



MEETING OF THE
TEXAS WORKFORCE COMMISSION

DATE

JULY 21, 2026

1 Tuesday, July 21, 2026

2 CHAIRMAN ESPARZA: In accordance with the
3 posted agenda it's 10 o'clock. Let's go ahead and call the
4 meeting to order. Mr. Trobman, any public comment?

5 MR. TROBMAN: Good morning, commissioners,
6 Les Trobman, general counsel. We have two individuals registered
7 for public comment this morning. I'll introduce, uh, the first
8 one. If you could unmute yourself, introduce yourself for the
9 record, and then you can go ahead and begin. Mitzi Stolarski.

10 MITZI STOLARSKI: Hello.

11 MR. TROBMAN: Hello. Good morning.

12 MITZI STOLARASKI: Hi, good morning. You can
13 hear me?

14 MR. TROBMAN: Yes.

15 MITZI STOLARSKI: Making sure. All right.
16 Uh, is this—my time has started?

17 MR. TROBMAN: It is. Go ahead and introduce
18 yourself and begin.

19 MITZI STOLARSKI: OK. Uh, good morning,
20 commissioners. My name is Mitzi Stolarski. I'm here as a citizen
21 and as a wife, and I'm here to request a name-clearing hearing
22 for my husband, former Texas Workforce Commissioner, Commission
23 employee, Joseph Stolarski. One year ago today, this agency
24 ended my husband's career. In this agency's own files next to
25 his name the same word appears on every performance evaluation

1 he ever received, outstanding. He is a disabled Texan. He spent
2 his years at the one agency whose mission is to help disabled
3 Texans find work and keep it. He believed in that mission, so
4 when he saw discrimination and other problems, he reported them
5 in writing. On June 24, 2025, the agency's own findings
6 substantiated misconduct he reported. He was right. No one was
7 ever disciplined for what he reported except for Joseph himself.
8 Sixteen days later the agency sent him a notice of proposed
9 termination while he was on approved medical leave. It arrived
10 the very day he was scheduled to meet with his doctor about
11 returning to work. The agency did not wait for him to come back.
12 It removed him before he could. In his years there the agency
13 had never disciplined him, not once, no warning, no reprimand,
14 nothing but outstanding. And then in a single step it moved to
15 end his career. The findings behind that notice were finalized
16 without anyone speaking to him. He was never told an
17 investigation existed. He was never interviewed. He was never
18 asked a single question. He held documents that dismantled the
19 charge and no one asked for them because no one asked him
20 anything. The first time this agency invited my husband to speak
21 was after it had already decided. When the notice came, he had
22 five business days to respond to findings that were final before
23 he ever knew they existed. Cut off from the email account the
24 charges were built on medically incapable of mounting a defense,
25 defense. The agency knew because he told them in writing.

1 Regardless, when he asked for an extension, the answer came the
2 next day in six words, an extension will not be provided. They
3 proceeded to terminate anyway. That is how false allegations
4 came to sit in my husband's personnel file where they sit today,
5 publicly accessible, accusations built in part on work hours he
6 never worked while on leave. He told the agency he was not
7 working on a call I heard with my own ears and then in writing.
8 Those hours sit in state records over his objections to this
9 day, and the file carries other false characterizations of his
10 conduct. This agency wrote outstanding on every evaluation it
11 ever gave him and then it manufactured false accusations that
12 ended his career. There are many ways for an agency to part with
13 an employee, ways that let a man walk away and rebuild his life
14 with dignity. This agency chose the way that follows my husband
15 to every application he will ever submit. He and our family have
16 been ruined without basis, basic due process, and without any
17 basic decency. Commissioners, I want you to understand what this
18 has done to a person, to my husband. This will never just be a
19 loss of a job. It was an assault on who he is. My husband is a
20 man of rules and of conscience. He is the opposite of fraud,
21 waste, and abuse. That is why he reported it when he saw it. For
22 a year I have watched the self-worth drain out of a very ethical
23 man, branded by the institution he tried to protect, for trying
24 to protect others. A man that strong, with that strong a sense
25 of right and wrong cannot set an injustice down. He carries it

1 every day with him. The man I married was easy to find. He was
2 kind. He believed in justice. He believed in helping people. He
3 believed in the institutions like this one and in its mission. I
4 very rarely see that man anymore. I have to look for him. When I
5 find him, he's still trying to make this agency better, even now
6 in his way, even after all of it. You didn't just take his job.
7 You took his good name and for a man like my husband that's
8 everything. For a year my husband has asked in writing for one,
9 for the one remedy that costs this agency nothing, a name-
10 clearing hearing, the chance to answer allegations placed in his
11 file without him. His requests were acknowledged, never
12 answered. So on this anniversary, I ask three things of this
13 commission. That his demand for a name-clearing hearing finally
14 be answered. That the record be corrected, and that no
15 investigation at this agency ever again reach findings without
16 once speaking to the person it condemns. I offer these comments
17 for one reason, to make this agency better, to protect others,
18 and to do what, what's right. That is all my husband has ever
19 tried to do and it cost him everything, it cost us everything.
20 We are ruined now. This agency looked at my husband's work year
21 after year and wrote the same word every time, outstanding. He
22 asks you for one hearing. Your own word says he earned it. Thank
23 you.

1 MR. TROBMAN: Thank you. Our next commenter,
2 Patricia Walker. Ms. Walker, if you could unmute yourself and
3 begin.

4 PATRICIA WALKER: Can you hear me?

5 MR. TROBMAN: We can. Go ahead.

6 PATRICIA WALKER: Yes, my name is Patricia
7 Walker. I was [inaudible] for a year and under false allegations
8 I got fired. Then they used my name with someone else. For a
9 year I have been, uh, looking for jobs that was, that would
10 [inaudible] my family, livelihood. Been cooking, uh, my age, uh,
11 hard to find a job. So in this case they denied me my
12 unemployment twice and now I'm asking for the commission to hear
13 me out. The person that they legal, legally gave was not me. I
14 didn't get fired under those circumstances. I got fired under
15 another circumstances, and I just wish that my voice be heard.
16 It has cost me and my family a lot of struggles. Thank you.

17 MR. TROBMAN: Thank you. Commissioners,
18 those are the comments we had this morning.

19 CHAIRMAN ESPARZA: Thank you, Les. I now
20 turn the meeting over to Commissioner Connett to preside over
21 Agenda Items 3 through 8.

22 COMMISSIONER CONNETT: The motion passes
23 with the exceptions noted. Uh, that wraps up on work on Agenda
24 Items 3 through 8. Chairman Esparza, I pass the figurative gavel
25 back to you.

1 CHAIRMAN ESPARZA: Very good. Thank you,
2 Commissioner Connett. Uh, we'll go ahead and pause for the
3 shuffle. Thanks. All right, folks we'll go ahead and take up
4 Agenda Item 9, uh, discussion, consideration, possible action on
5 AEL.

6 KATHY ZARATE: Good morning, Chairman
7 Esparza, Commissioner Treviño, Commissioner Connett, and Mr.
8 Pier. For the record, Kathy Zarate, Workforce Development
9 Division. Texas Labor Code Chapter 3, uh, 15.005 and Texas
10 Administrative Code Rule Chapter 805.43, uh, require the Texas
11 Workforce Commission to establish an Adult Education And
12 Literacy Advisory Committee. The advisory committee must not be
13 composed of more than nine members and must include at least one
14 representative of the business community and one representative
15 of a local Workforce Development Board. For your consideration
16 today staff recommends the appointment of one new member,
17 Patrice Ananaba, a former AEL student and entrepreneur. If
18 approved, this member would enter into a two-year term that
19 would expire July 2028. This concludes my remarks and I'm
20 available to answer any questions on this item.

21 CHAIRMAN ESPARZA: Thank you, Kathy.
22 Commissioners, any comments or questions?

23 COMMISSIONER TREVIÑO: Uh, nothing here.

24 COMMISSIONER CONNETT: None here. Thank you.

25 CHAIRMAN ESPARZA: Is there a motion?

1 COMMISSIONER TREVIÑO: Chairman, I move that
2 we appoint Patrice Ananaba to the Adult Education and Literacy
3 Advisory Committee for a two-year term to expire in June of
4 2028.

5 COMMISSIONER CONNETT: Second.

6 CHAIRMAN ESPARZA: The motion is made and
7 seconded. I also vote yes. The motion passes. Thank you, Kathy.
8 Agenda Item 10, also AEL Strategic Plan.

9 KATHY ZARATE: Yes. So as passed in Senate
10 Bill 1 of the 89th Texas Legislative session, Rider 30 requires
11 the Texas Workforce Commission to develop in consultation with
12 the Texas Workforce Investment Council a five-year comprehensive
13 statewide strategic plan for adult education. The current plan
14 will expire on August 31, 2026, and as such the proposed AEL
15 Strategic Plan for FY 2026 to 2031 was developed in consultate,
16 in consultation with the AEL Advisory Committee and was recently
17 reviewed by the Texas Workforce Investment Council. The proposed
18 plan incorporates several key federal and state policies, aligns
19 with the No Wrong Door approach for integrated workforce
20 services, and integrates mandates from AEL riders in Senate Bill
21 1. It also includes new indicators to directly measure progress
22 and ensure accountability related to student success,
23 employment, partnerships, and program efficiency. For your
24 consideration today, staff recommends the approval of the AEL
25

1 Strategic Plan FY 2026 to 2031. This concludes my remarks and
2 I'm available to answer any questions on this item.

3 CHAIRMAN ESPARZA: Thank you, Kathy.
4 Commissioners, any comments or questions?

5 COMMISSIONER TREVIÑO: Uh, nothing here.

6 COMMISSIONER CONNETT: No, none here.

7 CHAIRMAN ESPARZA: Good work on the
8 strategic plan, uh, and, and getting that, uh, wrangled with the
9 members [inaudible]. Appreciate the advisory board's work. Uh,
10 is there a motion, commissioners?

11 COMMISSIONER TREVIÑO: Uh, Chairman, I move
12 that we approve the Adult Education and Literacy Strategic Plan
13 for fiscal years 2026 through 2031 for submission to the Texas
14 Legislature.

15 COMMISSIONER CONNETT: I second that motion.

16 CHAIRMAN ESPARZA: I also vote yes. The
17 motion passes. Thank you, Kathy.

18 KATHY ZARATE: All right, thank you.

19 CHAIRMAN ESPARZA: Agenda Item 11, now go to
20 public comment for 40 TAC 815.

21 REED O'BRIEN: Good morning, Chairman
22 Esparza, Commissioner Connett and Commissioner Treviño, and Mr.
23 Pier. For the record, I'm Reed O'Brien with the off, Office of
24 General Counsel, and if I may I would like to begin with one,
25

1 uh, statement that might help here. Uh, I'm presenting three
2 items today and they are all related to Chapter 815.

3 CHAIRMAN ESPARZA: OK.

4 REED O'BRIEN: So I just want to make sure
5 there's not confusion for anyone. All right, the first one, uh,
6 is a continuation of a discussion from the June 23rd commission
7 meeting. This is regarding proposed rule amendments to Chapter
8 815, Unemployment Insurance, so as mentioned I first presented
9 these amendments on June 23rd and to summarize those changes,
10 they spec, this proposed rule specifies physical and electronic
11 mailing address requirements for parties involved in a claim and
12 the delivery of TWC notices, establishes, uh, consistent
13 procedures for commission hearings, and makes other general
14 clarifying changes to the rules. Uh, following, uh, my
15 presentation on June 23rd, there were two questions raised
16 regarding specific sections of that proposal and we have since
17 provided detailed responses to your offices, and I would like to
18 briefly summarize those points for the record. Uh, the first
19 question concerned Section 815.25(c) which removes the
20 Department of Aging and Disability Services or DADS, uh, as a
21 provider of a commission-approved training since the agency was
22 abolished in 2017. The commission asked if that training, uh,
23 uh, if that training was still needed or if it had been assumed
24 by the Health and Human Services Commission. Staff is not aware
25 of any current HHSC training programs that would be affected by

1 this change, and most importantly, removing the specific
2 reference to DADS does not exclude any existing or future
3 programs from consideration. The proposed rule includes the
4 phrase any other program specifically designated by the agency
5 which provides the commission with sufficient flexibility to
6 include any qualifying training program under the Texas
7 Unemployment Compensation Act. The second question concerned the
8 definition of appear in new Section 815.113(c)(6) and whether
9 that definition allows for commission discretion, and staff have
10 confirmed that these changes align our standards for tax
11 liability Rule 13 hearings with existing standards for UI
12 benefits, uh, appeals and hearings, and the language ensures
13 that while a hearing officer provides over the proceedings, the
14 three-member commission retains final authority and broad
15 discretion regarding what constitutes appearance. The use of the
16 word may in the rule ensures this procedural flexibility remains
17 within the commission's control. Uh, based on these findings
18 staff recommends submitting the proposed rule for publication in
19 the Texas Register for a 30-day public comment period, and staff
20 also requests the ability to make minor nonsubstantive changes
21 to comply with the, uh, publication requirements of the Texas
22 Register and the Office of the Secretary of State. That
23 concludes my presentation. I'm available for any questions.

24 CHAIRMAN ESPARZA: Very good. Commissioners,
25 any comments or questions?

1 COMMISSIONER TREVIÑO: Uh, nothing here.

2 COMMISSIONER CONNETT: No, none here. Thank
3 you.

4 CHAIRMAN ESPARZA: Reed, thanks for the
5 clarity. Uh, is there, is there a motion?

6 COMMISSIONER TREVIÑO: Chairman, I move that
7 we approve the proposed amendments to 40 Texas Administrative
8 Code Chapter 815, Unemployment Insurance, for publication for
9 public comment as recommended today by staff.

10 COMMISSIONER CONNETT: I second.

11 CHAIRMAN ESPARZA: The motion is made and
12 seconded. I also vote yes. The motion passes. On to Agenda Item
13 12, 40 TAC 815, part two.

14 REED O'BRIEN: All right, again for the
15 record, I'm Reed O'Brien with the Office of General Counsel.
16 Commissioners, before you today for your consideration are
17 proposed rule amendments to Chapter 815, Unemployment Insurance.
18 The proposed amendments implement provisions of Senate Bill
19 1786, House Bill 2, and House Bill 120 enacted by the 89th
20 Legislature. The legislation amended the labor code to enhance
21 TWC's ability to collect, analyze, and utilize workforce data.
22 Amended labor code Section 204.0025 directs TWC to work
23 collaboratively with employers to enhance the reporting of
24 employment and earnings data as part of employer's routine wage
25 filings. It also specifies the minimum information that enhanced

1 wage filings must include. Staff recommends submitting the
2 proposed rule for publication in the Texas Register for a 30-day
3 public comment period, and we also request the ability to make
4 minor nonsubstantive changes to the document to comply with the
5 publication standards of the Texas Register and the Office of
6 the Secretary of State. This concludes my presentation. I'm
7 available for any questions.

8 CHAIRMAN ESPARZA: Thanks, Reed.
9 Commissioners, any questions?

10 COMMISSIONER TREVIÑO: Uh, none here.

11 COMMISSIONER CONNETT: No, thank you.

12 CHAIRMAN ESPARZA: Is there a motion?

13 COMMISSIONER TREVIÑO: Chairman, I move that
14 we approve the proposed amendments to 40 Texas Administrative
15 Code Chapter 815, Unemployment Insurance, relating to new
16 employer wage report or record reporting data elements for
17 publication for public comment as recommended today by staff.

18 COMMISSIONER CONNETT: Second.

19 CHAIRMAN ESPARZA: The motion is made and
20 seconded. I also vote yes. The motion passes. Uh, Agenda Item
21 13, uh, 40 TAC 815 and HB 3698.

22 REED O'BRIEN: All right, for the record,
23 I'm Reed O'Brien with the Office of General Counsel.
24 Commissioners, before you today for your consideration is the
25 adoption of a final rule amending Chapter 815, Unemployment

1 Insurance. This rulemaking implements House Bill 3698 as enacted
2 by the 89th Texas Legislature to expand participation in
3 reemployment services under the federal Reemployment Services
4 and Eligibility Assessment program. Additional rule amendments
5 increase the minimum number of required weekly work search
6 contacts from three to five, add a requirement for claimants to
7 verify their identity, add additional groups of individuals who
8 are exempt from the work registration and work search
9 requirements, and correct outdated references. On April 14,
10 2026, the commission approved the proposed rule for publication
11 in the Texas Register for a 30-day public comment period. No
12 comments were received and no changes were made to the text as
13 proposed. Staff recommends adopting these amendments to Chapter
14 815. Additionally, staff requests the ability to make minor
15 nonsubstantive changes as needed to conform with the publication
16 requirements of the Texas Register and the Office of the
17 Secretary of State. And that concludes my presentation. I'm
18 available for any questions.

19 CHAIRMAN ESPARZA: Very good. Thanks, Reed.
20 Uh, commissioners, any comments or questions?

21 COMMISSIONER TREVIÑO: Uh, none here.

22 COMMISSIONER CONNETT: No, thank you.

23 CHAIRMAN ESPARZA: Is there a motion?

24 COMMISSIONER TREVIÑO: Chairman, I move that
25 we adopt the amendments to 40 Texas Administrative Code Chapter

1 815, Unemployment Insurance, relating to the complainant
2 participation in reemployment services as recommended today by
3 staff.

4 COMMISSIONER CONNETT: Second.

5 CHAIRMAN ESPARZA: Uh, motion is made and
6 seconded. I also vote yes. The motion passes. Thanks, Reed.

7 REED O'BRIEN: OK, thank you.

8 CHAIRMAN ESPARZA: Appreciate it. Agenda
9 Item 14, uh, ethics policy on, uh, use of TWC data and
10 artificial intelligence.

11 DEBRA SIMPSON: Good morning, uh, Chairman
12 Esparza, Commissioners Treviño and Connett, and Mr. Pier. My
13 name is Debra Simpson. I'm with the Office of General Counsel.
14 We are bringing forward today the ethics policy and guidelines
15 for use of Texas Workforce Commission, uh, data and artificial
16 intelligence or the AI ethics policy. During the last
17 legislative session, the legislature enacted Senate Bill 1964
18 which requires TWC to adopt a policy consistent with the rules
19 issued by the Texas Department of Information Resources
20 regarding AI for state agencies. Those rules are found in
21 Chapter 219 of the Texas Administrative Code and the AI ethics
22 policy is consistent with those rules. The AI ethics policy
23 emphasizes that both the state of Texas and TWC embrace the
24 transformative potential of AI and actively encourage employees
25 to use secure approved AI tools to deliver more efficient and

1 effective services to our customers. The AI ethics policy
2 provides guidance to employees on the procurement, development,
3 deployment and use of AI in compliance with Texas law and the
4 DIR rules. The policy is built on several key components to
5 create clear expectations for employees regarding AI and
6 requires them to uphold data integrity and privacy, ensure human
7 oversight and accountability, use AI securely and responsibly,
8 and maintain transparency and fairness. Staff recommends
9 adoption of the AI ethics policy. That concludes my [inaudible]
10 my presentation. I'm happy to answer any questions.

11 CHAIRMAN ESPARZA: Thank you, Debra. Uh,
12 com, commissioners, any comments or questions?

13 COMMISSIONER TREVIÑO: Uh, no questions.

14 COMMISSIONER CONNETT: No questions. Just
15 want to say thank you for your work on this. It appears to put
16 in some appropriate guardrails and safeguards, uh, for our usage
17 on AI, and it seems closely tailored what the legislature and
18 DIR have asked us to do so thank you.

19 DEBRA SIMPSON: Thank you.

20 CHAIRMAN ESPARZA: Thank you. Uh, there's a
21 conversation that we had with Les, and I appreciate what the
22 general counsel's office, uh, something that we're, we're
23 looking into. Uh, of course guardrails, making sure that we're,
24 it's properly stated and that we're using it, uh, uh, uh,
25 effectively and safely. Uh, the way we've read it and there our

1 question and, and conversation that we've had prior to this
2 meeting was, was that this really, uh, the, the way it's written
3 prohibits, uh, prohibits TWC employees from using such tools,
4 uh, and I understand, you know, PIA, PII, uh, strictly
5 prohibited as it should be. Uh, what our question and our
6 conversation was, was about was basically restricting, uh, in
7 the event that a, that, uh, uh, a TWC employee, uh, you know,
8 yours truly excepted definitely, uh, would be taking a press
9 release that's already public information, uh, that was already
10 created, pushed out to the world, uh, and basically putting it
11 into a tool for a, a summary or anything that, that really kind
12 of breaks it down, and a lot of this is a little toe in the
13 water stuff that we're using AI, you know, including it into
14 daily operations for ease and efficiency and understanding and,
15 and, and better prompting. Uh, I want to make sure that we are
16 addressing the needs of this implicated by the legislature but
17 not, uh, penalizing—we're not going to be penalizing an
18 employee, uh, for inadvertently, uh, or, we're not penalizing an
19 employee that, that, that is engaging in a zero, uh, in a zero-
20 risk behavior by using, uh, public information in some of these,
21 in, in, in some of these tools itself. Uh, I don't have an
22 effect on how we would be able to reword this but if it, uh, if,
23 if, if we could have a better understanding if, if, if that's
24 what the, the wording says, that it's strictly prohibited even,
25 even public information being used on those such tools.

1 DEBRA SIMPSON: Uh, thank you, commissioner.
2 Uh, it was, uh, we did prohibit use of, uh, public AI for TWC
3 business, uh, for a couple of reasons. Uh, one, uh, we do have,
4 uh, secure AI that is available to employees to use so they
5 would be able to use that publicly available information with
6 our already secure AI tools, uh, and it would cut down on, you
7 know, the potential for employees to get used to using one AI
8 tool that's not secure and inadvertently putting nonpublic
9 information into that tool, and, uh, additionally, you know,
10 with the prompts that you put into those tools, the AI can
11 gather all that information and then use it so even if you're
12 using only public information, the way you prompt the tool can
13 potentially, uh, lead to the, the disclosure of, uh, private
14 information, uh, in those instances. There are just some—the AI
15 can do a whole lot—

16 CHAIRMAN ESPARZA: Sure, yeah.

17 DEBRA SIMPSON: And gather all that so, uh,
18 does that answer your question?

19 CHAIRMAN ESPARZA: Yeah, I believe it, it,
20 it does. Uh, yeah, that's definitely adequate, I think. I
21 appreciate that.

22 DEBRA SIMPSON: But again I do understand
23 the, the public, use of public information with public AI alone
24 would not be a risk.

25

1 CHAIRMAN ESPARZA: OK. Uh, thank you, Debra.
2 Thanks for the conversation as well, uh, for Les and everybody
3 who has that. Uh, commissioners, is there a motion?

4 COMMISSIONER TREVIÑO: Uh, Chairman, I move
5 that we adopt the ethics policy and guidelines for use of Texas
6 Workforce Commission data and artificial intelligence as
7 recommended today by staff.

8 COMMISSIONER CONNETT: Second.

9 CHAIRMAN ESPARZA: The motion's been made
10 and seconded. The motion passes. Thanks, Debra. Agenda Item 15,
11 uh, relating to the bulk migration of TPA-managed data. There's
12 Lowell.

13 LOWELL KEIG: Good morning, commissioners,
14 Mr. Pier. For the record, I'm Lowell Keig, the director of the
15 Unemployment Insurance Division. I'm seeking commission approval
16 to use data sharing agreements to prevent a critical
17 administrative bottleneck in the rollout of our new UI tax
18 system, TxUS, or TxUS. Third-party administrators or TPAs as we
19 call them manage over 60 percent of Texas employer accounts.
20 However, the legacy records linking employers to their TPAs are
21 incompatible with the new cloud-based platform. Without an
22 automated solution, roughly 500,000 employers would be forced to
23 manually reestablish their TPA authorizations one by one. This
24 bottleneck jeopardizes our deployment timeline and could delay
25 tax payments. To solve this staff propose mirroring the federal

1 standard by utilizing [inaudible] legally binding data sharing
2 contracts. Instead of requiring TPAs to submit individual,
3 upfront written releases for every employer pursuant to
4 commission rules, participating TPAs would provide an electronic
5 customer list and legally commit to retain the necessary
6 employer consents on file for auditing. Under Texas Labor Code
7 Section 301.081(c), the commission has the statutory authority
8 to bypass the current administrative rules and allow this
9 approach providing you officially find that it is quote
10 necessary for the proper administration close quotes of the UI
11 program. Staff respectfully request that you make this formal
12 finding on the record today so that we can begin executing these
13 agreements and keep the TxUS launch on schedule. Thank you and
14 I'm happy to answer any questions you may have.

15 CHAIRMAN ESPARZA: Thank you, Lowell. Uh,
16 commissioners, any comments or questions?

17 COMMISSIONER TREVIÑO: Uh, no questions.

18 COMMISSIONER CONNETT: Uh, uh, a couple of
19 questions. Lowell, thanks for your work on this. Thanks for
20 presenting it. I understand this is one of those kind of, uh,
21 messy by necessary, pol, policy decisions in governmental
22 administration, governmental administration headaches or hiccups
23 rise as we, as we migrate to a new system. I understand, uh,
24 that we're actively engaged in some outreach to the TPAs.

1 LOWELL KEIG: Yes, uh, the national payroll-
2 I'm not going to get it right, NPRC, uh, talking to them and
3 also, we were, uh, reaching out to CPAs who have, uh, a large
4 number of employers that they represent.

5 COMMISSIONER CONNETT: No, thanks, thanks
6 for that. I just encourage to cast as broad a net in, in, in
7 that vein as possible to, uh, to loop in as many as we possibly
8 can and to maybe be creative on our social media accounts and
9 by, by, by other means to notify as many of these TPAs as
10 possible. A second question, since we're moving what seems to
11 be, and no doubt I know you've worked with it and so did GC,
12 perfectly legal to move to a, uh, an honor system where the TPAs
13 are retaining their employer authorizations but not submitting
14 them to us. Do we anticipate or have we discussed the
15 possibility of periodically auditing, uh, you know, a select
16 group of these TPAs to make sure they're retaining the documents
17 for the employers?

18 LOWELL KEIG: Yes.

19 COMMISSIONER CONNETT: OK, OK. Uh, thank
20 you. I think that's all my questions.

21 CHAIRMAN ESPARZA: Good questions. Uh,
22 Commissioner Treviño, anything?

23 COMMISSIONER TREVIÑO: Uh, no, thank you.

24 CHAIRMAN ESPARZA: Uh, is there a motion?
25

1 COMMISSIONER TREVIÑO: Chairman, I move that
2 we adopt the order regarding the migration of data as part of
3 the transition of unemployment insurance tax system as
4 recommended today by staff.

5 COMMISSIONER CONNETT: I second the motion.

6 CHAIRMAN ESPARZA: The motion was made and
7 seconded. I also vote yes. I think the motion passes. Thanks,
8 Lowell.

9 LOWELL KEIG: Thanks.

10 CHAIRMAN ESPARZA: Agenda Item 16, orders to
11 adopt fiscal year 2027 TANF/SNAP/ES.

12 CHRIS NELSON: Good morning, Chairman,
13 commissioners, uh, Mr. Pier. For the record, Chris Nelson, chief
14 financial officer. This morning you have two documents, uh,
15 should be in your notebook. Uh, the first, the first document
16 you have is the fiscal year 2027 TANF Choices, SNAP employment
17 and training, and Employment Services allocation and associated
18 small board funding distributions in accordance with Chapter 800
19 of the TWC, TWC rules regarding allocations. The TANF Choices
20 allocation is \$74,424,217 along with \$266,594 in small, small
21 board distribution. Uh, the SNAP ENT allocation is \$13,903,841
22 along with a \$38,077 small board funding distribution, and the
23 ES allocation of \$28,587,881 along with a \$78,071 small board
24 funding distribution. Uh, to keep the items separate and for

25

1 the, any motion [inaudible] in that comment if there's any
2 comments or questions you have on that first document.

3 COMMISSIONER TREVIÑO: Yeah, none, none
4 here, Chris. Thank you.

5 COMMISSIONER CONNETT: None here. Thank you.

6 CHRIS NELSON: OK.

7 CHAIRMAN ESPARZA: Thanks, Chris.

8 CHRIS NELSON: Uh, also in your, uh, packet
9 should be a separate document for a child care supplemental
10 allocation. Uh, staff have identified \$29,760,000, uh, in
11 quality funds that are not needed to meet our quality earmarks,
12 and with this allocation staff are recommending to put these
13 funds into direct care. This allocation is also conducted using
14 the rules laid out in Chapter 800. That concludes my comments
15 for both documents and I'd be happy to answer any questions.

16 CHAIRMAN ESPARZA: Good. Thanks, Chris.
17 Commissioners, any comments or questions?

18 COMMISSIONER TREVIÑO: Uh, no questions.

19 COMMISSIONER CONNETT: No, none here. Thank
20 you.

21 CHAIRMAN ESPARZA: I, I definitely want to
22 commend the agency and the work that they're doing to continue
23 to find funds for, uh, to, to apply to kids in care, uh, and see
24 that we can continue on that endeavor so we appreciate
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1 everything that we're doing here in a thoughtful manner so
2 appreciate that. Uh, is there a motion?

3 COMMISSIONER TREVIÑO: Chairman, I move that
4 we adopt the fiscal year 2027 Temporary Assistance for Needy
5 Families, Supplemental Nutrition Assistance Program, and
6 Employment Services allocations and the child care services
7 supplemental allocations as recommended today by staff.

8 COMMISSIONER CONNETT: I second the motion.

9 CHAIRMAN ESPARZA: The motion was made and
10 seconded. I also vote yes. The motion passes.

11 CHRIS NELSON: Thank you.

12 CHAIRMAN ESPARZA: Thank you, Chris. Uh,
13 Item 18 regarding action regarding approval of, uh, board
14 nominees.

15 KARA LEVY: Good morning, Chairman,
16 commissioners, and Mr. Pier. For the record, Kara Levy with
17 Workforce Development Division. Today for your consideration we
18 have Workforce Board nominations for the following boards:
19 Workforce Solutions Brazos Valley; Workforce Solutions Cameron
20 County; Workforce Solutions North Central Texas; Workforce
21 Solutions Middle Rio Grande; Workforce Solutions Northeast
22 Texas; Workforce Solutions of Central Texas; Workforce Solutions
23 of Permian Basin; Workforce Solutions of Southeast Texas. Staff
24 present these nominations for your consideration and I'm happy
25 to answer any questions you have.

1 CHAIRMAN ESPARZA: Thank you, Kara.

2 Commissioners, any comments or questions?

3 COMMISSIONER TREVIÑO: Uh, nothing here.

4 COMMISSIONER CONNETT: No, thank you.

5 CHAIRMAN ESPARZA: Is there a motion?

6 COMMISSIONER TREVIÑO: Chairman, I move that
7 we approve the local Workforce Development Board member nominees
8 presented today for the following: Workforce Solutions Brazos
9 Valley; Cameron County; North Central Texas; Middle Rio Grande;
10 Northeast Texas; Central Texas; Permian Basin; and Southeast
11 Texas.

12 COMMISSIONER CONNETT: I second the motion.

13 CHAIRMAN ESPARZA: I vote yes as well. The
14 motion passes. On to Agenda Item—Michael, we have a report under
15 20, under Item 22? Almost [inaudible] jump ahead.

16 MICHAEL BRITT: Good morning, Mr. Chairman,
17 commissioners, Mr. Pier. For the record, Michael Britt,
18 Governmental Relations. Next Tuesday at 9:00 a.m., TWC will be
19 testifying before the Senate Committee on Finance, uh, on the
20 committee's interim charge relating, related to preventing
21 fraud, waste, and abuse. Chairman Esparza and Mr. Pier will be,
22 uh, offering testimony on behalf of the agency. That concludes
23 my remarks. I'm happy to answer any questions.

24 CHAIRMAN ESPARZA: Very good. Any questions
25 there?

1 COMMISSIONER TREVIÑO: Better you all than
2 me.

3 CHAIRMAN ESPARZA: OK, yeah. Thanks,
4 Michael. Thank you, Michael. Appreciate it. Uh, Steve, any, any,
5 uh, executive director's report on Item 23?

6 MR. PIER: Yeah, just, uh, uh, thank you,
7 Chairman, commissioners. Wanted to—Steve Pier for the record.
8 Wanted to, uh, make you all aware. As part of the rapid reskill
9 dislocated worker grant program, DOL is making available up to
10 \$8,000,000 per grant award. The purpose of the program is to
11 rapidly reskill and reemploy dislocated workers into high-wage
12 and in-demand occupations. We intend on pursuing this funding to
13 help Texas workers transition quickly into high-growth roles
14 within emerging industries including AI-augmented occupations,
15 advanced manufacturing, and semiconductor production.
16 Applications, uh, for this funding are due in early August so
17 yet again grant applications team will do the impossible and,
18 uh, submit, uh, with very short notice, uh. We appreciate their
19 efforts, uh, and we are available to provide you all with any
20 information, uh, that you all need.

21 CHAIRMAN ESPARZA: Thanks, Steve.
22 Commissioners, any comments or questions.

23 COMMISSIONER TREVIÑO: No, no questions.
24 Thank you.

25 COMMISSIONER CONNETT: No, thank you.

1 MR. PIER: Great. Thanks you all.

2 CHAIRMAN ESPARZA: OK. That moves us into
3 Agenda Item 24. Uh, time is now 10:59. I'm going to put 10, 5, 9
4 down. The Texas Workforce Commission is now going into executive
5 session in room 242 pursuant to Texas Government Code
6 551.074(a)(1) concerning pending and/or contemplating litigation
7 styled as appraisal review board of Harris County Appraisal
8 District versus Texas Workforce Commission, and Redona Hall. See
9 you in room 242.

10 CHAIRMAN ESPARZA: Good. The time is now
11 11:32. The commission met in executive session beginning at
12 11:03 and concluded at 11:30, 32. Commissioners, any action to
13 take or motions to consider?

14 COMMISSIONER TREVIÑO: Uh, Chairman, I move
15 to approve the filing of an appeal to the Supreme Court of Texas
16 in the case styled as Appraisal Review Board of Harris County
17 Appraisal District versus Texas Workforce Commission and Redona
18 Hall.

19 CHAIRMAN ESPARZA: Very good. Is there a
20 second?

21 COMMISSIONER CONNETT: I second that motion.

22 CHAIRMAN ESPARZA: OK. The motion has been
23 made and seconded. The motion passes. Uh, is there an emotion,
24 is there a motion to adjourn?

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COMMISSIONER TREVIÑO: Uh, Chairman, I move
to adjourn.
COMMISSIONER CONNETT: Second.
CHAIRMAN ESPARZA: I also vote yes and we're
adjourned.