JET Meeting

May 24, 2023

 CHAIRMAN DANIEL: Let’s call this meeting to order. Matt, can you give us a roll call?

 UNIDENTIFIED: Yes, sir. Chairman Bryan Daniel.

 CHAIRMAN DANIEL: Here.

 UNIDENTIFIED: Jerel Booker.

 UNIDENTIFIED: Will Conley.

 WILL CONLEY: Here.

 UNIDENTIFIED: Mario Lozoya.

 MARIO LOZOYA: Here.

 UNIDENTIFIED: Scott Norman.

 SCOTT NORMAN: Here.

 UNIDENTIFIED: [Inaudible].

 CHAIRMAN DANIEL: All right. Thank you very much. Let’s move to Agenda Item 2. This is public comment. Any public comments today? No? Thank you very much. Agenda Item 3 is a program update and a presentation on the fiscal year 23 data. Matt, I’ll throw it over to you.

 UNIDENTIFIED: All right. Thank you, chairman. Before we get started you may have noticed that Steve Lecholop is no longer serving on the board. He accepted a position with the Texas Education Agency. He is the deputy commissioner of governance. I felt I’d be remiss if I didn’t thank Steve for his service to this board. Board, if I could have you turn to Tab 2, you’ll be able to see the PowerPoint presentation that we’re going to move through. It may not be the easiest thing to see but if you could look and see any sort of angle on the monitor currently. This is our new JET dashboard. This is something that we created this past year for applicants for the public to view exactly what we’ve been able to fund and award. So this is very interactive so you can search by grantee type, Workforce Board, occupation, and different fiscal years. Lori, if you just want to select the year. So what happened in 2021, there’s a full breakdown or all 41 awards. You can look at it further by searching the Workforce Boards for that specific year. Just another really handy resourcing tool that we were able to put together. I think Michael Trager [SP] is with us today. I’d like to recognize him for his work on this on the data side of things.

 UNIDENTIFIED: Can we ask questions about it?

 UNIDENTIFIED: You sure can.

 UNIDENTIFIED: I'm glad you guys are doing a great job. How do you measure the economic impact?

 UNIDENTIFIED: Great question. So that’s something that we are looking at in our evaluation period, and so that is the difference between the average high school wage and the occupation that the applicant is applying for, so the difference in that dollar amount multiplied by the number of students that they're telling us they're going to train in the grant period. So that would be the year following the grant.

 UNIDENTIFIED: And the dashboard includes informational items. So you can click on the little question mark in the different categories, and it will explain like here it’s telling—

 UNIDENTIFIED: [Inaudible]. This can be a tool that could be very effective in the future. It lets you do data requests. For a lot of work with data this is the impact that grants that were in maybe a region or for industry. It can be worked on in so many different ways so that we can have a better voice when we present some sort of request for, or even a presentation to the Legislative Board in the future.

 UNIDENTIFIED: I believe that was something that we highlighted this year in our briefings to the legislature.

 UNIDENTIFIED: Can you all send us links to this?

 UNIDENTIFIED: Absolutely.

 UNIDENTIFIED: Share it with our lists.

 UNIDENTIFIED: Absolutely. So it’s actually located on our home page. I’ll make sure. I’ll send you the [inaudible] explaining where it is but it’s under the Resources tab.

 UNIDENTIFIED: I'm going to pass out a one-pager that includes some of this information for the life of the program. We don’t need copies. This is something that we developed earlier this year for people interested in JET and it shows the impact of the program over time. Obviously, it does not include the latest information that we have for these awards.

 UNIDENTIFIED: You have an electronic version of this too. That’s good. It’s a great piece.

 UNIDENTIFIED: Thank you, Mary. OK, so before we jump into FY23 data for this past fiscal year, I just wanted to touch base on the email I sent you two weeks ago about the FY22 check presentations. As you can imagine 150 or so awards, we can’t possibly do all of those individually, so our communications team has done a really good job of batching those events together. We put together 22 different events across the state. We’ve only had three of them so far. All three of them very successful especially our Del Mar event where we awarded 17 different awards to 12 entities, so really big events, ton of checks, really fun event. We will keep you posted as we get more dates scheduled in the future. I know our coms team is working diligently on that so kudos to them for all the work they're doing with those events. OK. Back to the PowerPoint. If we could go to Slide 3, the FY 2023 funding recap. Just wanted to give you a quick recap for the funding we had for this year for IHEs with the 60-40 split. That left $3,000,000 for our institutions of higher education.

 UNIDENTIFIED: One is the second tab in the binder.

 UNIDENTIFIED: Yeah. And then school districts, open-enrollment charter schools, we had 4.5 million and then we actually had $2,000,000 left over from the $50,000,000 in TEA funding from last year. So we were able to move that over giving us a total of 6.5 million for school districts this year. And then Slide 4, and by all means, if you have questions, please stop me. We’ll start with IHEs, so you can see there starting with the left pie chart, we received 31 total applications. Eight of those were disqualified so 23 went on to our program evaluation. Seven of those did not meet the 50-point threshold, so you’ll see that 16 with the yellow ring amount around it. That’s how many entities we had who were eligible for funding.

 CHAIRMAN DANIEL: What were the disqualifications?

 UNIDENTIFIED: Several who didn’t sign their application. There were a couple whose occupation was primarily found in the public sector, not in the private sector.

 UNIDENTIFIED: And we had universities apply and they're ineligible.

 CHAIRMAN DANIEL: So significant procedurals.

 UNIDENTIFIED: Yes, sir. From those 16 looking at Slide 5, we were able to award 11 IHEs this year for the full amount of $3,000,000. Ten of those were full awards and then one partial. Then you’ll see some statistics about those 11 awards. Five of those were rural campuses. Six of those were urban campuses with a total of 1,951 students being trained in that grant period. Then looking at Slide 6, that is a breakdown of occupations for this year. You’ll see that we had three welding, three truck driving, and then five individual occupations. Aircraft mechanic, that was a new occupation. I don’t think we had seen that applied for or awarded. So that was a new occupation to have on—

 UNIDENTIFIED: Where was that?

 UNIDENTIFIED: I want to say that was in [inaudible].

 UNIDENTIFIED: Never mind.

 UNIDENTIFIED: Sinton.

 UNIDENTIFIED: Registered in Texas.

 UNIDENTIFIED: Yes. Registered nursing, which is a common one we see, radiological technicians, network systems, administrators, and powerline technicians.

 UNIDENTIFIED: In the truck driver one, I'm not going ask about that, but if you can share what part of truck driving, it’s equipment, right? Like a machine that [inaudible]—

 UNIDENTIFIED: Sure. I think in previous instances where truck driving occupations have been funded a lot of the times it’s for a simulator. I can’t speak directly to this.

 UNIDENTIFIED: Does the program allow funding because a lot of times it’s not having enough trucks to actually get them driving. Are vehicles allowed or not under our program?

 UNIDENTIFIED: Generally not.

 UNIDENTIFIED: Generally not.

 UNIDENTIFIED: That wraps up IHE simulators and things like that.

 CHAIRMAN DANIEL: [Inaudible].

 UNIDENTIFIED: Yes.

 UNIDENTIFIED: All right. Continuing on we’ll talk about school district and charter school numbers now. In total, we had 124 applications from those entities. Forty-one were disqualified and 83 went on to our program evaluation. This is really impressive. Only four applications of the 83 did not meet the 50-point threshold, so a very competitive year from these entities. That’s a significant improvement on previous years. Of those 79, you’ll see the gold ring. Those were the one eligible for award and of those, with the funding, the 6.5 million dollars we were able to award 25 awards, 24 full and one partial. The breakdown that we used for school districts is a little bit more in depth with a little bit more variance. So we had four rural schools, 16 non-metro, four major suburban, and one charter school for a total of 4,700 students. Looking at the occupation data, you’ll notice this is not a pie chart. This is a bar graph, just a little bit easier to read with the more single occupations that we awarded this year. But you’ll see architecture manager, LVN, chefs and head cooks, manager all others, auto service technician, food service manager, quite a few welding applications as well as registered nursing. And then the second to the last bar graph you’ll see there, these are where the awards in total are spread out across the state. Gulf Coast, Lower Rio, Northeast with six and five respectively, and then two and one have spread out across the [inaudible].

 UNIDENTIFIED: I have a question. With so many of the applicants qualifying and getting them right, that’s a huge percentage. Is that one because the great staff helping them so much through the process, but is it also because there may be a maturation and schools are understanding it better and learning about it. What are you all, what’s you all’s take on this?

 UNIDENTIFIED: Yeah, I think it’s twofold. I think on the opposite side of that we also saw 41 disqualifications and I think that’s on the opposite side of folks who are hearing about the program or maybe possibly applying for the first time. But we’re obviously extremely proud of the 79 who met that. But I do think there is some comfortability with the program and with the application. The metrics that we’re asking about they have remained the same for the most part, so I do think that’s a point.

 UNIDENTIFIED: And we’ve also kind of leveled up the outreach that we’ve been doing. We’ve been providing a lot of supportive workshops, kind of walk folks through the process before the RFA opens and our education outreach teams that are located across the state also conduct their own workshops and provide support too.

 UNIDENTIFIED: How many do you all get the day of the deadline, and you all never talk to them? You get many or you all usually communicated with—

 UNIDENTIFIED: So during the RFA window that’s 30 to 40 days, we actually, communication is pretty limited with the applicant. All communication has to go through our RFA grants team. So we do get communication. We normally follow it through them. But to answer your question, we do have applications that come in very last minute.

 UNIDENTIFIED: Five o’clock the last day.

 UNIDENTIFIED: Yes, sir.

 UNIDENTIFIED: And just to add—of course, I want to brag about the job that the team is doing in terms of outreach because they're doing a great job and working to leverage the resources through our local Workforce Development Boards as well to make sure they're getting the word out to their schools. But we have begun the process of sort of streamlining parts of the application to make it a little bit easier to understand and definitely credit our RFA grants team for working with us on that as well as our legal team helping us understand what’s truly an essential part of this application and what’s not and how can we streamline the evaluation. But I would also say we are in the process of implementing some tracking tools where we’re going to be able to tell if somebody participated in our webinar and then applied later, so we’ll be able to provide some better metrics over time in terms of a direct correlation between outreach and applications.

 UNIDENTIFIED: Seems to be improving over the years I've been here. It’s great.

 UNIDENTIFIED: And one streamlined metric that I’ll point out that Mary mentioned. This year, we provided a list of high-demand and targeted occupations by board area. So our LMCI group, we already have that information, so we thought instead of leaving it wide open—

 UNIDENTIFIED: [Inaudible] here’s some areas to look at.

 UNIDENTIFIED: Yes. And that didn’t stop an applicant if there was an occupation that they wanted to apply for. If the board still signed off on it being high demand, that was fine. But we did give them a pre-approved list that they could [inaudible] the work through.

 UNIDENTIFIED: Mr. Chairman, may I ask a question?

 CHAIRMAN DANIEL: Please.

 UNIDENTIFIED: This is kind of more philosophical, but our organization here seems to be pretty fluid, right? We look at these things annually and the public servants from the Workforce Commission work on these things every day. I assume on the other end like the school districts, that’s probably not as fluid and I realize you can’t accomplish goals, shortcomings that we have in the state in one year. As an example, we’ve been funding welding programs at a pretty high level for a long time, which I know when I was more involved in economic development on a daily basis it was tremendously needed. It may still have that deep of a hole. I doubt we’ll ever get out of the nursing-health care hole. That’s just perpetual. But are we—I get—you see what I'm trying to say? Oil industry’s down or whatever [inaudible] cycles for other things associated with welding. Is it fluid enough to meet the most recent demands and needs of our state? As you all know better than I and I learned it personally and professionally as a service industry [inaudible] auto shop, central Texas, and I'm also responsible for hiring a lot of engineers and technicians all across the board. It’s deep and [inaudible]. To get to my point, when do we say we need to probably direct our efforts more in this direction than the other is generally what I'm trying to say.

 UNIDENTIFIED: Sure. And that’s something we have definitely noticed. It has been a common theme that we’re awarding quite a few welding grants. I think you're right—

 UNIDENTIFIED: Which are great jobs and a very needed skillset. I just don’t know now are we out of market on welders and have too many on the street.

 UNIDENTIFIED: Can I ask? I think some of the welding programs that we’re seeing funded now and I’ll use the example of the check presentation we just had at ACC, for instance, that is orbital welding technology. That is probably not the same welding technology that was funded back in 2016 and ’17.

 UNIDENTIFIED: Right, right.

 UNIDENTIFIED: So as we see aerospace developing in the state and things like that, I think that there will continue to be a need for more advanced welding technology and then it continues to be on a targeted occupation list for all of our Workforce Development Boards. I shouldn’t say all of them.

 UNIDENTIFIED: Most of them.

 UNIDENTIFIED: Most of them. So those lists are based on the job postings, that local knowledge, local wisdom and what employers need in their area. So it is tricky to navigate what the right amount is.

 CHAIRMAN DANIEL: That’s really the fundamental answer to your question is that they're working or supposed to be working and supposed to be training them off whatever board area they're in, they're supposed to be using the in-demand occupations that those boards produce on a regular schedule.

 UNIDENTIFIED: Yes, sir.

 CHAIRMAN DANIEL: Welding does show up a lot partly because it’s actually really easy to outfit a welding shop. It’s really easy to update the [inaudible]. They can come in, buy equipment that they would see on the job site. They can purchase that. Somebody can help them set it up. Frankly, the welding instructor can easily start teaching on the new equipment. I think that’s more difficult in a pre-nursing situation. I think it’s more difficult in a truck-driving situation because they're more limited in the types of equipment that they can buy. So where they can easily bring equipment in, welding is one of those things, we still do not have enough welders in most of the state. And so I think for the school it becomes a particularly easy way to do it, plus if you run a large number of students through that program and they get points for the number of students that they're going be able to reach with that instruction—

 UNIDENTIFIED: And they're very high-paying jobs.

 CHAIRMAN DANIEL: Yeah, I mean—

 UNIDENTIFIED: It moves the needle. They're able to move the needle easier than in some other sectors.

 CHAIRMAN DANIEL: Also too you're going to complete a welding course in high school, let’s say, maybe community college. Let’s just talk about high school. They're going to complete a welding course. You might get out of there with one or two credentials. You're going to need a lot more credentials to do anything. You may get to that point and say, I don’t want to be a welder. Look at these other jobs I've discovered. Also, it’s a good career exploration thing because everything has welding. Automotive manufacturing has welding, aerospace manufacturing as well, everything. Construction sites, all of that. So it’s I think for schools it’s a good investment because they can do a lot of other stuff on the backs of that that doesn’t even directly involve that welding equipment. They're getting good contact hours with the welding equipment but then I think for them there’s some value add that they might get. Mario, you were going to say something.

 MARIO LOZOYA: Really good point and I think we can probably have this conversation in several industries, right? [Inaudible]. I tell you that I'm a little bit guilty of some of this, I guess, conversation especially down, San Antonio down to the Rio Grande Valley where I do a lot of work in, I use the examples and welding is always one of my examples. I've used in panels and things I use the term face of change is knowledge. In the case of changing things we see some ISDs their capstone project is the barbeque pit welding that they're going to sell at local, you know, country fair. That’s the big deal, right? But then down the street you have SpaceX welding, robots welding, the fuselage, so that difference, to Mary’s point, sometimes is the equipment and the type of welding that that particular area requires, right? It’s no longer that [inaudible]. It's a different kind of welding. The equipment required for an update or a complete changeover.

 CHAIRMAN DANIEL: That’s exactly right. Two cycles ago I did one presentation at Ingram, near Kerrville, and they literally were replacing welders. The welders they were replacing was the exact welder I learned to weld on in 1985. These schools are—they're really behind I think in their ability to update these things. So I think somebody over here mentioned it. Word will go out. It’s a great way to update your welding and stuff. If you're on the list welding can be a great fun thing. I think that we’d say algorithm but it’s really a formula. That formula goes out on whatever coconut telegraph they're operating off of and then everybody knows how to outfit, and it just makes a lot of sense if there’s jobs. The other thing that was unique about Ingram was a local welding shop partnered with them and extended the money that the state provided by providing some other things as well. So they were able to get local investment leveraging the state dollars that they had. I don’t think we would ever discourage that where private business wants to participate. They were able to leverage that in a way that not only did they get some additional equipment they got welders that possessed certifications that that teacher did not possess that would come in and work with the students as well. I think that if you would maybe consider it this way. This is a mature marketplace for welding, and so they’ve developed techniques in order to maximize their potential for welding. I think if we’re diligent in what we’re doing I think you’ll start to see that happen relative to food service, particularly chefs, sous chefs, head line chef, that sort of thing where schools, more and more schools have significantly robust culinary programs. I think particularly the high schools, I think they see a lot of room for investment when they know that someone can leave the high school nearly become credentialed and immediately enter the workforce. If they stop at a community college, it’s by choice because they want something beyond what they have to have. I just think you’ve got a mix of things going on. I've done two grant presentations the last seven days for a total of 23 grants that about half of them were for welding. That was from last year’s batch. That’s just simply because that’s what the employers in the area are saying that they need.

 UNIDENTIFIED: That’s great. Thank you all for that insight.

 UNIDENTIFIED: And I will note, going back to the dashboard that the team showed you earlier, if you want to see what occupations have been funded over time, that definitely is available on that, and you can kind of drill down. There are groups by major industry, major categories but you can filter that even further if you would like to see maybe some outliers or see something about food service, how many food service projects have we funded over time.

 UNIDENTIFIED: Thanks.

 UNIDENTIFIED: OK, and then the last slide on page six on the backside of that PowerPoint, this was something new we wanted to look at this year, so we were just collecting a little bit of data about the partnership between our school districts and the higher education partner that they were choosing to partner with so here’s a list of different items explaining their partnership. Obviously dual credit and curriculum were two of the highest training of students. Equipment use and physical space, WBL, that’s work-based learning internships and summer boot camps, and then Other where they fill them in, gave us a little bit more feedback but we had a lot of questions about what these partnerships should look like or what they could look like, so we wanted to get a little bit of feedback from the applicants on what exactly they were looking for in their partnerships. And that wraps up the data presentation. If anyone has any other questions, I’m happy to answer them. Otherwise we can move forward to Agenda Item 4, Discussion, Consideration of Masked Lists.

 CHAIRMAN DANIEL: Let’s move to Agenda Item 4.

 UNIDENTIFIED: The first list behind Tab 4, I’m sorry, behind Tab 3 is the IHE masked list. You’ll see on the backside 11 number of funded. We had 4.8 million eligible and that’s the dollar amount who met the 50 minimum point threshold, and that was a total of 16 so there were five applicants who met the 50-point threshold who will not be funded with the $3,000,000.

 UNIDENTIFIED: Then again, they met the point—

 UNIDENTIFIED: But we ran out of funding. Yes, sir. And then behind Tab 4 you’ll see a similar masked list. This one is for school districts and charter schools. This one’s a little bit of a larger list. Again, we’re funding or recommending to fund 25 projects. Here we had 18.8 million dollars in 50-point threshold amount and 79 applicants met the 50-point threshold.

 CHAIRMAN DANIEL: And total funding here if I recall was—we had split the money we had available from the corporation [inaudible] the money left over from the TEA function from the prior year.

 UNIDENTIFIED: Yes, $2,000,000.

 UNIDENTIFIED: 6.5 total.

 UNIDENTIFIED: Quick question. As you all might [inaudible] explanation [inaudible], I want to be sensitive to everybody’s time, but I personally would love to have this return on my money. What do we do in the session to talk about this and educate the powers that be on [inaudible] we could have funded these other qualified districts.

 CHAIRMAN DANIEL: We actually had a great conversation about it this legislative session, and we had put in a request, the commission had asked not getting into all the intricacies of the budget process. We have to ask them the summer before the session for something called an exceptional item if we want to increase our budget. One of our exceptional items was to double the JET program funding. We had a good conversation. Obviously both budget committees, both House and Senate, appropriators did in fact double it. It’s pending final passage. We have no reason to believe anybody is not for that so assuming that bill passes as we’re seeing it today, we will have doubled the money so it will go from 7.5 to 15 annually. More importantly, although this is not an issue for us on this program, but they obviously I think in some ways value the strength of our stewardship on this money because they were also willing to grant us UB authority between the fiscal years so whereas we had to spend it or lose it, if we hit a year where things are moving slowly for some reason, we can push into the next fiscal year, the second fiscal year of the biennium and spend the money. So there is I think some obvious kinds of support for the things that we’re doing. The doubling of the money if that holds and the legislature does indeed vote that way, these would indicate that they’re seeing similar returns. Doubling the money is huge. That doesn’t happen very often. It’s not a lot of money. I mean we’re looking at it in terms of our total budget but for the legislature to double funding would indicate support for what we’re doing.

 UNIDENTIFIED: I mean giving you all discretion to move it to the next fiscal year. They don’t do that much either.

 CHAIRMAN DANIEL: Not very often, no.

 UNIDENTIFIED: That’s great. Thank you, Mr. Chairman. I’ve done my best to stay out of the legislature this session. I feel just five years younger so thank you for the update.

 UNIDENTIFIED: Mr. Chairman, from that information, then if it is doubled, then it would be for the next—

 CHAIRMAN DANIEL: That’s correct. It would be for the—not the fiscal year we’re in but the following two fiscal years.

 UNIDENTIFIED: That’s great.

 UNIDENTIFIED: We can do a motion moving down the list. We can do those all together.

 CHAIRMAN DANIEL: How do you want to do this? Do you want to do both masked lists together?

 UNIDENTIFIED: Yeah.

 CHAIRMAN DANIEL: Let’s make sure we have all our discussion out of the way. Are there any questions? Any commentary? Let’s be sure we get that all out of the way now. What we’ll be asking you to do is to vote on advancing staff’s recommendation. Feel free to make changes if you’d like.

 UNIDENTIFIED: I do have an ask or a question. I know you probably said it before, but I forget. I’m getting old. What do you do with the ones that did qualify but don’t get funded this time around?

 UNIDENTIFIED: They are notified.

 UNIDENTIFIED: OK, but that’s kind of the extent. Obviously, we communicate with those partners once we’re gearing up for the next round of funding for the next RFA so they would have to reapply?

 UNIDENTIFIED: Yes, sir.

 UNIDENTIFIED: Just part of that notice, you encourage them to reapply next time.

 UNIDENTIFIED: Yes, sir. And they are able to add—if for some reason, maybe not the ones that scored high enough, just ran out of funding but if they get disqualified, they would be notified as to why they were disqualified because sometimes it is as simple as, which we often find, signing the application.

 UNIDENTIFIED: I’m wondering what if—let’s say I’m in an ISD and I apply. I make the points, but I don’t get funded. I do it again next year and I make the points but don’t get funded. I think what gives, right? What can we do to because I’d like to find a way to [inaudible]. There’s obviously a need that Workforce Board is saying we need it, and then they don’t support it and we try again and do the same. They make the points, but they don’t get funded.

 UNIDENTIFIED: But they’re lower score, right? That’s why they’re farther down the list.

 UNIDENTIFIED: The increased funding will help because we will be able to award more. Just for instance, if we had the funding that the chairman was talking about this year, we would have funded 14 more applications across the board so that will certainly help expand the reach.

 UNIDENTIFIED: And I will say, we’ve got several of our contract management staff here observing today to make sure that these contracts, once they are awarded, are executed and managed wonderfully but if there are any funds that become available like equipment is cheaper than was originally estimated in the application, we’re able to take that funding and hopefully apply it to the next year, and that’s another reason the UB authority is going to be very helpful because it will allow us to do that more effectively but the way we’re doing it right now is we’re trying to sort of gather all of our remaining balances up so we can figure out like, OK, on this partial award, can we get it to a whole award. So we’re doing our best to make sure that—

 UNIDENTIFIED: I think in the end, it’s a good problem to have, right? It’s a good problem to have and like I said earlier, good information for us to hopefully share in another session [inaudible].

 CHAIRMAN DANIEL: I think your concern is well founded. To your latter point though, any successful program is probably going to have as many people who would have qualified but we didn’t have enough money as received an award, and if you’re running the program right, you’re doing the things that are necessary for the program, you typically are going to see that. What we don’t want to see is if someone’s consistently scoring—if 50 points is the threshold and they score 51 every time and they never make it into the final, we need to make an intervention and help them understand what’s holding up their application.

 UNIDENTIFIED: That’s what my question is, Mr. Chairman. You alluded to it but how much discretion or transparency do you all have to basically grade their paper and talk to them and say here’s areas where you can improve your application? Do you all have the ability to do that?

 UNIDENTIFIED: Once the solicitation closes, we can help them understand to maybe where points are sort of left on the table so to speak.

 UNIDENTIFIED: Do they know their score? Will they be told their score or how does that work?

 UNIDENTIFIED: Well, they’re not told their score per se, but they do know that they weren’t funded, and so in order for them to be potentially more competitive, and sometimes it can come down to just the occupation they select so if they are—

 UNIDENTIFIED: If may not be their application, it’s more the parameters of it.

 UNIDENTIFIED: Exactly. If they’re selecting an occupation that doesn’t have a large differential between what someone would earn coming straight out of high school and then what they would earn at the end of the certification, then they’re not going to compete as effectively against those that might—

 UNIDENTIFIED: You’ll tell them. You will communicate that it might be the occupation that you all submitted.

 UNIDENTIFIED: And that’s part of the education that Lori and Matt have been doing through their webinars, that too on a broader scope.

 UNIDENTIFIED: So you all do debriefs with these applicants if they request it, go through that?

 UNIDENTIFIED: If they ask, yes. If they follow up with us, we’re happy to talk to them and help them understand how to strengthen a future application but at the same time we have to always be mindful of the fact that every RFA might be slightly different and so we can't really tell them exactly how they may—

 UNIDENTIFIED: But then they want to go back to schools and rethink what they what they want to apply for next time, or go in a different direction. I guess you said or one of you all said, it’s a good problem to have.

 UNIDENTIFIED: Yeah, Matt and I have hosted workshops, one each year for the last two years prior to the RFA opening where we talk about, you know, here’s what’s going to be different or just to kind of help them understand how to navigate the process. We invite our regional outreach teams to attend so that they can get trained up on what to be mindful of, and so although we from the agency cannot speak to the applicants, our regional teams in the Workforce Boards can, and so we usually just route questions to the RFA team and then reach out to your local Workforce Board if you need support.

 UNIDENTIFIED: The last thing you want to do is discourage them from applying in the future, for sure.

 UNIDENTIFIED: Right.

 CHAIRMAN DANIEL: So pending the disposition of staff’s recommendation on both the higher education list and template for school districts, charter schools lists, entertain a motion to advance this to the Workforce Commission.

 UNIDENTIFIED: I’ll move approval, Mr. Chairman.

 MARIO LOZOYA: Second.

 CHAIRMAN DANIEL: Mario seconds.

 UNIDENTIFIED: And that’s for both lists.

 CHAIRMAN DANIEL: That’s for both lists. Any further discussion?

 UNIDENTIFIED: A point of clarification for the board. If we do have additional funds available, we would be able to move down the list.

 UNIDENTIFIED: I would like to include that in my motion.

 UNIDENTIFIED: I second with the added comments that if there are extra funds, that they will be applied to the next in line applicant.

 CHAIRMAN DANIEL: Any objections? All right, that motion passes. Next is Agenda Item—where are we? Five.

 UNIDENTIFIED: Behind Tab 5, you’ll just see a complete summary which gives you a little bit of relative information for previous years. FY22, we had a large increase in funding so if you—in relation to FY21 is probably a clearer picture as far as comparison goes.

 UNIDENTIFIED: This bar graph will be out of whack forever hopefully.

 CHAIRMAN DANIEL: Twenty years from now they’ll say what happened?

 UNIDENTIFIED: Oh, COVID?

 UNIDENTIFIED: But behind Tab 6 we can talk about next year’s parameters. As the chairman stated we are anticipating $30,000,000 for the next biennium. That would leave us at $15,000,000 per year. If we split that 60-40 as we have previous years, that would leave nine million in total for school districts and charter schools, and six million for institutions of higher education.

 CHAIRMAN DANIEL: So we need to do two things here. We need to set the split between higher ed and obviously public schools [inaudible] and we also need to understand the bottom and top dollar amounts for the grant, what are acceptable minimum and what we would like the maximum to be. Generally speaking, the maximum [inaudible] minimum to ensure that there can be [inaudible].

 UNIDENTIFIED: There are two other parameters on the back.

 CHAIRMAN DANIEL: Yeah.

 UNIDENTIFIED: I’ll just take those one at a time.

 CHAIRMAN DANIEL: Yeah, let’s do them one at a time. Let’s talk about funding allocation, and this will be the split between the higher ed and the public schools.

 UNIDENTIFIED: I know a comment that—I know it took us a long time to go from 50-50 split [inaudible]. I personally like the 60-40. I don’t think that we have enough time to [inaudible] 60-40 enough data [inaudible]. We have, what? Three years’ time with this? I don’t know if any other [inaudible] determine how you finally got that.

 UNIDENTIFIED: I’m for continuing the 60-40 for the time being. Does staff have any pushback or anything else?

 CHAIRMAN DANIEL: Don’t forget every public school application has to have an IHE partner, so we know they’re participating at that level to ensure credentials are available for the students so it’s not like the school districts are operating in this vacuum away from the [inaudible]. I have no objection to the 60-40.

 UNIDENTIFIED: I don’t. I don’t understand intimately the current funding status of our universities and community colleges and where that stands, and of course our school districts are very different all across the state. The school district I represent, Wimberley, we have about $38,000,000, $40,000,000, $42,000,000 budget. We’re sending now $5,000,000 back to the state out of that budget. Everybody’s different in Texas so to answer your question, yes, I am but universities, nobody ever has enough money. The universities and colleges are full and the districts are struggling. Obviously, ad valorem taxes are a hot topic in our state. I’m biased to probably favor more the school districts but would want to have a very clear look at that, at the effectiveness of these dollars and how they’re creating the ultimate outcome of adding talented people with skillsets to our overall workforce.

 UNIDENTIFIED: As Mario said, it took us a long time to get to 60-40. I think we need to at least see how that goes for a while before we—

 MARIO LOZOYA: We see the numbers of the amount of applicants that met the numbers, right? It’s 84, something like that [inaudible]. Or someone better be documenting [inaudible].

 CHAIRMAN DANIEL: I think you’re going to see some changes. The legislature has successfully done a complete overhaul of the community finance system. That’s I think still—has one more pass in the Senate and be signed by the governor. I don’t know of any objection to it meaning community colleges, trade schools and others will get paid for not just based on their contact hours and transfer credits and associate’s degree credits, but they’ll receive kind of an equal way for what they used to call noncredit courses, typically the types of things that we’ve been talking about. They’re going to have more opportunities to train more people. What I hope happens, and I don’t think this has any bearing on the 60-40 split frankly, this is going to be a brand-new funding system. They’re going to take a couple years to work through that. I think we’re going to see an increase in CTE-type courses being taught at the community college level. What I think is going to happen is that they will start teaching courses for which they can provide credentials which are not going to be the same as what high schools are doing. So I think we’ll see some movement kind of away from each other in terms of what they’re doing, and I think that’s good for the program so they can cover more occupations that way, but I don’t think that imminent change, and it's a positive change for what we’re wanting to do but I don’t think it affects the 60-40 split. I actually agree with Mario and Scott. We should see sort of how that demand percolates before we start to try to address that. I think we’ve done a good job as an advisory board. Even moving from 50-50 to 60-40 was based on demand so I think we’ve kept our finger on that pulse pretty good. I really do.

 UNIDENTIFIED: So that requires a motion.

 CHAIRMAN DANIEL: It does.

 UNIDENTIFIED: That states that 60-40 as a [inaudible].

 UNIDENTIFIED: Second.

 CHAIRMAN DANIEL: It’s been moved and seconded for 60-40. Any objection?

 UNIDENTIFIED: No, I was just going to second.

 CHAIRMAN DANIEL: Second, there we go. You can have two of those. With no objection, the motion carries. Now we’ll look at minimum and maximum grant amounts.

 UNIDENTIFIED: Is there any recommended changes or does that seem to be what we have?

 UNIDENTIFIED: It does seem to be working and staff would recommend keeping them the same.

 UNIDENTIFIED: I make the motion to approve staff recommendation.

 UNIDENTIFIED: If you imagine if we increase the ceiling, we will potentially decrease the amount of [inaudible].

 UNIDENTIFIED: That’s what I don’t think we would want to do.

 UNIDENTIFIED: You don’t want to do that.

 UNIDENTIFIED: And I would say that the award per applicant went up this year from about 220 to 260 so a little bit of a rise in the award amounts.

 CHAIRMAN DANIEL: All right, we have a motion.

 UNIDENTIFIED: You had a motion? I’ll second.

 CHAIRMAN DANIEL: I have a motion for [inaudible] to 350, got a second. Any further discussion? Any objection? No objection, the motion carries. This will be the number of applications for eligible applicants. Walk us through this is—

 UNIDENTIFIED: This only became an issue when we had the expanded funding. We allowed entities more than one. Staff recommends just keeping it at one application [inaudible].

 UNIDENTIFIED: I think that that time we agreed that it was a one-time thing, right? And then we’d go back to the normal thing.

 UNIDENTIFIED: We were sitting on that pile of money.

 UNIDENTIFIED: Perfect for political subdivision to get one thing to apply for, OK.

 UNIDENTIFIED: I’ll move to keep it at one.

 CHAIRMAN DANIEL: Clarify that point. You said political subdivision so is that the ISD, is it per campus?

 UNIDENTIFIED: Per district, the district is the applicant.

 CHAIRMAN DANIEL: OK, so you were correct.

 UNIDENTIFIED: Yes, sir. OK, thank you for clarifying.

 CHAIRMAN DANIEL: All right.

 UNIDENTIFIED: I’ll move to keep it at one.

 UNIDENTIFIED: Second.

 CHAIRMAN DANIEL: It’s been moved and seconded to keep it at one. Any objection? Hearing no objection, the motion carries. And then the fourth thing we need to decide here is the minimum point threshold. It’s been at 50 the last three years. It was at 60 for the four or five years prior to that. This is—points are improving so any discussion we want to have here, we should.

 UNIDENTIFIED: If it was—and you all may not have stated, if it had been 60, how many more would have been kicked out?

 UNIDENTIFIED: Let’s see.

 UNIDENTIFIED: I’d really lean heavy on staff’s recommendation. They deal with this every day.

 UNIDENTIFIED: Well, for ISDs, 79 met the 50-point threshold.

 UNIDENTIFIED: So the last applicant is ranked 43 and they scored 60.22 so from 44 to 79, they were in the 59 to 50 range.

 CHAIRMAN DANIEL: But the last applicant to receive funding scored what?

 UNIDENTIFIED: Last applicant was over—

 UNIDENTIFIED: 69.76.

 UNIDENTIFIED: So they would have also made it.

 UNIDENTIFIED: Yes.

 UNIDENTIFIED: You still would have run out of money even if you got into the 50s. I think that’s what we’re saying.

 UNIDENTIFIED: It would change the number of eligible applicants.

 CHAIRMAN DANIEL: Same would have been true on the IHE?

 UNIDENTIFIED: Yes.

 CHAIRMAN DANIEL: That’s 60.8.

 UNIDENTIFIED: You all have a better feel. I mean so last year it wouldn’t have mattered or this past one wouldn’t have mattered but going forward, I guess you just don’t know what your applicant pool is going to be, right?

 UNIDENTIFIED: Yeah, and I think it’s a quality metric because again we’re moving down the list so with the additional funding, still doing this, the same procedure moving down the list and funding until we run out.

 UNIDENTIFIED: I want to be really transparent too. Again, as I mentioned earlier every RFA is slightly different so this last year we looked at the points a little bit differently in a couple of categories. We awarded—and this is all in the RFA—the applicant sees this, they know how they’re going to be scored but you received a greater number of points if it was a completely new program versus one that was expanded, and that was on a scale. We also—points were awarded based upon how recently you had received another award so because we had so many awards in 2022, if you had just gotten three awards, then you received fewer points in the calculation than you would have if you had never gotten an award or if you had only received one award and that was back in—

 UNIDENTIFIED: And how long does that penalty carry over?

 UNIDENTIFIED: I would not characterize it as a penalty. Prior to—

 UNIDENTIFIED: Lack of a bonus.

 UNIDENTIFIED: Yeah, just call it bonus but prior to this last year it was actually whether you had received an award at all so this year we changed it to kind of a sliding scale based upon how recent the award was and how many were received. So we do have the ability to look at the scoring and how we are going to set up the RFA so that plays into the total number of points that they would be receiving—

 UNIDENTIFIED: I just don’t know if it’s fair to punish—you said it’s not a penalty but punish those that because we had so much extra funds in that one award, that’s going to skew that for a while.

 UNIDENTIFIED: Well, we did look back at only the last three years rather than going back to the—

 UNIDENTIFIED: 16?

 UNIDENTIFIED: Yeah, 2016.

 UNIDENTIFIED: I’m going to add a comment to that. I worked at Toyota North America for a long time, and I know that we scrapped [inaudible] we’ve gotten off the line, and we think about equipment, when you talk about face of change, it means you—I mean look at my iPhone. My iPhone is already—I don’t know how many iPhones back already from my 6.0 phone but in terms of equipment, it’s no longer industry standard after so many years, right? So it doesn’t make sense for us to, for lack of a better word, penalize an idea to buy equipment that maybe after so many years, you have to change that equipment or update it especially [inaudible].

 UNIDENTIFIED: I think one thing that we’re very mindful of whenever we develop the RFA is that the statute requires that the funds would go to new or expanded programs so the applications that demonstrate how they will be expanding, if it is an existing program, how they will be expanding what they’re doing.

 UNIDENTIFIED: There might be something to consider in the future to adjust based on industry standards. IT equipment, for example, nobody can be a nurse if the medical equipment is outdated after so many years.

 UNIDENTIFIED: That’s very field specific of course.

 UNIDENTIFIED: And to your point, we don’t want to penalize someone who—or an entity that had received an award before which is one reason why we changed the way it was done because previously if you had received an award in 2016, you were receiving more points.

 UNIDENTIFIED: You said penalty.

 UNIDENTIFIED: You got me. I’m on the record. It’s recorded.

 UNIDENTIFIED: Back to this, Mr. Chairman. I mean is it helpful moving the number closer to the threshold like if we went to 55 versus 50? What does that do practically?

 UNIDENTIFIED: Here’s my thought on that. I was thinking it might be good to go up in the 60s to make it harder or get them to really think about what the application is but then the result might be that we don’t have enough in that data to show legislators that, hey, look, this is the kind of demand we’re missing. I think if we squeeze that number smaller, it just doesn’t tell the big story.

 UNIDENTIFIED: I don’t know what the practical effect is if you’re going to hand out—if you end up having a bunch not make it at 60 or 55 or whatever we moved it to, then you roll it down to the next ones.

 CHAIRMAN DANIEL: So I would think about this on the next round of funding which the funding would be double what it has been for the IHEs, slightly more than where the ISDs are. I’ve long been uncomfortable—I think I’ve talked about this—50 doesn’t get it done for me, 60 is passing, that’s a D. Fifty is not an A.

 UNIDENTIFIED: I don’t like it. Fifty is a low number.

 CHAIRMAN DANIEL: Yeah, and so I’m always amenable to raise that. I do think it’s a practicality issue though of who would be eliminated, how quickly would they be eliminated, would we be able to get through all of the funds, scores come back next year the way they did this year, the answer would be yes, we withstood the increase by—but we don’t know that. We don’t really have any control over that.

 UNIDENTIFIED: Should we at least go to 55 because it’s not 50? I mean 50—

 CHAIRMAN DANIEL: What was staff’s recommendation?

 UNIDENTIFIED: I will just say it’s not like a physical test score where you get it back and you got a 50. That wouldn’t be good, but we are kind of looking at overall impact and scoring them based on a variety of different metrics.

 CHAIRMAN DANIEL: If you were going to explain this to the one guy on your cul-de-sac and you know who I’m talking about, what would he say about this?

 UNIDENTIFIED: He’d say, wow, 50.

 CHAIRMAN DANIEL: Yeah, and I got this [inaudible].

 UNIDENTIFIED: In fairness, Mr. Chairman, 60 is still failing, right?

 CHAIRMAN DANIEL: It’s a D if it’s—if it’s not in your major, you still get credit for that class and graduate.

 UNIDENTIFIED: Yes, sir.

 CHAIRMAN DANIEL: At a lot of universities.

 UNIDENTIFIED: It depends on where you’re going to school. I wish they had that standard back when I went to school.

 CHAIRMAN DANIEL: If you want to leave it alone, I think that Matt takes care of that because of the amount of money and the scores that are coming in. If you want to make some kind of statement that we want to improve the performance of the program, then raise it slightly.

 UNIDENTIFIED: I think we should do that. I also though, with the larger amount of money, worry about it not meeting—not having enough—

 CHAIRMAN DANIEL: It’s a fair concern.

 UNIDENTIFIED: That’s why I was trying to split the difference and go to 55.

 UNIDENTIFIED: I will say that first year of the biennium might be the better year to try the experiment because if for some reason—

 UNIDENTIFIED: We can always—especially if you have the rollover though.

 UNIDENTIFIED: Yeah, if for some reason we cannot—not enough eligible applications are there to use the entire amount, we’ll have the ability to—

 UNIDENTIFIED: All right, I’ll throw the motion out at 55. What do you want to do?

 UNIDENTIFIED: I never heard—what was staff recommendation? Did you all have a recommendation?

 UNIDENTIFIED: I think we would be comfortable moving it five points up to 55.

 UNIDENTIFIED: OK, second.

 CHAIRMAN DANIEL: It’s been moved and seconded. Is there any objection? Any further discussion? The motion carries. All right, anything else on this issue?

 UNIDENTIFIED: No, sir.

 CHAIRMAN DANIEL: All right, next agenda item, we just need to discuss possible action on any future [inaudible].

 UNIDENTIFIED: Yes, we just wanted to give you a heads-up for this next RFA period from feedback from our applicants. We’re going to move the application process to the fall semester. That is our plan. That would give them the full year to get that equipment in for the following year so the program could start in the fall. We had a couple comments from applicants that hosting it in the spring made it difficult, especially in some of their fiscal year—

 UNIDENTIFIED: Sixteen years to figure that out?

 CHAIRMAN DANIEL: So talk to us in functionality what does that mean? This money will go into effect September 1st. You’ll act almost immediately. Is that what you’re—

 UNIDENTIFIED: Yes, sir.

 UNIDENTIFIED: We’re aiming for October 1st.

 UNIDENTIFIED: So what would our calendar schedule be for that process schedules?

 UNIDENTIFIED: That would mean our next meeting would be somewhere end of February, early March instead of [inaudible].

 UNIDENTIFIED: It makes sense.

 UNIDENTIFIED: That’s all I have.

 CHAIRMAN DANIEL: Anything else? Any other comments?

 UNIDENTIFIED: Thank you, everybody, for what you do. Great work [inaudible].

 CHAIRMAN DANIEL: Right on, seriously, Commissioner Demerson got a full schedule today. He’s got an intern thing going on. Appreciate you being here. All right. With that, we can entertain a motion to adjourn. It’s been moved and seconded to adjourn. Mario moved it, Scott seconded it. Any objection. Hearing none, we’re adjourned.

 UNIDENTIFIED: I’d like to make a quick announcement. If you wouldn’t mind leaving your binders.

 UNIDENTIFIED: Yes, sir. I didn’t even open it. Can we take them?

 UNIDENTIFIED: Yes, you can definitely take them.

 UNIDENTIFIED: I’ll turn my video off.

 UNIDENTIFIED: We’ll send you the link to the—

 CHAIRMAN DANIEL: We can send the—

 UNIDENTIFIED: Yes.

 UNIDENTIFIED: Thanks so much.