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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
MONDAY, JUNE 18, 2018

BE IT REMEMBERED THAT at 1:00 p.m. on Monday,
the 18th day of June, 2018, the above-entitled matter came
on for hearing at the Texas Workforce Commission, TWC
Building, 101 East 15th Street, Room 244, Austin, Texas,
before ANDRES ALCANTAR, Chairman; JULIAN ALVAREZ and RUTH R.
HUGHS, Commissioners.

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PROCEEDINGS, MONDAY, JUNE 18, 2018

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P R O C E E D I N G S

MONDAY, JUNE 18, 2018

(1:00 p.m.)

AGENDA ITEM NO. 1

CHAIRMAN ALCANTAR: Good afternoon, everyone.
I'd like to call this meeting to order.

AGENDA ITEM NO. 2

Discussion, Consideration and Possible Action
Regarding Whether to Assume Continuing Jurisdiction on
Unemployment Compensation Cases, Wage Claim Cases, and/or
Tax Liability Cases and Reconsideration of Unemployment
Compensation Cases, Wage Claim Cases, and/or Tax Liability
Cases, if any.

No Discussion.

AGENDA ITEM NO. 3

Discussion, Consideration and Possible Action
Regarding Tax Liability Cases Listed on the Texas Workforce
Commission Docket 25.

The Commission considered and took action on
all tax liability cases listed on Docket 25.

AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action
Regarding Fair Housing Cases listed on the Texas Workforce
Commission Docket 25.

No Discussion.

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AGENDA ITEM NO. 5

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Wage Claim Cases Listed on
the Texas Workforce Commission Docket 25.

The Commission considered and took action on
all wage claim cases listed on Docket 25.

AGENDA ITEM NO. 6

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Unemployment Compensation
Cases Listed on the Texas Workforce Commission Docket 25

The Commission considered and took action on
all unemployment compensation cases listed on Docket 25.

AGENDA ITEM NO. 7

CHAIRMAN ALCANTAR: Thank you, Commissioners.
Item 7, Les, has anyone signed up for public comment?

MR. TROBMAN: No.

CHAIRMAN ALCANTAR: We have no public
comment.

AGENDA ITEM NO. 8

CHAIRMAN ALCANTAR: All right. Item 8,
Discussion, Consideration and Possible Action Regarding the
Report to the Governor and Legislative Leadership Offices
regarding Unemployment Trust Fund Balance. Randy Townsend.
Good afternoon, Randy.

MR. TOWNSEND: Good afternoon, Chairman,

1 Commissioners. For the record, Randy Townsend, Chief
2 Financial Officer.

3 Commissioners, this afternoon I'm presenting
4 to you our latest update to our projected balance in our
5 Unemployment Trust Fund and our Employment Training
6 Investment Assessment, ETIA holding fund, the estimated
7 balance for this coming October.

8 I will just briefly walk through the
9 Unemployment Trust Fund. As a recap, we began the year last
10 October 1st with about a 1.1-billion in the fund. We expect
11 to add 2.46-billion through collections from employers on
12 the employer remittances. We also expect to collect
13 interest totaling about \$32-million. And then when you take
14 into account the expected benefit payout of just over \$2-
15 billion, we estimate the balance in the trust fund this
16 coming October will be 1,644,000,000.

17 Based on that estimated balance of just over
18 1.6-billion, that would mean the trust fund is about 529-
19 million, almost 530-million estimated to be over the floor
20 this coming October.

21 The Employment Training Investment Assessment
22 holding fund 5128, we expect to have an ending balance of
23 end of this year of 171-million. And let's see, also, do I
24 have that here.

25 The trends for the weekly benefits paid were

1 -- pretty good new on this front. We paid out 35.4-million,
2 this is a six week average of June 2nd, 16.5 percent
3 reduction from one year ago. The initial claims was 12,679
4 for the last six weeks. That was 9.4 percent below the one
5 year ago average. And the continuing claims was just over
6 111,0000, and that was about 16 and a half percent below the
7 one year ago claims.

8 So all good news continues to be the case
9 related to our trust. And that concludes my comments this
10 afternoon. If you have questions or remarks?

11 CHAIRMAN ALCANTAR: Commissioners?

12 COMM. ALVAREZ: No questions.

13 COMM. HUGHS: No. Thank you for the update.

14 AGENDA ITEM NO. 9

15 CHAIRMAN ALCANTAR: Item 9, Discussion,
16 Consideration and Possible Action Regarding an Order to
17 Adopt Fiscal Year 2018 Supplemental Allocations. Randy.

18 MR. TOWNSEND: Mr. Chairman, Commissioners,
19 again for the record Randy Townsend, Chief Financial
20 Officer.

21 Last Thursday, Commissioners, you adopted a
22 motion I believe that covered the supplemental allocations
23 for the childcare fund. I have now caught up with you, I
24 believe, on that motion and included the materials under
25 this tab for the '18 allocation. That was -- totaled

1 46,250,000. This -- just make sure we're all clear at the
2 staff level when we go to execute the contract amendments
3 that will be necessary, setting aside the two percent
4 reserve that's also required for that supplemental
5 allocation, again, I believe the motion was clear on -- on
6 adopting this on the 14th. I'm prepared to go -- I have
7 discussed this with our General Counsel, but I did want to
8 make sure you had the numbers in front of you because that
9 did not have this information in the -- in the tab last week
10 -- last Thursday when you voted on that.

11 If there are any questions about this part of
12 the allocation, I'd be happy to answer those or try to
13 clarify anything that might have been unclear from the
14 presentation I made last -- last Thursday.

15 CHAIRMAN ALCANTAR: Any questions?

16 COMM. ALVAREZ: As far as the budget, I'm
17 fine with that and how the money's being allocated. I just
18 have some messaging -- just a couple of things I'd like to
19 message -- or I'd like to say regarding this whole process.

20 What I'd like to see, Randy, on the -- to ask
21 the boards to maximize existing resources, survey board
22 areas to determine TRS and deserts. These are just
23 recommendations. I mean, if the budget's fine with them,
24 I'm fine with the budget. Encourage more provider training.
25 I heard that from the -- the stakeholder meetings that we

1 hosted here, and increase number of children in subsidized
2 care. Other than that, I'm fine with this.

3 CHAIRMAN ALCANTAR: Commissioner Hughs?

4 COMM. HUGHS: Thank you for the summary. It
5 accurately reflects our discussions and vote from last week.

6 MR. TOWNSEND: And I'll have the order after
7 the Commission Meeting for the supplemental '18 allocations.

8 CHAIRMAN ALCANTAR: All right.

9 AGENDA ITEM NO. 10

10 CHAIRMAN ALCANTAR: Item 10, Discussion,
11 Consideration and Possible Action Regarding an Order to
12 Adopt Program Year 2018 and Fiscal Year 2019 Allocations.
13 Randy.

14 MR. TOWNSEND: Chairman and Commissioners,
15 again Randy Townsend.

16 This -- under this tab, again, trying to make
17 sure we were reflecting what the Commission actions were
18 last Thursday, what I've done with the packet for this week
19 is I've simply removed where you had voted to adopt the
20 allocations to make sure those reflected allocations as
21 opposed to planning estimates and that will be the case for
22 everything -- all programs with the exception right now of
23 Adult Education and Literacy because we are still awaiting
24 final allotments from our federal partner on that one.

25 Other than that, the summary page I believe

1 reflects the -- the adoption that we understood on the 14th.
2 The amounts have been reflected in the -- in the allocations
3 by board as well. And so this would be, you know, with all
4 the appropriate caveats as far as funding availability in
5 the future and that sort of thing that we always deal with,
6 with our adoption of allocations.

7 So unless you have questions about this, this
8 would also include the funding distribution for the small
9 board as well as the rapid response funding distribution.
10 So again, it would be -- as far as we're concerned, at the
11 staff perspective, we think we're good to go. We just
12 wanted to again, have -- have the whole packet in front of
13 you this afternoon so you can see the -- how that looks.
14 Unless you have questions --

15 CHAIRMAN ALCANTAR: Commissioners, any
16 questions, comments or clarifications?

17 COMM. HUGHS: No. Thank you for this
18 summary. At a later date, and it won't impact these numbers
19 for now, but I'd like to have a better understanding of the
20 small board distributions and how we define small boards,
21 for the purposes of these distributions, whether we might
22 need to revisit that definition or expand the number of
23 boards that may qualify, depending on how we're breaking it
24 down now. Thank you.

25 MR. TOWNSEND: Right. Be happy to do that.

1 CHAIRMAN ALCANTAR: Commissioner?

2 COMM. ALVAREZ: No questions.

3 CHAIRMAN ALCANTAR: All right. I have no
4 questions.

5 AGENDA ITEM NO. 11

6 CHAIRMAN ALCANTAR: Item 11, 1. Discussion,
7 Consideration and Possible Action Regarding an Order to
8 Approve the Fiscal Year 2019 Operating Budget, Including
9 Statewide Initiatives, Performance Measures, and Other
10 Budget-Related Issues. Randy.

11 MR. TOWNSEND: Okay. Again, Chairman and
12 Commissioners, for the record Randy Townsend.

13 The budget materials you have in front of you
14 this afternoon reflect what I understood to be the -- what
15 you had approved as far as statewide initiatives. I do want
16 to go through and make sure that I've captured that in --
17 that our budget staff has captured that information
18 properly. And so we're going to spend a few moments. We've
19 updated a few numbers here and we are asking your
20 consideration once we get through this for adoption of the
21 '19 operating budget for the agency.

22 On page 1 -- or page 2, excuse me, page 1's
23 the table of contents. Page 2, again, that's just a
24 summary. We did make a few updates to the bottom-line
25 number. We're essentially -- if you look under the

1 appropriate total column, towards the bottom of the page
2 there, the budget here totals 1,871,580,521. The total
3 budget that's being proposed this afternoon. And again,
4 just by way of just reference here or comparison, the grants
5 make up almost 72 percent of that total budget, almost 1.9-
6 billion now, 228-million or so in salaries about 12 percent
7 of the budget, and the next largest category would be our
8 client services, primarily in our voc rehab program that
9 represents about 9 percent of our total budget.

10 And then again, I know you're familiar with
11 these numbers, but federal funds represent almost 85 percent
12 of this total budget, about 1 -- almost 1.35-million general
13 revenue represents about 10 percent of the total budget that
14 we're looking at here. I'm sorry, the federal funds
15 actually represents \$1.58-billion.

16 Commissioners, the second -- the third page
17 is a summary of the budget broken down by our strategies,
18 our appropriations -- sometimes referred to as our
19 appropriation, sorted from high dollar to low dollar. It
20 also includes the reference to the portion of that we pay
21 out for employee benefits. That would be our share of
22 Social Security, retirement, and group insurance for
23 employees. About 80 -- again, 85 percent of our budget's
24 federally funded.

25 Page 4 of the document is continuing just a

1 breakdown by -- again by strategy, but it shows you in
2 addition to the total budget the fulltime equivalent,
3 staffing in other words, that is within the FTE limits, the
4 4,868 and a half FTEs that we have -- are showing there by
5 strategy.

6 Moving to page 5 and 6, there you will see
7 the break -- the breakout by our divisions and departments.
8 Again, this case sorted from high dollar to low dollar for
9 your review there.

10 And then finally, wanted to get to the
11 statewide initiatives on page 7 and just make sure on a few
12 of these that I -- we've reflected your -- your decisions
13 last Thursday on the -- on some of these initiatives.

14 Page 7 includes the childcare initiatives and
15 the ones I'm specifically talking about, after you get past
16 the first two rows there which are the direct care
17 contingency and the childcare quality reserve lines, you had
18 approved as I understand it last week, a pre-K childcare
19 partnership for 10-million, a LWDA quality improvement
20 activities for 7-million, the collaborative matching grants
21 for 6-million, Hurricane Harvey childcare response for five
22 and a half million, and then TRS support that was the same,
23 had no change on that.

24 The TRS mentor/assessor expansion was 3-
25 million, the infant and toddler collaborative grants was 2-

1 million, and then you had approved a two year initiative for
2 a total of 3-million, but a million and a half each year,
3 for the childcare business forums.

4 What I'd really like to clarify this
5 afternoon, I've reflected those amounts under the 2019
6 budget column coming out of the childcare quality reserve,
7 that's the second row there. I think it may have been more
8 appropriate for us to show those under the '18 column for
9 this purpose here, and then that -- the million and a half
10 for the childcare business forums would have -- would show
11 the million and a half for both '18 and '19.

12 So if I do that, and that'll of course change
13 the balance in reserve. There's no bottom-line change here.
14 When I add all that up, the two year initiative for 3-
15 million, you will get to the 36 and a half million, and then
16 there was the three and a half million set aside in
17 Courtney's presentation for automation related kinds of
18 initiatives. That would get you back to the 40-million.

19 So the math does work. It does agree back to
20 the present -- presentation that was made last Thursday.
21 But I did -- mainly want to make sure I had the year correct
22 and -- or need to move that year back to the '18. I think
23 that is the most appropriate thing to do, so just wanted to
24 clarify that with you this afternoon.

25 CHAIRMAN ALCANTAR: Commissioners? I would

1 agree with that --

2 COMM. HUGHS: Uh-huh.

3 CHAIRMAN ALCANTAR: -- but let me see
4 questions about the bottom-line remains the same?

5 MR. TOWNSEND: Bottomline is the same, yes,
6 under both years.

7 CHAIRMAN ALCANTAR: And doing it under
8 '18 just to get the dollars out sooner and --

9 MR. TOWNSEND: That's right.

10 CHAIRMAN ALCANTAR: -- the staff can go to
11 work on it.

12 MR. TOWNSEND: And if for some reason the
13 contracts are not executed by August 31st, the end of the
14 state fiscal year, then they would just be -- become
15 available in '19, so there's -- there's no impact other than
16 you wouldn't have to wait for a couple of months if some of
17 these are ready to go here in -- in the next few weeks, that
18 would be the main advantage.

19 COMM. HUGHS: I agree as well.

20 CHAIRMAN ALCANTAR: We're all in agreement.

21 MR. TOWNSEND: Okay. Very good.

22 On page --

23 CHAIRMAN ALCANTAR: Thanks for the
24 recommendation.

25 MR. TOWNSEND: Oh, thank you. Page 8, don't

1 have anything specifically to discuss there. Hopefully,
2 we've captured what you had asked us to reflect as far as
3 the WIOA and the TANF funds. I did want to clarify I guess
4 one thing on the commission reserve balance, and this is
5 really -- again, doesn't affect the bottom-line balance
6 here, but on the commission reserve balance I combined --
7 took '18 and moved it forward to '19. Most likely, we don't
8 have any initiatives as I'm understanding at this point that
9 would be ready to go by August, so that balance with the
10 WIOA is, you know, 19.7-million for '19, at this point. The
11 TANF balance would reflect four and a half million balance
12 for the -- for the TANF.

13 Also on page 9, I did want to clarify I had -
14 - had really not done very good math for you last Thursday,
15 but on the commission reserve balance there, 77-999, on '19
16 I had -- we have a positive balance in '18 and a negative in
17 '19. When you add those two together, we're almost just
18 under a million dollars. So we're all good there as far as
19 the positive balance on the -- on the federal AEL funds.
20 And there is still a balance of 150,000 in general revenue
21 for the -- for the Adult Ed program. So I did just want to
22 point that out.

23 And again, I believe we've captured the
24 decisions that you made last Thursday. If for some reason
25 we need to still correct -- if we find some things we still

1 need to correct, then we would just you know, obviously we
2 can make those changes if you see anything now or -- or even
3 in the -- in the future, so.

4 CHAIRMAN ALCANTAR: Commissioners, do you
5 have any modifications or clarifications on any of the items
6 on page 8 -- or that that reflects your understanding of the
7 numbers?

8 COMM. ALVAREZ: Yes.

9 CHAIRMAN ALCANTAR: We're good?

10 COMM. HUGHS: I think it accurately reflects
11 the numbers that we put on there. It may go more under
12 statewide initiatives, but to the extent that we're going to
13 revisit teacher externship program, if it does become
14 something that we allocate across the state, then I would
15 defer to staff on what would be the right number and whether
16 we would need to revisit that actual balance in '19 just
17 because historically we've increased it each year from the
18 original one. So I just would want to look at that if it
19 comes up again as a policy item, but it accurately reflects
20 where we are as of right now. Thank you.

21 CHAIRMAN ALCANTAR: And you want to leave it
22 right there for now?

23 COMM. HUGHS: I don't have reason not to at
24 this time.

25 CHAIRMAN ALCANTAR: Okay. With the

1 understanding that staff is going to --

2 CHAIRMAN ALCANTAR: Unless staff has anything
3 to share based on any research they've already done.

4 MR. TOWNSEND: I think we're still working on
5 looking at a possible funding distribution for the workforce
6 areas among other things, so I'm not sure, I'll check and
7 see. I don't believe we're quite ready though.

8 MS. ARBOUR: We can brief distribution to
9 them this week and bring it back.

10 MR. TOWNSEND: Okay. I mean, it is a
11 relatively small amount for distribution. I -- that might
12 be the only challenge I could -- I could see.

13 COMM. HUGHS: Right. That's why I want to
14 kind of just indicate that I suspect that in order to have a
15 fair distribution that makes an impact and meets the goals
16 of what we're trying to achieve, we probably will need to
17 increase that, but I'll defer what that correct amount will
18 be.

19 CHAIRMAN ALCANTAR: Okay. Great. Thank you,
20 Commissioner and we'll look forward to staff's briefing this
21 week.

22 MR. TOWNSEND: Commissioners, on page 10 I
23 did -- this was just to show you the numbers as they finally
24 -- they're reflected here based on the decisions you made
25 last Thursday. We -- we did bring the Veterans job fair to

1 the 400,000 as requested. And then the Commissioner
2 Alvarez, on the apprenticeship there, that reflects that
3 decision and Commissioners that was made on the million six
4 hundred fifty thousand for the WIOA. Of course, the 150 for
5 TANF was there previously.

6 And then the -- and then on page 12, the
7 performance and incentive awards. I think you made three
8 changes last -- last Thursday, that page has been updated to
9 reflect that change. And then the final page of the
10 document for the budget, operating budget for '19 includes
11 the management fee that I discussed last week on the -- and
12 this should be the Purchasing from People with Disabilities.
13 I think I have an extra -- I had a "for" in there instead of
14 from; I apologize.

15 This was establishing that percentage at 3.
16 -- staff recommendation is to set it at 3.25 percent, and
17 so, if that's acceptable then -- and you approve the
18 operating budget with that being included, I think we would
19 be good to go there.

20 And so that concludes my presentation this
21 afternoon. If you have other questions or comments or?

22 CHAIRMAN ALCANTAR: I have none.
23 Commissioners, do you have questions or comments?

24 COMM. ALVAREZ: Thank you, Randy, for all
25 your work.

1 COMM. HUGHS: With that, I'd move that we
2 approve an order to -- approve the fiscal year 2019
3 operating budget, including statewide initiatives,
4 performance measures and other budget-related issues as
5 discussed and recommended by staff.

6 COMM. ALVAREZ: I'll second.

7 CHAIRMAN ALCANTAR: We are unanimous. Thank
8 you, Commissioner Hughs. Thank you, Randy.

9 AGENDA ITEM NO. 12

10 CHAIRMAN ALCANTAR: Item 12, Discussion,
11 Consideration and Possible Action Regarding Fiscal Year
12 2020-2021 Legislative. We have no updates.

13 AGENDA ITEM NO. 13

14 CHAIRMAN ALCANTAR: Item 13, Discussion,
15 Consideration and Possible Action Regarding approval of
16 services offered under the CRP program.

17 MR. JOSEPH: Good afternoon, Chairman,
18 Commissioners, Mr. Temple. For the record, Howard Joseph,
19 Purchasing From People With Disabilities manager.

20 I have before you Agenda Item 13 for the
21 approval of services. In regards to services there are
22 eight contracts completed under temporary authority
23 employing 38 individuals being paid above minimum wage.
24 There are 76 new and renewal contracts employing 332
25 individuals being paid at or above minimum wage. There are

1 two transferred contracts employing 14 individuals, all are
2 paid above minimum wage.

3 In regards to Item 13(b), staff does not have
4 adequate information to make an accurate recommendation at
5 this time. I recommend postponing to a future Commission
6 meeting. Staff recommends approval of all service contracts
7 in Item 13(a).

8 I'll be happy to answer any questions.

9 CHAIRMAN ALCANTAR: Any questions?

10 COMM. ALVAREZ: No questions.

11 CHAIRMAN ALCANTAR: Commissioner Hughs?

12 COMM. HUGHS: I would -- I'm having deja vu.

13 I move that we approve services offered by Certified
14 Community Rehabilitation Programs under the Purchasing from
15 Disabilities State Use Programs as recommended by staff.

16 COMM. ALVAREZ: I'll second that.

17 CHAIRMAN ALCANTAR: We are unanimous. Thank
18 you, Howard.

19 MR. JOSEPH: Thank you.

20 AGENDA ITEM NO. 14

21 CHAIRMAN ALCANTAR: Item 14, Discussion,
22 Consideration and Possible Action Regarding the approval of
23 local board nominees. Cam Bell. Good afternoon, Cam.

24 MR. BELL: Good afternoon, Mr. -- or
25 Chairman, Commissioners, Mr. Temple, Cameron Bell, Workforce

1 Development Division.

2 Before you for consideration and approval are
3 Workforce Development Board nominations for Workforce
4 Solutions Cameron County, South Texas, Lower Rio Grande
5 Valley, Panhandle, Rural Capital Area, and Southeast Texas.

6 CHAIRMAN ALCANTAR: Commissioner Hughs?

7 COMM. HUGHS: I move that we approve local
8 workforce development board nominees for Cameron County,
9 South Texas, Lower Rio Grande Valley, Panhandle, Rural
10 Capital Area, and Southeast Texas.

11 COMM. ALVAREZ: I'll second that.

12 CHAIRMAN ALCANTAR: We are unanimous.

13 MR. BELL: Thank you.

14 CHAIRMAN ALCANTAR: Thank you, Cam.

15 AGENDA ITEM NO. 15

16 CHAIRMAN ALCANTAR: Item 15, Discussion,
17 Consideration and Possible Action -- we took that action
18 already.

19 AGENDA ITEM NO. 16

20 CHAIRMAN ALCANTAR: Item 16, Discussion,
21 Consideration and update on the policy of local boards
22 regarding rural service delivery. Courtney. I understand
23 we just have an update date for you today, we won't be
24 taking any action on this item other than having a
25 discussion on it. Thank you, Courtney.

1 MS. ARBOUR: Good afternoon. For the record,
2 Courtney Arbour. By way of reminder, on Thursday of last
3 week, you all invited members of the Rural Workforce Network
4 to come and share their thoughts about some of the
5 innovations and challenges faced by boards who serve the
6 more rural and remote areas of the state. You asked that
7 group and I to have some more communication about some
8 initiatives, some ideas for funding that they thought could
9 best help to support them as they continue their work, and
10 so we continued that conversation and I have a few ideas to
11 -- to share with you today. I'll just sort of lay those out
12 one at a time and invite any comments or we can -- I can go
13 through all of them and we can just -- you can discuss at
14 the end.

15 But a few key things are -- were identified
16 by these boards as areas where they think that funding could
17 best support them in expanding their reach into these rural
18 and remote areas.

19 The -- the rural workforce network certainly
20 is a group of six of the smallest boards, but their comments
21 to me reflected some of the same thoughts that some of the
22 other boards have shared in the calls we held with them in
23 April and May. But many of them have commented that mobile
24 units, while costly to purchase and maintain, are a good
25 option for some of them because it allows them to take a

1 physical presence out into these areas and maybe park it at
2 certain dates and times so that the community is aware of
3 when the times that they can come and receive assistance.
4 The boards who do use mobile units use those for
5 orientations, case management, appointments, hosting
6 workshops, and -- and helping people to register for work,
7 and even answering some of their most basic -- or providing
8 them help with their UI registration. So the mobile units
9 for boards who are interested do have some value.

10 Marin Rivas of Panhandle board mentioned that
11 sometimes -- that they've used the larger units in the past
12 and that now they're looking at more -- that smaller units
13 or a type of van for the same purposes, but that they think
14 that those are easier to maintain and transport. So mobile
15 units is one -- one of the recommendations that this group
16 proposed.

17 Second, they -- the boards have found it
18 challenging in some of their smallest areas to have a
19 presence at all sometimes. Often, boards will partner with
20 a library or maybe a community center, and if the staff in
21 those facilities are willing to be trained on some of our
22 programs and how to use Work In Texas and some basic LMI
23 information, then boards can partner with those at little to
24 no cost.

25 The boards that I've been communicating with

1 have said that funding would be very helpful in that
2 endeavor, either to hire more staff to take out to those
3 rural areas or to contract services in those sites that are
4 in existence to help fund their staff and infrastructure
5 needs to be able to provide services when whether either a
6 board could hire staff and take -- take those -- and send
7 those staff out, or pay someone else to carry the message in
8 those local areas.

9 So if you wanted to consider an initiative of
10 that sort, you -- you could also require that the boards put
11 up some of their own funding for the -- the contracts or
12 even their own staffing if you'd -- if you'd prefer that
13 they -- they have some kind of financial contribution.

14 Third, boards have overwhelmingly started to
15 use virtual services or online service delivery more and
16 more, either through those libraries I just mentioned or
17 other -- other community sites that are already in existence
18 or even in their local offices when they don't have a very
19 large staff. They have created online orientations or
20 virtual portals where they can communicate with customers or
21 customers can gain access to the material that is otherwise
22 available in person in the larger offices.

23 And so boards thought that it would be a
24 great benefit to them if TWC would consider funding for
25 these boards to expand into new areas or in -- increase the

1 availability of what they already have in these -- in these
2 offices or in these sites.

3 Fourth, the boards did mention an interest in
4 having some training. And the way they described this is
5 they like labor market information. Although they think we
6 have great tools, they like to have it packaged in a way
7 that staff who are, you know, maybe the one or two staff
8 that are housed in those very small offices can receive a
9 really robust training on the tools in how to pull down LMI
10 at the most specific level we can teach them to pull.
11 They'll often get questions about city level data that they
12 can't always do, so anything to help them paint a robust
13 picture in these small areas of what the labor market really
14 looks like is helpful. And they also have asked that our
15 training and development department and/or any of us work
16 with them to package training for the one or two staff that
17 are housed in a very small office who need to be an expert
18 on a lot of different topics.

19 If they can't send them to a full eight hour
20 training on SNAP or TANF or Rapid Response, that we instead
21 package the material in a -- in a couple of day training or
22 -- or however quickly we can provide it so that those staff
23 can become experts on a number of different program areas.
24 So between LMI and program training, they thought that that
25 would be a benefit and if we are not able to take the

1 training to every board area, they would -- or even if we
2 could bring it in regionally, that they would like some
3 funding to take staff -- to send staff to those, whether
4 it's to Austin or to a neighboring board if that's where the
5 training takes place.

6 Last, the -- similar to the high demand
7 training and TIP grants, and even the matching grants that
8 you all just approved for the childcare -- the new childcare
9 allocation, boar -- some of these small boards thought that
10 it would be very helpful to have a match-based model where
11 other local entities could provide some kind of match and
12 TWC could grant funds specifically for the purpose of
13 creating new sites or new access points or expanding
14 services to an area and that could be defined as broadly or
15 as narrowly as you would like, but that the boards would
16 receive a grant with a local partner and be able to make the
17 services in their areas more robust.

18 That is a summary of what the -- the boards
19 shared with me and on the heels of that conversation on
20 Thursday, so I'm happy to answer any questions or prepare
21 additional material for you for future meeting.

22 CHAIRMAN ALCANTAR: Okay. Commissioners, any
23 que -- any comments or guidance in terms of additional staff
24 work on any of these items for the next discussion on this?

25 COMM. HUGHS: I have comments.

1 CHAIRMAN ALCANTAR: Thank you. Can you
2 please --

3 COMM. HUGHS: Do you want me to start?

4 CHAIRMAN ALCANTAR: Yes, please.

5 COMM. HUGHS: So first of all, I want to
6 commend you, Chairman and Staff, for putting together the
7 rural workforce network meeting that we had and thank
8 Commissioner Alvarez for taking the time after what was a
9 very long day of docket unexpectedly last week to listen in.
10 I think that by having them all here and having us have the
11 opportunity to hear firsthand what their needs are, it gives
12 us a little bit of a shorthand in addressing how do we get
13 there.

14 So I certainly agree with what was shared.
15 It seemed to be common concern and common areas of need and
16 I think staff did an excellent job of highlighting those
17 areas and in a very quick amount of time trying to figure
18 out how to best allocate resources to address some of those
19 needs.

20 Having said that, I think that we might be
21 struggling a bit with the definition of rural for these
22 purposes. And so I would ask that we get a clearer
23 definition of what we're working with and what that's going
24 to look like going forward before we were to take any action
25 so that we make sure that we allocate resources as intended.

1 Similarly, there's a lot of general
2 propositions about a certain amount to boards, which I think
3 in its current form might make 23 of the 28 boards eligible,
4 I'm not sure. But when we say 50 per board, assuming we
5 don't know how many that might be, if we would have a limit
6 of up to with respect to who can apply, then I think
7 tailoring some of these up to language on a -- an amount
8 could keep us from going into what appears to be anywhere
9 from two million depending on how we define these things.
10 So I'm glad that we're going to spend a little more time
11 looking at that.

12 I agree that we should support partnerships
13 with mobile units. I think as a practical matter though we
14 need to think about the implications, because I know that
15 many of them, in addition to having the vehicle, like the
16 advertisement that in partnering they're going to have to
17 figure out how they wrap it with -- you know, what -- how
18 they manage that. And so we may need to really have an
19 impact, spend a little more time on that.

20 The virtual access, so much of that our
21 boards across the state want more of, more FTEs, et cetera.
22 So if we're going to have a narrow push that's very
23 specific, I think we need to really you know, define that
24 need and then address it very specifically, because I know
25 all boards would share in -- in many of these concerns in

1 general.

2 The rural boards, I think to their -- as they
3 clearly define because their populations are smaller, they
4 do have less resources, and yet, in many instances, need
5 more resources. I think that's what we're going for here.
6 And the high demand job training, I wasn't clear how it's
7 different than what they already have access to, so if we
8 could just flesh that out a little bit more, that would be
9 helpful.

10 So great work in such a short period of time
11 and I really look forward to what it can turn into that will
12 give us clear guidance and give the boards clear guidance
13 and make a very direct impact. Thank you.

14 CHAIRMAN ALCANTAR: No, thank you.

15 COMM. ALVAREZ: Chairman, I have some
16 comments.

17 Great report, Courtney. Sorry, I couldn't
18 remember your name.

19 MS. ARBOUR: Courtney.

20 COMM. ALVAREZ: Sorry, Courtney. I'm having
21 one of those moments. I'm used to having these meetings in
22 the morning.

23 I, like Commissioner Hughs, want to reiterate
24 the importance of the meeting that we had last week with
25 those that were representing the rural communities. Even in

1 the tri-agency report it's not really established what a
2 rural community is, so I agree with Commissioner Hughs,
3 there's no clear definition, but yet it's referenced
4 multiple times. We can see it.

5 The page that I referenced when the folks
6 were here was page 8 where it's talking about focusing on
7 rural communities, those that are underserved and that's a
8 good page to reference. I will say that what I'd like to
9 see when we talk about on the bullet point where it says
10 rural training academy, Martin -- Mr. Aguirre, made a great
11 reference to his involvement with local EDCs, the ESCs and
12 school counselors, so when we do the training, if it's
13 possible, only if it's possible the way we wrote this out,
14 would be that whenever we do have these types of trainings,
15 that he include ESCs or the school counselors.

16 We know that Tom's office has done a really
17 good job according to the bill that was passed last year to
18 disseminate the LMCI data to the counselors. They already
19 have it. But it might now give them an opportunity to learn
20 how to use it. So if we could invite the school counselors
21 during these training sessions, I would encourage that.

22 MS. ARBOUR: Okay.

23 CHAIRMAN ALCANTAR: Anything else,
24 Commissioners?

25 COMM. ALVAREZ: No, that's it. Thank you.

1 CHAIRMAN ALCANTAR: All right. Do you have
2 everything you need from us, Courtney?

3 MS. ARBOUR: I do. The -- the definition of
4 rural does pose a challenge for this conversation. In some
5 situations, it's by population of 5,000 or less, sometimes
6 it's 50,000, sometimes it's anything that's not in an MSA.
7 So, in my briefings to you I will run some different
8 scenarios of what that -- what that could look like for
9 purposes of this discussion.

10 CHAIRMAN ALCANTAR: And the items that you
11 presented aren't really prioritized. They're just different
12 options and you were -- and you were presenting us with
13 different things we might consider, not necessarily all of
14 them, but these were the different ways in which we might go
15 about it. How did you --

16 MS. ARBOUR: These reflect some of the asks
17 from that group and some of the things that we heard in the
18 calls with the boards. I -- I was -- my intent today was to
19 present some of the key things they had requested so that
20 you could consider if you would prefer to do an up to amount
21 for certain boards or any one or more of these initiatives,
22 that you would have those options.

23 CHAIRMAN ALCANTAR: But any of the five are
24 responsive and advance things forward. The more -- it
25 really comes down to how we structure those.

1 I don't have anything to add to what
2 Commissioner Hughs said and Commissioner Alvarez. I do
3 agree that anytime you can bring some partners in, if
4 they're involved and helping us deliver those rural services
5 and that's obviously a good idea, Commissioner.

6 And with that, thank you for all your work.
7 Really appreciate it. I echo what they said.

8 COMM. ALVAREZ: Thank you.

9 AGENDA ITEM NO. 17

10 CHAIRMAN ALCANTAR: Item 17 -- we have no
11 further discussion on statewide initiatives, we just had it.
12 We have no Hurricane Harvey update, Larry?

13 MR. TEMPLE: No, sir. One thing we are
14 doing, I've asked staff, God forbid we have another storm,
15 but we're in the season, I've asked staff to put together
16 the latest expected obligations through the summer, so in
17 the event we did have something, we'd know how much money we
18 have immediately to put out.

19 Some things they can do real quick at the
20 regional level, some stuff takes a little while, although, I
21 think we broke records last time with Department of Labor in
22 getting money, but just in case, we -- staff is working on
23 that and we'll -- we'll include that in weekly briefings
24 just to let you know kind of what that looks like.

25 Knock on wood we don't have to worry about

1 it, but we did want to have an idea of where we stood.

2 CHAIRMAN ALCANTAR: Great. Thanks, Larry.

3 Any further guidance, Commissioners?

4 COMM. HUGHS: Thank you.

5 COMM. ALVAREZ: No, sir.

6 CHAIRMAN ALCANTAR: All right.

7 AGENDA ITEM NO. 19

8 CHAIRMAN ALCANTAR: Item 19, Discussion,
9 Consideration and Possible Action Regarding States or
10 Federal Legislation. We have Michael Britt. Good
11 afternoon, Michael.

12 MR. BRITT: Good afternoon, Mr. Chairman,
13 Commissioners. For the record, Michael Britt, Governmental
14 Relations.

15 Wanted to update you on some of the actions
16 at the congressional level. We're hearing that U.S. House
17 Leadership will hold a vote to reconsider HR 2, the House
18 version of the Farm Bill sometime possibly this week. As
19 you may recall, the House failed to pass the Farm Bill back
20 on May 18th. It's also likely that the U.S. Senate could
21 hold a vote this week on their version of the Farm Bill,
22 which is S 332, as early as this week as well. We'll of
23 course, keep you all posted as these votes are announced and
24 scheduled.

25 We will be following several hearings in D.C.

1 this week. We have three on Wednesday. At 9:00 a.m., the
2 U.S. House Education and Workforce Subcommittee on Higher
3 Education and Workforce Development will hold a hearing on
4 Occupational Licensing.

5 Also at 9:00 a.m. on Wednesday, the U.S.
6 House Appropriations Committee will be holding its mark-up
7 of the Fiscal Year 2019 Labor, HHS, and Education
8 Appropriations draft bill.

9 Finally, for Wednesday a 9:30 a.m., the U.S.
10 Senate HELP Committee will be holding a hearing on their
11 draft legislative language to reauthorize the Carl D.
12 Perkins Career and Technical Education Act.

13 On Thursday at 9:00 a.m., the U.S. House
14 Education and Workforce Subcommittee on Health, Employment,
15 Labor, and Pensions will be holding a hearing on Growth,
16 Opportunity, and Change in the U.S. Labor Market and the
17 Workforce.

18 This concludes my remarks and I will be happy
19 to answer any questions.

20 CHAIRMAN ALCANTAR: Commissioners?

21 COMM. HUGHS: I'm just wondering if there's
22 any updates from the (indiscernible) meeting last week that
23 would be appropriate to share during this part of the
24 discussion or not really?

25 MR. TEMPLE: We didn't have any -- Allison

1 was there and took notes and then I participated in a couple
2 of calls. The secretary was making his renewed pitch on
3 apprenticeship and simplification of licensing and that sort
4 of thing. Nothing really, really new. More than anything
5 else, he heard from the members about more flexibility.

6 He continues his support for waivers where
7 they're available and that was pretty much where -- nothing
8 really, really new in that respect.

9 States generally are having the same issues
10 everyone else is; reduced funding, problem in rural areas,
11 that -- that type of thing, so that was pretty much it. The
12 majority was related to the TANF and the farm bill which
13 seem to be moving pretty quickly. So there were a lot of
14 people there from HHS and USDA.

15 COMM. HUGHS: Thank you.

16 CHAIRMAN ALCANTAR: Commissioner? Thank you,
17 Michael.

18 AGENDA ITEM NOS. 9 and 10

19 CHAIRMAN ALCANTAR: Number 20, but as a part
20 of number 20, I want to go back items 10 and 11 for -- we
21 had an update from -- informational from Adam Leonard
22 regarding I believe items 9, 10 or 10 and 11.

23 MR. LEONARD: And looks like 9 and 10.

24 CHAIRMAN ALCANTAR: Okay. 9 and 10,
25 regarding performance. And it's just a quick update on some

1 of the assumptions that --

2 MR. LEONARD: Yeah, so it -- I just wanted to
3 kind of talk a little bit about target setting. And as you
4 know, with the new money that was brought in, that offers a
5 lot of opportunities and you guys prioritized and gave us
6 some direction on that as far as rate increases and things
7 like that. So now we need to engage the boards and figure
8 out well, how quickly can they start to bring kids on and
9 ramp up. Because the reality is, is that it's not like
10 tomorrow just because they have waiting lists suddenly the
11 wait lists are empty and all those kids are in care.

12 So we'll be working with them, talking to
13 them about trying to understand how quickly they can bring
14 kids on to ramp up to kind of a stable fiscal year '19 level
15 of performance and also to -- looking at similarly ramp up
16 in the TRS world, so how quickly they believe they're going
17 to be able to work with providers to those who are not TRS
18 and want to become TRS and those who are currently two or
19 three and might want to move up a little bit further as a
20 result of some of the incentives that this money provides.

21 And so we're going to be engaging with the
22 boards on those and related matters to get their input and
23 then bring back to you some recommendations on how we think
24 that lays out in terms of service delivery over the next
25 year.

1 CHAIRMAN ALCANTAR: All right.

2 Commissioners?

3 COMM. HUGHS: Thank you for that update.

4 CHAIRMAN ALCANTAR: Thank you, Adam.

5 MR. LEONARD: Okay. Thank you, Chairman.

6 MR. TEMPLE: That was the quickest briefing

7 Adam Leonard has ever given.

8 (Laughter)

9 MR. LEONARD: I talk faster.

10 CHAIRMAN ALCANTAR: I would concur.

11 (Laughter)

12 CHAIRMAN ALCANTAR: I would agree. Great

13 update.

14 AGENDA ITEM NO. 20

15 CHAIRMAN ALCANTAR: Item 20, report and
16 update by the Executive Director. Larry? If I may, I'd
17 like to recognize someone if that's okay?

18 MR. TEMPLE: Absolutely.

19 CHAIRMAN ALCANTAR: I have a new member of
20 our -- in our office I'm really proud to welcome to the
21 Agency. He's a veteran, he has served our country, is an
22 accomplished individual, who joins us from the Department of
23 Agriculture. He's worked as general counsel for a licensing
24 agency, he's also done private practice. Brian
25 (Indiscernible), would you please stand? Please join me in

1 welcoming Brian to our agency.

2 (Applause)

3 CHAIRMAN ALCANTAR: Thank you for the
4 accommodation. Larry?

5 MR. TEMPLE: Commissioners, I have nothing.

6 CHAIRMAN ALCANTAR: You have nothing. I
7 think we're going into executive session?

8 AGENDA ITEM NO. 30

9 CHAIRMAN ALCANTAR: We are going into
10 Executive Session pursuant to Government Code 551.074(a)(1)
11 concerning pending litigations titled TWC v. Ana Litofsky
12 and Michael Litofsky. Thank you.

13 (Adjourned at 2:19:16 p.m.; reconvened at 2:23:30)

14 CHAIRMAN ALCANTAR: It is 2:22, the
15 Commission is back in session.

16 Do we have a motion?

17 COMM. HUGHS: I move that the Commission
18 approve the settlement of the lawsuit entitled TWC CRD v.
19 Ana and Michael Litofsky, Cause Number 2016CI or 1 09211, I
20 think it's CI09211.

21 COMM. ALVAREZ: I'll second that.

22 CHAIRMAN ALCANTAR: We are unanimous.

23 AGENDA ITEM NO. 32

24 CHAIRMAN ALCANTAR: Do we have a motion to
25 adjourn?

1 COMM. HUGHS: I move that we adjourn.

2 COMM. ALVAREZ: I'll second that.

3 CHAIRMAN ALCANTAR: We are adjourned. Thank
4 you.

5 (Proceedings concluded at 2:24:04 p.m.)

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C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

I, Kimberly C. McCright, Certified Vendor and Notary in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 17th day of August, 2018.

/s/ Kimberly C. McCright
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Certified Vendor and Notary Public

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