



MEETING OF THE
TEXAS WORKFORCE COMMISSION

DATE

AUGUST 11, 2026

1 Tuesday, August 11, 2026

2 CHAIRMAN ESPARZA: Hey, good morning,
3 everybody. Uh, this meeting is called to order. Mr. Trobman, has
4 anyone signed up for public comments?

5 LES TROBMAN: [Inaudible].

6 CHAIRMAN ESPARZA: Very good. Uh, I now turn
7 the meeting over to Commissioner Connett to preside over Agenda
8 Items 3 through 8. [Inaudible].

9 COMMISSIONER CONNETT: The motion passes
10 with the exceptions noted, and that concludes our work on Agenda
11 Items 3 through 8. Chairman Esparza, I pass the gavel back over
12 to you.

13 CHAIRMAN ESPARZA: Thank you, Commissioner
14 Connett. Uh, we'll go ahead and pause for the shuffle.

15 CHAIRMAN ESPARZA: OK, everybody, we'll go
16 ahead and start up with, uh, Agenda Item 19 regarding board
17 contract year '27 Child Care Services. [Inaudible].

18 ALLISON WILSON: Great. Good morning, uh,
19 Chairman, commissioners, Mr. Pier. Uh, for the record, Allison
20 Wilson with the Child Care & Early Learning Division. Before you
21 today are the board contract year 2027 child care performance
22 targets for the average number of children served per day and
23 adjustments to the targets for the final quarter in board
24 contract year '26. As described in the paper, these targets were
25 developed based on the methodology approved by the commission in

2024 to set the child care minimum payment rate threshold. Based on the available funding and updated cost and case mix data we are projecting to serve an average of just under 132.7 thousand children per day in BCY'27. This discussion paper outlines the board-level targets for discretionary child care as well as estimates for mandatory child care which is new this year to help boards more effectively manage their enrollment levels. Due to tight, due to higher costs for child care and level funding, BCY'27's target is significantly lower than last year's target which was about 146.7 thousand. For this, for this reason we are also recommending lowering the board's targets for the final quarter of our current BCY'26. This will help ensure boards do not begin the new year over enrolled. I also want to note that due to cost pressures and the level of demand for child care services, you approved the cancellation of some statewide initiatives earlier this summer that freed up 29,000,000 for direct care and that is reflected in these BCY'27 targets. Staff recommends the commission approve the BCY'27 child care performance targets and BCY'26 fourth quarter targets as outlined in the discussion paper. I also need to note a typo in Attachment 2 of the paper. Rural Capital Area's total target is 2,748, not 2,741, so we will get that corrected. Uh, that concludes my remarks and I'm happy to, uh, answer any questions you may have.

1 CHAIRMAN ESPARZA: Thanks, Allison.

2 Commissioners, any comments or questions?

3 COMMISSIONER TREVIÑO: Uh, none here.

4 COMMISSIONER CONNETT: Uh, yeah, Chairman, a
5 quick, quick comment and a question. Allison, thank you for your
6 work on this and of, of the very kind of thorough overview for
7 setting the stage, uh, for this discussion and vote. Uh, you and
8 Reagan have also been very helpful. We've had a number of
9 questions and discussions on rate setting generally. If I
10 understood correctly as you, as you laid that out, the, the
11 methodology for rate settings last set in 2024? Is that correct?

12 ALLISON WILSON: Right, that is correct.

13 COMMISSIONER CONNETT: And is that a regular
14 recurring thing that the commission had to, to take up with,
15 within certain timeframes? Did we, do we know when the rate
16 setting methodology will come back up?

17 ALLISON WILSON: So before 2024 we brought
18 forward something every year and like kind of tweaked it, uh,
19 but that was kind of as we were making incremental changes in,
20 in how we did it, uh, so we certainly, you know, when we look at
21 '28, we, we can revisit it if that's something the commission
22 would like to entertain.

23 COMMISSIONER CONNETT: Yeah, I, I appreciate
24 your work, you and Reagan, both, and would, yeah, appreciate the
25 opportunity to remain in contact on rate setting conversations,

1 methodology, modes, and, and how we're, we're setting those
2 rates. Thank you.

3 ALLISON WILSON: Yeah.

4 CHAIRMAN ESPARZA: Thank you, commissioners.
5 Is, uh, I've got a question. Is there a motion?

6 COMMISSIONER TREVIÑO: Chairman, I move that
7 we approve the board contract year 2027 child care services
8 average children served per day performance targets and
9 modifications to the board contract year 2026 child care
10 services average children served per day performance targets as
11 described in the discussion paper and recommended today by
12 staff.

13 COMMISSIONER CONNETT: I second that motion.

14 CHAIRMAN ESPARZA: I also vote yes. The
15 motion passes. Thanks, Allison [inaudible]. Uh, on to, on to
16 Agenda Item 10, uh, [inaudible] rules [inaudible], uh, Chapter
17 842.

18 REED O'BRIEN: Good morning, Chairman
19 Esparza, Commissioner Treviño, Commissioner Connett, and Mr.
20 Pier. For the record, I'm Reed O'Brien with the Office of
21 General Counsel. Uh, commissioners, before you today for your
22 consideration are proposed rule amendments to Chapter 842, WIOA
23 Nondiscrimination and Equal Opportunity. The purpose of this
24 rulemaking is to repeal Section 842.7 to eliminate the mandatory
25 affirmative outreach requirements for Workforce Innovation and

1 Opportunity Act financial assistance recipients which include
2 the local Workforce Development Boards. Repealing the rule would
3 ensure alignment with the U.S. Department of Labor final rule
4 that was issued June 23, 2026, that rescinded the federal
5 outreach requirements specified in 29 CFR Section 30, not,
6 38.40, uh, which became effective July 24th. The federal change
7 allows the boards full local discretion to voluntarily continue
8 outreach efforts targeting underserved populations. Staff
9 recommends submitting the proposed rule for publication in the
10 Texas Register for a 30-day public comment period. We also
11 request the ability to make minor nonsubstantive changes to the
12 document in order to comply with the publication requirements of
13 the Texas Register and the Office of the Secretary of State, and
14 that concludes my remarks. I'm available for any questions.

15 CHAIRMAN ESPARZA: Thanks, Reed.

16 Commissioners, any comments or questions?

17 COMMISSIONER TREVIÑO: Uh, no questions.

18 COMMISSIONER CONNETT: None here. Thank you.

19 CHAIRMAN ESPARZA: Uh, is there a motion?

20 COMMISSIONER TREVIÑO: Chairman, I move that
21 we approve the proposed amendments to 40 Texas Administrative
22 Code Chapter 842, WIOA Nondiscrimination and Equal Opportunity
23 for publication for public comment as recommended today by
24 staff.

25 COMMISSIONER CONNETT: Second.

1 CHAIRMAN ESPARZA: I also vote yes. The
2 motion passes. Thank you. Uh, Reed, on to Agenda Item 11.

3 REED O'BRIEN: All right, again for the
4 record, I'm Reed O'Brien with the Office of General Counsel.
5 Commissioners, before you today is the recommend, recommendation
6 for the readoption of five rule chapters, uh, which have been
7 reviewed in accordance with Texas Government Code Chapter 2001.
8 Those chapters under consideration are 808, Youth Driver
9 Education Funding Program; 821, Texas Payday Rules; 835,
10 Self-Sufficiency Fund; 849, Employment and Training Services for
11 Dislocated Workers Eligible for Trade Benefits; and Chapter 850,
12 Vocational Rehabilitation Services Administrative Rules and
13 Procedures. Following the commission's approval in an open
14 meeting on April 28, 2026, a notice of the proposed rule review
15 was published in the May 8, 2026, issue of the Texas Register
16 and that initiated the 30-day public comment period. TWC did
17 receive one public comment and it was expressing support for the
18 rule, excuse me, pardon me, for the vocational rehabilitation
19 initiatives that are, uh, in Chapter 850. After a thorough
20 review staff has determined that the original reasons for
21 adopting all five chapters continue to exist and therefore staff
22 recommends the readoption of these rules, and this concludes my
23 presentation. I'm available for any questions you have.

24 CHAIRMAN ESPARZA: Thank you, Reed.
25 Commissioners, any comments or questions?

1 COMMISSIONER TREVIÑO: Uh, none here.

2 COMMISSIONER CONNETT: No, thank you.

3 CHAIRMAN ESPARZA: Is there a motion?

4 COMMISSIONER TREVIÑO: Chairman, I move that
5 we approve the adoption of the rule reviews for amendments to 40
6 Texas Administrative Code Chapters 808, 821, 835, 849, and 850,
7 as recommended today by staff.

8 COMMISSIONER CONNETT: I second that motion.

9 CHAIRMAN ESPARZA: I also vote yes. The
10 motion passes. Uh, Item 12, Reed.

11 REED O'BRIEN: All right, one, one more
12 time, I'm Reed O'Brien with the Office of General Counsel.
13 Pardon me, in accordance with Texas Government Code Chapter 2001
14 which requires state agencies to review their rules every four
15 years, staff proposes to initiate the review process for the
16 following five chapters: Chapter 801, Local Workforce
17 Development Boards; 803, Skills Development Fund; 805, Adult
18 Education and Literacy; 815, Unemployment Insurance; and 839,
19 Apprenticeship Programs—Additional. The purpose of this review
20 is to turn, is to determine if the original reasons for adopting
21 these rules continue to exist and to ensure that they remain
22 aligned with the current law and agency procedures. To proceed
23 staff requests the commission's approval to publish the notice
24 of intent to review these chapters in the Texas Register, uh,
25 which will initiate a 30-day public comment period and upon its

1 conclusion staff will return with our findings and a final
2 recommendation, and this concludes my presentation. I'm
3 available for any questions you may have.

4 CHAIRMAN ESPARZA: Very good. Uh,
5 commissioners, any comments or questions?

6 COMMISSIONER TREVIÑO: Uh, nothing here.

7 COMMISSIONER CONNETT: None here. Thank you,
8 Reed.

9 CHAIRMAN ESPARZA: Motion?

10 COMMISSIONER TREVIÑO: Chairman, I move that
11 we approve the proposed rule reviews for 40 Texas Administrative
12 Code Chapters 801, 803, 805, 815, and 839, for publication for
13 public comment as recommended today by staff.

14 COMMISSIONER CONNETT: Second.

15 CHAIRMAN ESPARZA: The motion is made and
16 seconded. I also vote yes. The motion passes. Thank you, Reed.

17 REED O'BRIEN: OK, thank you.

18 CHAIRMAN ESPARZA: Uh, Agenda Item 13, Board
19 Nominees.

20 KARA LEVY: Good morning, Chairman,
21 commissioners, and Mr. Pier. For the record, Kara Levy,
22 Workforce Development Division. Today for your consideration we
23 have Workforce Board nominations for the following boards:
24 Workforce Solutions Borderplex; Workforce Solutions Deep East
25 Texas; Workforce Solutions South Texas; Workforce Solutions Gulf

1 Coast; Workforce Solutions Lower Rio Grande Valley; Workforce
2 Solutions Middle Rio Grande; and Workforce Solutions Southeast
3 Texas. Staff present these nominations for your consideration.
4 I'm happy to answer any questions you have.

5 CHAIRMAN ESPARZA: Thanks, Kara.
6 Commissioners, any comments or questions?

7 COMMISSIONER TREVIÑO: Uh, no questions.

8 COMMISSIONER CONNETT: No, thank you.

9 CHAIRMAN ESPARZA: Very good. No questions
10 from me. Is there a motion?

11 COMMISSIONER TREVIÑO: Chairman, I move that
12 we approve the local Workforce Development Board member nominees
13 presented today for the following: Workforce Solutions
14 Borderplex; Deep East Texas; South Texas; Gulf Coast; Lower Rio
15 Grande Valley; Middle Rio Grande; and Southeast Texas.

16 COMMISSIONER CONNETT: Second.

17 CHAIRMAN ESPARZA: I also vote yes. The
18 motion passes. Thank you, Kara.

19 KARA LEVY: Thank you.

20 CHAIRMAN ESPARZA: Item 17, Michael Britt,
21 got anything? He's shaking his head no. Executive director's
22 report? Anything, Steve? Steve says no. Yeah, we do. Is there a
23 Star Award [inaudible].

24 MR. PIER: Do what now?
25

1 CHAIRMAN ESPARZA: Did I miss something
2 here. Uh, we got Star awards today, Steve?

3 MR. PIER: We do. We do have Star awards
4 today. Sorry, I thought that was a separate item. I didn't think
5 that was in my deal. I'm sorry. Yeah, yeah, Tom, Tom, that's it,
6 Star awards.

7 TOM MCCARTY: [Inaudible] to stand up.

8 MR. PIER: Yeah, Tom's a big star.

9 TOM MCCARTY: I am not the big star today
10 but I get to announce the big star, how's that? Uh, good
11 morning, commissioners, Tom McCarty, uh, Business Operations.
12 Uh, it's my pleasure actually to, to recognize the cybersecurity
13 team, uh, led by Lance Leatherwood as our chief information
14 security officer, and if you all will stand up, yeah, because I
15 want you all to get attention as well. Uh, Lance Leatherwood,
16 chief information security officer, Sophia Shelton, Joshua
17 Johnson, Dallas Turner, Mike Kotski, Kabir Mustapha, Jamie
18 Stern, Debbie Tilbury, Troy Soffera, and Lindsey Mesilla [SP].
19 This team, uh, responded to an IRS audit, uh, that covered the
20 whole agency, uh, all of our security controls, everything like
21 that, worked across all the, uh, different divisions and
22 departments across the agency where IRS data, uh, intersects,
23 looking at our security controls, things of that nature. Uh, all
24 of their work on the front end of all of this, uh, saved us
25 countless manhours after the audit was done on the responses. We

1 only had two issues that popped up, uh, from the audit. We
2 responded to those two issues and the IRS closed it out
3 immediately, and after that we're done so this is your
4 cybersecurity team, and, uh, wanted to acknowledge them for the
5 Star award.

6 CHAIRMAN ESPARZA: Awesome. [Inaudible].
7 Hats off to you guys and all the work that you all do, uh, to,
8 to, to, you're managing an entire agency when it comes to it and
9 getting us acclimated and, and, and educated, and I would like
10 to let you guys know that I did take this cybersecurity training
11 on the first time I saw the email. I just clicked the link and
12 just beared down for 30 minutes, it's great. I, I got 100
13 percent. It took me two times to get 100 percent so I did to
14 make sure I got it. But, no, thank you all for everything that
15 you all continue to do to stay ahead of the curve, uh,
16 definitely and we appreciate Lance, you guys, for making this
17 special recognition and, and having this award, uh. It puts
18 something physical in a, in a, in the cyberworld, uh. It's
19 something you guys can definitely hang on, uh, put on, put on
20 your shelf so we appreciate the continued work that you guys do
21 and I know you guys are already into it so, commissioners,
22 anything?

23 COMMISSIONER TREVIÑO: Yeah, just, uh,
24 piggyback off what the chairman said. Congratulations to you
25 all. You all clocked it so keep up the great work.

1 COMMISSIONER CONNETT: Yeah, I'll join in on
2 the kudos. Congratulations on a well-deserved recognition. You
3 all do, uh, very important work, uh, for the agency, protecting
4 us against bad actors, foreign and domestic, and I'm sure they
5 are far more numerous that I know are appreciate, appreciate. I
6 for one try to keep a healthy skepticism in my email inbox. I, I
7 didn't click the email I got about the cute puppies down in the
8 parking lot so, uh, I, I, I think I'm good, uh, but yeah, no, in
9 all seriousness I greatly value and appreciate your work and,
10 and congratulations on this well-deserved recognition.

11 MR. PIER: And, uh, Chairman, if I may, two
12 things. One, I just want to clarify, uh, that wasn't two 50s to
13 get 100, was it? OK.

14 CHAIRMAN ESPARZA: The agony of defeat.
15 [Inaudible].

16 MR. PIER: Uh, I, I also, uh, wanted to
17 congratulate the team, uh. It's a, it's a huge responsibility
18 keeping, uh, all of these systems, uh, uh, in line and secure.
19 You know there's so many different aspects to cybersecurity
20 whether it's, uh, training the, uh, the, the, the team here at,
21 at TWC where, you know, there's 5,000 of us which is daunting or
22 all of the myriad systems that are at play, uh, keeping those
23 things secure from, from, uh, external penetration is incredibly
24 important. The data that we have here is sacred, uh, and to have
25 that breached would be just catastrophic for an awful lot of

1 people. Uh, so you all have a very serious job. You have an
2 important job, uh. You've done it extremely well and, uh,
3 getting, getting through an IRS audit like this on, on cyber,
4 uh, with, uh, these, these kinds of scores, it's, it's
5 incredibly impressive and so congratulations you all. We
6 appreciate it.

7 CHAIRMAN ESPARZA: Great confidence. Thank
8 you, thank you all again. Uh, is there a—we're going to take
9 pictures so we'll make you don't go anywhere. We'll be back. Uh,
10 that brings us to the end of the agenda. You guys have any
11 comments or questions you'd like to make?

12 COMMISSIONER TREVIÑO: Uh, just one. I
13 wanted to, uh, extend a heartfelt thanks to Donovan Shackelford.
14 He was our summer intern, uh. The work he did was priceless for
15 our office and he has a great personality. I wish you the best,
16 uh, this year in law school. He's just going to be seven minutes
17 away at UT Law so congratulations and thank you.

18 CHAIRMAN ESPARZA: Congrats, Donovan.

19 COMMISSIONER CONNETT: Congrats.

20 CHAIRMAN ESPARZA: Very good. Is there a
21 motion to adjourn?

22 COMMISSIONER TREVIÑO: Chairman, I move to
23 adjourn.

24 COMMISSIONER CONNETT: Second.

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CHAIRMAN ESPARZA: The motion is made and
seconded. I also vote yes. We are adjourned.