



MEETING OF THE
TEXAS WORKFORCE COMMISSION

DATE

MAY 20, 2025

1 Tuesday, May 20, 2025

2 CHAIRMAN DANIEL: All right. Good morning,
3 all. This meeting is called to order. Mr. Trobman, has anyone
4 signed up for public comment?

5 MR. TROBMAN: No, sir.

6 CHAIRMAN DANIEL: The motion passes with the
7 exceptions noted. This brings us to the end of Agenda Items 1
8 through 8. We'll take a short recess.

9 CHAIRMAN DANIEL: Year 2026 WIOA
10 allocations, rapid response distributions, and AEL allocations.
11 Handouts.

12 CHRIS NELSON: Good morning, chairman,
13 commissioners, Mr. Serna. For the record, Chris Nelson, chief
14 financial officer. This morning, uh, I have just provided you
15 with an updated allocation packet for your consideration. On
16 Friday after TWC published its allocation packet using WIOA
17 planning ested amoun, estimat, estimate amounts provided by the
18 Department of Labor, they issued the official allotments to the
19 state of Texas. The allocations were recalculated with the
20 official allotment amounts for the WIOA adult and youth programs
21 to meet the 85 percent allocation requirements as set forth in
22 TWC Rule which includes a \$4,169 increase in WIOA adult and a
23 \$554,442 reduction in youth, uh, from the schedules previously
24 provided to you. Staff did not recalculate the WIOA dislocated
25 worker allocation as the amount change was minimal and TWC

1 allocates more than the required 60 percent to the Workforce
2 Development Boards. Overall, this is about a 10 percent
3 reduction for the state's allotment from 2025. Also included is
4 a rapid response distribution for boards out of the dislocated
5 worker funds. These are for grant agreements that will go into
6 effect July 1, 2025. Also in your, included in your packet is a
7 PY25/FY26 allocation for the adult education program. As of
8 today, TWC has not received an allotment for the adult education
9 program nor has it received a planning estimate. For that
10 reason, staff are bringing forward an allocation for con,
11 commission consideration that includes 100 percent of the 9.5
12 million of state general revenue appropriated to the AEL program
13 and 100 percent of the 5.8 million of the appropriated TANF
14 funds appropriated to the, uh, adult ed program but staff are
15 only recommending 50, to allocate at this time 50 percent of
16 that PY24/FY25, uh, federal funds until TWC receives an official
17 allotment from the Department of, uh, Education. At that time
18 TWC will recalculate the full allocation and bring that before
19 the commission for approval. Also included in your packet is, is
20 a distribution of 50 percent of the PY24/FY25 integrated English
21 literacy and civics education funds that is distributed at the
22 same proportion to providers that responded to the procurement
23 that went into effect last July. Uh, all of these funds will go
24 into effect July 1, 2025. Uh, that concludes my comments and I'd
25 be happy to answer any questions.

1 CHAIRMAN DANIEL: Comments or questions?

2 COMMISSIONER TREVIÑO: Uh, none here.

3 COMMISSIONER ESPARZA: I got [inaudible].

4 Chris, thank you so much for your briefing. Uh, just to kind of
5 clarify. We're hoping that, to help the boards out because at
6 the end of this, it's, uh, you know, it's a reduction so it's a
7 tough pill to swallow but I appreciate that we didn't sit and
8 wait on, on, on—we used estimates or [inaudible].

9 CHRIS NELSON: Right.

10 COMMISSIONER ESPARZA: Please go over again,
11 are these—are the estimates that we were briefed on let's say
12 last week or the week before, uh, have we—are these the hard
13 numbers that we're [inaudible]?

14 CHRIS NELSON: So these are the—yes, the
15 WIOA adult dislocated youth are the, uh, uh, hard numbers so we
16 got the official allotment to, to all states got their official
17 allotment, uh, Friday morning, uh, after we had kind of finished
18 our last briefing using the planning estimate numbers we had
19 received from the Department of Labor some time before, uh, so
20 whether it was—maybe it was just they saw this on the commission
21 agenda and decided, well, we might as well release the official
22 numbers so, uh, but yes, these are the hard official numbers for
23 the state of Texas.

24 COMMISSIONER ESPARZA: OK, good timing. The
25 uh, at least we're not going into the beginning of summer, uh. I

1 know a lot of boards are, are, they're, they're putting their
2 plans into, into action so I know some of that, some of the
3 funding that they're spending is, is building leases, etc. Uh,
4 the—are we able to—are we able to provide how each of the 10
5 percent whole reduction was knocked into each of the 28
6 different boards at a certain, uh, at a certain algorithm
7 [inaudible]?

8 CHRIS NELSON: So the states—

9 COMMISSIONER ESPARZA: That we agreed to
10 [inaudible].

11 CHRIS NELSON: So the state's overall
12 allotment was reduced by approximately 10 percent for each
13 program.

14 COMMISSIONER ESPARZA: OK.

15 CHRIS NELSON: That is largely driven by the
16 funding amount which isn't too much different than the prior
17 year but also the change in factor. So for adult and, uh, youth
18 we use the exact same factors that the Department of Labor uses
19 when it, uh, kind of disburses funds to, to all states, uh, and
20 that is on adult and youth it's, there's three parts to each and
21 they are somewhat similar, one, and the 33.33 percent each,
22 disadvantaged adult or youth and then areas of excess
23 unemployment, and areas of substantial unemployment. So those
24 three factors, uh, dictate how much each state gets and then
25 when we get the funding, that's what dict—by county level

1 dictates how much each board area gets, and so what you saw at,
2 at the, uh, national level with the factor data is, uh, Texas
3 proportionate share of all those factors has gone down relative
4 to everybody else, and relative is the key term because you can
5 see an increase in the raw factor data.

6 COMMISSIONER ESPARZA: Yeah.

7 CHRIS NELSON: But if, if other states have
8 a much higher increase [inaudible] for the boards [inaudible]
9 counties, so you can have your area see an increase in raw
10 factor but if other counties, uh, see increases, your, your
11 relative change may be actually less than theirs so—

12 COMMISSIONER ESPARZA: Right, so not—I did
13 notice in a lot of different board areas or MSAs that, for
14 instance, Permian Basin is going to take about an 18 percent
15 hit, uh, whereas the Capital Area—I'm specifically talking about
16 dislocated workers, the dislocated worker program, uh, places
17 like Capital Area are, are increased at point, 0.3. Uh, I, I
18 definitely want to recommend—I, I, I cont, I want to continue
19 learning about how, how the factors on numbers came, came to
20 play, what boards in different parts of the state can do, uh, if
21 we—I would encourage any of the boards also if they have any
22 questions, I'd, I'd like to be available for, for any of those
23 visits if they, if they contact us or they contact you to ask
24 about how everything was factored in. I'd appreciate getting a
25 heads-up so we can be in on that too.

1 CHRIS NELSON: And we do get questions time
2 to time from boards on the background behind it. Two, a couple
3 things that also play into this is there is a hold harmless and
4 then a stop gain provision so it's—basically it's 80 percent.
5 Every board should get at least 80 percent of what they got
6 before so if any board with the raw factor data is below that,
7 there's a reallocation that does, that brings them up but, of
8 course, you have to take that from some other—some—from the
9 other areas and it just keeps running through that until every
10 board is at the hold harmless provision or the stop gain so that
11 if you—one area got way too much, it, it reallocates that until
12 everybody's within the hold harmless, stop gain so—and I think
13 Permian Basin is one of those areas that was affected by that.

14 COMMISSIONER ESPARZA: Yes, sir. OK. Thanks,
15 Chris. Appreciate you clarifying on that. No further questions.

16 CHAIRMAN DANIEL: Is there a motion?

17 COMMISSIONER TREVIÑO: Chairman, I move that
18 we adopt the program year 2025/fiscal year 2026 allocations and
19 distributions for the Workforce Innovation and Opportunity Act
20 adult education and literacy and rapid response programs as
21 recommended today by staff.

22 COMMISSIONER ESPARZA: I second.

23 CHAIRMAN DANIEL: It's been moved and
24 seconded and the motion carries.

25 CHRIS NELSON: Thank you.

1 CHAIRMAN DANIEL: This is Agenda Item 10,
2 local Workforce Development Board nominees.

3 PATRICIA MARTINEZ: Good morning, chairman,
4 commissioners, Mr. Serna. Uh, for the record, Patricia Martinez,
5 Workforce Development Division. Today I have for your
6 consideration the Workforce Board nomination for Workforce
7 Solutions Golden Crescent. Staff recommends approval on the
8 presented nominee, and I'm here to answer any questions you may
9 have.

10 CHAIRMAN DANIEL: Comments or questions?

11 COMMISSIONER TREVIÑO: Uh, none here.

12 COMMISSIONER ESPARZA: No questions.

13 CHAIRMAN DANIEL: Is there a motion?

14 COMMISSIONER TREVIÑO: Chairman, I move that
15 we approve the local Workforce Development Board member nominee
16 presented today for Workforce Solutions Golden Crescent.

17 COMMISSIONER ESPARZA: I second.

18 CHAIRMAN DANIEL: It's been moved and
19 seconded and the motion carries. Thank you. Legislative report.

20 MICHAEL BRITT: Good morning, Mr. Chairman,
21 commissioners, Mr. Serna. For the record, Michael Britt,
22 governmental relations. Uh, this week TWC is providing resource
23 witness testimony for a, for a couple of legislative hearings.
24 Uh, this morning we have Mary York available as a resource
25 witness in the Senate Committee on Education, uh, K through 16,

1 on House Bill 322 by Representative Guillen which relates to the
2 use of federal funds—which relates to the use of funds awarded
3 under the JET program. This afternoon, Allison Wilson will serve
4 as a resource witness in the Senate Committee on Health and
5 Human Services on House Bill 4903 by Representative Harris
6 Davila which relates to the establishment of a quad-agency child
7 care initiative. Also yesterday the Texas Senate passed three
8 TWC legislative proposals. House Bill 3698 by Representative Vo
9 which is TWC's legislative proposal related to RESEA, House Bill
10 3699 also by Representative Vo which is TWC's legislative
11 proposal related to modifying the definition of last work, and
12 House Bill 3700 by Representative Vo which is TWC's legislative
13 proposal related to establishing fraud, waste, and abuse
14 detection and prevention for all TWC programs. These three bills
15 will now be sent to the governor for his consideration. Uh,
16 yesterday Governor Abbott also signed into law Senate Bill 765
17 which is TWC's legislative proposal related to the
18 confidentiality of fraud detection and prevention methods. And
19 just as a reminder, the 89th Legislative Session will conclude on
20 Monday, June 2nd. This concludes my remarks. Happy to answer any
21 questions.

22 CHAIRMAN DANIEL: Any comments or questions?

23 COMMISSIONER TREVIÑO: Uh, none here.

24 COMMISSIONER ESPARZA: No questions.

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1 CHAIRMAN DANIEL: Lot of chatter yesterday
2 around the capital about your, about your wardrobe, about some
3 of your sartorial choices.

4 MICHAEL BRITT: Yes, sir.

5 CHAIRMAN DANIEL: And whether or not you,
6 you had modeled that off of certain executive staff here at TWC.
7 I'm, I'm pleased to see that you, you've almost identically
8 copied the look of Mr. Serna and Mr. Townsend today. Given all
9 the chatter I heard yesterday, I think that was a wise sartorial
10 choice.

11 MICHAEL BRITT: Yes, sir. I thought, I
12 thought that was an appropriate choice myself.

13 CHAIRMAN DANIEL: Wonderful. Any other
14 comments or questions. None? Thank you, sir.

15 MICHAEL BRITT: Thank you.

16 CHAIRMAN DANIEL: An executive director's
17 report.

18 MR. SERNA: Uh, after that there's nothing
19 for me to report. We do have a STAR award, uh, to present to
20 three of our, uh, employees in IT, uh, Matt Duffy, Joseph
21 Leadley, and Thomas Beckley, and I think that Jerry White, our
22 HR director, he nominated these individuals, will be laying that
23 out.

24 JERRY WHITE: Thank you. Chairman,
25 commissioners, Mr. Serna, uh, for the record, I'm Jerry White,

1 director of human resources here at TWC. I'm here today as a
2 nominator of three deserving recipients for this quarter's STAR
3 awards. The STAR award program recognizes employees for
4 significant contributions that go beyond their day-to-day
5 responsibilities and help foster a culture of continuous
6 improvement here at TWC. Today's nominees are Matt Duffy, Joseph
7 Leadley, and Thomas Beckley, the three members of the agency's
8 artificial intelligence team. They are being recognized today
9 not only for rolling out AI, an exciting technology that's a
10 rage worldwide but for how they did it, uh, and that's a process
11 that's been based in good, old fashioned customer service.
12 They've taken time learning their customers' process
13 constraints, guiding discussions about AI, how AI can help
14 alleviate them, implementing some fantastic new tools, gathering
15 metrics on how those tools' effectiveness, uh, really work, and
16 then moving on to a long list of other projects. Their work has
17 made it easier to analyze legislation and access questions about
18 many HR topics and streamline computer coding. They have been
19 great ambassadors for this technology by showing our employees
20 how they can be used to augment the work of our teams. They're
21 even working on a tool that creates a podcast, uh, on big,
22 difficult-to-understand topics. Uh, I heard a nine-minute
23 version of our personnel manual last week, uh. Our personnel
24 manual takes a little longer than nine minutes to go through and
25 they have these people talking enthusiastically about it which

1 is just a delightful change from what I typically hear so that's
2 great. Uh, they've done it all in way ensuring that all of our
3 agency data is secure and, uh, protected. Their efforts are an
4 investment with rewards for all of us. Matt, Joseph, and Thomas
5 went above and beyond, and their innovative approach has made a
6 significant impact on the agency, empowering staff to work
7 smarter, faster, and with greater efficiency. Please join me in
8 congratulating them for this well-earned award.

9 CHAIRMAN DANIEL: So, uh, these tools are
10 transformative here at TWC and will continue to be so. I
11 appreciate all the effort that goes in them. This is difficult
12 work and the government presents challenges for using artificial
13 intelligence. I appreciate in your whole presentation you didn't
14 say the word Skynet one time so feel like, I feel like these
15 guys are developing good tools, and Commissioner Esparza and I
16 were just discussing during your presentation, this is going to
17 make him a better podcaster because of this competition that he
18 now has from the computer here within. Thanks, Jerry, for coming
19 today and bringing this to us.

20 COMMISSIONER ESPARZA: Thanks, Jerry.

21 JERRY WHITE: Thank you.

22 CHAIRMAN DANIEL: Job well done. All right.
23 Mr. Serna, any other, any other business?

24 MR. SERNA: No, sir. No other business.
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1 CHAIRMAN DANIEL: Commissioners, any other
2 business to come before the commission.

3 COMMISSIONER TREVIÑO: No.

4 CHAIRMAN DANIEL: Is there a motion to
5 adjourn?

6 COMMISSIONER TREVIÑO: Chairman, I move to
7 adjourn.

8 COMMISSIONER ESPARZA: I second.

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

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