



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

March 22, 2022

1 Tuesday, March 22, 2022

2 CHAIRMAN DANIEL: Good morning, everyone.

3 This meeting is called to order. Mr. Trobman, has anyone signed
4 up for public comment?

5 MR. TROBMAN: Commissioners, good morning,
6 Les Trobman, general counsel. We have a couple of people who
7 have signed up today, one who will go ahead and provide comments
8 right now, then a second will provide comments when we get to
9 number eight. Ms. Praesel. Go ahead and introduce yourself.

10 MS. PRAESEL: Good morning, Chairman Daniel
11 and members of the commission, Alvarez and Demerson. My name is
12 Sylvia Praesel, founder and chief strategist of CAPED, the
13 Coalition for Apprenticeship Partners in Economic Development.
14 Just a quick thank you note to the commissioners who have been
15 working with us on apprenticeship programs. As some of you know
16 this has taken us three legislative sessions to get something in
17 the pipeline, but our chairman of the board, Dr. Steve Flores,
18 couldn't join us. He's our newly elected of the board. He sends
19 his regards. We are looking forward to continuing our work with
20 you so that we can expand apprenticeship programs. It's been one
21 of our passions since 2015 that we founded our coalition and a
22 word of thanks for your leadership and support. Thank you so
23 much.

24 CHAIRMAN DANIEL: Good morning, Ms. Miller.

25 MS. MILLER: Good morning, sir.

1 CHAIRMAN DANIEL: Thank you. That brings us
2 to the end of Agenda Items 3 through 7. We'll be taking a short
3 break. We're back. This is Agenda Item 8, the seventh tranche of
4 Child Care Block Grant funding.

5 REAGAN MILLER: Good morning, chairman,
6 commissioners. For the record, Reagan Miller with Child Care and
7 Early Learning Division. Today we are presenting the seventh
8 tranche discussion paper which proposes making 314.75 million
9 available for child care subsidies for low-income families. Our
10 overarching goal is to serve more low-income families and by
11 repurposing some of the unspent service industry recovery
12 funding we can provide these funds more flexibly to meet local
13 demands for subsidized child care. Our implementation strategy
14 is to make these funds available in a way that allows boards to
15 ramp up during the last months of BCY22 for May through
16 September so that they're better able to enter Board Contract
17 Year 23 positioned to serve more kids. As you are aware we
18 piloted the service industry recovery program and made up to 500
19 million dollars available to serve around 55,000 children.
20 Enrollments were open from August of '21 through the end of
21 March of '22, and overall we're seeing about 30 percent or so of
22 the total number of kids enrolled so we are expecting to have a
23 balance of SIR funding. Rather than just extending the service
24 industry recovery program, we are recommending that we provide
25 some additional flexibility with these funds and allow boards to

1 serve all low-income families. So the seventh tranche repurposes
2 some unspent SIR along with some additional stimulus funding,
3 and recommends making these funds available over the next two
4 and a half years, 46.25 million again at the end of this Board
5 Contract Year, 138.75 million in '23, and 127.75 million in '24.
6 We're currently putting together a recommendation for you to
7 consider on how to distribute the 46 million for this year and
8 will bring that forward at the next meeting in April. I also
9 want to highlight how much money in total you would be making
10 available in '23 and '24 because you previously took action in
11 November to approve some funding for low-income child care. As
12 we look forward to those two years when you consider your past
13 action and what's on the table today, you would be approving
14 260.2 million dollars in each of those years, '23 and '24. Of
15 course we'll develop more precise performance expectations as we
16 get closer to that time but if you look forward to next year,
17 we'll be able to serve over 37,000 more children with this
18 action today. That concludes my remarks and I'm happy to answer
19 any questions.

20 CHAIRMAN DANIEL: Can you stand by for those
21 questions? We have a public commenter.

22 REAGAN MILLER: Yes.

23 LES TROBMAN: Commissioners, we have one
24 public commenter. We have Brooks Jones. Mr. Jones, if you can
25 unmute yourself.

1 BROOKS JONES: Hi, my name is Brooks. We're
2 very excited about this funding and the repurposing of the SIR
3 grant. Some of our questions are with the SIR grant they made it
4 where they could not get on a wait list or families could not do
5 certain things so the continuation of this fund, letting them
6 know that they can get on the wait list for normal funding or
7 regular attrition, and what that would look like. Also letting
8 providers know that the total number of children that we serve
9 in the area, and then what the number will be in 2025 I believe
10 so that way we know to expect a drop-off and what that will look
11 like as a provider, just kind of concerned there, getting our
12 numbers and being able to project there, just clear transparent
13 communication from Workforce Boards to providers yearly on what
14 we can expect, that would be very important for us but overall
15 we are very excited of this repurposing. I think it's a
16 wonderful play and excited to take care of more of our families
17 that need it. Thank you.

18 CHAIRMAN DANIEL: Thank you. Questions or
19 comments?

20 COMMISSIONER ALVAREZ: Chairman, I have some
21 comments. Reagan, first of all thank you for all you've done
22 during all this whole process with the tranches. As you are
23 aware, I've met with many folks that you and I have met with in
24 previous conversations regarding child care. This expanded child
25 care funding will provide Texas families much needed support so

1 that they can make ends meet and improve employment
2 opportunities. As we move forward to allocating the remaining
3 COVID child care funds, we also need to take into consideration
4 the needs of child care workers who struggle obtaining
5 competitive living wages. I believe that we should take some
6 steps to provide economic assistance to them. I would like for
7 staff to research and develop initiatives to provide child care
8 workers one-time financial benefits in the form of a gas and
9 grocery cards to provide some relief from those expenses that
10 have been particularly impacted by the current inflationary
11 trend in our economy. I also believe that some of the COVID
12 child care funds would be effective in exploring solutions to
13 the child care worker wage problem. I request for staff to
14 provide an analysis of a career pathways expansion that
15 specifically targets child care workers and provides advancement
16 opportunities from early childhood through pre-K, kindergarten,
17 higher education levels. Again, thank you for all the work
18 you're doing, Reagan.

19 COMMISSIONER DEMERSON: No comments other
20 than just thanks for all the work that you're doing. It's pretty
21 amazing so we're doing some good work in that space.

22 CHAIRMAN DANIEL: This is the seventh
23 tranche.

24 REAGAN MILLER: It is.

25 CHAIRMAN DANIEL: How many more tranches?

1 REAGAN MILLER: I would say several.

2 CHAIRMAN DANIEL: Good work, all right. Is
3 there a motion?

4 COMMISSIONER ALVAREZ: Chairman, I move that
5 we approve the plan and methodology for the distribution of the
6 seventh tranche of CCDF COVID-19 federal funding initiatives as
7 recommended by staff and described in the discussion paper.

8 COMMISSIONER DEMERSON: I second.

9 CHAIRMAN DANIEL: It's been moved and
10 seconded. We're unanimous.

11 REAGAN MILLER: Thank you.

12 CHAIRMAN DANIEL: This is Agenda Item 9,
13 program year 2022 and fiscal year 2023 planning estimates.

14 CHRIS NELSON: Good morning, chairman,
15 commissioners, Mr. Serna. For the record, Chris Nelson, chief
16 financial officer. This morning you have before you the FY23,
17 PY22 planning estimates prepared in accordance with the
18 methodology described in Chapter 800, and using last year's
19 factor data as we continue compiling all the factor data for
20 FY23. The WIOA planning estimate amounts represent the planning
21 estimate allotments received by the Department of Labor which
22 would go into effect July 1, 2022, when the WIOA contract year
23 starts. The remaining programs in the planning estimate reflect
24 the budgetary amounts available for the FY23 allocations. As we
25 build the FY23 operating budget this summer we will bring the

1 final allocations for the remaining programs. The child care
2 planning estimate of just over a billion dollars represents the
3 base amount available with existing CCDF funds but with the
4 amounts Reagan Miller just got approved there is an additional
5 260 million of COVID funds available for direct care, and staff
6 are looking at alternative ways to distribute these funds to
7 ensure full utilization when bringing back the allocations this
8 summer. For child care we are also looking at providing a
9 similar number for FY24 based off available funding. At this
10 time I'm only asking for permission to publish this on our
11 website since these aren't the final allocations, and that
12 concludes my comments.

13 CHAIRMAN DANIEL: Any questions or comments?

14 COMMISSIONER ALVAREZ: None here, chairman.

15 COMMISSIONER DEMERSON: None.

16 CHAIRMAN DANIEL: Is there any objection to
17 publishing this on the website?

18 COMMISSIONER ALVAREZ: Nope.

19 CHAIRMAN DANIEL: Hearing no objection,
20 thank you, sir. Item 10, policy concept for Chapter 800,
21 allocations, and Chapter 805, reallocations of AEL statewide
22 funds.

23 MAHALIA BALDINI: Good morning, Chairman
24 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
25 Serna. For the record, Mahalia Baldini with Adult Workforce

1 Development Division. Commissioners, before you today for your
2 consideration for approval is a policy concept related to
3 potential rule amendments for Chapter 800, General
4 Administration, and Chapter 805, Adult Education and Literacy.
5 The policy concept outlines five main issues. The first is
6 related to digital literacy. A recent rider requires TWC to
7 permit digital literacy activities in its programs and for this
8 reason staff added terms and definitions for digital literacy
9 which is an allowable AEL activity. Issues two and three relate
10 to the deobligation and reallocation of adult education literacy
11 funds. Currently deobligation rule provides a timeframe for
12 staff to review expenditure and performance data. This is
13 between the months of four and seven or October through January.
14 A proposed rule amendment would change this to be any timeframe
15 after month four. On the reallocation of those funds, we've
16 included meeting performance measures as criteria to receive any
17 deobligated funds, and also laid out that when needed the
18 commission may reallocate funds to grant recipients outside of a
19 workforce area where the funds were originally deobligated.
20 Issue four provides an overview of definitions and terms that
21 have been added or modified, and then issue five outlines
22 clarifying language throughout the Chapter. Staff recommends
23 amending AEL rules in Chapter 800 and Chapter 805 to enhance the
24 AEL statewide system and grant commission flexibility in

1 deobligating and reallocating grant funds. That concludes my
2 comments, and I'm happy to answer any questions.

3 CHAIRMAN DANIEL: Comments or questions?

4 COMMISSIONER ALVAREZ: None here, chairman.

5 COMMISSIONER DEMERSON: None.

6 CHAIRMAN DANIEL: Is there a motion?

7 COMMISSIONER ALVAREZ: I move that we
8 approve the policy concept for amending Chapters 800 and 805 as
9 discussed by staff and post the policy concept for comment.

10 COMMISSIONER DEMERSON: I second.

11 CHAIRMAN DANIEL: It's been moved and
12 seconded. We're unanimous.

13 MAHALIA BALDINI: Thank you.

14 CHAIRMAN DANIEL: This is Agenda Item 11,
15 policy concept for Chapter 839, Tax Refund Pilot Program.

16 KERRY BALLAST: Good morning, Chairman
17 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
18 Serna. For the record, Kerry Ballast with the Workforce
19 Development Division. Commissioners, before you today for your
20 consideration for approval is a policy concept relating to
21 rulemaking to establish a tax refund pilot program to implement
22 Senate Bill 1524 from the 87th Texas Legislature Regular Session.
23 Senate Bill 1524 amended Texas Tax Code, Chapter 181, by adding
24 a new section, Section 151.4292, Tax Refund Pilot Program for
25 certain persons who employ apprentices. The tax code as amended

1 allows TWC's executive director to certify up to 100 eligible
2 entities in Texas for a tax refund provided by the comptroller's
3 office of up to \$2,500 per eligible apprentice. Each certified
4 entity is allowed up to six apprentices if 50 percent of their
5 active apprentices are veterans, foster youth, military spouses,
6 or women. Priority is given to rural apprenticeship programs
7 offering training in emerging or developing occupational fields.
8 Staff recommends establishing rules in new Chapter 839,
9 Subchapter A, to implement Senate Bill 1524. This concludes my
10 remarks, and I'm available to answer any questions you may have.

11 CHAIRMAN DANIEL: Comments or questions?

12 COMMISSIONER ALVAREZ: None here, chairman.

13 COMMISSIONER DEMERSON: None here.

14 CHAIRMAN DANIEL: Is there a motion?

15 COMMISSIONER ALVAREZ: Chairman, I move that
16 we approve the policy concept for Chapter 839 and post to the
17 TWC website for a three-week informal comment period.

18 COMMISSIONER DEMERSON: I second.

19 CHAIRMAN DANIEL: It's been moved and
20 seconded. We're unanimous. This is Agenda Item 12, policy
21 concept for Chapter 839, grants for registered apprenticeship
22 programs by veterans and military personnel.

23 KERRY BALLAST: Thank you again. Good
24 morning, Chairman Daniel, Commissioner Alvarez, Commissioner
25 Demerson, and Mr. Serna. For the record, Kerry Ballast with the

1 Workforce Development Division. Commissioners, before you today
2 for your consideration for approval if a policy concept relating
3 for rulemaking to establish the veterans apprenticeship training
4 grant program to implement Senate Bill 337 from the 87th Texas
5 Legislature Regular Session. Texas Labor Code, Section
6 302.00341, allows TWC to develop and administer a program to
7 provide grants to one or more nonprofit organizations to
8 facilitate a veterans' or transitioning military service
9 members' participation in registered apprenticeship programs. A
10 grant would be used for recruitment or assistance provided to
11 veterans or transitioning service members, and the proposed
12 rules establish and provide guidelines for the grant program.
13 Staff recommends establishing rules in new Chapter 839,
14 Subchapter B, to implement Senate Bill 337. This concludes my
15 remarks. I'm available to answer any questions that you may
16 have.

17 CHAIRMAN DANIEL: Comments or questions?

18 COMMISSIONER ALVAREZ: None here, chairman.

19 COMMISSIONER DEMERSON: None.

20 CHAIRMAN DANIEL: Is there a motion?

21 COMMISSIONER ALVAREZ: Chairman, I move that
22 we approve the policy concept for Chapter 839 and post to the
23 TWC website for a three-week informal comment period.

24 COMMISSIONER DEMERSON: Second.

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1 CHAIRMAN DANIEL: It's been moved and
2 seconded. We're unanimous.

3 COMMISSIONER ALVAREZ: Good job.

4 CHAIRMAN DANIEL: Thank you. This is Agenda
5 Item 13, Chapter 854, publication for public comment of BET
6 changes approved by rehabilitation services.

7 LIZET HINOJOSA: Good morning, Chairman
8 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
9 Serna. For the record, Lizet Hinojosa with the Vocational
10 Rehabilitation Services Division. Commissioners, before you
11 today for your consideration for approval are the proposed rules
12 relating to amendments to Chapter 854, Business Enterprises of
13 Texas. In an open meeting on November 2, 2021, the commission
14 approved a related policy concept and directed staff to draft
15 the proposed rules that are before you today. Staff also posted
16 the policy concept to TWC's website for three weeks to solicit
17 input from local Workforce Development Boards. No comments were
18 received. The proposed amendment to Chapter 854 will amend the
19 Business Enterprises of Texas rules to incorporate the changes
20 approved by RSA. The rules in Chapter 854 require amendments to
21 incorporate the revisions approved by RSA to bring the BET
22 program into compliance with the Randolph-Sheppard Act. Staff
23 recommends submitting these proposed rules for publication in
24 the Texas Register for a 30-day public comment period. Staff
25 also requests the ability to make minor changes to the document

1 in order to comply with publication requirements of the Texas
2 Register and the Office of the Secretary of State. This
3 concludes my presentation. I'm available for questions.

4 CHAIRMAN DANIEL: Comments or questions?

5 COMMISSIONER ALVAREZ: Thanks for the
6 report.

7 COMMISSIONER DEMERSON: None here. Thank
8 you.

9 CHAIRMAN DANIEL: Is there a motion?

10 COMMISSIONER ALVAREZ: Chairman, I move that
11 we approve the proposed rule amendments to 40 Texas
12 Administrative Code Chapter 854, Business Enterprises of Texas,
13 for publication in the Texas Register and public comment as
14 recommended by staff.

15 COMMISSIONER DEMERSON: Second.

16 CHAIRMAN DANIEL: It's been moved and
17 seconded. We're unanimous. This is Agenda Item 14, acceptance of
18 pledges for Board Contract Year 2021 and 2022, child care
19 matching funds.

20 SANDRA WILLIAMS: Good morning, Chairman
21 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
22 Serna. For the record, Sandra Williams, Workforce Development
23 Division. The Texas Workforce Commission allocates federal
24 funding for child care services from the Child Care and
25 Development Fund, CCDF, to local workforce areas. For a portion

1 of the CCDF funding local Workforce Development Boards are
2 required to secure and submit local matching funds to TWC in
3 accordance with federal regulations and TWC Chapter 809, child
4 care service rules, and TWC Chapter 800, general administration
5 rules. Boards submit annual local match pledges from private and
6 public entities to secure federal child care funds pursuant to
7 Section 809.17, and to maximize resources for child care needs
8 in the community. Supporting documents include 26 Board Contract
9 Year 22 match agreements from 16 boards which include Brazos
10 Valley, Cameron County, Capital Area, Dallas County, Gulf Coast,
11 Heart of Texas, Lower Rio Grande Valley, Middle Rio Grande
12 Valley, Northeast Texas, Panhandle, Southeast Texas, South
13 Plains, Tarrant, Texoma, Upper Rio Grande, and West Central
14 Texas. Boards have currently secured 106.34 percent of the
15 statewide child care local match target for BCY22 with all
16 boards either meeting or exceeding their local match target.
17 Staff recommends child care pledges for donation, transfers, and
18 certifications for expenses for BCY22 in the amount of
19 \$9,748,190. This concludes my remarks and I'm available for any
20 questions.

21 CHAIRMAN DANIEL: Comments or questions?

22 COMMISSIONER ALVAREZ: Thank you, Ms.
23 Williams.

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1 COMMISSIONER DEMERSON: I just want to say
2 thanks to those partners that are pledging and working with our
3 local Workforce Solutions offices.

4 SANDRA WILLIAMS: Thank you.

5 CHAIRMAN DANIEL: Is there a motion?

6 COMMISSIONER ALVAREZ: Chairman, I move that
7 we accept child care match in the amount of \$9,748,190 for Board
8 Contract Year 2022.

9 COMMISSIONER DEMERSON: Mr. Chairman, has
10 Sandra been before us before because she's making a beeline to
11 the seats.

12 CHAIRMAN DANIEL: I was going to take up
13 that issue after the motion.

14 SANDRA WILLIAMS: I filled in for Mr. Weaver
15 one time in the past.

16 CHAIRMAN DANIEL: I remember. I was going to
17 defend you.

18 COMMISSIONER DEMERSON: She's making a
19 beeline.

20 CHAIRMAN DANIEL: Let me tell you something.
21 Someone who observes this process and knows to just go on and
22 get out of there when you can, that's good observation of the
23 process.

24 COMMISSIONER DEMERSON: You're right.

25 CHAIRMAN DANIEL: We have a motion pending.

1 COMMISSIONER DEMERSON: I second the motion.

2 CHAIRMAN DANIEL: It's been moved and
3 seconded and we're unanimous on that motion.

4 SANDRA WILLIAMS: Thank you, sir.

5 CHAIRMAN DANIEL: Thank you. We don't have
6 anything I believe on Items 15 or 16. Item 17, board
7 nominations.

8 CHERIE DUDLEY: Good morning, chairman,
9 commissioners, and Mr. Serna. For the record, Cherie Dudley with
10 the Workforce Development Division. For your consideration today
11 we have Workforce Board nominations for Greater Dallas, West
12 Central Texas, Panhandle, and Southeast Texas. Staff seeks
13 guidance on the presented nominees, and I'm here to answer any
14 questions you may have.

15 CHAIRMAN DANIEL: Any comments or questions?

16 COMMISSIONER ALVAREZ: Ms. Dudley, I would
17 recommend you stay there until Commissioner Demerson finishes.

18 CHERIE DUDLEY: Thank you, will do.

19 COMMISSIONER ALVAREZ: I have no questions.

20 COMMISSIONER DEMERSON: I have no questions.

21 CHAIRMAN DANIEL: Is there a motion?

22 COMMISSIONER ALVAREZ: Chairman, I move to
23 approve the board nominees for Greater Dallas, West Central
24 Texas, Panhandle, and Southeast Texas.

25 COMMISSIONER DEMERSON: Second.

1 CHAIRMAN DANIEL: It's been moved and
2 seconded. We're unanimous.

3 CHERIE DUDLEY: Thank you.

4 CHAIRMAN DANIEL: Commissioner Demerson, can
5 the witness be excused?

6 COMMISSIONER DEMERSON: She's already gone
7 so-.

8 CHAIRMAN DANIEL: This is Agenda Item 18,
9 legislative proposals. We don't have anything. Is there a
10 legislative report today? No? How about an executive director's
11 report?

12 MR. SERNA: Just very quickly to mention
13 appreciation for all of our VR counselors on today, National
14 Rehabilitation Counselor Appreciation Day, March 22nd. I know our
15 counselors have been through a whole lot and done a whole lot to
16 continue to serve our customers, and I wanted to take this
17 opportunity to recognize all of them throughout the state.

18 CHAIRMAN DANIEL: All right. Anything else?
19 I have a request, Ed. I've been hearing very recently from a
20 group of employers, we would call non-LEU base period employers
21 who are seeing some increases to their tax rates from the
22 pandemic. We took a lot of measures to really assist employers
23 in mitigating their exposure and doing several things. They've
24 raised some pretty compelling issues with me related to both the
25 chargebacks that they, the non-LEU base period employers

1 receive, and then certainly the effect that those chargebacks
2 are going to have on their tax rate not only this year but for a
3 couple years moving forward. I would ask that you please have
4 staff look into this issue and bring back a recommendation on
5 the best course of action to ensure that these employers have a
6 fair chance to have their chargeback cases heard by TWC. Thank
7 you. Anything else for Mr. Serna?

8 COMMISSIONER ALVAREZ: None here, chairman.

9 CHAIRMAN DANIEL: Anything to come before
10 the commission?

11 COMMISSIONER DEMERSON: I do have two items
12 real quick. I want to first of all thank Sylvia for attending. I
13 think she's left out or what have you but the work that they're
14 doing, appreciate that, and then Brooks Jones for continuing to
15 weigh in on the child care side regularly. I appreciate you guys
16 hearing from those employers and seeking their input as we move
17 forward. Lastly, just this past weekend I had an opportunity to
18 attend the Fort Irwin National Training Center out in the Mohave
19 Desert, and so Bob [inaudible] was there with the First Cavalry
20 out of Food Hood, and those men and women are doing some
21 phenomenal work serving in the military and protecting our
22 country so appreciate that experience this past weekend. So,
23 Bob, thank you guys for all that you are continuing to do. Bob
24 is somewhere out there in the audience.

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CHAIRMAN DANIEL: Is there a motion to adjourn?

COMMISSIONER ALVAREZ: Chairman, I move that we adjourn.

COMMISSIONER DEMERSON: Second.

CHAIRMAN DANIEL: It's been moved and seconded to adjourn. We're adjourned.