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TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

PUBLIC MEETING )  
FOR THE TEXAS )  
WORKFORCE COMMISSION )

COMMISSION MEETING  
FRIDAY, AUGUST 23, 2019

BE IT REMEMBERED THAT at 9:00 a.m. on Friday,  
the 23rd day of August 2019, the above-entitled matter came  
on for hearing at the Texas Workforce Commission, TWC  
Building, 101 East 15<sup>th</sup> Street, Room 244, Austin, Texas,  
before BRYAN DANIEL, Chairman; JULIAN ALVAREZ and AARON  
DEMERSON, Commissioners.

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P R O C E E D I N G S

FRIDAY, AUGUST 23, 2019

(9:00 a.m.)

AGENDA ITEM NO. 1

CHAIRMAN DANIEL: All right. Good morning.

This meeting is called to order.

AGENDA ITEM NO. 2

CHAIRMAN DANIEL: Mr. Trobman, has anyone signed up for public comment?

MR. TROBMAN: Nope.

CHAIRMAN DANIEL: Thank you very much.

AGENDA ITEM NO. 3

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

No Discussion.

AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action Regarding Tax Liability Cases Listed on the Texas Workforce Commission Docket 34.

Cases were heard for Docket 34.

AGENDA ITEM NO. 5

1 Discussion, Consideration and Possible Action  
2 Regarding Fair Housing Cases listed on the Texas Workforce  
3 Commission Docket 34.

4 No cases heard on Docket 34.

5 AGENDA ITEM NO. 6

6 Discussion, Consideration and Possible Action  
7 Regarding Higher Level Appeals in Wage Claim Cases Listed on  
8 the Texas Workforce Commission Docket 34.

9 The Commission considered and took action on  
10 all wage claim cases listed on Docket 34.

11 AGENDA ITEM NO. 7

12 Discussion, Consideration and Possible Action  
13 Regarding Higher Level Appeals in Unemployment Compensation  
14 Cases Listed on the Texas Workforce Commission Docket 34.

15 The Commission considered and took action on  
16 all unemployment compensation cases listed on Docket 34.

17 AGENDA ITEM NO. 8

18 CHAIRMAN DANIEL: Okay, we're back in  
19 session. Let's move to Agenda Item 8, Discussion,  
20 Consideration and Possible Action Regarding the Report to  
21 the Governor and Legislative Leadership Offices Concerning  
22 the Estimated Unemployment Trust Fund Balance Pursuant to  
23 Texas Labor Code Section 204.061, and the Estimated  
24 Employment and Training Investment Holding Fund Balance  
25 Available for Transfer Pursuant to Texas Labor Code Section

1 204.123.

2 MR. TOWNSEND: Good morning, Chairman Daniel,  
3 Commissioners Alvarez and Demerson. For the record, I'm  
4 Randy Townsend, Chief Financial Officer.

5 Going to provide you a brief update to our  
6 Unemployment Trust Fund balance that we're estimating for  
7 October 1st of this year. I'll just briefly go through the  
8 history for the -- this last year.

9 We started off the year with a balance in the  
10 trust fund of just under 1.7-billion. We are estimating  
11 that we'll collect from employers about 2.4-billion to the  
12 trust fund. The payout at this point, unemployment benefit  
13 payout is estimated at just under 1.9-billion. Therefore,  
14 based on all that and a little bit of collected interest on  
15 the -- on the balance in the trust fund, we expect the  
16 balance in the -- to be 2.2-billion, just over, come October  
17 1st of this year.

18 Compared to the trust fund floor of 1.1-  
19 billion or so, we will be well over the floor, slightly  
20 under the ceiling at this point. So, all good news.

21 Let me also share with you the trends for our  
22 Employment and Training Investment Assessment, ETIA Holding  
23 Fund. That's holding fund account number 5128. We started  
24 the year in that fund with 172 million, and then we've added  
25 collections at 1/10 a percent on employers' taxes of about

1 111 million. So, we have the -- a balance in the trust  
2 fund, we're estimating, of about 280 million or so. And,  
3 therefore, since we're above the floor on the unemployment  
4 fund, we will be making the required transfers to fund our  
5 skills appropriation for the fiscal '20, '21 biennium.  
6 About \$44 million is the -- is the -- that's the  
7 appropriation amount for the skills.

8 Let me then also share with you the trends,  
9 back on the Unemployment Trust Fund, let me just share with  
10 you the trends for the last six weeks. This'll be a six-  
11 week average that was ending as of August 3rd of this year.  
12 The weekly benefit payout has averaged about 41 1/2 million.  
13 That's about 3.8 percent higher than it was a year ago at 40  
14 million.

15 The unemployment initial claims we're  
16 averaging 12,788 for the 6 -- last 6 weeks. That's about  
17 2.8 percent higher than initial claims from a year ago,  
18 which were about 12,445.

19 And then finally, on continued claims, we are  
20 about level with where we were a year ago, 122,000 or so,  
21 just under 123,000.

22 That concludes my report on the Unemployment  
23 Trust Fund this morning and the ETIA Holding Fund as well.  
24 If you have any questions or comment, I'll be happy to  
25 address those.

1 CHAIRMAN DANIEL: Commissioner Alvarez.

2 COMM. ALVAREZ: No questions, Chairman.

3 CHAIRMAN DANIEL: Commissioner Demerson?

4 COMM. DEMERSON: No questions. Randy, thank  
5 you guys for the briefing, the quick briefing, earlier this  
6 week. Thank you very much.

7 CHAIRMAN DANIEL: Is there a motion?

8 MR. TOWNSEND: This is actually just a  
9 briefing, sir. Yes.

10 CHAIRMAN DANIEL: Information Only?

11 MR. TOWNSEND: Yes, sir.

12 AGENDA ITEM NO. 9

13 CHAIRMAN DANIEL: All right. Let's see,  
14 you're also going to present Item 9, is that correct?  
15 Discussion, Consideration and Possible Action Regarding  
16 Fiscal Year 2020 Operating Budget and Statewide Initiatives.

17 MR. TOWNSEND: Yes, sir.

18 CHAIRMAN DANIEL: All right.

19 MR. TOWNSEND: Good morning again,  
20 commissioners. Again for the record, Randy Townsend, Chief  
21 Financial Officer.

22 On the 2020 Operating Budget, just what I  
23 wanted to lay out of you this morning is just the way we  
24 propose to present this to you. Previously the  
25 commissioners had adopted an initial budget, which was the

1 General Appropriation Act Budget that was adopted back in  
2 June or so. What I'm bringing for consideration this  
3 morning is -- has adjustments to that initial budget that we  
4 had proposed for 2020. And I will go through a high level  
5 on the proposed changes for your consideration this morning.

6 We'll go through that part, and then there  
7 will be a separate section we'd like to cover with you as  
8 part of this budget on the statewide initiatives for you  
9 this morning as well, so I'll touch on those as I go through  
10 the briefing materials this morning.

11 We have a Table of Contents for the Operating  
12 Budget. There's a series of exhibits that are included.  
13 I'll just cover the highlights of the budget. I'm going to  
14 be referring to page two of eight of your -- of your  
15 document there. The budget being proposed for consideration  
16 this morning totals all funds, totals 1,965,300,168, so just  
17 under \$2 billion. Almost 83 -- almost 84 percent of that  
18 amount, 1.6-billion, little over, is made up of federal  
19 funds. Largely childcare, Unemployment Trust --  
20 unemployment funds, TANF, et cetera, Voc Rehab, et cetera.

21 General Revenue, 195 million of the total  
22 budget of 2.2-billion, is about 10 percent is general  
23 revenue, and then the remaining amounts are made up of other  
24 funds, primarily inter-agency contracts for the most part.

25 Just by way of a little overview of the

1 General Revenue funds, the 195 million, over 60 -- about 60  
2 percent of that is matching funds, so pulled to match our  
3 Childcare Program Funds, and our Voc Rehab is primarily the  
4 predominate matching sources there.

5           There's also about 36 million that is set  
6 aside of the General Revenue that's appropriated to the  
7 agency to satisfy what is referred to as Maintenance of  
8 Effort. We have to maintain a certain level of funding for  
9 our childcare program, and then we also receive some  
10 Maintenance of Effort funds for our TANF Choices program.

11           So that's about 36 million, or 18 percent or  
12 so, of our General Revenue Funds. The remaining 43 million  
13 is mostly made up of programs like skills development, the  
14 Jobs and Education for Texans and apprenticeship, and  
15 there's a few other assorted programs that are funded with  
16 in our general revenue.

17           If you look at that 1.9, almost \$2 billion  
18 budget by the type of expenditure, 1.3-million of that will  
19 be grant pass-through funds. That is mostly allocated to  
20 our local workforce boards. You're going to see that later  
21 in a separate agenda item under allocations. Salaries and  
22 wages make up about 12 percent of our total budget of about  
23 236 million. And then we have Client Services and our Voc  
24 Rehab Program that at about 185 million to serve folks in  
25 that program that are eligible for those services.

1           There's a variety, about 195 million, set  
2     aside for other expenses. A good portion of that is either  
3     in technology and communication-supported costs, there's a  
4     schedule that, we'll show you that in a moment, and then --  
5     or facility support for our staff.

6           The -- just a kind of a recap of our  
7     strategies. The direct strategy of this \$2 billion budget,  
8     98 percent of it is in our direct strategies, about 1.7  
9     percent, or 33 million, is in our indirect strategy. So we  
10    do try to keep the indirect cost as low as we possibly can.

11          And then the final -- the final summary on  
12    that page two of eight is a recap of the total budget that  
13    is showing what I had mentioned to you as the All Funds  
14    Appropriated Budget of 1.96-billion or so. There's also  
15    employee benefits that are appropriated outside of that, as  
16    well as about 69 million that's appropriated directly to  
17    Department of Family Protective Services and Health and  
18    Human Services Commission out of our Childcare Block Grants  
19    to fund childcare at DFPS for their eligible and --  
20    children. And then there's also licensing and regulation at  
21    Health and Human Services Commission that's appropriated  
22    separately.

23          So that's a high-level overview of the -- of  
24    that proposed budget. We -- the change from the initial  
25    budget that was submitted back in -- approved back in June,

1 the General Appropriation Act, what the ledge [sic]  
2 approved. We're asking for just under 31 million increase  
3 to that. 25 of that -- million of that is federally funds  
4 where we had either additional funds from, example is Adult  
5 Education and Literacy, some childcare funds that carry  
6 forward, and then Voc Rehab funds is the largest portion of  
7 that.

8           And then, other funds which are the inter-  
9 agency contract receipts were about 5.6-million increase over  
10 the -- over the initial budget. So, most of this is  
11 actually increase in client services, and then there is some  
12 increase to the salaries that we're recommending to address  
13 some of the -- where we're having retention challenges and  
14 counselor -- I know we, in our Voc Rehab program, there's  
15 some counselor shortages there as far as being able to  
16 address our caseload and that sort of thing. So, there's a  
17 variety of things there that we're trying to address on the  
18 Voc Rehab side.

19           That's the high-level summary. I'll just  
20 pause for a moment, see if there're any questions related to  
21 that part, and I'll just give you a quick overview of the  
22 remaining schedules.

23           CHAIRMAN DANIEL: Commissioner Alvarez.

24           COMM. ALVAREZ: Chairman, during that part,  
25 no questions.

1 CHAIRMAN DANIEL: Commissioner Demerson?

2 COMM. DEMERSON: No questions.

3 MR. TOWNSEND: Okay. I'll just briefly go  
4 through what's remaining in your notebook. I think I  
5 briefed you individually on this, but just by way of a quick  
6 overview, on page three of eight, that's going to give you  
7 the look of the Operating Budget broken out by method of  
8 finance and then the type of expenditure, whether that's  
9 grant, salaries, et cetera.

10 Page four provides you that same summary of  
11 our Operating Budget on exhibit two by strategy. In this  
12 case it's showing you the method of finance. Federal --  
13 whether it's federal funds or General Revenue Funds, et  
14 cetera.

15 Page five of eight, which is exhibit three,  
16 is going to give you, again by strategy, the look of our  
17 Operating Budget broken down by the type of expenditure. In  
18 other words, grant, salaries, et cetera. What this page, on  
19 page five of eight, also does, it shows you the staffing  
20 levels, the fulltime equivalent levels.

21 I've tried to highlight for you the -- those  
22 largest strategies, and I've defined large in this case as  
23 being greater than 100 FTEs, fulltime equivalents. There's  
24 3900 that fall into that category in our 6 -- our 5 largest  
25 strategies, and so it's about -- almost 88 percent of our

1 total FTEs are made up of individuals in Voc Rehab, or the  
2 three UI strategies, or Employment Services.

3 Page six of eight is going to give you a look  
4 of our Capital Budget for the 2020 year, 109 million capital  
5 budget. I've highlighted the three new projects for this  
6 year that we received. Had requested exceptional items to  
7 cover, and they were approved for the upcoming biennium.  
8 The Unemployment Insurance Project -- replacement Project at  
9 40 million, the Workforce Case Management at almost 19  
10 million, and then the Eligible Training Provider Career  
11 School Project at just under 1.2-million.

12 I will point out to you on row seven and  
13 eight of that page six of eight, there is a WDQI is a  
14 Workforce Data Quality Initiative. We received -- we were  
15 fortunate enough to have received a request that we made for  
16 additional funding was approved by Department of Labor and  
17 is funding the WDQI Data Warehouse Enhancement Project as  
18 well as the Texas CREWS IT project. So that about a  
19 million-two in there of that projects are included in the  
20 Capital Budget. So that is a -- is a bump up from what we  
21 had originally received funding for with the additional  
22 federal funds.

23 Page seven of eight is the final exhibit,  
24 well, exhibit relating to the Operating Budget here. The  
25 195 million I had mentioned earlier on other expenses, this

1 will give you the detail, a little bit more detail, of the  
2 type of expenditures. Again, a lot of that 128 million,  
3 that is in categories that will be considered to be  
4 technology, telecom, communication related; and about 26  
5 million or so would be facility related source of cost out  
6 of that 195 million. So hopefully that gives you a little  
7 better sense of how that other expense breaks out for our  
8 budget.

9                   And again I will, before I get to the last  
10 item on the Operating Budget for the -- before we get to  
11 statewide initiatives, I'll pause for a second and see if  
12 you have any questions about any of those exhibits or -- at  
13 this point.

14                   CHAIRMAN DANIEL: Commissioner Alvarez.

15                   COMM. ALVAREZ: No questions, Mr. Chairman.

16                   CHAIRMAN DANIEL: Commissioner Demerson.

17                   COMM. DEMERSON: None here.

18                   CHAIRMAN DANIEL: Okay.

19                   MR. TOWNSEND: On page eight of eight is  
20 exhibit six. Do need to get your approval when we get to  
21 this stage, but I wanted to lay out for you the -- what  
22 we've got -- have included in this page.

23                   There's a Purchasing from People with  
24 Disabilities, which is included in the budget. There's a  
25 requirement in statute to collect -- to cover those costs.

1 And the way we do that, is we assess a fee to, in this case  
2 it's Work Quest, it used to be TIBH previously, we take a  
3 look at their net commission on contracts and determine the  
4 percentage that would be appropriate to fund -- to cover the  
5 cost of the -- of the program in the Purchasing from People  
6 with Disabilities.

7           The staff is recommending after looking at  
8 last year's amounts, which were set at 3.25 percent, and  
9 then looking at the budget for this year, which is just  
10 under 300 million, that 3.25 -- continuing with a 3.25  
11 percent management fee percentage would be, in staff's  
12 opinion, appropriate, and would recommend that for your  
13 consideration when we get to that -- to that stage of the --  
14 of the approval process. But I do have that documented here  
15 for your consideration this morning.

16           But before we get -- ask you for the final  
17 vote on that, I thought it would be helpful to now spend a  
18 few moments getting to the next part of the Operating Budget  
19 Packet on statewide initiatives. Unless you had questions  
20 about that management fee percentage.

21           CHAIRMAN DANIEL: Any questions?

22           COMM. ALVAREZ: No questions on that. Just  
23 that I agree with that.

24           MR. TOWNSEND: So on this -- okay. So on  
25 this statewide initiatives, I may have some folks from

1 program that will come up, and if you have specific  
2 questions. But I thought I would just highlight for you the  
3 schedules that are included for your consideration this  
4 morning, and to make a few observations for your  
5 consideration, and then if you have specific questions about  
6 the initiatives or the amounts being recommended or  
7 suggested we can certainly get into a little bit more of a  
8 discussion on those items.

9           There's various funding sources. I just  
10 thought I'd take them one at a time in terms of the  
11 programs. So I'm going to be -- I'm now on page two of nine  
12 of your statewide initiatives part of the schedule. This is  
13 the Adult Education and Literacy, AEL. In this -- for this  
14 list of initiatives there's almost 10.7-million that's being  
15 recommended out of the Operating Budget for the Operating  
16 Budget for Adult Ed statewide initiatives.

17           This is a combination of funding with federal  
18 funds, primarily, but there are about 2.4-million of state  
19 General Revenue Funds included here. The way to think about  
20 this I think it might be helpful just to kind of understand  
21 the big -- little bit broader picture on this. So the funds  
22 are available on -- federal funds are available on a program  
23 year basis, which means this past July would've been  
24 considered Program Year '19, PY19. These particular funds  
25 for Adult Ed are good for two years, so in this particular

1 budget we're including those funds that became available to  
2 us July 1st.

3           There's usually some kind of competitive  
4 process that we need to go through, an application process,  
5 et cetera. And so there's, you know, there is some timing  
6 that -- and so the earlier we can get commission approval on  
7 these initiatives to start that process of the procurement  
8 or competitiveness gives more time for then to alternate the  
9 grantees that are selected down the road to have time to  
10 perform those contracts. So that's one of the reasons.

11           But, at the same time, we recognize you may  
12 not have, at this point, ready to make all the final  
13 decisions so that we will usually, for these funding  
14 sources, provide a balance -- a reserve balance line so you  
15 know what you're working with for the remainder of the year  
16 as well.

17           So, in this case, out of that 10.7-million,  
18 we currently have almost 4.8-million. It's on row 12 of our  
19 AEL document there, 4.8-million is in reserve balance at this  
20 point. But there are several changes that have been made  
21 throughout those particular initiatives for your  
22 consideration this morning.

23           I will see if Jen, on this one, has anything  
24 she would like to add to the particular initiatives, or if  
25 you have questions, of course.

1 MS. TROKE: I was just going to run through  
2 each of the changes, if that would be of interest to the  
3 commissioners. Or if there are no questions on AEL, we can  
4 keep moving.

5 COMM. ALVAREZ: I have no questions on AEL.

6 COMM. DEMERSON: None here.

7 MS. TROKE: Okay, great.

8 MR. TOWNSEND: Thank you. Then I'll move to  
9 page three of nine, which is going to be your childcare  
10 initiatives. And on this one, also, let me provide to you  
11 just a little bit more background before we get into the  
12 specific initiatives here. In this case, the 2020 Operating  
13 Budget for statewide initiatives relating to childcare is  
14 funded at 56 1/2 million, it's a fairly large amount. Of  
15 course, the program is large as well. These are all  
16 federally funded childcare funds we're talking about.

17 In this particular case, on row 19, your  
18 reserve balance for 2020 is right now, if you adopt all of  
19 the proposed staff or amounts that are showing in the 2020  
20 column, you'd have almost 18 million still in a reserve  
21 balance for childcare.

22 Now there are some things on the horizon that  
23 are -- would be brought for consideration down the road, so  
24 there definitely be some future decisions that'll be  
25 necessary.

1 I'll also point out on row 19 that there's a  
2 balance remaining from the current year we're in, 2019,  
3 which will end here in a few days, of 51 million on the  
4 Childcare Quality Reserve, and then we also had another 15  
5 million set aside previously for the year of what we call  
6 Direct Care Contingency. So you're looking at 66 million  
7 from last year, and then plus this 18 million for this year.  
8 But I'll, again, I know we have some future discussions that  
9 I'll need to be addressing some of those amounts.

10 Just as, again, as a way to kind of give you  
11 a high-level overview of the childcare program. I know  
12 there's a lot being thrown at you this morning, but for  
13 childcare there's a minimum amount each state has to spend  
14 as far as their quality dollars, it's 12 percent of a total  
15 number. For Texas that number is right around 110 million,  
16 so there's about 900 million is subject to that 12 percent  
17 minimum quality. So you're looking -- we need to make sure  
18 we're covering, we're addressing, that quality initiative.

19 I've taken a look at how we are doing that  
20 outside of these initiatives here, and just kind of give you  
21 some sense of understanding about what -- how that adds up.  
22 We get some -- we get a lot of the -- we can claim a lot of  
23 the initiative are quality amounts out of the difference  
24 between what the Texas Rising Star childcare providers  
25 charge for childcare and versus the non-Texas Rising Star.

1 So that differential, I'm estimating, will probably amount  
2 to about 45 million for the upcoming year. So 45 of that  
3 110 million is going to be satisfied through that childcare  
4 differential.

5 We also are going to -- we're able to claim  
6 of the local match portion that the boards raise, which is  
7 roughly 43 million or so, about half of that. So we're  
8 estimating about 20 to 22 million or so will be satisfied  
9 through local match that the boards will raise, so that'll  
10 get you to 67 or so million.

11 In addition to that, the licensing that I  
12 mentioned earlier, briefly, that Health and Human Services  
13 Commission will -- is appropriated the childcare funds to  
14 conduct, is going to be another 20 million. So we're close  
15 to 90 -- to 87 million at that point. The -- in the  
16 allocations, when we come to that agenda item, there's 14  
17 million that's set aside at a -- statutorily for childcare  
18 quality for the board's allocation, so that's going to add  
19 up to about a 14 million amount as well, so that gets you to  
20 100 million right there.

21 There in this -- back on page three of nine  
22 now, that first row, you see TRS, Texas Rising Star staff  
23 support. That counts as quality, that's 10 million. So now  
24 we're at 110 million. And the final item, which is on row  
25 31, the State Center for Childcare, that -- most of that

1 counts as quality, so that's almost 12 million. So, to me,  
2 when I add all this up, we're at 122 million.

3 So I feel like as far as the minimum amount  
4 that we need to do for the upcoming year for childcare  
5 quality, we've -- we'll be able to satisfy that. That's not  
6 to say you can't still spend some of this, obviously, on  
7 childcare initiatives for quality that would count. That  
8 would be perfectly fine, of course, but I did just want to  
9 make sure you had that kind of big-picture view of how the  
10 childcare quality initiative kind of are laid out here for  
11 you this morning.

12 So, with that, and let me see if you have any  
13 questions about that first. I know that was a lot thrown at  
14 you there pretty quick, but --

15 CHAIRMAN DANIEL: Commissioner Alvarez?

16 COMM. ALVAREZ: Up to now no questions,  
17 Chairman.

18 MR. TOWNSEND: And then I'll see if Jen or  
19 someone has any additional comments on this. Okay.

20 Well then we'll move on to the Choices.  
21 Don't have a whole lot on Choices on page four of nine other  
22 than to just point out of the 16.6-million set aside for  
23 choices, statewide initiatives, about 10 percent of that  
24 1.6-million is available in reserve balance, so there are a  
25 few modifications to the -- to the amounts there.

1 I did want to bring -- I did want to bring  
2 one to your attention, though. I think -- let's see what --  
3 where's this? No, I'm sorry, jumping ahead of myself.  
4 It'll be the next page. I said on TANF Choices. Jen, do  
5 you have anything on that?

6 MS. TROKE: No, just to -- I will take a  
7 moment to walk through these, if that's okay with you all.

8 The first one Foster Youth Transition Center,  
9 75006, we are recommending an increase to that particular  
10 line item for \$150,000, and we're excited about that because  
11 it means we can fund an additional foster youth transition  
12 center in Harlingen. So just wanted to flag that for you  
13 all. That will bring it up to a total of 18 foster youth  
14 transition centers that work closely with our boards.

15 Also, for 75016, our Competitive Youth  
16 Robotics, we're excited about that staff recommendation. It  
17 actually, we're recommending we increase it to 1.5-million.  
18 It would allow us to award two grants. We have considerable  
19 interest and a high volume of applications for this  
20 particular competition, and we believe that if we can award  
21 this grant to organizations we'll expand our reach and be  
22 able to add additional competitive robotics teams.

23 For Camp Code for Girls, 75024, again, a very  
24 large demand for this initiative, and it's grown over the  
25 years. So Camp Code, if we could, we would recommend

1 \$150,000 increase so that we can meet that demand.

2                   And then, last but not least, Texas  
3 Internship Initiative. One of the things we know about  
4 statewide initiatives is that when they're brand new, as  
5 this one was, the number of applications that we typically  
6 receive is lower. And as people learn more about the  
7 initiative and understand it, we will, -- we anticipate  
8 receiving more. But for the meantime we want to right size  
9 that funding and decrease it by 400,000. Any questions on  
10 TANF?

11                   COMM. ALVAREZ: I do have a question, if I  
12 may, Chairman.

13                   CHAIRMAN DANIEL: Please.

14                   COMM. ALVAREZ: So we are decreasing the  
15 Texas Internship Initiative, T1 -- I mean, the one that we  
16 see here, 400,000. We were overwhelmed, as you know,  
17 commissioners, and fairly new to you, Chair, on the  
18 Workforce Career and Technical Education Specialist. It was  
19 a very competitive grant. We had interest from all the  
20 boards, if I'm not mistaken all 28. Only six were awarded.  
21 And due to the fact that we're decreasing one of these  
22 initiatives here 400,000, I would like to ask our  
23 commissioners if it's possible, I know that the RFA was  
24 closed on those six that were awarding, and what I'd like to  
25 propose is 600,000 to do another RFA in 2020 and change the

1 parameters to require a monetary match with an EDC or other  
2 entities. That way the local stakeholders have a -- are  
3 somehow involved in this directly.

4 If there is an agreement, I would ask that  
5 staff bring forth a discussion paper particularly on this.

6 CHAIRMAN DANIEL: Can you restate what you're  
7 proposing, please?

8 COMM. ALVAREZ: So I'm proposing that we send  
9 out -- we put out another RFA for \$400,000 for an additional  
10 Workforce Career and Technical Education Specialist. This  
11 may allow one or two more boards to actually receive  
12 funding. What changes this up is that I would like the --  
13 those that are awarded to partner up with an EDC or another  
14 entity.

15 MS. TROKE: And just confirming, 400,000 or  
16 600,000?

17 COMM. ALVAREZ: If possible 600,000, if my  
18 commissioners are okay with that.

19 COMM. DEMERSON: So are we asking for a  
20 discussion paper first to come back, or are we asking to do  
21 -- have staff go forward and issue an RFA automatically?

22 MS. TROKE: I believe that this morning, if  
23 you all are interested, we can have that conversation and  
24 you all can make that decision and approve it this morning.

25 COMM. DEMERSON: Good. Yeah. That's -- I

1 think, yeah. That's the direction I'd like to take. If  
2 that's okay with you.

3 CHAIRMAN DANIEL: Well. Commissioner, on its  
4 merits I certainly am intrigued by what you're proposing and  
5 would not be opposed to it on its face. I would like to see  
6 the concept a little more flushed out. Is it possible to  
7 take action on this at a future meeting?

8 MS. TROKE: It is. And that would be what  
9 Commissioner Alvarez is recommending, that we will bring a  
10 discussion paper forward that would have additional  
11 parameters for what the new RFA might look like.

12 CHAIRMAN DANIEL: Well I would -- I would  
13 certainly support bringing that forward as a -- as a policy  
14 of discussion for us to take action on.

15 COMM. ALVAREZ: So, if I'm correct, is the  
16 600,000 okay with you, Mr. Chairman and Commissioner  
17 Demerson?

18 COMM. DEMERSON: It's cool. Again, we're  
19 going to have a discussion paper, so we'll have an  
20 opportunity to look at 400,000, 600,000, and the like.

21 CHAIRMAN DANIEL: I would -- I would ask  
22 staff to look at it from both 400,000 and 600,000, and give  
23 us an opportunity to evaluate that.

24 COMM. ALVAREZ: I'd be okay with that.

25 CHAIRMAN DANIEL: I think both have merit and

1 both should -- both should be subject to our consideration.

2 COMM. ALVAREZ: I'm in agreement with that.

3 MS. TROKE: Okay, excellent, thank you.

4 MR. TOWNSEND: And the way -- and that will  
5 work just fine, because you have a 1.6-million reserve  
6 balance and so you can make that decision in a separate  
7 meeting.

8 COMM. ALVAREZ: Thank you.

9 MR. TOWNSEND: Okay, moving on. We finished  
10 with TANF, okay. Moving on to page five of nine, WIOA,  
11 Workforce Innovation Opportunity Act. And maybe let me also  
12 just provide a little background on this one as well.

13 So the 2020 Operating Budget at 18.8-million  
14 at this point is what we start -- we have set out. Of that  
15 18.8-million, almost 7.8-million is currently in reserve  
16 balance for the -- for this year, OF 2020.

17 Similar to Adult Ed, the timing on this is a  
18 program year basis. It starts in July. Different than AEL  
19 from the standpoint you have three years to work with these  
20 funds as opposed to two years on Adult Ed, so you have a  
21 little bit longer window.

22 I will say this, though, that from the  
23 Department of Labor's perspective, what they will -- how  
24 they'll measure states in terms of what they call obligation  
25 -- obligating the funds, they'll take a snapshot of all

1 state's balance each June 30th, essentially, and so to the  
2 extent you don't have funds, either expended at that point,  
3 or in contract, obligated, they will identify those states.  
4 Texas historically has been towards the top of that list as  
5 far as a balance goes. Which then, in the past, has caused  
6 challenges. Because then from the Department of Labor's  
7 perspective, administration's perspective, there's money  
8 that's not being used.

9           And so there's a balancing act here I  
10 realize. So I'm just saying that to say we've got a  
11 balance, that's a good thing, but then -- and we're working  
12 with new money here, so that's not a problem, but a year  
13 from now almost we'll be taking a look and seeing where we,  
14 you know, where our balance is for the State of Texas  
15 compared to other states. We're back up to -- they allow,  
16 and WIOA allow, 15 percent reserve funds state -- for  
17 statewide activities like this.

18           At one point that reserve got down to 5  
19 percent, mainly because states collectively, not just Texas,  
20 were not being able to demonstrate that they were using the  
21 funds. So I'm not saying do that to rush you here, I'm just  
22 saying that we ought to keep that -- we got to keep that  
23 balance in mind as we go through this list. So to the  
24 extent we know things we want to do today, that's good. To  
25 the extent we can make some decisions, you know, some way

1 similarly between now and June and get things in, you know,  
2 have time to get things in contract, that would be good as  
3 well. So I just wanted you to be kind of aware of that  
4 perspective a little bit as we -- as we take a look at these  
5 initiatives here.

6 With that being said, there -- think there  
7 might be a couple on here that Jen wants to highlight on  
8 this one, possibly, I guess. There's a couple increases  
9 here.

10 MS. TROKE: Sure. So for WIOA for 74005,  
11 Texas Science and Engineering Fair, we are recommending an  
12 increase of \$50,000 to support a more robust science fair  
13 and encourage additional participants.

14 For 74034, College Credit for Heroes, we are  
15 again just right sizing the funding. We need a million for  
16 grants and \$300,000 for a portal. And you'll see that also  
17 reflected in line 74060.

18 74058, Building Construction Trades, we  
19 actually saw a very high volume of applications and demand  
20 for this funding to train construction workers in Texas. So  
21 we're recommending \$970,000, excuse me, in funding for that  
22 one.

23 And then finally 79RWY, Red, White & You,  
24 we're recommending an increase of \$50,000. And those are  
25 the board events that are held every November, and they've

1 indicated they need slightly more funds to continue  
2 sponsoring those events as they grow larger each year. And  
3 I think that's it for WIOA. Any questions?

4 CHAIRMAN DANIEL: I did have a question. On  
5 74034, that's College Credit for Heroes, you're  
6 recommending, staff's recommending, a slight decrease due to  
7 demand. Does that still leave -- I understand you said  
8 there was a portal included in there as well, if I  
9 understood you correctly. Does that leave enough resources  
10 to conduct some additional outreach to see if we can improve  
11 some participation there, or alternatively, could you affirm  
12 for me that the participation's just simply a ramp-up  
13 period?

14 MS. TROKE: Well, and this initiative has  
15 been ongoing. I'm sorry, they told me to talk soft, so I'm  
16 trying to gauge the volume. This initiative has been going  
17 on for a while, and so this would be more grants to  
18 community colleges to do the translation in the transcripts  
19 for enlisted folks who are transferring and getting that  
20 college credit.

21 CHAIRMAN DANIEL: Okay. Okay, thank you.

22 MS. TROKE: Any other questions on WIOA?

23 COMM. ALVAREZ: I have a question  
24 specifically on this. I had an opportunity to travel to SMU  
25 with Emily Clodfelter on the Governor's Science and

1 Technical Champion Academy, where we witnessed 50 of the top  
2 students around the state at this competition. And here we  
3 allocated 100,000. What I'd like to do, if possible, with  
4 help of my commissioners, I would like to add 25,000 to  
5 match what we are allowing -- allotting for the Texas  
6 Science and Engineering Track, which is very similar to the  
7 one right above it. So from 100,000 to 125,000, an  
8 additional 25 which would provide possibly additional days  
9 there at the camp and more participants.

10 COMM. DEMERSON: Yeah. I've had an  
11 opportunity to work with this group as well. I know that  
12 we've had 100,000 for a number of years, and I thought that  
13 maybe coming in with an increased amount. I'm not sure they  
14 made the timeframe, or whatever, and it appears that they  
15 did make the timeframe. But I know there was a thought  
16 about increasing that at some point, similar to what we've  
17 done with the science fair.

18 CHAIRMAN DANIEL: So can we take up this  
19 change when we vote on the rest of the information that  
20 requires some decision here? Can we vote on this change at  
21 that time, or should we take it in pieces?

22 MS. TROKE: So what we can do is we'll --  
23 y'all will be voting on everything in this Statewide  
24 Initiative Packet, and we can add this addition, if y'all  
25 are in favor.

1 MR. TOWNSEND: It would be -- it'd be  
2 helpful, just first I have to keep it straight, if you have  
3 interest in either increasing that, or if you don't have any  
4 interest in the -- whichever way, it'd be good to know here  
5 so we know what to do with the -- with that line item. And  
6 then if you decide to bump it up, say, by the 25,000, we'll  
7 just reduce the reserve balance.

8 Of course, if you decide not to take action  
9 on it, then we'll just leave it as it's presented for that  
10 particular statewide initiative item.

11 CHAIRMAN DANIEL: Okay --

12 MR. TOWNSEND: If you're ready to do that  
13 one.

14 CHAIRMAN DANIEL: Hopefully I can do it this  
15 way, we know how Commissioner Alvarez feels, he made the  
16 request. Commissioner Demerson, you didn't seem to object.

17 COMM. DEMERSON: No. And I, honestly, I'd  
18 second it if it comes to a motion.

19 CHAIRMAN DANIEL: And I would concur as well.  
20 Does that satisfy things?

21 MR. TOWNSEND: Yes, sir, thank you. Were  
22 there any other items on WIOA that you wanted to cover this  
23 morning? Okay.

24 I'll just highlight briefly on page six of  
25 nine, this is our Employment Services Strategy, there's a

1 couple items on here, just to give you a little background,  
2 again on this one. There's the first two lines, the Women  
3 Institute, is General Revenue funded, 250,000 has been  
4 funded that way for a few years now. And then the --  
5 they're, these are both riders, the first two items, and  
6 then there's the employer community-based organization  
7 partnerships at 4 million. Again, those are two riders,  
8 there's no change on those from the Appropriations Act.

9           There is one request to bump up the Red,  
10 White & You funding by 50,000 to a total of 450,000 that's  
11 been included in your -- in your document here.

12           I don't know, Jen, do you have any extra  
13 information on that? Okay.

14           MS. TROKE: Okay.

15           MR. TOWNSEND: Okay. Unless you had  
16 questions I'll just keep moving.

17           Page seven of nine is just a summary of our  
18 Skills and Jobs and Education for Texans, JET Program. The  
19 overall budget for both of those combined is 27.9-million, 8  
20 million of that is JET. We were fortunate enough to receive  
21 our approval for our exceptional item requests, so we've  
22 gone from 5 million to 8 million for this year, coming year.  
23 And so the remaining almost 20 million or so, 19 million, I  
24 guess, is our skills program.

25           The thing I wanted to highlight for you this

1 morning is that we do have an estimated set-aside on row  
2 five for the Skills for Transition, transitioning veterans,  
3 set-aside of 2 million. It was something that was  
4 previously approved by commissioners as a -- as a target  
5 amount, essentially. If it's not needed for that -- for  
6 that particular purpose then it will just simply be granted  
7 as a regular skills grant at that point. And so it's just  
8 dependent on the demand for that type of a service. But  
9 that was a previous commission item that was approved.  
10 Obviously, you know, you as commissioners can decide if you  
11 would like to continue that or not.

12           The other item I'll highlight for you in row  
13 6, is a rider, 47, is collaborative partnerships. This is a  
14 brand new rider for this upcoming year of 250,000. I think  
15 there'll be some further discussions about this in a -- in  
16 subsequent commission meetings and briefings, just to fill  
17 you in on how this is -- it's kind of a -- it's a carveout,  
18 if you will, of our skills strategy, skills program, to  
19 spend 250,000 in a particular way that would probably  
20 require some kind of either request for application or a  
21 competitive procurement kind of a type of process. So we've  
22 got it budgeted for that purpose.

23           And then, finally, there's, I think, a dual  
24 credit -- there's a maximum amount of five percent of the  
25 Skills Appropriation can be spent for this purpose, and so

1 that's just reflecting that five percent calculation there.  
2 And that's the breakdown of our Skills and JET programs.

3 And then on page eight of nine, you will see  
4 all the existing -- I'm sorry. Yes, absolutely.

5 COMM. ALVAREZ: Excuse me. Before we move  
6 on, I have some questions regarding 20051, the Track for  
7 Transitioning Service Members. If I may talk about that at  
8 this point.

9 MR. TROBMAN: Please.

10 COMM. ALVAREZ: So, Jen, if you may, I see  
11 here that we've carved out \$2 million, and that was -- that  
12 was some time back we took action on that. I'm just  
13 curious, Jen, could you share with me the number of people  
14 we've trained on this grant since 2017? Both fiscal year  
15 '17 and '18. Could you tell me the number of individuals  
16 that have been served?

17 MS. TROKE: Yes. And, I'm sorry, I don't  
18 have my glasses, but I believe in 2017 it was 269, and in  
19 2018 it was 4, and currently it's 70, and those numbers are  
20 increasing.

21 COMM. ALVAREZ: Okay, so that's roughly,  
22 approximately, 273 individuals. I have another question.  
23 Do you know how much we've expended in 2017 and 2018?

24 MS. TROKE: In 2017 we expended \$369,000, in  
25 2018 it looks like 198 -- oh, sorry, \$8,000, and then in

1 2019 we're at \$197,000.

2 COMM. ALVAREZ: So what I see here just by  
3 the math that I have, we've recaptured some of this funding.

4 MS. TROKE: That is true.

5 COMM. ALVAREZ: So for fiscal year '17 we  
6 recaptured almost a million dollars, \$963,626 we recaptured  
7 in both 2016 -- I mean, 2017 and 2018.

8 MS. TROKE: Correct.

9 COMM. ALVAREZ: Okay. And so I know we're in  
10 the process of doing this again, do you know how many we --  
11 how much we have expended in 2019? I'm just curious since  
12 we're in contract year 2019.

13 MS. TROKE: So in 2019 out of \$775,000 in  
14 grants, we have expended 197,338.

15 COMM. ALVAREZ: And so, again, that shares  
16 with me approximately that we are recapturing about 577,000  
17 roughly.

18 MR. TOWNSEND: Commissioner Alvarez, if I  
19 may. Recapture, I guess, in once sense is correct. But in  
20 the other sense on how we actually operationalize this, I  
21 mean, the set-aside is 2 million. To the extent it's not  
22 needed in that -- in for that part of the program that's  
23 been approved by the commissioners. At the end of the year  
24 in our Skills Program we'll take a look at all the demand we  
25 have for the Skills grants, and to the extent we're not

1 needing it for Skills for Transitioning Veterans Program  
2 then we'll just -- it will go into our regular Skills  
3 program as grant.

4 COMM. ALVAREZ: That's correct. So I just --

5 MR. TOWNSEND: So we're not losing the money,  
6 in other words.

7 COMM. ALVAREZ: And I understand that.

8 MR. TOWNSEND: Okay.

9 COMM. ALVAREZ: Thank you, Randy. I  
10 appreciate that you clarifying that for my fellow  
11 commissioners. And, as you know, the Skills and the JET  
12 programs have done amazingly well, actually. They've done  
13 great. And so, with that, I'd like to make a comment that  
14 because we've never actually hit the 200 -- the 2 million  
15 mark, that a comment from my office would be that we lower  
16 the set-aside from the 2 million to 500,000 for fiscal year  
17 2020. Because we've never hit 500,000. I don't know if  
18 you'll want that, commissioner.

19 CHAIRMAN DANIEL: Thoughts Commissioner  
20 Demerson?

21 COMM. DEMERSON: I think the programs trying  
22 to get a start are so -- and to come up with the dollar  
23 amount right now, I'm very comfortable with the fact that  
24 they have up to 2 million, if it's not used it goes into the  
25 Skills Program and skills is utilizing that.

1 I do understand where Commissioner Alvarez is  
2 going in terms of looking at this program. We do need to go  
3 look at is \$2 million the mark we need to be at. I don't  
4 know if 500,000 is there. I think we need to go back, look  
5 at staff at maybe a million dollars. They're starting to  
6 ramp up in some major ways with the program, and so let's  
7 see where we fit.

8 There's this history, from what you've  
9 mentioned, with what we've done in the past. But rather  
10 than hitting the \$500,000 number and making that decision  
11 here, I would prefer that we give it some time to think  
12 about that. If I -- if there were -- if we were looking at  
13 reducing something, going to 500,000 I probably wouldn't  
14 want to do. I would probably look at a million, or  
15 something like that, based on where we've been from a  
16 historical standpoint, and I know the ramp up that they're  
17 doing. Also the program is an important one, and I don't  
18 want it to be seen as a slight to the veterans that we're  
19 serving with this particular program.

20 COMM. ALVAREZ: Commissioner Demerson, I  
21 totally agree with you.

22 COMM. DEMERSON: Okay.

23 COMM. ALVAREZ: And I'd be willing to go a  
24 million dollars, from two to one.

25 COMM. DEMERSON: Okay. Yeah, we're -- yeah.

1 And that would be based upon the historical nature and  
2 trends of the use of the funds. And I think if we got it to  
3 a three-year track then -- and we're looking at that. But I  
4 definitely wouldn't want to go down to 500,000 or anything  
5 like that.

6 COMM. ALVAREZ: I'd be okay with a million.

7 COMM. DEMERSON: And, basically, right sizing  
8 it based on historical numbers, and then shoring it up  
9 through the skills program would probably work.

10 COMM. ALVAREZ: And, Commissioner Demerson,  
11 if I may add, if we were to continue seeing success I'd go -  
12 - I'd be more than happy to increase it back to 2 million.

13 COMM. DEMERSON: Right. Yeah.

14 CHAIRMAN DANIEL: Just so I understand, so  
15 how long -- at what -- what is the trigger point for the 2  
16 million to be sort of put back into the regular Skills  
17 Development Program?

18 MR. TOWNSEND: Yes, sir. Well, of course,  
19 August 31st is our end of the state fiscal year, as you well  
20 know. So what we typically do, we know what the number of  
21 skills grants we have in the month of August that -- and  
22 what the available funding is left over at that point. So  
23 essentially what happens, we take a look at what is needed  
24 for the Skills for Transitioning portion, and then  
25 whatever's not needed there, then we can just fund that much

1 more in -- out of, in this case, 19 year skills grants, as  
2 opposed to then having to push those into the 20 year. So  
3 it's just a matter of taking a look at that snapshot  
4 whenever -- late in the fiscal year, at that point, is the  
5 operational part of it, anyway.

6 CHAIRMAN DANIEL: Well let me -- let me react  
7 to Commissioner Alvarez's idea here. So on its merits I'm,  
8 I'd have to admit, I'm a little uncomfortable moving the  
9 mark on what is a veteran's program. It's a particularly  
10 important program to me. I think that in this state given  
11 the sort of the presence of the military and the number of -  
12 - number of troops that muster out here and enter the  
13 workforce, you know, we want to be prepared to help these  
14 individuals in any way that we can.

15 Having said that, and I certainly think that  
16 Commissioner Alvarez agrees with my sentiments on that, as  
17 does Commissioner Demerson. Commissioner Alvarez, makes a  
18 good point in the sense that we're holding this money, and  
19 historically we've just not seen the use even with the  
20 increased use that we're seeing over the fiscal year that  
21 we're not completing, which I believe that Commissioner  
22 Demerson has confirmed that.

23 I'm comfortable if staff can assure me that  
24 we have flexibility. If all of the sudden we get really  
25 good at this and we surpass the million-dollar mark, if we

1 can move some money back to that, you know, I'm comfortable  
2 moving the mark to a million. History would tell me that's  
3 probably where we are. If that's the case, then I would  
4 concur with Commissioner Demerson, and I believe it would be  
5 up to Commissioner Alvarez to concur at the million-dollar  
6 level as well.

7                   COMM. ALVAREZ: I would be okay with that,  
8 chairman.

9                   MR. SERNA: Randy, could we set this  
10 additional million to some kind of a reserve and come back  
11 mid-year, report to the commission on how that program is  
12 doing, and then the commission can determine whether to move  
13 that extra million from that reserve into this program or  
14 into regular skills at that time?

15                   CHAIRMAN DANIEL: Commissioner makes a very  
16 good suggestion. Commissioner Alvarez?

17                   COMM. ALVAREZ: I would be fine with that,  
18 chairman.

19                   CHAIRMAN DANIEL: Commissioner Demerson?

20                   COMM. DEMERSON: That's an excellent idea,  
21 that way it's not seen as a reduction in this very important  
22 program centered around our veterans at all, the million's  
23 still there and we have an opportunity at that point.

24                   CHAIRMAN DANIEL: I concur with the other two  
25 commissioners.

1                   MR. TOWNSEND: Absolutely, we'll make that  
2 happen. Okay, on page eight of nine we continue on with a  
3 summary of the awards. This is our Performance and  
4 Incentive Awards. These are the awards that will be, most  
5 of them, giving out, if not all of them, here later in a few  
6 months at our annual conference. Although -- so what you're  
7 approving -- I think the decisions have previously been made  
8 about the current performance awards, because you're  
9 awarding performance for the -- for the upcoming year, or  
10 for the year that's just passed, and we're making these  
11 awards in the fall. So don't know that there's a whole lot  
12 today, because I think the decision's probably already been  
13 made.

14                   But did want to kind of summarize that we,  
15 you know, we set aside one-point-almost-eight million for  
16 these awards. And then we'll be -- need a new similar  
17 exercise with all you commissioners for the next year at  
18 some point. But did want to just kind of highlight what  
19 that looks like.

20                   And then on the statewide initiatives, the  
21 final part of this is their Vocational Rehabilitation  
22 Initiative. This is going to be in what we refer to as our  
23 Pre-Employment Training Services, Pre-ETS. For this one,  
24 Cheryl, if you have questions, we'll need to help address  
25 those, I suppose. But we have set aside specifically for

1 these initiatives 17 -- almost 17.3-million for the Voc  
2 Rehab initiatives.

3           There's several changes that have occurred on  
4 this from our -- what we had previously thought a couple,  
5 now more six -- more than six months ago, and so Cheryl  
6 might want to give you kind of a high-level overview of what  
7 is -- has changed. I know there was something included in  
8 materials as far as what was going on here, but there's  
9 several differences here from previous.

10           MS. FULLER: Good morning Mr. Chairman,  
11 Commissioner Alvarez, Commissioner Demerson. Cheryl Fuller,  
12 Vocational Rehabilitation Division.

13           What you have in front of you is the updated  
14 budget request for the Pathways to Careers Initiatives.  
15 This is an initiative that began in early 2017, was expanded  
16 later in 2017, and again in 2018. So we have eight  
17 strategies that we have been implementing as we have  
18 expanded the initiative. And as we have, we've learned a  
19 little bit about where we have more expenditure in each  
20 initiative, and where we might not need as much as we  
21 anticipated.

22           So, what you see here, is the first one  
23 transition, planning for students in private and homeschool  
24 settings. This one you will see that we are not  
25 recommending funding for in 2020. This is because we did a

1 request for information to see what entities might be  
2 interested in helping provide services to students in these  
3 settings, and we really didn't get much to work with. But  
4 what we did learn is, as we were implementing charting the  
5 course with education service centers, is that they reach  
6 out to this population. So we were able to address the  
7 needs of this population through another strategy.

8           For Summer Earn and Learn, this program  
9 continues to grow, and it's certainly one of the marquis  
10 programs we have in this strategy for students with  
11 disabilities. This is the program that offers paid work  
12 experience to students during the summer, and we have  
13 continued to increase the students participating each  
14 summer, and that was the commission's challenge to the  
15 boards. And so what you see here is us anticipating that we  
16 will continue to serve more students. This year we are over  
17 our initial goal of 2500, and hope to increase that moving  
18 forward.

19           Charting the Course, we are working toward  
20 full implementation of that initiative. The education  
21 service centers with whom we are contracting are adding one  
22 grade each year where they're having these transition  
23 planning events for students and their families. We asked  
24 them to start with the 8th and 12th grade and then add a  
25 grade each year until the activities were happening at each

1 grade throughout the transition planning process. So what  
2 you see here with Charting the Course is that we're still  
3 building. We don't think we'll hit the entire 4 million,  
4 but we're adding a grade each year building toward that.

5 COMM. DEMERSON: Mr. Chair, can I ask a  
6 question here? So, Cheryl, on Charting the Course, you  
7 mentioned the transplant private slash homeschool that's  
8 mentioned at the top. Charting the Course, though,  
9 incorporate those individuals.

10 MS. FULLER: Yes.

11 COMM. DEMERSON: Okay. That's the population  
12 that's -- okay. Got it.

13 MS. FULLER: We learned that our Education  
14 Service Center partners are reaching out to students in  
15 private and homeschool settings, and so that was very  
16 assuring to us, and we didn't get very much response to the  
17 RFI for the first one.

18 COMM. DEMERSON: Okay, thank you.

19 MS. FULLER: Explore STEM. This is our camps  
20 that we have in -- under contracts with universities and  
21 colleges. We have 10 participating. Those are growing, but  
22 it's taking them a little while to grow, and so we  
23 anticipate that 500,000 is about what we would expend next  
24 summer if we have the same or maybe a few more camps than we  
25 had this summer.

1 For student -- yes, sir.

2 COMM. ALVAREZ: Can I ask a question, Ms.  
3 Fuller?

4 MS. FULLER: Mm-hmm.

5 COMM. ALVAREZ: Can I ask, we had 10 -- I was  
6 fortunate to go to University of Houston-Clear Lake, where  
7 they received one of the grants. I'm curious, are the other  
8 -- how did this RF -- I mean, what was the reasoning why we  
9 only had 10 awards and not more? When it's a STEM related,  
10 we were overwhelmed with Coding Camp for Girls, and why do  
11 we only have 10?

12 MS. FULLER: What we did to make this  
13 opportunity available to the public community colleges and  
14 universities, is we -- it was approved by the commission  
15 with the assistance of the Texas Higher Education  
16 Coordinating Board. We actually sent an invitation to  
17 participate to all of them, and the universities and  
18 colleges that responded and said, We would be interested.  
19 Are the ones we began to work with. And we have continued  
20 to work with those over time. And if we've had other  
21 colleges or universities reach out to us, we've been happy  
22 to include them, and do have some room in this budget to  
23 include a couple more if they're interested.

24 COMM. ALVAREZ: Can I ask you, Does Explore  
25 STEM only take place in the summer, or can you do something

1 during the school year? Can it be altered so that we can  
2 service those individuals during the school year?

3 MS. FULLER: Explore STEM right now is during  
4 the summer because it is a day long nonresidential camp  
5 where the students go into the college or university  
6 setting. However, we had some conversations early on about  
7 seeing if we could do it during spring break. We didn't  
8 know how receptive students might be to having their spring  
9 break focused on attending a camp. It could be an option,  
10 but that was the one opportunity we might have during the  
11 school year where there's dedicated time sufficient for the  
12 camps that have been planned.

13 COMM. ALVAREZ: Because one of the comments  
14 that we heard while we were at the University of Houston-  
15 Clear Lake, was the fact that this is the only time, is in  
16 the summer, where these young girls or young individuals  
17 actually get to experiment with these types of  
18 opportunities. And they were asking if there may be an  
19 opportunity for us to expand this and maybe do it during the  
20 school year. So I wasn't sure if this grant would allow us  
21 to do it. I'm not saying now, but in the future if we could  
22 do something like that, maybe during a spring break, for  
23 these individuals that don't place to go. Or maybe after  
24 school, you know, maybe some type of program.

25 MS. FULLER: We would be glad to explore that

1 with the participating entities.

2 CHAIRMAN DANIEL: Yeah. Let's look at our  
3 performance, the score that we're coming up on, and I think  
4 that's a discussion point. If we don't see the kind of  
5 participation that, I agree with you, we should be seeing  
6 here.

7 MS. FULLER: Okay. Student HireAbility  
8 Navigators. We're proposing a reduction in this funding  
9 source for this initiative. And the important distinction  
10 here is that everything that is funded under the Pathways to  
11 Careers Initiative is with pre-employment transition  
12 services. That's the required amount from our federal grant  
13 that has to be set aside and expended only for certain  
14 services. And so all of these services are designed to  
15 comply with those federal requirements.

16 What we've learned as we've implemented the  
17 Student HireAbility Navigators Initiative with the boards,  
18 is that the navigators could be more helpful to VR, to  
19 services to students, as well as to services to individuals  
20 with disabilities as a whole, if their scope of work could  
21 be broadened slightly. Which means it needs to be broadened  
22 outside the bounds of this funding source.

23 So what we're proposing to do is for this  
24 statewide initiative to decrease the amount committed here,  
25 but to offset that with our basic support so that we keep

1 the initiative whole, but we give them opportunity to add  
2 more value by broadening their scope slightly.

3 For the capacity building and coordination  
4 with the Texas Education Agency Independent School  
5 Districts, we are wrapping this one up. It has been, I  
6 think, a very successful initiative in helping us in VR do a  
7 better job of working with our colleagues in local school  
8 districts.

9 And then the elective course curriculum, this  
10 is an opportunity, Commissioner Alvarez, that may also  
11 address STEM. And the idea is how can we develop elective  
12 course curriculum that can be taught to students in the  
13 school day, and that can really give them some depth in  
14 these skill areas. And so this is continuing to happen over  
15 a number of years as it takes time to develop the  
16 curriculum, pilot it with the school districts, and then  
17 have a final product. So what you see here in the budget  
18 request is what's estimated to be expended in 2020.

19 Finally, expansion of Pathways to Careers and  
20 Advise Texas. These two go together. This is a right  
21 sizing. We started off with one heading, and one title, and  
22 then we have refined it to Advise Texas. This one has taken  
23 a little while to come up, and this is where we're really  
24 expanding the current Advise Texas initiative that our  
25 Education Coordinating Board has had, and we are adding

1 specific services to students with disabilities to help them  
2 understand their opportunities for post-secondary education.

3 That will be in 110 or 112 high schools in  
4 which the initiative is already underway, and we're really  
5 excited that it finally launches this fall. So what we  
6 anticipate is the expenditure for 2020, that will encompass  
7 that full launch.

8 I'd be happy to answer any questions.

9 CHAIRMAN DANIEL: Thank you.

10 COMM. ALVAREZ: I'd just like to add great  
11 report. Thank you, Ms. Fuller.

12 CHAIRMAN DANIEL: Commissioner Demerson.

13 COMM. DEMERSON: I think we have some  
14 opportunities, really, as commissioners to work on some of  
15 these programs. The STEM, Explore STEM, with as many  
16 universities and colleges that we'll have an opportunity to  
17 talk to, we can help spread that word, because I think quite  
18 sure they would be very interested in applying.

19 COMM. ALVAREZ: Yes, and expanding those to  
20 people with a disability, I mean, you and I have had the  
21 opportunity to go to School for the Deaf. I was there last  
22 night. Yesterday I was Criss Cole, where we had discussed  
23 possibly something like this in the future, so thank you,  
24 Nichole.

25 MR. TOWNSEND: Commissioners, I believe that

1 concludes the presentation on the Operating Budget. Staff  
2 is recommending your approval of the Fiscal Year 2020  
3 Operating Budget totaling 1,965,030,168. Also including a  
4 request to approve the management fee for the Purchasing  
5 from People with Disabilities at 3.25 percent. Included  
6 also in the order that we'll ask you to sign later if you  
7 approve all this, is the approval for the Interim Executive  
8 Director following your guidance, of course, and this  
9 agency's strategic direction, to make any necessary  
10 adjustments to the Operating Budget throughout the year as  
11 would be necessary and communicate those, of course, to your  
12 offices, to you individually, and that sort of thing.

13 So that -- unless you have questions or  
14 comments, that would be the staff's presentation this  
15 morning.

16 CHAIRMAN DANIEL: Thank you. Commissioner  
17 Alvarez, any additional questions or comments?

18 COMM. ALVAREZ: No, sir.

19 CHAIRMAN DANIEL: Commissioner Demerson?

20 COMM. DEMERSON: Not here.

21 CHAIRMAN DANIEL: Okay. We will need a  
22 motion here. So --

23 COMM. ALVAREZ: So if I may be clear. So,  
24 Randy, just so -- because we did make some modifications to  
25 some of the issues that were presented to us, the additional

1 25,000, the comment the Chair made regarding maybe putting  
2 the million dollars in reserve for the transitioning  
3 veterans, all of that's into consideration, right?

4 MR. TOWNSEND: Yes, sir. Exactly.

5 COMM. ALVAREZ: Okay. And then, of course,  
6 coming back to the commission regarding the additional  
7 information on the collocate. Okay. I just want to make  
8 sure. Okay, perfect. Okay, then I move that we approve the  
9 Fiscal Year 2020 Operating Budget, including statewide  
10 initiatives as discussed, including setting FY 2020  
11 management fee at 3.25 for Purchasing from People with  
12 Disabilities, and instruct the Interim Director to  
13 administer this budget, and make any necessary adjustments  
14 in accordance with commission direction.

15 COMM. DEMERSON: Second the motion.

16 CHAIRMAN DANIEL: All right. We have a  
17 motion and a second. Let's vote. Commissioner Alvarez.

18 COMM. ALVAREZ: Yes.

19 CHAIRMAN DANIEL: Commissioner Demerson.

20 COMM. DEMERSON: In favor of it.

21 CHAIRMAN DANIEL: It's unanimous.

22 MR. TOWNSEND: Thank you, commissioners,  
23 appreciate that. Perfect.

24 AGENDA ITEM NO. 10

25 CHAIRMAN DANIEL: Okay. Are we moving to

1 Item 10 now?

2 MR. TOWNSEND: Yes, sir.

3 CHAIRMAN DANIEL: All right, Randy, take us  
4 to Item 10, Discussion, Consideration and Possible Action  
5 Regarding Fiscal Year 2020 Allocations and Funding  
6 Distributions for Local Workforce Development Areas.

7 MR. TOWNSEND: Yes sir. Chairman Daniel,  
8 Commissioners Alvarez and Demerson, for the record, Randy  
9 Townsend, Chief Financial Officer.

10 The -- this will wrap up the fiscal 2020  
11 remaining allocations commissioners had previously approved,  
12 WIOA, Adult Youth and Dislocated Worker, as well as the  
13 Adult Education and Literacy. This morning requesting your  
14 approval of the following allocations, the TANF Choices, we  
15 have a recommended allocation level of 74,475,980.

16 The Supplemental Nutrition Assistance  
17 Program, Employment and Training, the SNAP E&T Program,  
18 which includes an estimate for the able bodied without  
19 dependents in that amount of 14,867,553.

20 The Employment Services Allocation, which is  
21 also referred to as our ES, Employment Services, Texas  
22 Model. That amount is set at 24 -- proposed at 24,578,423.

23 And then the childcare allocation, which is  
24 an -- is an update from our previous planning estimate that  
25 we shared with our boards back a couple months ago, is being

1 recommended at the same level as the current year, 2019, and  
2 that number is 719,301,868.

3 And then, finally, staff is recommending a  
4 distribution to what we refer to as our Smaller Workforce  
5 Areas, to find the areas that be brought up to a certain  
6 level that would total, of all program funding, of  
7 1,353,313.

8 There are separate pages that break out the  
9 funding by the workforce areas. Those are included in your  
10 packet. We have followed all of the rules that are in place  
11 that -- as far as the formulas and that sort of thing and  
12 have reviewed the information for accuracy.

13 If you have questions about those  
14 allocations, I'll be happy to address those, or if you need  
15 more information. Or if you'd like me to go through some of  
16 those pages I'd be happy to do that.

17 CHAIRMAN DANIEL: Commissioner Alvarez do you  
18 have any questions?

19 COMM. ALVAREZ: No questions, Mr. Chairman.

20 CHAIRMAN DANIEL: Commissioner Demerson.

21 COMM. DEMERSON: No questions.

22 CHAIRMAN DANIEL: I don't have any questions  
23 either. All right.

24 MR. TOWNSEND: And we will need a -- a motion  
25 on this one.

1                   CHAIRMAN DANIEL: You'll need a motion to  
2 just approve on block, right?

3                   MR. TOWNSEND: Yes, sir.

4                   CHAIRMAN DANIEL: All right, is there a  
5 motion?

6                   COMM. ALVAREZ: Yes, Chairman. I move that  
7 we approve the block grant allocations for childcare  
8 services, TANF Choices, Employment Services, SNAP E&T, and  
9 small board funding distributions for fiscal year 2020 to  
10 all local workforce development areas throughout the state,  
11 including those allocations previously adopted for WIOA  
12 Title I Programs, and AEL Programs approved April 30th of  
13 2019. The Interim Director is hereby ordered to administer  
14 these block grants allocations in the most feasible and  
15 economical manner, and within all legal guidelines.

16                   COMM. DEMERSON: Second the motion.

17                   CHAIRMAN DANIEL: All right. We have a  
18 motion and a second. I concur, and I believe that makes us  
19 unanimous without objection.

20                   MR. TOWNSEND: Yeah, thank you.

21                                   AGENDA ITEM NO. 13

22                   CHAIRMAN DANIEL: Right, I'm not showing  
23 anything for items 11 and 12, so I think we need to move to  
24 Item 13, Discussion, Consideration and Possible Action  
25 Regarding Approval of Local Workforce Development Board

1 Nominees. And, good morning, Ms. Williams.

2 MS. WILLIAMS: Good morning Chairman Daniel.

3 Hi. Commissioner Alvarez, Commissioner Demerson. I'm  
4 Shunta Williams with the Workforce Development Division.  
5 And before you for consideration today we have workforce  
6 board nominees for Workforce Solutions Brazos Valley,  
7 Permian Basin, and the Rural Capital Area.

8 CHAIRMAN DANIEL: All right.

9 COMM. ALVAREZ: I have no questions, Mr.  
10 Chairman.

11 CHAIRMAN DANIEL: Commissioner Demerson.

12 COMM. DEMERSON: None.

13 CHAIRMAN DANIEL: All right. Do we have a  
14 motion on this?

15 COMM. ALVAREZ: Yes, sir. We have a motion.  
16 I move that we approve the board nominees for Brazos Valley,  
17 Permian Basin and Rural Capital Area.

18 COMM. DEMERSON: Second the motion.

19 CHAIRMAN DANIEL: With the second I believe  
20 that makes us unanimous.

21 MS. WILLIAMS: Thank you.

22 AGENDA ITEM NO. 15

23 CHAIRMAN DANIEL: All right, Tom McCarty does  
24 not have anything to report for Item 14. I like the note  
25 they made for me here. Tom McCarty does not have anything

1 to report for Item 14 since Congress is on August recess.  
2 That's -- I concur.

3           COMM. ALVAREZ: They're still working,  
4 though.

5           CHAIRMAN DANIEL: Ed, I believe you. Do you  
6 have something to report? Please.

7           MR. SERNA: I have a very -- I have two  
8 things. Unfortunately, a little bit of bad news. We have  
9 one of our Directors over tax, Lee Purcell, is retiring.  
10 Lee has been with us since 1985, the predecessor agency TDC,  
11 in 2011, she became a director and has served us very well  
12 as our director of our tax and UI. She's retiring at the  
13 end of this month, but I believe her last day in the office  
14 will probably be early next week. So we wish Lee very well.  
15 I don't know. I didn't see her here earlier, but we do wish  
16 her well in her retirement.

17           The very good news is Work in Texas, the new  
18 Work in Texas came up on Monday as scheduled. It's a soft  
19 launch. We did not put out any advertising or notifying  
20 anybody other than our boards, Workforce Solution Boards.

21           We've had without any really broad  
22 notification 12- to 13,000 users signing on every day.  
23 That's both employers and job seekers. We have a little bit  
24 over 3000 jobs already posted. We received, as anticipated,  
25 a few problems that you can only find when you go live, and

1 you have -- you have to have everybody touching the system.  
2 We're immediately jumping on those. Our IT staff, our  
3 Workforce staff, and our GeoSolutions vendor partner are  
4 jumping on them and resolving them immediately.

5 We have a communication plan that will kick  
6 in starting in the next couple of weeks, where we'll have  
7 broad notification that the system is up and running, and I  
8 did want to point out that unsolicited on them, almost the  
9 very first day, we did get some feedback from an employer  
10 who said he just got on the new system, just got on the new  
11 site in four minutes and seeing great improvements over the  
12 old site. If you have any type of employer feedback group,  
13 I'd love to participate.

14 So, we feel really good about that. So, I  
15 just want to make sure the commission knew that we hit the  
16 mark on one of our projects and we are intending to move  
17 forward with it.

18 CHAIRMAN DANIEL: Well that's excellent news.  
19 Anything further on Item, let's see, that was 15.

20 AGENDA ITEM NO. 16

21 All right. It is now 11:20. The Texas  
22 Workforce Commission is now going into Executive Session to  
23 Discuss the Appointment, Employment, Evaluation,  
24 Reassignment, Duties, Discipline or Dismissal of the  
25 Executive Director, Internal Auditor, Executive Staff, or

1 other Personnel pursuant to Texas government Code  
2 551.071(a) (1) .

3 CHAIRMAN DANIEL: Okay. The Executive  
4 Session -- this'll be better. The Executive Session is now  
5 concluded. The time is 11:36.

6 AGENDA ITEM NO. 17

7 CHAIRMAN DANIEL: Let's see, I don't know if  
8 further business -- Commissioner Alvarez, do you have any  
9 further business?

10 COMM. ALVAREZ: I just want to congratulate  
11 Aaron Demerson for his first day as a Commissioner  
12 Representing Employers. Great job.

13 (Applause)

14 CHAIRMAN DANIEL: Commissioner Demerson,  
15 would you like to respond?

16 COMM. DEMERSON: I'd respond to that, so --  
17 second that motion. Honored to have the privilege to be  
18 appointed by Governor Abbott to serve in this capacity. And  
19 my prior working relationship with Commissioner Alvarez and  
20 then Chairman Daniel should bode well for us all. I'm  
21 looking forward to working with you guys down the line.  
22 Just hats off to Elsa on our team. She's not here right  
23 now, but sufficiently briefed me with the docket in a very,  
24 very good way. Everything went very well. And so, I just  
25 think a key staff there.

1                   And then, lastly, Lee Percell's name was  
2 mentioned. I've known Lee for a number of years and wish  
3 her well and the best of blessings as you go forward. But,  
4 again, thankful to Governor Abbott for this opportunity and  
5 looking forward to working with you guys as we go forward.

6                   CHAIRMAN DANIEL: Well thank you, thank you  
7 Commissioner Alvarez. It's a great working team here today,  
8 and good meeting today. I would love to entertain a motion  
9 to adjourn.

10                  COMM. ALVAREZ: I move that we adjourn.

11                  COMM. DEMERSON: Second that motion.

12                  CHAIRMAN DANIEL: I concur. We are  
13 adjourned.

14

15                                 (Proceedings concluded at 11:38:30 a.m.)

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C E R T I F I C A T E

STATE OF TEXAS )

COUNTY OF TRAVIS )

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 31<sup>st</sup> day of August, 2019.

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

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