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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, JULY 3, 2018

BE IT REMEMBERED THAT at 9:00 a.m. on
Tuesday, the 3rd day of July, 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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1 P R O C E E D I N G S

2 TUESDAY, JULY 3, 2018

3 (9:00 a.m.)

4 AGENDA ITEM NO. 1

5 CHAIRMAN ALCANTAR: Good morning, everyone.

6 This meeting is called to order.

7 AGENDA ITEM NO. 2

8 Discussion, Consideration and Possible Action
9 Regarding Whether to Assume Continuing Jurisdiction on
10 Unemployment Compensation Cases, Wage Claim Cases, and/or
11 Tax Liability Cases and Reconsideration of Unemployment
12 Compensation Cases, Wage Claim Cases, and/or Tax Liability
13 Cases, if Any.

14 No Discussion.

15 AGENDA ITEM NO. 3

16 Discussion, Consideration and Possible Action
17 Regarding Tax Liability Cases Listed on the Texas Workforce
18 Commission Docket 27.

19 The Commission considered and took action on
20 all tax liability cases listed on Docket 27.

21 AGENDA ITEM NO. 4

22 Discussion, Consideration and Possible Action
23 Regarding Fair Housing Cases listed on the Texas Workforce
24 Commission Docket 27.

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 27.

The Commission considered and took action on
all wage claim cases listed on Docket 27.

AGENDA ITEM NO. 6

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Unemployment Compensation
Cases Listed on the Texas Workforce Commission Docket 27.

The Commission considered and took action on
all unemployment compensation cases listed on Docket 27.

AGENDA ITEM NO. 7

CHAIRMAN ALCANTAR: Good morning, everyone.
We're back in session. Les, has anyone signed up for public
comment?

MR. TROBMAN: No, sir.

CHAIRMAN ALCANTAR: Thank you.

AGENDA ITEM NO. 8

CHAIRMAN ALCANTAR: Item 8, Discussion,
Consideration and Possible Action Regarding an Order to
Adopt Program Fiscal Year 2018 and 2019 Allocations. Randy
Townsend, good morning.

MR. TOWNSEND: Good morning, Chairman and
Commissioners. For the record, Randy Townsend, Chief

1 Financial Officer.

2 Under your tab 8 in your notebook this
3 morning we have -- we've received notice that we've been
4 awarded the Adult Education and Literacy funds for this
5 upcoming program year '18 and so this morning I have for you
6 for your consideration the adoption of Program Year '18,
7 Fiscal year '19, Adult Education and Literacy allocations.

8 This information was included previously as
9 part of the larger packet previously and it was listed as a
10 planning estimate. The dollar amounts have not changed, so
11 the exact same amounts as we had expected them to be. So,
12 each area, each local workforce area, the amounts remain
13 unchanged from what was previously presented for your
14 consideration as a planning estimate.

15 The packet includes the high-level summary by
16 board area. It also includes a breakout of the different
17 funding sources on page 2 and then included on page 3 would
18 be those four workforce areas that will have multiple
19 service providers and how we have provided the breakout of
20 the funding for each of those providers once they're
21 finalized.

22 And then the last two pages of the document
23 just simply outlines the funding amounts that were available
24 and -- for determination of the allocation.

25 And with that Commissioners, unless you have

1 questions, I would move that -- or propose that you adopt
2 the allocations for the Program Year '18, Fiscal Year '19,
3 for the Adult Education and Literacy.

4 CHAIRMAN ALCANTAR: Commissioners, any
5 questions or comments? Commissioner Hughs?

6 COMM. HUGHS: I move that we approve Program
7 Year 2018 Fiscal Year 2019 allocations as discussed and
8 recommended.

9 COMM. ALVAREZ: I'll second that.

10 CHAIRMAN ALCANTAR: We are unanimous.

11 AGENDA ITEM NO. 9

12 CHAIRMAN ALCANTAR: Item 9, Discussion,
13 Consideration and Possible Action Regarding Fiscal Year
14 2020-2021 Legislative Appropriations Request. Randy
15 Townsend.

16 MR. TOWNSEND: Good morning again, Chairman
17 and Commissioners. Again, for the record, Randy Townsend,
18 Chief Financial Officer. This morning, Commissioners, I'm
19 presenting for your consideration the first look at our
20 fiscal year 2020 and 2021 legislative appropriation request
21 amounts. Wanted to walk through briefly the -- just the --
22 the information that I've briefed with you individually.
23 Also, would need to -- would like to go over some of your
24 thoughts on the GR reduction and schedule that we have to
25 prepare for this appropriation request. And then finally,

1 get some direction as to how you'd like to proceed with
2 exceptional items.

3 So, I'll first begin with just a high level
4 or just walking through the documents that were included in
5 your notebook this morning. Used a similar format as was
6 presented for the fiscal year '19 operating budget. I have
7 added the 2020 and 2021 base request columns to the
8 document, so the first -- well, it's page 2, the schedule 1
9 is a method of finance, so it's breaking it down by federal
10 funds, general revenue or other funds, listing the years in
11 the columns for you.

12 And again, just by way of kind of looking at
13 the bottom line totals, you're looking at for 2020 about
14 1.87-billion in total appropriated funds and in 2021 would
15 be about 1.86-billion thereabouts as an estimate. About 85
16 percent of the budget would be -- would be funded with
17 federal funds, 10 percent would be general revenue. That
18 general revenue total is about 190-million there as you can
19 see on the subtotal line, and the other point I'll make is
20 that out of the general revenue, 190-million, almost 80
21 percent or 150-million, is either matching or satisfying
22 maintenance of effort requirements for the Agency.

23 So that's a high-level look at the method of
24 finance for those five years that would be included in our
25 appropriation request. We have yet to report '17 actual,

1 '18 estimated, and then the '19 budget, along with the
2 requested amounts for '20 and '21.

3 Page 3, Commissioners, would be the same
4 information, just organized a little differently. As far as
5 strategies go, this will be similar to our bill pattern.
6 The only thing I will point out is rather than listed
7 numerically by strategy, it'll be listed in high dollar to
8 low dollar.

9 One thing I did add to this schedule
10 different from the operating budget at the very bottom of
11 the page on page 3, there's a summary of the largest
12 strategies, just so you can kind of see more quickly how
13 these -- how our largest programs, childcare, vocational
14 rehabilitation, and WIOA, unemployment insurance, the
15 Choices and Adult Ed, which make up over 85 percent of the
16 state's -- or the Agency's budget, how those totals look
17 when combined at the -- at the -- because we have multiple
18 strategies in a few of those cases. So, thought that might
19 be a little easier to see the breakout of the largest
20 amounts.

21 And then page 4 is going to be a sched --
22 Schedule 3 is going to be fulltime equivalents, FTE staffing
23 by strategy again, I did the 2020 and 2021 columns to --
24 like you had previously seen. Schedule 4 is going to be the
25 breakout of the divisions and departments organized it by

1 the -- whether it was capital or non-capital for your -- and
2 it's -- and it's also sorted on the 2020 column from the
3 high dollar to the low dollar. So, you can see there on
4 page 5 that local workforce development areas, LWDA, is over
5 one billion, 1.1-billion almost in 2020, as just a -- kind
6 of a reference there. And then of course, the next biggest
7 division would be the vocational rehabilitation program at
8 263-million. And from there, it has additional details for
9 the remaining divisions and departments.

10 And then page 8 would start -- be Schedule 5,
11 would be the division departments, but this would be the
12 additional -- would be the detail broken out by the fulltime
13 equivalents, the staffing levels, so that you can see how
14 the division and departments are organized there. And
15 again, this is sorted on the 220 column from high -- the
16 largest number of staffing in the agency by division to the
17 smaller FTE levels.

18 And again, that's all divisions and
19 departments for the staffing. And then -- maybe I should
20 wait a second and just see if you have any questions about
21 what I've presented so far that there's been -- kind of
22 walking you through the organization of the schedules there.

23 CHAIRMAN ALCANTAR: Any questions,
24 Commissioners?

25 COMM. ALVAREZ: No questions, Chairman.

1 COMM. HUGHS: No.

2 CHAIRMAN ALCANTAR: Let's keep going ahead.

3 MR. TOWNSEND: Schedule 6 is going to be your
4 look at the type of expenditure, it is sometimes referred to
5 object of expense, OOE, and then we've actually summarized
6 that at a little higher level just org -- internally here so
7 that you can see how that -- how that breaks out between
8 salaries, grants, client services, which are the three
9 largest types of expenditures.

10 And then there is additional detail that we
11 also internally at our -- at our object level or object
12 description level, that we've included there so that -- for
13 example, other operating expense on row 4's -- 4 through 12,
14 that just gets lumped into other operating for the object of
15 expense, which is not particularly insightful. And so, we
16 do capture internally additional detail so that you can see
17 what makes up that -- that type of expenditure.

18 That Schedule 6 on page 10, is -- all our
19 capital and non-capital. One of the things I think I
20 mentioned to you individually in briefings is that that --
21 there's some odd trends because of how we actually or would
22 appear to be odd trends in terms of ask for the
23 appropriation for some of our capital projects, all in 2020.
24 And so, page 11 and page 12 will split that out between the
25 non-capital and the capital so that you can see the trends a

1 little bit more easily. The non-capital will make a little
2 bit more sense I think when you look at those trends.

3 And then kind of continuing on the capital
4 trend on page 13 which will be Schedule 7, this would be the
5 capital budget. This will only for 2020 and '21 on this
6 schedule include the base request. And we'll have a page
7 for that exceptional item capital budget. But this would be
8 the -- the detail for the -- by the type of capital budget
9 project and additional details that we do not have about
10 specific projects. We would -- normally would stop at the
11 approp -- what is the column -- second column there,
12 appropriation description column, would be how that would be
13 organized in our bill pattern.

14 But I think this is maybe an easier way to
15 see what makes up some of those individual line items,
16 particularly on page 14, which is going to be our building
17 repairs, where you can see what we've listed there,
18 specifically is the project.

19 And then page 15, which is Schedule 8, would
20 be -- and I think you've see this before a couple of times,
21 is the exceptional item request for capital budget, namely,
22 the -- let's see the type over there -- we have an
23 unemployment insurance system replacement project for the
24 40-million, the Workforce Case Management Project for 18.8-
25 million, and then the Eligible Training Provider and Career

1 School Database for 1. -- almost 1.2-million.

2 So, a total of 60-million in capital projects
3 for exceptional items.

4 I did want to point out a highlighted --
5 there will be general revenue for roughly 700,000 that would
6 be required for the -- for these capital budget projects to
7 be included. So, the vast majority is federal funds. There
8 is a little bit of SNAP, E&T that we're receiving from
9 Health and Human Services Commission as other funds, but
10 it's really federal funds that the State of Texas is pulling
11 down.

12 But that would be the exceptional items for
13 capital budget that I think you previously had discussed.

14 And then beginning on page 16, this is
15 Schedule 9, there's several -- or a few schedules here,
16 dealing with the statewide initiatives. And again, you've
17 looked at some of this for nin -- well, looked at all of
18 this for '19. What is new this time around is that 2020 and
19 2021 has been included. I've tried to highlight for you
20 there the -- the items that are in reserve at this point and
21 then if there's, you know, other I'll highlight a few cases
22 here in a minute I'll get to as well.

23 One of the things that I did want to point
24 out that we've included for childcare, for example, on page
25 16, what had been requested for the '18 initiatives,

1 childcare initiatives.

2 At this point the -- those have not been
3 assumed to be included individually for the '19 forward, but
4 you do have, as you can see on that first row there under
5 quality reserve, you've got a pretty sizable balance over
6 40-million. And so I would presume that at some point in
7 the future, Commissioners, that would be something you would
8 consider for the upcoming year in '19 and possibly going
9 forward. But not needing to go into that necessarily today,
10 unless you just want to point something out on that, that we
11 should consider from a staff perspective.

12 And that'll actually be the case for several
13 of these other ones as well. So that's the childcare on
14 page 16.

15 Page 17 is going to be your WIOA funded
16 initiatives and again, the Commission reserve balance is
17 highlighted there for what we have currently identified,
18 along with the initiatives that we dis -- that you discussed
19 and approved for '19 previously. And then again, for 2020
20 and 2021, there's a reserve balance, but there is not --
21 those -- some of those initiatives are not showing as
22 continued. That doesn't necessarily mean they're -- they --
23 that you wouldn't approve those for later being continued,
24 or you -- if it's something I need to reflect for the record
25 today. I'm happy to, you know, for you to consider that as

1 well, but did want to show you what that looks like at this
2 point.

3 On the page 18 --

4 CHAIRMAN ALCANTAR: Before we leave this
5 page, there's two items here; the externship program that
6 Commissioner Hughs had asked for some estimates. I guess
7 that's still being worked on for you, Commissioner?

8 COMM. HUGHS: Right. I don't know that we
9 have any new numbers to consider at this time.

10 CHAIRMAN ALCANTAR: We don't have any new
11 numbers yet.

12 COMM. HUGHS: But I suspect that we may be
13 looking at higher numbers if we're going to distribute it
14 across the state. I'm not sure that we're ready to -- do we
15 have any new numbers that have been provided to staff at
16 this point?

17 CHAIRMAN ALCANTAR: Still working on that?

18 COMM. HUGHS: So we'll leave that as a
19 placeholder.

20 CHAIRMAN ALCANTAR: And then on this page
21 also, I think there's an examination being undertaken by
22 staff in terms of College Credit for Heroes, the portal. I
23 think it might be a good idea to budget a number and then
24 ultimately decide on how we move forward. I don't know what
25 the right number is in terms of discussion there,

1 Commissioners, but we just need to resolve how we move
2 forward with what we currently have in place and what the
3 best options are for continuing to have a centralized place
4 for our veterans to go to.

5 COMM. HUGHS: Right. So, the question would
6 be the 300,000 is the existing contract that goes until the
7 end of August.

8 CHAIRMAN ALCANTAR: Right.

9 COMM. HUGHS: Would an extension of that
10 contract be 300,000? To keep it where it is, while we
11 identify whether or not this is the right way to have a
12 centralized system?

13 MR. TEMPLE: Well, we understand that their
14 attorneys are advising them that they have to re-procure
15 their management system, so at a minimum that 300 -- it's
16 gone up every year we've worked with them. So, I would be
17 surprised if it came in at that. Plus, they're having to do
18 a re-procure. So we're thinking somewhere in the 7 to 800
19 range we think.

20 COMM. HUGHS: That may change whether that
21 continues to be the system we work on, but I don't think
22 that we are ready to state that we are not going to have
23 one, so should we put some kind of placeholder for 2019 that
24 we are committed to spending a certain amount to have a
25 centralized system at this point?

1 CHAIRMAN ALCANTAR: I think I would agree
2 that we have promoted the fact that we have a centralized
3 place for our veterans to go to, and not understanding what
4 the amounts may be moving forward, I think as a placeholder,
5 just keeping it flat for now just to indicate our interest
6 in coming up with a solution where all veterans can go and
7 note that that is a placeholder amount and doesn't signal an
8 increased commitment or a lower commitment, but for now, we
9 will find a way to come up with a -- some sort of task force
10 recommendation in terms of how we move forward.

11 MR. TOWNSEND: Commissioners, I'll -- I can
12 include that 300,000 for '19, similar to the '18, and just
13 reduce the reserve balance if that's your desire to -- on
14 this particular page here.

15 CHAIRMAN ALCANTAR: Commissioners?

16 COMM. HUGHS: I would agree with that.

17 CHAIRMAN ALCANTAR: I would be inclined to go
18 with that. Commissioner Alvarez?

19 COMM. ALVAREZ: I would be okay with that.

20 CHAIRMAN ALCANTAR: Okay. So just put it at
21 300 with an understanding that some sort of task force
22 discussion will occur. Larry, I don't know how best to
23 bring that, but if you could think about it. Again, it's
24 the -- the original intent and the benefits that have
25 derived from that are unquestionable in terms of its current

1 -- whether or not it continues to achieve the possibilities,
2 that's something we need to consider. But the idea behind
3 having a centralized location for our veterans to go to and
4 have a benchmark for how they do -- how they can then
5 interact with the other colleges and universities is
6 something that we probably need to bring together some of
7 our college leaders and think about how that might -- might
8 look.

9 Okay. Any other guidance to staff,
10 Commissioners?

11 COMM. HUGHS: No.

12 CHAIRMAN ALCANTAR: Would that work?

13 COMM. HUGHS: Yeah, uh-huh.

14 CHAIRMAN ALCANTAR: Okay.

15 COMM. ALVAREZ: So I have a question. Is the
16 300 biennium or --

17 MR. TOWNSEND: I believe, Commissioner, that
18 would be for '19 -- at this point we would just leave 2020
19 and '21 I believe as they are currently if that's okay.

20 CHAIRMAN ALCANTAR: And, you know, the
21 commitment to welcoming our heroes and to making sure that
22 we are maximizing the -- their prior learning and credit for
23 hours earned remain the same. The question is, how do we
24 enhance the product and the outcomes moving forward? And I
25 think that's what we are asking staff to work on. Thank

1 you.

2 MR. TOWNSEND: Uh-huh.

3 CHAIRMAN ALCANTAR: Thank you, Randy. Next
4 page?

5 MR. TOWNSEND: Yes, sir. Page 18 is going to
6 continue the statewide initiatives. This will be the TANF
7 funded initiatives and again, I've highlighted the reserve
8 balance there. And I don't have anything else to add on the
9 TANF unless you have comments to offer or questions.

10 CHAIRMAN ALCANTAR: Are there any questions
11 on this?

12 COMM. HUGHS: No.

13 CHAIRMAN ALCANTAR: Commissioner Alvarez?

14 COMM. ALVAREZ: No, Chairman.

15 CHAIRMAN ALCANTAR: I think we're good,
16 Randy.

17 MR. TOWNSEND: Okay.

18 CHAIRMAN ALCANTAR: Next one?

19 MR. TOWNSEND: Page 19 is wrapping up the
20 statewide initiatives will be Adult Education and Literacy
21 Act. I would point out that we made a slight change in the
22 formatting of this just to make it a little easier to see
23 the total initiatives, so what I'm -- how I'm organizing
24 this is the, for example, rows one and two are going to be
25 the Accelerate Texas initiative with a subtotal on line 3,

1 where we are proposing to fund it with two different funding
2 sources. That happens in a couple of different cases there;
3 professional development, and then the leadership excellence
4 down in rows 13 and 14.

5 Really, it's the same program Adult
6 Education, we are just trying to keep straight on the type
7 of funding we have. So, I did just make that -- I don't
8 think it makes -- will make you any difference from your
9 perspective of approving initiatives, but I just want to
10 point that out to you.

11 If you would like to go down toward the
12 bottom of the page there to see there's a 1.1 reserve
13 balance for Adult Education and Literacy in '19. We don't
14 -- we're not estimating any reserve balance in '20 and '21
15 at this point. And that's Adult Education.

16 CHAIRMAN ALCANTAR: Any questions?

17 COMM. ALVAREZ: No, sir.

18 CHAIRMAN ALCANTAR: Thank you.

19 MR. TOWNSEND: Page 20, I've made a couple
20 highlights there. On pa -- on row 1, the Veterans, the Red,
21 White and You, the veterans job fair, under the '19 column
22 that was increased to 400,000 as approved by the
23 Commissioners. I wasn't clear on whether that was intended
24 to also continue forward. It would make sense that it would
25 in '20 and '21, so I did want to ask for your guidance this

1 morning if you were comfortable with that being reflected at
2 400,000. Of course, we'll make the corresponding changes as
3 well.

4 I assume that's probably what you meant, but
5 I don't think I got specific direction --

6 COMM. HUGHS: Yes.

7 MR. TOWNSEND: -- from you last time.

8 COMM. HUGHS: Yeah, it was our intention to
9 support staff's recommendation going forward with that
10 additional amount.

11 MR. TOWNSEND: Okay.

12 CHAIRMAN ALCANTAR: I would agree.

13 MR. TOWNSEND: I will make that change.

14 COMM. ALVAREZ: I'm fine with that.

15 MR. TOWNSEND: And then, Commissioner
16 Alvarez, I did want to just point out that on the -- and
17 Commissioners, on the -- on row 2 there for the
18 apprenticeship, the WIOA funding, again, I understood it to
19 be one million six hundred fifty thousand was approved on
20 WIOA funding for apprenticeship in '19. I did not make any
21 changes to the 2020 and '21 amounts. And again, if there's
22 -- if I've not -- if that is not correct, then you can let
23 me know this -- at this point.

24 COMM. ALVAREZ: Chairman, if I may add, since
25 we're on row 2 now, to discuss '20 and '21, through WIOA

1 funding I would ask Randy that -- so that we can keep close
2 to the \$4.4 contact hour rate as we did a couple of weeks
3 ago when we took action on this, that for '20 and '21, for
4 both of those, that we add \$1.3-million to stay consistent
5 with the 2019 budget. And I'm asking my commissioners to --

6 CHAIRMAN ALCANTAR: Commissioner Hughs?

7 COMM. HUGHS: My recollection of the
8 discussion was we would see what this -- how this played
9 out. There wasn't a commitment about the sustainability
10 because this probably should be something that is more
11 sustainable through GR and other means. So I think my vote
12 kind of remains the same as before on whether we continue to
13 expand this through this particular funding stream,
14 although, I am supportive of the effort.

15 So I would note vote to increase it at this
16 time. And instead, see where we are this time next year in
17 anticipation of the future and funding requirements and
18 restrictions.

19 CHAIRMAN ALCANTAR: And with these actions,
20 Randy, we still have a significant WIOA reserve.

21 COMM. HUGHS: Correct.

22 COMM. ALVAREZ: 13-million.

23 CHAIRMAN ALCANTAR: Yeah, 13-million.

24 MR. TOWNSEND: Yes, sir.

25 CHAIRMAN ALCANTAR: So can -- can we defer

1 action on this, Commissioner, until you see how the contact
2 hours are playing out through the fall and --

3 COMM. ALVAREZ: Well, the only reason I state
4 that is because this is what they'll be looking at in the
5 upcoming legislative session. And so it's -- I think it's
6 appropriate at this time that we start somewhat finalizing
7 what we would like to see. That's a significant decrease in
8 funding. I'd like to take action or at least come up with
9 some agreement today, since we're talking about the budget.

10 Again, I'm looking at -- believe me, we've
11 been working on this for some time now.

12 CHAIRMAN ALCANTAR: Uh-huh.

13 COMM. ALVAREZ: Since we have WIOA -- since
14 we do have WIOA balance, a reserve balance, I think it's
15 appropriate, Chairman, that we take action on this today.
16 So we can go ahead and continue promoting apprenticeship.

17 I do want to make it clear, though, when
18 we're out there talking about apprenticeship, I want to make
19 it clear for the record, because I know there are many
20 people that are listening today, that -- that apprenticeship
21 is not just union/non-union, it's just apprenticeship
22 training. And so, I ask that we understand that it's a
23 growing model, we still like -- where we would like to be in
24 the state of Texas and also in Florida. Anything that we
25 can do to promote it. I understand that we have some issues

1 here when it comes to -- when it comes to talking about the
2 budget, Chairman, but I'm also looking at the reserve
3 balance that we have through WIOA funding and as I
4 recommended two weeks ago, I asked that we not only include
5 it for 2019, but for 2020 and 2021.

6 And if I may for the record, yesterday, we
7 were in Dallas where we promoted first ever registered
8 apprenticeship program for veterans that are going through
9 drone operating pilot. First ever in the country, not just
10 -- so our meeting yesterday with Dr. Hayes with Dallas
11 Community College and the folks at Cedar Valley made this
12 possible, along with the Department of Labor. So, these are
13 the kind of projects that are going to continue to expand
14 and I'm going to need funding for that.

15 CHAIRMAN ALCANTAR: And again, my -- and our
16 support for apprenticeship has been strong. That's why we
17 consistently have had money for this. You know, what we
18 need to keep in mind is while apprenticeship is a good
19 option, there are so many different approaches that are --
20 that employers embrace, OJT, internship trainings, other
21 certification models that don't require a rigid approach to
22 training. And so at the end of the day, I'm willing to
23 support this. I do think, though, that we need to have a
24 comprehensive posture in terms of how we work with our
25 veterans, which is what we have in place. The -- the fact

1 that we'll be investing significantly in externships in the
2 next week or two and -- and that we do have some
3 flexibility, I will agree to support this, but I think we
4 need to understand that we can possibly be investing in
5 internship and other applied -- apply learning opportunities
6 that are just effective in terms of connecting our students
7 with a world of work and in some -- and in many cases are
8 actually more effective than some of these models that we
9 have in place.

10 What we need to do is work with our federal
11 partners to really relax the approach to doing this and to -
12 - and I know that there's talk at the federal level about
13 developing these new models, but we actually need to see
14 them play out a little bit more consistently than what they
15 have over the past year in terms of how we move forward with
16 these sort of investments, because the numbers given this
17 kind of effort should be significantly bigger than what they
18 are in terms of the number of people that are being served
19 through these investments. But having said that,
20 Commissioner Alvarez, I know that we're making good progress
21 here and for that reason I'm voting to support adding the
22 additional 1.3-million over the two year period, which
23 leaves us with sufficient balances to do some of the other
24 things that we're working on. But I would again, really
25 hope that we focus on these other high learning models

1 moving forward.

2 COMM. ALVAREZ: Chairman, I totally agree
3 with you. I've -- again, I appreciate the fact that you've
4 taken these stakeholder meetings to the rural communities
5 and these are exactly the words that are coming directly
6 from those that we had met with and also employers who
7 continuously call the office of opportunities. Last TWIC
8 meeting, one of the questions that was brought up to us by a
9 member of the TWIC board was what were some of the
10 advantages of an apprenticeship training model, what were
11 some of the incentives, and were able to provide that.

12 And so again, my focus is the adult learner,
13 career and technology and apprenticeship, so again, I thank
14 you for agreeing to that.

15 MR. TOWNSEND: All right. Commissioners,
16 moving on to the last page, 22, is the Schedule 12, is a
17 summary of performance and incentive awards. And again, you
18 had made a decision last -- last time on the '19 operating
19 budget for three initiatives; the Texas Rising Star Award,
20 the Foster Youth Award, and the HireAbility award. And
21 again, that's reflected there in the '19 as you had approved
22 it. And again, I wasn't -- I was unclear as to what your
23 preference would be for '20 and '21. If you're good with it
24 as presented, that's fine of course, but I did just want to
25 highlight that for you this morning.

1 CHAIRMAN ALCANTAR: Commissioner Hughs?

2 COMM. HUGHS: I don't see us not continuing
3 to support it. I'm not clear if we need to currently commit
4 to it. I mean, if the rest have historically gone through
5 2021, then that's fine by me. Certainly, we want to be
6 mindful of the balances that we grow in these areas, but I
7 think we've seen the value of these awards throughout the
8 years and so I continue to be supportive of the effort. But
9 it sounds like for accounting purposes it would be better to
10 know now that we do anticipate proceeding with these awards,
11 not just next year as we discussed, but beyond that.

12 MR. TOWNSEND: That would seem like it would
13 make some sense and then if you decide as a Commission to
14 change the award itself in advance so that, you know, the
15 criteria is clear, then obviously you have that. You still
16 -- you're not -- you're not locking yourself in necessarily
17 to that, I just -- I mean --

18 CHAIRMAN ALCANTAR: And we have in the past
19 when times have gotten tough reduced in the year that they
20 did get tough these grants in half as we did several years
21 ago. So we do maintain that flexibility moving forward to
22 adjust these now and the year before, before we set these
23 contracts into place.

24 So it sounds like Commissioner Hughs,
25 Commissioner Alvarez, are you comfortable adding these

1 amounts in? So --

2 COMM. ALVAREZ: Yes.

3 CHAIRMAN ALCANTAR: So Randy, I guess we
4 would add another 100,000 and 120,000 per year from WIOA and
5 300,000 per year from childcare and taking these out for
6 each of the two years of the biennium.

7 MR. TOWNSEND: Okay. Thank you.

8 CHAIRMAN ALCANTAR: Yeah, I think we're all
9 in agreement?

10 COMM. HUGHS: Yes.

11 COMM. ALVAREZ: Yes, sir.

12 CHAIRMAN ALCANTAR: We're all in agreement.

13 COMM. HUGHS: And then I don't think he's
14 asked about the performance awards or is that next?

15 MR. TOWNSEND: I'm sorry?

16 COMM. HUGHS: Including the -- I think you
17 just mentioned the top three, but the whole six that were
18 highlighted on that page?

19 MR. TOWNSEND: Well, I'm sorry. I should
20 have explained the schedule better. The top, they're the
21 same of awards, I just -- and the -- on the top part I'm
22 identifying it by the funding source and at the bottom, it's
23 just the funding is collapsed if you will.

24 COMM. HUGHS: Oh, sorry, right.

25 MR. TOWNSEND: So it's the same --

1 COMM. HUGHS: It's the same --

2 MR. TOWNSEND: -- awards.

3 COMM. HUGHS: -- awards. Got it.

4 MR. TOWNSEND: Yeah.

5 COMM. HUGHS: Sorry. Thank you.

6 CHAIRMAN ALCANTAR: All right.

7 MR. TOWNSEND: That was all the schedule. I
8 do have a GR reduction page I need to hand out to get some
9 direction on that. I know this is the fun part of the
10 process.

11 CHAIRMAN ALCANTAR: Okay.

12 COMM. HUGHS: I was waiting for the fun part.

13 COMM. ALVAREZ: Thank you.

14 COMM. HUGHS: Thank you. Is it my eyes or
15 does the font just keep getting smaller?

16 CHAIRMAN ALCANTAR: Oh, my gosh. It's not
17 your eyes, Commissioner.

18 MR. TOWNSEND: I apologize.

19 CHAIRMAN ALCANTAR: I had to turn the
20 microphone off.

21 MR. TOWNSEND: Trying to fit this on one page
22 is always tough. Maybe I should go to a second page.

23 At the -- what I've passed out is the -- at
24 the very top -- well, top two-thirds of this page or maybe
25 top three-quarters is the -- jus a re -- is a summary for

1 the -- for the 2020 year for the general revenue -- well,
2 and all funding sources are by strategy. And what I've
3 attempted to do is try to collapse that down to the -- to
4 the general revenue column which I've highlighted there in
5 yellow. And then there's the maintenance of effort general
6 revenue, which is in the childcare strategy and the TANF
7 Choices strategy, and then I've included all the GR matching
8 in the strategies where they belong. Primarily this is
9 going to be found in the childcare strategy and the
10 Vocational Rehabilitation and the Adult Education and
11 Literacy. And then we do get -- still have some GR match
12 that is for the SNAP E&T program.

13 And there's a little bit more of general
14 revenue match just depending on how we're cost allocating, I
15 need to take a look at that and make sure that's correct.

16 The career schools is a gen -- it's
17 considered general revenue by the Legislature, but as you
18 know, that's collected revenue from our career schools,
19 there's a fee schedule for that. So I just want to put that
20 in a separate column there.

21 And the general revenue dedicated is
22 primarily either the -- what we call the fund 165, the
23 collections from the penalties and interest, that's
24 primarily labor law, and then we do have a couple of
25 strategies now for the vocation -- for the Business

1 Enterprise of Texas, the BET program, that makes up some of
2 the other general revenue dedicated there.

3 And again, just by way of just a control
4 total for the amount we're looking at, so the -- the
5 instruction is this, that each agency must identify 10
6 percent, and it is a schedule that you complete, 10 percent
7 of your state funds, general revenue or general revenue
8 dedicated. And how you would actually organize that is put
9 in four different increments at two and a half percent each
10 to come up with a total of 10 percent for the biennium.

11 What I've done here is -- is -- is averaged
12 this out over an annual basis, so the total that TWC, the
13 commission has to come up with, is about 19.7-million each
14 year, close to 40-million for the biennium, to total the 10
15 percent. So that's about 4.9-million in each increment that
16 we have to come up with for each year.

17 What I've put at the bottom is just a
18 scenario. The way I organized that was just looking at the
19 general revenue and again, the -- the total for the general
20 revenue, pure general revenue each year is about 38 and a
21 half million. Some of that's in -- is in capital, little is
22 in indirect. Primarily, there are three strategies; 114 is
23 the employment community services. That includes a rider
24 30, \$4-million rider of the community organizations and
25 partnership riders included in that.

1 The skills development for 27-million,
2 there's 20-million of that -- or 25-million of that is -- is
3 for grant pass-thru funds out of that 27-million, most of
4 that's grants. And then the apprenticeship strategy 1.1 --
5 1.18, for just a little over 3-million is general revenue
6 portion of the apprenticeship. And again, most of that 2. -
7 - almost 2.9 million of that is actual what we consider
8 grant pass-thru to fund the apprenticeship apprentices out
9 there.

10 So that all totals up for the grant portion
11 of that out of that 38-million about 32 of that is in some
12 form of grant in the general revenue. And so what I simply
13 did is in that first increment of two and a half percent is
14 identify the -- the rider 30 amount \$4-million and then
15 essentially the proportional split between skills and
16 apprenticeship is 90 percent skills, 10 percent
17 apprenticeship, and so the remaining math on that is -- is
18 reflecting that 10 percent and 90 percent.

19 And so in the first increment, the 4-million,
20 comes off if the rider 30 would be the first to come out,
21 95,000 apprenticeship and 837,000 skills. After that, it's
22 just there's -- a split was made between apprenticeship and
23 skills in this scenario, just laying this out to kind of see
24 some numbers here, half a million in apprenticeship in each
25 increment and 4.4-million in skills.

1 And so if you took it to the logical
2 conclusion of the 10 percent each year, it would be the 4-
3 million rider 30, that would be a 1.6-million -- you have to
4 do the 10 percent reduction -- 1.6-million reduction in
5 apprenticeship and a 14-million reduction on skills under
6 this scenario.

7 I should have -- I'm sorry, I should have
8 started with this fact because this is a difference I
9 believe. In the past in this exercise, the Commission has
10 always considered childcare match as being in play as part
11 of the exercise of a GR reduction. With the rate with this
12 latest appropriation, Congressional appropriation for the
13 childcare program, they increased the -- the childcare block
14 grant for Texas, our share went from about 290-million to
15 520-million. Part of that appropriation language included
16 language that said that, you know, shall be used -- the
17 additional amount shall be used to supplement, not supplant,
18 state funds. And so, maybe there's a couple different ways
19 to read that. I took it literally that the expectation was
20 we wouldn't reduce general revenue. Perhaps there's a
21 different reading of that. But I did not include that as an
22 option for the childcare under this scenario. And so that
23 is a pretty big departure from how we've taken -- how the
24 Commissioners in the past have considered this exercise.

25 So with that --

1 MR. TEMPLE: Randy, and explain the -- then
2 we put additional match requirements on the boards.

3 MR. TOWNSEND: we --

4 MR. TEMPLE: And then what that would go up
5 to if we did just so for the discussion.

6 MR. TOWNSEND: And that is right. Then -- of
7 course, the -- at that point, I think the local match
8 requirements for the boards was probably in the 30-million
9 range. I think we're now in the mid-40s at this point.

10 So they did not say the boards couldn't do
11 it, but they certainly their match requirements have
12 increased. But the -- that is actually right, Larry.

13 But the other point was that appropriation
14 language, which seems to be -- or it's new for this -- that
15 I'm familiar with anyway, at this point, so -- so that's
16 what I just lay out there for -- I mean, we have to complete
17 the schedule just like every other agency. We traditionally
18 come to you, Commissioners. Unfortunately, this is not the
19 most pleasant part of the exercise we have to go through to
20 try and figure out what is our -- of all our high priority
21 funding, what's the -- the lowest of the high priority. And
22 so it is a -- it's not a -- even as an exercise, it's not a
23 -- an easy process to go through, but we do need some
24 direction from you as to how do you like the staff --

25 MR. TEMPLE: And the divorce on this one is

1 that it asks for it in the two and a half percent --

2 COMM. HUGHS: Right.

3 MR. TEMPLE: -- increment.

4 MR. TOWNSEND: That's right. It used to be 5
5 percent, two -- two increments before, now we have four.

6 COMM. HUGHS: And the largest challenge is we
7 have no lowest priority.

8 MR. TOWNSEND: That's right.

9 COMM. HUGHS: And so it's incredibly painful,
10 but we have such limited GR that I think that what we've
11 done here is at least distributing the pain points. They
12 still look incredibly painful. I hope that we don't get to
13 this point of having to implement any of these, but I do
14 think it's a fair distribution, so I'm supportive of what
15 you've presented and thank you for the work you put into it.

16 CHAIRMAN ALCANTAR: Commissioner Alvarez?

17 COMM. ALVAREZ: Randy, first of all, I want
18 to thank you and your staff for -- I got so many of these
19 handouts I don't even know which one I it is, Randy, to be
20 quite honest with you.

21 MR. TOWNSEND: The one I handed out just a
22 second ago.

23 COMM. ALVAREZ: I'm just kidding. I'm just
24 kidding, Randy.

25 (Laughter)

1 COMM. ALVAREZ: Randy, I agree with
2 Commissioner Hughs. This is a painful, unfortunate exercise
3 that we're having to conduct, and everyone knows how -- how
4 I value both apprenticeship and skills development. The
5 only change I would make here, Randy, and I know this is
6 going to be somewhat alarming to my apprenticeship partners,
7 and those that I represent, but I would be willing, rather
8 than the 1.61118, I'd be willing to cut that in half, which
9 makes it 805,590, to be cut rather than 56 percent, and add
10 that to the skills development, which would bring a total
11 \$14,926,746.

12 That's my recommendation from -- from here.
13 Though I think it's painful for -- for apprenticeship as I
14 just indicated the value of it, I also know the value of
15 skills. And since this is -- this is an exercise, I'd be
16 willing to negotiate cutting that in half.

17 COMM. HUGHS: I mean, I know from an employer
18 perspective I'm going to support that this is a fair
19 distribution and then it's a huge hit to skills and so I
20 thought that it was a fair distribution of the amounts.

21 CHAIRMAN ALCANTAR: I continue to believe
22 that skills is our -- one of our most important programs in
23 the state. I think any further -- any reduction at all for
24 skills really limits our ability to align with what's
25 happening in the marketplace.

1 I -- I would propose that we leave these
2 options as presented by staff for now, but I would also
3 suggest that -- I've looked at that language, we've reviewed
4 that language that's in the bill, and I think it's -- it can
5 be interpreted a number of different ways. What we do know
6 is that over time state funds have included these local
7 dollars that we use as match. There's precedent where we
8 continue to increase those percentages and understanding
9 that -- that we have maximized our allotment every year with
10 those varying mixes of what is state versus local, at the
11 end of the day they're all considered state dollars because
12 they're -- they're pulling down these federal funds. I
13 think we do have flexibility in terms of the local match
14 part of it. I would ask staff to keep looking at it, look
15 at the OMB circulars to look at some of those other things
16 in terms of what is not very well defined and we have yet to
17 hear from -- from the administration for Children and
18 Families on how they will define this.

19 So I think whatever action we take today, we
20 continue to look at childcare as an option to modify the use
21 three options that have been presented this morning and --
22 because I do think we do have the flexibility to do some
23 more things for the childcare.

24 I think staff is right. Whenever we do that,
25 we -- we lose -- potentially lose a dollar here in form of

1 what has been submitted as match, but we continue to have
2 the flexibility to draw down all the federal funds and that
3 minimizes the impact on these other important programs were
4 these to be fully considered moving forward, and that's
5 something that can be part of the discussion with the
6 legislature when these discussions come about and are more
7 earnest and -- and timely at that point in time.

8 So with that, those are my comments. I would
9 just ask that continue looking at that and I'm comfortable
10 with the -- with the notion that these are not our preferred
11 place in terms of these. We do respect the position of the
12 state, we're very proud of the support we get for our
13 programs, and I think we're willing to be partner and we're
14 certainly very comfortable being partners in terms of these
15 requests and these expectations in terms of the scenarios
16 that are required as a part of our LAR.

17 MR. TEMPLE: Mr. Chairman, are you wanting us
18 to develop a schedule that would include childcare?

19 CHAIRMAN ALCANTAR: I think looking at the
20 language and just continue to work on that prospectively. I
21 think we can take action on this today and always modify it
22 when we -- as we get more information from our federal
23 partners on this.

24 I do think at the end of the day it's all
25 about demonstrating your ability to pull down the base, the

1 base allotment, and when you do that, then you demonstrated
2 that you're not minimizing your -- your commitment to those
3 programs. And as well have demonstrated over the years by
4 drawing down the full amount allotted to Texas and then
5 pulling in some different amounts from other states along
6 the way as we've done that.

7 So I think we should be fine. Thank you.
8 Randy, do we need a motion for all of this? Les? Or do --
9 have we made significant motions on all of this as we've
10 gone along?

11 MR. TROBMAN: I think a motion that captures
12 your discussion --

13 CHAIRMAN ALCANTAR: All right. I guess it's
14 on you, Commission Hughs. Commissioner Hughs?

15 COMM. HUGHS: Sure. Then I move -- I move
16 that we approve what's been presented as amended through our
17 discussions and as recommended by staff.

18 COMM. ALVAREZ: I'll second that.

19 CHAIRMAN ALCANTAR: We are unanimous.

20 MR. TOWNSEND: I did have -- not for the
21 motion, I did have one other just to get some direction on
22 how you want to proceed with exceptional item requests, that
23 there's a -- how you want those --

24 CHAIRMAN ALCANTAR: That's --

25 MR. TOWNSEND: We have Commission meetings

1 for the remainder of this month I believe on the schedule
2 and so, just how you want to approach, Commissioners, as a
3 group, how -- collecting them and how you want us to
4 organize them for decisions in future meetings, really what
5 I was just trying to get some sense of how you want that to
6 be organized.

7 CHAIRMAN ALCANTAR: And I think that's an
8 appropriate time for a discussion among the Commissioners.

9 Commissioners, we can have -- we can
10 certainly work with our staff -- with staff over the next
11 couple of weeks on these ideas that if there's something
12 you're -- you want to highlight as an area of interest,
13 starting today, to share with the Commission and staff, that
14 would be appropriate. Otherwise, you can do that next week
15 at the next commission meeting.

16 COMM. ALVAREZ: I'm ready to move forward if
17 you'd like.

18 CHAIRMAN ALCANTAR: Please.

19 COMM. ALVAREZ: Commissioner Hughs?

20 CHAIRMAN ALCANTAR: Commissioner Hughs?

21 COMM. HUGHS: You want me to start? I would
22 like to ask staff to -- to look at what an exceptional item
23 might look like that mirrors the program that's been
24 developed as a highlight and through TWIC, the Texas Talent
25 Connection, so that we can support internships through

1 stipends and provide some kind of a vehicle there to further
2 support the Tri-Agency initiatives with respect to
3 internships and, you know, potentially look at what that
4 revenue fund might look like and asking for that as an
5 exceptional item.

6 I tried to present the opportunity to have
7 the statute changed for skills last round and I think at
8 that time there was some discussion that maybe an exception
9 item would be more appropriate. So I'm going to ask staff
10 to look at that option.

11 CHAIRMAN ALCANTAR: And Commissioner, you'll
12 work with staff on those amounts and so forth? Okay.

13 COMM. HUGHS: Uh-huh.

14 CHAIRMAN ALCANTAR: Okay. Great. Anything
15 else, Commissioner Hughs?

16 COMM. HUGHS: I'm curious if staff or anyone
17 else is bringing anything up on JETS. I know that we did
18 present their exceptional items and I know that the -- the
19 numbers are really incredible in terms of 38 ballot
20 allocations of which we're awarding 13. So that continues
21 to be an area that appears to need further funding support.

22 I know that as a general rule we don't put
23 forward a bunch of exceptional items and so on that one,
24 it's just kind of opening up for discussion versus
25 specifically bringing it up, but if staff is interested in

1 that, or if we need to look at that, I want you to know that
2 I'm very open to it because I think we've all appreciated
3 the value that it's brought and the continuing and growing
4 need.

5 CHAIRMAN ALCANTAR: Okay. If I may,
6 Commissioners, I'd like to call up item 14 and get a
7 briefing as a part of this discussion. Randy, you can stay
8 up there.

9 AGENDA ITEM NO. 14

10 CHAIRMAN ALCANTAR: Item, 14, is --

11 COMM. HUGHS: Oh.

12 CHAIRMAN ALCANTAR: -- Discussion,
13 Consideration and Possible Action Regarding Jobs and
14 Education Advisory Board Program. And so Emily, can you
15 give us an update. What happened last week? And then we'll
16 go back to our discussion.

17 MS. CLODFELTER: Thank you Chairman, thank
18 you Commissioners, Mr. Temple, for the record my name is
19 Emily Clodfelter with the Office of Employer Initiatives and
20 this morning I would like to share with you -- oh, and this
21 morning I would like to share with you information and
22 action taken from the JET Advisory Board meeting last week
23 on June 26th.

24 If you'll look at the applications total
25 summary document, you will see for round three for FY18, the

1 current RFA, there were 69 applications rec'd from ISDs and
2 30 applications -- applications rec'd from IHEs and then
3 total in responsive you have 62 from ISDs and 30 from IHEs,
4 for a total rec'd of 99 applications.

5 CHAIRMAN ALCANTAR: Okay.

6 MS. CLODFELTER: And so for the advisory
7 board meeting last week, the FY18 JET RFA, the advisory
8 board reviewed and approved applications and directed staff
9 to move forward with awarding grants with the ability to
10 move down the list with the 16 above threshold as recaptured
11 funds become available during the contracting phase.

12 Regarding next fiscal year, FY19, the
13 advisory board took action the next application to allocate
14 funding 50 percent for ISDs and 50 percent of IHEs. The
15 advisory board also took action to set the minimum and
16 maximum grant amount for \$40,000 for the minimum and
17 \$300,000 for the maximum. An RFA is tentative scheduled to
18 go out close to the beginning of the next fiscal year with
19 the next advisory board meeting tentatively scheduled for
20 November or December.

21 Advisory board discussed the need for
22 additional funding during the upcoming legislative session
23 and asked that Commissioners consider this in their budget
24 request. They also asked staff to analyze data from these
25 first three rounds FY16-18, those grants, and to create a

1 study to present to the advisory board during the next
2 advisory board meeting.

3 The advisory board also encouraged outreach
4 efforts between now and the publication of the next
5 application and asked staff to include them if they could be
6 of any assistance.

7 Thank you for your time and I'm here to
8 answer any questions.

9 CHAIRMAN ALCANTAR: Commissioners, any
10 questions for Emily? No?

11 COMM. HUGHS: No.

12 CHAIRMAN ALCANTAR: All right. Thank you,
13 Emily.

14 MS. CLODFELTER: Thank you.

15 COMM. ALVAREZ: I just want to take this
16 opportunity to thank you, Emily. Obviously, regardless of
17 where we are around the state, you and your team have done a
18 great job of the JET grant. Everybody knows about it. You
19 guys have done a -- like I said, very good job and -- and --
20 in not only sharing this information, but the number of
21 applications that we got reflect the good work that you and
22 your team have done. So, I appreciate that. Thank you.

23 MS. CLODFELTER: Thank you, Commissioner.

24 CHAIRMAN ALCANTAR: Commissioner Hughs.

25 COMM. HUGHS: I move that we approve the

1 discussed recommendations for the Jet Advisory Boards
2 concerning fiscal year 2018 applicants for community,
3 technical and state colleges and independent school
4 districts as recommended by staff.

5 COMM. ALVAREZ: I'll second that.

6 CHAIRMAN ALCANTAR: We are unanimous. Thank
7 you, Emily.

8 And getting back to the discussion on
9 exceptional items, so the -- the advisory board members
10 continue to express their support for additional funding.
11 Clearly, there is a demonstrated need in the number of
12 applicants both last biennium and -- and certainly again
13 during this grant period. We continue to have strong demand
14 for the -- for the -- for funds under the program.

15 This is another one of our Tri-Agency
16 mentioned items and during the last legislative session, we
17 did submit a request for some additional funding. The
18 request for an additional 2-million per year or 4-million
19 total for the biennium, on top of the 10-million currently
20 in place. Clearly, these investments are -- are very
21 significant investments for these different schools that we
22 visit that have been awarded grants and so, Commissioner
23 Hughs, if you have a proposal in terms of an amount that
24 staff or if you want to bring forward an amount at a future
25 meeting?

1 COMM. HUGHS: I can look at it next week, but
2 I'd certainly be willing and supportive of entertaining what
3 we tried to present last round and hope that we find that
4 this is a less lean session than the last round and there
5 might be an opportunity here to -- to support this. I
6 certainly think we can justify it across the board.

7 CHAIRMAN ALCANTAR: Great.

8 COMM. HUGHS: Okay. And with that then, I
9 guess last, but not least, there was the proposal that was
10 brought forth on Career Navigators last round and I had
11 asked to increase the funding 100 percent from what was
12 requested, so that these Career Navigators could not only
13 support identifying or exposing students to -- and educating
14 them about trades and other things, but all high demand
15 jobs. And I think we had some agreement on that. It didn't
16 -- it didn't get funded, but in looking at it again, with
17 respect to our funding options, it does appear that maybe
18 now it's something we can look at potentially as a statewide
19 initiative. And so, not necessarily for next week, but I do
20 think that's something that maybe this would be the time to
21 entertain that, even look at a way -- we've heard from the
22 board stakeholder meetings how they felt that they needed
23 the support, even on the internship liaisons and have that
24 person maybe cover both of those roles in some way.

25 So that may be a discussion for a statewide

1 initiative. I don't know that it's the discussion for an
2 exception, but again, this is my opportunity to raise it, so
3 I'm raising it now.

4 CHAIRMAN ALCANTAR: Okay. And okay, I'll
5 Commissioner Alvarez to respond to that. Is there anything
6 else, Commissioner?

7 COMM. ALVAREZ: So -- I'm sorry, go ahead.

8 COMM. HUGHS: No, that's it.

9 COMM. ALVAREZ: So, I agree with Commissioner
10 Hughs on the Workforce Career and Technical educational
11 specialist. What -- excuse me. Whether it's done through
12 an exceptional item or through a skill, great recommendation
13 and certainly got my support. We allocated -- or we asked --
14 - the language would need to be changed. This obviously has
15 a lot of momentum, not only with our stakeholders, but the
16 folks that are across the street from us where Senate Bill
17 154 was put in place. And as you know, our LMCI data was
18 actually distributed to the ISDs as a result of very similar
19 discussions that we had through Jarvis Johnson's bill last
20 session.

21 My opportunity to -- excuse me -- the
22 opportunity I have here to express some of the exceptional
23 items as discussed earlier, and not -- in no particular
24 order, but one that I favor and I think is a -- is certainly
25 an exceptional item that I fully support, and that is

1 expanding the skills expansion and I'm not sure if we want
2 to talk about money, but it's a substantial amount. But
3 skills expansion, and Aaron's team has done a great job in -
4 - in promoting that and we -- we spoke about that earlier.

5 Also, Commissioner Hughs just referenced the
6 Career and Workforce Educational Specialist. I have an
7 amount, but we can -- we can have further discussions on
8 that, but that's certainly an LAR or an exceptional item
9 that I would -- I would fully support.

10 CHAIRMAN ALCANTAR: What's your amount you're
11 thinking?

12 COMM. ALVAREZ: Oh, I can tell you it's 4-
13 million; 2-million per annum, which is last year we
14 introduced in 2018/2019 all of us agreed to one million each
15 and to increase that to 2/2 instead of 1/1, because we were
16 talking about rural and urban and that is to be excluded
17 from the language which we have here present.

18 CHAIRMAN ALCANTAR: Okay.

19 COMM. ALVAREZ: If you want to talk about
20 expansion of the skills, I would ask that biennium that we
21 go 10-million; 5-million for 2020 and 5-million for 2021.

22 And then the last one would be increasing
23 biennium of apprenticeship to go 2-million one year and then
24 -- I mean, 2.5-million for 2020, 2.5 for 2021. And again,
25 all these three I -- in agreement with the -- from my fellow

1 commissioners that this is right in line with our 60 by 30
2 charge that we have been charged with. And those would be
3 my -- and those have the amounts.

4 CHAIRMAN ALCANTAR: Well, I was thinking that
5 we'd go 100-million for skills, but --

6 (Laughter)

7 COMM. ALVAREZ: Well --

8 COMM. HUGHS: I'm going to keep going up.

9 COMM. ALVAREZ: -- my -- mine's pretty close.

10 CHAIRMAN ALCANTAR: No, well thank you,
11 Commissioners. I appreciate you laying that out for fellow
12 commissioners to consider, for staff to begin doing some of
13 the background work on this. I'd like for us to follow up
14 this discussion next week, not take any action on
15 exceptional items today, look at the idea of the -- of the
16 specialist within a statewide initiative versus pursuing it
17 as a -- as an exceptional item. And -- and then to the work
18 on the other items that Commissioner Hughs and Commissioner
19 Alvarez have laid out.

20 I have no exceptional items to propose this
21 morning. And Randy, does that give you enough information
22 to loop back with the offices and provide assistance as
23 needed on how we have a discussion on these items next week
24 and hopefully wrap them up by the week after, if not next
25 week?

1 MR. TOWNSEND: Right. Yes, sir, I believe it
2 does.

3 CHAIRMAN ALCANTAR: Great.

4 COMM. HUGHS: Thank you, Randy.

5 CHAIRMAN ALCANTAR: Thank you, Commissioners.
6 That was a good discussion. And all items I'm very excited
7 about, so appreciate you bringing those forward.

8 Let's see, Item -- are we on Item 10?

9 MR. TROBMAN: Yes.

10 CHAIRMAN ALCANTAR: All right.

11 AGENDA ITEM NO. 10

12 CHAIRMAN ALCANTAR: Item 10, Discussion,
13 Consideration and Possible Action Regarding Publication for
14 Public Comment of Proposed Rules Relating to the Repeal of
15 Project RIO and 40 TAC. Jason, good morning.

16 MR. VADEN: Good morning, Commissioners. For
17 the record, Jason Vaden, Workforce Division.

18 Project Re-Integration of Offenders or
19 Project RIO for short, provided statewide employment
20 referral services design to assist with the reintegration of
21 formerly incarcerated individuals into the labor force.

22 The 82nd Texas Legislature eliminated funding
23 for Project Rio in 2011 and has not funded the project
24 since. Although TWC continues to provide services for ex-
25 offenders, the program is set forth in 40 Texas

1 Administrative Code Chapter 837 no longer exists.

2 A policy concept that you previously approved
3 on April 17th was posted for a three-week comment period and
4 we did not receive any comments. This morning, staff seeks
5 direction on a proposed amendment to repeal the Commission's
6 Chapter 847 Project Rio rules as set forth in your
7 materials.

8 That concludes my remarks and I'll be happy
9 to answer any questions you may have.

10 CHAIRMAN ALCANTAR: Commissioner Hughs?

11 COMM. HUGHS: I move that we approve the
12 proposed rule relating to the repeal of Project Re-
13 Integration of Offenders employment activities and support
14 services in Chapter 847 to be published in the Texas
15 Register for public comment.

16 COMM. ALVAREZ: I'll second that.

17 CHAIRMAN ALCANTAR: We are unanimous.

18 AGENDA ITEM NO. 11

19 CHAIRMAN ALCANTAR: Item 11, Discussion,
20 Consideration and Possible Action Regarding Publication for
21 Public Comment of Proposed Rules Relating to Child Care
22 Eligibility. Jason.

23 MR. VADEN: Again, for the record, Jason
24 Vaden, Workforce Division. Amendments to the Commission's
25 Chapter 809 Childcare rules implementing changes to the

1 Childcare Program based on reauthorization became effective
2 in October of 2016. The programmatic changes associated
3 with childcare reauthorization also impacts other programs
4 in which childcare services are offered, including Choices.
5 As a result, the rules governing the Choices program located
6 at 40 Texas Administrative Code Chapter 811 are inconsistent
7 with our current Chapter 809 rules.

8 In addition, other administrative changes
9 which impact the Choices program have been identified. A
10 policy concept that you previously approved on April 17th
11 outlining potential rule amendments was posted for a three-
12 week comment period, however, no comments were received.

13 This morning, staff seeks direction on
14 proposed amendments to the Commission's Chapter -- Chapter
15 811 Choices rules as set forth in your materials. I'd be
16 happy to answer questions if you have any.

17 CHAIRMAN ALCANTAR: Commissioner Hughs?

18 COMM. HUGHS: I move that we approve the
19 proposed rules related to Child Care Eligibility for the
20 Choices Program in Chapter 811 to be published in the Texas
21 Register for public comment.

22 COMM. ALVAREZ: I'll second that.

23 CHAIRMAN ALCANTAR: We are unanimous. Thank
24 you, Jason.

25 AGENDA ITEM NO. 12

1 CHAIRMAN ALCANTAR: There is no discussion on
2 Item 12. No statewide initiatives discussion.

3 AGENDA ITEM NO. 13

4 CHAIRMAN ALCANTAR: Item 13, Discussion,
5 Consideration and Possible Action Regarding an Allocation to
6 Local Boards with WIOA and Child Care Funds for Rural
7 Service Delivery. Morning, Debbie.

8 MS. CARLSON: Good morning. Debbie Carlson
9 with the Workforce Division.

10 Earlier this year, you had a series of
11 meetings with Board Chairs and Executive Directors from all
12 the Workforce areas. From several of these areas you heard
13 concerns over challenges that they face providing services
14 in very rural and remote counties. Last month you invited
15 the Rural Workforce Network to a work session to further
16 discussion the issues they face. In each instance, boards
17 identified several common challenges to providing excellent
18 service delivery in these areas.

19 Twenty-one boards serve 128 Counties of the
20 smallest civilian labor force. These counties share the
21 common challenges identified. They often are a long way
22 from Workforce Solutions offices, they lack transportation,
23 they don't have internet access necessary to make services
24 available. The Commission could use Workforce Innovation
25 and Opportunity Act, WIOA, funds, to help boards address

1 some of the challenges identified. In addition, Childcare
2 Development Block Grant, CCDBG, funds, could be used to
3 provide services to childcare facilities in these counties.

4 This morning, staff seeks direction on
5 allocating a total of \$2,654,080. Of this total, 1,990,528
6 would be WIOA funding and 663,552 in CCDBG funding. The
7 purpose of these funds would be expanding and improving
8 services in the 128 smallest and most rural counties.

9 The childcare funds would allow boards for
10 childcare providers to strengthen their business operations
11 and increase the overall quality of childcare in these
12 counties.

13 I'll be happy to answer any questions.

14 CHAIRMAN ALCANTAR: Okay. Commissioners,
15 questions, comments?

16 COMM. HUGHS: I want to congratulate staff
17 and the Chairman for leading the charge on organizing these
18 rural boards and getting that input. Appreciate the
19 meetings that we've had and all the discussions that have
20 taken place so that we make sure we allocate funds
21 appropriately and effectively as intended. And so,
22 congratulations on that hard work. On with that, I move
23 that we approve the discussed allocation of \$2,654,080 to
24 the local Workforce Development boards with WIOA and
25 Childcare Development Block Grant funds for rural service

1 delivery as recommended by staff.

2 COMM. ALVAREZ: Thank you, Debbie, for all
3 your work. And with that, I'll second that.

4 CHAIRMAN ALCANTAR: I appreciate all the
5 great work and appreciate the visits to these rural areas
6 and which we've been doing over the years, but really, with
7 a very clear focus, Larry, and so I really want to thank
8 staff and all that they did in doing all this and it's
9 unanimous. Thank you, Debbie.

10 MS. CARLSON: Thank you.

11 CHAIRMAN ALCANTAR: How many people are from
12 rural areas, rural counties?

13 MR. TEMPLE: I live in Hays County.

14 CHAIRMAN ALCANTAR: You're from

15 MR. TEMPLE: I live in Hays County.

16 CHAIRMAN ALCANTAR: Okay.

17 COMM. HUGHS: Goes back to that definition
18 that we spent so much time --

19 COMM. ALVAREZ: That's right.

20 COMM. HUGHS: -- carving out, so thank you
21 for that hard work.

22 COMM. ALVAREZ: It depends on the definition
23 -- it depends on the definition you use.

24 CHAIRMAN ALCANTAR: All right. Well, thank
25 you again.

1 AGENDA ITEM NO. 14

2 CHAIRMAN ALCANTAR: Item 14 we've discussed.

3 AGENDA ITEM NO. 15

4 CHAIRMAN ALCANTAR: Item 15, Discussion,
5 Consideration and Possible Action Regarding Approval of
6 Local Board Nominees. Cam, good morning.

7 MR. BELL: Morning, Mr. Chairman,
8 Commissioners, Mr. Temple. Cameron Bell, Workforce
9 Development Division.

10 Before you for consideration and your
11 approval are Workforce Development Board Nominations for the
12 following Boards:

13 Workforce Solution Borderplex, Central Texas,
14 Rural Capital Area, and South Plains.

15 CHAIRMAN ALCANTAR: Commissioner Hughs.

16 COMM. HUGHS: I move that we approve local
17 Workforce Development Board Nominees as recommended by
18 staff.

19 COMM. ALVAREZ: I'll second that.

20 CHAIRMAN ALCANTAR: We are unanimous. Thank
21 you, Cam.

22 MR. BELL: Thank you, sir.

23 AGENDA ITEM NO. 16

24 CHAIRMAN ALCANTAR: We have no Hurricane
25 Harvey update, Larry?

1 MR. TEMPLE: The review that we told we'll
2 have done will be part of your briefings, your weekly
3 briefings of where we are on that.

4 CHAIRMAN ALCANTAR: Thank you, sir.

5 AGENDA ITEM NO. 17

6 CHAIRMAN ALCANTAR: Item 17, any state or
7 federal legislative updates; we have none.

8 AGENDA ITEM NO. 18

9 CHAIRMAN ALCANTAR: Item 18, report and
10 update by the Executive Director. Larry.

11 MR. TEMPLE: Nothing, Commissioners. Just
12 wishing everybody a safe July the 4th.

13 CHAIRMAN ALCANTAR: Thank you.

14 MR. TEMPLE: Ever how you celebrate coming
15 back on a middle of the week holiday.

16 CHAIRMAN ALCANTAR: Commissioners, any
17 comments for Larry?

18 COMM. HUGHS: Have a good July 4th and stay
19 out of trouble, Larry.

20 MR. TEMPLE: I will.

21 COMM. ALVAREZ: I agree with my fellow
22 Commissioners. Have a safe and happy holiday and enjoy your
23 time with your families.

24 AGENDA ITEM NO. 21

25 CHAIRMAN ALCANTAR: Do we have a motion to

1 adjourn?

2 COMM. HUGHS: I move that we adjourn.

3 COMM. ALVAREZ: I'll second that.

4 CHAIRMAN ALCANTAR: We're adjourned. Thank

5 you.

6 (Proceedings concluded at 10:35:15 a.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 30th day of August, 2018.

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

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