee that the bylaws are being revised, following recommendations from a 2021 Department of Labor and DWS desk review, which required the board to submit a plan to ensure compliance, make timely updates, include all divisions, and maintain a current and compliant board roster.

In event of a vacancy, the Chief Elected Official, CEO, shall replace/fill a vacant position within 120 days of the vacancy. The NALWDB shall maintain a vacancy log updated monthly which will be reviewed by the Rules Committee and the Executive Committee each quarter to ensure compliance with this requirement. If a vacancy approaches the 90 days, the Executive Director shall notify the CEOs and the Rules Committee in writing and the matter shall be placed on the agenda for the next board Meeting until resolved. Board members shall be appointed to serve terms of three years, except when shorter terms are necessary to establish staggered appointments. To maintain staggered terms and ensure continuity, approximately one-third of board members shall expire each year. Initial appointments or appointments shall be as follows. One-third of the members to one-year terms. One third of the members shall be appointed to two-year terms. One third of the members shall be appointed to three-year terms. Thereafter, all appointments shall be made for three-year terms with vacancies filled for the remainder of the unexpired term. The Rules Committee shall oversee the assignment and tracking of staggered terms and provide an adequate report to the full board confirming compliance. Madam Executive Director Lisa Ortiz made the recommendation of the approval of the revised bylaws. This Motion was made by Brent Jaramillo – Count Manager Taos County, seconded by George Trujillo – Commissioner Chair Mora County, and passed unanimously by rollcall vote.

For the record, Commissioner of Santa Fe County; Camilla Bustamante, joined the meeting at 10:10am.

7. Announcements:

No major announcements were reported.

8. Informational Reports

8.1 Executive Director Report – Lisa Ortiz.

Madam Executive Director Lisa Ortiz provided a brief update on the corrective actions underweighting in the Northern Area, recently from the State and Federal Monitoring. First, the board began full PY24 monitoring of sub-recipients, which is currently in progress and expected to be completed by mid-January 2026. The focus is strengthening compliance, improving consistency, and fully addressing identified findings.

Second, The U.S. Department of Labor monitoring covered program years 2022–2024 and identified up to \$350,000 in potentially questionable costs, with \$208,000 reviewed, out of approximately \$12 million in total expenditures during that period.

After an extensive internal review, the board determined the questioned costs were fully accounted for and submitted thorough documentation to the U.S. Department of Labor and BWS, including reviews of training contracts, participant programs, board payments, job center operations, and administrative costs. The CEOs will be involved only if the issues cannot be resolved with the Department of Labor.

Third, Internal monitoring found unresolved questionable costs involving a former service provider, and the board completed a full review of all PY23 OJT files.

Approximately \$23,000 in non-allowable costs were identified and are being pursued with a former service provider. Fiscal monitoring is being strengthened through a new guide and scheduled reviews, with completion planned in the new year. All current sub-recipient contracts are in place, and the board is revising its bylaws and enhancing internal capacity through updated financial policies, improved oversight, diversification planning, increased provider engagement, hiring a Quality Assurance staff member, and an ongoing policy review. Overall, these efforts reflect the board's commitment to accountability, compliance, and continuous improvement, including addressing 12 oversight items identified by DWS for FY25.

Commissioner Chairman Rio Arriba County: Alex Naranjo, asked why we had stewards overseeing the Northern Board.

Madam Executive Director Lisa Ortiz, responded by explaining that The Workforce Solutions hired stewards to oversee the Northern Board, providing support with compliance, policy and bylaw reviews, and oversight of service providers and the fiscal agent. Lisa Ortiz also explained that the Stewards were in a 3-month term contract, from June to August, and provided a stewardship report, an executive summary of the review of the Northern Board.

The Northern Board addressed multiple monitoring and audit findings across PY22–PY24, including DWS and U.S. Department of Labor reviews. Questioned costs were reviewed and documented, with \$23,000 in non-allowable costs identified and reimbursement requested from a former service provider. Fiscal monitoring is underway using a new guide, all sub-recipient contracts are in place, CEO agreements are being revised, bylaws were approved, and a cost allocation plan was submitted for federal review. The board is also strengthening engagement and oversight of regional training providers and ETPL partners.

The board has implemented a structured technical assistance plan and regular performance and compliance meetings with service providers. A new Quality Assurance staff member was hired, PY24 monitoring is underway, and PY25 monitoring is planned for completion by June 30. Policies have been reviewed and updated, and staff continue

capacity building through federal training to ensure compliance in fiscal oversight, monitoring, governance, and performance accountability.

Local Board Chairman Joseph Weathers shared that since becoming chairman, the board consistently met corrective action plans under oversight without clear guidance. The recent steward review provided valuable training and guidance, helping the board address weaknesses, replace ineffective personnel, and make meaningful improvements. The board is now moving forward with strengthened leadership and corrective measures.

Commissioner of Santa Fe County Camilla Bustamante acknowledged that, in the past, some funds were reportedly left unspent at the end of the year and may not have fully reached job seekers, though they are not certain of the details.

Chairman Weathers confirmed Camilla's observation, noting that previous providers, including Sarah's Jobs for Progress and Chicanos Por la Causa, left funds unspent, which can be used within three years. The state reclaimed unspent funds faster than expected, limiting providers' opportunity to use them. Since then, the board has requested extensions, particularly for dislocated worker funds, which is a nationwide issue. The issue affects all four boards and stems from Department of Labor rules requiring high spending on dislocated workers. Greater flexibility would allow more funds to be used for adult and youth training. The required spending ratio between in-school and out-of-school youth is disproportionate, making it difficult to effectively support out-of-school youth who face greater challenges. While following federal rules, the board ensures resources target high-need areas, including Mora County, rural Northern towns, and Native American communities, especially after events like fires. The board strives to allocate resources equitably among all counties, focusing extra attention on areas with the highest needs.

Commissioner of Santa Fe County Camilla Bustamante, addressed that for the record, the issue of unspent funds, raised for the Northern Board, was recognized as a national concern at a workforce development conference.

Operations Manager Barney Trujillo made a comment, addressing that the unspent funds from 2020 are still being held against the board, despite initial assurances that recouping them would prevent future penalties, contributing to continued oversight. The board sought guidance nationally after New Mexico denied transferring dislocated worker funds to adults, learning that such transfers are common practice elsewhere. New Mexico initially blocked transferring dislocated worker funds to adults, but after national guidance, they allowed it; earlier flexibility could have prevented the issue. Also adding that in 2021, youth funding rules required 75% for out-of-school youth, making it hard to spend funds quickly, though a temporary 50-50 waiver helped. Since then, the board has spent funds without issue. A three-month steward program provided excellent training, helping the board improve oversight and internal processes. A \$12 million DOL audit found \$208,000 in questioned costs, which the board reviewed, justified, and submitted for confirmation. With strengthened staff, improved procedures, and engaged providers, the board is now confident in its financial management and compliance.

Madam Executive Director Lisa Ortiz ended her report by saying that they have submitted detailed reports to the Department of Labor and are now awaiting their response.

8.2 Financial Report – Fiscal Agent Rick Sandoval.

Rick Sandoval – Fiscal Agent, informed the CEO Committee of what his Financial Reports consist of that the board receives a monthly financial package, including a statement of net assets showing cash, receivables, and other key financial information. The monthly spending report details activities by grant, showing revenue matches expenses due to cost-reimbursement grants. It also notes leased facilities shared with partner organizations. Reimbursements from partners are used before requesting additional funds. The board opened an interest-bearing money market account with unlimited transfers, and the earned interest can be used for expenses. Then he explained that the fiscal year-to-date report shows each grant and administrative expenses, funded by the board's 10% allocation, covering items like fiscal agent contracts, legal costs, and other staff-related administrative functions. The board's financial reports focus on cost coverage rather than profit, including unrestricted Kellogg funds for workforce activities. The budget-to-actual report tracks board operations, provider contracts, training, and one-stop center costs, with high initial spending on rent offset by later reimbursements. Monitoring was delayed due to a provider's two-year audit backlog, which was needed for risk assessment. Preliminary data has now been collected from providers, and monitoring will be scheduled once evaluations are complete.

George Trujillo – Commissioner of Mora County, asked Rick Sandoval – Fiscal Agent, how often did they reconcile administration requests from Providers?

Rick Sandoval – Fiscal Agent, responded that staff review provider requests, track payments, and reconcile them with allocated contract funds. Interim meetings are held when providers request additional funding to meet contract needs. Provider fund requests are tracked in real time, reconciled with allocated grant amounts, and reviewed in monthly or interim meetings. Reports to the board show grant balances, expirations, and spending percentages. Staff monitor dislocated worker and adult funds closely, request transfers when needed, and adjust contracts for high-demand areas like youth programs. This process ensures funds are spent appropriately and providers stay on track, forming the basis of the board's financial reporting package.

Local Board Chairman Joseh Weathers, asked Lisa and Rick to explain to the CEOs how provider fund requests are reviewed, approved, and reimbursed. Rick was also asked to detail the fiscal agent's procedures for monitoring allowable costs, including preventive measures, interventions, and reconciliations, to ensure counties are not financially impacted.

Rick Sandoval – Fiscal Agent, explained his role stating that the board's role is to assist and track provider services. Providers first evaluate participants for eligibility and commit funds. Board staff then review requests, process payroll for work experience

programs, and track approved payments, ensuring proper oversight. Then the Fiscal Agent(s) conduct a second review, ensuring timesheets and provider reimbursement requests are approved before processing payments. Staff first review provider requests, asking for supporting details before approving payment, which is then recorded in accounting. The fiscal agent tracks but does not approve payments, maintaining separation of duties. Monitoring ensures providers properly allocate expenses across programs and comply with WIOA requirements.

9. Public Comments.

Camilla Bustamante, Santa Fe County Commissioner, apologized for being late and noted that the approved minutes from the previous meeting listed her incorrectly as Mora County Commissioner in two places. She was informed the minutes would be revised to reflect her correct title as Santa Fe County Commissioner. She also raised about the possibility of providing bulk water, including whether Santa Fe County could supply bulk water and construct storage tanks. It was confirmed that arrangements could be made to provide water support.

10. Next Meeting Date: 02/18/2026

11. Adjournment

Motion to adjourn at 11:04AM. This Motion was made by Camilla Bustamante, Commissioner of Santa Fe County, seconded by George Trujillo – Commissioner of Mora County, and passes unanimously by rollcall vote.

An Executive Session may be called at any time during the meeting. Pursuant to New Mexico Open Meetings Act Section 10-15-1 (H) Subsections; (1) Meetings pertaining g to issuance, suspension, renewal or revocation of a license, except that a hearing at which evidence is offered or rebutted shall be open. All final actions on the issuance, suspension, renewal or revocation of a license shall be taken at an open meeting; (2) Limited personnel matters; provided that for purposes of the Open Meetings Act, "limited personnel matters" means the discussion of hiring, promotion , demotion, dismissal, assignment or resignation of or the investigation or consideration of complaints or charges against any individual public employee; provided further that this paragraph is not to be construed as to exempt final actions on personnel from being taken at open public meetings, nor does it preclude an aggrieved public employee from demanding a public hearing. Judicial candidates interviewed by any commission shall have the right to demand an open interview; (3) Deliberations by a public body in connection with an administrative adjudicatory proceedings For purposes of this paragraph, "administrative adjudicatory proceeding" means a proceeding brought by or against a person before a public body in which individual legal rights, duties or privileges are required by law to be determined by the public body after an opportunity for a trial-type hearing. Except as otherwise provided in this section, the actual administrative adjudicatory proceeding at which evidence is offered or rebutted and any final action taken as a result of the proceeding shall occur in an open meeting; (4) The discussion of personally identifiable information about any individual student, unless the student or the student's parent or guardian requests otherwise; (5) Meetings for the discussion of

bargaining strategy preliminary to collective bargaining negotiations between the policymaking body and a bargaining unit representing the employees of that policymaking body and collective bargaining sessions at which the policymaking body and the representatives of the collective bargaining unit are present; (6) that portion of meetings at which a decision concerning purchases in an amount exceeding two thousand five hundred dollars (\$2,500) that can be made only from one source is discussed and that portion of meetings at which the contents of competitive sealed proposals solicited pursuant to the Procurement Code are discussed during the contract negotiation process. (7) Meetings subject to the attorney-client privilege pertaining to threatened or pending litigation in which the public body is or may become participant; (8) Meetings for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body.

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