



MEETING OF THE
TEXAS WORKFORCE COMMISSION

DATE

August 18, 2026

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Tuesday, August 18, 2026

CHAIRMAN ESPARZA: Okay, good morning everybody. This meeting is called to order. Mr. Trobman, has anybody signed up for public comment?

LES TROBMAN: No, [inaudible].

CHAIRMAN ESPARZA: Very good. Uh, I now turn the meeting over to Commissioner Connett to preside over agenda items three through eight.

COMMISSIONER CONNETT: The motion passes with the exceptions noted. Uh, that concludes our work on Agenda Items 3 through 8. Thank you very much, and Chairman Esparza, I pass the meeting back over to you.

CHAIRMAN ESPARZA: Thank you, commissioner. We'll go ahead and pause for a few minutes.

CHAIRMAN ESPARZA: We'll go ahead and pick back up with Item 9, certifications and recertifications, community rehab programs.

JUAN GARCIA: Good morning, commissioners, Mr. Pier. Juan Garcia with the Voc Rehab Division. This morning we have, uh, for your approval three new CRPs that are applying, uh, first time to the program and three CRPs that are seeking recertification to continue, uh, participating in the PPD program. The, uh, three new CRPs seeking first-time certification are, uh, C.D. Johnson, Inc., in Huntsville, uh, Fedcap Rehab Services, uh, in Austin, and Lexi Barnett

1 Foundation in Lamar, uh, Texas. The three CRPs that are seeking
2 recertification are Bootstraps Occupational Services, uh, in
3 Crawford, the Homestead Community Development Corporation in
4 Houston, and Spanglish Foundation in Belton. Uh, staff
5 recommends, uh, certifying the three new CRPs and, uh,
6 recertifying the three existing CRPs as presented in the
7 discussion paper. With that, I can answer any questions you
8 might have.

9 CHAIRMAN ESPARZA: Thanks, Juan.
10 Commissioners, any comments or questions?

11 COMMISSIONER TREVIÑO: Uh, none here.

12 COMMISSIONER CONNETT: No, none here. Thank
13 you.

14 CHAIRMAN ESPARZA: Motion?

15 COMMISSIONER TREVIÑO: I move that we
16 approve the certification and recertification of the following
17 community rehabilitation programs for participation in the
18 purchasing from people with disabilities program as recommended
19 today by staff: the certification of C.D. Johnson Incorporated,
20 Fedcap Rehabilitation Services Incorporated, and Lexi Barnett
21 Foundation; and the recertification of Bootstraps Occupational
22 Services Incorporated, the Homestead Community Development
23 Corporation, and Spanglish Foundation.

24 COMMISSIONER CONNETT: I second the motion.
25

1 CHAIRMAN ESPARZA: I also vote yes. Motion
2 passes.

3 JUAN GARCIA: Thank you.

4 CHAIRMAN ESPARZA: Agenda Item 10,
5 acknowledgement of gifts and donations.

6 RICH NGUYEN: Good morning, commissioners
7 and staff. Steve Pier. My name is Rich Nguyen, I'm an attorney
8 with OGC. Uh, state law allows TWC to accept donations of money,
9 services, and property that furthers the lawful objectives of
10 the agency as long as the donation is not prohibited by law.
11 Further, state law and TWC policy requires gifts and donations
12 over \$500 to be accepted in the open meeting so the donor's
13 name, the amount, and the donation purpose can be entered into
14 the public record. Today I have three items, all funded by third
15 parties. Specifically, these three separate gifts covering
16 travel expenses for three TWC employees for work-related
17 training and conferences. The donations I've already presented
18 for the Executive Director, Mr. Pier, for his, his initial
19 acceptance. His acknowledgement and approval are provided for in
20 the document. I'm available for any questions.

21 CHAIRMAN ESPARZA: Commissioners, any
22 comments or questions?

23 COMMISSIONER TREVIÑO: Uh, none here.

24 COMMISSIONER CONNETT: No, none here. Thank
25 you.

1 CHAIRMAN ESPARZA: Is there a motion?

2 COMMISSIONER TREVIÑO: I move that we
3 approve the acceptance and acknowledgement of gifts and
4 donations to the Texas Workforce Commission as presented today
5 by staff.

6 COMMISSIONER CONNETT: Second.

7 CHAIRMAN ESPARZA: I also vote yes. Motion
8 passes.

9 RICH NGUYEN: Thank you.

10 CHAIRMAN ESPARZA: Item 11, adoption of
11 amendments to 40 TAC Chapter 815.

12 REED O'BRIEN: Good morning, Chairman
13 Esparza, Commissioner Connett, Commissioner Treviño, and Mr.
14 Pier. For the record, I'm Reed O'Brien with the Office of
15 General Counsel. Commissioners, before you today for your
16 consideration for adoption are final rule amendments to Chapter
17 815, Unemployment Insurance. This rulemaking codifies and
18 modernizes a 1993 commission precedent regarding good cause for
19 missing an unemployment insurance hearing. The amendment
20 establishes clear guidelines specifying that good cause is met
21 if a petitioner's failure to appear is solely due to a good-
22 faith mistake caused by the difference between their local time
23 zone and the central time zone in the hearing notice. The change
24 updates our appeals process to reflect that telephone
25 conferences are now our default hearing method and that the

1 physical location of our hearing officers is no longer limited
2 to the central time zone. The proposed rule did not receive any
3 public comments. Uh, it was published in the June 2nd issue of
4 the, uh, uh, Texas Register, um, for public comment period and
5 further no changes were made to the text as proposed. Staff
6 recommends adopting these amendments to Chapter 815. We also
7 request the ability to make minor non-substantive changes to
8 comply with the Texas Register and Secretary of State's, uh,
9 publication requirements. And that concludes my presentation.
10 I'm available for any questions.

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

13 COMMISSIONER TREVIÑO: Uh, none here.

14 COMMISSIONER CONNETT: No, no questions.
15 Thank you.

16 CHAIRMAN ESPARZA: Is there a motion?

17 COMMISSIONER TREVIÑO: I move that we
18 approve the adoption of amendments to 40 Texas Administrative
19 Code Chapter 815, Unemployment Insurance, as recommended today
20 by staff.

21 COMMISSIONER CONNETT: Second.

22 CHAIRMAN ESPARZA: I also vote yes. Motion
23 passes. Thank you, Reed.

24 REED OBRIEN: Okay, thank you.
25

1 CHAIRMAN ESPARZA: Agenda Item 12, removal
2 and precedent appeal.

3 CHRISTINA KARNES: Good morning, chairman,
4 commissioners, Mr. Pier. For the record, Christina Karnes,
5 Commission Appeals. This morning, I'm presenting a discussion
6 paper regarding the removal of a precedent on time zone and good
7 cause from our appeals policy and precedent manual. This is in
8 light of your recent adoption of final rules covering these same
9 guidelines. Specifically, the precedent referenced in the
10 discussion paper contains the exact guidelines now codified
11 under the newly adopted Section 815.16, subsection 5D. Because
12 the new rule explicitly incorporates these criteria, maintaining
13 the original precedent is now duplicative. To avoid confusion
14 and streamline our agency's legal guidance, staff recommends
15 removing this precedent from the manual. Thank you for your
16 consideration. I'm prepared to answer any questions you may
17 have.

18 CHAIRMAN ESPARZA: Thank you very much.
19 Commissioners, any comments or questions?

20 COMMISSIONER TREVIÑO: Uh, no questions.

21 COMMISSIONER CONNETT: No, thank you.

22 CHAIRMAN ESPARZA: Is there a motion?

23 COMMISSIONER TREVIÑO: I move that we
24 approve the removal of UI precedent appeal number 93-014606-10-
25

1 101993 from the appeals policy and precedent manual as
2 recommended today by staff.

3 COMMISSIONER CONNETT: Second.

4 CHAIRMAN ESPARZA: I also vote yes. Motion
5 passes. Agenda Item 13, uh, WIOA Act youth program elements.

6 JOEL MULLINS: Good morning, chairman,
7 commissioners, Mr. Pier. For the record, I'm Joel Mullins with
8 Workforce Development. On March 24th, uh, 2026, the commission
9 approved for submission to DOL a request for a waiver of the
10 WIOA requirement that local workforce development boards make
11 all 14 WIOA youth program elements available to participants.
12 And on June 1st of this year, DOL approved this waiver request.
13 Um, to ensure that the most used and needed services are
14 available to youth participants, staff have identified eight
15 youth program elements that boards should be required to make
16 available for WIOA youth participants in their areas. This
17 streamlined list focuses on activities that are designed to
18 increase secondary and post-secondary credentials, uh, increase
19 economic self-sufficiency, and meet the skill requirements of
20 employers in Texas. This morning, staff recommends adoption of
21 the list of youth elements included in your meeting materials as
22 the minimum required youth program elements to be made available
23 for WIOA Title I youth programs in Texas. That's all I have and
24 I'm happy to answer any questions you have.

25

1 CHAIRMAN ESPARZA: Good. Thank you.

2 Commissioners, any comments or questions?

3 COMMISSIONER TREVIÑO: Uh, no questions.

4 COMMISSIONER CONNETT: No, none here.

5 CHAIRMAN ESPARZA: Thank you, Joel. Is there
6 a motion?

7 COMMISSIONER TREVIÑO: I move that we
8 approve the priority program elements made available to youth
9 participants under WIOA youth program elements waiver as
10 described in the discussion paper and recommended today by
11 staff.

12 COMMISSIONER CONNETT: Second.

13 CHAIRMAN ESPARZA: I also vote yes. Motion
14 passes. Thank you very much. All right, agenda item 14 regarding
15 the 2026 report on, uh, transition from military services to, to
16 employment.

17 BOB GEAR: Good morning, Chairman Esparza,
18 Commissioner Treviño, Commissioner Connett, Mr. Pier. For the
19 record, I'm Bob Gear, director of Texas Veterans Leadership
20 Program. Texas Labor Code Chapter 302.020 requires TWC to submit
21 an annual report on transmiss-, on transition from military
22 service to employment to the governor, lieutenant governor, and
23 Texas legislature by 1 September. The report must identify the
24 five most common military occupational specialties that, that
25 are from service members separating, the five civilian

1 occupations which align with those MOSs and industry-based
2 certifications, uh, that align with the military occupational
3 specialties. The report also includes sections on TWC community
4 partners, uh, TWC's commitment to serving veterans, uh, the
5 multiple programs TWC funds for veterans, transitioning service
6 members, and military spouses, and workforce board local
7 programs. For this year, the top five MOSs and related
8 information are: number one, as always, infantrymen/riflemen;
9 number two, armored assault vehicle crew members, that's the new
10 name for tank drivers; number three is quartermaster automated
11 logistics, material management acquisition; number four, motor
12 transport operator, petroleum, uh, uh, supply specialist,
13 expeditionary fuels technician; number five, uh, adjutant
14 general corps, human resources yeoman. Uh, staff is seeking the
15 commission's approval on this year's report on transition of
16 military service to employment. I'm happy to answer any
17 questions you may have.

18 CHAIRMAN ESPARZA: Good. Nice. Any comments
19 or questions? Commissioner.

20 COMMISSIONER TREVIÑO: Bob, I just wanted to
21 ask real quick, I know you did a great job at this with limited
22 data since some of the data wasn't, uh, updated yet, but once
23 that data is updated, will this report be updated with the
24 correct information?

25

1 BOB GEAR: Commissioner Treviño, once we do
2 get, if the army does provide that data, I would recommend that
3 we do come in and [inaudible]. The MOSs are going to change
4 because they're going to come from the, the entire army across
5 the world. So yes, we'll have to update at that time.

6 COMMISSIONER TREVIÑO: Okay. Thank you, Bob.

7 COMMISSIONER CONNETT: No questions. Mr.
8 Gear, thanks for your work on this in this critical space and
9 this very good report. Appreciate you.

10 BOB GEAR: Thank you, Commissioner Connett.

11 CHAIRMAN ESPARZA: Great questions. Now for
12 mine. Bob, as a former tank driver, are you okay with the update
13 of armored assault vehicle?

14 BOB GEAR: You know, I think I've been doing
15 this, well, this report for how many years and tank, uh, it's
16 been up there and it's been pulled. So, I'll have to take it.
17 I'll take it.

18 CHAIRMAN ESPARZA: [Inaudible.] Well, thank
19 you for that. Uh, thanks for working on all the data and this
20 being a resource to, to the state is, is very helpful in the
21 transition. Um, is there a motion, commissioners?

22 COMMISSIONER TREVIÑO: I move that we
23 approve the annual 2026 report on the transition from military
24 service to employment as recommended today by staff.

25 COMMISSIONER CONNETT: Second.

1 CHAIRMAN ESPARZA: Also happy to vote yes.

2 Motion passes. Thank you, Bob.

3 BOB GEAR: Thank you.

4 CHAIRMAN ESPARZA: Agenda item 15 regarding
5 report on cross-agency coordination on apprenticeship and work-
6 based learning programs.

7 COURTNEY ARBOUR: Good morning Chairman
8 Esparza, Commissioner Treviño, Commissioner Connett, Mr. Pier.
9 Rider 50 of the General Appropriations Act, 89th Texas
10 Legislature, directs the Texas Workforce Commission to gather
11 information and produce a report about cross-agency coordination
12 on apprenticeship and work-based learning funding. The report
13 also includes TWC's efforts, um, along with the Texas Education
14 Agency and the Texas Higher Education Coordinating Board to
15 identify available funding sources for apprenticeship and work-
16 based learning programs and also to make recommendations on
17 future collaborations. At this time, staff requests the
18 commission's approval of the report as presented in your
19 notebook. If approved, we will submit to the Legislative Budget
20 Board, Senate Finance Committee, House Appropriations Committee,
21 and the Office of the Governor. This report will also be posted
22 on the TWC website. This concludes my remarks, and I'm happy to
23 answer any questions.

24 CHAIRMAN ESPARZA: Very good. Thank you for
25 the report. Um, commissioners, any comments or questions?

1 COMMISSIONER TREVIÑO Uh, no questions.

2 COMMISSIONER CONNETT: No questions at this
3 time. Courtney, you, you and the team were very helpful and
4 responsive to the questions we had prior to today's commission
5 meeting. So, thank you. Also, I'm excited by the recommendations
6 in the report, the, the better data tracking, the increased
7 collaboration and communication between agencies. Uh, so great
8 job. Thank you.

9 COURTNEY ARBOUR: Thank you.

10 CHAIRMAN ESPARZA: Is there a motion?

11 COMMISSIONER TREVIÑO: I move that we
12 approve the report on cross-agency coordination on
13 apprenticeship and work-based learning programs as recommended
14 today by staff.

15 COMMISSIONER CONNETT: Second.

16 CHAIRMAN ESPARZA: I also vote yes. Motion
17 passes. Thank you very much.

18 COURTNEY ARBOUR: Thanks.

19 CHAIRMAN ESPARZA: Item 16, report on
20 available apprenticeships in Texas.

21 CHRISTINE LONG: Good morning chairman,
22 commissioners, Mr. Pier. For the record, Christine Long,
23 Workforce Development Division. Texas Labor Code Section
24 302.0191 states that the Texas Workforce Commission must report
25 on active apprenticeship programs in the state and make

1 recommendations to expand the availability of apprenticeship
2 programs in emerging and high-demand industries and occupations.
3 At this time, staff requests the commission's approval of the
4 report on available apprenticeships in Texas for program year
5 2026 as presented in your notebook materials. If approved,
6 program will work with our government relations staff for
7 delivery to the Texas legislature by September 1. This concludes
8 my remarks and I'm happy to answer any questions you may have.

9 CHAIRMAN ESPARZA: Thank you. Commissioners,
10 any comments and questions?

11 COMMISSIONER TREVIÑO: Just wanted to say
12 thank you, Christine. I know we had a lot of questions from our
13 office and I thank you for trying to answer all those questions.
14 I really appreciate the work.

15 COMMISSIONER CONNETT: Yeah, I, I want to
16 second that. Thank you. We had a number of questions leading in
17 and you were very responsive and helpful with those questions.
18 So kudos to you and the team for, for that and for this report.
19 Thank you.

20 CHRISTINE LONG: We're glad [inaudible].
21 Thank you.

22 CHAIRMAN ESPARZA: Thank you. Is there a
23 motion?
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1 COMMISSIONER TREVIÑO: I move that we
2 approve the program year 2026 report on available
3 apprenticeships in Texas as recommended today by staff.

4 COMMISSIONER CONNETT: Second.

5 CHAIRMAN ESPARZA: I also vote yes. Motion
6 passes.

7 CHRISTINE LONG: Thank you.

8 CHAIRMAN ESPARZA: Agenda item 17, report,
9 uh, on the Advanced Nuclear Workforce Development Program.

10 LORI KNIGHT: Good morning, chairman,
11 commissioners, and Mr. Pier. For the record, I'm Lori Knight
12 with the Workforce Development Division. Chapter 302 of the
13 Texas Labor Code requires the TWC to establish the Advanced
14 Nuclear Energy Program and submit to certain legislative
15 standing committees an annual report summarizing our commission
16 activities under this program. You were each previously provided
17 a copy of this document for consideration. Upon adoption, the
18 report will be distributed to the appropriate legislative
19 committees and published on the TWC website. Staff requests
20 approval of the 2026 Advanced Nuclear Energy Workforce
21 Development Program's first annual report. And, uh, this
22 concludes my remarks. I'm available for any questions.

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

1 COMMISSIONER TREVIÑO: Uh, thank you, Lori.
2 I know that, uh, this is very important here for Texas and, uh,
3 we have some work that we have been doing too that we'd like to
4 get with you later on. So for future reports that you could
5 include and use as you see fit.

6 LORI KNIGHT: Absolutely. Thank you.

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

9 CHAIRMAN ESPARZA: Is there a motion?

10 COMMISSIONER TREVIÑO: I move that we
11 approve the annual 2026 report on the Advanced Nuclear Workforce
12 Development Program as recommended today by staff.

13 COMMISSIONER CONNETT: Second.

14 CHAIRMAN ESPARZA: I also vote yes. Motion
15 passes. Thank you, Lori. Appreciate it.

16 LORI KNIGHT: Thank you.

17 CHAIRMAN ESPARZA: Agenda Item 18 regarding
18 approval of local workforce development board nominees.

19 PATRICIA MARTINEZ: Good morning chairman,
20 commissioners, Mr. Pier. For the record, Patricia Martinez,
21 Workforce Development Division. Today, for your consideration,
22 we have workforce development board nominations for the
23 following boards: Workforce Solutions Cameron County, Workforce
24 Solutions Capital Area, Workforce Solutions South Texas,
25 Workforce Solutions Golden Crescent, Workforce Solutions Coastal

1 Bend, and Workforce Solutions Panhandle. Staff present, present
2 these nominations for your consideration and I'm happy to answer
3 any questions you may have.

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

6 COMMISSIONER TREVIÑO: Uh, no questions.

7 COMMISSIONER CONNETT: No, thank you.

8 CHAIRMAN ESPARZA: Is there a motion?

9 COMMISSIONER TREVIÑO: I move that we
10 approve the local workforce development board member nominees
11 presented today for the following: Workforce Solutions Cameron
12 County, Capital Area, South Texas, Golden Crescent, Coastal
13 Bend, and Panhandle.

14 COMMISSIONER CONNETT: Second.

15 CHAIRMAN ESPARZA: I also vote yes. Motion
16 passes. On Agenda Item 19, fiscal year '27 operating budget and
17 fiscal years '28 and '29, uh, legislative appropriation
18 requests.

19 CHRIS NELSON: Good morning, chairman,
20 commissioners, Mr. Pier. For the record, Chris Nelson, chief
21 financial officer. Uh, this morning I'm bringing forward TWC's
22 2028-2029 legislative appropriation request including our 2027
23 operating budget. The LAR packet includes several schedules: the
24 required 3% reduction schedule for our base general revenue and
25 general revenue-dedicated funds; the summary schedule for our

1 2027 operating budget and 202-2029 LAR base request, which
2 includes a schedule for the 2027 management fee for the
3 Purchasing from People with Disabilities Program; a schedule for
4 the associated performance measures related to that base request
5 as well. We also have a schedule for TWC's 2028-2029 exceptional
6 items and lastly a schedule for our recommended rider revisions
7 which reflects, uh, items in our 3% reduction schedule.

8 The 3% reduction schedule includes the required \$19,551,610 in
9 GR and GR-D, uh, that needs to be removed from our base
10 requests. This includes a removal of \$8 million for the employer
11 and community-based organizations partnerships; a 12% reduction
12 in Skills Development, JET, and Lone Star Workforce of the
13 Future funding; removal of \$500,000 for the Women's Institute
14 for Technology Employment and Training rider; and lastly
15 \$408,424 for, um, BET trust fund revenue.

16 The next summary schedule contains the 2028-2029 LAR schedules
17 and the 2027 operating budget, which incorporates the
18 recommendations of the 3% reduction of GR and GR-D. This
19 includes a 2027 operating budget in the amount of
20 \$3,022,303,372; and a 2028 request of \$3,007,725,736; and a '29
21 request of \$2,900,020,445, I should say. On the last page, you
22 will see a request and management fee for the PPD program, uh,
23 that sets a 4.9%, uh, rate, uh, on net commissions. Uh, after
24 that you will see the next, uh, the performance measures related
25 to that base schedule, that base request.

1 The next schedule is our 2028-2029 exceptional item schedule.
2 Within the request, there are four groups of requests including:
3 system modernization or legacy support, backlog reduction,
4 requests for additional federal matching dollars, and program
5 expansion. Within that, there are several sub-requests for a
6 total of 19 items. These items have been ranked in staff
7 recommendation of priority for a total of \$170,397,757,
8 comprising a request of federal funds, general revenue, and
9 general revenue-dedicated funds.

10 Lastly is a schedule of TWC's recommended rider revisions, which
11 incorporates recommendations made in the 3% GR and GR-D
12 reductions already discussed. That concludes my comments and I'd
13 be happy to answer any questions. But before, let me take a
14 minute, uh, and express my gratitude, um, for those that helped
15 put this together. While I always appreciate the contributions
16 of staff, I admittedly, uh, am not always the best at verbal,
17 verbalizing that appreciation. Uh, if you put all the detailed
18 data behind these summarized schedules into a spreadsheet, it'd
19 be over 34 columns and 158,000 rows of data. And every cell in
20 that spreadsheet would tell a story. Um, and that doesn't even
21 include the, that doesn't include the performance measures.

22 Building an LAR for an agency like TWC, uh, TWC which includes
23 turning that much detail into a story of what we can do, can't
24 do, but could do with additional resources is not for the faint
25 of heart. This process started in December of 2025 and would not

1 be possible without the leadership of Caitlin Pearson and her
2 budget team, other critical staff in finance, Jennifer
3 Colehower, Geoffrey Miller and the I3 team, Jeff Peden and his
4 IT team, and other staff throughout the agency and Mr. Pier's
5 leadership. And that, with that, I'll conclude my comments and
6 be happy to answer any questions.

7 CHAIRMAN ESPARZA: Very good, Chris. Thank
8 you very much. I'm glad you did put that into very appropriate
9 words. So, I appreciate, uh, your team and all of our divisions
10 across the agency and Steve for, for, for putting this in. But
11 yeah, Steve, Chris, I'm, I'm, I appreciate, uh, I'm thankful
12 you're at the helm, uh, to use a Navy term. Um, but yeah, all of
13 your team should be commended. It, it's, it's an important task
14 to do. Um, and so thank you for that. As far as Commissioner
15 Treviño and Connett, do either of you have an initial, uh,
16 comment or questions for Chris when it comes down to it, because
17 I'm going to propose a motion.

18 COMMISSIONER TREVIÑO: Um, I don't have any
19 questions, but I just want to echo what, uh, Chris mentioned and
20 thank him for thanking his team because I know it's a lot of
21 work and I appreciate you and Caitlin coming, uh, giving us a
22 briefing and make it, uh, making it understandable to, uh, to
23 us. So I appreciate what, uh, you and your team have done.

24 COMMISSIONER CONNETT: Yeah, I'll second the
25 thanks, Chris, to, to you, to the team, to all the individuals

1 you, you named. This has been a long time, uh, group effort. Um,
2 and you invested, uh, some time to brief us up on this to make
3 us aware of, um, the, the assumptions, the recommendations that
4 are in this document. So, I feel like thanks to your efforts,
5 Caitlin's, and the full team, I have a good understanding of
6 what we're doing today. So, I thank you for that.

7 CHAIRMAN ESPARZA: Very good. Um, thank you,
8 commissioners. So, I'm going to, I'm going to try to lay this
9 out. Uh, I, I, I, I do have, I will have a motion, uh, to put
10 forward, but ultimately as in general, uh, when it comes to the
11 3% reduction, um, and when it comes to the 3% reduction in the
12 programs, I, I want to make an effort to, to protect, uh, Jobs
13 and Education for Texans, our JET grant. Um, and by doing this,
14 I, I want to make a note that to first by saying that all of our
15 programs, um, are, are needed and there's expansion needed
16 across, across the board. Um, it's, it is a hard task to, to, to
17 find out where we can, what we can do for cuts and, and
18 communicate. And that, and that is this exercise is, is
19 communication. I definitely consider this as communication to
20 the legislature and I feel like it is, you know, it is on us and
21 our, our shoulders as commissioners, uh, to make sure that we
22 are supporting the legislature and making these difficult
23 decisions as well as, uh, providing a sound strategy, um, in
24 order to protect the Jobs and Education for Texas which, again,
25 obviously it is in demand. Um, we, we, we talk about the numbers

1 of applications and it's over, over-prescribed, uh, and or I
2 should say subscribed to with through applications. Um, I want
3 to, uh, basically consider this a motion, uh, to amend the 3%
4 reduction by removing JET, uh, grant program from the cut list
5 and reclassifying under other programs to consider. In its
6 place, I have logic to this. I want to move that we substitute
7 Chapter 133 apprenticeship training program to fulfill the
8 required reduction exercise. And again, my, my reasoning is
9 straightforward. It's, JET is a phenomenal program. It's a great
10 vehicle for purchasing, uh, capital equipment required to train
11 new electricians. Again what I mean to say is I, I feel the in
12 contrast our apprenticeship framework does rest on stable
13 federal funding structures. Uh, even with the base, uh,
14 reduction exercise, we're maintaining a baseline strategy, uh,
15 request. So we, we have a request to support apprenticeships.
16 Um, I feel by replacing JET with the Chapter 133, we do have
17 support in the apprenticeship program whereas we don't have an
18 exceptional item to, to support JET. And again to, to tell the
19 legislature that this is any reduction is, is tough, uh, to
20 answer to, uh, but it's, it is my reasoning is that, uh, the
21 apprenticeship programs are, are currently being supported and
22 there is a request to, to, to still make an expansion in that,
23 uh, in that sense. So, it's for that that I put forth a motion
24 to amend the 3% reduction, replace JET, uh, for 133

1 apprenticeship. And I'm going to put that out there for your
2 comments or questions, Commissioners.

3 COMMISSIONER TREVIÑO: Um, I guess the only
4 question I would have is what, what would be the, uh, um, amount
5 taking away from Chapter 133? Would it be the 3 million?

6 CHAIRMAN ESPARZA: Is it a dollar-for-
7 dollar?

8 CHRIS NELSON: I assume you're, I assume
9 you're recommending a complete swap of, so it'd be the
10 \$3,715,436 keep that in JET and reduce that equivalent amount in
11 apprenticeship is what your, your recommendation is.

12 CHAIRMAN ESPARZA: That is correct. And and,
13 um, I actually have, I mentioned that I have two motions, um,
14 both to consider this is the first motion is the swap. The
15 second motion, uh, to ensure that we have, you know,
16 transparency, that would mean that we would, I would move to,
17 uh, reduce the apprenticeship grant exceptional item, uh, for
18 that same amount. Um, I don't want to, I don't, I don't want to,
19 I think that just makes sense to the legislature that we're,
20 we're, we're reducing that request for the 3% that we're, we're,
21 we're putting on the block. And I think that would, uh,
22 basically ensure that our exceptional item request matches the
23 exact number, uh, in our 3% reduction. And I think it's clear to
24 the legislature that we're not asking for the same dollars.
25 We're adjusting the reduction that we're putting up for

1 reduction. You make that, I, I want to make that we're not
2 putting that out there because we know we're taking that cut.
3 It's, it's reflected in the, in the request, if that makes
4 sense.

5 COMMISSIONER TREVIÑO: Chairman, what is
6 the, uh, amount that we're requesting from legislature for, um,
7 Chapter 133?

8 CHRIS NELSON: The, the exceptional item
9 currently on page—on the exceptional item summary schedule is
10 \$21,482,107 for the biennium. So you would effectively be
11 reducing that by 3.7 million, um, in the 3% schedule for JET.

12 CHAIRMAN ESPARZA: That would bring that
13 request, that new request would be 17.7, uh, excuse me,
14 \$17,766,671, is that reduction.

15 COMMISSIONER TREVIÑO: We can, um, try to
16 keep it up to the 21, um, since, uh—

17 CHAIRMAN ESPARZA: We would have to find it
18 somewhere else? Uh, the proposed, the other proposed options and
19 I'm, I'm basically working on the options that we're being
20 given. I think the other programs, again, the other programs
21 have a federal match and I don't think that's a good strategy.

22 CHAIRMAN ESPARZA: It's a difficult
23 decision. I, I agree. I want to, I want to definitely say that
24 thinking Jobs Council this week, we hear, we hear it both. We,
25 we, we're, I feel like we still have support to expand, expand

1 apprenticeships. Uh, we also have our grant, our, our TIRA grant
2 that's going to be coming online, uh, that's going to bring 15
3 in each biennium that's still being supportive. So I feel that
4 the conversation that we can provide to the legislature is that
5 this, this, this has continued support whereas our JET program
6 we don't have a, we don't have a support mechanism that we're
7 requesting directly from the legislature to do that which is
8 also very—

9 COMMISSIONER TREVIÑO: Chris, what would be
10 the methodology, uh, to, uh, calculate the 133 and then I guess
11 using the federal funds that, um, may not be enough to, to
12 support the Chapter 133 at the, you know, TWIC 4.25?

13 CHRIS NELSON: When you say to calculate the
14 funding you talking about the, the remaining funding?

15 COMMISSIONER TREVIÑO: Correct.

16 CHRIS NELSON: Uh, well it would be that
17 amount. So it'd be the 21,482, if you're talking about just the
18 exceptional item itself. Never do math in public if you can help
19 it. 21,482,107 minus 3,715,436. That would leave an exceptional
20 item request of apprenticeship for 17.7 million. So it'd be
21 \$17,766,671, um, would be the remaining amount. And then if I go
22 to the, the base schedule and I just looked at it by strategy,
23 uh, apprenticeship, you have a base request of 31 million in
24 2028 and a base request of 29 million in 2029. Reading that
25 right, of apprenticeship funding and this, this would not affect

1 that funding because it's in the base. So this is adjusting
2 this, what, what Chairman Esparza is doing is recommending a
3 reduction in the exceptional item, but it does not adjust the
4 base numbers that you see on page 4 of 16 in the big packet.

5 CHAIRMAN ESPARZA: I agree.

6 COMMISSIONER TREVIÑO: Chairman, there was
7 no other, uh, funding stream that you could have, uh, considered
8 to support JET? I know that JET is important and is used but,
9 um, I know that, uh, Chapter 133 is also very, uh, misfunded,
10 uh, especially with all the apprenticeships that are going on. I
11 don't know if there was any other funding stream you could have
12 used and not, um, touch the Chapter 133 funding.

13 CHAIRMAN ESPARZA: Commissioner, I
14 appreciate that and I, I do agree with you when it comes to
15 that. Um, I'm operating off of the programs that were provided.
16 Um, and and, again, my logic is that, you know, there, my logic
17 is that we, we have, we've got programs that, that are just now
18 coming online. I'm talking about TIRA. I feel like, I still feel
19 like we have a, we have a, we have a reasoning to provide to the
20 legislature on this decision because we've yet to bring bear the
21 TIRA program, uh, to put that online which I think we have is,
22 is we continue to hear pretty imminent. Uh, I, I do know that
23 we've got some good applications, good people that are asking
24 about it. Um, and that's a dollar amount that we have since I've
25 been here that we haven't been able to put towards

1 apprenticeship grants. So I feel that that 3.7 million can be
2 taken out of the apprenticeship, uh, program. Uh, looking at
3 Vocational Rehabilitation match, everything, all the other
4 programs that we have here are, are our items to match and, and
5 that's, that's what we want, I guess we want to avoid if, if at
6 all possible, uh, and that's what I chose to go on, you know,
7 excuse me, program, program number seven which is [inaudible]—
8 that's, that was, that was the way we, we, we put that together
9 and that was my logic to that.

10 COMMISSIONER TREVIÑO: Okay.

11 CHRIS NELSON: And commissioners, just so
12 I'm not misleading anybody, the amounts I noticed I've
13 referenced on the, in the apprenticeship strategy 212—for 2028
14 and '29 the 31 million, that also include—that's not just
15 Chapter 133 funding, that includes TIRA funding and pre-
16 apprenticeship in that. So it's not— Those amounts aren't
17 entirely 133 funds.

18 CHAIRMAN ESPARZA: Okay. Yeah.

19 CHRIS NELSON: [Inaudible] get that number.
20 But just so we, are clear—

21 CHAIRMAN ESPARZA: We put that in, in the
22 same basket. So I think if it was out of, you know, half out of
23 TIRA, uh, and half out of 133, I think it would be pretty—I, I
24 wasn't getting into the details about the, the specific
25 programs, but I think that's, that's important. I'm also

1 thinking that, you know, like I said, once, once we get, you
2 know, TIRA out there, I think those dollars are going to be
3 being, be able to use in support of the apprenticeship program.
4 So, that's something you want to consider. I'm fine with that.

5 COMMISSIONER TREVIÑO: Yeah, I think we've
6 been trying to do the TIRA for, for years and, uh, we're kind
7 of, um, going on the premise of hoping that, um, this will get
8 changed. So, I'm, I'm just very leery and, uh, not supportive of
9 taking any funding from Chapter 133. Uh, even though I do agree
10 that, uh, the JET grant is very important. We'd love to fund it
11 if we could have found it from, um, from something else. So, I
12 would have to disagree with this motion.

13 CHAIRMAN ESPARZA: Okay. I'm going to put
14 forward the motion. Uh, commissioner, I'm going to put forward
15 the motion again. Uh, move to amend 3% reduction removing JET,
16 uh, and reclassifying other programs to consider in its place.
17 Move we substitute 133 apprenticeship training program,
18 apprenticeship programs, uh, fulfillment requirement for the
19 reduction exercise. I also move—um, I'm going to, I'm going to
20 read the numbers so bear with me here. Uh, this is for fiscal
21 transparency to the legislature. I move that we reduce our
22 apprenticeship training grants, the exceptional item requests by
23 the same amount which is 3 point—excuse me—which is \$3,715,436
24 bringing that total exceptional request down from \$21,482,107 to
25 \$17,766,671. And again, this ensures that our exceptional item

1 request reduction matches the exact line item in our 3%
2 reduction exercise. Is there a second?

3 COMMISSIONER CONNETT: Chair, Chairman,
4 before I second any motion, if I could pose a couple of
5 questions.

6 CHAIRMAN ESPARZA: Absolutely.

7 COMMISSIONER CONNETT: Uh, please. Chris, is
8 it fair to say, gen—generally speaking, round numbers,
9 understanding there are many components and, and flavors of
10 apprenticeship within the budget, apprenticeships generally
11 collectively are, are more richly funded than the JET program
12 is?

13 CHRIS NELSON: That's correct. Once you
14 incorporate all three funding sources, uh, the 133 funding, the
15 pre-apprenticeship funding exceptional item we received in a
16 prior biennium, and the TIRA funding we received, uh, GR, once
17 you compri—add all three of those funding sources together that
18 it's greater than the JET funding.

19 COMMISSIONER CONNETT: So, so
20 proportionally—no math whiz—but a \$3 million hit to the JET
21 program proportionally is, is a bigger reduction relative to
22 what that \$3 million hit to the apprenticeship program would be?

23 CHRIS NELSON: Yes.

24 COMMISSIONER CONNETT: Remind me please when
25 these documents are due to the Legislative Budget Board.

1 CHRIS NELSON: Our LAR is due on Friday.
2 This Friday.

3 COMMISSIONER CONNETT: Okay. Um, chairman,
4 I, uh, I support the JET program. Huge proponent of the JET
5 program, the intersection, uh, of K-through-12 education,
6 community colleges, and, and workforce training, bridging the
7 gap from classroom to careers. I'm also a proponent of the
8 apprenticeship program. I think the logic of what you have laid
9 out is sound and I will second your motion.

10 CHAIRMAN ESPARZA: Very good. Motion's been
11 made and seconded. Motion passes. Commissioners, thank you for
12 that. Appreciate, appreciate you.

13 COMMISSIONER TREVIÑO: Thank you.

14 CHAIRMAN ESPARZA: Is-Les, we need to make
15 anything? That was for both motions.

16 LES TROBMAN: Yes.

17 CHAIRMAN ESPARZA: I feel like the second
18 motion was just [inaudible]—

19 CHRIS NELSON: So I, I think you could then
20 make a motion to adopt the remaining schedules that have been
21 laid out with the recommended, uh, changes that have already
22 been—

23 CHAIRMAN ESPARZA: To complete the rest.

24 CHRIS NELSON: Yes.

25

1 CHAIRMAN ESPARZA: No question on the other
2 [inaudible].

3 CHRIS NELSON: Unless there's other requests
4 for modifications to [inaudible]—

5 CHAIRMAN ESPARZA: Should we make that
6 motion? Les, I'm sorry for disrupting this.

7 CHAIRMAN ESPARZA: Okay, Chris. Um, I'd also
8 like to make the motion, uh, to adopt fiscal year 2027 operating
9 budgets and the 2028-2028 legislative appropriation request,
10 including the exceptional items with the amendments previously
11 adopted, uh, to include performance measures and the 3% cut to
12 general revenue and general revenue dedication fund as presented
13 today by staff. Is there a second?

14 COMMISSIONER CONNETT: Second.

15 CHAIRMAN ESPARZA: Motion's—yeah, motion's
16 been made and seconded. Motion passes.

17 COMMISSIONER TREVIÑO: Yeah.

18 CHRIS NELSON: Thank you.

19 CHAIRMAN ESPARZA: Okay, very good. Think we
20 did that right. That brings us to anything from Ledge or excuse
21 me, Ledge, say no. Any report from executive report from there?
22 We do have a—excuse me—[inaudible].

23 COMMISSIONER CONNETT: Chairman. I'm sorry
24 to interject. As it relates— Mr. Pier may not have anything for,
25 for us, I, I have something for him.

1 CHAIRMAN ESPARZA: Okay, great.

2 COMMISSIONER CONNETT: Just very quick. Um,
3 as it relates to the sunset hearing, I want to congratulate and
4 thank both you and Mr. Pier for an exceptionally, uh, well-done
5 job before the legislature. Those questions were not all easy.
6 Uh, but you, you both handled yourselves exceptionally well and,
7 uh, made me and this agency proud. So I, I, I thank you for your
8 work.

9 STEVE PIER: Thank you, sir. Appreciate it.

10 CHAIRMAN ESPARZA: Thanks to Steve and and
11 and again our divisions, our departments for for the support
12 giving us the confidence to to do that. There's a lot going on.
13 Yeah. There's a lot going on.

14 COMMISSIONER TREVIÑO: Yeah, I agree. Y'all
15 were very well prepared.

16 STEVE PIER: Thank you. Uh, there were a lot
17 of hours spent by a whole lot of people in a whole lot of
18 divisions to, uh, to make that happen. So, uh, really the, the
19 credit goes to them, uh, for all their dedication and their
20 time, um, to, uh, putting it in and, and, and trying to keep us
21 on the right path. So we appreciate it.

22 CHAIRMAN ESPARZA: Thanks, Steve. Appreciate
23 that. Work continues. Uh, we're going to adjourn to, except—
24 excuse me—to executive session currently. Um, let me say we'll
25 use that clock. Time's now 11:02. Uh, Texas Workforce Commission

1 is now going into executive session. Can we use just that room?
2 Into that room. I'm motioning to the room to our right. Uh,
3 we'll be right back.

4 CHAIRMAN ESPARZA: The time is now 11:19.
5 Commission met in executive session beginning at 11:04 and
6 concluded at 11:19. No action is being taken. Can I get a motion
7 to adjourn?

8 COMMISSIONER TREVIÑO: I move to adjourn.

9 COMMISSIONER CONNETT: Second.

10 CHAIRMAN ESPARZA: Motion made. Seconded. I
11 vote yes. Also vote yes. Motion passes. We are adjourned. Okay,
12 everybody.

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