



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

OCTOBER 6, 2020

1 TUESDAY, OCTOBER 6, 2020

2 CHAIRMAN DANIEL: Good morning, everyone.
3 Well, this meeting is called to order. Mr. Trobman, has anyone
4 signed up for public comment?

5 MR. TROBMAN: Good morning, Commissioners.
6 We have no one registered for public comment session this
7 morning.

8 CHAIRMAN DANIEL: Thank you. Ms. Miller.

9 MS. MILLER: Good morning, sir.

10 CHAIRMAN DANIEL: Thank you. This brings
11 us to the end of Agenda Items 3 through 7. Let's pause for a
12 few minutes to reset for the rest of the meeting.

13 CHAIRMAN DANIEL: Well, while Commissioner
14 Alvarez is working on that, I think we'll move along to Agenda
15 Item 8. This is board contract child care matching funds
16 discussion in consideration of possible action regarding the
17 acceptance pledges for board contract year '21, and 2020
18 childcare matching funds.

19 TRAVIS WEAVER: Good morning, Chairman
20 Daniel, Commissioner, Mr. Serna. For the record, Travis Weaver,
21 Workforce development division. Annually, local workforce
22 development boards submit local match pledges to secure federal
23 childcare funds pursuant to commission rule 809.17. This will
24 be a standing Agenda Item, as boards may continue to submit
25 match agreements to January 31 of 2021. Today, staff requests

1 commission acceptance of childcare pledges for donations,
2 transfers land certifications of expense for BC121 in the amount
3 of \$678,000. Commissioners, this concludes my presentation. I
4 am happy to answer any questions.

5 CHAIRMAN DANIEL: Comments or questions?

6 COMMISSIONER ALVAREZ: None here, Chairman.

7 COMMISSIONER DEMERSON: None here.

8 CHAIRMAN DANIEL: Since this is going to be
9 a standing item, please, each time, bring us a little
10 information and a little insight as to how boards may be
11 encountering any obstacles or any success stories. I think this
12 is still gonna be a challenging exercise through the fall. I
13 sincerely appreciate boards continuing to pursue this. It is
14 necessary, and it's very important for their work and ours, but
15 I do want to be apprised of any challenges that we encountered
16 that we might not have anticipated.

17 TRAVIS WEAVER: Yes, sir, will do.

18 CHAIRMAN DANIEL: Yeah, if there's no more
19 comments or questions, do we have any motions on this issue?

20 COMMISSIONER ALVAREZ: Chairman, I move
21 that we accept childcare match in the amount of 678,000 for
22 board contract year 2021.

23 COMMISSIONER DEMERSON: Second.

24 CHAIRMAN DANIEL: The motion's been moved
25 and seconded, and we're unanimous on that.

1 TRAVIS WEAVER: Thank you, sir.

2 CHAIRMAN DANIEL: Thank you. Let's go to
3 item nine, discussion and consideration of possible action
4 regarding the purchasing from people with disabilities program
5 central nonprofit agency management fee

6 JUAN GARCIA: Good morning, Commissioners,
7 Mr. Serna. For the record, I'm Juan Garcia with the VR
8 division. Today I bring for your consideration and potential
9 action the proposed management fee rate to be charged by the PPD
10 central non-profit Workquest for state fiscal year 2021. The
11 Texas Human Resources Code chapter 122.019 authorizes TWC to
12 contract with a central nonprofit agency to perform
13 administrative functions and for that central nonprofit agency
14 to charge a management fee for services provided to community
15 rehab programs, and that the fee must be reviewed on an annual
16 basis. Staff seeks direction on approval to solicit public
17 comment on the proposed management fee rate for state fiscal
18 year 2021, as follows: 6 percent of the sales price for
19 products, 6 percent of the contract price for services, and 5
20 percent of the contract price for temporary services, and a fee
21 calculation using the following method, CRP cost divided by 100
22 percent, minus the management fee, to equal product or service
23 selling price. Examples of this calculation method using both
24 dollars and percentages are included in the discussion paper.
25 If approved by the commission, staff will solicit public comment

1 on the proposed rate and method of calculation, in accordance
2 with TWC chapter 806.31, prior to seeking commission guidance on
3 final approval of the rate and method of calculation for state
4 fiscal year 2021. So with that, I'll answer any questions that
5 you might have.

6 CHAIRMAN DANIEL: Any comments or
7 questions?

8 COMMISSIONER ALVAREZ: The only comment I
9 have, Chairman, is I welcome Juan Garcia to the TWC team.

10 JUAN GARCIA: Thank you, Commissioner, for
11 that.

12 COMMISSIONER DEMERSON: Chairman, I think
13 the calculations, as I'm reading this, it's calculations that's-
14 -it's nothing new. These have been used for a number of years.
15 Is that correct, Juan?

16 JUAN GARCIA: That is correct, yes. The
17 method has not changed over the past, well, since the onset of
18 the program.

19 COMMISSIONER DEMERSON: Thank you.

20 CHAIRMAN DANIEL: All right, additional
21 comments or questions?

22 COMMISSIONER ALVAREZ: No, Chairman.

23 CHAIRMAN DANIEL: Being none, do we have
24 any motions on this issue?

25

1 COMMISSIONER ALVAREZ: I move that we
2 approve the public comment, the central nonprofit agency's
3 management fee for the PPD state use program, at 6 percent on
4 product sales, 6 percent on services, and 5 percent on temporary
5 personal services, with a calculation method that is CRP cost
6 divided by the management fee, equaling the product of services,
7 the product or service selling price, as discussed by staff.

8 COMMISSIONER DEMERSON: Second.

9 CHAIRMAN DANIEL: Been moved and seconded.
10 We're unanimous on the vote. I'm advised that item 10 has been
11 postponed to a future meeting. We'll move to item 11,
12 discussion and consideration of possible action regarding
13 adoption of amendments to 40 [inaudible] chapter 800 general
14 administration, relating to contracting and purchasing.
15 Previously published for public comment in the July 24, 2020
16 issue of the Texas Register.

17 SUSAN DURSO: Good morning, Chairman
18 Daniel, Commissioner Alvarez and Commissioner Demerson, Mr.
19 Serna. This is Susan Durso, the director of procurement and
20 contract services. Before you today we have rule amendments to
21 chapter 800 related to contracts and procurement. There are
22 several sections of the Texas government code that require state
23 agencies to adopt rules specifically related to contracting and
24 purchasing. The rules before you today for adoption are a rule

25

1 related to enhanced contract or performance monitoring required
2 by government code 2261.25--

3 COMMISSIONER ALVAREZ: Chairman, I don't
4 know if it's me, but I cannot hear Ms. Durso.

5 CHAIRMAN DANIEL: Well, it comes and goes.

6 EXECUTIVE DIRECTOR SERNA: Susan--I'm sorry
7 to interrupt--

8 SUSAN DURSO: I'm sorry.

9 EXECUTIVE DIRECTOR SERNA: Can you--

10 MALE: Sir, I'm--

11 EXECUTIVE DIRECTOR SERNA: Can you try--

12 MALE: --here, if you want me to take over.

13 SUSAN DURSO: Do I need to get closer?

14 MALE: [Inaudible]

15 COMMISSIONER DEMERSON: Yes. Yes.

16 EXECUTIVE DIRECTOR SERNA: Yeah, try and
17 get closer to the microphone, because you start strong and then
18 it fades, and then it starts [inaudible].

19 SUSAN DURSO: I apologize. I apologize for
20 that. So the three rules before you for adoption are an
21 enhanced contract and performance monitoring rule required by
22 government code 2261.253, a vendor protest rule required by
23 government code section 2155076, and a rule related to the use
24 of iron and steel products required by 2252.202. We also have a
25 modification to rule 800.3 to correct a citation regarding the

1 historically underutilized business program and some references
2 to comptroller divisions that have changed. The proposed rules
3 were published in the July 24, 2020 Texas Register for the 30-
4 day comment period. We did not receive any comments on the
5 proposed rules; therefore, the final rules have no changes from
6 those proposed and published. We seek commission action
7 regarding the adoption of these rules as included in your
8 notebooks and published on the agency's website. If the rules
9 are adopted, staff also requests the ability to make minor, non-
10 substantive changes to the documents in order to comply with
11 publication requirements. This concludes my presentation, and
12 I'm happy to answer any questions you may have.

13 CHAIRMAN DANIEL: Comments or questions?

14 COMMISSIONER ALVAREZ: None here, Chairman.

15 COMMISSIONER DEMERSON: None, none here.

16 CHAIRMAN DANIEL: Do we have a motion?

17 COMMISSIONER ALVAREZ: I move that we adopt
18 the proposed chapter 800 rules relating to the contracts in
19 purchasing, as previously published in the Texas
20 Register, with permission for staff to make minor, non-
21 substantive changes.

22 COMMISSIONER DEMERSON: And second.

23 CHAIRMAN DANIEL: So moved and seconded.

24 We're unanimous on the vote. Thank you.

25 SUSAN DURSO: Thank you.

1 CHAIRMAN DANIEL: Move to item 12,
2 discussion and consideration of possible action regarding
3 publication for public comment [inaudible] proposed amendments
4 to [inaudible] tax chapter 800 general administration, to
5 implement senate bill 1055 of the 86 Texas legislature regular
6 session, relating to the workforce diploma pilot program

7 KERRY BALLAST: Good morning, Chairman.
8 How's my audio?

9 CHAIRMAN DANIEL: You might wanna turn it
10 up just a little bit.

11 KERRY BALLAST: Okay. How about that?

12 CHAIRMAN DANIEL: That is good.

13 KERRY BALLAST: Oh, perfect, okay. Good
14 morning, Chairman Daniel, commissioners, and Mr. Serna. For the
15 record, Kerry Ballast, workforce development division. Senate
16 bill 1055 of the 86th Texas legislature added new chapter 317 to
17 the Texas labor code, requiring TWC, in consultation with the
18 Texas education agency to create and administer a workforce
19 diploma pilot program the program will allow eligible high
20 school diploma-granting entities to be reimbursed for helping
21 adult students obtain high school diplomas and industry-
22 recognized credentials, and to help them develop technical
23 career readiness and employability skills. The proposed rules
24 before you today address elements such as the following:
25 Definitions to be used in the administration of the program, our

1 process for identifying qualified providers to implement the
2 program, and minimum performance standards for those qualified
3 providers. At this time, staff seek direction on approval of
4 the proposed rules for the workforce diploma pilot program, to
5 be published in the Texas Register for a 30-day comment period.
6 Thank you, and I'm available for any questions you have.

7 CHAIRMAN DANIEL: Any questions or
8 comments?

9 COMMISSIONER ALVAREZ: No, Chairman.

10 COMMISSIONER DEMERSON: None here.

11 CHAIRMAN DANIEL: Do we have a motion on
12 this issue?

13 COMMISSIONER ALVAREZ: I move that we
14 publish the proposed rules in the Texas Register regarding the
15 creation of a new subchapter in chapter 800: Workforce Diploma
16 Reimbursement program, as discussed by staff.

17 COMMISSIONER DEMERSON: Second.

18 CHAIRMAN DANIEL: It's been moved and
19 seconded. We're unanimous on this issue.

20 KERRY BALLAST: Thank you.

21 CHAIRMAN DANIEL: Thank you. Let's move to
22 item 13, discussion and consideration of possible action
23 regarding adoption of amendments to 40 tech chapter 813,
24 supplemental nutrition assistance program employment relating to
25 the connective 20 people [audio feedback] the integrated cause

1 process previously published for public comment in the July 24,
2 2020 issue of the Texas Register.

3 JOEL MULLINS: Good morning, Chairman,
4 commissioners, Mr. Serna. For the record, I'm Joel Mullins with
5 workforce development. The Federal Agriculture Improvement Act
6 of 2018 reauthorized the Supplemental Nutrition Assistance
7 Program and made changes to the employment and training
8 component of the program. The Act contains provisions that
9 affect program administration, including provisions that provide
10 additional flexibility to states. On July 7, the commission
11 approved proposed amendments to the chapter 813 rules to
12 incorporate the relevant provisions of the Federal Agriculture
13 Improvement Act and to clarify federal requirements regarding
14 good cause and the reporting of non-compliance. Those rules
15 were published in the Texas Register for a 30-day public comment
16 period, and no comments were received. This morning, staff are
17 seeking adoption of the chapter 813 rules, as set forth in your
18 meeting materials. I'll be happy to answer any questions you
19 have.

20 CHAIRMAN DANIEL: Any comments or
21 questions?

22 COMMISSIONER ALVAREZ: None here, Chair.

23 COMMISSIONER DEMERSON: None.

24 CHAIRMAN DANIEL: Is there a motion on this
25 issue?

1 COMMISSIONER ALVAREZ: Yes, sir. I move
2 that we adopt the chapter 813 rules relating to the supplemental
3 nutrition assistance program employment and training, as
4 discussed.

5 COMMISSIONER DEMERSON: I second.

6 CHAIRMAN DANIEL: So moved and seconded.
7 We're unanimous on this. Move to item 14, discussion and
8 consideration of possible action regarding publication for
9 public comment on proposed amendments to 40 tech chapter 803,
10 skills [inaudible] fund relating to the implementation of House
11 Bill 108, 85 Texas legislature, regular session, and House Bill
12 700, 80 Texas legislature, regular session.

13 CHRISTINA RAMOS: Good morning, Chairman
14 Daniel, commissioners, and Mr. Serna. For the record, Christina
15 Ramos, workforce development division. This morning, I am
16 presenting for your consideration and possible action proposed
17 rules changes to chapter 803 of the Texas administrative code
18 that govern the skills development fund for submission and
19 publication to the Texas Register. As you may recall, staff
20 were scheduled to present these draftful rules for approval
21 during the June 23 meeting. Communication from the sponsoring
22 legislators of House Bill 700, which adds local workforce
23 development boards as eligible applicants, resulted in these
24 rules being tabled until additional clarification on intent
25 could be ascertained. Staff are now ready to move forward with

1 presenting those same draft rules for your consideration and
2 approval. Staff are proposing the following amendments to the
3 rules. Amending section 803.1A to add boards to the list of
4 eligible entities to provide customized assessment and training.
5 [Inaudible] 803.2, to update definitions to include boards as
6 eligible partners and grant recipients, and section 803.14, to
7 remove the requirement that boards review and comment on SDF
8 applications submitted to TWC, and to include boards and other
9 provisions of the procedure for requesting funding. Amending
10 section 803.15, procedure for proposal evaluation to remove the
11 requirement that TWC notify boards when evaluating an SDF
12 application, instead requiring that TWC notify all eligible
13 applicants when it is evaluating an SDF application; to promote
14 collaboration and awareness of potential workforce activities in
15 the area; and to add section 803.15, which will prohibit
16 applicants on corrective action, as described in chapter 802
17 subchapter G, corrective actions, from receiving an additional
18 SDF grant. Additionally, House Bill 108, which passed during
19 the 85th Texas legislature, amended the labor code section
20 303.0031, regarding the use of grant funds to encourage employer
21 expansion and recruitment. [Inaudible] allows grants to provide
22 an intensive and rapid response to and support services for
23 employers expanding in or relocating their operations to this
24 stat, with a focus on recruiting employers that will provide
25 complex or high-skilled employment opportunities in the state.

1 We are proposing amending section 803.4 to incorporate this
2 change. There are also some minor changes correcting the name
3 of the Texas A&M engineering extension service to include A&M
4 and some technical changes updating outdated references in rule.
5 Lastly, staff are recommending a change that is currently not
6 noted on the document before you. Under section 803.2,
7 definitions, staff would recommend the removal of any reference
8 to individual or person from the definition of private partner.
9 With your approval, we request to move forward with publication
10 in the Texas Register for public comment. Are there any
11 questions or comments at this time?

12 CHAIRMAN DANIEL: Before we go to the
13 questions and comments, Mr. Trobman, I'm advised that there is
14 an interest in public comment on this issue.

15 MR. TROBMAN: Yes, Chairman, we have a Greg
16 Vaughn here to provide comments. Mr. Vaughn, if you want to
17 unmute yourself, state your name and your affiliation you
18 represent for the record.

19 GREG VAUGHN: Okay, can you hear me now?

20 MR. TROBMAN: Yes, sir.

21 GREG VAUGHN: Right. Well, thank you.

22 Well, good morning, Chair Daniel, Commissioner Demerson,
23 Commissioner Alvarez, and Mr. Serna. For the record, my name is
24 Greg Vaughn, and I'm the executive director of the Texas
25 Association of Workforce Boards, an organization representing

1 the 28 local workforce development boards in Texas, and the more
2 than 700 local business and community leaders who serve on those
3 boards. Thank you for the opportunity to provide comments this
4 morning on this issue. I promise to be brief. On behalf of
5 TAWB I want to reiterate our opposition to any rule changes or
6 other measures that would remove the requirement that local
7 workforce development boards review [inaudible] board skills
8 development fund applications before submission to TWC. We
9 believe this is a requirement that has served the workforce
10 system well for many years, not just by simply encouraging
11 collaboration among training providers in a region and local
12 workforce development board, but by institutionalizing this
13 collaboration in order to ensure the type of employer-driven
14 system TWC has championed for many years. We believe removing
15 this requirement will diminish this collaboration, as well as
16 the leadership role and local authority of employer-driven
17 workforce development boards in the planning, coordinating, and
18 the aligning of the training within their regions. We believe
19 this to be the bedrock principle of local control expressed in
20 the state and federal legislation, establishing local workforce
21 development boards. As we've stated previously, we do not
22 believe any such change in the rules is necessary to align with
23 the legislative intent of HB700, nor do we agree with the
24 premise that adding local workforce boards as potential SDF
25 grant applicants creates some sort of competition or conflict of

1 interest between boards and training providers, owing to the
2 fact that boards by law cannot directly provide training
3 services. TAWB also encourages TWC to consider the unique value
4 that local workforce boards provide in their communities in
5 fulfilling their roles as conveners and coordinators, which
6 includes coordinating and working closely with their local
7 education and training providers. TWC should also consider the
8 unintended consequences of undermining the boards by removing
9 their ability to align at a high level the nexus of education
10 training and economic development that occurs through SDF
11 projects, and weakening the results of the SDF project as a
12 consequence of not having the local workforce board involved.
13 Finally, even if there is some lingering concern about perceived
14 conflicts of interest, alternatives also exist that do not
15 violate the principle of local control and shut workforce boards
16 out of all SDF brands but their own. TWC could instead enact a
17 rule that provides that a local workforce board should refrain
18 from comment on the competing SDF grant application that targets
19 the same employers and the development of the same skills. TWC
20 could also enact a rule that restricts the workforce board from
21 submitting an SDF grant application unless it certifies that no
22 other qualified organization was reasonably available to fill
23 the workforce board's contemplated role in the grant. Neither
24 of these would have the impact on local control, and either or
25 both would adequately address any issue arising from the limited

1 inclusion of workforce boards and SDF grants as authorized by
2 HB700. This concludes my remarks. Again, thank you for the
3 opportunity to speak with you today.

4 CHAIRMAN DANIEL: Thank you. All right,
5 Commissioners. I sincerely appreciate Steph's hard work on this
6 package. I have a number of amendments that I would like for us
7 to consider. I'm prepared for the general counsel's office to
8 distribute those I have prepared these in such a way that I have
9 taken staff's proposed document, with the exception of their new
10 amendment on dealing with person and individual. I took staff's
11 amended document and I added my amendments to that, to propose
12 that as a substitute. But in terms of dealing with that, I
13 kinda wanted to get your input on that. You know, as everyone
14 knows, I believe in both the spirit and the letter of open
15 meetings, and why we talk about things in open meetings, and I
16 want to always be sure that TWC continues to do that. We have a
17 couple options here. I can introduce my amendment, we can take
18 a brief break while you review it, and then I would hope to get
19 a second on that amendment. We could introduce my amendment and
20 get a second on the amendment from good will from one or both of
21 the other commissioners, and table that and bring that back at a
22 subsequent meeting. Or we can dig in on my document here today.
23 I don't want to try to dictate or rush you in your decision-
24 making and your ability to read what I've written and give me an
25 opportunity to explain to you why I would propose these

1 amendments. So, before I distribute it, I guess I just would
2 like to understand, maybe, do you want to take a break, look at
3 it, and then see if we want to proceed today? Do we want to
4 introduce the amendment, get a good-faith second understanding
5 that you may vote against it later, so that we can table the
6 amendment? Or just take it up today? And I won't hold to it;
7 I'm just kind of looking for kind of an unofficial poll right
8 now on the best way to handle this.

9 COMMISSIONER DEMERSON: [Inaudible]
10 Commissioner Alvarez first, and I'll speak second, if he doesn't
11 have anything to add.

12 COMMISSIONER ALVAREZ: I'll let you go,
13 because I do have some comments that are relevant to
14 specifically this. But I do appreciate some time to review it,
15 so thank you for that, Chairman. But I would like an
16 opportunity, following your comments, to read the comments that
17 I have in the meetings that we've had [inaudible].

18 CHAIRMAN DANIEL: [Inaudible] without
19 question.

20 COMMISSIONER ALVAREZ:--[inaudible]
21 commission meeting.

22 CHAIRMAN DANIEL: Without question.

23 COMMISSIONER DEMERSON: Yeah, I'm of the
24 opinion that, Chairman Daniel, if you want to bring out the
25 changes so that we're all on the same page, and then from that

1 point we can decide if we'll get a second, and then table it to
2 kind of further dive into it, and go from there, so. But--

3 CHAIRMAN DANIEL: Understood. Let me ask
4 Mr. Trobman, then, to distribute my amendment to your two
5 offices, so that you can see that. While that's happening, with
6 the understanding that I would reserve my right to bring forward
7 the amendment, I certainly think it would be appropriate to hear
8 comments from both commissioners, if you have any on this issue.
9 We can come [inaudible].

10 COMMISSIONER ALVAREZ: Thank you, Chairman.
11 I do have comments regarding this specific issue, and I'd like
12 to thank Greg Vaughn for providing remarks today. And since our
13 June commission meeting, I, too, have had an opportunity to
14 review, specifically, the letters that we were-- thank you
15 [sounds like] Leslie--the letters and some of the other
16 discussions we've had, even one of the authors of the bill. I'm
17 glad that the proposed rules encourage collaboration with the
18 boards. This will ensure that taxpayer dollars are being spent
19 to train individuals with in-demand skills. However, the
20 proposed rules eliminate the requirements that boards review and
21 comment on SDF applicants before the application is submitted to
22 TWC. I understand that non-board grant applicants may have
23 concerns about requiring another potential grant applicant to
24 review and comment on the application before submitting to TWC,
25 and it may appear to provide a board with a potential advantage

1 in the development of the board's SDF application, but this is
2 only theoretical. A board, by law, cannot provide customized
3 training services, and TWC, not the local workforce boards, make
4 the final decision on the grant applicants. So, there is no
5 conflict. Section 803.14A should continue to require applicants
6 to obtain the review and comments of the board or boards in the
7 applicable workforce area or areas where there is a significant
8 impact on job creation or incumbent worker training. Therefore,
9 to alleviate conflict of interest concerns, staff should add
10 language that restricts a local workforce board from submitting
11 an SDF grant application unless it certifies that no other
12 qualified organization was reasonably available to fill the
13 workforce board's contemplated role in the grant. Moreover,
14 section 803.2, definition of private partner, should remove the
15 reference to an individual. Those are my comments, and again, I
16 would like to thank Greg Vaughn for providing the comments and
17 allowing me to meet with this policy committee.

18 COMMISSIONER DEMERSON: Chairman, my
19 comment is more of a question. Greg came to us again--and thank
20 you, Greg, for bringing the comments. I know in the meeting--
21 the last time we discussed this, I asked the staff to make sure
22 that they would get with Greg and that team to make sure that
23 when they brought this back to us that that had been discussed,
24 and I don't know if that took place. Christina, did you guys
25 visit with Greg or the team prior to you bringing it back?

1 CHRISTINA RAMOS: Commissioner Demerson, we
2 were basically on hold as we waited for the outcome of the
3 meeting with the sponsoring legislators, and then we were later
4 advised that because the rules as presented have been tabled
5 that we should move forward with that same draft of rules for
6 this particular meeting. So that was done without discussion
7 with the organization that Greg represents.

8 CHRISTINA RAMOS: Correct.

9 COMMISSIONER DEMERSON: Okay. That's where
10 we find ourselves, again. So, Mr. Chairman, no other--

11 CHAIRMAN DANIEL: Yeah, no, to be fair to
12 staff, because of the way we postponed consideration of this
13 item, I was the one that asked him to bring back the exact item
14 that we tabled. That would be correct parliamentary procedure,

15 COMMISSIONER DEMERSON: Right.

16 CHAIRMAN DANIEL: And I'm gonna correct
17 Christina at great risk to my own reputation--I think they've
18 had ongoing conversations, Greg Vaughn and a number of other
19 boards.

20 COMMISSIONER DEMERSON: [Inaudible]

21 CHAIRMAN DANIEL: That may not have been
22 formal, and she may not be represent--let me just talk for you,
23 Christine, like you're not even listening to me.

24 CHRISTINA RAMOS: Okay.

25

1 CHAIRMAN DANIEL: I think they've had a
2 number of conversations. I think staff has deliberated this
3 issue and uncovered quite a bit of information with the boards.
4 Christina, if that's absolutely false, you should say so now,
5 but I actually think you and your colleagues very much complied
6 with the spirit of what the commission asked you to do at the
7 June meeting.

8 CHRISTINA RAMOS: Yes, sir.

9 CHAIRMAN DANIEL: Yeah. I, too, have
10 talked with Greg Vaughn, and I suspect you have as well. He's
11 representing his boards very well here. And I also took the
12 time to visit with the sponsors of the legislation. I spoke
13 with the representative personally and I was able to speak with
14 a member of the senator's staff regarding this issue. So, you
15 know, I think it is an open issue, and I think it's one that
16 definitely is worthy of discussion. I'll tell you real
17 honestly, if my amendment is adopted--I realize this is
18 something that still needs to be debated and acted upon--I think
19 it gives us a mechanism to really deal with this issue and work
20 toward some of the really, I think, excellent points Mr. Vaughn
21 pointed out to him. My amendment does several things, but on
22 this subject, it actually strips out of rule all of the
23 application guidelines that were really not part of the statute,
24 and would create a new mechanism for the commission every two
25 years. So that's essentially what is rules guidelines for the

1 next two years of the project. The reason I would seek to do
2 that is to give the commission flexibility on a two-year basis
3 of sort of keeping up with where industry is and where we find
4 the state's economy, and how we see workforce interacting with
5 that economy. It would very much allow us to put in provisions
6 such as, you know, not just requiring that people work with
7 their local workforce board, but even developing a points matrix
8 that would award additional points to [inaudible] partner or
9 collaborate with their local workforce board. I think using
10 this concept that that I've developed in this amendment that we
11 need to address, I think we can give even more opportunities for
12 workforce boards [inaudible] part of the agenda-making locally
13 on that type of issue. You have my amendment before you. I if
14 I could, if you'll indulge me, let me just sort of hit the
15 highlights of that so you can understand my intent here. We'll
16 take whatever time and through whatever mechanism we need for
17 you to get a review that you're comfortable with. But my
18 purposes for this amendment actually go a little bit beyond what
19 I was talking about. I spoke of the detailed requirements that
20 really aren't reflected in statute. They're designed to help
21 guide our grant-making process,
22 I think, by establishing a regulation or a rule here that the
23 commission sets every two years the grant-making process. That
24 gives the kind of instruction we would wanna give to Mr. Serna
25 in terms of how staff administers this particular program. This

1 biannual process would give us the flexibility to make some
2 minor amendments to how we do that, much how we dealt with the
3 COVID-19, issue without having to worry about emergency
4 rulemaking and some other things along the lines. The rest of
5 what my amendment does, actually, is just reorganize some of the
6 rule language into what seems to me is a more logical flow, and
7 it just takes out these items, puts them in this biannual
8 guidelines, reorders and renumbers a number of things. The one
9 thing that my amendment does not do, it does not deal with the
10 person or individual statement that Christina made earlier. We
11 would need to take that up, and I would certainly be pleased to
12 make that part of my amendment, if the commission decides to
13 move forward with that. So, Mr. Vaughn's point, and the point
14 that both commissioners have made with regard to the role of
15 local workforce boards in reviewing skills development under my
16 amendment would come out, but so do most of the other
17 requirements, because my intent would be to put those in the
18 biannual grants guidelines that the commission would publish.
19 So, in short, I've removed some things that are in rule that
20 aren't in statute. I have taken out most technical
21 considerations regarding how grants are made, and would propose
22 that the commission take that up every two years to coincide
23 with the biennium. And then I have reordered everything to make
24 some logical sense of the flow of the regulation. That that is
25

1 how I view my amendment. I leave it to you to advise do you
2 want additional review, and how you might want to take that up.

3 COMMISSIONER ALVAREZ: Chairman, I had an
4 opportunity really quick to look it over, and I do have some
5 additional comments. So, I would be cautious about setting what
6 should be in rule in guidelines, and I would I would just have
7 here we were told by [sounds like] Sunset that this prevents
8 transparency and lacks input from the public. One of the things
9 that I noticed on this was just by looking--and I may be wrong--
10 that it deleted the requirement that boards review the
11 applications. That would eliminate the information regarding
12 prevailing wage, which we do not agree with. That wasn't also
13 in here. I think placing too much in guidelines lacks
14 transparency to the public and public input.

15 COMMISSIONER DEMERSON: Mr. Chairman--
16 Commissioner Alvarez, any other comments, or--

17 COMMISSIONER ALVAREZ: That's what I have
18 just by looking at this, Chairman, so I appreciate you handing
19 this out, but those were my additional comments.

20 COMMISSIONER DEMERSON: Mr. Chairman, I've
21 had a chance to briefly look at this, and I think originally you
22 had asked--thanks for the explanation of what's provided here.
23 If there comes in form of a motion that we are looking at this
24 to be discussed later, I'm in agreement with that. I don't know
25 if we can grab all of this and move it forward to a vote. I

1 don't know if Commissioner Alvarez feels that or if the chairman
2 feels that, that we can push this towards a vote today. I want
3 some time to kinda look at it, based on what I've heard from
4 Greg, based on what I've heard from Commissioner Alvarez, and
5 the newness of what's come before us right now.

6 CHAIRMAN DANIEL: I actually agree with
7 you. I would have a more informed debate. I move acceptance of
8 the amendment. If [inaudible] second, I'll immediately move to
9 table this for consideration at a future meeting.

10 COMMISSIONER DEMERSON: [Inaudible]

11 COMMISSIONER ALVAREZ: Chairman, I would
12 move that we table this to a future meeting, if that's okay.

13 COMMISSIONER DEMERSON: So, I'm gonna
14 second the chairman's motion, and then we'll have an opportunity
15 to proceed.

16 CHAIRMAN DANIEL: All right. It's been
17 moved and seconded to consider the motion. I move to table the
18 motion. I heard Mr. Alvarez offer a second to the motion to
19 table.

20 COMMISSIONER ALVAREZ: Yes, sir.

21 CHAIRMAN DANIEL: We'll table this to a
22 meeting. Do we have a--are we doing policy at the next meeting,
23 Mr. Serna?

24 EXECUTIVE DIRECTOR SERNA: Yes

25

1 CHAIRMAN DANIEL: Let's postpone
2 consideration of this to next--our next commission meeting.

3 CHRISTINA RAMOS: Yes, sir.

4 CHAIRMAN DANIEL: Gentlemen, thank you for
5 your consideration. Ms. Ramos, thank you very much for your
6 work on this. I know it's a complicated issue.

7 CHRISTINA RAMOS: All right, no problem.
8 Thank you.

9 CHAIRMAN DANIEL: Thank you. All right,
10 gentlemen. Again, thank you. I think this brings us to Agenda
11 Item 16, discussion and consideration of possible action
12 regarding publication for public comment and proposed amendments
13 to 40 [inaudible] chapter 809, child care services, relating to
14 implementation of House Bill 680 of the 86 Texas legislature,
15 regular session. Parent share of costs for part-time referrals
16 child transfer policies reviewing Texas Rising Star standards,
17 and minimum provider program eligibility requirements.

18 ALLISON WILSON: Good morning, Chairman,
19 commissioners, and Mr. Serna. For the record, Allison Wilson
20 with the childcare and early learning division. On July 14,
21 2020, the commission approved a policy concept regarding
22 proposed amendments to TWC's chapter 809 childcare services
23 rules. The proposed rule includes amendments that address
24 requirements arising from the passage of House Bill 680 during
25 the 86th legislative session, amendments that align with the

1 Texas Rising Star four-year review recommended revisions, as
2 well as a few other updates and technical corrections. As
3 described in the proposed rule, these amendments would do the
4 following: Allow boards to contract with childcare programs for
5 reserve slots, as required by House Bill 680; allow direct
6 referrals of CCDF eligible children when children are duly
7 enrolled in a partnership between child care and public pre-K,
8 Head Start, or early Head Start, permit boards to offer
9 discounts to families that only require part-time childcare, and
10 require boards to enact transfer policies that ensure providers
11 have adequate notice when subsidized childcare may transfer--
12 when a subsidized child may transfer to another provider. With
13 regards to the revisions to the Texas Rising Star program, the
14 proposed rule would also do the following: Integrate use of the
15 Texas early childhood professional development systems workforce
16 registry into the Texas Rising Star program, implement a
17 continuous quality improvement framework that would be required
18 for all providers certified or seeking to attain certification
19 in Texas Rising Star, implement new training and certification
20 requirements for Texas Rising Star mentor and assessor staff,
21 reorganize and re-weight the measure categories, increasing the
22 weight assigned to high-quality teacher-child interactions, and
23 streamline the impact of certain childcare licensing
24 deficiencies on Texas Rising Star certification status, allowing
25 more opportunity for technical assistance and program

1 improvement. Additionally, the proposed rule includes one
2 change that differs from the policy concept brought forward on
3 July 14. In the policy concept, a new one-star TRS level was
4 proposed. Rather than creating a new level within Texas Rising
5 Star, the rules propose to implement a new requirement attached
6 to eligibility to be a subsidy provider. The new requirement is
7 proposed for all subsidy childcare providers to meet minimum
8 criteria related to licensing deficiencies cited by childcare
9 regulation. The rules will implement this requirement, and the
10 details on the licensing deficiencies will be further defined in
11 the CCDF state plan. And I will cover those items under the
12 next Agenda Item, number 17. As described in the preamble of
13 the proposed rule, TWC will establish a five-year timeline for
14 all subsidy providers to achieve at least pre-star designation.
15 TWC will develop a plan to roll out this requirement across the
16 state. We will need to work out the details of this rollout
17 plan and will codify those details in a future ccdcf state plan.
18 The rollout plan will consider potential supply challenges such
19 as those in rural areas of the state which face a potential
20 shortage of child care providers. Staff seeks direction on
21 posting the proposed rules to the Texas Register for public
22 comment, and request permission to make non-substantive
23 technical changes. That concludes my remarks on this item, and
24 I'm happy to answer any questions you have.

25 CHAIRMAN DANIEL: Comments or questions?

1 COMMISSIONER ALVAREZ: Chairman, can I ask
2 what Agenda Item we're on?

3 CHAIRMAN DANIEL: We're on 16. I
4 inadvertently moved over 15. We're gonna come back and pick
5 that up. My apologies, that was my clerical error here.

6 COMMISSIONER ALVAREZ: No problem
7 [inaudible]. No comments.

8 COMMISSIONER DEMERSON: No comments.
9 Allison, thank you guys for all the work. Commissioner Alvarez,
10 you were coming in garbled. I'm not sure if that's still the
11 case, if the chairman can hear you okay. But no comment.

12 CHAIRMAN DANIEL: I can hear you. Right,
13 do we have a motion on this issue?

14 COMMISSIONER ALVAREZ: Yes, sir, I moved
15 that we publish the proposal [audio garbled, echoing] chapter
16 809, relating to childcare services to the Texas Register, as
17 discussed by [inaudible].

18 COMMISSIONER DEMERSON: Second the motion.

19 CHAIRMAN DANIEL: So moved and seconded.
20 We're unanimous on this issue. Allison, does it mess you up
21 real bad if I go back and pick up 15, or do you need to let me
22 finish your run of things here before I do that.

23 ALLISON WILSON: The next two items are
24 related to the proposed rules, so it might--

25 CHAIRMAN DANIEL: [Inaudible]

1 ALLISON WILSON: --make sense to cover 17
2 and 18, and then go back to 15, if that works.

3 CHAIRMAN DANIEL: I'll pick up 15. This is-
4 -we will do item 17, discussion and consideration of possible
5 action regarding an amendment to the 2019-'21 childcare
6 development fund state plan to establish new requirements for
7 all subsidized child care providers [inaudible] specific
8 deficiencies cited by childcare regulation.

9 ALLISON WILSON: Okay. As mentioned, this
10 discussion paper is tied to the proposed rule amendments to
11 chapter 809, and it will modify the CCDF state plan to include
12 the pre-star requirement for all subsidy providers and provide
13 details on the screening criteria and licensing deficiencies
14 that will be reviewed. And it will note that TWC will develop a
15 five-year plan to implement this requirement, and that the plan
16 will define limited exceptions to this requirement in order to
17 ensure that parent choice is not negatively impacted. Staff
18 seeks direction on amending the 2019 to '21 CCDF state plan, as
19 described in this paper.

20 CHAIRMAN DANIEL: Are there comments or
21 questions?

22 COMMISSIONER DEMERSON: None here.

23 CHAIRMAN DANIEL: Do we have a motion for
24 consideration?

25

1 COMMISSIONER ALVAREZ: [Audio garbled,
2 echoing] 2019-2021 CCDF state plan, as discussed.

3 COMMISSIONER DEMERSON: And I second
4 Commissioner Alvarez's motion, if I understood it.

5 CHAIRMAN DANIEL: All right, before we--can
6 somebody notice the audio problem with Commissioner Alvarez's
7 audio for me? I, too, heard him, and I heard the second. We're
8 unanimous on this issue, but I definitely want Commissioner
9 Alvarez to be able to be heard by everybody, and it's not--we're
10 not hearing it very well over the broadcast.

11 FEMALE: Yes, Chairman, we're taking care
12 of it. Somebody's looking into it right now.

13 CHAIRMAN DANIEL: Thank you so much. I
14 think we can move, then, to, let's see, it will be item 18,
15 Allison.

16 ALLISON WILSON: Yes.

17 CHAIRMAN DANIEL: Discussion and
18 consideration of possible action regarding statewide initiatives
19 to support the four-year review and revision of the Texas Rising
20 Star program.

21 ALLISON WILSON: This discussion paper is
22 also tied to the proposed rule amendments, to chapter 809. As
23 described in the paper, the Texas Rising Star revisions include
24 changes that necessitate automation and program enhancements,
25 including support to train and certify Texas Rising Star staff.

1 Staff seeks direction on approving statewide initiative funding
2 as outlined in the discussion paper.

3 CHAIRMAN DANIEL: Thank you. Are there any
4 comments or questions?

5 COMMISSIONER ALVAREZ: No comments here.
6 Can [inaudible] hear me okay?

7 CHAIRMAN DANIEL: We're still getting--I
8 heard you say "no comments," but there's still a great deal of
9 distortion in your audio.

10 COMMISSIONER DEMERSON: Chair, my only
11 comment is Allison and to Reagan, thank you guys for the work
12 that you're doing. And I know this has been in collaboration
13 with the childcare stakeholder groups, as I understand it.

14 COMMISSIONER ALVAREZ: Chairman, I was
15 instruction that I [inaudible] have to log off. And if it's
16 okay, can you pause and [inaudible]?

17 CHAIRMAN DANIEL: The commission meeting's
18 in recess until Commissioner Alvarez rejoins us.

19 COMMISSIONER ALVAREZ: Thank you
20 [inaudible].

21 CHAIRMAN DANIEL: All right. Allison,
22 which one are we on, 18?

23 ALLISON WILSON: Yes. We--I just presented
24 18.

25 CHAIRMAN DANIEL: Okay.

1 ALLISON WILSON: I don't think here were
2 any questions. I did wanna say that in reference to
3 Commissioner Demerson's point about this being collaborative,
4 that that's a very important point and we're very grateful for
5 all of the work and the many months of work that the Texas
6 Rising Star four-year work group contributed to this process.

7 COMMISSIONER DEMERSON: Yeah.

8 CHAIRMAN DANIEL: Right. Any other
9 comments or questions on item 18?

10 COMMISSIONER ALVAREZ: No, Chairman.

11 CHAIRMAN DANIEL: We have a motion
12 [inaudible].

13 COMMISSIONER ALVAREZ: I move that we
14 approve 733,000 in one-time costs to support the automation
15 changes to implement the revisions to TRS categories weights and
16 measures, 450,000 to support the one-time cost of developing a
17 TRS microcredential framework, 750,000 to support a first-year
18 cost of assisting TRS assessors and attaining required
19 certifications, and 450,000 to support the subsequent annual
20 cost of standards training and certification programs for
21 mentors and assessors, as discussed by staff.

22 COMMISSIONER DEMERSON: I second the
23 motion.

24 CHAIRMAN DANIEL: So moved and seconded,
25 we're unanimous. If there's no objection, I'll go back and fix

1 my ordering issue and come back to Agenda Item--this will be
2 Agenda Item 15, discussion and consideration of possible action
3 regarding publication for public comment of proposed amendments
4 to 40 [inaudible] chapter 823 integrated complaints, hearings,
5 and appeals to clarify parties and programs covered, align the
6 rules with the Workforce Innovation and Opportunity Act, clarify
7 terminology, and add rules for appealing state level decisions
8 to the U.S. Secretary of Labor.

9 CHRIS OAKLEY: And good morning, Chairman
10 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
11 Serna. For the record, Chris Oakley, UI division. Before you
12 today for your consideration and possible approval are proposed
13 rule amendments to chapter 823, integrated complaints, hearings,
14 and appeals. Chapter 823 rules provide an appeals process for
15 complaints or determinations regarding federal or state-funded
16 workforce services administered by the TWC or local workforce
17 development boards. The rules in their present form were
18 adopted in 2007. If approved, the proposed rule amendments will
19 clarify the parties and programs covered by the chapter 823
20 rules, align the rules with the Workforce Innovation and
21 Opportunity Act, clarify terminology between local and state
22 level hearings and appeals, and add provisions to the rules for
23 appealing state-level decisions to the U.S. Secretary of Labor.
24 In its open meeting on June 23, 2020, the commission approved a
25 policy concept for these amendments, and they were posted for a

1 three-week board comment period. No comments were received.
2 This morning, staff is seeking direction on submitting these
3 proposed rules for publication in the Texas Register for a 30-
4 day public comment period. If so directed, staff also requests
5 the ability to make minor, non-substantive changes to the
6 document, in order to comply with the publication requirements
7 of the Texas Register and the office of the secretary of state.
8 And this concludes my remarks, and I'm happy to answer any
9 questions y'all may have.

10 CHAIRMAN DANIEL: All right, are there any
11 comments and questions for Agenda Item 15?

12 COMMISSIONER ALVAREZ: None here, Chairman.

13 COMMISSIONER DEMERSON: None here.

14 CHAIRMAN DANIEL: Do we have a motion on
15 this issue?

16 COMMISSIONER ALVAREZ: I move that we
17 publish the proposed rules to amend chapter 823, relating to the
18 integrated complaints, hearings, and appeals to the Texas
19 Register, as discussed by staff.

20 COMMISSIONER DEMERSON: Second the motion.

21 CHAIRMAN DANIEL: So moved and seconded.

22 We're unanimous, thank you. I appreciate your flexibility with
23 my oversight there. It's gonna bring us back to Agenda Item 19,
24 childcare provider reimbursement rates. This will be discussion
25

1 [inaudible] regarding minimum thresholds for child care provider
2 reimbursement rates.

3 ALLISON WILSON: And good morning again,
4 and again for the record, Allison Wilson with the childcare and
5 early learning division. On June 16, 2020, the commission
6 approved amendments to the childcare services rule 80920 to
7 require boards to establish maximum reimbursement rates at or
8 above a level established by the commission. The commission
9 previously established minimum thresholds for the board's
10 childcare reimbursement rates in board contract year '19 and
11 '20. This proposal continues this policy, updating it to tie it
12 to the most recent market rate survey, for which board contract
13 year 2021 is the 2020 market rate survey. Staff are seeking
14 your direction on continuing to require boards to set their
15 rates based on the most recent market rate survey at or above
16 the 30th percentile for all providers, and for TRS providers,
17 benchmarking the rates for four-star providers at the 75th
18 percentile, with three and two-star rates stair-stepped down, as
19 described in the discussion paper. That concludes my remarks,
20 and I'm happy to answer any questions you have.

21 CHAIRMAN DANIEL: Comments or questions?

22 COMMISSIONER ALVAREZ: None here, Chairman.

23 COMMISSIONER DEMERSON: None here.

24 CHAIRMAN DANIEL: Any motions on this
25 issue?

1 COMMISSIONER ALVAREZ: Thank you, Allison,
2 for everything. I move that we approve requiring boards to set
3 their maximum reimbursement rate at or above the 30 percentile
4 of the 2020 market rate survey, and requiring boards to set
5 their Texas Rising Star maximum reimbursements rate at or above
6 75 percentile of the 2020 market rate survey for four-star
7 providers, 90 percent of the four-star rate for three-star
8 providers, and 90 percent of the three-star rate for two-star
9 providers.

10 COMMISSIONER DEMERSON: Second the motion.

11 CHAIRMAN DANIEL: So moved and seconded.
12 We're unanimous, motion carried. Move to item 20, discussion
13 [inaudible] possible action regarding local workforce
14 development area performance expectations for contract year
15 2021.

16 ADAM LEONARD: Good morning, Mr. Chairman
17 and commissioners. I'm Adam Leonard, the director of
18 operational insight at the workforce commission. I've worked
19 with staff in the childcare and early learning division to
20 develop the set of proposals for targets for board contract year
21 '21 average children serve per day in TWC subsidized child care
22 program. The methodology is largely the same as that which was
23 used in board contract year '20 that you approve, actually,
24 earlier this calendar year, because we had some mid-year
25 adjustments. But the key differences are that we're accounting

1 for the new market rate survey and the rates that you all just
2 approved as minimum levels that boards have to set. Updated
3 admin ops trends, looking at the differences between typically
4 what the max rates are and how much is actually paid in direct
5 care costs, because we rarely pay the full max rate--or if not
6 rarely, then certainly there's enough of a gap that it matters.
7 And then looking at some of our case mix assumptions, this year
8 is gonna be a little bit different than a typical year, in that
9 we tend to think that there will be slightly more school-aged
10 children in full-time care, at least during part of the year,
11 than during a normal year. We developed this methodology,
12 presented it to your offices, discussed it with the boards, and
13 what is in the notebook today is identical numbers and material
14 from those briefings and the conversations with the boards. We
15 didn't seek any input or suggestions from them through that
16 process. I'm happy to answer any questions you may have, or
17 otherwise I'm seeking your approval to implement this
18 methodology to set targets for board contract year
19 '21.

20 CHAIRMAN DANIEL: Questions or comments?

21 COMMISSIONER ALVAREZ: None here, Chairman.

22 COMMISSIONER DEMERSON: No, no questions or
23 comments.

24 CHAIRMAN DANIEL: Do we have a motion?
25

1 COMMISSIONER ALVAREZ: I move that we
2 approve the childcare target-setting methodology, and
3 assumptions to set the BCY '21 childcare targets for local
4 workforce development areas, as presented by staff.

5 COMMISSIONER DEMERSON: I second.

6 CHAIRMAN DANIEL: So moved and seconded.
7 We're unanimous, thank you.

8 COMMISSIONER ALVAREZ: Thank you, Adam.

9 CHAIRMAN DANIEL: Agenda Item 21,
10 discussion and consideration for possible action regarding the
11 outline for the 2020 Texas Workforce Commission annual report to
12 the governor and legislature present Texas section 301.065

13 MARGARET HESSION: Good morning, Chairman
14 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
15 Serna. Hopefully, you can hear me. For the record, Margaret
16 Hession, director of communications. You have before you a
17 draft proposed outline for the 2020 TWC annual report for input,
18 consideration, and approval. The annual report is due January 1
19 to the governor and Texas legislature. The outline before you
20 are staff recommendations for topics to include in the annual
21 report. I'm requesting your approval for the outline, and I'm
22 prepared to answer any questions that you have at this time.
23 Thank you, comments or questions?

24 COMMISSIONER ALVAREZ: Chairman, the only
25 comment I have for Margaret or for staff is will the agency's

1 COVID response have a separate section in the annual report, or
2 will it be included in the commissioner's message? That's the
3 only comment I have.

4 MARGARET HESSION: Chairman, did you wanna
5 address that, or would you like me to?

6 CHAIRMAN DANIEL: Go ahead.

7 MARGARET HESSION: We had discussed it. We
8 hadn't fully decided. We will have the commissioner's message
9 at the opening, which would be short, and then we would move
10 into the report itself. The option would be to mention it in
11 the commissioner's message, and then in the programs, when they
12 submit their pieces, submit it around their topics and their
13 pieces. Or, if you wanted to submit something completely
14 separate, you could do that also. So at the opening of the
15 report you could have another new section, or you just--when it
16 comes to UI or any of these departments affected, you would
17 include it.

18 CHAIRMAN DANIEL: Yeah, I don't wanna step
19 on Commissioner Demerson's time, but Commissioner Alvarez, I
20 would--I could be supportive of keeping the message from
21 commissioners brief, but then adding a section on COVID-19
22 response to be the first full section after the message for the
23 commissioners. And certainly, I wanna hear from Commissioner
24 Demerson as well. But I could support, I think, what you were
25 laying out. Commissioner Demerson, comments or questions?

1 COMMISSIONER DEMERSON: And I agree, I
2 think those are those appropriate. I think we have
3 opportunities to address it either way, and what you're
4 suggesting falls right in line.

5 CHAIRMAN DANIEL: Commissioner Alvarez,
6 would that be acceptable to you?

7 COMMISSIONER ALVAREZ: Sure, Chairman, I
8 agree with your comments.

9 CHAIRMAN DANIEL: Okay. We'll just
10 consider that commission action, then, since we all three agree.
11 So, Margaret, we're gonna wanna add a section immediately
12 following message from commissioners on TWC's COVID-19 response.

13 MARGARET HESSION: Very good--at the
14 opening of the report.

15 CHAIRMAN DANIEL: Do we have a motion,
16 then, to accept the rest of the topic headings, and let staff
17 move forward with fleshing out this report?

18 COMMISSIONER ALVAREZ: Yes, sir. I move
19 that we approve the outline for the annual report, and instruct
20 staff to bring back the completed draft report for input in a
21 commission work session in November.

22 COMMISSIONER DEMERSON: Second that motion.

23 CHAIRMAN DANIEL: All right, and I'm gonna-
24 -it's just a technical clarification. Motion's been moved and
25 seconded. The spirit of that motion included the amendment we

1 made to include the section on COVID-19 response, so we're just
2 gonna say that that was in there. And I think we're unanimous
3 on this motion. Gentlemen, thank you. Margaret, thank you.

4 MARGARET HESSION: Thank you very much.

5 CHAIRMAN DANIEL: Item 22 has been
6 postponed to a future meeting. Item 23, discussion and
7 consideration of possible action regarding the Texas Workforce
8 Commission fiscal year 2021 itemized operating budget and 2022-
9 23 legislative appropriations request.

10 CHRIS NELSON: Good morning Chairman,
11 commissioners, Mr. Serna. For the record, Chris Nelson, chief
12 financial officer. This morning I am presenting two documents
13 for your approval--the first, the 2022-2023 legislative
14 appropriation request for the 87 biennium, and then the 2021
15 itemized operating budget. Finance has been developing the LAR
16 based on LBB instructions, and has already brought forward
17 several pieces for commission review and approval as we've
18 completed those sections. This morning you have before you a
19 summarized version of the complete LAR packet that will be
20 submitted in LBB's budgeting system [inaudible] best. For 2022
21 and 2023, TDBC is requesting to submit an appropriate request of
22 \$3,832,470,956, which includes the required 5 percent reduction
23 to our base. This request represents a \$482 million reduction
24 from the 86 biennium, which is mostly made up of projected
25 decrease in one-time COVID-related funding and the required 5

1 percent base reduction. Also part of this package is a request
2 for 4,871 and a half full-time equivalents for each year of the
3 biennium and agency performance measures for the biennium. That
4 concludes my comments, and I would be happy to answer any
5 questions.

6 CHAIRMAN DANIEL: Questions or comments?

7 COMMISSIONER ALVAREZ: None here, Chairman.

8 COMMISSIONER DEMERSON: Chairman, I'd just
9 like to commend Chris and Julie, and that team. Their approach
10 to tackling this LAR, it's been very strategic and I've been
11 very appreciative of the briefings in a stair-step manner. It's
12 gone over very well, from my standpoint.

13 CHRIS NELSON: Thank you.

14 COMMISSIONER DEMERSON: You're welcome.

15 CHAIRMAN DANIEL: Yeah, let me pile on
16 that, too. These are complicated issues, and you guys have
17 handled this very, very well. Do we have a motion [inaudible]?

18 COMMISSIONER ALVAREZ: So, I do have a
19 motion for the LAR. I move that we approve the legislative
20 appropriations request for 2022 and 2023, including proposed
21 targets, as presented by staff.

22 COMMISSIONER DEMERSON: I second the
23 motion.

24 CHAIRMAN DANIEL: So moved and seconded.
25 We're unanimous.

1 CHRIS NELSON: The next item I will be
2 presenting is an adjustment to the 2021 budget presented in the
3 LAR, and will become our 2021 itemized operating budget. This
4 morning I am requesting for approval of an appropriated budget
5 of \$1,998,372,396. This represents an increase of 138 million
6 over the General Appropriations Act amount, and [inaudible] made
7 up of moving unexpended capital and COVID-related federal funds
8 forward. Also part of this budget is the percentage of the
9 Workquest management fee that [inaudible] charge to cover its
10 operating costs for administering the purchasing for people with
11 disability program. He is requesting a 9 percent--is requesting
12 9 percent of the Workquest management fee to cover its operating
13 cost. That concludes my comments, and I would be happy to
14 answer any questions.

15 CHAIRMAN DANIEL: Any questions or
16 comments?

17 COMMISSIONER ALVAREZ: None here, Chairman.

18 COMMISSIONER DEMERSON: None.

19 CHAIRMAN DANIEL: Do we have a motion?

20 COMMISSIONER ALVAREZ: My motion on the
21 operating budget. I move that we approve the fiscal year 2021
22 itemized operating budget, including the PPD FY2021 management
23 fee, as presented by staff. Furthermore, I move that we
24 authorize the executive director to administer their budget and
25

1 make any necessary spending adjustments, in accordance with
2 commission guidance and the General Appropriations Act.

3 COMMISSIONER DEMERSON: I second.

4 CHAIRMAN DANIEL: So moved and seconded,
5 we're unanimous.

6 CHRIS NELSON: Thank you.

7 CHAIRMAN DANIEL: I think that concludes
8 item 23. I'm informed staff has no items to present under item
9 24.

10 COMMISSIONER ALVAREZ: Chairman, I have
11 something I'd like to represent on item 24, if that's okay.

12 CHAIRMAN DANIEL: Please.

13 COMMISSIONER ALVAREZ: Thank you. As we
14 know, we recently were awarded an SRE, which kind of makes us
15 our own DOL, and we're very excited for that. And Mr. Serna was
16 part of the discussions and the announcement by Secretary Scalia
17 recently in his office. Information from Bureau of Labor
18 Statistics anticipates continued job growth for individuals in
19 the IT field. LMCI's help wanted online web tool, which tracks
20 employer demand for labor by occupation, industry, and
21 geographic indicates--geographic--geography--indicates that
22 between 2013 and 2020, software developers and computer
23 occupations remain one of the top 10 demanding occupations in
24 all workforce board areas. Courtney Arbour reported to me last
25 week that we have--we owe a statewide balance of \$7,648,331 for

1 fiscal year 2021. I would like staff to bring forth the
2 discussion paper that allows for the development and expansion
3 of it registered apprenticeship using 4 million of [inaudible]
4 statewide funding. This could be in 18-month contracts with a
5 maximum of \$4,000, depending upon types of certifications
6 offered by expected wage attainment of the apprentice. I would
7 also like grantees to include local non-profits, colleges,
8 university, and workforce boards. I was very fortunate to
9 attend an event in south Texas a few years ago where a gentleman
10 by the name of Jared Stevens went through one of our cyber
11 security IT programs that was part of the employer initiatives
12 department where this gentleman received four certifications and
13 is now working for Boone's Allen Hamilton. The wheel of funding
14 is enough--is one of the tools used in three other states at
15 this time--Sacramento, California, Missouri, and Oklahoma all
16 have a statewide initiative at this time, specifically in IT
17 apprenticeship programs. And we do know that South Carolina and
18 Kansas are actually working on one as well. The certifications
19 that I'm looking at would consider something very similar to
20 what they're doing in A-Plus, Security Plus, and again, one of
21 the things that I would be asking is that we also have job
22 placement or assistance in this program. That pretty much ends
23 my remarks, but because of the momentum of registered
24 apprenticeship programs, and because of the recent announcement,
25 I've been talking to staff about this since March, and then with

1 the recent announcement of the SRE, I thought it was appropriate
2 for me to bring up the statewide initiative.

3 CHAIRMAN DANIEL: So, staff will bring
4 forward a discussion paper on this issue.

5 EXECUTIVE DIRECTOR SERNA: Yes sir

6 CHAIRMAN DANIEL: All right. Thank you,
7 Chairman

8 CHAIRMAN DANIEL: No, thank you, Mr.
9 Nelson. Anything additional under Agenda Item 24? Agenda Item
10 25, discussion and consideration for possible action regarding
11 guidance on resource utilization, implementation services,
12 strategies to target disaster relief public health emergencies,
13 including those funded with the Department of Labor's Disaster
14 Dislocated Worker Grant. Do we have any updates on Agenda Item
15 25, Ed?

16 EXECUTIVE DIRECTOR SERNA: We have one
17 update from Courtney Arbour.

18 COURTNEY ARBOUR: Morning, commissioners,
19 Mr. Serna. Courtney Arbour, Workforce Division. Wanted to just
20 give an update on workforce activity and COVID response. You're
21 aware that all boards and adult ed providers continue to be open
22 to the public. It looks different in different areas, and
23 sometimes, it's all virtual. But everyone is open for business
24 and making sure that the public is aware of that. Four of the
25 workforce board areas have offices that are open full-time,

1 including walk-in traffic. The remaining board areas offer
2 services through ways we've discussed previously. Some walk in
3 by appointment only, in many, many ways; otherwise, virtually by
4 phone, and, again, in person, by appointment. So, again, all
5 boards slowly are moving toward in-person services more and more
6 as the local lead calls for it. You also are aware that we have
7 more than 120 of our local employment specialist staff who are
8 TWC employees working in the local Workforce Solutions offices,
9 and there that's where they work full-time. And they are still
10 providing support to unemployment insurance to help make sure
11 that we're doing everything we can to serve claimants at this
12 time. So I wanna thank those ES staff, and the boards who are
13 working with us as we've repurposed those staff to help UI, and
14 seeing that that's a huge priority for us right now. Since
15 Texas launched the metrics online learning platform in late
16 July, we've seen a steady increase in users. As of October 1
17 almost 40,000 Texans have registered in that system and
18 completed 22,187 courses. Total hours spent on this platform so
19 far is about 27,000 hours, and so we're hearing some good
20 feedback and seeing that a lot of the users are continuing to do
21 that. If any unemployment insurance recipients are watching
22 this meeting or hearing my voice, we're sending you emails
23 reminding you to please log in. We are hoping that everyone
24 will take advantage of this while we have it available to
25 people. There are more than 5,000 courses available right now.

1 In mid-July, the Workforce Division also contracted with two
2 call centers, who began making calls to claimants who haven't
3 completed their work in Texas registration. And as of September
4 25th, the call centers have contacted 192,798 claimants, helping
5 almost 22,000 of them with completing their work registration,
6 pointing them toward local services that they may find of value,
7 and then making them aware of local hiring events and other
8 resources. We aren't asking specifically if they're--if they've
9 found employment, but in the conversation, we'll ask if they
10 have. And we don't touch base with everyone, so we know many
11 more than [inaudible]. But we talked with more than 9,000 who
12 let us know that they've gone to work. And so that's always
13 great to hear, that we're able to congratulate them.

14 CHAIRMAN DANIEL: Courtney, you're muted.

15 EXECUTIVE DIRECTOR SERNA: You're muted.

16 COURTNEY ARBOUR: Huh. I don't know how I
17 muted myself. Did you hear that about the call center stats?

18 CHAIRMAN DANIEL: No.

19 COURTNEY ARBOUR: No?

20 EXECUTIVE DIRECTOR SERNA: Repeat that one.

21 COURTNEY ARBOUR: Okay, sure. The
22 Workforce Division contracted with two call centers. They're
23 contacting claimants who haven't completed their work in Texas
24 registration. We have contacted 192,798 unemployment insurance
25 recipients and helped almost 22,000 of them complete their

1 [inaudible] registration, pointing them toward the local
2 Workforce Solutions offices and any other services that might be
3 of benefit to them. While the call center staff are on the
4 phone with them, they're also asking if they've gone back to
5 work. And of course we know that many more claimants than this
6 have gone back to work, but more than 9,000 who let us know. So
7 the call staff have been able to celebrate with them their
8 return to work, and we're able to see that employers are having
9 their workforce needs met through the local offices and
10 claimants staying active in their in their job search.

11 [Inaudible] math assistance call center is operated by Student
12 Nest. Commissioners, you all approve some funding specific to
13 that, along with some other COVID funding, a while back. They
14 are beginning to take tutorial customers on October 15th. It
15 will operate seven days a week, be multilingual, have live video
16 chat, provide one-to-one virtual math instruction, and provide
17 preparation for the [sounds like] text chase to AEL
18 participants. And I know you're aware of this and why you found
19 the value in it--this call center help students prepare for
20 their high school equivalency exam, which is getting them one
21 step higher on their education ladder and one step higher on the
22 career ladder, or their ability to go up that career ladder, by
23 gaining their high school equivalency. Last, I just wanted to
24 share a quick success story about from one of the [inaudible]
25 COVID grants that you all approved funding for back in April.

1 Workforce Solutions of south Texas is using their COVID funds to
2 launch Project PODER, which is partnership, opportunities,
3 direction, employment resources. The board is working with
4 displaced retail and food service workers, at least 200 of them,
5 and providing a training and a certification through virtual
6 boot camps in fields of home health and early childcare. So
7 they're doing this remotely with virtual platforms for most of
8 the training, and for those who complete the boot camps, the
9 board offers a 30-day work experience opportunity with a partner
10 early childcare facility or a [inaudible] health agency which,
11 as you know, have a great demand for workers at this time. So I
12 just wanted to highlight that and thank the south Texas board
13 for the work they're doing in this upskilling effort. And that
14 concludes my remarks, unless there's any questions for me.

15 CHAIRMAN DANIEL: Comments or questions?

16 COMMISSIONER ALVAREZ: Thank you for the
17 update, Courtney.

18 COMMISSIONER DEMERSON: Yeah, I appreciate
19 the update. Lots of energy, lots of excitement. It's good to
20 hear, especially that last one you mentioned with PODER.

21 COMMISSIONER ALVAREZ: Mm-hmm.

22 COMMISSIONER DEMERSON: It's like something
23 that's moving. So thank you for the report.

24 COURTNEY ARBOUR: Great project, thank you.

25

1 CHAIRMAN DANIEL: All right, anything
2 additional under item 25?

3 COMMISSIONER ALVAREZ: No, sir.

4 CHAIRMAN DANIEL: All right. Item 26,
5 discussion, consideration, and possible action regarding
6 approval of local workforce development board nominees.

7 SHUNTA WILLIAMS: Good morning, Chairman
8 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
9 Serna. For the record, Shunta Williams with the workforce
10 development division. And before you for consideration we have
11 workforce board nominees for Workforce Solutions Alamo, south
12 Texas, Tarrant County, the heart of Texas, northeast Texas, the
13 Coastal Bend, and southeast Texas. This concludes my request,
14 and I'm here to answer any questions you may have.

15 CHAIRMAN DANIEL: Comments or questions?

16 COMMISSIONER ALVAREZ: None here, Chairman.

17 COMMISSIONER DEMERSON: None here.

18 CHAIRMAN DANIEL: Do we have a motion?

19 COMMISSIONER ALVAREZ: I move to approve
20 the board nominees for Alamo, south Texas, Tarrant County, the
21 heart of Texas, northeast Texas, the Coastal Bend, and southeast
22 Texas.

23 COMMISSIONER DEMERSON: Second the motion.

24 CHAIRMAN DANIEL: So moved and seconded,
25 we're unanimous.

1 SHUNTA WILLIAMS: Thank you.

2 CHAIRMAN DANIEL: Thank you. I'm advised
3 there's no legislative report today. Ed, do you have an
4 executive director's report today?

5 EXECUTIVE DIRECTOR SERNA: Yes, sir, I have
6 three quick items. First, we received a proclamation from
7 Governor Abbott recognizing October as Disability Employment
8 Awareness month. We appreciate the governor's support. This
9 goes a long way in supporting both our workforce programs, as
10 well as our vocational rehabilitation programs, but especially
11 our vocational rehabilitation programs. So we appreciate that
12 support from the governor. Second, also wanted to announce that
13 we did extend the deferral for reimbursing employers. Again,
14 considering the COVID emergency, so that they don't have to
15 worry about having to write a check to pay for their portion of
16 the claims that we paid out of the UI trust fund. So we have
17 deferred--I believe this is our third deferral for reimbursing
18 employers, their need to reimburse the fund right now. They
19 will eventually need to reimburse the fund, unless Congress
20 takes action on it, but at least they don't need to for the
21 foreseeable future. And then the last thing is I wanna give the
22 commissioners a heads up that staff is looking at and will be
23 coming back, probably next week, with the recommendation
24 concerning workforce--not workforce, I'm sorry--work search.
25 Things are changing, and we need to reassess re-implementing the

1 work search requirement. So we will probably be coming back to
2 the commission in the near future, as soon as next week,
3 possibly, but maybe shortly after then. We just wanted to give
4 the commissioners a heads up. There is no recommendation at
5 this time on that subject.

6 CHAIRMAN DANIEL: Right.

7 EXECUTIVE DIRECTOR SERNA: That's all I
8 have, sir.

9 CHAIRMAN DANIEL: Thank you. Any comments
10 or questions for Mr. Serna?

11 COMMISSIONER ALVAREZ: Chairman, I would
12 like to--I have some comments regarding Mr. Serna. Courtney
13 earlier reference the call center employees. As our offices
14 receive emails regarding our constituents or issues, various
15 issues, it was gratifying to see that through my Labor info
16 website or email address that we received a letter from a lady--
17 a young lady who moved in from Sandy Hook, Connecticut. And it
18 was really nice to see that she was assisted by two of our call
19 center employees from the Dallas-Ft. Worth area. She
20 specifically referenced their help and your help, Ed. She
21 referenced you by name in this letter, and I just wanted to just
22 acknowledge that. And she also referenced Mr. Lee Elder and Ms.
23 Angela Murnane from our call center. And so, again, I can't say
24 enough about the great things that our call center employees do,
25 and staff as well. So thank you for that. And it's always nice

1 to get these little pats on the back. And so I just wanted to
2 take this opportunity, Chairman, to express my thank-yous to Ed,
3 to the call center employees, and to the UI staff, and just
4 everyone in general during this difficult and challenging time.

5 CHAIRMAN DANIEL: Thank you.

6 EXECUTIVE DIRECTOR SERNA: Thank you, Sir.

7 COMMISSIONER DEMERSON: Mr. Chairman, to
8 Ed's point on work search, I was privileged to host a meeting
9 last week with a number of organizations, employer-related
10 organizations, and work search is something that the Texas
11 Restaurant Association [inaudible] in. And so, anyway, so
12 that's out there, and some of our other calls that we're having
13 with the east Texas group, Mark Durant and his team. You kind
14 of hear that--we're hearing that as well. So it's exciting to
15 see the unemployment rates coming down, and employers looking at
16 bringing employees back on board. That's pretty exciting.

17 EXECUTIVE DIRECTOR SERNA: That's all I
18 have, sir.

19 CHAIRMAN DANIEL: All right, thank you. Is
20 there any other order of business to come before the commission?

21 COMMISSIONER ALVAREZ: None here, Chairman.

22 CHAIRMAN DANIEL: All right, do we have a
23 motion to adjourn?

24 COMMISSIONER ALVAREZ: Chairman, I move
25 that we adjourn.

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COMMISSIONER DEMERSON: I second that
motion.

CHAIRMAN DANIEL: It's been moved and
seconded to adjourn, and we are adjourned. Thank you,
everybody.