



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

February 18, 2025

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Tuesday, February 18, 2025

CHAIRMAN DANIEL: Good afternoon, everyone. This meeting is called to order. Mr. Trobman. This would be a good time for public comment.

MR. TROBMAN: Yes, sir. Good morning. Les Trobman, general counsel. We have two commenters. One is Mr. Shields, and then our second commenter will come up when we reach Item 13 on policy. Mr. Shields, if you could go ahead and unmute yourself and begin. Mr. Shields is here? OK. Mr. Shields, we can't hear you. If you want to maybe adjust the volume. Commissioners, well—oh, Ms. Shields?

MS. SHIELDS: Yes, it's Ms. Shields.

MR. TROBMAN. Sorry about that. Please go ahead.

MS. SHIELDS: OK. I appreciate the opportunity today to speak before the committee. Good afternoon, Chairman Daniel, Commissioners Treviño and Esparza, and the TWC staff. My name is Torrenus Shields. I currently have a pending appeal from an unemployment claim that was first submitted to the TWC on May 12th of last year. My claim was denied leading to what is now a nine-month process of learning much more about your division that I would ever otherwise thought I would. In short, I never thought I would ever end up here. In the initiation of this journey I felt I was in a position of either sinking or swimming. My starting goal was to keep swimming

1 fearing the sinking part. After all these months of waiting to
2 be given a fair shot and after getting a vehicle repossessed, a
3 family home in foreclosure, bills that are so far behind that I
4 figured that it's next to impossible to know how to catch up.
5 I'm in a position of realizing just how much weight is in the
6 sinking part. I requested to speak here today because my former
7 employer, Houston ISD, terminated my employment on April 12,
8 2024. Shortly afterwards I determined that it was in my best
9 interest to bow out, so I submitted a resignation letter with my
10 effective last date being May the 3rd. Although Houston ISD
11 offered for me to continue working until the end of the school
12 year, which was the first week of June, my last day was May the
13 3rd. I was denied my unemployment claim from the beginning and
14 namely because when HISD reports it and made a response to TWC
15 they claimed that I left the school district without notice and
16 I gave no reason. There was an important question for them to
17 answer for TWC which was if the claimant was going to be
18 terminated prior to quitting, they left that part blank. After
19 the second part to my unemployment appeal hearing in December, I
20 was given a response from the hearing officer where she
21 continued to side with the district furthering the denial of my
22 claim. As a result, I used information within her response to
23 dig a little further and I found that there is a TWC precedents
24 manual. Within that manual I found along pages 555 and after
25 that the initiating party—I'm sorry, the party initiating the

1 discharge was the one to bear the burden for the discharge. With
2 this in mind, had HISD answered the question that yes, they had
3 plans to terminate my employment, I am left to believe that I
4 would have received an acceptance of my unemployment claim. It
5 has now been over nine months. I requested an appeal to the
6 commission on December 27th. I have reached out to the commission
7 and I've been told that my case still has not appeared on the
8 docket because the commission is behind on cases. Although I
9 understand the amount of cases you all have to review with each
10 of your meetings, and I respect all that you all do, I can't
11 help but to go back to wonder what would be the case had HISD
12 answered truthfully and fairly from the start where all of what
13 I am going through right now financially would not be occurring.
14 So the topic that I submitted as a result of speaking today was
15 surrounding holding employers responsible and penalizing
16 employers for submitting false information or misleading
17 information to the TWC because what has occurred in my situation
18 is a primary example of what could be occurring in a lot of
19 claimants' situations. So I'm speaking out to request that the
20 commission begin to try to review cases to determine if
21 employers are holding up to their end of the bargain and
22 submitting correct information to you all so that you all can do
23 what's best and fair for both sides, all sides. Thank you.

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1 CHAIRMAN DANIEL: The motion passes with the
2 exceptions noted. This brings us to the end of Agenda Items 1
3 through 8. We'll take a short recess. This is Agenda Item 9,
4 modification to exceptional items.

5 CHRIS NELSON: Good afternoon, chairman,
6 commissioners, Mr. Serna. For the record, Chris Nelson, chief
7 financial officer. On September 3, 2024, the commission voted to
8 approve TWC's legislative appropriation requests which included
9 capital projects and appropriations for the 2026-2027 biennium.
10 Since then staff have been made aware that the labor law system
11 replacement that was approved in the 88th legislation is going to
12 need to be extended until April of 2026. To complete this
13 project TWC is also going to need 868,000 additional dollars in
14 its data center appropriation for 2026-2027 as well as 1,296,000
15 to complete that capital project. This morning I'm seeking
16 approval to formally approve this and submit this to the
17 Legislative Budget Board. I'd be happy to answer any questions.

18 CHAIRMAN DANIEL: Any comments or questions?

19 COMMISSIONER TREVIÑO: None here.

20 COMMISSIONER ESPARZA: No, sir.

21 CHAIRMAN DANIEL: Is there a motion?

22 COMMISSIONER TREVIÑO: Chairman, I move we
23 approve the revisions to the TWC's 2026-2027 exceptional item
24 requests priorities numbers 13 and 16 as described in the
25 discussion paper and recommended today by staff.

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COMMISSIONER ESPARZA: I second.

CHAIRMAN DANIEL: It's been moved and seconded, and the motion carries. This is Agenda Item 10, the UI trust fund.

CHRIS NELSON: Again for the record, Chris Nelson, chief financial officer. This morning I have an update. This is through December 2024. I'm actually already working on the update with the January data but there is a revision from my last update back in December so we're starting with the 1.5-billion-dollar balance as of October 1st. Of course that's unchanged. I'm keeping the revenue flat at 2.185 billion at this point in time but I am making a change to the on Row 1.07 to the unemployment insurance benefits increasing that just over 2.9 billion. With those changes that would put the trust fund on October 1st at 1.247 billion. This would actually be after we move 460 million out of the ETI account into the trust fund. At that point that would leave us approximately 140 million dollars below the floor come October 1st. That's my update. I'm be happy to answer any questions.

CHAIRMAN DANIEL: Any comments or questions?

COMMISSIONER TREVIÑO: Mr. Nelson, I'm noticing that the projected trust fund balance for 2025 is going to be estimated below the floor. Could you elaborate on maybe the potential impact of this shortfall?

1 CHRIS NELSON: So if we are below the floor
2 come October 1, 2025, mechanically what would kick in would be
3 the deficit tax. That is one of the statutory rates the
4 commission have the ability to adjust but if we're below the
5 floor it would kick in a deficit tax for calendar year 2026.

6 COMMISSIONER TREVIÑO: Thank you.

7 CHAIRMAN DANIEL: Any other comments or
8 questions?

9 COMMISSIONER ESPARZA: None.

10 CHAIRMAN DANIEL: Thank you.

11 CHRIS NELSON: Thank you.

12 CHAIRMAN DANIEL: This is Agenda Item 11,
13 workforce readiness skills training.

14 KRISTIE CAVINESS: Good afternoon, Chairman
15 Daniel, Commissioner Treviño, Commissioner Esparza, and Mr.
16 Serna. For the record, I'm Kristie Caviness with the Workforce
17 Development Division. The Employer Engagement and Community
18 Outreach team work with employers across the state and we
19 consistently hear how the lack of workforce readiness skills,
20 sometimes called soft skills, is a critical challenge in hiring
21 and the retention of employees. To meet those challenges we see
22 an opportunity to address employer's needs and support workers
23 with the training skills necessary for them to succeed in the
24 workplace. We believe by providing this training, employees will
25 stay with their employer longer and be better equipped to build

1 technical skills. Staff recommends the Skills Development Fund
2 be used to support a statewide customized workforce readiness
3 skills training pilot program to benefit Texas employers and
4 their workforce. As noted in the discussion paper, Texas State
5 Technical College can provide statewide training under the
6 Skills Development Fund statute. Staff recommends TWC award a
7 \$5,000,000 grant to TSTC to create and provide the described
8 workforce readiness training. Happy to answer questions.

9 CHAIRMAN DANIEL: Any comments or questions?

10 COMMISSIONER TREVIÑO: None here.

11 COMMISSIONER ESPARZA: I've got some
12 comments and one question really. I'm a big fan of TSTC. I think
13 they do great work across the state. We're trying to answer the
14 call for soft skills as much as we can in the state. I kind of
15 answered myself a little just a while ago. This is a pilot
16 program, right? We're earmarking funds so that TSTC can use it.
17 Is it to—is the five million being held at one location or are
18 all 11 locations getting a program?

19 KRISTIE CAVINESS: Correct. So now when TSTC
20 participates with Skills Development Fund or Skills for Small
21 Business, it's a statewide effort so they are considered one
22 entity. They just have multiple diverse locations throughout the
23 state.

24 COMMISSIONER ESPARZA: OK. It's a pilot.
25 When we see this, I know they'll be successful with it but when

1 we see this as a success, what could be the next step here? Is
2 it an expansion? Are we going to have something for like the
3 rest of—like other community colleges or does this only work
4 because TSTC is kind of a statewide thing?

5 KRISTIE CAVINESS: I mean I think we could
6 evaluate it afterwards provided it does really well but TSTC is
7 the only statewide that could provide those diverse locations.

8 COMMISSIONER ESPARZA: Was there any way or
9 consideration to increasing the percentage allowable for soft
10 skills in the proposal as to open it up a little bit further?

11 KRISTIE CAVINESS: So 25 percent is actually
12 with Skills Development Fund is an increase from what it was
13 when I first started which was around four years ago so SDF is a
14 technical training, customized technical training grant so we
15 try to keep it that way.

16 COMMISSIONER ESPARZA: OK, thank you.

17 CHAIRMAN DANIEL: Any other questions or
18 comments? Is there a motion?

19 COMMISSIONER TREVIÑO: Chairman, I move that
20 we approve the dedication of \$5,000,000 in the Skills
21 Development grant funding to support Texas State Technical
22 College in the development and implementation of a statewide
23 customized workforce readiness training for Texas employers and
24 their workforce as described in the discussion paper and
25 recommended today by staff.

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COMMISSIONER ESPARZA: I second.

CHAIRMAN DANIEL: It's been moved and seconded, and the motion carries. This is Agenda Item 12, AEL measures, targets, and performance-based criteria.

MAHALIA BALDINI: Good afternoon, Chairman Daniel, Commissioner Treviño, Commissioner Esparza, and Mr. Serna. For the record, Mahalia Baldini, Workforce Development Division. This afternoon I'm here to present you with the Adult Education and Literacy program year 24-25 contracted measures targets performance-based funding criteria as outlined in your notebook materials. For a first issue and for consideration are the contracted measures. There are three of those, participant enrollments, measurable skills gains, and exit-based outcomes. Your notebook materials further outline the recommended targets for each of these measures. Tables 1 and 2 in your notebook materials reflects the participant enrollment targets for each set of AEL grants which includes targets reflective of the outlined cost pers in relation to this year's allocation as well as any carry forward funds associated for the program year 23-24 balances. Total participants served across all grants is 55,656 which exceeds the LBB target of 53,872 that's outlined for program year 24-25. Table 3 reflects the measurable skills gained target negotiated with the U.S. Department of Education Office of Career, Technical, and Adult Education last summer for this program year 24-25, and the last table reflects that staff

1 are recommending that for the program year 24-25 no targets be
2 associated with these contracted exit-based measures due to the
3 lag of the reporting periods in relation to the fact that we
4 just started a brand-new grant cycle on July 1, 2024. The second
5 issue for consideration is the performance-based funding
6 criteria. Texas Labor Code 315.007 requires that the Texas
7 Workforce Commission set performance-based funding criteria
8 related to high school equivalency enrollment and attainment
9 after exiting the AEL program. There are two measures, 25
10 percent enrollment in high school equivalency or postsecondary
11 education programs and 70 percent high school equivalency or
12 postsecondary education achievement of students who exit within
13 the program year. The amount of funds for those who meet the
14 criteria cannot be determined until the data is mature which
15 will happen in quarter one of program year 25-26 at which time
16 staff will bring forward a recommendation for the commission to
17 consider based off of the funds that are available at that time.
18 This concludes my remarks and I'm happy to answer any questions
19 that you may have.

20 CHAIRMAN DANIEL: Any comments or questions?

21 COMMISSIONER TREVIÑO: None here.

22 COMMISSIONER ESPARZA: No questions.

23 CHAIRMAN DANIEL: Is there a motion?

24 COMMISSIONER TREVIÑO: Chairman, I move that
25 we approve the Adult Education and Literacy program year 2024-

1 2025 contracted measures and the performance-based funding
2 criteria as described in the discussion paper and recommended
3 today by staff.

4 COMMISSIONER ESPARZA: I second.

5 CHAIRMAN DANIEL: It's been moved and
6 seconded, and the motion carries. This is Agenda Item 13,
7 midyear review of child care allocations.

8 REAGAN MILLER: Good afternoon. Reagan
9 Miller with the Child Care & Early Learning Division. This
10 afternoon we're bringing forward midyear review of the board
11 contract year 2025 child care allocations. This midyear review
12 provides an opportunity for us to recheck the case mix
13 assumptions that were used to determine the affordable number of
14 children that boards can serve. As you know, as we begin
15 implementing the requirement that all child care services
16 providers become Texas Rising Star certified, the average cost
17 of child care will increase as the providers begin to qualify
18 for the Texas Rising Star enhanced reimbursement rates. Based on
19 our midyear review there are 19 boards whose average cost has
20 increased and we're recommending the distribution of \$27,220,126
21 to allow them to meet their initially approved targets. I do
22 want to note that in the initially published document there was
23 a typo that said 17 boards. It is 19 boards and I want to thank
24 OGC for getting that document updated so quickly. Thank you.
25 We're also recommending that you again authorize staff to

1 conduct an end-of-year reconciliation to ensure boards' average
2 costs did not increase to a point that made their BCY25 target
3 unaffordable and to distribute funding to boards whose average
4 cost increased and who did not have sufficient funding to meet
5 their approved targets, and I'd be happy to answer any
6 questions.

7 CHAIRMAN DANIEL: All right. Sit tight for
8 just a second. We've got one public commenter. We'll get that
9 done and then I have a question and some others may as well.

10 MR. TROBMAN: Yes, we have Jerletha McDonald
11 here. If you want to go ahead and unmute yourself and begin.

12 JERLETHA MCDONALD: Hello, everyone.

13 MR. TROBMAN: Please proceed.

14 JERLETHA MCDONALD: Hello, everyone. My name
15 is Jerletha McDonald. I am the founder and CEO of ADFW Family
16 Child Care Network, a national family child care advocate and
17 leader based out of Arlington, Texas, and a former family child
18 care owner myself. I am here to provide testimony regarding the
19 new Texas Child Care Scholarship payment system. Many child care
20 owners and directors in child care centers and family child care
21 homes across Texas have not received their child care
22 scholarship payments in certain areas. As you know, we are
23 already facing a child care crisis in Texas with 90,000 children
24 currently on a waiting list. Child care centers are not
25 operating at capacity, classrooms are empty, and there is a

1 staffing shortage, and now to add to the crisis child care
2 centers are not being paid. This shortage makes it difficult for
3 parents to go to work or school and employers will lose staff
4 because they do not have access to child care. Meanwhile child
5 care centers and family child care homes are struggling to
6 operate because they are not being properly compensated. On top
7 of that the Texas Rising Star program requires child care
8 operations to maintain the highest level of quality which Texas
9 child care centers and family child care homes are committed to
10 and are actively doing. However, remaining at a high level of
11 quality requires quality funding. Without proper reimbursement
12 and investment it becomes nearly impossible for child care
13 businesses to sustain themselves while maintaining high
14 standards. We are asking the state to fulfill its commitment by
15 ensuring timely, accurate payments so that child care businesses
16 can continue to provide the high-quality care that children and
17 families in Texas deserve. Also I would like to say thank you to
18 Texas Workforce for all you do. I do second what Ms. Miller is
19 proposing making sure that child care workforce boards receive
20 accurate funding for child care system in the state of Texas.
21 Thank you.

22 CHAIRMAN DANIEL: All right. Questions or
23 comments for Ms. Miller?

24 COMMISSIONER TREVIÑO: None here.

25 COMMISSIONER ESPARZA: No, chairman.

1 CHAIRMAN DANIEL: So the 27 million, is all
2 of that going to additional subsidy for the boards that need it?

3 REAGAN MILLER: Yes.

4 CHAIRMAN DANIEL: And this additional
5 subsidy is needed because, as I understand it and I want to make
6 sure I'm correct about this, we have more higher levels of
7 Rising Star or is it something else that's driving the increase?

8 REAGAN MILLER: That is the primary driver.
9 As we have more child care programs attain their Texas Rising
10 Star certification, they earn an enhanced reimbursement rate for
11 serving the same children. As a result our average cost goes up
12 for the same number of children that we're serving.

13 CHAIRMAN DANIEL: Because the subsidy rate
14 goes up depending on what tier of Rising Star you're on, is that
15 correct?

16 REAGAN MILLER: That is correct.

17 CHAIRMAN DANIEL: All right. The commenter
18 was talking about late subsidy payments going to child care
19 operators. I understand that there was a hiccup in the rollout
20 of our new computing package but it would appear to me that we
21 have a handle on that and this was an isolated incident. Is that
22 about where we still are with that particular issue?

23 REAGAN MILLER: It is. We did have some
24 hiccups in the initial launch. We had some delayed processing of
25 payments through the new system but we have initiated those

1 processes. The boards were four days late from the two-week
2 payment timeline last week. We're catching up this week. We've
3 got two additional payments scheduled for this week and at the
4 beginning of next week we have another payment process
5 scheduled.

6 CHAIRMAN DANIEL: The payment is the subsidy
7 that we owe on contracted children, and it goes directly to the
8 provider.

9 REAGAN MILLER: That is correct.

10 CHAIRMAN DANIEL: Does the board initiate
11 that or does TWC initiate that?

12 REAGAN MILLER: It's a two-step process. The
13 automation system processes the payments and then the boards act
14 on that process having been completed.

15 CHAIRMAN DANIEL: So on the payments that
16 were late, four days you said?

17 REAGAN MILLER: Yes, the second payment out
18 of the new automation system, rather than it launching on the
19 Monday after the close of that two-week timeframe for payment,
20 it launched on Thursday.

21 CHAIRMAN DANIEL: OK. I'm asking because I
22 believe this to be true and I want to know if I'm correct. So in
23 the past we've got several things going on with the
24 consolidation caused by this new computing package. One of the
25 things that's being caused is there were boards that were paying

1 out subsidy weekly and not every other week, and the new system
2 will dictate that everybody gets paid every other week. Is that
3 correct?

4 REAGAN MILLER: That is correct.

5 CHAIRMAN DANIEL: And whereas we had been
6 reimbursing subsidy in arrears, we'll now make a prospective
7 payment for those subsidies.

8 REAGAN MILLER: Yes, we are about to launch
9 that new process which is this catchup period that we're in now.

10 CHAIRMAN DANIEL: And that's why we're in a
11 catchup period is because we're moving from paying out the
12 subsidies after the service had occurred to paying the subsidies
13 prior to the service occurring.

14 REAGAN MILLER: Correct.

15 CHAIRMAN DANIEL: I'm assuming the new
16 computing package will keep track if a student doesn't show up,
17 doesn't use their subsidy, that somehow that will be accounted
18 for.

19 REAGAN MILLER: We do have attendance
20 tracking in our system.

21 CHAIRMAN DANIEL: All right. Any other
22 comments or questions?

23 COMMISSIONER TREVIÑO: None here.

24 CHAIRMAN DANIEL: Is there a motion on the
25 redistribution of funds?

1 COMMISSIONER TREVIÑO: Chairman, I move that
2 we approve distribution of \$27,220,126 in child care development
3 funding to support 19 boards in meeting board contract year 2025
4 performance targets and authorize staff to conduct a year-end
5 reconciliation as described in the discussion paper and
6 recommended today by staff.

7 COMMISSIONER ESPARZA: I second.

8 CHAIRMAN DANIEL: It's been moved and
9 seconded, the vote is unanimous and the motion carries.

10 REAGAN MILLER: Thank you.

11 CHAIRMAN DANIEL: Thank you. This is Agenda
12 Item 14, PPD certifications and recertification.

13 JUAN GARCIA: Good afternoon, commissioners,
14 Mr. Serna. Juan Garcia with the Voc Rehab Division. This
15 afternoon for your consideration we have one new CRP that is
16 seeking first-time certification and eight CRPs that are seeking
17 recertification to continue in the PPD program. The new CRP
18 that's seeking first-time certification is Infinity Gardens in
19 Houston, and they are proposing to provide janitorial services.
20 At this point they have no contracts obviously. The eight CRPs
21 that are seeking certification are as follows: Exceed Resources
22 in El Paso; Envision Dallas Lighthouse for the Blind in Farmers
23 Branch; Goodwill Industries of Lubbock in Lubbock; Goodwill Temp
24 Services in Austin; Rising Star Resource Corporation in Dallas;
25 Travis Association for the Blind in Austin; Tex-Spice in Divine;

1 and Saumya in Huntsville. Staff recommends the certification of
2 one new CRP seeking first-time certification and eight CRPs
3 seeking recertification as discussed in the discussion paper.
4 With that I can answer any questions.

5 CHAIRMAN DANIEL: Any comments or questions?

6 COMMISSIONER TREVIÑO: None here.

7 COMMISSIONER ESPARZA: No questions.

8 CHAIRMAN DANIEL: Is there a motion?

9 COMMISSIONER TREVIÑO: Chairman, I move that
10 we approve the certification and recertification of the
11 following community rehabilitation programs for participation in
12 the Purchasing from People with Disabilities program as
13 recommended today by staff: The certification of Infinity
14 Gardens and the recertification of Exceed Resources; Envision
15 Dallas Lighthouse for the Blind; Goodwill Industries of Lubbock;
16 Goodwill Temporary Services Incorporated; Rising Star Resource
17 Development; Travis Association for the Blind; Tex-Spice and
18 Saumya.

19 COMMISSIONER ESPARZA: I second.

20 CHAIRMAN DANIEL: It's been moved and
21 seconded. The motion carries. Thank you. This is Agenda Item 15,
22 board nominees.

23 PATRICIA MARTINEZ: Good afternoon,
24 chairman, commissioners, Mr. Serna. For the record, Patricia
25 Martinez, Workforce Development Division. Today for your

1 consideration we have Workforce Board nominations for Workforce
2 Solutions Gulf Coast, Lower Rio Grande Valley, North Texas,
3 Permian Basin, and South Plains. Staff recommends approval on
4 the presented nominees and I'm here to answer any questions you
5 may have.

6 CHAIRMAN DANIEL: Comments or questions?

7 COMMISSIONER TREVIÑO: None here.

8 COMMISSIONER ESPARZA: No questions.

9 CHAIRMAN DANIEL: Is there a motion?

10 COMMISSIONER TREVIÑO: Chairman, I move that
11 we approve the local Workforce Development Board member nominees
12 presented today for the following: Workforce Solutions Gulf
13 Coast; Lower Rio Grande Valley; North Texas; Permian Basin; and
14 South Plains.

15 COMMISSIONER ESPARZA: I second.

16 CHAIRMAN DANIEL: It's been moved and
17 seconded, and the motion carries.

18 PATRICIA MARTINEZ: Thank you.

19 CHAIRMAN DANIEL: Thank you. Is there an
20 executive director's report today?

21 MR. SERNA: No, sir. Not today.

22 CHAIRMAN DANIEL: Is there any other order
23 of business to come before the commission? Is there a motion to
24 adjourn?

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COMMISSIONER TREVIÑO: Chairman, I move to
adjourn.

COMMISSIONER ESPARZA: I second.

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