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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 10, 2018

BE IT REMEMBERED THAT at 8:00 a.m. on  
Tuesday, the 10th day of July, 2018, the above-entitled  
matter came on for hearing at the Texas Workforce  
Commission, TWC Building, 101 East 15<sup>th</sup> Street, Room 244,  
Austin, Texas, before ANDRES ALCANTAR, Chairman; JULIAN  
ALVAREZ and RUTH R. HUGHS, Commissioners.

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P R O C E E D I N G S

TUESDAY, JULY 10, 2018

(8:00 a.m.)

AGENDA ITEM NO. 1

CHAIRMAN ALCANTAR: 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 28.

The Commission considered and took action on all tax liability cases listed on Docket 28.

AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action Regarding Fair Housing Cases listed on the Texas Workforce Commission Docket 28.

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 28.

The Commission considered and took action on  
all wage claim cases listed on Docket 28.

AGENDA ITEM NO. 6

Discussion, Consideration and Possible Action  
Regarding Higher Level Appeals in Unemployment Compensation  
Cases Listed on the Texas Workforce Commission Docket 28.

The Commission considered and took action on  
all unemployment compensation cases listed on Docket 28.

AGENDA ITEM NO. 7

CHAIRMAN ALCANTAR: Suzanne, has anyone  
signed up for public comment?

UNIDENTIFIED VOICE: I'm sorry, no one signed  
up.

CHAIRMAN ALCANTAR: Thank you. I'd like to  
call this meeting to order.

AGENDA ITEM NO. 8

CHAIRMAN ALCANTAR: Item 8, Discussion,  
Consideration and Possible Action Regarding 2020-2021 LAR,  
Funding Priorities, and other ventures. Randy Townsend.  
Good afternoon, Randy.

MR. TOWNSEND: Good morning, Chairman,

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

3           This morning, Commissioners, I thought I  
4 could give you just a quick update where are. We don't have  
5 any materials in your notebook. At this point, we are  
6 working on the changes you -- that you had adopted last week  
7 to include for next week's discussions as far as all of the  
8 amounts and sort of thing. What we do have this morning we  
9 wanted to get into some discussion about where you want --  
10 how you would want to proceed with exceptional items.

11           Along those lines, I do have a summary of the  
12 capital budget portion that you'd already previously adopted  
13 that I wanted to give to you this morning. We've identified  
14 kind of the highlights of the -- those projects argued,  
15 which I think have been provided previously with the dollar  
16 amounts. And then -- and then also once you make a decision  
17 about some of your other exceptional items potentially we  
18 would want to know where -- you know, where you consider  
19 these capital budgets in relation to the prior. So I'm  
20 going to pass those right quick.

21           COMM. ALVAREZ: Thank you, Randy.

22           CHAIRMAN ALCANTAR: Thank you, sir.

23           COMM. HUGHS: Thank you.

24           MR. TOWNSEND: The -- Commissioners, the only  
25 thing I would note on these capital budget items is the

1 unemployment insurance, of course, is federally funded 100  
2 percent at \$40-million project to -- to update or replace  
3 our current US system. The Workforce Solution improving  
4 case management is federally funded at 18.8-million for the  
5 biennium all federal funds. And then finally, the workforce  
6 solution improvement (indiscernible) provider first school  
7 system project is -- is general revenue per school a piece  
8 funded of the 1.2-million on a \$700-thousand for the  
9 biennium is -- is general revenue. The remaining portion  
10 will be funded out of WIOA for 400-thousand that we -- a  
11 cost allocated program.

12 And so, Commissioners, that just is the high  
13 level summary for the capital budget items that we would  
14 propose to include to 20-21 appropriation request.

15 And with that, I think, what, I guess, from  
16 your standpoint how you would like to approach the  
17 exceptional items for the -- the next biennium is where we  
18 are.

19 CHAIRMAN ALCANTAR: Okay. Separate from  
20 this?

21 MR. TOWNSEND: Separate from these. Yes,  
22 sir.

23 CHAIRMAN ALCANTAR: Okay. Commissioners, I  
24 believe last week each of you had proposed maybe bringing  
25 forward some items. Are you prepared to discuss those this

1 morning?

2                   COMM. HUGHS: Yes. But I'm wondering, do we  
3 need -- do we need to vet it on the capital exceptional item  
4 requests?

5                   MR. TOWNSEND: Commissioner, I believe you  
6 already have -- unless you -- you can certainly, but I  
7 believe you had already approved those to my understanding.

8                   COMM. HUGHS: Okay.

9                   MR. TOWNSEND: I was just --

10                  COMM. HUGHS: That's fine.

11                  MR. TOWNSEND: -- trying to give you the --

12                  COMM. HUGHS: Okay.

13                  MR. TOWNSEND: -- the (indiscernible) as far  
14 as how we'd written those up. And of course, if you have  
15 any -- any observations along the -- those lines, we'd  
16 totally -- we'd welcome that. But I believe you've already  
17 approved those, to my understanding.

18                  COMM. HUGHS: Okay. Great. Just want to  
19 make sure.

20                  CHAIRMAN ALCANTAR: Commissioner Hughs --

21                  COMM. HUGHS: Let's --

22                  CHAIRMAN ALCANTAR: -- do you have a couple  
23 of items for us?

24                  COMM. HUGHS: Sure. Let me find -- well, all  
25 I have extra copies of this -- what appears to be the same

1 one. Let me check here. Texas Fellowship program is for  
2 reference to the -- I'm sorry, it's -- thank you.

3 One minute. I want make sure I have enough  
4 copies, and I think I do if I pull them out first.

5 CHAIRMAN ALCANTAR: Okay.

6 COMM. HUGHS: If you could pass that down,  
7 please. And then I believe staff has a copy.

8 CHAIRMAN ALCANTAR: Okay. Do you have a  
9 copy, Larry?

10 MR. TEMPLE: No.

11 COMM. HUGHS: Would you like a copy, Larry?  
12 Here you go.

13 MR. TEMPLE: Oh, yeah. Thanks.

14 CHAIRMAN ALCANTAR: You guys want to share  
15 that, Randy? You and Larry?

16 MR. TOWNSEND: I think I've read it.

17 COMM. HUGHS: Yeah.

18 CHAIRMAN ALCANTAR: Okay.

19 COMM. HUGHS: And -- and so on this item,  
20 we've worked with staff and I've really appreciated them  
21 looking at, you know, the cost per trainee and how to best  
22 set something up so that it aligns with our, you know, other  
23 priorities, and it's just tailored as specifically as  
24 possible to further expand internships as another way of  
25 applied learning that I think we all support.

1                   And so to that end, the idea would be to ask  
2 for this exceptional item so that we can, in fact, train  
3 specifically students and mirror it with the Texas Talent  
4 Connection, which we've found has been a permissible way to  
5 -- to use funds and to leverage partnerships with schools,  
6 employers, and our Workforce Solutions boards across the  
7 state.

8                   So that's the -- the purpose behind this and  
9 it basically mirrors what I put on record last week with  
10 respect to interns. It would fund approximately 800 interns  
11 across the biennium for students participating in dual-  
12 credit career and technical training programs during their  
13 junior and senior year of high school or attending a level  
14 one or two certificate or associate's degree program in a  
15 technical field at community college or technical college.

16                   CHAIRMAN ALCANTAR: And -- and, Commissioner,  
17 you're proposing that we use general revenue for this? And  
18 you're not proposing that this be funded with -- with --

19                   COMM. HUGHS: My -- my understanding from  
20 staff is that we would be limited in funding after state-  
21 wide initiatives since the money is going directly to in-  
22 school youth. And for that reason, I'm suggesting that we  
23 propose this as an exceptional item, rather than trying to  
24 seek a statutory change to skills or some other vehicle  
25 previously attempted.

1                   CHAIRMAN ALCANTAR: Okay. Commissioner  
2 Alvarez?

3                   COMM. ALVAREZ: I like this idea. I think  
4 internships are such an important part of -- of giving our  
5 students learning opportunities. They're -- they can be  
6 very flexible and mirror the needs of the different  
7 companies, small and large, that commit to doing this, and  
8 anything that we can do to increase their participation and  
9 build around the efforts under the -- under the internship  
10 challenge, I'm -- I'm very supportive of, Commissioner.

11                  COMM. HUGHS: Thank you.

12                  CHAIRMAN ALCANTAR: So do you want to move  
13 this, and then I'll --

14                  COMM. HUGHS: Sure.

15                  CHAIRMAN ALCANTAR: -- support it?

16                  COMM. HUGHS: Sorry. I move that we support  
17 pursuing this exceptional item and request for the Texas  
18 Workforce Fellowship program as presented in this paper.

19                  CHAIRMAN ALCANTAR: I'll second that.

20                  COMM. ALVAREZ: I'll agree to it, you know.

21                  CHAIRMAN ALCANTAR: Thank you.

22                  COMM. HUGHS: Thank you.

23                  MR. TOWNSEND: Commissioners, can I ask that  
24 maybe we identify the amount that we're -- that we want for  
25 the --

1                   COMM. HUGHS: Right.

2                   MR. TOWNSEND: -- exception?

3                   COMM. HUGHS: The amount would be 1-million  
4 per biennium -- or, per year, 2020-2021.

5                   CHAIRMAN ALCANTAR: One-million per year for  
6 the biennium?

7                   COMM. HUGHS: Right. Correct.

8                   CHAIRMAN ALCANTAR: Okay. I second.

9                   COMM. ALVAREZ: Uh-huh.

10                  CHAIRMAN ALCANTAR: We're unanimous?

11                  COMM. ALVAREZ: Unanimous.

12                  CHAIRMAN ALCANTAR: Thank you.

13                  COMM. HUGHS: And then we -- a second  
14 exceptional item request is Jobs and Education for Texans  
15 program expansion. And I think the reason that I've  
16 suggested this really was to bring back something that had  
17 been a priority that we all identified. Think starting with  
18 you, Chairman, last session. And I've -- we've continued to  
19 see the increased need for funding.

20                         My reservation about this is that I don't  
21 think we should go forward with this and an increase in the  
22 Skills Development Fund. I don't think that would be  
23 fiscally prudent to present to the Legislature.

24                         So I present this as an alternative to  
25 presenting or supporting an increase in the Skills

1 Development Fund just based on not having seen or heard from  
2 staff of a need to -- to pursue that and to address the fund  
3 and have the Legislature closely, you know, review whether  
4 it increase the Skills Development Fund.

5           Then with respect to the Jobs and Education  
6 for Texans program expansion, staff has presented -- in  
7 fact, is there staff that can speak to this? Because there  
8 are two different proposals. One is the 3-million per year  
9 over the biennium, and the other is 5.5. And I understand  
10 that's based on capacity and whether or not we would be able  
11 to effectively address the needs and -- and requirements  
12 with an increase if warrant more.

13           So is there someone here that can speak to  
14 that?

15           MR. TOWNSEND: Commissioners, I -- I think  
16 can explain the --

17           COMM. HUGHS: Okay.

18           MR. TOWNSEND: -- the dollar amounts for you  
19 and how that was arrived at.

20           COMM. HUGHS: Okay.

21           MR. TOWNSEND: The -- the 3-million was  
22 looking at the proposals that have been submitted for the  
23 last three years. It was a three -- three-year average.  
24 And -- and then going along with a continuation of what the  
25 Advisory Committee has recommended as far as the split

1 between the institutions of higher education and independent  
2 school districts of 50-percent split on each one. That  
3 would fund all of the institutions of higher education based  
4 on a three-year average if you have that increase. So  
5 that's the first option, the 3-million option, and maintain  
6 that 50 percent -- 50/50 split.

7           The other option, the higher cost option, was  
8 looking at all proposals that had come in. And -- and in  
9 those cases the independent -- the independent school  
10 district proposals have been higher over that last three  
11 years. So essentially, the Advisory Committee would --  
12 would have to recommend changing that 50-percent split. I'm  
13 not sure what it would go to exactly. It might be a 60/40  
14 or a 75/25. I'm not sure exactly what that result in  
15 percentage-wise, but it would fund all of those proposals  
16 based on that three-year average.

17           So I think that's the distinction between the  
18 proposals at this point as far as that 3-million versus the  
19 -- the higher cost --

20           COMM. HUGHS: Right.

21           MR. TOWNSEND: -- amount. That's how the  
22 numbers had come together based on the proposals.

23           COMM. HUGHS: Right. And based on that and  
24 my -- my theory that pigs get fed and hogs get slaughtered,  
25 I am more inclined to my option one, but I did want to open

1 it to discussion.

2 CHAIRMAN ALCANTAR: Well, clearly, as it  
3 relates to the -- to the JET program, when we visited with  
4 our grantees and we looked at the demand for -- for funds  
5 under this program, when you consider the fact that it is --  
6 that it's supportive of these different educational  
7 institutions and, clearly, in every year that we've offered  
8 it, this program, the demand has significantly outpaced the  
9 available funds.

10 I think it's important for us to -- to  
11 present this to the Legislature for their consideration so  
12 that they can -- can assess more appropriately the -- the  
13 merit of investing the limited dollars that would be  
14 available for all the State's priorities in support of these  
15 very critical investments that help our educational  
16 institutions align curriculum and training equipment with  
17 the -- the needs of -- of industry and in a very effective  
18 way that allows them to prepare our future workforce.

19 And for that reason, I'm -- I'm very  
20 comfortable supporting either of the two options. I think  
21 we need to stress in -- in our presentations to the -- to  
22 the Legislature the consistently strong demand for these --  
23 for funds that are in this program, and so I'd be comfort --  
24 comfortable with either option one or two.

25 And -- and I think that highlighting how that

1 still leaves a gap in terms of the demand is an important of  
2 what we're doing here. We're taking a measured approach in  
3 terms of the demand for it. It may seem like a lot to  
4 double it when you're doubling a 10-million program with a  
5 significant demand above that, I think that's an important  
6 thing to highlight.

7 So that's -- that's where I'm at.

8 Commissioner Alvarez?

9 COMM. ALVAREZ: Chairman, with that said,  
10 both of these are good, as you just stated, and Commissioner  
11 Hughs, the importance of this program. Three-million and 5-  
12 million are both great to me. If I had to choose between  
13 the two, I would -- I would go with the 3-million -- 3-  
14 million for 2020 and 3-million for 2021, but that would just  
15 be my preference. But both of them are fine with me.

16 COMM. HUGHS: Then -- then I'll move for  
17 that, that we approve the exceptional item for -- and 3-  
18 million over the biennium per year for the JET program  
19 expansion.

20 CHAIRMAN ALCANTAR: Do you have a second?

21 COMM. ALVAREZ: I'll second that.

22 CHAIRMAN ALCANTAR: We are unanimous. All  
23 right. Anything else, Commissioner Hughs?

24 COMM. HUGHS: No.

25 CHAIRMAN ALCANTAR: Commissioner Alvarez?

1                   COMM. ALVAREZ:  So I handed out to you -- and  
2 I think Gwen passed out here at the dias some worksheets.  I  
3 have two proposals here of exceptional items --

4                   COMM. HUGHS:  She gave me something.

5                   COMM. ALVAREZ:  Yeah.

6                   CHAIRMAN ALCANTAR:  I don't have one.

7                   COMM. ALVAREZ:  Here, let me see if Jeannette  
8 can extra copies.  Thank you, Jeannette.

9                   So there are two of them that I have here as  
10 exceptional items.  But after -- from the dias last week,  
11 there was reference to the collocate and the importance of  
12 that.  I'd be willing to move the collocate Workforce Career  
13 and Technical Education Specialist to move over to Agenda  
14 Item No. 9 where we could talk about her statewide  
15 initiative, if that's okay, Chairman.

16                   CHAIRMAN ALCANTAR:  Would this be -- yes, I'm  
17 comfortable, but is this any different than doing the  
18 internships?  Because this is folks going in school or out  
19 of school.  There's -- they're not those issues because it's  
20 not direct services capacity building.  What's --

21                   MR. TEMPLE:  This -- well, I believe that the  
22 collocated would be direct services, so we would have the  
23 WIOA issue of out-of-school youth.

24                   COMM. ALVAREZ:  So I was informed by staff,  
25 if (indiscernible) could come up -- and we were talking

1 about it coming out of TANF funding for the collocate.

2 CHAIRMAN ALCANTAR: But there is no TANF  
3 money remaining under the budget we approved, correct?

4 MR. TEMPLE: It could -- Randy, what was our  
5 statewide balance on TANF?

6 MR. TOWNSEND: I need to see what you  
7 approved last week. I think there is a balance currently in  
8 2019 of TANF. Of course, by the time you get to '21, then  
9 that balance is pretty much depleted at that point, but --

10 CHAIRMAN ALCANTAR: I'm just highlighting  
11 from my recollection the numbers.

12 MR. TOWNSEND: I believe it was 4-million, is  
13 what I recall, is that we had per 2019. But I can't -- I  
14 can't remember exactly how much you had approved.

15 MR. TEMPLE: Based -- based on those  
16 initiatives that you all already had approved that we fund  
17 under TANF.

18 CHAIRMAN ALCANTAR: And so for 2020 and 2021,  
19 would there be funds available in the budget?

20 MR. TOWNSEND: There was still a small  
21 balance in 2020. I know by 2021 I think we're under a  
22 million -- that's -- best I recall. I don't have that  
23 document right in front at this second. I can get that  
24 information from you then.

25 CHAIRMAN ALCANTAR: I just want to be clear

1 that we have the right numbers in front you, Commissioner  
2 Alvarez --

3 COMM. ALVAREZ: Uh-huh.

4 CHAIRMAN ALCANTAR: -- in terms of what we're  
5 considering here.

6 COMM. ALVAREZ: So are we okay for 2020? We  
7 -- do we --

8 MR. TOWNSEND: I need -- I need to check that  
9 number to be sure. I -- I remember at one time it was a 4-  
10 million, but I don't recall if we were still at 4-million  
11 after all the decisions were made for 2019 -- that was 2019.  
12 For 2020, I know it was closer to the -- the 2-million. I  
13 just need to check that. I'm pretty sure it was not 4-  
14 million, though, for the biennium.

15 COMM. HUGHS: Should we table this for a week  
16 to figure out where we are with it --

17 CHAIRMAN ALCANTAR: Commissioner Alvarez?

18 COMM. HUGHS: -- just to make sure that we --

19 MR. TOWNSEND: We had --

20 COMM. ALVAREZ: Let me ask for it to become a  
21 --

22 COMM. HUGHS: Because I think generally the  
23 support is there. Certainly, I wish we could call them  
24 career navigators so that we could mirror the VR navigators  
25 --

1                   COMM. ALVAREZ: No.

2                   COMM. HUGHS: -- and have some consistency to  
3 careers.

4                   COMM. ALVAREZ: There's some confusion when  
5 we use the word navigator.

6                   COMM. HUGHS: Oh, really?

7                   COMM. ALVAREZ: Yeah.

8                   COMM. HUGHS: What's --

9                   COMM. ALVAREZ: It's --

10                  COMM. HUGHS: Should we look at that in the  
11 VR field, too, then?

12                  COMM. ALVAREZ: No, no. I mean, it's fine if  
13 we use it for VR. But to use it for --

14                  COMM. HUGHS: I was just saying --

15                  COMM. ALVAREZ: -- the student, because at  
16 one time we had spoke about using VR navigators specifically  
17 for this purpose, but there would be some confusion on --

18                  UNIDENTIFIED VOICE: What's your balance?

19                  COMM. ALVAREZ: Go ahead, Randy.

20                  COMM. HUGHS: On your wall.

21                  MR. TOWNSEND: The balance for the 2020-21 I  
22 need to get back with you on. I'm pretty sure it's on the  
23 4-million for the two years of the biennium for -- at this  
24 point is what we're showing, so I just need to get that  
25 number for you. Because that's what we're talking about, is

1 2020 and 2021, right, is funding that?

2 COMM. ALVAREZ: That is correct.

3 MR. TOWNSEND: I know, you know, Chris has  
4 that number. Just trying -- we're trying to get the number  
5 right now, but I'm pretty sure it's on the 4-million --

6 CHAIRMAN ALCANTAR: Okay.

7 MR. TOWNSEND: -- as I recall, on the two  
8 years.

9 CHAIRMAN ALCANTAR: Okay. Let's hold off on  
10 discussing this. Do you have another item, Commissioner  
11 Alvarez?

12 COMM. ALVAREZ: Yes, I do.

13 CHAIRMAN ALCANTAR: We'll come back to this  
14 one.

15 COMM. ALVAREZ: Thank you, Chairman.

16 CHAIRMAN ALCANTAR: Okay. I know we have  
17 support this, just the question is how do we fund it?

18 COMM. HUGHS: Exactly. And I also appreciate  
19 the way it's written where you have the five different areas  
20 of what they would be emphasizing because it addresses all  
21 the things that we're trying to accomplish in the agency  
22 initiatives. So great job.

23 COMM. ALVAREZ: Thank you. So it's a  
24 slightly different term than what was -- what we approved  
25 earlier with the fellowship because this talks about some

1 other things. Even though internships -- my focus here is  
2 on foster youth as well as described in the narrative or on  
3 the handouts that I have, and also support the  
4 apprenticeship programs.

5 Go ahead, Randy.

6 MR. TOWNSEND: Oh, are we -- we're talking  
7 about the apprenticeship now?

8 CHAIRMAN ALCANTAR: No, no.

9 COMM. ALVAREZ: Okay. No.

10 MR. TOWNSEND: Oh, oh.

11 COMM. ALVAREZ: We finished with that and  
12 we'll --

13 MR. TOWNSEND: Oh.

14 COMM. ALVAREZ: We're coming back to that.

15 MR. TOWNSEND: I believe the number --

16 CHAIRMAN ALCANTAR: Yes.

17 MR. TOWNSEND: -- 4.3, Chris? For the  
18 biennium?

19 MR. NELSON: It was 4.-something and then in  
20 2019, but I'll get you the 2020.

21 MR. TOWNSEND: I believe the 2020 and 2021  
22 balance for the two years is right at 4.3-million --

23 CHAIRMAN ALCANTAR: Okay.

24 MR. TOWNSEND: -- and that doesn't include  
25 the '19 balance with the -- that's the number we're working

1 with, so.

2 CHAIRMAN ALCANTAR: So it sounds like you  
3 have enough -- commissioners, want to move that at 4-million  
4 or are you sure you have 4.3 --

5 MR. TOWNSEND: For --

6 CHAIRMAN ALCANTAR: -- for 2020 and 2021?

7 MR. TOWNSEND: For '20 and '21, that's --

8 COMM. HUGHS: That's still some guessing.

9 MR. TOWNSEND: That leaves -- that leaves it  
10 at -- I'm sorry?

11 COMM. HUGHS: Want to guess today and vote on  
12 something and find out later that is problematic, so just  
13 guide us in terms of whether -- if you need to confirm, then  
14 I think moving it a week won't hurt.

15 MR. TOWNSEND: Okay. Let me -- let me  
16 provide the confirmation for you then.

17 CHAIRMAN ALCANTAR: Okay. You can keep  
18 working on that. We're going to go on to the other one.  
19 Chris, if you can get us that number, that would be great.

20 CHAIRMAN ALCANTAR: Okay. Chairman, as you  
21 know, the other one that I have here that's been handed out  
22 to you is the apprenticeship training program expansion.  
23 This one is an exceptional item and not a part of Agenda  
24 Item No. 9.

25 TWC's apprenticeship program supports goals

1 of having 60 percent of Texans between the ages of 25 and 34  
2 obtaining certifications or degrees by 2030. Increased  
3 funding would also help Texans achieve that goal of 60 by  
4 '30 by ensuring students graduate with marketable skills,  
5 minimize loan debt.

6           Apprenticeship programs allow Texans to earn  
7 while they learn a skilled craft. And as you know, this  
8 program has not only expanded into the trades, but now in  
9 IET and also in the healthcare industry.

10           So with that, I'm asking for, in 2020 2.5-  
11 million and in 2021 2.5-million.

12           CHAIRMAN ALCANTAR: Commissioner Hughs?

13           COMM. HUGHS: So you had my support up until  
14 last week because I certainly think that GR would be a  
15 better way to pursue a program that we want to sustain.

16           But now we voted -- we have 3.1 from the  
17 federal government. I know the federal government is doing  
18 a great job on expanding the program, and it's something  
19 that we certainly support and will continue to support.  
20 Now, we have 1.85 or 65, whatever it is we just voted on  
21 through 2021. And so that leaves me -- and I believe we  
22 trained 6,000 registered apprentices in Texas.

23           So that leaves me at this time not supporting  
24 pursuing exceptional items unless we're going to revisit  
25 what we're doing under our state initiatives. I don't think

1 -- I think it's either/or and not necessarily both when you  
2 look at the support that we currently have and continue to  
3 have in addition to the federal support that we have for  
4 apprenticeships --

5 COMM. ALVAREZ: So does --

6 COMM. HUGHS: -- and getting other people  
7 trained. So that's just my vote today, unless we can figure  
8 out a way to address the State initiatives and this and the  
9 interplay there.

10 COMM. ALVAREZ: So we're talking about three  
11 different things. The 3.1 that we received from the federal  
12 government is to promote apprenticeship programs throughout  
13 the State. It's not to be used for any type of training,  
14 but specifically to promote it.

15 As you are aware, we had the apprenticeship  
16 summit last year. We're having the apprenticeship summit  
17 this year in September. That was the focus of that, not to  
18 use it.

19 The 1.6-million was for contact hour rate to  
20 keep us close to that. This would just help me with -- with  
21 that funding.

22 But just a clarification that the 3.1 -- so  
23 what happens is and when I see this money added, it looks  
24 like we have, like, 10-million dollars for apprenticeship  
25 programs, and that's the furthest from the truth. There are

1 -- but they're specifically to be used for certain different  
2 components of the training.

3           One is for marketing, which we've done a  
4 great job on, and I thank Desi (ph) and her team and Carrie  
5 and Courtney for doing that. We just had conversation  
6 yesterday where apprenticeships now only take online  
7 training, and then, of course, we all know that St. David's  
8 will be doing registered nurses in the next couple of weeks.  
9 That's exciting.

10           But these are all a part of the marketing of  
11 the 3.1 that came from the federal government that was just  
12 simply for marketing.

13           CHAIRMAN ALCANTAR: When is the -- I think to  
14 Commissioner Hugh's point, we added 6 -- was it 600,000 for  
15 expansions?

16           MR. TOWNSEND: 650,000 a year. Yes, sir.

17           CHAIRMAN ALCANTAR: For each of year of the  
18 biennium, including this -- including this year. So we've  
19 added 1.8-million, 1.95 million for expansion. What's the -  
20 - what's the demand above the current funding levels for  
21 this year for this program? Or for next year, what are we  
22 anticipating the demand is? Because on -- on JET we just --

23           COMM. HUGHS: Right.

24           CHAIRMAN ALCANTAR: -- have some very clear  
25 numbers about what the demand is. And before we go out

1 there, we're going to have to present it.

2 MR. TOWNSEND: Right.

3 CHAIRMAN ALCANTAR: We're going to have to  
4 present to the Legislature what we think the demand is for  
5 this program and what the transfer is showing us before  
6 they'll look at the funding levels. And I think that's very  
7 important for the agency to have very clear numbers on it as  
8 how is demand exceeding the available funding for this  
9 program.

10 And I think we need to have those numbers in  
11 order to be successful with this kind of request because  
12 it's a big expansion. We've had some success in prior  
13 years, but we were able to demonstrate what the increased  
14 demand for the program was looking like and I'm just  
15 wondering what those numbers look like.

16 MR. TOWNSEND: And I -- Chairman, I believe  
17 those numbers came in recently. They were being evaluated  
18 last I heard. I have not seen them yet as far as the  
19 numbers that we set -- set up for the 2019 year, so we'll  
20 have to look at those and see if we agree on those. I don't  
21 -- I'm not sure where we stand exactly on that analysis.  
22 That will inform us some.

23 I guess just by way of review where we  
24 currently stand with -- with the apprenticeship program for  
25 -- for '19, just under 2.9-million of general revenue,

1 150,000 of TANF funds, and then 1,650,000 of WIOA funds. So  
2 that total is for the apprenticeship -- which is funding  
3 just over 6,000 -- 6,300 or so maybe apprentices, 3.7-  
4 million is where you currently stand with the apprenticeship  
5 funding for the -- the contact hours in the '19 budget.

6 CHAIRMAN ALCANTAR: Isn't -- that's the one  
7 for '16, includes the additional funds that were approved  
8 last week?

9 MR. TOWNSEND: Yes, sir, it does.

10 CHAIRMAN ALCANTAR: Okay.

11 COMM. ALVAREZ: So Chairman, if I may, this  
12 is specifically for 133. Again, I expressed last meeting  
13 that during the TWIC meeting we had employers that were  
14 asking what were some of the incentives that employers would  
15 -- could anticipate. One was 133 funding. The other was  
16 something that our office is looking at pursuing.

17 These programs, as you know, work  
18 continuously to expand. I ask that we not limit that. And  
19 I -- I also agree with you on the numbers.

20 But I will share with you that -- just my  
21 conversations with Dallas Community College last week.  
22 They're pursuing 50,000 apprentices by 2023, is what their  
23 goal and their -- their plan is. I'm not asking that we pay  
24 for every --

25 CHAIRMAN ALCANTAR: Okay. 50,000 --

1                   COMM. ALVAREZ:  -- apprentice to go --

2                   CHAIRMAN ALCANTAR:  50,000?  Is that

3 registered apprentice or --

4                   COMM. ALVAREZ:  Registered apprenticeship.

5 Registered apprentices.

6                   CHAIRMAN ALCANTAR:  Where do they currently

7 stand in terms of the numbers that they're serving?

8                   COMM. ALVAREZ:  I don't have the number in

9 front of me.

10                  COMM. HUGHS:  We're at 6,000.

11                  COMM. ALVAREZ:  What's that?

12                  COMM. HUGHS:  We're at 6,000, right?

13                  COMM. ALVAREZ:  Ours is.

14                  COMM. HUGHS:  6,000?

15                  COMM. ALVAREZ:  That's what -- how many we

16 fund right now.

17                  COMM. HUGHS:  Across the state?

18                  COMM. ALVAREZ:  67 --

19                  MR. TOWNSEND:  Commissioners, I think with  
20 the funding, I said 3.7-million.  It's actually 4.7-million.

21 I did the math wrong.  That's 6,500 apprentices at our \$4 an  
22 hour contact hour for '19.  That would be the -- what you're  
23 looking at.

24                  COMM. HUGHS:  And I assume the federal  
25 apprenticeship grants are expected to continue to expand as

1 well.

2 COMM. ALVAREZ: Again, for marketing.

3 COMM. HUGHS: For marketing.

4 COMM. ALVAREZ: We do know that the  
5 President's task force put in place, which we discussed  
6 yesterday in my meeting with Harry, that the areas that they  
7 also want to expand to, which I'm limited to right now, and  
8 that is to nonprofits and to ISBs. But we want to just  
9 focus on part of the task force, the recommendations that  
10 came from that group that the President put together.

11 Again, we're anticipating additional 3,400  
12 apprentices within the next two years.

13 CHAIRMAN ALCANTAR: Do we have any numbers  
14 though in terms of what the demand is, Commissioner? We're  
15 -- we're going to need some numbers for the Legislature in  
16 terms of what we think the demand for this is. You're going  
17 to need the numbers.

18 COMM. ALVAREZ: Courtney? Is Courtney  
19 available to respond to that? Thank you, Courtney. Or  
20 Carrie? I know they're both here.

21 MS. ARBOUR: As Randy -- this is Courtney  
22 Arbour with Workforce Division, for the record. As Randy  
23 mentioned, we did have five additional applications. Five  
24 more applications this year. But they just so recently came  
25 in.

1 I had contacted Desi (ph) during this meeting  
2 to confirm the estimated number. And she indicates that  
3 last year's estimate is an increase of about 895 -- the  
4 increase is about 895 apprentices over last year.

5 So there is some increase in demand for the  
6 program coming in to next year. But at this point, we would  
7 need not -- likely not sufficient for all of the funding  
8 that is being discussed here. We did -- we would,  
9 Commissioner, as we've discussed --

10 COMM. ALVAREZ: Uh-huh.

11 MS. ARBOUR: -- with you, need to work on our  
12 outreach efforts in order to get more interest in the  
13 program for the ramp up.

14 CHAIRMAN ALCANTAR: All right. So the 900 --  
15 we've got 900 more that we're doing this year or for next  
16 year? I'm sorry. I wasn't clear on that.

17 MS. ARBOUR: That's -- that's an estimate of  
18 895. And if you recall, this is a two-step process where  
19 during the application the apprenticeship councils or  
20 committees let us know the planned number of trainees, and  
21 then through the year, we amend those grants. We provide  
22 some additional funding based on estimate. At the end of  
23 the year, sometimes they've lost a number of students and  
24 others can have an increase. But -- but the original number  
25 is generally high.

1                   COMM. HUGHS: Is that a number that's above  
2 the current funding level or just an anticipated number?  
3 What -- what does that number represent? I'm sorry.

4                   MS. ARBOUR: Those are additional apprentices  
5 that came in in the new application process, 895 as -- as  
6 Desi (ph) has indicated, an increase of 895 over last year's  
7 first number to this year's first number. And by the year,  
8 I'm not sure.

9                   CHAIRMAN ALCANTAR: Is --

10                  MS. ARBOUR: And I wouldn't --

11                  CHAIRMAN ALCANTAR: Is that covered by the \$4  
12 increase? The -- an increase we put in there for the \$4 per  
13 person. Or is -- are these new numbers on top of what we  
14 already approved for the -- the additional 300,000 that we  
15 had and then we added another 900 --

16                  MS. ARBOUR: No.

17                  CHAIRMAN ALCANTAR: -- 600,000 on top of  
18 that?

19                  COMM. HUGHS: 603,000.

20                  COMM. ALVAREZ: It was 650.

21                  MS. ARBOUR: I don't --

22                  CHAIRMAN ALCANTAR: Yeah. Is that --

23                  MS. ARBOUR: I don't mean to give a confusing  
24 answer, but this process is not the simplest.

25                  CHAIRMAN ALCANTAR: Uh-huh.

1 MS. ARBOUR: We take the available funding  
2 and then --

3 CHAIRMAN ALCANTAR: Can we look at the  
4 numbers?

5 MS. ARBOUR: -- cost it out over the number  
6 of apprentices and the training hours that each of those  
7 programs offers. So it's a little early, I think, for us to  
8 say what the contact hour rate would look like with these  
9 new numbers. But there are additional apprentices in the  
10 applicant pool over last year at this time what we saw.

11 CHAIRMAN ALCANTAR: But this is not answering  
12 any of the Legislative Committee's questions, and that's  
13 what we need to be able to do so that Larry is not up there  
14 stumbling with answer to this. I mean, it -- I'm just  
15 trying to be supportive here, but I need to understand what  
16 --

17 COMM. ALVAREZ: What some of these other  
18 answers --

19 CHAIRMAN ALCANTAR: -- what our answers are.

20 COMM. ALVAREZ: Let's see if we can base  
21 numbers on those as well.

22 CHAIRMAN ALCANTAR: I mean, we can --

23 MR. TEMPLE: I think what we can do, we can  
24 look at the additional 900, assuming the \$4, and what that  
25 cost is as it relates to what our -- what our current

1 funding is and see --

2 CHAIRMAN ALCANTAR: What's it cost to insert

3 --

4 MR. TEMPLE: -- the gap --

5 CHAIRMAN ALCANTAR: -- a thousand people?

6 MR. TOWNSEND: -- what the gap is. And then

7 for every 500 above, we cost that out and give an idea of

8 what that would be.

9 COMM. HUGHS: And the idea is we haven't  
10 addressed that gap and the unloading that happened under it,  
11 WIOA, right?

12 CHAIRMAN ALCANTAR: I'm not sure --

13 COMM. HUGHS: I mean -- yeah.

14 CHAIRMAN ALCANTAR: I'm not sure what the  
15 numbers are. So I'm just -- I'm trying to be supportive  
16 here, but I'm just -- I don't know.

17 COMM. HUGHS: I think it's a tremendous  
18 program. I think Commissioner Alvarez has done a great job  
19 and the staff has done a great job on outreach, and I think  
20 it's a program that no doubt is going to continue to expand.  
21 I'm just not sure that this legislative round is the right  
22 one to -- to take up this fight and look at these kinds of  
23 numbers without having that backing.

24 COMM. ALVAREZ: I would say -- I would say  
25 that this the best time to do it, considering it's in the

1 Governor's 60x30 charge referenced multiple times listening  
2 to stakeholders. I -- I think this is a valuable incentive  
3 for employers. Employers have reached out to us multiple  
4 times as program continues to expand. This is one way that  
5 they can engage with these programs.

6 They'll do it whether with the -- with our  
7 help or not. This is just a good way for them. And again,  
8 this was a -- a question that was brought up by the Chairman  
9 of the TWIC meeting last week. Again, appears this -- this  
10 is the best time to bring up apprenticeship and fund it.

11 COMM. HUGHS: Right. And we just expanded  
12 the funding last week. I agree this would have been a  
13 better vehicle, but we -- a different route was taken.

14 MR. TOWNSEND: Commissioners, I -- just --  
15 the numbers are still preliminary. But just looking at  
16 them, I think there's roughly 77 (indiscernible) -- we don't  
17 know the contact hours exactly.

18 Typically, we have an 88-percent to 90-  
19 percent retention, if you will. I'm not sure exactly what  
20 the term is -- of the number of initial apprentices that we  
21 -- we receive. So you'd be looking at roughly 67, 6,800,  
22 which would take just over the 4.7-million that's currently  
23 approved for the '19. So that just remaining 2 to 300,000  
24 -- if you're trying to maintain a \$4 contact hour rate.

25 So that's where '19 is kind of shaping up.

1 Those still are very preliminary numbers. But you're kind  
2 of right in there right now with the 4.7-million total  
3 funding, 4.7 to probably 5-million would be roughly the  
4 number.

5 Now, if it's -- you're looking at marketing  
6 outreaching increasing that number, then of course that  
7 would be different. But that's just where we are currently  
8 it looks to me like for the '19 year, just to give you --

9 CHAIRMAN ALCANTAR: And --

10 MR. TOWNSEND: -- that perspective.

11 CHAIRMAN ALCANTAR: And what you're assuming  
12 here is exclusively apprenticeships or are you doing  
13 journeyman, ru -- what are -- coming up with the numbers?

14 COMM. ALVAREZ: Apprenticeship.

15 CHAIRMAN ALCANTAR: Just apprenticeship? All  
16 right. Can we have some numbers and then look at this one  
17 next week when you guys have a chance to -- to gather some  
18 numbers on paper? And late -- and come back to this and --  
19 I want to be supportive of it, but I also want you guys to  
20 successful on this.

21 COMM. ALVAREZ: We'll be successful. Okay.

22 And --

23 CHAIRMAN ALCANTAR: Can we go back to the  
24 first one?

25 MR. TOWNSEND: Yes, sir. I did get some --

1 CHAIRMAN ALCANTAR: Do you have it?

2 MR. TOWNSEND: I did get the final -- the  
3 numbers we're looking for 2020 and 2021. There's as a -- an  
4 estimated, there's 3.5-million available balance in TANF  
5 reserved for 2020 and just -- just over 900,000. So there's  
6 4.4-million --

7 CHAIRMAN ALCANTAR: Okay.

8 MR. TOWNSEND: -- in 2020 and 2021 in TANF  
9 reserve now. So that would -- that would take the -- the  
10 balance, you know, down to zero obviously, but it's --

11 CHAIRMAN ALCANTAR: Okay. Commissioner  
12 Alvarez, do you have a motion on Item 1 --

13 COMM. ALVAREZ: Well, on my --

14 CHAIRMAN ALCANTAR: -- since we do have funds  
15 available?

16 COMM. ALVAREZ: So we were going to -- as far  
17 as a statewide initiative, Chairman?

18 CHAIRMAN ALCANTAR: No. Yes, as in terms of  
19 a --

20 COMM. ALVAREZ: On the collocate?

21 AGENDA ITEM NO. 9

22 CHAIRMAN ALCANTAR: Yeah, let me bring --  
23 Item 9, Discussion, Consideration and Possible Action  
24 Regarding Statewide Initiatives Funded with WIOA, TANF, AEL,  
25 and Child Care Funds. Could you lay out your item for

1 consideration under here, under Item 9? And we'll go back  
2 to Item 8 in a little bit.

3 COMM. ALVAREZ: Okay. So I think staff has  
4 been given the specifics and it's been addressed in the  
5 past. And if I may make the motion, Chairman?

6 CHAIRMAN ALCANTAR: Yes, absolutely.

7 COMM. ALVAREZ: I move that we approve the  
8 statewide initiative using statewide TANF funding and  
9 stretch it out to issue an RFP request for proposals.

10 CHAIRMAN ALCANTAR: For -- could you name the  
11 initiative?

12 COMM. ALVAREZ: Yes. The Workforce Career  
13 and Technical Education Specialist.

14 CHAIRMAN ALCANTAR: All right. Commissioner  
15 Hughs, I know you're very supportive of it.

16 COMM. HUGHS: I second the motion; however,  
17 subject to staff providing and logging the confirmation of  
18 the numbers that Randy just shared and just confirming that  
19 we're okay with going to zero on the TANF balance.

20 MR. TOWNSEND: Commissioner Hughs, what I  
21 would do, if it's okay, is I would just reflect this 4-  
22 million initiative in the next round -- get the documents  
23 for you here for consideration for next week. It'll show  
24 that balance coming down to whatever --

25 COMM. HUGHS: Okay.

1 MR. TOWNSEND: -- you know, remains, and then  
2 show this as a new initiative, if that's -- that's  
3 acceptable.

4 CHAIRMAN ALCANTAR: And we are unanimous.

5 COMM. ALVAREZ: Yep.

6 CHAIRMAN ALCANTAR: Okay.

7 CHAIRMAN ALCANTAR: Yeah.

8 CHAIRMAN ALCANTAR: And we go back to Item 8.

9 COMM. ALVAREZ: Yes, sir.

10 CHAIRMAN ALCANTAR: Item 8. Do you have  
11 anything else to add, Commissioner?

12 COMM. ALVAREZ: No, Chairman. Thank you.

13 CHAIRMAN ALCANTAR: We would like to continue  
14 the discussion. I want to be very supportive of efforts to  
15 expand the program. If staff can assist the Commissioner  
16 with some additional numbers and so that Randy and Larry  
17 have everything they need for -- to lay this out in front  
18 the Committee, so that would be -- that would be great. Are  
19 you comfortable with that, Commissioner?

20 COMM. ALVAREZ: Yes, Chairman.

21 CHAIRMAN ALCANTAR: Okay. We'll bring that  
22 back up next week. Anything further, Commissioners, in  
23 terms of exceptional items? We're going to have to  
24 prioritize these items where they're all finally approved,  
25 but can we -- let's do that next week --

1 MR. TOWNSEND: Yeah.

2 CHAIRMAN ALCANTAR: -- when we have an  
3 understanding of it's 3 or 4 --

4 MR. TOWNSEND: Yes, sir. That --

5 CHAIRMAN ALCANTAR: -- or if it's --

6 MR. TOWNSEND: Okay.

7 CHAIRMAN ALCANTAR: -- it's 2 or 3, right?

8 MR. TOWNSEND: Yes. I think that would make  
9 -- that makes a lot of sense. The other thing that -- just  
10 to consider is who will we ask in terms of these -- these  
11 exceptional items if it's taking general revenue? Is it --  
12 if there are any existing program that you would be willing  
13 to reduce to fund the new initiative.

14 And so just -- we don't have to necessarily  
15 include that in our -- our write-up, but we will need to  
16 have that information at some point. So just keep that in  
17 mind as -- if we -- as we develop these, if there's some if  
18 the course gets an expansion, then mostly then it would just  
19 be -- you know, there's nothing to take out of that existing  
20 program. But if it's a new program, then we just need to  
21 think about, you know, how would we want to address that  
22 question if asked. So I just want to point that -- that out  
23 to you for consideration, so.

24 CHAIRMAN ALCANTAR: All right. Larry --  
25 Larry, if you and the staff can work with the Commissioners

1 on that?

2 MR. TEMPLE: We will.

3 CHAIRMAN ALCANTAR: Well, I'd appreciate  
4 that. All right.

5 MR. TOWNSEND: Thank you.

6 CHAIRMAN ALCANTAR: Thank you, Randy. Good  
7 work. Progress.

8 AGENDA ITEM NO. 10

9 CHAIRMAN ALCANTAR: Item 10, Discussion,  
10 Consideration and Possible Action Regarding a Response to  
11 the Department of Labor Civil Rights Center's WIOA Rules to  
12 Replace the Equal Opportunity Provisions. Boone Fields,  
13 good morning, Boone.

14 MR. FIELDS: Good morning. How are you all?  
15 It's a long budget. Good morning, Mr. Chairman,  
16 Commissioners, and Mr. Temple. For the record, I'm Boone  
17 Fields. I'm Deputy Director of Regulatory Integrity, and  
18 also State Equal Opportunity Officer.

19 And if it pleases Commissioners, I am  
20 presenting the 2018 plan to go up to Civil Rights Center  
21 that basically is going to say that we are not going to  
22 discriminate in our programs. And we've -- we've been doing  
23 this basically 12 years now.

24 Its format is a little bit different and that  
25 was just because the WIOA changed these from WIA, so.

1 CHAIRMAN ALCANTAR: Okay. Commissioner  
2 Hughs?

3 COMM. HUGHS: I know that we approved the  
4 2018 nondiscrimination plan of the Nondiscrimination and  
5 Equal Opportunity Provisions of the Workforce Innovation  
6 Opportunity Act, and for staff to make any technical  
7 corrections before submitting it to the Governor and the  
8 Department of Labor Civil Rights Center.

9 MR. FIELDS: Okay.

10 COMM. ALVAREZ: I'll second that.

11 CHAIRMAN ALCANTAR: We are unanimous. Thank  
12 you, Boone.

13 MR. FIELDS: Thank you.

14 AGENDA ITEM NO. 12

15 CHAIRMAN ALCANTAR: Item 12, We have no -- do  
16 we have an update from Tom McCarty this morning on  
17 legislative matters? We do not.

18 AGENDA ITEM NO. 13

19 CHAIRMAN ALCANTAR: Item 13, Report and  
20 Update by the Executive Director. Larry, what do you have  
21 this morning.

22 MR. TEMPLE: Commissioners, I don't have  
23 anything new.

24 CHAIRMAN ALCANTAR: All right. Anything for  
25 Larry, Commissioners?

1                   COMM. ALVAREZ: No. No, Chairman.

2                   CHAIRMAN ALCANTAR: Thank you.

3                                   AGENDA ITEM NO. 16

4                   CHAIRMAN ALCANTAR: Do I have motion to  
5 adjourn this meeting?

6                   COMM. HUGHS: I move that we adjourn.

7                   COMM. ALVAREZ: I'll second that.

8                   CHAIRMAN ALCANTAR: We're adjourned. And  
9 we'll reconvene the next one in five minutes.

10                                   (Proceedings concluded at 9:08:24 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 4th day of August, 2018.

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

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