



WORK SESSION OF THE
TEXAS WORKFORCE COMMISSION

DATE

JULY 20, 2026

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Monday, July 20, 2026

CHAIRMAN ESPARZA: Go ahead and call to order for the work session. Les, do we have any public comment?

MR. TROBMAN: No, sir.

CHAIRMAN ESPARZA: OK, no public comment. Uh, the, so in order to get things done today, uh, we're basically going to just—I want to promote just a general conversation so we have to speak into the microphone [inaudible] everything but, uh, ultimately, go down the order of the agenda, uh, get consensus, hopefully we want to see if we can focus on, uh, focus on getting our—and thank you to whoever printed this into extra-large, I want to thank you, [inaudible] appreciate [inaudible] but [inaudible] basically we [inaudible] function. I'll try to get our, uh, budget [inaudible] accomplished, uh, [inaudible] we are proposing, uh, some way to move forward. So I appreciate the work [inaudible] from staff as well as my fellow commissioners for, uh, proposing, uh, initiatives continuing to work [inaudible] today. Uh, I guess the, uh, Agenda Item 1, discussion, consideration, and possible action AEL statewide initiatives, uh—

CHRIS NELSON: Chairman, would you like me to walk through the agenda document. Not so much the agenda but the documents there—

CHAIRMAN ESPARZA: [Inaudible].

1 CHRIS NELSON: [Inaudible] that we're all on
2 the same page.

3 CHAIRMAN ESPARZA: Yeah. Thank you.

4 CHRIS NELSON: [Inaudible]. So, just for the
5 record, Chris Nelson, chief financial officer. Uh, just to kind
6 of backtrack to where we started, we brought statewide
7 initiatives as part of our overall operating budget and LAR
8 requests a few weeks ago. Uh, we sat through, kind of had
9 another work session and so we have the new document that we've
10 been briefing you on. Uh, effectively, what it shows is the 2027
11 operating budget which was the staff recommendations, the
12 original staff recommendations. Uh, you also see 2028 LAR, uh,
13 uh, 2029 LAR, which were the original staff recommendations. Uh,
14 but then you see—what you've been shown is the proposed columns
15 that each one of you, each office had contributed something
16 [inaudible] for consideration.

17 CHAIRMAN ESPARZA: Right.

18 CHRIS NELSON: It's in the proposed column
19 that you were briefed on. Uh, at the very bottom on each page
20 you'll see there's a statewide initiative balance and so, uh,
21 you were also kind of given an agenda item to try to help us
22 navigate and walk through, like you said mechanically all the
23 items considered so that we can get to some consensus, uh, on
24 these items. Effectively, from my standpoint the ground rules
25 are, you know, we, and as you decide and make changes, we have

1 the ability to, on a wide spreadsheet make those changes so none
2 of us have to do math in public.

3 CHAIRMAN ESPARZA: Yeah, OK.

4 CHRIS NELSON: Let the machine do it for us.
5 But effectively, we want to make sure that the yellow lines on
6 each page, the commission reserve balance, uh, shows at least a
7 zero balance.

8 CHAIRMAN ESPARZA: OK.

9 CHRIS NELSON: We don't want any negatives
10 when we approve it, uh, so that's kind of the mechanics. Mary,
11 am I missing something?

12 CHAIRMAN ESPARZA: Yeah, I've been calling
13 it mechanics. Uh, as we walk through that's, that's helpful. So,
14 you said the statewide initiative budget is, is, is the yellow
15 commission reserve balance is what we're talking about there?

16 CHRIS NELSON: Correct.

17 CHAIRMAN ESPARZA: Are we able to put that
18 up there right now? It was [inaudible].

19 UNIDENTIFIED: [Inaudible].

20 CHAIRMAN ESPARZA: Looking at that. Uh, but
21 we are talking about page [inaudible]. So page two is, page two
22 on the big spreadsheet is our, reflects our operating budget
23 with our LAR for 28-29. That's what you had mentioned.

24 CHRIS NELSON: Correct. And on the agenda
25 item [inaudible] what we felt may be the easiest way to, to

1 navigate it is, uh, we have a page for adult education. That's
2 on page two.

3 CHAIRMAN ESPARZA: OK.

4 CHRIS NELSON: And on the agenda item that
5 you have, uh, so far there has been no—we've heard—

6 CHAIRMAN ESPARZA: [Inaudible].

7 CHRIS NELSON: Any changes to that so what
8 we thought would be good is if we, we do those things, do the
9 simplest stuff first.

10 CHAIRMAN ESPARZA: Yeah.

11 CHRIS NELSON: So there's no other changes
12 to the staff recommended AEL statewide initiatives just you
13 could start with a simple motion whether you adopt that portion
14 of the budget or not.

15 CHAIRMAN ESPARZA: For each item. Through
16 Les, in conversations with Les, uh, and you have the factoring
17 that we'll have to do is, is, uh, well basically we say that
18 [inaudible] while we work with different numbers and funding
19 strategies, I say that, uh, once we get it to where we've all
20 kind of agreed is a turning point to move forward, you know, we
21 basically put a pin in it and then move down. And then once
22 we've got a pretty good consensus on all of the tracks then I
23 think we're going to, very methodically and carefully, uh, say
24 the magic words and provide a motion and then we'll have the
25 vote at the end once we've, once we've got all the calculations

1 set. That's, so maybe starting from the, from the easy stuff
2 first, I guess, uh, Agenda Item 1, uh, we can motion and move
3 on, I guess, right? OK.

4 COMMISSIONER TREVIÑO: You want to make the
5 motion? I move that we—

6 CHAIRMAN ESPARZA: [Inaudible].

7 COMMISSIONER TREVIÑO: OK. I move that we
8 approve the adult education and literacy statewide initiatives
9 for the 2027 operating budget and 2028 and 2029 Legislative
10 Appropriations Request as recommended today by staff.

11 COMMISSIONER CONNETT: Chairman, I second
12 that motion.

13 CHAIRMAN ESPARZA: Motion's been made and
14 seconded. I also vote yes. We'll move on to Agenda Item 2 on
15 employment services.

16 COMMISSIONER TREVIÑO: Chris, am I correct
17 that there was no really discussion [inaudible]—

18 CHRIS NELSON: [Inaudible] there were no,
19 uh, [inaudible] discussion on, uh, employment services statewide
20 initiatives.

21 COMMISSIONER TREVIÑO: OK. Chairman, uh, I'd
22 like to move to approve the employment services statewide
23 initiatives for the 2027 operating budget and 2028-2029
24 Legislative Appropriations Request as recommended today by
25 staff.

1 COMMISSIONER CONNETT: Second.

2 CHAIRMAN ESPARZA: Motion's been made and
3 seconded. I also vote yes. The motion passes. On to Agenda Item,
4 uh, temporary assistance for needy families and discussions on
5 several [inaudible]. So, this is one that we will pause and make
6 sure that we get, uh, our calculations in order here. Uh, let's
7 see. So working first as from what's proposed, my, uh—I think
8 we're viewing this in order to at least get, get, get our
9 programs, in order to get our programs started and funded in
10 some way. Uh, I would [inaudible] if you all want to focus just
11 on the, uh, budget year for 2027 when it comes down to it. And I
12 think there's a lot of tracks and a lot of consolidations in
13 play that we may, we may not really be able to fully fund, uh,
14 three full years successfully while getting, remaining at that
15 zero, that zero base at the end of the day when it comes down to
16 it. Uh—

17 CHRIS NELSON: Chairman, that's a really
18 good point. Uh, with respect to kind of staff, the priority is
19 definitely 2027—

20 CHAIRMAN ESPARZA: Yeah.

21 CHRIS NELSON: Because that's our upcoming
22 year and so there's procurements that happen in government and
23 logistics with that. Uh, you, we hope, you know, [inaudible]
24 2028-29 but we'll be here this time next year also discussing
25 the actual—

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CHAIRMAN ESPARZA: Right.

CHRIS NELSON: 2028-29, so in the event that, you know, we can't come to some consensus on those years is not nearly as critical as coming to consensus for staff could get going on 2027.

CHAIRMAN ESPARZA: Yeah, that's kind of as I understood. It's, it's, well, we basically were to, to plan for three years, whatever year we [inaudible] to either more or less money through federal, uh, allotments that we'll have to be looking at. So, yeah, I think it would be helpful exercise today, uh, to focus on 2027. Thank you, Chris, for that. Uh, as the proposed Item 3.A, uh, I, I definitely want to, uh, I want to consider—kind of point me, Caitlin, can you point us to where that is? It's proposed in, what is that, J? Is that, uh, column J right there?

UNIDENTIFIED: [Inaudible]. J.8.

CHAIRMAN ESPARZA: OK. So, [inaudible] write these [inaudible] so that we can [inaudible]. Is there any way we can increase the size of that? [Inaudible]. [Inaudible]. OK, I think that would be OK. Uh, so the proposals in J, that is Commissioner Connett, excuse me, Commissioner Treviño, that is your request to, uh, fund track 75031. It's STEM. I'm following you there. [Inaudible].

COMMISSIONER TREVIÑO: 75031.

1 CHAIRMAN ESPARZA: Chris, if that's funded
2 in that way [Inaudible]. Tell me what relevant column we should
3 be watching, uh, if it's basically column J all the way down to
4 commission reserve. We've got 1.3 million to-

5 CHRIS NELSON: Correct. When we, when we
6 plug in on TANF the 2027 agenda items that were laid out by
7 commissioners, it still leaves you the 1.3-million-dollar
8 commission reserve balance for TANF. So, uh, based off
9 everything that's been laid out by the commission, everything
10 for 2027 is [inaudible].

11 CHAIRMAN ESPARZA: OK. One question is the
12 Texas Internship Initiative, forgive me if I'm jumping forward,
13 that is basically being relocated. That's why this, why it's
14 dashed out or it's, it's found a funding source somewhere else.

15 MARY YORK: Yeah, so it is a little
16 confusing and I'm going to try and walk you through it.

17 CHAIRMAN ESPARZA: Thank you for using small
18 words.

19 MARY YORK: At one time, uh, the internship
20 initiative was funded out of TANF.

21 CHAIRMAN ESPARZA: Yeah.

22 MARY YORK: Uh, that's that row 4 that you
23 see. Uh, looking at it, depends on how you look at it. Row 7 up
24 there on your, on your printout you might see it under 4, which
25 is 75027. Uh, so that, that was moved into WIOA. However, uh,

1 staff was proposing the consolidation of several internship
2 initiatives in the WIOA tracks under 75032, uh, and then I
3 believe in the last time we got together, uh, Commissioner
4 Treviño had suggested to staff that if there were remaining
5 balances, uh, in '27, '28, '29, that internship would be a good
6 place to put those TANF funds, those additional TANF funds. So
7 that's the amounts that you see there in the peach under
8 Internship Pathway Initiative. So if you were, not to skip
9 ahead—

10 CHAIRMAN ESPARZA: Sure.

11 MARY YORK: If you were to skip, to look on
12 the WIOA budget—

13 CHAIRMAN ESPARZA: WIOA.

14 MARY YORK: You would also see under
15 Internship Pathway Initiative, uh, some staff recommendations
16 there. As I noted in our last time we got together, uh,
17 internship could be funded under WIOA or TANF.

18 CHAIRMAN ESPARZA: OK.

19 MARY YORK: That is the decision of the
20 commission.

21 COMMISSIONER TREVIÑO: Yeah, I was going to
22 ask that. If we could fund, uh, 75032 under TANF. You said that
23 is correct, right? [Inaudible].

24 MARY YORK: We can. So the commission, uh,
25 so we have analyzed the requirements for TANF and WIOA, and we

1 believe that we can effectively operate the program as it exists
2 right now under WIOA, under TANF, should the commission choose
3 to, to make that decision, uh, or it could be split funded
4 between both funding sources or it can remain in WIOA. We have
5 flexibility there so it really comes down to, you know, where
6 you want to see it funded.

7 CHAIRMAN ESPARZA: OK.

8 COMMISSIONER TREVIÑO: So, Chairman, if I
9 will, the way you're looking at this, uh, track 75031, STEM, as
10 I recommended to kind of start reducing that since it will
11 probably be turned over to another agency. We'll have a reserve
12 that we could put into track, uh, 75032 of the Internship
13 Pathways for 2027. Instead of 500,000, it would be 1,500,000,
14 instead of just a 500,000.

15 CHAIRMAN ESPARZA: OK. Uh, yeah, it looks
16 like it's still being funded which kind of, like I said, makes
17 us, uh, gives us, uh, let's us live to fight another year when
18 it comes down to it. What I want to be very careful with is, uh,
19 you know, signaling, signaling reduction or dis-basically
20 dissolving programs that support, that support workforce
21 development with, you know, in schools and, uh, through,
22 through, uh, uh, like things like tech, the STEM initiatives,
23 internship, uh, internship opportunities, teacher externships,
24 anything like that right now to any mention that, that reducing
25 it to zero eventually, uh-

1 COMMISSIONER TREVIÑO: And the only reason
2 that I'm saying for STEM is because it's, uh, nothing that
3 really puts people and jobs to work. So it's hard for staff to,
4 uh, justify or show metrics of how, you know, because if you
5 have somebody that's in high school or middle school, there's no
6 way to show if they're taking a certain STEM course that they're
7 going after that job and as we're reducing or getting reduced
8 funds from the federal side, I think it's more important to
9 concentrate on programs and initiatives that are putting, uh,
10 Texans into the workforce, uh. And just so you all know, that's
11 the way I'm looking at it—

12 CHAIRMAN ESPARZA: Yeah.

13 COMMISSIONER TREVIÑO: Uh, STEM seems like
14 one that since we're in a, an area where we're not getting the
15 funding that we did before, that that would be one that would be
16 easier to explain to our constituents and [inaudible] this is
17 why we're doing it.

18 CHAIRMAN ESPARZA: Yeah.

19 COMMISSIONER TREVIÑO: I know they are good
20 programs but still right now—

21 CHAIRMAN ESPARZA: Yeah, I agree with you. I
22 think, you know, when it comes to, when it comes to programs,
23 uh, you know, all commissioners have their specific initiatives,
24 their, their sponsors, uh, sponsoring good, good quality
25 programs and some, uh, I definitely want to be very careful in

1 signaling that, that, that STEM, you know, if we're, if we're
2 thinking that, you know, TEA is going to pick this up without
3 any conversation or agreement with them for any of these
4 programs, I want to be very careful, uh, not kind of
5 volunteering other agencies to, to, to care for these programs
6 as, as we have done so, as we have done and but also [inaudible]
7 that as a workforce development tool for industry to continue
8 to, to, to, to, to give us an idea of what, uh, give us an idea
9 of where education should be, should be navigating to, or should
10 end up whenever it comes with quality of workforce, quality of
11 workforce has entering into those. Uh, I appreciate, I
12 definitely appreciate your, your rationale on, uh, the metrics,
13 you know, as STEM, takes classes, it's not moving people into
14 specific jobs or doesn't equate a specific jobs. But—

15 COMMISSIONER TREVIÑO: There's no way for us
16 as an agency to show the effectiveness of, of those funds. So
17 it's kind of like we're trying to figure out where we're going
18 to use our money the wisest to get people into jobs that we can
19 show and, uh, that was the rationale behind that. And it's not
20 like just to cut it completely but just to gradual.

21 CHAIRMAN ESPARZA: Is there a reduction in
22 the 2027 proposal from, is the 2027, is that GAA figure? We're
23 looking at our operating budget 4.6.

24 MARY YORK: There are staff proposal—
25

1 COMMISSIONER TREVIÑO: I don't think there's
2 any reduction in 2027.

3 CHAIRMAN ESPARZA: OK.

4 COMMISSIONER CONNETT: Chairman, if I could,
5 and with tremendous respect for Commissioner Treviño and your
6 heart for service and where you're coming from on this, uh, I
7 think you worded my position on this matter probably better than
8 I could. Uh, I would just add the governor and the legislature
9 have, uh, through the Tri-Agency Initiative directed Workforce
10 Commission closely collaborate and, uh, you know, intermingle
11 our program, TEA, and the Coordinating Board, and it would be
12 under that justification that things like STEM, externship, and
13 internships, in my estimation ought to continue.

14 CHAIRMAN ESPARZA: Yeah, I think also that,
15 that, that does still provide us with the opportunity to talk to
16 the other agencies and make sure that those are received before
17 we—I think what I'm getting at is I don't want to signal a
18 reduction until we're confident that we don't, we don't drop
19 this from the state's involvement in supporting these, these
20 types of programs. And so, I think, having the conversations
21 that we're having and trying to see the Jobs Council with
22 industry partners that, that sit there and tell us these are
23 effective tools, uh, and then, to make that, to make that
24 signal, but again, as long as we're focusing on 2027, uh, that

25

1 gives us some time to make inroads to ask questions out of those
2 conversations—

3 COMMISSIONER TREVIÑO: And I guess that's my
4 point is for us to start thinking about, uh, if they're
5 reducing, having those conversations with, as you said, the
6 other agencies or Tri-Agencies that are going to be, uh, or
7 should be taking, that have more, uh, more ability because of
8 that's their wheelhouse, so to speak, you know, middle schools
9 and high schools, but, uh, you know, working with them but where
10 they're funding a lot of that because like I said before, we
11 need to show where we're going and how we can show the metrics
12 on how we're spending the money to put people in the workforce.

13 COMMISSIONER CONNETT: And, and
14 commissioner, if I could jump in here, I greatly appreciate your
15 focus on the data and the outcomes there, and I would share your
16 focus there. Probably not for today but as an aside that I think
17 is worth mentioning in this discussion is TEA's PEIMS data
18 coupled with TWC's enhanced [inaudible] records, we may have
19 some capability in the future, to, to better track some of
20 these, uh, career-to-classroom pipeline initiatives and I think
21 I would fully support that [inaudible] tracking.

22 CHAIRMAN ESPARZA: I'm sorry.

23 COMMISSIONER TREVIÑO: I was just curious
24 because, uh, while we're looking at this reduction to fund the
25 other programs like foster youth, so I'd be kind of curious, you

1 know, how do we increase some of those, uh, other initiatives
2 like Foster Youth Transition Centers or, uh, or other
3 initiatives that were, could use some of these funds that are
4 not more important but that could show that we're putting people
5 into the workforce.

6 CHAIRMAN ESPARZA: I think the, I guess it's
7 really comes, comes down to, to balancing what we have, what we
8 have available to work with in this reserve balance and what
9 programs, uh, we can, we can support today, especially, I guess,
10 come back to this next, next funding cycle, 2027, uh, and
11 [inaudible] hopefully we can continue to work, uh, more to find,
12 to find those without reducing quality performing programs when
13 it comes down to it. And I could, I did, kind of harken back to
14 the, the exercise that our agency did to, to make the
15 recommendation, so I think those will be, having to pay a little
16 more attention to what those findings were that the agency had
17 provided, uh, and then finding out what funding is [inaudible]
18 what funding comes up in the next, in this next year's cycle of
19 any monies that are either slow, slow to get used, uh, in other
20 programs, we could still hopefully fund, you know, more funding
21 that we could, we can apply to some of these initiatives. Good
22 initiatives that we recognize, uh, I do agree Foster Youth
23 Transition Centers have had a good start. Uh, you know, I'm not
24 just using this as an example of money that was provided to
25 basically set up for three or four years and to make sure that

1 that money is being used effectively, uh, and by us. If not,
2 then we're able to kind of look at that and see what those, you
3 know, what the, what the hurdles are, why it's not being spent,
4 and basically kind of just, just--

5 COMMISSIONER TREVIÑO: The only reason I
6 asked that question was, was we heard last week about the need
7 for increased funding for the Foster Youth Transition Centers,
8 number one, uh--

9 CHAIRMAN ESPARZA: Yeah, but I, I do agree
10 that, I agree with increasing funding. I was only using it as an
11 example, but to make sure that the initial, I think it was, was
12 it providing five million over, was it four years, two years?

13 MARY YORK: I think those for the Foster
14 Youth Network--

15 CHAIRMAN ESPARZA: Oh, for the [inaudible].
16 Is that what you were--

17 COMMISSIONER TREVIÑO: No, I was talking
18 [inaudible].

19 CHAIRMAN ESPARZA: [Inaudible] centers.

20 COMMISSIONER TREVIÑO: Yeah.

21 CHAIRMAN ESPARZA: OK.

22 MARY YORK: [Inaudible] I will add,
23 commissioners, is, uh, it's still very much part of our plan to
24 work in exceptional items for several of these different
25 initiatives--

1 CHAIRMAN ESPARZA: Right.

2 MARY YORK: That we feel like are, are very
3 valuable, uh, maybe deserve some dedicated funding, some general
4 revenue. So we'll be coming back to you also with some
5 recommendations for exceptional items as part of our LAR
6 process-

7 CHAIRMAN ESPARZA: Yeah.

8 MARY YORK: And I believe that that's also
9 in line with Commissioner Treviño's prior request of staff, was
10 that we would consider exceptional items for some of these
11 different initiatives as well. So, I didn't want us to
12 [inaudible]-

13 CHAIRMAN ESPARZA: [Inaudible].

14 MARY YORK: Part of the process and I know-

15 CHAIRMAN ESPARZA: [Inaudible]. It's not,
16 this isn't the end, this isn't the last, I guess, is what we're
17 saying. We still have avenues-

18 COMMISSIONER TREVIÑO: [Inaudible]. We're
19 not going to do '28 or '29.

20 CHAIRMAN ESPARZA: That's right. I agree.

21 COMMISSIONER TREVIÑO: Because the way I had
22 written out some of the information, I was trying to make it
23 balance for '27 and '28 and '29.

24 CHAIRMAN ESPARZA: OK.

25

1 COMMISSIONER TREVIÑO: So that we could, you
2 know, have an idea because I think it would have been easier
3 that way. If we're just going to do '27, uh, we-

4 CHAIRMAN ESPARZA: Yeah, it's a little bit
5 more of a mathematical probability that we'll be able to get at
6 least one year in the bank and then move on from there but as it
7 is right now, it's, it's, uh, I asked this earlier, that the
8 proposed 3.85 million in STEM, uh, is current. Was that reduced
9 from five. What am I looking at?

10 CHRIS NELSON: The GAA amount two years ago-

11 CHAIRMAN ESPARZA: Yeah.

12 CHRIS NELSON: Was that same amount-

13 CHAIRMAN ESPARZA: OK. [Inaudible].

14 CHRIS NELSON: And the staff proposed
15 operating budget, it was 4.6 million. So-

16 CHAIRMAN ESPARZA: Got you.

17 MARY YORK: 4.6 is the amount that it was
18 funded, uh, in 2026, so [inaudible].

19 CHRIS NELSON: Keep in mind that leaves,
20 that leaves 1.3 million commission reserve.

21 CHAIRMAN ESPARZA: [Inaudible] makes sense.
22 That's what the reserve, that's where the reserve [inaudible].

23 COMMISSIONER CONNETT: That's what I wanted
24 to ask. I'm much more comfortable funding the STEM initiative
25 4.6 that staff proposed and I think the commission itself

1 [inaudible] initially, at least at one point, uh, budgeted for a
2 program. But I want to verify and I think I'm right on this, it
3 was column 2027 Proposed, [inaudible] call it J, that entire
4 column assumes Commissioner Treviño's proposals increases the
5 two foster care line items and still has a positive reserve 1.32
6 million.

7 CHRIS NELSON: That is correct.

8 COMMISSIONER CONNETT: So we've, so to get
9 back to the, the STEM initiative, track 75031, kick that back up
10 to the 4.6 million.

11 CHAIRMAN ESPARZA: That would give us
12 [inaudible].

13 COMMISSIONER CONNETT: We've got, we've got
14 options. You could use the commission reserve balance to do
15 that.

16 CHAIRMAN ESPARZA: I would propose that we
17 [inaudible], we go with the operating budget recommendations
18 from the agency on TANF numbers. That would put our reserve
19 balance to zero while basically reconstituting it to 4.6
20 operating budget for STEM programs for the year 2027. Is that—
21 that's my understanding.

22 COMMISSIONER CONNETT: I would agree to
23 that. I think we have a couple of hundred thousand dollars in
24 reserve by my [inaudible].

25

1 COMMISSIONER TREVIÑO: Well, just to kind of
2 give you an idea, if we left it at three million [inaudible]
3 fifty, we could move, uh, instead of for the next one down, the
4 Internship Pathway Initiative, instead of 500,000 we could put a
5 million there to have it one million five hundred.

6 CHAIRMAN ESPARZA: OK.

7 COMMISSIONER TREVIÑO: I don't know if that
8 would make sense to you.

9 CHAIRMAN ESPARZA: Where is--so we're moving
10 that, the pathway, into WIOA, correct? Am I wrong?

11 MARY YORK: Well, it was funded in, with
12 WIOA in 2026.

13 CHAIRMAN ESPARZA: Right.

14 MARY YORK: We had left it in WIOA in the
15 proposed 2027, uh, but I, it could be funded here, uh, out of
16 TANF, uh, and so, what you're seeing in the peach column--

17 COMMISSIONER TREVIÑO: And then talk about
18 WIOA maybe moving--

19 MARY YORK: Yes.

20 COMMISSIONER TREVIÑO: Or [inaudible] out
21 there.

22 MARY YORK: Potentially, yes, and I think
23 also that comes down to whether the commission needs to free up
24 WIOA dollars in that budget, uh, if there's a possibility that
25

1 that's the case, uh, then that would provide some flexibility
2 there.

3 CHAIRMAN ESPARZA: [Inaudible].

4 MARY YORK: If there's anything that you
5 want Caitlin to adjust on the document—

6 CHAIRMAN ESPARZA: Oh, yeah, [inaudible].

7 MARY YORK: She can do that you where you
8 can see what the balances would look like and we can zoom in if
9 we need to, and that way you have a, can see a running total.

10 COMMISSIONER CONNETT: It sounds like
11 there's at least some consensus. At least two of the three of us
12 on STEM at 4.6 but where that increase in, you know, proposed
13 back up to the recommended bucket from which that comes from, I
14 think it's still—

15 UNIDENTIFIED: Some buckets.

16 COMMISSIONER CONNETT: [Inaudible].

17 CHAIRMAN ESPARZA: [Inaudible].

18 COMMISSIONER TREVIÑO: So we'll go back up
19 to the 4.6 where we would have the ability to move, uh, move
20 into the Internship Pathway Initiative. [Inaudible].

21 MARY YORK: Yeah, there is—according to what
22 Caitlin is showing right now, there's 1.3 million available in
23 commission reserve and so, now that does not yet include, uh, in
24 that column N, that does not yet include, uh, the increase for
25 Foster Youth Transition Centers for 27. Oh wait, yes—

1 CHAIRMAN ESPARZA: [Inaudible].
2 MARY YORK: Yes, it would need to—
3 UNIDENTIFIED: And Caitlin—
4 CHAIRMAN ESPARZA: Yeah, please [inaudible]
5 numbers so we can kind of see what [inaudible].
6 UNIDENTIFIED: [Inaudible].
7 MARY YORK: Foster Youth Transition Centers.
8 [Inaudible] proposed.
9 COMMISSIONER TREVIÑO: See if it zeros out
10 or for—
11 MARY YORK: So that leaves a million eighty
12 thousand in commission reserve.
13 CHAIRMAN ESPARZA: Remind me. Foster youth
14 workforce transition centers, is that a—I'm sorry, is 75006A,
15 that's the conference, correct?
16 COMMISSIONER TREVIÑO: Right, [inaudible].
17 And then I don't know if you can put the million in the TANF
18 internship, Caitlin. The Internship Pathway, which was—
19 CHRIS NELSON: 75032.
20 COMMISSIONER TREVIÑO: 32?
21 MARY YORK: Even have some left after that.
22 CHAIRMAN ESPARZA: [Inaudible]. One more—I'm
23 sorry if we have to say this one more time. Why is it showing up
24 in WIOA as well in the proposed budget?
25

1 COMMISSIONER TREVIÑO: I think if we do it
2 here, we can maybe reduce it in WIOA and [inaudible].

3 MARY YORK: The staff recommendation had
4 just been initially to keep it in WIOA. That was part of the—

5 CHAIRMAN ESPARZA: OK.

6 MARY YORK: The original considerations—

7 CHAIRMAN ESPARZA: [Inaudible].

8 MARY YORK: [Inaudible] in the [inaudible]
9 session, so we have not proposed moving it to TANF but there
10 were discussions about the fact that that could be a
11 possibility.

12 CHAIRMAN ESPARZA: OK.

13 MARY YORK: Now we, or the staff proposed
14 level was 1.5 million in 2027. The commission could either, uh,
15 make further swaps in TANF to get it up to 1.5, they could fund
16 it at one million here in TANF and 500,000 in WIOA and have a
17 split-funded initiative, or—

18 COMMISSIONER TREVIÑO: There's more
19 flexibility for WIOA.

20 CHAIRMAN ESPARZA: So you all might have—we
21 see that's functioning for TANF numbers, I think. It would be
22 easy for me to be agreeable for that.

23 COMMISSIONER CONNETT: I, I support the
24 Internship Pathways.

25

1 CHAIRMAN ESPARZA: [Inaudible] that would be
2 leaving 80,000 in reserve.

3 COMMISSIONER CONNETT: If it's a question
4 about these reserves, I know, uh, we recently voted I think to
5 sweep some that, that may expire. Is this reserve in the form of
6 like a rainy-day fund where there might be emergency need or is
7 it more of a use it or lose it type situation?

8 CHRIS NELSON: It's kind of both. It's kind
9 of if you have an idea after today and you're looking for
10 funding, it provides a balance for the commission to use but
11 the, the drawback of it is, you know, you could come up—each one
12 of you could come up with a great idea in January. The problem
13 is the logistics of the procurement—

14 CHAIRMAN ESPARZA: Right.

15 CHRIS NELSON: [Inaudible] out on the
16 street. The longer you wait tapping into that reserve balance to
17 do something, it effectively—what it does is really push it into
18 the next budget year because we've got this—

19 CHAIRMAN ESPARZA: Got it.

20 CHRIS NELSON: You know, there's already a
21 parking lot of items that you're going through and then staff
22 need to work through so that they can get procurements and
23 applications and all that stuff done so it works as both. I mean
24 it's a rainy-day fund if something comes up but eventually when
25

1 you don't--when it doesn't rain, you've got to do something with
2 that funding, uh, or it, you know, it lapses so.

3 CHAIRMAN ESPARZA: Well, would you suggest
4 that we tie every dollar to at least something and just work off
5 zero reserve? Is that even--well, my, my strategy coming into
6 this was to have--

7 UNIDENTIFIED: Zero balance?

8 CHAIRMAN ESPARZA: Well, was to have a
9 reserve just in case we're tasked with--and that may be, that may
10 be strategy that we have to discuss, you know, outside of the
11 calculation part of this, this, this exercise but just in case,
12 if, if, if a storm hit and we needed to come up with an
13 initiative to, to, to, to bring to bear some specific
14 [inaudible]--

15 CHRIS NELSON: Keep in mind that, I mean
16 80,000 is a pretty minimal balance.

17 CHAIRMAN ESPARZA: Yeah.

18 CHRIS NELSON: [Inaudible] do that but--

19 CHAIRMAN ESPARZA: [Inaudible] have to
20 agree.

21 CHRIS NELSON: But, uh, uh, but every month
22 we have prior year, prior grants that close.

23 CHAIRMAN ESPARZA: Sure.

24 CHRIS NELSON: As they close with balances,
25 maybe had a \$250,000 grant, they only spent 210,000, that 40,000

1 balance gets what we call swept and eventually goes back to the
2 commission reserve so that number will grow over time every
3 month as we close out older grants so it's not a-

4 CHAIRMAN ESPARZA: Yeah.

5 CHRIS NELSON: It's not a static number for
6 the whole year. It will, as we close out older grants, it will
7 grow a little bit throughout the year, and it's the same for
8 WIOA. It's what we calculate as the balance today but it's not a
9 finite number because, you know, grants close and sometimes they
10 don't spend at the level we awarded so.

11 CHAIRMAN ESPARZA: Well, uh, commissioners,
12 would you like to--let's wait with the--it's probably safe to say
13 we can freeze this TANF calculation here, move on to the next
14 agenda item and probably because I'm kind of seeing this in my
15 head, if we're considering other items later and we're still
16 able to go back and use TANF, we'll come back to it but I--you
17 all feel safe moving forward, uh, into biting into the WIOA
18 numbers [inaudible] here.

19 CHRIS NELSON: Are you parking lot this for
20 2027 right now and then--

21 CHAIRMAN ESPARZA: Yeah, we don't have to
22 make a motion for the [inaudible] next item. OK, so, yeah, let's
23 park this [inaudible].

24 CHRIS NELSON: [Inaudible].

25

1 CHAIRMAN ESPARZA: That's right so we'll
2 leave it and then-

3 COMMISSIONER TREVIÑO: [Inaudible] we park
4 like that, it's OK, right?

5 UNIDENTIFIED: [Inaudible].

6 COMMISSIONER TREVIÑO: [Inaudible] OK.

7 CHAIRMAN ESPARZA: We're safe.

8 COMMISSIONER TREVIÑO: OK.

9 CHAIRMAN ESPARZA: So, on to [inaudible],
10 WIOA numbers, a little bit bigger than a page so just wanted
11 [inaudible] thank you for freezing panes and throwing those in
12 so you can increase the size. So I think there's a few items
13 that were safe to take a motion because I think it's
14 consolidation, uh, if I'm not mistaken. Then if there's any
15 objection to any of the consolidation, then we can, we can pull
16 that and discuss it. I think that's kind of how I understand
17 [inaudible] the agenda [inaudible]. Uh, so item 4, Commissioner
18 Treviño.

19 COMMISSIONER TREVIÑO: OK, yeah, item 4 is
20 just a consolidation of 74110, the Veterans Pathway Initiative
21 so, Chairman, I could move to approve staff's recommendation to
22 consolidate WIOA veterans initiatives into Track 74110 which is
23 the Veterans Pathway Initiative.

24 COMMISSIONER CONNETT: Second.

25

1 CHAIRMAN ESPARZA: The motion is made and
2 seconded. I also vote yes. On to Agenda Item 5. Commissioner
3 Treviño.

4 COMMISSIONER TREVIÑO: OK, this one is, uh,
5 discussion and consideration of possible actions of
6 consolidation of WIOA internship initiatives so into Track
7 74111, Internship Pathway Initiatives, and, uh, as proposed by
8 staff net-zero impact and to move funds from Track 79035. Since
9 we put money in, uh, on TANF, we could ask to zero out this
10 balance here in WIOA and then use those funds for something
11 else.

12 COMMISSIONER CONNETT: Uh, sure. The
13 question I would have there because you're on, you're on WIOA
14 and we have some, some funds in TANF because is it a net-zero
15 impact to the internships or what's the—are internships
16 increased, decreased, what's the net effect?

17 MARY YORK: It would reduce by half a
18 million so 1.5 right now in, in WIOA, and 1,000,000 in TANF so
19 you—if you zeroed it out, you'd be reducing 500,000.

20 COMMISSIONER CONNETT: I, I, I want to
21 retain at least 500,000 in the WIOA budget to keep it more
22 relevant to the staff, uh, recommendation.

23 CHAIRMAN ESPARZA: So does that mean it will
24 be paid through TANF and WIOA?

25 CHRIS NELSON: Correct.

1 CHAIRMAN ESPARZA: And that's—

2 CHRIS NELSON: It would be 1,000,000 TANF,
3 500,000 in WIOA based on [inaudible] Commissioner Connett's
4 recommend.

5 COMMISSIONER CONNETT: And that keeps it
6 whole.

7 CHAIRMAN ESPARZA: OK.

8 CHRIS NELSON: That keeps it at the 1.5
9 million dollars.

10 CHAIRMAN ESPARZA: OK. Well, that's, uh,
11 what are we specifically [inaudible] put that into a motion to
12 keep that 500,000 [inaudible].

13 MARY YORK: Well, uh, I think that the first
14 motion might need to be to approve moving the Texas Internship
15 Initiative to the Internship Pathway Initiative, that will be
16 the new track.

17 CHAIRMAN ESPARZA: Gotcha.

18 MARY YORK: And then, uh, then the
19 commission can decide, uh, how much they want to fund.

20 CHAIRMAN ESPARZA: OK.

21 MARY YORK: [Inaudible] if it was the
22 500,000.

23 CHAIRMAN ESPARZA: We'll just be specific on
24 WIOA.

25

1 MARY YORK: We just want to make sure that
2 we—

3 CHAIRMAN ESPARZA: OK.

4 MARY YORK: Know which path or which
5 [inaudible] and tracks we're using moving forward.

6 UNIDENTIFIED: [Inaudible].

7 CHAIRMAN ESPARZA: No, that's OK.

8 COMMISSIONER TREVIÑO: I can, uh—

9 COMMISSIONER CONNETT: Suggest the
10 consolidation first.

11 MARY YORK: Just the consolidation, uh,
12 which is basically item number 5 on your agenda.

13 CHAIRMAN ESPARZA: Sure.

14 COMMISSIONER TREVIÑO: And then I, I don't
15 know if we would need to adjust or talk about the other years,
16 [inaudible] was to get an idea to make or to adjust a motion
17 too. I don't know if that's what we need to do. Chris, take it.

18 CHRIS NELSON: Well, I think for now we were
19 just looking at 2027.

20 CHAIRMAN ESPARZA: Yeah, I think we refer
21 to—

22 CHRIS NELSON: Then we can come back 28-29.

23 MARY YORK: So now with that change on
24 internship, you have 3,000,000 in reserve.

25 CHAIRMAN ESPARZA: OK.

1 MARY YORK: So moving to the other items.

2 CHAIRMAN ESPARZA: OK, so—

3 COMMISSIONER TREVIÑO: So we're going to
4 come back to item 5 to do a motion.

5 CHAIRMAN ESPARZA: Right.

6 COMMISSIONER TREVIÑO: So I can get the
7 motion language [inaudible].

8 CHAIRMAN ESPARZA: Yeah. Let's hold up on
9 that because there was a dollar amount that will change. That
10 brings us to item number 6. You OK with that? Brings us to item
11 number 6, consolidation, consider, uh, grant also from
12 Commissioner Connett.

13 COMMISSIONER CONNETT: Yeah, Chairman, thank
14 you. I don't, I don't want to belabor this. I described in great
15 detail at other meetings, this is all about efficiency in making
16 our current pooled dollars whatever they are at the board level,
17 go, go a little bit further and help us with more empathetic
18 service for the Texans who need it through our work.

19 CHAIRMAN ESPARZA: Thank you, commissioner.
20 Uh, let's look at, let's look at the effects 750 for [inaudible]
21 2027 proposing, uh, 74106 [inaudible] so that puts us about 5.4
22 in the hole.

23 CHRIS NELSON: You're looking at the action,
24 2027 action is where she's [inaudible].

25

1 CHAIRMAN ESPARZA: Gotcha. Yeah, I'm sorry.
2 I was looking at, I'm still looking at proposed. OK, so we're
3 looking at action and now we've got 2 point-

4 CHRIS NELSON: 3.

5 CHAIRMAN ESPARZA: Almost 2.3. Uh, OK. We'll
6 leave that one, we'll leave that one funded and then we move on
7 to Agenda Item 7, uh. Agenda Item 7 again, Commissioner Connett,
8 uh, 74, excuse me, 74107, for AI licenses.

9 COMMISSIONER CONNETT: Yeah, Chairman,
10 similar concept, greater efficiency and better operations
11 [inaudible] boards.

12 CHAIRMAN ESPARZA: [Inaudible]. Uh, two,
13 he's proposing 2,000, or excuse me, 20,500. [Inaudible]. Agenda
14 Item 8, CTE rural pipeline looking at 25, excuse me, 250,000,
15 uh, for year 2027.

16 COMMISSIONER CONNETT: Yeah, and Chairman,
17 this is about making sure that rural students, uh, in some of
18 our smaller schools have access to pipelines and pathways from
19 classroom to career as, uh, you know, [inaudible] for these
20 options of career and tech in those student organizations.

21 CHAIRMAN ESPARZA: Very good. [Inaudible].
22 OK, that leaves us about a little over, a little over 2,000,000
23 for that. Uh, commissioners, so Agenda Item 9, uh, consideration
24 and possible action for Texas Healthcare Initiative.
25 Commissioner Treviño. Commissioner, I'll put, it looks like

1 you're, you, you, what it says is you're, uh, you're asking for
2 7.5 million, uh. Seeing how we're looking at 2027 action items—

3 COMMISSIONER TREVIÑO: Right.

4 CHAIRMAN ESPARZA: Would you consider
5 funding, trying to fund as much as we can in, in the other
6 programs and then settling for where we can find about
7 2,000,000, uh, to start, just enough to get that started?

8 COMMISSIONER TREVIÑO: Well, I was
9 [inaudible] the whole, uh, '27, '28, '29 [inaudible] trying to
10 work that—

11 CHAIRMAN ESPARZA: I think what you're
12 saying now—

13 COMMISSIONER TREVIÑO: But—

14 CHAIRMAN ESPARZA: Your support—

15 COMMISSIONER TREVIÑO: And [inaudible] that
16 7.5 roughly was from those other initiatives, those are going to
17 be balanced and consolidate those into one healthcare initiative
18 but, uh, yeah, I mean I think with some of the funding that
19 we're getting, we can use, I'll move to move some of that money
20 and maybe, uh, get it up to, uh, you know, 2.3 or even maybe
21 3,000,000 if we can, if we have the funding.

22 CHAIRMAN ESPARZA: Uh, for, just for an
23 exercise, can we put Texas Healthcare Initiatives up for
24 3,000,000? It's going to give us a deficit, that's fine. Uh,
25 that allows us to move on to Agenda Item 10, uh. This,

1 Commissioner Treviño, this is your, your, uh, your proposal,
2 discussion, consideration and action, uh, I think we're looking
3 at Track 74046. This is externships for teachers proposed by
4 Commissioner Treviño. What are you, what [inaudible] 74046.

5 COMMISSIONER TREVIÑO: It's the teacher
6 externships that the boards [inaudible].

7 CHAIRMAN ESPARZA: Uh, I am, I've already
8 provided—like I said earlier as far as providing a signal of
9 what industry is, is, is asking of us is a lot of focus on
10 career exploration, uh, and better understanding of where
11 students are going to find meaningful careers. One of our, one
12 of our best talking points when it comes to visiting with
13 partners is the ability to support, uh, career readiness types
14 of programs. I think the teacher externship program, uh, I
15 would, I would, be very hard pressed to reduce the funding for
16 teacher externships, uh, just because again it's a, it's one of
17 those things that we have as a tool to move [inaudible]
18 experiencing industry but placing teachers, uh, into local
19 businesses so that they're—I mean like I said, they, they have
20 more face time than anybody when it comes to career counseling
21 and to have as many teachers exposed to, uh, having industry
22 experience of, of businesses and different jobs around the
23 community is, it's, it's definitely a huge boon to the programs
24 that we have [inaudible].

1 COMMISSIONER TREVIÑO: So right now it's at
2 1.4.

3 CHAIRMAN ESPARZA: OK.

4 COMMISSIONER TREVIÑO: Uh, I'm OK with, uh,
5 1.4 for 2027.

6 CHAIRMAN ESPARZA: Yeah, and we won't have
7 to make—did we make any changes up there on that one?

8 MARY YORK: So just a point of
9 clarification. I think that the staff recommendation for
10 externships was 2.5, uh, the proposed amount.

11 CHAIRMAN ESPARZA: That would be the
12 reduction.

13 MARY YORK: So that, that would be a
14 reduction to take it to 1.4, uh. Obviously up to the commission
15 what you want to do there but, uh, just want to make sure you're
16 clear on [inaudible].

17 COMMISSIONER CONNETT: Yeah, to Commissioner
18 Treviño, with total respect for you and what you're trying to
19 accomplish here, I do, I do support the externships, uh. I see a
20 big, a strong handshake, working relationship between education
21 and employers and a two-way street so I, I will respect
22 [inaudible] support reduction there.

23 CHAIRMAN ESPARZA: We would hold it at 2.5,
24 uh. Caitlin, could you take it down to the, to the reserve
25 again? You know, I think we're [inaudible] deficit so just under

1 [inaudible]. Let's continue on and put the Foster Youth Network
2 proposal, Agenda Item 11, uh, Track 79034, place that at 2.5.
3 Now here's where we would--

4 UNIDENTIFIED: [Inaudible].

5 COMMISSIONER TREVIÑO: I think the only
6 thing I would say is that it's for 2028, we're--

7 CHRIS NELSON: Right.

8 COMMISSIONER TREVIÑO: So we're not talking
9 about--

10 UNIDENTIFIED: [Inaudible].

11 UNIDENTIFIED: [Inaudible] right now in
12 2027.

13 CHAIRMAN ESPARZA: So that's correct. That's
14 been the--that's the Foster Youth Network, that was--

15 CHRIS NELSON: It was a two-year grant that--

16 CHAIRMAN ESPARZA: Four million?

17 UNIDENTIFIED: Yes.

18 CHRIS NELSON: Yes, four million.

19 CHAIRMAN ESPARZA: OK, so that's still--that
20 kind of saves us, now we're [inaudible]. Uh, let me ask, uh,
21 were there staff recommendations for any of the decreases that
22 we have here or any flexibility in, uh, in other tracks that
23 we're [inaudible] because the thing is we're adding initiatives
24 to, to the, uh, we're adding initiatives to the budget so I'm
25 not sure if there was--

1 COMMISSIONER TREVIÑO: We could add some to
2 Healthcare Initiative.

3 CHAIRMAN ESPARZA: Let's see. Where do we--
4 sorry, where do we put that out there [inaudible].

5 UNIDENTIFIED: [Inaudible].

6 CHAIRMAN ESPARZA: Oh, that's right. That's
7 kind of where we started. Are you saying add or, or [inaudible].

8 COMMISSIONER TREVIÑO: We could add some to
9 that too.

10 CHAIRMAN ESPARZA: Well, we, we're, we're,
11 we're, we're in a deficit right now. We're looking for 975,000
12 [inaudible] so to get us to zero we would, and since it's a new
13 track, uh, 7401 would basically start at what, 2.1, instead of
14 3,000,000? That would get us to zero so I guess the question
15 would be, would you be comfortable with starting the Texas
16 Healthcare Workforce Initiative, uh, I apologize if I'm not
17 aware of what, uh, I'm not even aware of what the [inaudible]
18 funding would be. I mean if, if 2.1 was--what is 2.1--what's the
19 [inaudible] to get a, uh, Healthcare Workforce Initiative start
20 when it comes down to it? Is that--are we granting or are we
21 hiring?

22 COMMISSIONER TREVIÑO: We're training them.

23 CHAIRMAN ESPARZA: Training.

24 COMMISSIONER TREVIÑO: So, uh, in talking
25 to, uh, uh, constituents when I've traveled--

1 CHAIRMAN ESPARZA: Yes, sir.

2 COMMISSIONER TREVIÑO: Hospitals are
3 probably the biggest employer, uh, in most communities and they
4 are saying they are lacking not just registered nurses but all
5 healthcare technicians. They can't train them fast enough. It's
6 kind of like—

7 CHAIRMAN ESPARZA: Yeah.

8 COMMISSIONER TREVIÑO: You know, the
9 apprenticeship programs and the trade schools that they're, uh,
10 [inaudible] and they need people so for us not to consider, uh,
11 funding something in healthcare industry I think is a disservice
12 to—

13 CHAIRMAN ESPARZA: True.

14 COMMISSIONER TREVIÑO: To us, I mean, as
15 hospitals, just hospitals, not just medical practices are some
16 of the biggest employers here in the state of Texas.

17 CHAIRMAN ESPARZA: I, I'm, I'm, Texas
18 Healthcare Workforce Initiative is, is, that's a new, it's a new
19 initiative, correct? It wasn't [inaudible].

20 MARY YORK: It's a combination [inaudible].

21 CHAIRMAN ESPARZA: OK, [inaudible].

22 MARY YORK: Combination of several with the
23 state healthcare initiative.

24 COMMISSIONER CONNETT: So, so, commissioner,
25 I, I, I, I second all the demands [inaudible] this demand in an

1 area that TWC staff recently testified before a House committee
2 on this before programs that we're talking about consolidating.
3 The uptake isn't really there. There's some, there's some
4 disconnect and I'm not sure what that disconnect is but I, I
5 think it's incumbent on us to, to figure out what it is and, and
6 fund and try to meet that demand, try and do it in ways that
7 work, and so whether it's these current programs, some other
8 program, I know that there are two working groups that the last
9 legislature created, HB 3800, an advisory board and then working
10 group under HB 3801, that matters to produce a strategic plan
11 that perhaps can inform, uh, what we might do to sling our money
12 in a way that better and more directly [inaudible].

13 COMMISSIONER TREVIÑO: Well, I think the,
14 the previous staff recommendation was to, uh, get rid of all the
15 healthcare, uh, completely remove all the healthcare initiatives
16 [inaudible] so I'm thinking it's important for us, like you
17 said, you know, we have, uh, somebody here I think in the
18 audience that's in the governor's, uh, healthcare initiative
19 task force advisory board and, uh, it's something that I know
20 the governor's office is really looking at and that's why I'm
21 saying—

22 CHAIRMAN ESPARZA: Yeah, [inaudible]
23 disagree with you all.

24 COMMISSIONER TREVIÑO: We all should get
25 behind.

1 CHAIRMAN ESPARZA: I'm more thinking of-
2 Commissioner Connett, thank you. I'm-uh, with these programs, I
3 really, I'm uncomfortable, say uncomfortable [inaudible]. I
4 don't know how to value-I just don't know how to value, uh,
5 funding that the, the, what the efficacy of these programs are
6 because again I think the, the exercise for the agency to look
7 at programs that are slow to move out or that are, you know,
8 flying off the shelf is something that, that resonated with,
9 with me, uh, in the fact that it was basically just kind of a
10 let's look at all the programs and see what's working well, uh.
11 I mean I think it's, I think that's regardless of, uh, of, of,
12 of what they were specifically. Again, if, if the programs
13 themselves kind of going back to what Commissioner Connett said,
14 if the programs themselves are, are, are hard to, to, to support
15 or basically I'm not saying it may slow to spend money, I want
16 to find out why, why, why that's the case because we obviously
17 have a need for healthcare itself, uh, so it's-

18 COMMISSIONER TREVIÑO: That's what this
19 initiative would do. It would be able to find out how we can do-
20 why the other programs or the initiative that we had before
21 didn't work.

22 CHAIRMAN ESPARZA: Yeah.

23 COMMISSIONER TREVIÑO: But I think it would
24 be a disservice, uh, for all of us to say that we would not
25 consider funding anything on healthcare, uh.

1 CHAIRMAN ESPARZA: Yeah.

2 COMMISSIONER TREVIÑO: I don't know if you
3 all would be willing to, uh, maybe not fund some of the
4 internship in WIOA and use some of that fund like 500,000 to put
5 into the Healthcare Workforce Initiative.

6 CHAIRMAN ESPARZA: Are there healthcare—is
7 this, the Healthcare Workforce Initiative, does it contain, does
8 it contain internship models? Because again I think that was
9 probably one of the, uh, one of the ideas was that a lot of
10 these programs are duplications of, of, of, of an underlying
11 initiative that we had, uh, and same thing with the duplication
12 of—you know, we have Texas Internship Initiative which is
13 general internships but then we also have one that's a
14 healthcare internship initiative. I, I'm, I really want to go
15 and see what exactly the, the efficacy of a specific healthcare
16 initiative is that we're not doing with the kind of the parent,
17 general parent program. If it's more specific initiatives, then
18 [inaudible] to be able to make sure that there is budget,
19 budgeted money, uh, for specific, more specific initiatives that
20 doesn't remove funding for the whole of them. In other words, if
21 we pull money out of the large internship initiative for
22 healthcare but that's not being spent as quickly as it would if
23 it's, if it's being funded or if it's, it's being spent more
24 efficiently in the ultimate initiative, then I would want to

25

1 make sure that it stayed with the larger group I guess is my
2 kind of longwinded way of saying it.

3 COMMISSIONER CONNETT: Chairman, I think you
4 make a really interesting point about whether or not it's a
5 question of policy in general [inaudible] three of us. Should
6 our programs be generalized, amenable and flexible to respond to
7 demand and, and where Texans sit vis-à-vis a workforce or should
8 they be, uh, hyper specific, targeted to specific industries.
9 Uh, I, I'm open to discussion on that. I lean more towards
10 generalized and nimble but, Chairman, to your point about the
11 generalized programs, just for reference, I mean the, the,
12 Commissioner Treviño's proposal of 7.5 million in 2027 for the
13 Healthcare Workforce Initiatives by my rough math would be 34
14 percent of our entire WIOA strategic initiatives budget. That, I
15 mean, you know, we can debate back and forth.

16 CHAIRMAN ESPARZA: Sure.

17 COMMISSIONER CONNETT: Should fund
18 healthcare, in my mind that seems a little high and
19 disproportionate but I think it's worth referencing, I got these
20 numbers from staff. In fiscal year 2025 just by way of example,
21 we awarded 8 point, just under 8.3 million in JET grants
22 targeting healthcare professions. That's out of the total of 14
23 million JET grants in the same year so 58.8 percent of all JET
24 grants in 2025 supported a healthcare profession. So we're just
25 by our generalized programs to the tune as high as, and we can

1 ask staff, circulate this to all the offices, it looks like
2 we're as high as, uh, over 48 million in a two-year period on
3 healthcare-related programs, most of that in our generalized
4 programs like JET, TIP, [inaudible] things for small business.

5 COMMISSIONER TREVIÑO: I mean there's two
6 points that you made that I'm pretty glad that you made because
7 as I said before, the staff reduced--when we came up with the 7.5
8 million was from the programs that were discontinued just like
9 that so we don't have anything in healthcare so that's where
10 that came from.

11 CHAIRMAN ESPARZA: OK.

12 COMMISSIONER TREVIÑO: So that was how I got
13 my starting number. That's not the ending number but it's the
14 starting number, and then I like what you said about, uh, being
15 innovative because that was one of the proposals that I, uh, had
16 for staff to look at different ways to be more proactive, get
17 away from status quo where we can be reactive to the workforce
18 needs as they come up because what we need today might not be
19 what we need tomorrow and if we don't have the funding to do it,
20 uh, then that's why I'm saying like the programs that don't
21 really produce jobs, we should look at maybe not funding or
22 having discussions with our sister agencies to have them fund
23 some of those and we can work with them. I guess that's what I'm
24 trying to say and that maybe we can come to some consensus and
25

1 start looking that way to get away from being status quo and
2 being more, as you said, agile and reactive.

3 COMMISSIONER CONNETT: So, so, so to that
4 end, could it, could I throw something out and I intend it in
5 the spirit of compromise and creating a solution here. This is
6 not a hill I wanting to die on. I'm not, you know, running
7 forward with a banner on this necessarily, uh. It's arguably a
8 new proposal so I'm [inaudible] incoming fire on that but there,
9 there are four tracks under high-demand fields that we've been
10 [inaudible] including the healthcare track, 74109, building
11 construction trades, 74058, high-demand job training in TIP
12 track 74998, and training and certification for high-demand
13 occupations, track 79028. So under the same logic and
14 justification by which we consolidate veterans programs,
15 administrative efficiency, letting the money flow to its highest
16 and best use. Same with our consolidation with internships. If
17 we consolidated these four or others or some other way in the
18 space of high demand, it seems to me, unless I'm missing
19 something that that really allows us to be agile and responsive.
20 What are the applications coming in? What are employers telling
21 us? What's of interest?

22 COMMISSIONER TREVIÑO: Right, and some of
23 the, uh, uh, line items are track, TWC track items that you
24 initiate are funded. The one that's not funded is the
25 healthcare.

1 COMMISSIONER CONNETT: Oh, yeah, I totally
2 understand, and I would, would, uh, I'm interested in some
3 number above zero to, to, to be frank with you for that track
4 whether it's [inaudible] or not.

5 COMMISSIONER TREVIÑO: Mary, can we combine
6 those?

7 MARY YORK: Uh, well, I think that we could.
8 We would need to be creative in how we combine them and make
9 sure that we understand from the commission, uh, exactly if you
10 want all, uh, of the same eligible applicants, you know, to kind
11 of combine again as we were doing with, uh, internships or
12 veterans, you know, as we're combining different programs,
13 consolidating, uh, allowable uses, uh, this is kind of what we
14 did with STEM this last year, was we took different programs
15 like, you know, robotics, Camp Code, and—

16 UNIDENTIFIED: Drop them off.

17 MARY YORK: And we dropped it into one STEM,
18 uh, application with different allowable activities so we could
19 do something like that. Uh, TIP and high demand have some unique
20 items associated with them, that they do have a match component,
21 uh, so we would need to determine if that would only apply for
22 those particular sort of subsets of activities but certainly
23 it's not insurmountable and if the commission wanted us to do
24 that, then we would figure out a way to get it done. Uh, and it
25 would allow for kind of a, uh, maybe fill a niche of adult

1 training programs, uh, very broadly, uh, that we don't
2 necessarily have on the list right now. Uh, so, you know,
3 there's a possibility but again there would be some nuances to
4 work through though.

5 COMMISSIONER CONNETT: And Chairman and
6 commissioner, just to be clear, I'm not married to this idea,
7 only in the spirit of compromise and trying to move us forward.
8 If you all like it, if you wanted time to think, I'd be happy
9 to, to back off of it but it, it, it's on there on the table for
10 discussion at least.

11 COMMISSIONER TREVIÑO: No, I appreciate
12 that.

13 CHAIRMAN ESPARZA: Does that—

14 COMMISSIONER TREVIÑO: And right now,
15 Caitlin, does that balance the way it is right there? Does that
16 balance?

17 CHAIRMAN ESPARZA: [Inaudible] balanced
18 right now.

19 CHRIS NELSON: It is balanced right now,
20 assuming 2,000,000 for healthcare in 2027.

21 COMMISSIONER CONNETT: Or we can just walk
22 away with the 2,000,000 on consolidate but I'm open.

23 CHAIRMAN ESPARZA: Right.

24 COMMISSIONER TREVIÑO: I think it's a good,
25 I mean it's a start so [inaudible].

1 CHAIRMAN ESPARZA: I would agree. Uh, again,
2 Chris, as you mentioned if we come to a consensus today, what,
3 what's the timeline? Uh, what's the timeline? Do we, does that
4 push us into, uh, I guess we're pretty much at the mercy of
5 what, you know, what the feds are going to provide next year to
6 see whether or not we get--and again I think that whether or not
7 they give us four or we're here next year trying to figure out
8 where to cut but I think the idea here, uh, with the way that we
9 have intentionally planned for, for three years, uh, for three
10 years to, to, to put in or future planning for three years of
11 budgeting only to come back a year later to redo the numbers, I,
12 uh, I wanted to be able to focus on the, the programs that work,
13 the programs that are slow and almost, you know, continue
14 rewarding if we're not able to put them into the LAR process
15 for, for, for them to be, you know, to, to, to start as
16 innovative, find innovative programs that are working well, show
17 what, what they can do for the workforce, and then, you know,
18 basically leave them up for consideration for continuous funding
19 by [inaudible].

20 CHRIS NELSON: And, Chairman, just to remind
21 you on the calendar so to speak. So this is basically to lock
22 down the statewide initiative in 2027 at least.

23 CHAIRMAN ESPARZA: Yeah.

24 CHRIS NELSON: But, and then, you know, you
25 could in '28 '29 but we'll be back before you.

1 CHAIRMAN ESPARZA: Right.

2 CHRIS NELSON: Because we have an LAR that's
3 due August 21st so we'll be back before you staff meeting with
4 exceptional items, capital and non-capital programmatic
5 exceptional items which could include recommendations by the
6 commission or staff to fund, [inaudible] as Mary said, ask for
7 general revenue to fund things in '28 and '29 that we just can't
8 seem to find the funding for now, uh, so that is still going to
9 be before you here probably in a matter of weeks so then, you
10 know, the legislature will be here in January and they'll make
11 calls and [inaudible] get submitted, uh, and then next this time
12 next year we'll, we'll find out what those decisions are and
13 what we made, what the legislature made, and then you'll have
14 this chance to kind of with new information decide, OK, what
15 does '28, '29 need to be, uh.

16 MARY YORK: And I would just add, uh,
17 there's also the possibility and I think it came up already, uh,
18 you know, balances become available. Chairman, I think you may
19 have even mentioned that in some of your comments. We have had
20 at least one instance where we received, you know, more
21 applications to something than we had funding for it, and at
22 that time when we identified that there was sufficient statewide
23 balance, we came back to the commission and asked for additional
24 money so if there is an initiative that you all were not able
25 to, you know, fund at the level that you want to fund, you know

1 that staff is happy to gauge interest and participation and then
2 if we are seeing something over subscribe, bringing it back to
3 the commission for your consideration to say, hey, there's
4 additional demand for this and we have already used up the
5 available budget.

6 CHAIRMAN ESPARZA: Yeah, Mary, thank you for
7 that. That's overly—I feel like we're aiming to get these, these
8 initiatives on the way started and basically again [inaudible]
9 what's flying off the shelf, what's slow, and let's find out why
10 and then reward those programs with, with, with extra money
11 finding them, where we can find, where we can find a lot if
12 that's a—but as of now, I mean from—I want to recognize that
13 we're currently zero if both commissioners are in agreeance that
14 at least this is somewhere we could start with other tools down
15 the road, that that will kind of give us at least a little bit
16 of crawling time to, uh, see what these things, to see
17 [inaudible], what they yield.

18 COMMISSIONER CONNETT: Sounds good.

19 CHAIRMAN ESPARZA: Uh, now the job falls
20 back up to and back to the, uh, back up to the top of the agenda
21 if that's all right with you, commissioner [inaudible] move on
22 but as it is our TANF numbers are reserve 80,000 [inaudible],
23 uh, and our WIOA dollars are basically zeroed out, no dollars
24 are assigned to programs [inaudible] for the year 2027
25 [inaudible] 2027. Uh, help me if anybody was taking notes, uh,

1 so we now basically jump back up to the top of the agenda to the
2 main motions to accept the numbers as they are and move us, uh-

3 CHRIS NELSON: Would it be easier just to-

4 CHAIRMAN ESPARZA: Yeah, [inaudible].

5 CHRIS NELSON: Read through the amounts just
6 so that we have it on the record of-

7 CHAIRMAN ESPARZA: OK.

8 CHRIS NELSON: The amounts for each of them.

9 CHAIRMAN ESPARZA: OK, so a motion to set
10 TANF dollars at basically just go through the tracks and the
11 numbers? Who wants to do that? Commissioner?

12 COMMISSIONER TREVIÑO: Yeah, so, so we don't
13 have the separate the, uh, the Commissioner Connett's or we just
14 do it all as one bloc.

15 UNIDENTIFIED: [Inaudible].

16 MARY YORK: Staff can read through the
17 numbers if you all want to do the actual formal part.

18 CHAIRMAN ESPARZA: Yeah, Les, did you have
19 anything?

20 MR. TROBMAN: No, I think that's fine as
21 long as we're clearly articulating on the record. OK.

22 CHAIRMAN ESPARZA: The track is a dollar
23 amount basically. OK, uh-

24 CHRIS NELSON: Caitlin, can you [inaudible]
25 please?

1 CHAIRMAN ESPARZA: Sorry, Caitlin.

2 UNIDENTIFIED: [Inaudible].

3 CHRIS NELSON: I'll read through it so we
4 have the currently a document reflecting, uh, Track 75005, NCP
5 Employment Initiative at \$4,000,000 in 2027, Track 75006, Foster
6 Youth Workforce Transition Centers, currently funded at
7 \$3,250,000 in 2027. We have Track 75006A, Foster Youth
8 Transition Center, uh, Conference funded at \$200,000 in 2027. We
9 have Track 75031, STEM, funded at 4.6 million in 2027. We have
10 Track 75032, Internship Pathway Initiative, funded at \$1,000,000
11 in 2027. We have Track 79036, Chapter 133 Related Classroom
12 Instruction, funded at \$150,000. That leaves a commission
13 reserve balance of \$80,000 in 2027. Is there an agreement?

14 CHAIRMAN ESPARZA: Is there a motion to
15 accept the TANF statewide initiative funding as Chris Nelson
16 just described to us?

17 COMMISSIONER TREVIÑO: Uh, Chairman, I
18 approve the following TANF or Temporary Assistance for Needy
19 Families, uh, statewide initiatives as part of fiscal year 2027
20 operating budget, uh, incorporating commission discussion and
21 read by Chris Nelson.

22 COMMISSIONER CONNETT: So just a point of
23 clarification about, and I'm inclined of course very strongly to
24 second but on path 75032, the Internship Pathway Initiative,
25 that, that's a million here in TANF but there's also 500,000 in

1 WIOA which I know we'll vote on later, combined those monies
2 keep the program [inaudible].

3 MARY YORK: Well, combined they add up to
4 the total staff recommendation, uh, that was using our limited
5 resources.

6 UNIDENTIFIED: Mary, that's what I
7 understand.

8 COMMISSIONER CONNETT: I, I, I second the
9 motion.

10 CHAIRMAN ESPARZA: The motion is made and
11 seconded. I also vote yes with [inaudible] TANF dollars. Thank
12 you, Commissioner Treviño and Commissioner Connett. Moving on
13 to, [inaudible] we already accepted for agenda item—let's, thank
14 you for your patience. Let's go through Agenda Item 5. I know
15 that there is [inaudible] also. Should we—

16 COMMISSIONER TREVIÑO: We're going to do it
17 the same way or do have like a [inaudible] breakdown, you know,
18 the staff recommendations for veterans initiatives and list the
19 track number for—

20 CHAIRMAN ESPARZA: We already voted on
21 Agenda Item 4 I believe. That was consolidation.

22 COMMISSIONER TREVIÑO: Right.

23 CHAIRMAN ESPARZA: I think the one that we
24 had—

25 COMMISSIONER TREVIÑO: Like 5, 6, 7.

1 CHAIRMAN ESPARZA: Five, yeah.

2 COMMISSIONER CONNETT: Five through 11 we
3 could do kind of [inaudible].

4 MARY YORK: Chris, do you just want to note
5 in what you read off that we're eliminating the internship,
6 Texas Internship Initiative in lieu of the Internship Pathway
7 Initiative?

8 CHRIS NELSON: Yes, OK.

9 CHAIRMAN ESPARZA: Is that right?

10 COMMISSIONER CONNETT: Thanks for that
11 reminder.

12 CHAIRMAN ESPARZA: Thank you, Mary.

13 CHRIS NELSON: So we on, just to make sure.

14 CHAIRMAN ESPARZA: Item 5?

15 CHRIS NELSON: Yes.

16 UNIDENTIFIED: [Inaudible].

17 CHAIRMAN ESPARZA: Yeah, I think it's-

18 COMMISSIONER TREVIÑO: Just have him read it
19 again. [Inaudible].

20 CHAIRMAN ESPARZA: I think it's-

21 CHRIS NELSON: [Inaudible] reference in 5,
22 [inaudible], is that right? So this one's Track 74111,
23 Internship Pathway Initiative, at 500,000. It eliminates Track
24 79035, Texas Internship Initiative, at zero dollars in 2027.
25 [Inaudible]. Are we moving on to 6?

1 CHAIRMAN ESPARZA: Was there—

2 MARY YORK: I don't think that it is—

3 CHAIRMAN ESPARZA: Was there an action that
4 we needed to take on 5?

5 MARY YORK: I think if he goes through and
6 reads the 2027 column N for everything, and then you all can
7 take it as one action since he's already noted the swap that
8 just took place [inaudible].

9 CHAIRMAN ESPARZA: Yeah, I agree with that.
10 It will [inaudible]. Chris, you have an auctioneer's voice?

11 MARY YORK: [Inaudible].

12 CHRIS NELSON: So am I just starting from
13 the top?

14 CHAIRMAN ESPARZA: Yeah, let's just go,
15 let's just go from the top to be sure.

16 CHRIS NELSON: OK. 74—this is for in
17 reference to Track 74008, Governor's Small Business Initiative,
18 this funds that initiative at \$1,332,000. [Inaudible] 39, this
19 funds Track 74046, Externships for Teachers, at \$2,500,000 for
20 2027. Track 74058, Building Construction Trades, funds at
21 \$1,000,000 for 2027. Career Pathway Mob, uh, funds at \$300,000
22 for 2027. Track 74078, Texas Intern Network, funds at \$30,000
23 for 2027. Track 74081, Upskill Texas, funds at \$5,000,000 for
24 2027. Track 74082, Second Chance Conference GRACE, funds at
25 \$20,000 in 2027. Track 74091, Innovation Fund, funds at

1 \$1,000,000 for 2027. Track 74105, Texas Science Fair and
2 Champions Academy, funds at \$250,000 for 2027. Track 74106, AI
3 Innovation Grant, funds at \$750,000 for 2027. Track 74107, Board
4 AI Licenses, funds at \$20,500 for 2027. Track 74108, CTE Rural
5 Pipeline, funds at \$250,000 for 2027. Track 74109, Texas
6 Healthcare Workforce Initiative, funds at \$2,024,694 for 2027.
7 Track 7410, 110, Veterans Pathway Initiative, funds at
8 \$3,677,000. Track 74111, Internship Pathway Initiative, funds at
9 \$500,000. Track 74998, High-Demand Job Training in TIP, funded
10 \$2,000,000 over 2027. Track 79029, Credential Library, funds at
11 \$475,000 for 2027. Track 79036, Chapter 133 Classroom
12 Instruction, funds at \$1,000,000 for 2027. Those initiatives
13 leave the commission reserve a balance of zero dollars with your
14 approval.

15 CHAIRMAN ESPARZA: Thank you, Chris. Is
16 there a motion to accept the WIOA statewide initiatives, uh,
17 funding strategies as read by Chris Nelson?

18 COMMISSIONER TREVIÑO: Chairman, I move to
19 approve the following Workforce Opportunity and Innovation Act
20 as part of fiscal year 2027 operating budget incorporating
21 commission discussion.

22 COMMISSIONER CONNETT: I second.

23 CHAIRMAN ESPARZA: The motion has been made
24 and seconded. I also vote yes. The motion passes. [Inaudible].
25 Does that bring us to the end of our agenda items? [Inaudible].

1 I believe it does. Uh, nothing to say from the executive
2 director [inaudible]. Uh—

3 MARY YORK: Uh, Chairman?

4 CHAIRMAN ESPARZA: Yeah, Mary.

5 MARY YORK: One point of clarification.
6 Obviously, the commission has chosen to defer decisions for '28
7 and '29 until, uh, after the legislative session. Uh, I, I think
8 it might be prudent to go ahead and get it on the record that,
9 uh, if you would like for us to move those balances to
10 commission reserve.

11 CHRIS NELSON: For '28, '29.

12 MARY YORK: For '28 and '29.

13 CHAIRMAN ESPARZA: OK. So that basically
14 goes into [inaudible], uh, that basically goes into 2027 action
15 commission reserve and that's where we leave it.

16 MARY YORK: Yes, sir.

17 CHAIRMAN ESPARZA: OK. I guess is there a
18 motion to take the remainder of the '28 '29 reserve and add it
19 to the 2027 [inaudible] for our statewide initiative
20 calculations?

21 COMMISSIONER TREVIÑO: Uh, yes, Chairman. I
22 move, uh, to put the remaining funds for 2028 and 2029—

23 CHRIS NELSON: For additional clarity, I
24 think that what Mary is saying is you voted on 2027, you have
25 not taken any action—

1 CHAIRMAN ESPARZA: On '28, are you saying
2 clear?

3 CHRIS NELSON: Move everything into the
4 reserve balance for a future discussion for '28 '29.

5 CHAIRMAN ESPARZA: So moved. [Inaudible].

6 COMMISSIONER TREVIÑO: So what I said was
7 not correct.

8 CHRIS NELSON: No, I just cleared—

9 CHAIRMAN ESPARZA: Yeah, I know.
10 [inaudible].

11 CHRIS NELSON: It sounds like you were
12 saying move it into the '27 [inaudible].

13 COMMISSIONER TREVIÑO: OK, let me try it
14 again and if it's not right, then correct me. So, Chairman, I
15 move to put the remaining funds for 2028 and 2029 in commission
16 reserve. [Inaudible]?

17 CHRIS NELSON: Yes.

18 COMMISSIONER CONNETT: Second.

19 CHAIRMAN ESPARZA: The motion is made and
20 seconded which it passes for calculation methods [inaudible] for
21 that.

22 CHRIS NELSON: Thank you.

23 CHAIRMAN ESPARZA: So everybody, thank you
24 all for that. I know it was painful, uh, for those of you
25 sitting in the audience [inaudible] but I appreciate it

1 [inaudible]. With that I'll take a motion to adjourn

2 [inaudible].

3 COMMISSIONER TREVIÑO: Uh, I'm going to say
4 one thing real quick.

5 CHAIRMAN ESPARZA: Please.

6 COMMISSIONER TREVIÑO: I just want to thank
7 the staff for working on this and, uh, helping us kind of see
8 what we're doing especially during vacation time. A lot of
9 people were out on vacation so I appreciate that. With that, I
10 move to adjourn.

11 COMMISSIONER CONNETT: I second that motion.

12 CHAIRMAN ESPARZA: It's been made and
13 seconded, and we are adjourned. Thank you all.

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