



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

DECEMBER 15, 2020

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Tuesday, December 15, 2020

CHAIRMAN DANIEL: Alright, let's hit it. Good morning, everyone. The meeting is called to order. Mr. Trobman. There you are. Has anyone signed up for public comment?

MR. TROBMAN: Good morning, Commissioners. No, we have no public comment this morning.

CHAIRMAN DANIEL: Thank you so much. Good morning, Ms. Miller.

MS. MILLER: Good morning, sir.

CHAIRMAN DANIEL: That brings us to the end of Agenda Items 3 through 7. If we would, let's pause for just a few minutes to reset for the rest of the meeting.

CHAIRMAN DANIEL: Alright, is everybody ready? Alright, we'll start with Agenda Item 8. Staff has nothing to present for Agenda Item 8. (inaudible) High Demand Occupation's Report. This is a discussion of serious prospects concerning the Annual Report to the Governor, Lieutenant Governor and Legislature (inaudible).

MARIANNA VEGA: Good morning, Chair Daniel, Commissioner Alvarez, Commissioner Demerson and Mr. Serna. For the record, my name is Marianna Vega, I'm the Director for the Labor Market and Career Information Department. Today, for your consideration and possible action, you do have before you the Annual Commission Report on growth occupations to the Governor, Lieutenant Governor and Legislature regarding existing and projected shortages in high wage, high demand occupations. Your offices did receive a copy and you were briefed on the report earlier or last month. For this report we did examine over 800 occupations the most in demand

1 occupations for the 2018 to 2028 period for the 14 major industries sectors
2 that were specified in Texas Labor Code 302. To produce the report, we did
3 use various BLS data set, we used employment training, administration long
4 term projection as well as Labor Insights, Burning Glass, Real Time online
5 job postings. I would like to thank the LMCI team led by Gabriel Guzman.
6 They put this report together and today we are asking for Commission approval
7 of the report with permission to make minor non-sustentive changes as we
8 prepare the final report that we'll go on our website. That does conclude my
9 remarks, thank you for your considerations.

10 CHAIRMAN DANIEL: Any comments and she'll answer
11 your questions.

12 COMMISSIONER ALVAREZ: Chairman, I was able to hear
13 your (inaudible), that was very (inaudible) that they acknowledged the great
14 work that the LMCI team has. Great information so I just wanted to get that
15 on the record.

16 CHAIRMAN DANIEL: Other comments or questions?

17 COMMISSIONER DEMERSON: Marianna, thank you guys for
18 the work.

19 CHAIRMAN DANIEL: Is there a motion on this item?

20 COMMISSIONER ALVAREZ: Yes, sir. I move that we
21 approve and submit the report on the Texas Growth Occupations to the Governor
22 and Legislature as presented.

23 COMMISSIONER DEMERSON: I second.

24 CHAIRMAN DANIEL: It's been moved and seconded,
25 we're unanimous. This is Item 10, discussion and consideration of possible
(inaudible) Texas Administrative Code, Chapter 841 Investment Act and the

1 adoption of new 40 tax Chapter 840. WIOA Eligible training providers, new
2 tax Chapter 842 WIO non-discrimination equal opportunity, new 40 text Chapter
3 802 sub-chapter J, local work force development area appeals. This is
4 previously published for public comment in the October 9, 2020 issue of the
5 Texas Register.

6 JOEL MULLINS: Hi, Good Morning, Chairman.
7 Commissioners, Mr. Serna. For the records, I'm Joel Mullins with Workforce
8 Development. (inaudible) Chapter 841 Work Force Investment Act Rules that
9 provisions related to the maintenance of the one-stop delivery system,
10 training providers certification, non-discrimination and equal opportunity
11 and appeals of denial of local work force development area certifications.
12 On September 8, the Commission approved proposed rules related to the repeal
13 of Chapter 841, new Chapter 840 on eligible training providers, new Chapter
14 842 on real or non-discrimination and equal opportunity, new Sub-Chapter J of
15 Chapter 802 on local work force voluntary appeals. The proposed rules were
16 published in the October 9, 2020 issues of the Texas Register for a 30-day
17 public comment period. No comments were received on Chapters 802, 841 and
18 842. However, some comments were received on Chapter 840. Based on these
19 comments, staff have identified some opportunities to add more clarity to and
20 improve the final rule and have revised sections 840.20 and 840.64
21 accordingly. This morning's staff seeks direction on adoption of the final
22 rules as provided in your meeting materials, repeal of Chapter 841, new
23 Chapter 840, new Chapter 842 and new Chapter 842 sub-chapter J. I'll be
24 happy to answer any questions that you have.

25 CHAIRMAN DANIEL: Any comments or questions?

COMMISSIONER ALVAREZ: None here, Chairman.

1 COMMISSIONER DEMERSON: None.

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

3 COMMISSIONER ALVAREZ: I moved that we adopt the
4 rule amendments regarding the repeal of Chapter 841, the creation of Chapters
5 840 and 842, and the amendments of Chapter 802 as discussed.

6 COMMISSIONER DEMERSON: I second.

7 CHAIRMAN DANIEL: It's been moved and seconded.

8 We're unanimous.

9 JOEL MULLINS: Thank you.

10 CHAIRMAN DANIEL: Thank you. This will bring us to
11 Item 11, discussion and consideration and possible action on the submission
12 of the 2020 Texas Workforce Commission. Supplemental report, also known as
13 the Consolidated Report, to the Governor and Texas Legislature present Texas
14 Labor Code Section 301.065C and the Texas Human Resources Code Section
15 122.022A.

16 MARGARET HESSION: Good Morning, Chairman Daniel,
17 Commissioner Alvarez, Commissioner Demerson and Mr. Serna. For the record,
18 it's Margaret Hession, Director of Communications. Today for your
19 consideration and possible action, you have before you TWC's 2020
20 Supplemental Report to the Governor and Texas Legislator for your
21 consideration and approval. The report is submitted in accordance with SB14
22 enacted by the 86th Texas Legislature. The report contains the following TWC
23 programs; College Credit for Heroes, Skills Development Fund, the TAA or
24 Trade Assistance Adjustment, and Works Wonders, Texas Purchasing for People
25 with Disabilities. We are requesting approval on this 2020 Supplemental
Report with your permission to make any technical corrections if necessary.

1 Finally, we have subject matter experts available for questions should you
2 have any and we're prepared to answer any questions, Chairman.

3 CHAIRMAN DANIEL: Alright, any comments or
4 questions?

5 COMMISSIONER ALVAREZ: I'd just like to take this
6 opportunity to thank Margaret and her team for a great report, very
7 informative.

8 MARGARET HESSION: Thank you, Commissioner.

9 COMMISSIONER ALVAREZ: You're welcome.

10 COMMISSIONER DEMERSON: No questions or comments.

11 CHAIRMAN DANIEL: Alright, we have a motion on this
12 issue.

13 COMMISSIONER ALVAREZ: Chairman, I move that we
14 approve the annual report consolidated report pursuant to Texas Labor Code
15 Section 301.065C of the Texas Human Resource Code Section 122.022A and submit
16 the report to the Governor and the Texas Legislature.

17 COMMISSIONER DEMERSON: I second.

18 CHAIRMAN DANIEL: Been moved and seconded,
19 unanimous.

20 MARGARET HESSION: Thank you so much, Chairman and
21 Commissioners.

22 GROUP: Thank you.

23 MARGARET HESSION: Happy Holidays.

24 CHAIRMAN DANIEL: Happy Holidays to you. Let's move
25 to Item 12, discussion and (inaudible) on a Resource Utilization of funds
donated to the Texas Workforce Commission by the IKEA US Community

1 Foundation. A proposed initiative responds to the Covid natural disaster
2 provide information tools to Texans to move up in their careers, improvise
3 analytics and trim data to inform Texas businesses (inaudible).

4 COURTNEY ARBOUR: Good morning, Commissioners, Mr.
5 Serna, Courtney Arbour, Workforce Commission. The IKEA Foundation provided a
6 generous donation to TWC in the amount of \$4,900,125.00 and the donation was
7 accepted by the Commission on December 1, 2020. Today, I would like to
8 summarize for you the plan uses of those dollars with initiatives that
9 support Texans and Texas businesses impacted by Covid-19. The discussion
10 paper which is posted online as a resource for the meeting provides greater
11 detail than what I'll share in my summary today. And that has been briefed
12 to your staff a few times in recent weeks. The goal of these initiatives is
13 to equip and enable individuals with information and tools to advance in
14 their career through education tools and grants including apprenticeship,
15 online learning platforms, grants and real time labor market information and
16 information in connection to jobs. Texas businesses will be supported
17 through industry data analytics, online training videos and tools to help
18 adapt them to remote and contactless operations. Commissioners of the funds
19 donated, if all the initiatives are approved today, a balance of
20 approximately \$423,000 remains. Mary York joins me here to answer any
21 questions that you might have about some of the initiatives for which she's
22 the main point of contact. Okay, the planned initiatives include first, free
23 apprenticeship grants. Local workforce boards, independent school districts
24 and community technical and public state colleges will be eligible to apply
25 for the dollars and they'll help in and out of school youth to gain
experience and credits toward entry into a registered apprenticeship program

1 or post-secondary education. Funds might be used for curricula, tuition,
2 instructor costs and for the basic tools and safety equipment that support
3 job training. If you don't have questions about that, I'll go to the next
4 one. The second initiative will provide program consumables for certain
5 training projects, funds would be made available through the Jobs for
6 Education Texas RFA or JET as well as the pre-apprenticeship RFA and
7 potentially others and the idea would be that we would be funding
8 consumables, which as you know, make up a considerable amount of the budget
9 for certain training programs. Only consumables that directly support job
10 training would be funded. Third, a Texas specific retail survey would be
11 initiated with the purpose of informing retailers on how consumers have and
12 will continue to change their buying behaviors. The study will seek to
13 address certain research questions about online buying, how consumers are now
14 identifying sales using coupons and discounts and how they now get their new
15 that informs their shopping behavior. The next initiative is a cell phone
16 retail data analysis. Sophisticated use of consumer cell phone data shows
17 when customers are now in travelling, going to specific area, where they eat,
18 shop, frequency of visits to the area and a host of other important data that
19 can be used to inform business in their marketing strategies and also their
20 workforce development. Boards would select a combination of local, rural and
21 urban businesses to participate so that they can understand how those, so
22 that those employers can understand how to leverage the information to design
23 marketing strategies for targeting their customer base. The next initiative
24 is an online retail and restaurant video project for urban and rural
25 businesses. Texas businesses have been able to adapt to the new realities of
Covid-19 including online ordering, curbside pick-up, delivery, e-commerce

1 platforms, customer service practices, etc. and they continue to successfully
2 adapt. So, this project is designed to develop a series of videos in English
3 and Spanish for restaurants and retail employers to train their workforce
4 online and take advantage of these trends. These videos would be made
5 available online in the months and years ahead. The My Texas Careers Job
6 Matching Portal allows Texas employers to post their jobs online and for jobs
7 seekers who otherwise might not use a workforce solution system or made to
8 fully register in our system the way mandatory participants do to use this
9 streamlined portal to upload resumes, find jobs quickly with an abbreviated
10 registration process. It features resume upload, it also directs to our
11 WorkinTexas.com system and other online learning opportunities that we've
12 made available. Last, the helping offices manage electronically or home
13 project would be funded. Commissioners, as you know, Covid-19 impacted Texas
14 and the national economy and a number of businesses had to temporarily close
15 for safety reasons. They had to transition employees home or short-term
16 telework. Many have gone to full-time tele work, also transitioning to
17 contactless service. This has come at a high cost for some employers and has
18 required new expertise and new tools that have been costly. So, the funds
19 would be provided locally to support businesses who need assistance with
20 transitioning maybe costs associated with digital marketing, signage, moving
21 sales online, extended email platforms, and others. If Commissioners, you
22 have no questions for me on any of those initiatives, I would ask for your
23 consideration on them. I mentioned earlier that with these planned uses
24 listed above, we anticipate a remaining balance of about \$423,000 and
25 addition to your approval, these initiatives or your consideration, I would
also ask that we have some latitude at the staff level to make adjustments to

1 some of the amounts. If the technical aspects of these initiatives come in
2 higher costs than what our early research has shown.

3 CHAIRMAN DANIEL: Any comments or questions?

4 COMMISSIONER ALVAREZ: Chairman, I'd like to thank
5 everyone who was part of this gift process. I'm excited about the
6 opportunity to use this funding that was awarded to us by IKEA and I wanted
7 to thank them personally or at least make it noted that we're very grateful
8 for this. I'd also like to thank Courtney, Les, Mary York or, I'm not sure
9 how you called her, but I am very grateful for the outside the box thinking
10 and for the initiatives brought forth. So, thank you for that and working so
11 closely with the three Commissioners offices. Courtney, you answered one of
12 my questions which was what was going to be the remaining balance which
13 resulted in about \$423,000 plus some change so, that's good. My question is,
14 because I had a list of questions, one of them would be, would there be any
15 restrictions or requirements associated with the IKEA funding? Are there any
16 restrictions? Is it pretty flexible?

17 COURTNEY ARBOUR: Yes, Commissioner Alvarez, when
18 we've talked with IKEA, they've indicated that they're really supportive of
19 whatever states would like to do with the dollars and they're very flexible
20 in use of funds.

21 COMMISSIONER ALVAREZ: I've seen what they've done
22 in other parts of the country so, thank you again for thinking outside the
23 box and for those that were directly involved in this. I think contracts and
24 other folks were involved; Christina Ramos and her team and thank you for
25 that. Those are my comments for this time.

1 COMMISSIONER DEMERSON: Chairman, I too would like
2 to thank IKEA, a major employer here in the state for this generous grant and
3 this donation and also thanks to the team. Courtney, Mary York is the name
4 there and all the others that have been involved in this. This is an
5 initiative that has come forward with proposals that as played out should do
6 well to both employers and employees here in our state.

7 CHAIRMAN DANIEL: Alright, well I too would like to
8 thank the IKEA US Community Foundation for these funds to made available to
9 the Workforce Commission. I do have some questions about some of the items
10 specifically here on the list and a couple of questions as well. I'm a
11 little concerned that we made a list, it's a good list, I think there's some
12 good projects on here. I do have a question as to why, perhaps, he didn't
13 set a broader framework and accept applications and request for applications
14 and see what other ideas are out there. In other words, the Commission might
15 have passed a broader framework for the program hitting some key issues.
16 Seems like most of these have in common putting people back to work so that
17 there's a theme that emerges quickly. Why did we choose to do these specific
18 initiatives and not maybe have a broader framework that could let some other
19 ideas come into the mix?

20 COURTNEY ARBOUR: Chairman, the inputs onto the use
21 of these dollars were numerous and I think they were based on what has been
22 heard from various stake holders about stated needs or areas where there was
23 an interest in expanding resources. When we talked with IKEA, we did share
24 with them that the over arching goal here is to really support Texans and
25 Texas employers and some of the ways I mentioned in my comments. There are a

1 number of ways to do that and so the list was larger, and it sort of narrowed
2 to this as we continued discussions.

3 CHAIRMAN DANIEL: What test did you use to determine
4 if something made the list or didn't make the list?

5 COURTNEY ARBOUR: I would say that as we talked as
6 an executive team and talked internally about some of these different
7 initiatives, if it was something that we had heard recently that was of
8 interest or a known need to employers, for instance that it was prioritized
9 on the job seeker front. We know that getting back to work and upscaling and
10 putting resources in the hands of Texans is more important that ever now so
11 really that was kind of the framework for a lot of this.

12 CHAIRMAN DANIEL: Was there anything that was
13 considered but didn't make the list due to funding availability?

14 COURTNEY ARBOUR: I don't know that it was because
15 of funding availability, Chairman. We did have a brainstorming session or
16 two, or five about this with executive staff and Mr. Serna. There were some
17 ideas that we vetted that didn't make the list but I don't believe it was for
18 lack of dollars.

19 CHAIRMAN DANIEL: Okay. The list that (inaudible),
20 is that in any order of priority?

21 COURTNEY ARBOUR: No, we just listed them.

22 CHAIRMAN DANIEL: Got it. So, you know what the
23 available balance is, which means you must know how the funds are going to be
24 distributed among the projects. It's not listed here today. What was your
25 mechanism for deciding how much funds were going to be associated with each
project?

1 COURTNEY ARBOUR: Yes, Chairman, when we briefed
2 your offices, we've shared preliminary numbers in other draft documents,
3 letting everybody know what we anticipate those costs to be. In some cases,
4 it was based on what we thought, particularly the more technical aspects of
5 this. The estimates were based on what we thought it would cost to do that
6 which is why I asked for some flexibility to leverage remaining balances if
7 those come in higher than planned. In other areas, there were just, we might
8 have compared some of these to what we would have done in a normal, like WIOA
9 funded or TANF funded RFA.

10 CHAIRMAN DANIEL: Okay. I have some questions about
11 the list of items, just some specific questions on each one. For example, on
12 pre-apprenticeship, it's first here on the list. What specific pre-
13 apprenticeship strategies and activities do we intend this project to cover?

14 COURTNEY ARBOUR: This project is intended to help
15 in-school and out-of-school youth gain skills and education that will push
16 them either into a registered apprenticeship program or into higher ed. The
17 model is intended to help students gain some preliminary skills as they
18 transition into the next phase.

19 CHAIRMAN DANIEL: So, is this classroom instruction?
20 Is it extra-curricular type activities? Is it some sort of summer
21 programming? I guess I'm curious as to what exact mechanism we're talking
22 about here.

23 COURTNEY ARBOUR: The model I believe is pretty
24 flexible. We don't have a lot of pre-apprenticeship in Texas at this time.
25 With this, we've used pretty flexible models where it's high schools, boards

1 can apply, and there would be an on-the-job like other apprenticeship
2 programs. There is a hands-on component and a classroom component.

3 CHAIRMAN DANIEL: Are the pre-apprenticeship, we've
4 been doing a lot of work in apprenticeships here lately and rightly so.
5 Solid program and what that I'm glad that TWC champions. Are these pre-
6 apprenticeship activities not eligible for our other apprenticeship dollars?
7 I think there's an excess of \$10,000,000 still available for apprenticeship
8 activities. Are these pre-apprenticeship activities not eligible for those
9 dollars?

10 COURNTEY ARBOUR: Pre-apprenticeship is available
11 with the Chapter 133 and I believe you're referencing the Deal Expansion
12 Grant that we have. Pre-apprenticeship is an allowable activity in those
13 grants. In the RFA that was published, Chairman, I'm not sure if we called
14 out pre-apprenticeship. I can confirm and brief your office.

15 CHAIRMAN DANIEL: Let me articulate a concern I have
16 about this particular item. On its merits, this is a worth-while thing for
17 TWC to consider doing. My concern is that the IKEA Community Foundation Gift
18 is a one-time source of revenue. We would dedicate resources from this one-
19 time source of money to something that I think should be an ongoing program.
20 I think that pre-apprenticeship should always be part of our apprenticeship
21 mix. I think that students should experience a good and solid CTE
22 programming early in their educational career, middle school, early high
23 school, so that they're prepared to enter and perhaps expedite their
24 completion of either a registered apprenticeship program or an (inaudible).
25 I'm very concerned about putting one-time money to a program that I want to
know has sustainable funds for the future. Did you consider that at all and

1 is there a way to make this more sustainable for the future? If I was the
2 sole decision maker today, and I'm not, but if I were the sole decision maker
3 today, I would set this aside and ask you to find me a more sustainable
4 source of funds than the IKEA funds. I think there's plenty of uses for the
5 IKEA funds and one-time expenditures so that we have a much more robust pre-
6 apprenticeship offering. So, is there a more sustainable source of funds and
7 why wouldn't we shift that over to those funds right now?

8 COURTNEY ARBOUR: Chairman, as I mentioned, both the
9 Chapter 133 funds allows for pre-apprenticeship, training as does the DOL
10 Expansion Grant or those that we've been fortunate to be awarded so far. We
11 can, in effort to build pre-apprenticeship, do more outreach specific to
12 working with, often in pre-apprenticeship you're working with younger
13 students who are trying to kind of get their feet wet in the program. We
14 could increase our outreach in these. Commissioner Alvarez, did you want to...

15 COMMISSIONER ALVAREZ: Yes, so we do not want to use
16 DOL Expansion Grant money because we have specific goals and targets. We
17 have stated that in the past when it came to the expansion grant and so we
18 have performance measures. That's why one of my questions, I'm glad we're
19 going to be bringing up questions regarding these initiatives because, I
20 didn't have many but I do now have some regarding this issue and agenda items
21 that will be coming up. So, there's no restrictions. Why not use this as a
22 pilot program? This is a perfect opportunity. My legislative proposals or
23 my exceptional items as to the legislature, we did not get it as a result of
24 asking the legislature for some money. Here is an opportunity, we've got a
25 wish list, we're able to use money for pre-apprenticeship. In the TWP
meeting, there was some discussion that pre-apprenticeship was going to be

1 listed as an IBC on the IBC list which it isn't now. There's a distinction
2 between IRAP pre-apprenticeship, apprenticeship and CTE courses but my main
3 concern is, we cannot do this because we will not hit a, first of all, two
4 things was my rationale for this initiative. Because it's something we don't
5 do now and there's flexibility on how we can use the money and is the DO
6 Expansion Grant money is to use for specific goals, targets and performance.
7 We may not meet them with this. Why not use this money as an opportunity to
8 try a pilot program? The other thing is going back to early statements on
9 how this money is being used, if you look at how the other states have used
10 this money, none of them were using them for training. They were using it
11 and awarding it to non-profits for food, housing, paying rent, paying lights.
12 I think what the staff has put forth is a great, a great plan. That's just
13 my opinion but I just thought this would be a good opportunity, Chairman and
14 Commissioner, for us to try this as a pilot program. It's a \$1,000,000, want
15 to go back to what staff has given us as far as the amount. I don't think
16 that's a large cost and again, listening to the conversation that took place
17 at last Friday's TWC meeting reference to pre-apprenticeship was referenced
18 multiple times. Why not do it? Those are my comment.

19 CHAIRMAN DANIEL: About how many students would this
20 effort serve?

21 COURTNEY ARBOUR: It's hard to predict that,
22 Chairman, because we don't have any national, I've looked for an average cost
23 per on pre-apprenticeship. Commissioner Alvarez, if you know, please speak
24 up. I'll tell you the cost per on Chapter 133 is pretty low. If it was more
25 than \$3,500, \$4,500 per student, I would be pretty surprised but that's just
a guess on my part based on what we see on other training programs for youth.

1 COMMISSIONER ALVAREZ: We're not paying close to
2 that at all. It's about \$1,800, the same as in Chapter 133. We've been
3 around this.

4 COURTNEY ARBOUR: I'm just not sure about the youth
5 piece of it and we would seek to keep the cost per load to be able to serve
6 as many students as we could.

7 COMMISSIONER ALVAREZ: I didn't know we were going
8 to go by these but then I'm going to have a list of questions following the
9 Chairman's remarks regarding some of these initiatives as well.

10 CHAIRMAN DANIEL: So, the question as to how many
11 students we're going to serve. We probably don't also have an idea of how
12 many jobs we ultimately lead to. That's a hard question, I understand. I'm
13 just curious.

14 COURTNEY ARBOUR: The primary goals of this and you
15 may have seen that DOL even put out a notice this week about youth build and
16 making funds available specific to this. I think their goals are similar.
17 It's trying to help students get information and some basic skills to either
18 going into a registered program or into higher ed. So, the path to
19 employment may be long but the idea is to get them hooked in a targeted
20 industry or an industry that's in demand in their area so that they can go on
21 and complete and get more education toward that.

22 COMMISSIONER ALVAREZ: Courtney, I know that a pre-
23 apprentice leads to a registered apprentice program. We can track if these
24 individuals are placed into employment so he has a job from day one if I'm
25 not mistaken.

1 COURTNEY ARBOUR: That's true. If the student goes
2 into a registered program, he begins earning a wage immediately. If he goes
3 into higher ed from this jumping point, it may be a little longer path but it
4 he goes into registered apprenticeship, he'll be earning from the point that
5 he enters that program.

6 COMMISSIONER ALVAREZ: But did we not create a
7 crosswalk with the help of Texas Higher Education Coordinating Board, Dr.
8 Sally James? We have multiple colleges around the state. We had this
9 meeting at Austin Community College where many folks did not know that there
10 is a bridge program. We did create a crosswalk where Delmore will accept
11 over 30 hours and various school around the state will accept hours. So,
12 there is a career path, this follows the tri-agents report and the report
13 that's on the website that we currently have right now. I'm not sure if
14 there's anything else but I'd be more than happy to answer questions.

15 CHAIRMAN DANIEL: At what point does the student
16 make the decision whether they're registered apprenticeship program or to go
17 on to higher education? Is that any kind of line of demarcation; or is that
18 just a student decision that gets made during the education process?

19 COURTNEY ARBOUR: I would say ideally when we build
20 this model and we make the applications for funds available that anyone that
21 is preparing students for courses at the local community college or into
22 higher ed that they have some level of agreement with the college or a
23 pathway that they're working with the students to pursue. If there's not a
24 registered program that they can springboard into that they might help the
25 student, make the connection into community college.

1 CHAIRMAN DANIEL: Okay. Let me switch gears a
2 little bit and talk about the second item on the list.

3 COMMISSIONER ALVAREZ: Chairman, before we move,
4 since we're talking about pre-apprenticeship, can I just remind the
5 commission that we just got a letter from Department of Education that allows
6 us to use pre ETS money to help those with the job exploration thanks to Ms.
7 Sheryl For. The letter that we submitted to the Department of Labor and
8 Education, so, there is this thing about pre-apprenticeship and it's got a
9 lot of momentum. It will help with those individuals that are going to be
10 IRAP program. There's a correlation between all of these programs but we
11 just do not as Courtney referenced earlier, have a pre-apprenticeship program
12 in Texas. Northside IC has a registered apprenticeship program, a full
13 fledged registered by DOL, Humbolt Texas wants to do that same but this is a
14 good way for us to introduce apprenticeship programs at the high school
15 level. Treol Electric, who we're all familiar with, have campuses now in
16 Austin as a pre-apprenticeship program. This is financed by Beau Pollack out
17 of his own pocket and so, I just wanted to remind folks that this program has
18 been very successful. We've had it in Austin, Dallas, San Antonio and now
19 we're obviously in Houston. Beau Pollock is working on projects with high
20 school students here in Austin as we speak. So, before we move on, I just did
21 want to mention that. I thought it was appropriate before I come back to
22 that.

23 COMMISSIONER DEMERSON: Mr. Chairman, on that same
24 issue, and this is either to Courtney or Commissioner Alvarez; in terms of
25 employers in this initiative, you guys spoke to employers that are excited
about this or not excited it. Any feedback in that area?

1 COMMISSIONER ALVAREZ: I haven't heard not one
2 person that's not excited, and I'll let Courtney talk. We've had
3 conversations, like (inaudible) with Tesla or the school districts or
4 workforce boards. This was the same discussion that we had when we talked
5 about co-load educational specialists. We saw how that was. It's a pilot
6 program, it's done well and I understand the concern but this is just another
7 tool in our toolbelt that we can use to train folks early on the value of
8 trades, just know different that what we're going to do with people with a
9 disability when they're doing job exploration with pre ETS money. Once
10 they've decided that they want to go into a certain career path, these
11 individuals will now be shipped over from pre ETS to apprenticeship or
12 whatever or be our resources that we have. I haven't heard one employer, as
13 a matter of fact, I think all of us have talked to employers that have talked
14 about the value of trades. If we have it, I'd sure like to know who they
15 are.

16 COMMISSIONER DEMERSON: Commissioner, I'm excited to
17 hear you mention Tesla. I've had an opportunity to visit with them on
18 occasions. In one of their handouts, they mention apprenticeship programs
19 and the like and there are probably a number of employers but just curious
20 about employers in particular and good to hear you talk about some of those
21 that might have an interest.

22 CHAIRMAN DANIEL: On program consumables, what
23 specific programs does this effort contemplate funding consumables for?

24 COURTNEY ARBOUR: The Jet Program and pre-
25 apprenticeship program would be the primary.

1 CHAIRMAN DANIEL: Do we currently fund consumables
2 for those programs?

3 COURTNEY ARBOUR: In statewide initiatives, no we do
4 not currently fund consumables.

5 CHAIRMAN DANIEL: So, this constitutes a bit of a
6 policy change for the agency.

7 COURTNEY ARBOUR: I think the commission could
8 determine whether you wanted to make allowances for these donated dollars in
9 comparison to other programs but yes, this would-be providing consumables.
10 Those two are a phase would be outside of the norm for some of the other
11 RFA's we initiate.

12 CHAIRMAN DANIEL: Correct me if I'm mistaken here
13 but if I'm remembering correctly, TWC changed our policy on consumables and
14 the funding of consumables in 2018.

15 COURTNEY ARBOUR: I would not be able to tell you
16 the exact year but and I think you might be referencing the Jet Program.

17 CHAIRMAN DANIEL: Okay.

18 COURTNEY ARBOUR: I'm not sure about the year but
19 after the program transitioned over, there were some consumables that were
20 funded and then the agency made a decision that in those grant awards it
21 would be more focused on equipment and supplies that are related to the
22 equipment and not about the short-term use consumables.

23 CHAIRMAN DANIEL: So, under this initiative then, we
24 would have Jet Program recipients who would not be able to purchase
25 consumables and then some cohort of Jet Program recipients who would be able
to purchase consumables.

1 COURTNEY ARBOUR: In this next RFA, that is correct.
2 The idea here is that in the next RFA, we would indicate that because of some
3 donated dollars, that consumables would be allowable.

4 CHAIRMAN DANIEL: When the money runs out, because
5 I'm not exactly sure how many dollars we've allocated to this particular
6 function, we can't even ensure that everyone who's applying for a Jet Grant
7 or possibly a pre-apprenticeship grant, that the money would be hold out long
8 enough to fund everybody during that application period.

9 COURTNEY ARBOUR: We've talked a little bit about
10 how to spread the dollars based on the number of applications we think we
11 might have in both the Jet and the pre-apprenticeship program, we could set a
12 percentage limit. You know, a percent of your total asked could be used or
13 maybe a percent of the equipment dollars; 10% of that is one of the numbers
14 we were considering. We could also look and give a proportional share to
15 applicants if there were more applications that the dollars would allow for
16 at a 10% amount for instance. But we could at the staff level find a way to
17 stretch the dollars across the applications.

18 CHAIRMAN DANIEL: So, is it fair for me to
19 characterize it as you've not made that decision?

20 COURTNEY ARBOUR: We've made some early planning
21 decisions but if there was concern about ensuring that every application was
22 funded if they had a request, we could spread it differently. We first were
23 working with maybe a 10% award amount or 10% of equipment cost amount.
24 Again, that was an early estimate.

25

1 CHAIRMAN DANIEL: Okay. Is our thinking here that
2 after that round for which the IKEA dollars might be available, that we would
3 then shift back to our standing policy of not funding consumables?

4 COURTNEY ARBOUR: That is my understanding, yes,
5 that this would just be one-time donation that would be allowed with this
6 donation.

7 CHAIRMAN DANIEL: And there would be no
8 consideration giving to Jet applicants who (inaudible) or are just beginning
9 their project?

10 COURTNEY ARBOUR: Correct, this would be out of
11 scope for past RFA's. It wouldn't be included in the next RFA.

12 CHAIRMAN DANIEL: Do we have a sense of, in terms of
13 this effort, how many additional jobs it might create for having these
14 consumables?

15 COURTNEY ARBOUR: I am not able to answer that,
16 Chairman. I don't know how it would, these dollars actually go to the
17 training provider to support the cost of the training that is provided. So,
18 kind of other initiatives. There's a benefit to the employer but it may be
19 down the road.

20 CHAIRMAN DANIEL: My primary concern here is that
21 we can get people to work in a job that they want to have, there's unfilled
22 jobs. I work in Texas right now. There are people who are on unemployment
23 benefits that would like to go back to work and I'm trying to determine for
24 all of these types of initiative, just some idea of what we think this would,
25 how this would further that goal. For example, through our conversation here
today on pre-apprenticeship; I can see a link between someone participating

1 in pre-apprenticeship then registered apprenticeship, that's certainly going
2 to lead to a job. An employer's going to have a solid employee and another
3 Texan's going to have a great career path because of their journey through
4 the apprenticeship program. I can see that. I can appreciate that we might
5 not know the exact number. I'm having a harder time understanding how a one-
6 time funding of consumables on a small universe of a much larger ongoing
7 program is going to create more jobs for people or more opportunities for
8 people to get into jobs. I'm just looking for a little bit of the thinking
9 on that and maybe how that came together along those lines.

10 COMMISSIONER ALVAREZ: Chairman, if I may add on
11 some of the schools that I've attended on some of these grant presentations
12 or Jet Grant presentations, it's challenging for people in Hebbronville, San
13 Diego Texas to afford solder to helmet or boots or things like that because
14 the Jet Grant does not pay for that. My rationale was for those schools like
15 in Rockdale that don't have the luxury of having the funding to pay for
16 everything they need whether it's syringes or like I said, solder or some of
17 the other things. Really, this discussion for many years has been part of,
18 before Emily changed her last name, and the Jet advisory committees has
19 always been is the ways that we could increase the funding or make it
20 allowable so that some of those that receive IT equipment could purchase
21 software. So, when you talk about leading to jobs, you're providing
22 equipment that allows these individuals to continue their training and not
23 have to stop because they did not get soldering equipment donated in a small
24 town like Hebbronville or Alice, Texas or places like that. The other thing
25 is that I just can't imagine that the Jet Advisory Committee would not agree
to something like this, a one-time thing. I think this is a good initiative.

1 As I said, I compared this to some of the other initiatives that were being
2 done around the state and we were really good in the opening remarks by
3 referencing thinking outside the box. This is an opportunity as to use our
4 money as flexible as possible. If I was given a list of things that I could
5 do with (inaudible) sometimes I can't do it because of the restrictions I
6 have, in this particular case, I want to thank your office for working with
7 the IKEA folks for getting the money but I also acknowledge staff for working
8 so hard in how they were going to lay this out. So, my argument to this item
9 that you're talking about, it does not cover PPE equipment that TEA pays for.
10 It's more for things, as I've gone to different places for the Jet Grants
11 where they tell me, if I ask them, "If you had one wish, what would it be?"
12 and it's always been, God if you could just help us with some of the things
13 that we cannot pay for because the grant doesn't allow us to. So, one-time
14 infusion is not really a bad idea and it does help with training.

15 COMMISSIONER DEMERSON: Commissioner Alvarez, I
16 think it helps with training and Chairman, it's not going to lead to a number
17 of jobs. This particular item, you're purchasing disposable gloves, plastic
18 containers, syringes, those kinds of things. Those are not going to lead to
19 jobs, they aid in whatever it is that this either high school or community
20 college, their training aspects. That's where we are with this and
21 basically, we're not looking at it as consumables items, it's not the
22 equipment grant, it's something that when the Jet program, in this particular
23 instance was first started, a lot of individuals came in for consumables,
24 hard to track. Is it a consumable, is it not, etc.? Same thing with
25 Commissioner Alvarez is attempting, if it's Commissioner Alvarez, I'm not
sure. What's being attempted here is basically to address some of those

1 needs that were sought out early on using a one-time aspect. This IKEA is
2 definitely something different without a lot of strings tied to it and I
3 think that's probably the approach there but leading to jobs, not going to
4 see that in my opinion. There's not going to be a lot of jobs there, it's
5 items that adds to what some of those communities may have wanted. On the
6 staff side, I shared this with Courtney and those guys, you know you have a
7 one-time aspect. You want to make sure you don't confuse the message that
8 you had consumables, you don't have consumables, you have consumables but you
9 won't have it in the future. That message needs to go out if this is
10 approved, and then in the sense of (inaudible) I don't know if that's
11 (inaudible) in itself. That's on the staff side, I know the attempt with
12 this consumable, it's a one-time type aspect and it is basically what it is.
13 Basically, you know, disposable gloves, syringes, other things, boots that
14 Commissioner Alvarez mentioned, but it's not going to be equipment. The
15 (inaudible) program handles the equipment this is just simply a consumable
16 item period.

17 COMMISSIONER ALVAREZ: Aaron when you, or
18 Commissioner, when you oversaw this office and you would lead these meetings
19 with the advisory committee, Mario and many of those who were on the board
20 and informed us they were hoping at some point maybe we would even think
21 about using some of the Jet funding for consumables. So, that's been
22 referenced and it does lead to jobs. You cut off the solder in a small town,
23 that kid is not going to be in a lab. So, it does lead to jobs. These kids
24 upon graduation in those small towns are directly being employed right out of
25 high school with a credential keep in mind, with a credential. So, it does
lead to a job.

1 COMMISSIONER DEMERSON: Yeah, and so the training
2 that's taking place that's the job that it leads to, the consumables add on
3 to what they're doing in that respect and I think this particular is probably
4 this one-time, it is a one-time approach to that aspect. The debt advisory
5 board, yes, they were always excited about doing more for the community
6 colleges. Anything they could do to add to it, they wanted to do that. We
7 think at the staff level and determined that basically it's an equipment
8 grant program and we wanted to stick there and we think this initiative is
9 basically to address some of those.

10 COMMISSIONER ALVAREZ: It compliments it.

11 CHAIRMAN DANIEL: So fellow Commissioners seem to be
12 in support of the consumables. Why is that not TWC policy right now?

13 COMMISSIONER DEMERSON: I think our policy that we
14 have in a sense we're not supporting consumables is this one-time aspect is
15 something, that's the way I'm looking at this thing. It's a one-time aspect,
16 it's not going to be anything that's continuing. Now if the Jet Advisory
17 Board comes up at some point and says, you know what, we want to add
18 consumables, that's up to you guys as chair and that committee or that
19 advisory group would have to (inaudible) the legislative body that states
20 like to allocate funds for consumables. It's something that takes place on
21 both sides but my idea here, the generous donation by IKEA allows us great
22 flexibility with these funds and from that standpoint, when I saw this, I
23 didn't have a, I wasn't hard pressed against it. My only thing for the
24 staff, you guys are going to implement it and making sure that the messaging
25 is clear that if approved it's one-time and you don't get it confused in the
message that Jet allows consumables from that standpoint.

1 COMMISSIONER ALVAREZ: Chairman, I know that we've
2 had discussions with members and they have instated more than one member has
3 stated, would you all like to see more money go to the Jet Program. So, they
4 know that that is a win win especially when we have these events and we
5 invite them. They see that those are game changes in their community. I
6 have no doubt that if we do give money who knows, maybe we could implement
7 that. You oversee the advisory committee. Who's to say that this one-time
8 pilot program or program that we're going to put into place won't have an
9 effect on the advisory committee and say, hey, why not doing it?

10 CHAIRMAN DANIEL: Was it the advisory committee that
11 changed the policy from doing consumables to not doing consumables?

12 COMMISSIONER ALVAREZ: I don't think we've ever had
13 the ability to do consumables. It was just, they voted not to pay funds
14 consumables, it was just more of equipment.

15 CHAIRMAN DANIEL: (inaudible) as recently as 2017
16 consumables were permissible under the Jet program.

17 COMMISSIONER DEMERSON: They're consumables and I
18 tell you, they had things coming in consumable items that you probably said,
19 yeah, we probably shouldn't be paying for that. I think that's where a
20 decision was probably just made at the staff level to not do consumables from
21 that standpoint. The program was set out for equipment, it was an equipment
22 grant program and you kept yourself out of a lot of questions by sticking to
23 equipment in that particular case so again, these one-time funds from IKEA
24 are outside of the appropriations from the legislature and so, I think that's
25 what's been approached there. If consumables were something that the agency

1 or legislatures are interested in, that would probably be advocated at some
2 point and pushed forward. That's how that got taken out.

3 CHAIRMAN DANIEL: I'm completely unaware of any
4 legislative prohibition on consumables.

5 COMMISSIONER ALVAREZ: Probably none.

6 CHAIRMAN DANIEL: I've read the statute, I don't see
7 one. Yet, our policy is not to. My concern here, just so I can be clear, is
8 I can understand if you purchase equipment via a program for a school, new
9 equipment, for a new training program that, perhaps the first year's
10 materials that make that equipment run might be necessary. I'm going to
11 change the discussion a little and say if I bought myself a lawn mower, I
12 might send it with a full tank of gas so that you could get started
13 immediately. Alright, that oversimplifies it. If I bought a welder, I
14 might, you know, put some allowance in there for spools of wire for the
15 welder for some period of time to ensure that the things got off to the right
16 start. I think that's good policy, I think that our TWC policy on
17 consumables is probably not the best policy. I don't think that a budget
18 discussion is the place to introduce a policy change. If we want a policy
19 change, lets just execute a policy change. I think that all the rationale
20 for why consumables should be or not be included in a Jet Program Grant, I
21 think they lean toward certain consumables should always be considered
22 eligible under that grant. Let me tell you my concern here and it's very
23 specific. My questions regarding the sustainability of any of these
24 programs, I'm going to ask it every time on every one of these programs.
25 This one is the one that causes me the most concern for the agency. I find
it problematic for this agency to have one year of consumable eligibility

1 simply because IKEA was kind enough to make a contribution to the state. I
2 think that IKEA's generosity is amazing and I want to put it to good work. I
3 don't want to come back a year from now and have to tell the next group, no
4 consumables for you because someone else made a very generous contribution to
5 the state to ensure that people could get the kind of job that they're
6 looking for.

7 COMMISSIONER ALVAREZ: Chairman, let me ask you.
8 How is that any different than the \$2,000,000 that we're getting from TEA and
9 we're going to infuse \$2,000,000 this year and we may not do it next year?

10 CHAIRMAN DANIEL: That's an overall budgetary. This
11 is a very specific policy item.

12 COMMISSIONER ALVAREZ: Which could be used as a
13 pilot program.

14 CHAIRMAN DANIEL: It's not styled as a pilot program
15 here. Nowhere did we use the words pilot program. If this said it's an
16 experiment to see if this is going to work, if this is a good thing, if this
17 is an experiment for us to try to understand the parameters of the
18 consumables, Commissioner Alvarez, then I agree with you. But this needs to
19 be here in writing, this is not in this item, it doesn't say pilot program,
20 it doesn't say we're trying to sort out the best way to do this. If that's
21 (inaudible) today and the net result of this discussion is that's what the
22 (inaudible) of this is, then I'm leaning way more toward supporting it than I
23 was. I'm not looking forward to a conversation 12 months from now where we
24 have to tell the next group of people, no, simply because we made a one-time
25 decision. You make an excellent point.

1 COMMISSIONER ALVAREZ: I do know that this is just a
2 summary and we could always ask staff to come back with the data but I agree
3 with you, Chairman, on some of the remarks that you're making on these
4 things. But again, I just can't seem that if we have an opportunity here to
5 provide under-served individuals or schools districts with opportunities to
6 purchase equipment, consumables especially, why we wouldn't take advantage of
7 it especially if we were to bring this up to the advisory committee. I would
8 say they would probably be all in agreement at least I'm just hoping that
9 they would and say, we did it one time, and going back to the analogy that
10 you used. Let's assume you did buy that lawn mower but once you run out of
11 gas, you have no more, you can't cut the yard but if you get money from a
12 neighbor and says here's \$50 so you can cut the yard, that's no different
13 than if we were to buy IT equipment and the software is outdated. That was
14 kind of the rationale behind this as well. So, I'm going to be pressed hard
15 on this thing because I think it's a good initiative. We put a lot of
16 thought into the initiatives that we brought forth which were the pre-
17 apprenticeship and the consumables. We put a lot of thought and a lot of
18 work behind it. Not only with staff but with consumers, employers, school
19 districts, it wasn't something that we just drafted up or thought about. So,
20 I'm not sure what else I could add to that but I again, we have talked about
21 this for some time now regarding the consumables. I just wanted to make it
22 clear, it wasn't for PPE equipment. It was for things that kids that could
23 not afford that (inaudible) would not allow us to purchase the ability to do
24 it at a one time. If you look at the list that we have all of these
25 initiatives brought forth are all one-time things.

1 MR. SERNA: Courtney, I'm, excuse me, Commissioners.

2 Courtney, what's the total value of this one item?

3 COURTNEY ARBOUR: The consumables items is about a
4 million dollars.

5 MR. SERNA: Okay. And the points that the three
6 Commissioners have raised have been noted by staff so that if the
7 Commissioners agree and we move forward with this, we can use it as a
8 mechanism for determining whether we should come back to the commission in
9 the future with a recommendation on making a policy change concerning the Jet
10 Grants more broadly. Since this is for future grants, not retro active for
11 any existing grants. So, we can clearly say and clear message as
12 Commissioner Demerson has pointed out, that we will, this is a one-time
13 evaluation to determine the real value of adding that type of allowance, that
14 type of an expense to the grant because it doesn't adversely impact the
15 monies that were allocated and the commission has already said go forward
16 with this much for Jet for next year. So, Mr. Chairman, Commissioners, let
17 me say that it's a significant number but that if you agree, that staff will
18 use it to evaluate coming back. Now hearing all this conversation and I was
19 not, in the position that I'm in, nor was I engaged in the decision to either
20 allow it way back when or disallow it more recently, but I think with the
21 conversations that we've had and the feedback that I've heard, that staff
22 does need to have a mechanism for evaluating the usefulness, the one-time
23 usefulness, the first tank of gas in the lawn mower if you will. We would in
24 fact use this one-time infusion of funds for that purpose and come back and
25 report to the commission. Of course, we will report to the commission on the
results of all of the expenditures but very specifically on the impact that

1 it had and then the potential future impact on whether we should continue it
2 or not continue it. So, to your point, Mr. Chairman, though it wasn't
3 described as that, what I'm hearing is that if the commissioners decide to
4 advance it, that staff should consider it an opportunity to evaluate the
5 usefulness of that kind of expenditure.

6 CHAIRMAN DANIEL: I would go one step further and I
7 think this is something that's a merge from today's discussion, I think it
8 needs to be very clearly labeled that it is a pilot program, it is in essence
9 almost a study. Although, most the time studies have no action. This has
10 action. I can see how as a pilot program it would help us better understand
11 how consumables would impact the programs. I would want to know that we were
12 specifically listing it as a pilot program. That we were messaging it as
13 such and that Commissioner Demerson's caveats that this literally is for this
14 one program year for the both the Jet Program and I think the pre-
15 apprenticeship program. I would say that for a million dollars, which I do
16 have a question about how that dollar amount was assigned to that. But that,
17 that million dollars, if you split it between two programs meaning pre-
18 apprenticeship and Jet, it's just not going to go very far. I need for folks
19 to understand, this is a pilot program, it's trying to understand the
20 viability of this and there is no guarantee of consumable money going forward
21 into the future. I do think the commission needs to come back and revisit
22 this. This seems to be a complete and total policy measure for the
23 commission and one that it should take up. Perhaps now is not the right
24 time. If staff is willing to commit to those two things and the
25 commissioners would agree, I think that gives clarity and lessens the
expectation that somebody got something that somebody else just simply won't

1 be eligible for because it does make sense that when receiving such a
2 generous opportunity like this that IKEA has present to us, we might be set
3 to solve some other problems that we're seeing by lowering barriers for
4 people to get the kind of training that they need to get into the workforce.

5 MR. SERNA: Yes, sir. That's something that I can
6 assure you that we will do including coming back and reporting in very much
7 detail the results of this one-time study.

8 COMMISSIONER ALVAREZ: I have a question more or
9 less. Can we bring forth these proposals with the caveat that they're all
10 pilot programs because I don't think we want staff to go back and do a
11 discussion paper on this, do we?

12 MR. TROBMAN: No, I think that taking your guidance
13 from the (inaudible) today, we certainly will make the adjustments to our
14 plan moving forward and treat it as such and I think in ample clarity here
15 present it from this point.

16 COMMISSIONER ALVAREZ: I apologize when I read this
17 discussion paper and what was brought forth which little I got, there was no
18 reference of a pilot program but as I looked at all of these initiatives that
19 were brought forth, to me they all did look like pilot program type of
20 initiatives. I thought hey if they work, maybe we could fund them in the
21 future. So, that was just my take. In no way did I think that these were
22 going to be pilot programs but I didn't think it would hurt that if they did
23 work, the advisory would say hey, it worked, let's see what we can do to put
24 some money aside to fund these consumables. That was my take on this after
25 reading this and like I said, I didn't really get much of a discussion paper

1 on this particular item but what little I did know I did know that it wasn't
2 going to be used as a pilot program.

3 COMMISSIONER DEMERSON: Chairman, pilot versus one-
4 time. I don't know if there's a bid difference or whatever. I basically,
5 when I was looking at these things, is IKEA generous donation, one-time
6 opportunity to do some things. Some of the things that I'm interested in,
7 they're one-time. I'm not looking at it, if it does something, if staff says
8 they wanted to do that every year or so, so be it. We can go from there but
9 when I looked at pre-apprentice programs and consumables, it's a one-time to
10 be on consumables, again, I've stated this and been responsible for that Jet
11 Program, the messaging is going to have to be very important because you've
12 done some and you're done doing them. And so, you're going to have to message
13 out big time with that one-time generous donation from IKEA, one-time, I'm
14 not sure of the differences but for me, it's basically a one-time opportunity
15 and we move from that point.

16 CHAIRMAN DANIEL: My concerns fall down a little
17 bit along the same lines. The one-timers, I was okay with the one-time
18 project for one-time money. If I could, if there's any objections, certainly
19 I'll hear it, I don't want to dominate the conversation here, but just for my
20 view, if we're going to classify something as a pilot program, which I would
21 agree is appropriate under the circumstances, if I would classify it as a
22 pilot program or a one-time expenditure and it probably won't come back up.
23 I would do it this way, just so you know my thinking. Pre-apprenticeship, if
24 that is clearly labeled as a pilot program, I can understand why we would use
25 this source of money for that. Consumables, same. Pilot program, clearly
labeled, clearly communicated, expectations not managed but stated. This

1 would only proceed if it was (inaudible). Retail survey, retail data
2 analysis and online videos, the next three in line. I would consider those,
3 Commissioners, as a one-time only expenditure. I read that and I think the
4 intent is clear. Look, just between you and me and everybody who's on the
5 call today, I hope we're not dealing with the same workforce issue a year
6 from now that we're dealing with now in terms of trying to find creative ways
7 to ensure that jobs can continue to get created. I would love to go back to
8 the situation we had before where companies were finding their snitch here,
9 thriving, creating jobs, growing jobs and we were really focused on up-
10 skilling, re-skilling and filling the middle skills gap. How I would love to
11 get back to that. That is not the situation we find ourselves in right now
12 and the taxpayers are expecting us to work on these issues that we're dealt.
13 These three particular programs, I would view as one-time and if the economy
14 finds its stride like some of the numbers are indicating it might sometime
15 next year, we wouldn't have to come back and revisit those. My Texas
16 Careers, I think we should style that as a pilot program. This is a bit of
17 an extension from WorkInTexas.com, it's an experiment to see if there's a
18 better way to help match employees with employers. I'd stay style that as a
19 pilot program and I think the last one on the list, I would style as a one-
20 time expenditure. I think that offices and business are still making some
21 decision on how they're going to work with their customers and do that. If
22 we style them as such, that gives me a great deal of comfort in terms of how
23 we communicate this and how our expectations are communicated among our
24 customers. If you disagree with my characterization, let's talk about it but
25 I think putting those labels on there are absolutely critical for helping
people understand the nature of the money. They one-time expenditures are

1 exactly that. This is something that we're doing to address the current
2 situation that we find ourselves in, it is a unique set of challenges and I
3 think it requires a unique set of solutions. I think that there's merit to
4 the pilot programs. Apprenticeship, consumables and mytexascareers. I think
5 there's merit to using this generous donation to try something new, perhaps a
6 little bit innovative or perhaps something that's a departure from what we
7 usually do thinking that it might solve some problems and move forward. Have
8 I characterized that correctly enough for you to be satisfied that that was
9 my intent?

10 COMMISSIONER DEMERSON: I'll defer to Commissioner
11 Alvarez and then I'll comment if Commissioner Alvarez has anything.

12 COMMISSIONER ALVAREZ: You know, I wish we could
13 have said that at the beginning to be quite honest with you, Chairman. I
14 know you see the value in the ones we brought forward and if the motion is to
15 just 2, 3 and 6 which would be, I mean, correction, which would be
16 apprenticeship, consumables and mytexascareers job match and portals to be
17 pilot programs as a motion, and the other ones to be as a one-time, I mean
18 pilot program for those 3 and the other ones to be just a one-time, I could
19 approve that. I do have some questions regarding, do you want, number 6,
20 mytexasmatching portals. I thought it was good but we can discuss it if you
21 want to know when we get to that item.

22 CHAIRMAN DANIEL: I have additional questions but
23 let me share the floor. So, if you have questions, please this would be a
24 great time to do that. I'll let your questions, perhaps they're the same as
25 some of mine. Then I won't have to ask mine.

1 COMMISSIONER ALVAREZ: What is the difference
2 between the workintexas which is somewhat difficult as it is to some of our
3 clients to mytexascareermatch job portal? What is the difference between
4 what we have now? Is that going to make it confusing to what we have
5 available now to someone who's looking for a job and if it is, why didn't we
6 do it with the workintexas.com as currently being done? What makes it any
7 easier? So, if a legislature says why did you have to implement this, why
8 didn't we make it easier before?

9 COURTNEY ARBOUR: Commissioner Alvarez, that's a
10 great question. With our federal dollars, we are required to report a lot of
11 very specific information about mandatory participants. That is built into
12 the workintexas system so that we can meet our obligation under those federal
13 awards. Not everyone who is looking for work needs to go through that and
14 while we have hundreds and hundreds of people who do use the workintexas
15 system, right now we have people that are looking for work that have no
16 needed to go online and look for work for many years because of the pandemic.
17 So, the effort here is to create something that the look and feel is a lot
18 like workintexas honestly, but it's intended for those that aren't required
19 to provide all of the other information to be able to go in, very quickly
20 register and access the same jobs that are in workintexas. We are doing our
21 best and it's pretty intuitive where messaging throughout that new job portal
22 how they can access other services, how they can find a local workforce
23 solutions office if they'd like to find out about some of those other
24 programs that will then require the other information. Even pointing them to
25 workintexas for some of the other online learning tools. The idea is just
that they can go either place but if they're a user that wouldn't be

1 comfortable or understand some of those other federal requirements, then this
2 makes the job more readily available to them. All of the same jobs are in
3 both systems so no one is missing out.

4 COMMISSIONER ALVAREZ: But does that make it a
5 little confusing to the client? Doesn't that make it more confusing that we
6 have two now and then the other one is, just to make clarification in my
7 opening remarks, it allows us to be more flexible. Am I right, by using this
8 money?

9 COURTNEY ARBOUR: Yes.

10 COMMISSIONER ALVAREZ: Perfect, that's what I wanted
11 to hear. I just feel like, if we're going to talk about some of these and
12 we're going to fund them, I'm okay with it, I just felt like we were
13 replicating something that was already in existence but it's \$180,000, at
14 least to go over projected costs. I'm okay with it. If it was brought up by
15 someone and they felt like there was some value in it, I'm okay with this,
16 just like the other proposals that were brought forth.

17 MR. SERNA: Commissioner, very quickly. It is less
18 a replication and more just another entry point that is not as complicated
19 and that doesn't turn off someone because of all, as Courtney pointed out,
20 because of all the information we have to get from someone at the very
21 beginning. Even though we'd like to have it skinnied down, we can't because
22 of the federal requirements. We have customers that'll start and go this is
23 too much, all I want to do is see what jobs are available. So, we created
24 this other kind of cleaner version of workintexas. We're using the same
25 company that's running workintexas ran this very quickly. So, it provides
less a duplication and more another entry point for people who just kind of

1 want to, they're used to Indeed or BurningGlass or something else without all
2 the federal data. If we could ever get away from the requirement of all the
3 federal data then we could have just a single system. We haven't figured out
4 how to do that yet. This lets us help the most people as quickly as possible
5 to just find that next career as you point out or the next job until they get
6 to that next career.

7 CHAIRMAN DANIEL: It appears to me, Commissioner,
8 based on what Ed just said that I'm concerned about a similar thing that you
9 are in terms of duplication of effort obviously. That's something that we
10 should be mindful of. But it does occur to me in today's discussion that
11 workintexas might grow to be our most valuable tool for unemployment,
12 insurance benefits, recipients and our work requirements. It might be useful
13 to us to meet WIOA and perhaps TANF and other kinds of requirements that we
14 have on how monies can be used to help people who qualify for certain things
15 or another. I think something that I heard a lot of concerns about back in
16 March, April, May timeframe was that there were open jobs and we were not
17 necessarily, as a state agency, we didn't have an expedited way to
18 communicate. So many boards pioneered a thing call jobs now and I thought
19 that worked well. If this is an attempt to duplicate that effort, so that
20 we're not fulfilling some program that we're simply exchanging job
21 information between employers and potential employees, I could see that if
22 this pilot program is successful, that it would teach us ways to communicate
23 the difference between the two. I had some similar concerns as you as
24 today's conversation has really solidified for me that for all these things
25 that we're considering a pilot program, we really need to use this to answer
questions and use it for ways to find new ways for TWC to serve the Texans,

1 the 14 million that are in the Texas workforce and the folks that are still
2 in school and will one day be part of the workforce. So, I can see your
3 point and I think it's a valid point. I thi9nk in the spirit of pilot
4 programs, this is how we're going to learn to do some messaging. So, it's
5 going to be more than just Courtney's division. Perhaps it's going to be
6 more than Mary's division. This is going to be a communications effort for
7 the folks that work with Tom and others. I think it expands beyond today and
8 I really, we don't push out there often enough and so IKEA's generosity is
9 giving us an opportunity to do just that. That's a valid point but I think
10 it's one that in the spirit of pilot programs, lets push it and see what we
11 get. We may find something even better than that; right? And then we can
12 come back and talk about that as a commission.

13 COMMISSIONER ALVAREZ: Chairman, that's exactly the
14 way I approached these initiatives that were brought forth as either pilot
15 programs or one-time things. That's exactly they way I understood this so I
16 totally agree with what your statement was right now. Something may work,
17 something may not work. If it does, all good, prove me wrong but I
18 appreciate that and if it compliments our work in Texas as consumables would
19 be to Jet, I agree withit. One-time infusion, you know.

20 COMMISSIONER DEMERSON: Chairman, on item number 6,
21 mytexascareers job matching portal is something that I've stated early on and
22 I will continue to state, if it's a job seekers and employers match in that
23 aspect, that 600-1,000 jobs, whatever is out there, those jobs that we have
24 available in Texas, my hope is that it allow us to quickly match some of
25 those so that those numbers are going down, that we are actually putting
people into those jobs and we're not seeing all the jobs made available in

1 Texas where you have a Texan saying they can't find a job. We want to make
2 sure we match that as best as possible. When I heard about the job matching
3 portal, it was with that in mind, is the reason that we're coming up with
4 this particular item and so that's why I've been supportive.

5 COMMISSIONER ALVAREZ: As referenced earlier, we
6 already have something like that, the jobs now that boards do. So, again, I
7 just don't want to cause any confusion, I don't want to duplicate and we talk
8 about using taxpayer dollars. I don't want to duplicate something that we
9 already have in place, I don't want to have to answer why wasn't this
10 implemented the first time when you all rolled out workintexas. So, but
11 again because it's a one-time expense or as a pilot program and if it works,
12 it works. I'm okay with it. Again, I'm just talking to boards. Indeed
13 doesn't have 2 websites. There's no reason to think there's going to be some
14 confusion but as we referenced early on pre-apprenticeship, if it's going to
15 lead to jobs, what I'm going to ask staff is to report to my office, how many
16 people will be using mytexascareer job matching portal. If there's a way to
17 see how many people actually use that or workintexas.

18 CHAIRMAN DANIEL: Commissioner, could I expand on
19 that idea and just ask staff, off the rip here, to just tell us the metrics
20 they're going to use for each of these in the appropriate style of
21 (inaudible) so that we get an understanding of those. I don't see a need for
22 us to intrude on staff's work here by holding off on this or others trying to
23 come up with those metrics. So, these folks that work with us are
24 professionals and I trust their judgment here. I would like to know what the
25 metrics are and at least have the ability to perhaps volunteer some
additional metrics based on the folks I'm talking to and I know,

1 Commissioners, that you're in the same situation as I am. We talk with a lot
2 of constituents and a lot of constituent groups. Everybody wants something
3 different out of everything that we do but I think more importantly, IKEA,
4 who made the contribution in the first place might like to know our successes
5 here and I think that there is the potential to have a great story for TWC to
6 tell on how we used a generous contribution to pilot and pioneer something
7 that made an immediate difference and our program made and how we made some
8 changes to our programming moving forward. So, on that vein, if that is
9 appropriate, I just sort of put that out there and just say that they be part
10 of this. It's just understood that staff's going to brief us on the metrics
11 and we'll have a better understanding of that.

12 MR. SERNA: We will do that.

13 COMMISSIONER ALVAREZ: I'm okay with that, I think
14 it's a great idea.

15 CHAIRMAN DANIEL: I have some specific questions but
16 frankly, I think in the spirit of what we've done here by classifying things
17 as pilot programs and one-time expenditures and then this discussion on
18 metrics, that's going to answer my questions moving forward to my
19 satisfaction. In the interest in respecting everybody's time, I would table
20 the rest of my questions. I reserve the right to ask those at a future
21 point. I don't think it's going to inform the deliberations of this
22 commission any further by me continuing to ask my list of questions. I'm not
23 cutting off your debate, if you have additional comments and questions,
24 please do so.

25 COMMISSIONER ALVAREZ: I have an additional question
for Courtney. Go ahead, Commissioner Demerson, I'm sorry.

1 COMMISSIONER DEMERSON: No, you started with number
2 6. Go ahead.

3 COMMISSIONER ALVEREZ: Mine's going to be on.
4 Courtney, my question is to you and Ms. York. Is there a way to measure
5 performance or return on investment for retail survey, retail data analysis,
6 restaurant videos and helping businesses transition to teleworking workplace?
7 That's to one of the initiatives that we have here for videos.

8 COURTNEY ARBOUR: Commissioner, based on today's
9 discussion, we can answer generally but we'll do some work on the metrics
10 piece and come back to each of you to let you know what we think would be a
11 good measure of value. I know on some of this, we'll be able to, Mary may
12 want to speak to the survey but when we do the analysis, the telephone
13 analysis for instance and share that with businesses, the goal there is to
14 educate them and help them make decision on their marketing strategies. The
15 idea on a lot of these is information sharing and making sure they have,
16 because they're hard hit by this pandemic and have costs that they didn't
17 anticipate that we're trying to provide support by way of analytics to help
18 inform them. On the home project, clearly that funding would go through the
19 local workforce boards and they would be providing different supports to
20 businesses on stated need. We would intend to track, have the boards report
21 back to us the types of requests they were getting and the costs that had
22 been incurred and how they were providing support there. Actual outcome of
23 that, we need to think through what the metrics can look like on something
24 like the home initiative but we know we can trace the number of employer's
25 who've benefited and to what degree. And some of the common issues that were

1 coming up help us share information and other resources through the coming
2 months.

3 COMMISSIONER ALVAREZ: Courtney, what is a
4 restaurant video, how does that help a business in transitioning into
5 teleworking? Tell me what that means.

6 COURTNEY ARBOUR: Commissioner Alvarez.

7 COMMISSIONER ALVAREZ: I read the brief that you
8 gave me, I mean the discussion you had which again, wasn't much in detail but
9 tell me what that does and if the boards are already doing it now. I think
10 some boards do some of this already.

11 MARY YORK: I think I'll jump in with that. Mr.
12 Chairman, Commissioner Alvarez, Commissioner Demerson and Mr. Serna, Mary
13 York, the Director of the office of employer initiatives and to your
14 question, Commissioner Alvarez, the retail and restaurant videos are really
15 designed to help those businesses either ramp up or shift their operations in
16 compliance with health protocols and then changing consumer behaviors that
17 have resulted as part of the pandemic. So, we see that by doing these
18 things, producing these videos, that we hope the initiative will support
19 employers, help them be successful, help them retain employees by being able
20 to shift their service delivery methods and hopefully be forward thinking and
21 thinking about as we come out of the pandemic how have consumer behaviors
22 changed in ways that restaurants and retailers can continue to address.

23 COMMISSIONER ALVAREZ: Okay. No, the reason I ask
24 if because I know that we have some board areas, I referenced it last meeting
25 that (inaudible) is doing something like this with those folks who have been
dislocated as a result of this. Cameron County received an award where

1 they're doing some of this and Hidalgo County Judge used some of their cares
2 money to put videos and inform local retailers about this. I like it, like I
3 said. All these initiatives, there was nothing wrong with trying this out
4 and see if it works. But I just wanted to know exactly, again, people are
5 doing this already. I understand TWC doing it, it's a great way to market
6 our agency. No different than some of the other things that we've rolled
7 out. So, those are some of the questions I had.

8 COMMISSIONER DEMERSON: If I may, you mentioned a
9 few of those local boards that are doing it and that's good but this is a
10 statewide approach and so this will impact both rural and urban areas and
11 those that had the opportunity and funding to do those things that those
12 boards are doing. This is statewide in that aspect and it will serve all of
13 Texas from that standpoint.

14 COMMISSIONER ALVAREZ: And these videos, I'm
15 assuming, will be on our website.

16 COMMISSIONER DEMERSON: On our website, all over the
17 place. We're trying to give the employers the best opportunities to succeed
18 and those employers are doing that for their employees from that standpoint
19 and it benefits all of Texas in that respect.

20 COMMISSIONER ALVAREZ: Hey again, outside the box
21 thinking was, I enjoy what staff brought forward. This is certainly a lot
22 different than what a lot of other states did. I compliment them and so,
23 good initiative.

24 MARY YORK: Thank you, Commissioner.

25 COMMISSIONER DEMERSON: Chairman, I have to go on to
say that you mentioned a pilot and one-time aspects and I agree with your

1 placement of those items in those particular categories. My attempt with
2 IKEA was to be strategic approach initiatives 3, 4 and 5, that are of
3 interest to me deal with the not to IKEA. They're based in the retails face
4 and I thought that was very important from the retail operation actually
5 donating these funds to us and so those are my attempts to do that. They
6 were one-time in nature from that standpoint. I think to you point with the
7 metrics, Courtney, whenever we could get those, that's fine. You may not
8 find a lot of them on the retail survey, from that standpoint, that's
9 information and we need to do that. The data, the analytics as Courtney
10 mentioned are one to be just paramount of good interest to individuals as we
11 go forward and basically, addressing the two industries that were hardest
12 hit. Retail and restaurants from that standpoint, I want to (inaudible)
13 value to those areas.

14 CHAIRMAN DANIEL: Alright, any additional questions
15 or comments?

16 COMMISSIONER ALVAREZ: None here, Chairman.

17 COMMISSIONER DEMERSON: None here.

18 CHAIRMAN DANIEL: Alright, Ms. Arbour and Ms. York,
19 is this clear as mud or do you have what you need from us? We'll do a motion
20 here in a second.

21 COURTNEY ARBOUR: We have what we need, thank you.

22 CHAIRMAN DANIEL: Thank you very, very much for
23 indulging us in our questions. Is there a motion on this item?

24 COMMISSIONER ALVAREZ: Okay, bear with me Courtney
25 and see if I do this right because it's changing everything up from what I
originally had. I was just going to agree with what was approved but I want

1 to make some changes here. I move that we approve the proposed pre-
2 apprenticeship, consumables, mytexascareer job matching portal as pilots.
3 Retail survey, data, video and home as one-time expenditures as discussed.
4 And allow staff to make any funding adjustments to address the technical
5 aspects of the initiatives. So, it's the 3 that determine asked for to be
6 pilot programs, if I'm correct, and the rest of them to be one-time
7 expenditures.

8 COMMISSIONER DEMERSON: Let me make sure I'm clear
9 on this. I believe number 1 was going to be a pilot, number 2 identified as
10 a pilot, number 3, 4 and 5 identified as one-time, number 6 identified as a
11 pilot and number 7 identified as a one-time.

12 CHAIRMAN DANIEL: That is my understanding and that
13 is what Commissioner Alvarez's motion would do.

14 COMMISSIONER ALVAREZ: Yes, sir.

15 COMMISSIONER DEMERSON: With that, I second the
16 motion.

17 CHAIRMAN DANIEL: Been moved and seconded, we're
18 unanimous. If there's no further discussion, I'll say we're unanimous.
19 We're unanimous. Thank you. We're on Agenda Item 13, so this is discussion
20 and consideration of possible action on resource utilization for restaurant
21 recovery initiative to target disaster reliefs efforts and public health
22 emergency. (inaudible) those funded with temporary assistance for needy
23 family's funds.

24 DAWN CRONIN: Good morning, Chairman Daniels,
25 Commissioner Alvarez, Commissioner Demerson, Mr. Serna. For the record, my
name is Dawn Cronin with the workforce division and I'm here to present the

1 discussion paper on the restaurant recovery initiative. The discussion paper
2 which is posted online as a resource for the meeting provides greater detail
3 and has been briefed to your offices in the recent weeks. Business closures
4 and shelter in place orders combined with health and safety issues related to
5 the Covid-19 pandemic have impacted the restaurant industry with many
6 businesses having been forced to close or lay off employees resulting in
7 record setting unemployment claims. Required limitations on occupant
8 capacity and changes in both operating hours and modes of operation have made
9 it difficult for restaurants to open safely and stay open. To help aid the
10 state's economic recovery, the Texas Workforce Commission is particularly
11 interested in efforts that provide relief to employers and help get Texans
12 back to work. Many restaurants need assistance in adapting to these
13 difficult times. Industry needs include redesigning restaurants to provide a
14 safe customer experience, investing in new technologies, adapting business
15 operations and obtaining industry certifications from employees. As Ms.
16 Arbour described in the IKEA online video project, the restaurant recovery
17 initiative seeks to assist employers in adapting jobs to remote and
18 contactless operations and other service delivery trends such as online
19 ordering, curbside delivery, pickup and e-commerce platforms as well as
20 picking up customer service. The IKEA donated funds will be used to develop
21 the videos and webinars to facilitate this effort. Additionally, many
22 restaurants employers and Texas job seekers would benefit from basic
23 instruction and testing for industry required food handler permits and
24 desired Texas alcoholic beverage commission safe serve certificates.
25 Providing instruction and testing for these permits and certifications would
minimize expenses for an industry crucial to the Texas economy that was hard

1 hit by the pandemic and resulting shut down. IKEA donated funds may be
2 available to cover a portion of their cost of providing the instruction and
3 testing for permits and certifications required in the restaurant industry.
4 Additionally, temporary assistance for needy family for TANF funds are
5 available to strengthen and improve opportunities for our nation's workforce
6 in addition to helping employers hire and retain skilled workers. The use of
7 TANF funds to provide instructions and testing for permits and certifications
8 to workers in the restaurant industry ensures that Texas employers have a
9 work ready workforce as operations recover and expand. Staff is seeking
10 directions on making TANF funds available in an amount not to exceed \$500,000
11 to create and implement a restaurant recovery initiative. TWC will enter
12 into a contract with a service provider to provide instruction and testing
13 for food handler permits and TABC certifications at no cost to restaurants,
14 employees and those seeking a job in the restaurant industry. In an effort
15 to best leverage all available funding resources, and to preserve TANF funds,
16 staff also seeks latitude to reduce the available balance of funds donated by
17 the IKEA foundation and to brief commission offices on recommendation to
18 partially fund the restaurant recover initiative with remaining dollars if
19 available. That concludes my remarks for today and I'm happy to answer any
20 questions you might have.

21 CHAIRMAN DANIEL: Any comments or questions?

22 COMMISSIONER ALVAREZ: I'll let Aaron go ahead.

23 CHAIRMAN DANIEL: If you would be so kind,
24 Commissioner Demerson, as I recall, requested this from the (inaudible) and
25 staff is responding to his request. I think we'll give him the honors here
and then perhaps you and I might have some questions if that's okay with you.

1 COMMISSIONER DEMERSON: Thank you, Mr. Chairman and
2 Commissioner Alvarez and Dawn, thank you to the team for working on this
3 initiative. Our office has been working with the Texas Restaurant
4 Association, a number of business employers that are out there in this
5 industry. If you look at the numbers, it the one that's the highest hit in
6 regard to this pandemic. They've been in an up and down cycle with that and
7 something that I've learned over the years with these employers in
8 particular, how much they care about their employees in that regard and
9 wanting to keep them on board but can't do that and having to turn staff
10 away. Some of the restaurants have had employees for 15, 20, 30 years that
11 have been on their team. Family members that have come on to work on those
12 operations as well as so having to let them go has been a pretty heart and
13 soul. Opportunity or a way to assist that industry, we wanted to put this
14 initiative forward. The restaurant and food service industry have been
15 devastated by Covid-19. Prior to the pandemic, the industry was the second
16 largest private sector employer in the state and roughly 50,000 locations and
17 1.3 million employees and 70 billion in annual revenue to power our economy.
18 Also representing 51% of the Texas food dollar chain providing for our
19 state's food supply chain in a big big way but by April 30, 2020, Covid-19
20 has just pummeled that industry in big, big ways resulting in about 750,000
21 layoffs across the state and now an estimated 15% of the Texas restaurants
22 have closed for good leaving close to 200,000 Texans without a job. This is
23 a way for us to assist in that area doing what we can to put those folks back
24 to work coupled with that, some of the initiatives that have been done even
25 throughout (inaudible) development program, and I know the support that's out
there in regard to doing whatever we can to help the industry. So, the work

1 that been done at the local level, work that's been done at the federal
2 level, coupled and leveraged with what we can do at the state level goes over
3 very well for this industry. Chairman, as you mentioned, hopefully a little
4 bit down the line we won't be in this situation or in this position in this
5 one-time as projected these funds to help in that area will allow us to move
6 forward and we'll look back at it sometimes and be grateful and thankful for
7 what we've done at the state level to push this forward. So, thank you for
8 the opportunity to makes some opening comments and Dawn, again, thank you for
9 presenting discussion.

10 CHAIRMAN DANIEL: This would-be proper time for
11 questions or comments.

12 COMMISSIONER ALVAREZ: Chairman, I hope that the
13 industry, this industry that Aaron, Commission Demerson has identified
14 bounces back from the challenging times that we're facing. I agree with the
15 number and in some cases or I think might even be slightly higher than
16 stated. I certainly understand the value of this initiative rolling forward.
17 So, it's my understanding, Dawn, this is the first time Ms. Cronin, that I've
18 had an opportunity to talk to you and so it's my understanding we have one
19 million dollars left in TANF. Is that correct?

20 DAWN CRONIN: That's correct. In the TANF reserve
21 fund, one million dollars.

22 COMMISSIONER ALVAREZ: So, I'm going to ask the
23 Commissioners just to give this some thought. And so, earlier in Item 12 we
24 discussed that we have \$423,000 left as a result of the IKEA money. And
25 because this is, I would assume kind of like a one-time initiative as well,
or a program. I would be open for some discussion this this but since the

1 money we have, we're not even half the fiscal year, and we do not know if
2 we're even going to use this TANF money to meet any unforeseen circumstances.
3 I am not comfortable with using half of the remaining TANF statewide balance
4 which is the \$500,000 initiative when we're not even halfway through the
5 fiscal year. So, my question to the Commissioners is and to Courtney and Ms.
6 Cronin, would there be an opportunity for us to use the remaining balance of
7 the IKEA in the amount of \$423,000 plus change, \$629 to fund this initiative?

8 COURTNEY ARBOUR: Yes, sir. We believe and we're
9 asking for the latitude to look at the available IKEA dollars buying any
10 unforeseen technical adjustments necessary to the proposed IKEA projects
11 where costs may come in higher than initially anticipated. Would like the
12 flexibility to apply available IKEA donated dollars to this project.

13 COMMISSIONER ALVAREZ: So, I know that as stated in
14 Agenda Item 12 that this gives us some latitude and some flexibility on how
15 Commissioner Demerson and the Commissioners would roll out this initiative.
16 I would be open to using the money of \$423,000 plus change to fund this
17 program and I don't want really at this time to touch into the TANF funding
18 because again, we're not even halfway through the year and there may be
19 something that may come up that the Commissioners may want to use the money
20 for or staff may see appropriate. Because there are so many restrictions to
21 it, I just thought it would be a better opportunity because of the
22 limitations that IKEA money has that we could use, this would allow us some
23 flexibility on what we could do and could not do with the money...more could.

24 CHAIRMAN DANIEL: What's the price tag on this
25 initiative? It's not to exceed \$500,000 on TANF, what was your anticipation
on expended IKEA dollars? Outside costs, what are we looking at here?

1 COURTNEY ARBOUR: Are you asking what the
2 anticipated balance of IKEA is or are you asking what the anticipated cost of
3 this initiative would be?

4 CHAIRMAN DANIEL: I'm asking what the anticipated
5 cost of this initiative is?

6 DAWN CRONIN: We've asked for a budget of not to
7 exceed \$500,000. The cost of the permits is rather low and we anticipate
8 being able to serve thousands of Texans that need these permits and
9 certifications to maintain employment or enter employment and without knowing
10 exactly, it's going to be depending on how many people actually take
11 advantage of this opportunity.

12 COURTNEY ARBOUR: Commissioners, Courtney Arbour,
13 Workforce Division. If I might add one comment there, in the IKEA paper you
14 all just considered or those initiatives, the videos were intended, there's a
15 little over \$200,000 set aside for the videos and that would be focuses on
16 both restaurant and retail so there's a number of different outputs with
17 those dollars. I'd say probably about half of that also is part of this
18 initiative and what the ask would be Commissioner Alvarez we're in alignment
19 with what we were requesting in the paper is that after all those IKEA
20 initiatives are said and done that any dollars remaining would be leveraged
21 here to keep the TANF balance as high as possible.

22 COMMISSIONER ALVAREZ: Commissioner Demerson, on
23 this one, number two has as Courtney referenced, we do have videos and
24 surveys and all of that that are in the IKEA already funded so that's the
25 reason that I was asking if we could lower the amount, use all the \$420,000

1 to pay for the initiative, move the amount from \$500,000 to \$423,000 because
2 some of the things would be duplicated.

3 CHAIRMAN DANIEL: Commissioner Demerson, does it
4 matter to you, the source of funds or maybe was it (inaudible) TANF funds,
5 were we accomplishing something by using TANF funds?

6 COURTNEY ARBOUR: The options where we used the WIOA
7 or TANF dollars with any remaining IKEA dollars. TANF is the least intrusive
8 as far as documentation and recording of the federal options we have. If I
9 just could add, Chairman, the concern I would have about nailing down a
10 dollar amount for this is that if those technical costs of the videos or any
11 of the other more technical aspects of IKEA come in higher, you all approved
12 that we use some latitude in using a little more than planned to cover those
13 so that \$423,000 is as known today, Commissioner Alvarez, but it could go up
14 slightly as we really dig into these projects.

15 COMMISSIONER DEMERSON: Courtney, when you say it
16 could go up, that means the \$423,000 could actually be lower.

17 COURTNEY ARBOUR: That's correct. The cost could go
18 up so that \$423,000 number I gave you is based on our best estimates now and
19 the fact finding we've done.

20 COMMISSIONER DEMERSON: I think the lines,
21 Commissioner Alvarez is requesting is the IKEA dollars, we have a lot more
22 latitude probably to do some things there. What I don't want to do is to
23 jeopardize the \$500,000, up to \$500,000 in this request and so whatever the
24 combination there is, I'm fine with that. I just don't want to go down to
25 \$400,000 to \$300,000 because we've expanded a lot more money based on higher
costs associated with the IKEA project and so, whatever gets us to the up to

1 \$500,000, I'm fine with that. If that's \$100,000, \$200,000 out of TANF
2 because of what's happening on the IKEA side, then that's one thing. If the
3 costs are lower on the IKEA side which means you have more than \$423,000 then
4 utilize that as well. I think we've given in the motion staff the latitude
5 probably to the flexibility rather to do some things there. I don't have a
6 dog in the fight on which one my fight is that I want to do this for, I'd
7 like us to do this for this industry.

8 CHAIRMAN DANIEL: Here's my take on it. I actually
9 share Commissioner Alvarez's concern in terms of spending TANF dollars with
10 more (inaudible) efforts to go, I support this initiative. My idea would be,
11 we need to vote on this but my idea would be that we put this into the IKEA
12 list, it becomes an 8th item, it's funded at the level we believe it's funded
13 at all other items are reduced proportionally to accommodate this item, all 8
14 items receive funding consideration accordingly. That's how I would do it.
15 Perhaps you have another way and that's for your consideration as well but
16 that's probably enough about the initiative and why we need to do it. Let me
17 tell you something, these restaurant jobs aren't just career jobs for people,
18 they are that these are the jobs that so many people use to attend community
19 college or attend a four-year university while they get their degree. These
20 entry level hospitality sector jobs are absolutely to the state's economy.
21 It's what fuels community college enrollment, it's what fuels community, it's
22 what helps families put food on their own tables. So, in effort to help this
23 sector of the economy recover is definitely something that TWC should pursue
24 and I'll tell you, I'm double stoked about it because we've got an
25 opportunity here to do something that's a little outside the norm on the way
we normally handle things, from the presses the edges of the box a little

1 bit. This is an industry organized effort that we've been able to
2 participate in, this does so many things for this agency that we've wanted to
3 do for some time, and this is exemplified here and this particular
4 initiative. So, my concerns on the TANF funds and our ability to use those
5 funds to provide other relief efforts is equally but I'm so confident in this
6 particular initiative, I would be very willing to see reductions made in the
7 other 7 initiatives on the IKEA list to accommodate this one. That would
8 leave a zero balance but you don't need to worry about that balance anymore
9 because all the initiatives will be in one pot.

10 COMMISSIONER ALVAREZ: I may ask Commissioner
11 Demerson. It's actually going to be more than \$423,000 so your initiative,
12 the money that we have left over is \$423,000 and change. If you go back to
13 Agenda Item 12 which was the IKEA. Online retail and restaurant videos for
14 urban and rural businesses contracts not to exceed \$210,000. So, 623 and 210
15 is 600 and whatever, so actually it'll be more.

16 COMMISSIONER DEMERSON: I appreciate those comments.
17 Chair Daniel, your suggestion is the one that I appreciate even more and
18 along those lines, I'd love to entertain the initiative along those lines
19 where we place everything under the IKEA umbrella and reduce down the others
20 so we can come up to that \$500,000 for this particular initiative.

21 COMMISSIONER ALVAREZ: I agree as well.

22 CHAIRMAN DANIEL: Okay, so, any further comments or
23 questions?

24 COMMISSIONER ALVAREZ: None here, Chairman.

25 CHAIRMAN DANIEL: Commissioner Demerson?

1 COMMISSIONER DEMERSON: I'm going to move this
2 around because we've changed the source of funding in that sense. I move to
3 approve up to \$500,000.

4 CHAIRMAN DANIEL: Could I ask you to polish this
5 second?

6 COMMISSIONER DEMERSON: Sure.

7 CHAIRMAN DANIEL: This motion I think is a good
8 motion, Ms., Arbour, is this in any way a place an undue challenge on you if
9 this project or the other projects on the IKEA list?

10 COURTNEY ARBOUR: If I understand the motion
11 correctly, that will take a propriate amount of other to fund this, whatever
12 the motion is, I believe we'll be able to accommodate it.

13 CHAIRMAN DANIEL: Thank you, Ms. Arbour.
14 Commissioner Demerson, I apologize for the interruption.

15 COMMISSIONER DEMERSON: That's okay. I'm going to
16 try to get through this. I move that we approve up to \$500,000 from the TANF
17 foundation dollars for this restaurant recovery initiative up to \$500,000.
18 Moving this around in a sense, we're actually utilizing the TANF. We're
19 moving TANF dollars to IKEA and so, the motion is basically to approve up to
20 \$500,000 under the IKEA foundation program to support this restaurant
21 recovery initiative with those dollars. Commissioner Alvarez, are you

22 COMMISSIONER ALVAREZ: I agree with what you're
23 saying. I'm just a little concerned with the motion. Let me ask you how
24 this sounds, I wrote down what you had. I move that we approve the proposal
25 a direct staff to include this proposal in the IKEA proposals and maximize
those funding dollars. All of \$423,00 and whatever is left over, there is no

1 money left over, it's \$423,000 because you already have the videos in there
2 because of the IKEA, remember the \$210,000.

3 COMMISSIONER DEMERSON: Courtney, I wanted to make
4 sure, Dawn that we're clear on that in regard to what we're initiating.

5 COURTNEY ARBOUR: So, I'm hearing two things and I
6 would just add that on the technical aspects of the IKEA project, it may be
7 more difficult to just reduce by proportionate share. I'm not as familiar
8 because I haven't been working on those. Commissioner, so, we can make an
9 attempt and staff can go back and take a look and see if we can take a
10 proportionate share off to just fully utilize the IKEA dollars by including
11 the full \$500,000 for the restaurant initiative as proposed today and then
12 reducing some of the others. If we find that there are issues with the more
13 technical pieces of that, it might be that the RFA's are reduced to a
14 slightly greater degree. If you all would like to stay within the IKEA
15 amount to do this then we can bring some options after analyzing. Otherwise,
16 I think Commissioner Alvarez, what you're saying is use the rest of the IKEA
17 dollars and then just dip into the TANF dollars to the degree necessary.

18 COMMISSIONER ALVAREZ: No, no. My thing is again,
19 Courtney, Agenda Item 12 had \$210,000 for videos so in this particular
20 initiative that Commissioner Demerson wants includes videos, so we're redoing
21 it. So, I would say to maximize or utilize the remaining balance of IKEA
22 which is the \$423,000 because of the \$210,000 that already has the IKEA and
23 Agenda Item 12. So, it comes out to pretty close to if not exceeding the
24 \$500,000 very close to it. It's \$423,000. I'm sorry, the videos were
25 \$180,000, so it exceeds the \$500,000 because the videos are placed in both

1 agenda items. Agenda Item 12 and Agenda Item 13. Since we're moving the
2 IKEA funding to fund Agenda Item 13, you understand?

3 COMMISSIONER DEMERSON: So, what's happening here is
4 basically you've got \$77,000 short and so the Chairman's suggestion is
5 basically, let's go up to \$500,00 moving that into the IKEA foundation funds
6 and then reducing in other areas about \$77,000. That may be x amount of
7 dollars off of pre-apprentice, x amounts off of consumer, x amounts off home,
8 x amount of the portal, whatever that \$77,000 divided by maybe the other 5 or
9 6 of the items and so that allows for the funding of the restaurant
10 initiative up to \$500,000 and the videos and the like are separate. That's
11 my understanding, that's where we're trying to get.

12 COMMISSIONER ALVAREZ: Commissioner, I don't know
13 where you get the \$77,000 short. The money that we have left over for IKEA
14 is \$423,000. The money that's going to be placed specifically in videos that
15 was referenced in IKEA that you're asking for in this particular agenda item
16 is \$210,000 so total that is \$633,000. We've exceeded it by \$133,000. We've
17 exceeded what you're wanting.

18 MARY YORK: Commissioner, may I chime in and add
19 some additional details? This is Mary York from office of employer
20 initiatives. I did want to point out the video item that was in the IKEA
21 package was restaurant and retail so that video cost would be shared between
22 those 2 sectors and also, pointing out that any costs that have been briefed
23 to the offices so far are really estimates at this point because we really
24 felt like it would be premature to begin to work with a vendor to scope this
25 out until the commission actually viewed the agenda items and approved those
for us to move forward with. So, I do want to make sure that you understand

1 or that the entire commission understands that some of these numbers here are
2 estimates and as Courtney indicated, once we work out the more technical
3 aspects, those dollar figures could change. However, as Courtney indicated,
4 I think whatever you all's action is today, we will work within those amounts
5 and produce something that the agency can be proud of.

6 COMMISSIONER DEMERSON: As I go back, thank you,
7 Mary for that. As I go back to Chairman's suggestion in regard to up to
8 \$500,000 and videos is as Mary suggested it's retail and restaurant that up
9 to \$500,000 and we're actually down in the other areas and that \$77,000 is
10 between those other programs so that we approach this initiative with that up
11 to \$500,000 and not have it at \$423,000.

12 MARY YORK: Commissioners, if I wasn't clear. The
13 not to exceed \$500,000 amount in the discussion paper for the restaurant
14 recovery initiative is for the sole purpose of the instruction and
15 permitting. The videos that I've references in the discussion paper are
16 included in the IKEA project that Courtney laid out earlier. So, I apologize
17 if that's confusing.

18 COMMISSIONER DEMERSON: That's they way I understand
19 it, it's separate.

20 MARY YORK: Commissioner, may I jump in? I believe
21 it is around \$77,000 that would need to be, we could reduce the other
22 initiatives proportionately to come to that number to fund the restaurant
23 recovery.

24 COMMISSIONER DEMERSON: That's what I'm interested in
25 doing. That was the Chairman's suggestion as well.

CHAIRMAN DANIEL: That's correct.

1 COMMISSIONER DEMERSON: Okay, Mr. Chairman. So, do
2 we need a new motion on this or another motion or do we have the motion?

3 CHAIRMAN DANIEL: Let me hear that motion.

4 COMMISSIONER DEMERSON: Basically, that we approve up
5 to \$500,000 from the IKEA foundation source of funding and reduce the other
6 items accordingly to reach that \$500,000.

7 CHAIRMAN DANIEL: I think that captures the essence
8 of what we were talking about.

9 COMMISSIONER ALVAREZ: Mr. Demerson, would you be
10 okay with using \$77,000 from TANF funding then instead of touching what we've
11 done for IKEA? We put so much work in it already. I mean to take a little
12 bit here and there, can we just take the \$77,000 from TANF?

13 COMMISSIONER DEMERSON: I initiated in the front the
14 source, I don't mind. Basically, the not touching the TANF dollars were a
15 result of your comments to the Chairman.

16 CHAIRMAN DANIEL: Here's my take on this. We're
17 just reversing the source of funds. Rather than supplementing anything that
18 exceeded the TANF, the \$500,000 from TANF with IKEA funds, all we're doing is
19 dedicating \$500,000 or let's say \$400,000 and we'll supplement whatever else
20 is needed with TANF funds. Let's put the not to exceed on the TANF funds and
21 try and make it work out of IKEA funds. I don't want to wipe down the TANF
22 balance to something where we can't tackle a big problem two months from now
23 because we only have \$400,000 dollars left in there. I want to see as much
24 TANF dollars, I'm okay with seeing a proportionate reduction for the IKEA
25 funds but its Commissioner Alvarez says interest in using some small portion
of TANF funds to backstop something, I have no objection to that either. I

1 mean we're talking about a small amount of funds which still leaves a balance
2 healthy enough to do some real work with if something should come up and we
3 need to do that.

4 COMMISSIONER DEMERSON: I think if we go \$100,000 TANF
5 for and not to exceed \$100,000 out of TANF we're where we need to go.

6 CHAIRMAN DANIEL: If we do that, that obviates the
7 need to a proportional reduction from the IKEA funds.

8 COMMISSIONER ALVAREZ: Okay, so for the record, I'm
9 okay with that Commissioner Demerson and as long as we don't touch anything
10 that we've agreed on the IKEA proposals. I think that 23 of IKEA of the
11 balance left over and TANF not to exceed over \$100,000, I would okay with
12 that.

13 CHAIRMAN DANIEL: To be fair, Commissioner, this
14 commission made no decision as to dollar amounts in the IKEA expenditures,
15 just for the record. I think based on the information, Ms. York just
16 provided we may see some changes to that as well but it won't be related
17 necessarily to this project.

18 COMMISSIONER ALVAREZ: Okay, got it.

19 COMMISSIONER DEMERSON: Good clarity, Chairman.

20 CHAIRMAN DANIEL: Commissioner Demerson, you are
21 going to need to restate your motion. The intents there and I feel confident
22 Mr. Trobman could draw what he needs to draw from this commission hearing but
23 I think Mr. Trobman and me personally, would appreciate it if you would
24 articulate your motion.

25 COMMISSIONER DEMERSON: I'm trying to articulate my
motion, I move that we approve up to \$500,000. Let me restate this. I

1 approve that we move up to \$423,000 from IKEA foundation funding to
2 supplement in additional not to exceed \$100,000 from TANF funding for the
3 restaurant recovery initiative.

4 CHAIRMAN DANIEL: If Mr. Trobman nods his head along
5 with me, I think that satisfies what we all 3 just agreed to.

6 MR. TROBMAN: I think it does. Just to be clear, up
7 to the \$423,000 will allow staff to continue to make adjustments as
8 necessary.

9 COMMISSIONER ALVAREZ: I would agree to that.

10 CHAIRMAN DANIEL: Commissioner Alvarez, your
11 agreement, is that second or do you want to second it?

12 COMMISSIONER ALVAREZ: You can second it, sir.

13 CHAIRMAN DANIEL: Second it. Let's go ahead and
14 vote. I'm going to vote, I vote aye.

15 COMMISSIONER DEMERSON: Aye.

16 COMMISSIONER ALVAREZ: Aye.

17 CHAIRMAN DANIEL: Alright, it's unanimous.

18 COMMISSIONER ALVAREZ: Congratulations.

19 CHAIRMAN DANIEL: Thank you very much, gentleman.

20 Mr. Serna, where are we? Are we picking up Agenda Item 14 now?

21 MR. SERNA: Yes, we are.

22 MAHALIA BALDINI: Good morning, almost afternoon but
23 not quite. Good morning, Chair Daniel, Commissioner Alvarez, Commissioner
24 Demerson and Mr. Serna. For the record, my name is Mahalia Baldini with
25 Adult Education and Literacy. TWC adult education and literacy rule 805.43
requires the AEL advisory committee to submit an ample written report to the

1 commission. Here to present and answer any questions on the annual advisory
2 committee report with recommendations for the commission's consideration are
3 the newly elected presiding officer Donald Tracy with Austin Community
4 College and MaryJo Ochoa-Hernandez, the former presiding officer and member
5 who served two terms as committee member. I'll turn it over to Don and
6 MaryJo at this time.

7 MARYJO OCHOA-HERNANDEZ: So, hi Chairman Daniel,
8 Commissioner Demerson and Commission Alvarez. Before Don continues with the
9 summary, I just wanted to give some closing remarks. This will be my last
10 meeting and, of course, like Mahalia mentioned, I have served on this
11 committee for 2 years and I am very grateful for your alls opportunity to
12 represent not just El Paso but the individuals who serve with all students
13 through AEL the TWC funded program. So, thank you very much for again,
14 allowing me to see this other side of AEL especially being a representative
15 on this committee where there's so many different types of agencies and as
16 you all were discussing in the previous 2 agenda items, I think the
17 opportunity and the underlying theme of the report Don will summarize is
18 integration and I think that overhear in El Paso, we integrate with other
19 agencies because we're the only consortium serving adult education and funded
20 through you all. So, that's what I would recommend that you all continue
21 with an initiative especially that have to do with serving adult students and
22 whether they're funded by AEL or not. Open it up to as many individuals as
23 you can so that we can all use our expertise and be able to serve this
24 population and, of course, Texas and make it as efficient as possible. We've
25 always been an example for the nation and we continue to strive for that.
So, again, before Don continues with his presentation, thank you so much for

1 allowing me to speak right now and also be a representative for these last 4
2 years. Thank you and may you all have a very Merry Christmas and that's it.
3 Thank you so much.

4 CHAIRMAN DANIEL: Let me interrupt the proceedings.
5 MaryJo, thank you so much for your service and Merry Christmas to you, too.
6 Without volunteers like you, we don't get everything done that we need to get
7 done and I know there'll be a chance for all of us at the end to say thank
8 you but since you were so kind and gracious with your time for all these
9 years, I just want to make a special point of saying thank you to you and I
10 see some of my fellow commissioners nodding. Perhaps, they would like to say
11 something as well.

12 COMMISSIONER ALVAREZ: Yes, MaryJo (Socorro ISD,
13 number 1).

14 MARYJO OCHOA-HERNANDEZ: Yes, sir. Thank you so
15 much.

16 COMMISSIONER ALVAREZ: And thank you for what you
17 did and there wasn't one time when I didn't see a smile on MaryJo's face so
18 hopefully that will filter over to Donald Tracy. So, thank you for
19 everything.

20 MARYJO OCHOA-HERNANDEZ: Thank you, sir.

21 COMMISSIONER DEMERSON: Mr. Chairman, we have MaryJo
22 and Donald Tracv. Big difference. Thank you for all your work and that
23 smile just lights up a room and we appreciate the passion that you brought to
24 the team and pushing forward and so, it's not goodbye but we'll see you
25 around the corner. Thank you for all that you've done.

1 MARYJO OCHOA-HERNANDEZ: Socorro is an AEL provider
2 so we continue to strive for number 1 and also to continue serving Texas
3 workforce commission in Texas so thank you so much.

4 CHAIRMAN DANIEL: Thank you and we have other
5 volunteer opportunities available, I'll share those with you.

6 MARYJO OCHOA-HERNANDEZ: Be happy to, thank you so
7 much. We need representation from the far west area so, because we are a
8 unique community. Sure, anything that you all need.

9 CHAIRMAN DANIEL: Agreed, agreed. Back to the
10 program, where are we?

11 MARYJO OCHOA-HERNANDEZ: Go ahead, Don.

12 DON TRACY: Thank you, MaryJo. I appreciate your
13 comments and Commissioners, I appreciate the opportunity to visit with you
14 today and give you a little bit of an overview of our committee report we put
15 together for you for this year. I don't have my video so you'll have to miss
16 my smiling face I guess for a few minutes while I go through this report.
17 You know, obviously this year has been a real challenge for everyone and of
18 course, those of us on the committee experienced that as well. We have
19 members of our committee who come from all across the state and so, we had to
20 pivot a bit because of the Covid crisis that we've all been experiencing over
21 the last 10 months. What we ended up doing was 2 different meetings where we
22 tried to bring together voices from our employer partners, from workforce
23 development partners and also from adult ed and literacy providers from
24 around the state. What we wanted to do is carry forward some of the
25 recommendations or the recommendations from our 2019 committee report around
developing a statewide brand for promoting adult ed and literacy and engaging

1 employers through the integration of AEL services into corporate development
2 opportunities such as internships, apprenticeships, and literacy programs.
3 We also wanted to look at some of the services that have been delivered
4 through programming to special populations. Those programs that incorporated
5 AEL resources. So, as I've said, those meetings that we held, one in
6 December one in the fall, enabled us to bring employer workforce development
7 and adult ed and literacy provider points of view to the table. Sort of an
8 overarching recommendation that we continue to have is that the commission
9 continue to work and promote adult ed and literacy services as an integral
10 part of our economic development efforts here in the state and particularly
11 looking at how AEL programs can be integrated with other TWC programs and
12 support education and employment goals statewide. So, given those efforts
13 and those meetings, in looking at establishing a state-wide brand to promote
14 adult ed and literacy, this committee recommends continuing to promote and
15 market adult ed and literacy efforts in order to increase public awareness of
16 the opportunities afforded by these kinds of programs. I think it's
17 important to note that during the last 10 months or so, we've all had to
18 learn new ways of reaching out and connecting with people and I think that's
19 an important piece of this puzzle as well. I think there's a lot of good
20 learning that has happened across the state and we'll talk about this in just
21 a minute but I also think that generates an opportunity to look at best
22 practices on how to reach the populations we serve through adult ed and
23 literacy programming and to share those best practices. A second
24 recommendation that we have is around engaging employers for workforce
25 development opportunities and we continue to recommend that we establish and
support collaborative projects with adult ed and literacy programming that

1 led to employment through hands on training. I think that's a critical
2 component. Hands on training and maintaining a ready supply of skilled
3 workers for our industry partners whether in the retail or restaurant sector,
4 advanced manufacturing, IT, other sectors of the economy that are important.
5 We also suggested that there's some further support that's needed to engage
6 employers around pre-employment skill development including employability
7 skills or soft skills. That's going to be a really important piece and
8 finding ways to offer state funded apprenticeship programs through employer
9 sponsored partnerships will be an important piece of that. A third
10 recommendation that we have is around enhancing service delivery to the
11 special populations in Texas. We heard from a couple of different groups in
12 our meetings, sort of taught us the importance of multi-agency collaboration
13 if we're going to be reaching out to some of these special populations.
14 Let's say those with justice involved when incarcerated individuals or those
15 that are recently released. It's important this is a theme that I want to
16 really emphasize, it's important that a team of multi-agency approach be
17 developed for supporting these individuals. We also heard from, it was
18 Dollar General who had talked to us about internationally trained
19 professionals and the importance that AEL can provide in helping to build a
20 bridge to a good solid employment opportunity for those internationally
21 trained professionals. Our recommendation for 2020 is that the agency
22 continue to support coordination across agencies and elimination of
23 duplication of services of and braiding funding to gather and order and help
24 these special populations. So those are the big three recommendations that
25 we have around promoting a statewide brand for adult ed literacy engaging
employers, more closely in some of the projects and services that are

1 provided through adult ed and literacy programming and then looking for ways
2 to enhance service who live in these special populations. In addition to
3 those three big recommendations that we've had we've added a couple of more
4 to the list this is where I want to carry forward the team concept it is
5 critically important that in our locations are localities that we engage with
6 faith based and community based nonprofit community organizations build a
7 network of service support for individuals particularly those that we serve
8 through our adult Ed Ann literacy programs and so looking for best practices
9 around how those partnerships are built at the local level I think is going
10 to be a really important piece and the 2nd component what we've learned over
11 the last 10 months is how just how broad how wide the digital divide really
12 Is it's more of a digital Canyon and so looking for best practices that have
13 happened across the state in our adult Ed literacy system connecting with
14 individuals and helping to enhance and digital literacy skills so that
15 individuals are able to not only access services but access education and
16 training opportunities that help them grow that's going to be important piece
17 so in addition to our big three we've got two more recommendations around
18 building local teams with community based faith case the nonprofit
19 organizations an increasing digital awareness and so that sort of sums up our
20 report for this year and I'd like to turn it back over to you all if you have
21 any questions or suggestions on it.

22 CHAIRMAN DANIEL: Any comments or questions for Mr.
23 Tracy?

24 COMMISSIONER ALVAREZ: Thank you, Don for being
25 appointed a Chairman of the AEL Advisory committee I look forward to working
with you and thank you for all you do.

1 DON TRACY: Yes, sir. Thank you.

2 COMMISSIONER DEMERSON: and on I like that second
3 bullet where we're engaging employers I look forward to as I've mentioned
4 working with you guys in any way that I can as it relates to what year after
5 for employers here in our state.

6 DON TRACY: Thank you.

7 CHAIRMAN DANIEL: Okay, any additional questions or
8 comments? Ms. Baldini, I know Ms. Ochoa-Hernandez is leaving her role as
9 resigning officer, is there any other members departing the department?

10 MAHALIA BALDINI: We do, we have one other member
11 that will be departing and we've already had out last meeting of this
12 calendar year and that is Tiffany Johnson from Victoria College.

13 CHAIRMAN DANIEL: And so, same shout out to Ms.
14 Johnson for her service as Ms. Ochoa-Hernandez. It's hard work and it's all
15 volunteer, can't tell you how much we appreciate it. We appreciate
16 everything that you're doing.

17 MAHALIA BALDINI: Absolutely, I second that.

18 CHAIRMAN DANIEL: Thank you so much for a very
19 comprehensive report. We really appreciate it very much. Great things
20 coming out of AEL. Your staff is pretty energized, I know the commissioners
21 individually and collectively as a group. We're trying to squeeze every
22 little bit out of AEL, it's a critical program and we want to help as many
23 people as possible and we'll continue down that path. Anything else for
24 MaryJo, Don or Mahalia? Guys, thank you so much for your time today.

25 DON TRACY: Thank you.

1 MARYJO OCHOA-HERNANDEZ: Thank you, you have a great
2 day.

3 CHAIRMAN DANIEL: This will bring us to Agenda Item
4 15 discussion and consideration of possible action regarding submission of
5 report to the Texas workforce investment council, the Governor, the
6 legislative board and partners of the AEL strategic plan.

7 MAHALIA BALDINI: Good afternoon, again, it's me.
8 Good afternoon Chair Daniel, Commissions and Mr. Serna. For the record
9 again, Mahalia Baldini with adult education and literacy. In the adult
10 education and literacy strategic plan for fiscal year 2015-2020, the
11 commission outlined a 5-year vision for the AEL program in Texas. Creating 4
12 strategies that would support adult education and literacy meeting its
13 milestone of serving 20,000 students in career pathways by the year 2020.
14 The general appropriations act, specifically Rider 30 of the 86th legislative
15 session requires AEL to report on the progress of these goals and strategies
16 which are to increase workforce secondary and post-secondary education and
17 training outcomes, address demand, increase system coordination and
18 integration and to improve performance excellence. To date, the adult
19 education and literacy has served over 35,000 students and career pathways
20 surpassing this milestone. This report also outlines how Texas AEL has
21 continued to support these 4 strategies in serving workforce customers. At
22 this time, staff seeks direction on the submission on the 2020 adult
23 education and literacy strategic plan progress report to the Texas workforce
24 investment council, the Governor and the legislative budget board. Thank you
25 so much for your time this morning and I'm happy to answer any questions.

CHAIRMAN DANIEL: Any comments or questions?

1 COMMISSIONER ALVAREZ: No, Mahalia, great report and
2 I'm glad to see what we're working with Wyndham school and those individuals
3 that have been incarcerated with Don Tracy. So, thank you for that.

4 COMMISSIONER DEMERSON: Mr. Chairman, Commissioner
5 Alvarez, I'd like to and Ed, you guys and Mahalia for addressing the
6 legislative issues that were brought up a session ago. I think that's been
7 incorporated into this new report and we appreciate that.

8 CHAIRMAN DANIEL: Alright, thank you very much. Is
9 there a motion on this issue?

10 COMMISSIONER ALVAREZ: Yes, sir. I move that we
11 approve strategic plan for audit education literacy progress report presented
12 by staff to be submitted to TWC, the Governor, and the legislative budget
13 board.

14 COMMISSIONER DEMERSON: Second the motion.

15 CHAIRMAN DANIEL: Moved and seconded.

16 MAHALIA BALDINI: Thank you, Commissioners.

17 CHAIRMAN DANIEL: Thank you. Agenda Item 16,
18 discussion and consideration for possible action regarding the establishment
19 of a late refund penalty rate for career school or colleges pursuant to Texas
20 education code section 132.061E.

21 KERRY BALLAST: Good afternoon, Chairman Daniel.
22 How's this sound?

23 CHAIRMAN DANIEL: Good, you're very good.

24 KERRY BALLAST: Okay. So, again, good afternoon,
25 Chairman Daniel, Commissioner Alvarez, Commissioner Demerson and Mr. Serna.
For the record, Kerry Ballast workforce development division. Texas

1 education code 132.061 requires a career school or college to pay student
2 refunds within a 60-day period. Failure to do so requires the career school
3 or college to pay a penalty. Section 132.061 also requires the Texas
4 workforce commission to establish annually a penalty rate at a sufficient
5 level to act as a deterrent to the retention of student refunds. The current
6 250% rate has proven to be effective in encouraging career schools and
7 colleges to pay student refunds in the required timely manner. So, at this
8 time, staff seeks direction on the establishment of the late refund penalty
9 rate for calendar year 20/21 requesting that it remain at the current annual
10 rate of 250%. That's it, I am happy to answer any questions. Thank you.

11 CHAIRMAN DANIEL: Comment or questions?

12 COMMISSIONER ALVAREZ: None here, Chairman.

13 COMMISSIONER DEMERSON: None.

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

15 COMMISSIONER ALVAREZ: I moved that we approve the
16 penalty rate for late refunds at the current annual rate of 250%.

17 COMMISSIONER DEMERSON: I second the motion.

18 CHAIRMAN DANIEL: Moved and seconded, we're
19 unanimous. Thank you.

20 KERRY BALLAST: Thank you.

21 CHAIRMAN DANIEL: I'm informed staff has nothing to
22 report on Agenda Item 17. Agenda Item 18, this is our standing Covid item.
23 Mr. Serna, do we have anything on Agenda Item 18?

24 MR. SERNA: No, sir. We don't have anything to
25 report there.

1 CHAIRMAN DANIEL: Thank you. Agenda Item 19,
2 discussion and consideration of possible action regarding approval of local
3 workforce development board nominees.

4 SHUNTA WILLIAMS: Good afternoon, Chairman Daniel,
5 Commissioner Alvarez, Commissioner Demerson and Mr. Serna. For the record,
6 Shunta Williams with the workforce development division. Before you for
7 consideration, our workforce board nominations for workforce solutions
8 capital area, north central Texas, greater Dallas and Texoma. Staff
9 recommends that all nominees be approved and I'm here to answer any questions
10 you may have.

11 CHAIRMAN DANIEL: Any comments or questions?

12 COMMISSIONER ALVAREZ: None here, Chairman.

13 COMMISSIONER DEMERSON: None.

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

15 COMMISSIONER ALVAREZ: Chairman, I move that we
16 approve the board nominees for capital area, north central Texas, greater
17 Dallas and Texoma.

18 COMMISSIONER DEMERSON: I second the motion.

19 CHAIRMAN DANIEL: Moved and seconded. We're
20 unanimous.

21 COMMISSIONER ALVAREZ: Chairman, I have a question.
22 Can we take a quick break so we can use the facilities?

23 CHAIRMAN DANIEL: That is a reasonable request,
24 Commissioner Alvarez. Let's take a small recess.

25 COMMISSIONER ALVAREZ: Thank you.

1 would make it easier for employers to make deductions without written
2 authorization from employees. This could have the consequences of increasing
3 disputes between employer and employee. This proposal does not improve the
4 functioning of the Texas payday law.

5 CHAIRMAN DANIEL: My concern is not with the intent,
6 it's the construction of the language. I also think it's a bit permissive.
7 Not only should be abandon this concept, I would encourage us to take this
8 back to the drawing board and see if we can find a way to write this that
9 kind of moves these concerns about complotting law with regulation and
10 perhaps a court case before we ask somebody to make that into a law. So, the
11 concept I'm certainly in favor of trying to find a solution to,
12 unfortunately, the construction of this proposed legislative language does
13 give me some concerns.

14 COMMISSIONER DEMERSON: Can you hear me?

15 CHAIRMAN DANIEL: You were cutting in and out.
16 Let's try it again if you don't mind.

17 COMMISSIONER DEMERSON: Basically, for the
18 clarification of the payday laws what we're seeking. So, I move and if it
19 dies for lack of a second, we'll understand that and we'll move forward
20 accordingly.

21 COMMISSIONER ALVAREZ: Commissioners, at this time,
22 I do not support this proposal.

23 CHAIRMAN DANIEL: Alright. Let's take this one back
24 to the drawing board with no second. Let's not abandon this idea.

25 COMMISSIONER DEMERSON: Thank you.

CHAIRMAN DANIEL: Thank you, sir.

1 MICHAEL BRITT: Next, on page 15 of your packet we
2 have Commissioner Demerson's proposal related to clarifications that enable
3 approved over-payment recovery. Mr. Demerson.

4 COMMISSIONER DEMERSON: What I'm doing to do with
5 the improved over-payment recovery, I'm going to go ahead and pull that one
6 for now and move to our fairness or corrections reimbursed (inaudible). This
7 improved overpayment recovery item, I approve to pull that one down.

8 MICHAEL BRITT: Yes, sir. The next one, move to
9 page 17 which Commissioner Demerson is your proposal related to, as you just
10 mentioned, to reimbursing employers unemployment insurance tax liability.

11 COMMISSIONER DEMERSON: Thank you, Michael. In the
12 current law, reimbursing employers may be relieved (inaudible) only under 2
13 circumstances. Number one, the work separation resulting from a discharge
14 for misconduct connected with the work or B, the work separation was due to
15 the claimant resigning without good cause connected with the work.
16 Legislative remedy reimbursed employers would no longer be responsible for
17 paying for benefits from claims that should never have been filed or allowed
18 to proceed in the first place. Many reimbursed employers have been hit with
19 reimbursement for liability for benefits paid to claimants who filed
20 fraudulent or questionable claims even though they were still employed by the
21 reimbursing employer on the same (inaudible) as they were prior to the claim.
22 These problems can be addressed with 3 simple changes in section 205.0125 of
23 the act. For one, add a new subsection to verify the meaning of voluntarily
24 leaving work without good cause connected with the individual's work. That
25 term should be defined as any reasons for leaving that is unrelated to the
individuals work notwithstanding any of the exceptions to the

1 disqualification enumerated in sections 207.045 and 207.046. Number two add
2 a reimbursement liability exemption category pertaining to benefits paid out
3 for claims if there has been no separation from the reimbursing employer's
4 employment at the time the claim is filed. Lastly, add a reimbursement
5 liability exemption category pertaining to benefits paid out for claims that
6 were ultimately found to be void or mis-filed due to the claimant not being
7 unemployed at the time of the filing or else fraudulently claiming benefits
8 by concealing earning or employment in order to draw benefits. This change
9 in law would also go very well with both initiatives from Commissioner
10 Alvarez which I'm supporting.

11 COMMISSIONER ALVAREZ: Commissioners, because of the
12 additional cost to the trust fund, it's unclear on which situations this
13 provision may apply and reimbursing employers can elect to be regular charge
14 back employers and receive all applicable charge back protections.

15 COMMISSIONER DEMERSON: Commissioner Alvarez, what's
16 the cost to the trust fund?

17 COMMISSIONER ALVAREZ: So, we didn't have an
18 analysis this time but we had one done last time. We have it here, just
19 looking at the claim, remember, we didn't have one this time but last time we
20 brought this initiative up the trust fund cost would be one million,
21 correction, yeah, \$1,327,735 and an administrative cost of \$197,000. This
22 doesn't include the other types of separations that this may cost.

23 COMMISSIONER DEMERSON: So, \$197,000.

24 COMMISSIONER ALVAREZ: I'm just looking at it as
25 that perspective because of the trust fund. That's the only reason that I

1 felt this was. It is a good initiative don't get me wrong, that was my
2 concern.

3 COMMISSIONER DEMERSON: This goes in line with those
4 initiatives that you proposed as well initially and so, trying to find
5 protection for reimbursing employers, that's what we're trying to do with
6 this so that's the reason for bringing it up.

7 CHAIRMAN DANIEL: Can we get some clarification on
8 the cost to the trust fund? I'm not finding that in the materials that we
9 were presented.

10 COMMISSIONER ALVAREZ: So, we asked for this at last
11 session and we got the cost analysis and for some reason we did not get it
12 this time. So, that might be why you don't have it in your documents. We're
13 basing it off of what we got last year or last time this was proposed.

14 CHAIRMAN DANIEL: Can we table this so that somebody
15 can tell me what the costs are?

16 COMMISSIONER ALVAREZ: Yes, sir.

17 CHAIRMAN DANIEL: Yeah, lets table this one and
18 bring it back at the next available commission meeting with some additional
19 information about costs. Any objection?

20 COMMISSIONER ALVAREZ: None here.

21 COMMISSIONER DEMERSON: No objection.

22 MICHAEL BRITT: Thank you, Commissioners. That
23 concludes my presentation on this item.

24 CHAIRMAN DANIEL: Alright, I think that clears all
25 the agenda items 20. That's correct. Agenda Item 21, legislative report.

1 MICHAEL BRITT: Good afternoon again, Commissioners
2 and Mr. Serna. For the record, Michael Britt (inaudible) relations. Quick
3 update, as you're aware, last Friday Congress passed HR 8900, the further
4 continuing appropriations act of 2021 and other extensions. This bill
5 continued federal funding beyond its expiration last Friday until this
6 Friday, December 18. Congressional leaders are continuing to work on an
7 omnibus spending measure that will fund the federal government for the
8 remainder of this fiscal year. We will keep your offices informed as
9 developments occur on that legislation. That concludes my remarks and I'm
10 happy to answer any questions.

11 CHAIRMAN DANIEL: Any questions or comments?

12 COMMISSIONER ALVAREZ: None here, Chairman.

13 COMMISSIONER DEMERSON: None.

14 CHAIRMAN DANIEL: Alright, thank you. Mr. Serna, an
15 Executive Director's report.

16 MR. SERNA: Yes, sir. Two quick things, I know
17 we've been here a long time but I think these are relatively notable. First
18 off, and both of them are compliments to the TWC staff because despite
19 everything that they're working on, they still found time to contribute to
20 what I believe are two very worthy causes during the holiday season. The
21 first is Coats for Kids drive. I would like to note that TWC placed second
22 in the large organization category. I'm sure there's a way that we placed
23 first in some other category but in that particular category, we placed
24 second. My congratulations to the staff. Keep in mind that a large majority
25 of our staff are remote working so for us to contribute that level of coats
in the buildings meant that staff either came in to donate coats or the staff

1 that were coming into the office or are coming into the office donated a
2 significant number of coats. So, my compliments to the staff. I'd also like
3 to offer a special thanks to Kimberly Watson for her efforts to first of all
4 bring this program into TWC last year and then second for coordinating the
5 effort again this year here at TWC. So, I think that was very notable. The
6 second thing is holiday wishes. Partners for children and the Governor's
7 committee commission for women. TWC employees donated Christmas gifts for 99
8 children that are in foster care and combined with 33 other state agencies,
9 we provided Christmas gifts which included clothing and toys for almost 2700
10 children. So, TWC almost reaped 100, I'm not quite sure how we missed it by
11 one. If I had known, I'd have picked up one more but 99 children received
12 gifts and then again, collectively the 33 agencies 2700 children. In that
13 case, Jennifer Colehower on my staff coordinated out efforts there and we had
14 people bringing gifts in again, both people that were working remote as well
15 as in the building. So, again my compliments to the TWC staff for going a
16 little bit extra beyond everything else that they're doing to help people
17 that are less fortunate than us. That's all that I have to report, Mr.
18 Chairman other than to say to you and Commissioner Demerson and Commissioner
19 Alvarez, I wish you all happy holidays. I appreciate your support, the staff
20 and I appreciate you all's support and wish that you have a happy holidays
21 and we will see you next year.

22 CHAIRMAN DANIEL: Mr. Serna, thank you so much. I
23 would love to go on and on with you about Kimberly Watson but she's sitting 9
24 feet away from me and I don't want to say too many nice things about her. I
25 am absolutely amazed at the people who put in the hours that we've been
putting in here and still go out with their service organizations and do the

1 things that they do for the community. The unwritten stories are sometimes
2 are the best stories and I guess we're writing this one today on zoom but
3 that fact of the matter is that Kimberly and so many others here at TWC
4 frankly are models for the rest of us. If you want to see what true
5 leadership looks like, take a look at what some of these folks are doing for
6 our community here in Central Texas and I think you'll see an example of what
7 real leadership looks like. Mr. Serna, Merry Christmas to you and Happy
8 Holidays to all as we move out of here. Commissioners, is there anything
9 else or any other order of business to come before this commission?

10 COMMISSIONER ALVAREZ: Mr. Chairman, if I may say
11 something right now. I am truly blessed to be working for this fine
12 institution that we all call the Texas Workforce Commission. We do great
13 things and it's everyone working together. I'm so blessed to be working with
14 Commissioner Demerson and yourself, Chairman. And great leaders like Ed
15 Serna and all his directors and the staff and call center folks and everyone
16 at UI. Everyone's done such a great, great job and great work during this
17 obviously challenging times. So, I wanted to wish everybody a Merry
18 Christmas and again, I'm very blessed to be working for such a fine
19 institution and I thank the Governor for the opportunity to serve at this
20 capacity. I'd also would be remiss if I didn't acknowledge that Margie
21 Franks, after 42 years of state service has decided to retire and at the end
22 of the month she'll be retiring again, after 42 years of service. We're
23 going to miss Margie, we're going to miss her smile and we're going to miss
24 just everything about her. I'd also like to acknowledge her husband, Marcus
25 and her sons DeMarcus, Desire and of course, Denay for allowing us to share
Margie with them. So, again thank you, Chairman for the great work. I had a

1 great year even though we had some challenging times, I think we made a huge
2 dent in the economy of Texas and it's certainly obvious by all the companies
3 that are coming to this great state of ours. The workforce boards and
4 everyone that works for the agency. I commend them for their great work.
5 Thank you for allowing me to express, you know, my appreciation for the
6 agency and for the opportunity to work side by side with my fellow
7 commissioners.

8 CHAIRMAN DANIEL: Thank you.

9 COMMISSIONER DEMERSON: I echo all the comments that
10 have been made, Chairman and Kimberly and Jennifer, the coats and the foster
11 kids giving gifts. What a way to end a year and it's been a heck of a year.
12 We started out January (inaudible) February and March and the world started
13 changing in big big ways and where we find ourselves in December and just
14 commend the efforts on the entire team. Lot of heavy, heavy lifting when you
15 look back and I am delighted to have served in that role with our fellow
16 Commissioners, Chairman Daniel and Mr. Alvarez. I appreciate you guys big
17 time. We've been able to do a lot, move a lot of ways and I'm looking at
18 what the future is going to hold for us and new initiatives, new
19 opportunities and be looking forward to what's next. You guys stay safe and
20 have a very Merry Christmas and we are looking forward to a good, good New
21 Year as we, a better new year as Tommy said. A better 2021.

22 COMMISSIONER ALVAREZ: I miss Adam Leonard's
23 chocolates, he forgot to come by and give us some. He used to always do
24 that.

25 CHAIRMAN DANIEL: Well, mine were delicious. I'm
kidding, he didn't bring me any either, that didn't happen. Gentleman, thank

1 you so much for the opportunity to work together. So many interesting things
2 going on in 2020 and I know 2021 bring a new year. I know we have more work
3 to do for the rest of the week and probably into next week a little bit but
4 this is our last regular scheduled commission meeting for the year and so
5 this commission will not be meeting until 2021 and so, Merry Christmas to all
6 and Happy New Year. I'll put on my adjournment hat so if there's a motion to
7 adjourn, we can adjourn at this point.

8 COMMISSIONER ALVAREZ: I move that we adjourn,
9 Chairman and I look forward to seeing everybody next year. Oh, I love the
10 hat.

11 COMMISSIONER DEMERSON: He's just catching on to the
12 hat.

13 COMMISSIONER ALVAREZ: I didn't see you man, these
14 glasses are over the counter glasses, man.

15 COMMISSIONER DEMERSON: Let's not speak about
16 glasses. I second the motion.

17 CHAIRMAN DANIEL: It's moved and seconded to adjourn
18 and so we are adjourned. Gentleman, thank you.

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