

Memorandum



CITY OF DALLAS

DATE August 10, 2026

TO Honorable Members of the Committee on Government Efficiency: Maxie Johnson (Chair), Cara Mendelsohn (Vice Chair), Adam Bazaldua, Paula Blackmon, Jaime Resendez, Paul Ridley, and William Roth.

SUBJECT **Follow-up from the January 12, 2026 Committee on the Government Efficiency Meeting: Overview of the Women, Infant, and Children (WIC) Program**

The purpose of this memorandum is to provide an update to the Committee on Government Efficiency (COGE) about questions raised related to WIC. While the Office of the City Auditor is currently conducting an internal audit, the Office of Housing and Community Empowerment has worked to support that process and provides the following updates:

Question 1: Can the City terminate its current agreement with the State?

This question is part of the City Auditors' review.

The City of Dallas is currently operating under a five-year agreement with Texas Health and Human Services Commission (Texas HHS), which remains in effect through 2030. The agreement does not provide the City with a unilateral right to terminate for convenience, nor does it allow the City to directly transfer its contractual responsibilities to another organization.

Question 2: What steps are required to transition the program to another agency?

This question is part of the City Auditors' review.

Texas HHS would be responsible for identifying and approving an alternative local agency to assume program operations.

If the City elects not to continue administering the WIC Program beyond 2030, Staff will inform Texas HHS to provide ample time for a new partner to be established. This is estimated to take up to 24 months. Staff would work with the appropriate entities to ensure a smooth operational transition.

Question 3: Does the program recover the full cost of providing services?

This question is part of the City Auditors' review.

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The WIC Program operates through a federally funded grant structure in which allowable and documented program expenses are reimbursed at 100%. The reimbursement model allows the City to recover eligible costs associated with administering WIC services, including program operations, staffing, and other allowable expenditures necessary to deliver services to eligible participants.

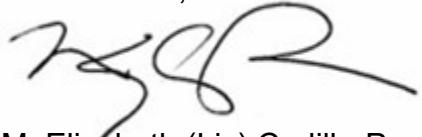
Question 4: Does the City receive a financial benefit from administering the program?

This question is part of the City Auditors' review.

The City receives indirect cost revenue associated with administering the WIC Program. These indirect charges help offset administrative expenses incurred by the City and contribute to City obligations, including employee pension costs. In FY 2024–25, the WIC Program generated \$913,747 in indirect cost revenue for the City.

Should you have any questions or need any additional information, please contact myself or Thor Erickson, Director, Office of Housing and Community Empowerment, at 214-670-3632 or Thor.Erickson@dallas.gov.

Service First, Now!



M. Elizabeth (Liz) Cedillo-Pereira, J.D.
Assistant City Manager

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