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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, JULY 31, 2018

BE IT REMEMBERED THAT at 9:00 a.m. on
Tuesday, the 31st day of July, 2018, the above-entitled
matter came on for hearing at the Texas Workforce
Commission, TWC Building, 101 East 15th Street, Room 244,
Austin, Texas, before ANDRES ALCANTAR, Chairman; JULIAN
ALVAREZ and RUTH R. HUGHS, Commissioners.

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AGENDA ITEM NO. 5

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Wage Claim Cases Listed on
the Texas Workforce Commission Docket 31.

The Commission considered and took action on
all wage claim cases listed on Docket 31.

AGENDA ITEM NO. 6

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Unemployment Compensation
Cases Listed on the Texas Workforce Commission Docket 31.

The Commission considered and took action on
all unemployment compensation cases listed on Docket 31.

AGENDA ITEM NO. 7

CHAIRMAN ALCANTAR: Good morning, everyone.
We're back in session. Les, has anyone signed up for public
comment?

MR. TROBMAN: No, sir.

CHAIRMAN ALCANTAR: We have no public
comments. Thank you.

MR. TEMPLE: Mr. Chairman, Reagan Miller has
always said that she would love if she could have a chance.
There's some stuff she really has been wanting to say for 30
years. And so, I'd like to give her that opportunity for
her public comments.

MS. MILLER: It's such a full agenda meeting

1 that we will have to hold that.

2 MR. TEMPLE: Okay. All right. Well, I gave
3 you your shot.

4 COMM. HUGHS: But we do want to publically
5 thank Reagan for all of her years of service.

6 MR. TEMPLE: I do want to thank Reagan for 30
7 years -- 29 and a half years to be -- to -- of state
8 service. Thank you. This will be her last Commission
9 meeting. Thank you.

10 (Applause)

11 MR. TEMPLE: And we have Mark Durand, Deep
12 East joining us today. It's his first time to be at a
13 commission meeting so.

14 CHAIRMAN ALCANTAR: Good morning, Mark.
15 Welcome. Good to see you.

16 AGENDA ITEM NO. 8

17 CHAIRMAN ALCANTAR: All right. Item 8, is
18 Discussion, Consideration and Possible Action Regarding
19 Fiscal Year 2020 and 2021 Legislative Appropriations,
20 request staffing and other matters. Randy Townsend. But
21 before get to that --

22 COMM. HUGHS: Chairman? I was just going to
23 make a request. If we could take up Item -- Agenda Item
24 Number 26, I think it's going to impact Agenda Item 8 and so
25 by addressing 26 first, we might be in a better position to

1 review 8.

2 MR. TOWNSEND: Absolutely.

3 COMM. HUGHS: Thank you.

4 AGENDA ITEM NO. 26

5 CHAIRMAN ALCANTAR: Item 26 is Discussion,
6 Consideration Possible Action Regarding State Funded
7 Initiatives. Good morning, Jennifer.

8 MS. TROKE: Good morning, Mr. Chairman.

9 CHAIRMAN ALCANTAR: How are you?

10 MS. TROKE: I'm good. And Mr. Temple. For
11 the record, Jenn Troke, Workforce Division. The Statewide
12 Externship for Teachers Initiative allows middle school and
13 high school teachers to engage in activities in a particular
14 industry and learn how classroom contact may be applied in
15 the workplace and ultimately guide students towards
16 employment in industries that match their skill sets.

17 Externship funds have been competitively
18 procured for four years and awarded to local Workforce
19 Boards that partner with local employers, ISDs and
20 institutions of higher education. Staff were directed to
21 review the existing funding mechanism to determine whether
22 funding distribution should be considered for this
23 initiative.

24 Based on our reviews, staff noticed that a
25 funding distribution could lead to boards receiving less

1 funds then they receive through a competitive application
2 process and noticed that there is an opportunity to consider
3 changing the competitive application parameters instead.

4 Staff seeks direction on the following
5 funding parameters for the Fiscal Year 2019 Externship for
6 teachers' requests for applications including approving an
7 increase of \$680,000 for 2019 awards for a total of \$1.4-
8 million for this initiative, capping individual grant awards
9 at \$200,000 so that more boards can receive funding, capping
10 individual teachers' stipends at \$700 to increase the number
11 of teacher participants across the initiative, including the
12 clause about priority for new teacher participation.

13 Thank you for your consideration. Any
14 questions?

15 CHAIRMAN ALCANTAR: Any questions?
16 Commissioner Hughs?

17 COMM. HUGHS: I want to thank staff for the
18 time they put into really evaluating how we can really
19 promote and encourage more opportunities under the teacher
20 externships. Which I think you know my fellow Commissioners
21 and I all heard across the State the value that it brings.
22 So, thank you for putting those together.

23 And I move that we approve an increase of
24 680,000 for 2019 Externship Awards for a total initiative of
25 1.4-million, capping individual grant awards at 200,000,

1 capping individual teacher stipends at 700 as recommended by
2 staff.

3 COMM. ALVAREZ: Before I second that I would
4 like to just encourage those boards who haven't applied in
5 the past to please do so. So, thank you, Jenn, for all of
6 your work, but with that I second that.

7 CHAIRMAN ALCANTAR: We are unanimous. I
8 appreciate the good work.

9 MS. TROKE: Excellent. Thank you.

10 AGENDA ITEM NO. 8

11 CHAIRMAN ALCANTAR: All right. We are back
12 on item 8 and Randy Townsend? It changes your math a little
13 bit, but not a lot.

14 MR. TOWNSEND: Not too bad. Good morning,
15 Chairman and Commissioners. For the record, Randy Townsend,
16 Chief Financial Officer.

17 This morning, Commissioners, presenting for
18 your consideration and possible approval our submission of
19 our 20 -- Fiscal year 2020 and Fiscal year 2021 Legislative
20 Appropriation Request.

21 I will also be presenting as part of that the
22 amended budget for 2019. So, under Tab 8, I'd just like to
23 highlight a couple of the items there. I believe we have
24 been over this a few times in previous Commission meetings.
25 Just before we settled on the dollar amounts.

1 For the -- let me start with the '19
2 operating budget totals. We are talking about here was one
3 billion 862 million. I am just going to round here a little
4 bit. And then for the 2020 base request, we are talking
5 about one billion, 870 million. And for 2021, one billion,
6 856 million. The actual numbers are in the packet with the
7 dollar amounts.

8 Of that amount that I've talked about, about
9 10 percent of that's funded with general revenue funds, 85
10 percent's federal funds. In your packet as well, we have
11 the strategies identified on page 3 for review. The largest
12 six programs or strategies representing Childcare,
13 Vocational Rehabilitation, Workforce Innovation Opportunity
14 Act Unemployment Insurance, TANF Choices Program, Adult
15 Education. All those programs total about 86 percent of the
16 Agency's total budget.

17 Moving to page 4, we're looking at 4,868-and
18 a half FTE, fulltime equivalent staffing for 2019 and
19 through 2020 and 2021. Of those, the largest program is
20 Vocational Rehabilitation with almost 1800 FTEs and then the
21 UI strategy represent about 1500 FTEs.

22 Moving to page 4 -- or 5, excuse me. There's
23 a summary page -- two pages for our exceptional items
24 previously approved by the Commissioners. The Jet Program
25 request for 6-million, the Apprenticeship program

1 exceptional item request for 1-million, 345 thousand. We
2 also include on page 6 the Capital Budget item request.
3 Most of that is Federal Authority for the unemployment
4 insurance replacement program for 40-million. The workforce
5 case management at 18.8-million and then finally, the
6 eligible training provider career school system just under
7 1.2-million of which 700,000 of that is general revenue
8 funding. So those are exceptional item requests previously
9 approved.

10 Page 7 summarizes the general revenue
11 reduction amounts that we previously considered as well
12 where we have to identify, if you -- I think if look at page
13 8 there's a -- highlights the amount that we have to
14 identify about 39-million for the biennium. We break that
15 down in the required 2-1/2 percent incremental amounts that
16 roughly represent about 4.9-million each. We continue with
17 the approach the previously approved 4-million first coming
18 out of the employment community services strategy -- that's
19 the proposal elimination of the rider if that that becomes
20 necessary. And then a proportional split between the
21 apprenticeship and the skills programs. Roughly 10 percent
22 apprenticeship, 90 percent skills and that's the funding
23 breakout for those two programs.

24 Page 9 is going to give you highlights for
25 the large changes between the biennium. There's about 150-

1 million increase for 2020- '21 biennium over the current
2 biennium. The largest amount of that is going to be the
3 grants, block grants in the childcare program. We have a
4 large increase in the childcare program as we've talked
5 about previously.

6 There's also a reduction for onetime funding
7 related to the hurricane disaster that occurred in the '18,
8 '19 biennium at almost 30-million. So that nets out to
9 about 15-million -- or 150-million increase for the
10 biennium. We will break that down as required by strategy
11 when we include that in the preparation request document.

12 Page 10 is going to highlight for you those
13 onetime expenditures I mentioned that would not be
14 continuing into 2021. And then moving to page 11 through
15 13, that's going to be the rider changes we're proposing to
16 make. I previously talked about rider 33 to propose an
17 increase to the elected community managers and the travel
18 increase for the advisory committee.

19 Also proposing some clean-ups to a couple of
20 those strategies we think no longer are needed. For
21 example, 34 -- item 34B where that's carry forward dollars
22 essentially -- that we're having to ask to be budgeted a
23 second time.

24 Moving to rider 37, some clean-up that
25 probably should have been done years ago. There's no longer

1 an annual report we believe is necessary because there's no
2 investments to report on. And then rider 44 is proposed
3 elimination of the Adult Education and Literacy rider
4 because it's not -- the funding for that program is not
5 allowed in that way. So, proposing to clean that up by
6 elimination.

7 And final the riders are proposed addition.
8 I think I may have mentioned this previously. On capital
9 budget if it's federally funded for the capital budget to
10 move those funds from one biennium to the next if there's
11 any available un-updated balances.

12 I was going to skip over the next few pages
13 until I get to on the Statewide Initiative. Looking at page
14 25, I believe is where we start on that. Just to give you
15 kind of where we have landed with the childcare initiatives.
16 The childcare quality reserve that we're showing there on
17 row one and then the direct care contingency amount in '19
18 through '21 on row two. And then all the initiatives that
19 are being listed there.

20 Page 26, the next page, will be your WIOA
21 initiatives. I believe we just made that change for '19 so
22 we will reflect that in the final documents on row -- I
23 believe that's row four, your teacher externship program for
24 '19 shows currently 720,000, we just approved 1.4, so we
25 will of course reflect that.

1 COMM. HUGHS: And Randy on that, I'd ask my
2 fellow Commissioners whether they would be willing to
3 consider extending that amount to 2021. Just to have that
4 consistency since I don't anticipate the numbers are going
5 to go down; if anything, they are going to go up.

6 CHAIRMAN ALCANTAR: What line number is that,
7 Commissioner?

8 COMM. HUGHS: It's says -- it's line 4, 74046
9 for the teacher externship. The way we just voted we're
10 changing the 2019 to 1.4-million, but the question is you
11 know whether we change it across through 2021. Get some
12 good work done today will impact the future.

13 CHAIRMAN ALCANTAR: So that would be on page
14 26 --

15 COMM. HUGHS: Page 26 right, line 4. 24046
16 Teacher Externship Program.

17 CHAIRMAN ALCANTAR: Right. I'm supportive of
18 that. Well, I guess we need a formal motion, right?

19 COMM. HUGHS: I move that on page 26, line 4,
20 item 74046 the Teacher Externship Program, that we have that
21 reflect a total of 1.4-million for budget years 2019 through
22 2021 for each year.

23 COMM. ALVAREZ: I would prefer we wait on it,
24 but since it's the Chairman's last day, I will agree to
25 that.

1 CHAIRMAN ALCANTAR: We are all in agreement.
2 Thank you, Commissioner.

3 COMM. HUGHS: Thank you.

4 CHAIRMAN ALCANTAR: Congratulations,
5 Commissioner.

6 COMM. HUGHS: Thank you. Similarly, I do
7 have two requests. I'm not sure why it didn't come up when
8 we talked about it before. I guess we were voting on 2019,
9 but I am looking, and I can tell you I was at Dyess last
10 week for our Texas Transition Alliance, and overwhelmingly
11 the enrollment for military spouses to take advantage of
12 training opportunities is very positive. They've had 255
13 spouses that have applied. And one of the discussions among
14 the board members at the Transition Alliance was the concern
15 of what happens after the grant is -- expires.

16 So, we were able to share with them that as a
17 Commission we did agree to 2019. Similarly, with that one
18 and then 74062, which is the funding of \$13,000 for the
19 decals, ideally, I think that we would have that recognized
20 as an initiative that we're going to continue to anticipate
21 will continue to be a need for through 2021. So, I would
22 make a motion that we have it reflected for each of those
23 subsequent years.

24 CHAIRMAN ALCANTAR: Commissioner Alvarez?

25 COMM. ALVAREZ: Hmm?

1 CHAIRMAN ALCANTAR: Do you want to defer on
2 this one and see where this one lands?

3 COMM. HUGHS: And the idea just being that we
4 want to make sure that our veteran initiatives continue into
5 the future and that people who are relying on these programs
6 and encouraging people to get this training, are not
7 concerned that it is going to end.

8 MR. TOWNSEND: And if it helps, Commissioner,
9 I believe that would leave you a balance of roughly 11-
10 million in 2020 and then a little over that in 2021. So,
11 there is a balance there.

12 CHAIRMAN ALCANTAR: Commissioner Alvarez?

13 COMM. ALVAREZ: Chairman, I'm okay with that.
14 Just please keep in mind that when we talk about 2021 again
15 that when the apprenticeship comes up I will be asking for the
16 same support. So, with that I'll second that.

17 CHAIRMAN ALCANTAR: Since there is an
18 agreement, we are unanimous.

19 MR. TOWNSEND: We will reflect that in the
20 final document, Commissioners. On page 27 that's your TANF
21 balance. I believe we've -- on -- we will reflect in there
22 on row 3 the Workforce for Technical Specialist that was
23 previously considered as an exceptional item of 2-million a
24 year starting in '19 and continuing in 2020.

25 And then we also -- I think we need to change

1 the name of this on row 5, it's the Te -- now called Texas
2 Title Connect internship, we're just going to change that to
3 Texas Internship, I think we may have misunderstood the name
4 -- the description we should be using for the name of that.
5 That will be 1-million in '19 and 1-million in 2020. And
6 that leaves currently we're showing a balance roughly a
7 million in each year for the TANF. So, I wanted to kind of
8 show you the -- how that ended up. Okay?

9 And I believe the only other thing that I
10 have is going to be on page 30 -- starting on page 32 and
11 then it continues to 33. This is going to be the final
12 numbers for the 2019 Operating Budget.

13 When we went through this -- I believe I
14 pointed this out previously as well. We received subsequent
15 instructions on how to show the 8.9-million of general
16 revenue for the Voc Rehab program in 2019, not including our
17 base. And so, we have brought that down -- there's a 9 and
18 a half million reduction and 8.9 of that is the GR for the
19 Voc Rehab. So, we'll make that as a supplemental request
20 for 2019 during the session and there was a few other minor
21 adjustments to that.

22 I have an order -- if you're in agreement, I
23 have an order amending the 2019 operating budget for your
24 consideration. So as soon as we submit that as part of the
25 let's say appropriation request, the operating budget for

1 '19, I just thought it might make sense to go ahead and show
2 that amended amounts.

3 And then a final in your packet -- I'll just
4 cover this briefly, I know you've been -- my understanding
5 from Adam you've been briefed pretty thoroughly on this, is
6 the performance targets that will be included in 2020 and
7 2021 appropriation request. I think there might be a number
8 that we need to tweak on page 2 for the '18 on the number of
9 claims. It's nothing significant and I think we just need
10 to reflect the hurricane-related claims. Unless Adam had
11 anything else, I believe -- or if you have questions about
12 that, I believe that's --

13 COMM. ALVAREZ: What are we talking about
14 again? What page, Randy?

15 MR. TOWNSEND: Oh, I'm sorry, Commissioners.
16 I thought there was -- at the end -- at the very end of your
17 Tab 8, I think there was something called 2020 - 2021 LAR
18 performance targets maybe?

19 COMM. HUGHS: Yes.

20 MR. TOWNSEND: Included in your materials?

21 COMM HUGHS: Uh-huh. After the green page.

22 MR. TOWNSEND: If not, I guess Adam -- and I
23 believe -- my understanding you've been briefed on that. If
24 you have any questions.

25 CHAIRMAN ALCANTER: Do we have any questions,

1 Commissioners?

2 COMM. HUGHS: No.

3 CHAIRMAN ALCANTER: We have no questions.

4 Thank you, Adam.

5 MR. TOWNSEND: That concludes my presentation
6 on the amended '19 Operating Budget and the 2021 Legislative
7 Appropriations Request. And so, with that, if you have any
8 questions or comments?

9 CHAIRMAN ALCANTAR: I want to thank you,
10 Chris, and the rest of the team and Adam for all of the
11 great work. It's a lot of briefing, a lot of details. You
12 guys did an excellent job. Commissioner Hughs, do we have a
13 motion?

14 COMM. HUGHS: I move that we approve the
15 Fiscal Year 2020 - 2021 Legislative Appropriations Request
16 and the Amended 2019 Operating Budget as recommended and
17 discussed.

18 COMM. ALVAREZ: I'll second that.

19 CHAIRMAN ALCANTER: We are unanimous. Thank
20 you.

21 AGENDA ITEM NO. 9

22 CHAIRMAN ALCANTAR: Item 9, Discussion,
23 Consideration and Possible Action regarding Local Board
24 Performance Measures and Targets for '18 and '19. Adam
25 Leonard. Good morning, Adam.

1 MR. LEONARD: Good morning, Mr. Chairman and
2 Commissioners. This morning, I'm here to present target
3 recommendations of -- recommendations for the Childcare
4 Target Methodology to be used in '19.

5 This was developed with considerable
6 discussion with boards over the last several weeks where we
7 were raising various ideas with them and seeking their
8 feedback and trying to make adjustments. You all know that
9 we've briefed you pretty extensively on this, and so I'm
10 happy to answer any questions you may have or otherwise, I'm
11 going to seek approval for the methodology that we plan to
12 use going forward.

13 CHAIRMAN ALCANTAR: Any comments, questions?

14 COMM. ALVAREZ: No, sir.

15 CHAIRMAN ALCANTAR: Commissioner Hughs?

16 COMM. HUGHS: Thank you for your work on
17 this. I move that we approve the discussed Childcare
18 Targets Setting Methodology for Local Workforce Development
19 Area Performance Measures and Targets for board contract
20 years 2018 and '19 as recommended by staff.

21 COMM. ALVAREZ: I'll second that.

22 CHAIRMAN ALCANTAR: We are unanimous.

23 MR. LEONARD: Thank you.

24 CHAIRMAN ALCANTAR: Thank you, Adam.

25 AGENDA ITEM NO. 10

1 CHAIRMAN ALCANTAR: Item 10, Discussion,
2 Consideration and Possible Action Regarding the Acceptance
3 of Donations of \$500 or more in accordance with government
4 code -- Texas Government Code. Nicole, good morning.

5 MS. ORIA: Good morning, Chairman and
6 Commissioners. For the record, Nicole Oria, with the Office
7 of General Counsel.

8 Before you are the gifts and donations of
9 \$500 or more in value, given to the Texas Workforce
10 Commission for the second quarter of calendar year 2018.
11 For your acknowledgment and acceptance, the last page is a
12 spreadsheet showing the gifts and donations. Thank you for
13 your consideration. Are there any questions?

14 CHAIRMAN ALCANTAR: Commissioner Hughs?

15 COMM. HUGHS: I move that we acknowledge and
16 accept the gifts and donations of \$500 or more in value
17 given to the Texas Workforce Commission.

18 COMM. ALVAREZ: I'll second that.

19 CHAIRMAN ALCANTAR: We are unanimous. Thank
20 you, Nicole.

21 MS. ORIA: Thank you.

22 AGENDA ITEM NO. 11

23 CHAIRMAN ALCANTAR: Item 11, Discussion,
24 Consideration and Possible Action Regarding Recommended
25 Changes to the VR Standards for Providers, Chapter 3.2,

1 Insurance Requirements. Cheryl Fuller, good morning.

2 MS. FULLER: Good morning, Mr. Chairman,
3 Commissioners, and Mr. Temple. For the record, Cheryl
4 Fuller, Vocational Rehabilitation. This morning I am
5 bringing for your consideration and approval recommended
6 revisions to the VR standards for providers, Chapter 3.2
7 regarding insurance requirements.

8 When we combined the two sets of legacy
9 provider standards from Divisions for Blind and
10 Rehabilitation Services last fall we added requirements for
11 TWC VR contractors to carry several types of insurance.
12 These included general or business liability, professional
13 liability as required by the provider's contract, auto
14 liability if the provider transports customers, workers'
15 compensation, and premises liability if the contractor
16 provides services in a location owned or leased by the
17 contractor.

18 Shortly after the combined standards manual
19 became effective, we began to receive feedback from several
20 providers and particularly small business owners and sole
21 proprietors, that the additional requirements imposed a
22 burden on them. Some notified us that they would no longer
23 do business with TWC VR citing the cost of maintaining the
24 required insurance, along with other factors.

25 This was a concern to us because most, but

1 not all, of these providers, were those that assist our
2 customers who are blind or visually impaired and we are
3 already very challenged to find a sufficient provider base
4 for this customer population.

5 We were also concerned that these additional
6 requirements would adversely impact the recruitment of other
7 providers in the future. The important thing to note is the
8 general business liability, professional liability, and
9 premises liability insurance are not required by law or
10 rule.

11 To ensure that we are not placing additional
12 burden on providers, particularly small business, and to
13 ensure that we maintain a sufficient provider base to serve
14 our customers, staff recommends that we default to the
15 requirements set forth in relevant state and federal law,
16 with one exception. The exception is to -- that we
17 recommend updating the standards to include garage liability
18 insurance which is currently in the contracts for vehicle
19 modification providers and this is due to the potential risk
20 to vehicles and equipment when those items are at a
21 provider's location awaiting modification or repair. This
22 was not included in the standards due to an oversight.

23 Finally, we recommend that we retain the
24 requirement that providers demonstrate their proof of auto
25 liability insurance if they choose to transport VR

1 customers. I'd be glad to answer any questions.

2 CHAIRMAN ALCANTAR: Any questions?

3 COMM. ALVAREZ: I'm just curious, have you --
4 I know that -- the RCT policy group met regarding this. It
5 was on the explanation. I know you have a meeting on
6 Thursday. Will this be shared with them on Thursday as
7 well?

8 MS. FULLER: Yes. We brief our CT Policy
9 Committee prior to -- at every committee meeting prior to
10 the full RCT meeting. We talk about actions that have been
11 completed, as well as those that are planned.

12 COMM. ALVAREZ: And they were all in support
13 of this, I'm assuming?

14 MS. FULLER: Yes. They did understand our
15 desire not to impose requirements beyond that which is in
16 state or federal law.

17 COMM. ALVAREZ: I just have a little concern
18 with this, but --

19 CHAIRMAN ALCANTAR: Would you like further
20 staff review and discussion before you --

21 COMM. ALVAREZ: Well, we had some -- I will
22 tell you that we had some really good discussions with
23 Ms. Fuller and her staff.

24 I'm concerned with this a little bit as you
25 can -- can imagine; you know, these are my customers. We've

1 been talking about this for a couple of days now, my staff
2 and I, and I appreciate John and Carline Geiger being
3 involved in this. It is important that we be mindful of our
4 customers and believe that staff has adequately addressed
5 the concerns I had.

6 I mean, I'm -- Ms. Fuller, if you've said you
7 talked to your staff and you've talked to the group and they
8 are in full support of that, you know, there's not really
9 anything I can do. I mean, I'd really like to, you know,
10 further understand how this whole process works, maybe a
11 little bit more time on this. I'm not sure if this is time
12 sensitive, though. Larry, is this time sensitive? Do we
13 have contracts?

14 MR. TEMPLE: We have contracts we need to be
15 getting out to be able to get to the -- who -- we are in
16 open enrollment at this time now.

17 COMM. ALVAREZ: Well, Ms. Fuller, I just want
18 to know -- I want you to know that I fully appreciate you
19 and your staff being so cooperative in the questions that I
20 had along with my staff. So, I want to thank you for that,
21 first of all.

22 CHAIRMAN ALCANTAR: Commissioner Hughs, do
23 you have any questions or comments?

24 COMM. HUGHS: Well, I would move that we
25 approve the discussed changes to the VR standards for

1 providers Chapter 3.2 insurance requirements as recommended
2 by staff. And I appreciate Commissioner Alvarez's concerns,
3 but I would move that we go forward, assuming we have a
4 second vote.

5 CHAIRMAN ALCANTAR: Commissioner Alvarez?

6 COMM. HUGHS: And I can appreciate that -- if
7 he has concerns about his constituents, it may not be a vote
8 he wants to currently support. I don't know what your
9 feelings are about it, Chairman, or if we should defer?

10 CHAIRMAN ALCANTAR: I certainly -- my staff
11 looked at it and visited with the staff at the agency, and
12 they got me to a place where I am comfortable on this and so
13 I'd be supportive of that. Just -- so I would second. If
14 you want to abstain, Commissioner, or --

15 COMM. ALVAREZ: I'll abstain from the vote.

16 CHAIRMAN ALCANTAR: Okay. All right.

17 COMM. ALVAREZ: Thank you.

18 CHAIRMAN ALCANTAR: And we will ask staff to
19 continue to consider and examine any potential issues and
20 report back to the commission offices as we begin
21 implementation of this.

22 COMM. ALVAREZ: Thank you, Ms. Fuller. Thank
23 you.

24 MS. FULLER: Thank you.

25 AGENDA ITEM NO. 12

1 CHAIRMAN ALCANTAR: Item 12, Discussion,
2 Consideration and Possible Action Regarding Adoption of New
3 Rules Relating to the Services for Elder Individuals
4 Program. Cheryl Fuller.

5 MS. FULLER: Good morning, again. For the
6 record, Cheryl Fuller, Vocational Rehabilitation. This
7 morning I will present four action items that are part of
8 our ongoing efforts to update the Legacy DAR's rules and
9 fully align them with TWC's rule base.

10 The first item for your consideration is
11 final adoption of the proposed new rules for the independent
12 living services for older individuals who are blind program.
13 These rules have been updated to reflect the program as
14 administered by TWC and moved to a new chapter, Chapter 853.

15 The proposed rules were published for public
16 comment in the Texas Register on May 4th. There were no
17 comments. Staff recommends adoption of the new rules.

18 CHAIRMAN ALCANTAR: Commissioner Hughs?

19 COMM. HUGHS: I move that we approve the
20 adoption of new rules relating to the independent living
21 services for older individuals who are blind program as
22 recommended by staff.

23 COMM. ALVAREZ: I'll second that.

24 CHAIRMAN ALCANTAR: We are unanimous.

25 AGENDA ITEM NO. 13

1 CHAIRMAN ALCANTAR: Item 13, Discussion,
2 Consideration and Possible Action Regarding Repeal of rules
3 related to the Purchase and Gift and Services by TWC's VR
4 Program. Cheryl?

5 MS. FULLER: Again, Cheryl Fuller, for the
6 record. This is the second of four action items. It's the
7 proposed repeal of Chapter 852 which contains only a single
8 rule, 852.1, related to Alternative Purchasing Methods Rates
9 for Medical Services.

10 In a later action item, we are recommending
11 that this rule be included in Chapter 856 which contains the
12 rest of the VR rules. The proposed repeal of this rule was
13 published for public comment on May 4th. No comments were
14 received. Staff recommends final adoption.

15 CHAIRMAN ALCANTAR: Commissioner Hughs?

16 COMM. HUGHS: I move that we approve the
17 repealed rules relating to the purchase of goods and
18 services by the Texas Workforce Commission Vocational
19 Rehabilitation Services 40 TAC Chapter 852 as recommended.

20 COMM. ALVAREZ: I'll second that.

21 CHAIRMAN ALCANTAR: We are unanimous.

22 AGENDA ITEM NO. 14

23 CHAIRMAN ALCANTAR: Item 13 -- no, Item 14;
24 Discussion, Consideration and Possible Action Regarding the
25 Repeal of Rules related to the Criss Cole Rehab Center, the

1 independent living services for elder individuals who are
2 blind program. Ms. Fuller?

3 MS. FULLER: Again, Cheryl Fuller, Vocational
4 Rehabilitation. The third of four action items is adoption
5 of the proposed amendments to the existing rules in Chapter
6 854 to repeal the rules related to the Criss Cole
7 Rehabilitation Center and the independent living services
8 for older individuals who are blind program.

9 In the first action item, you approved a new
10 Chapter 853 for the older blind rules. This action item
11 repeals the former rules for this chapter and in a later
12 action item we're proposing updated rules for CCRC being
13 included in Chapter 856.

14 So, this item proposes to repeal them from
15 their current location in Chapter 854. The proposed repeal
16 of these rules was published for public comment on May 1st
17 -- or May 4th. No public comments were received. Staff
18 recommends the adoption.

19 CHAIRMAN ALCANTAR: Commissioner Hughs?

20 COMM. HUGHS: I move that we approve the
21 repeal of rules relating to the Criss Cole Rehabilitation
22 Center and independent living services for older individuals
23 who are blind program as recommended.

24 COMM. ALVAREZ: I'll second that.

25 CHAIRMAN ALCANTAR: We are unanimous.

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AGENDA ITEM NO. 15

CHAIRMAN ALCANTAR: Item 15, Discussion, Consideration and Possible Action Regarding the Adoption of Amendments to the Existing Rules relating to Criss Cole previously published for public comments. Ms. Fuller?

MS. FULLER: Finally, Cheryl Fuller, Vocational Rehabilitation for the record. The fourth and final action item proposes amendments to Chapter 856 to add the updated CCRC Rules and the single rule from Chapter 852 related to alternative purchasing methods. These proposed rules were posted for public comment on May 1st -- May 4th - - keep saying May 1st -- May 4th. No comments were received. Staff recommends final adoption.

CHAIRMAN ALCANTAR: Commissioner Hughs?

COMM. HUGHS: I move that we approve adoption of amendments to existing rules relating to Criss Cole Rehabilitation Center and the purchase of goods and services by the Texas Workforce Commission Vocational Rehabilitation Services as recommended.

COMM. ALVAREZ: I'll second that.

CHAIRMAN ALCANTAR: We are unanimous.

Ms. Fuller, I've enjoyed working with you so much over the years. Thank you for your great leadership.

MS. FULLER: Thank you, Mr. Chairman.

AGENDA ITEM NO. 16

1 CHAIRMAN ALCANTAR: Item 16, Discussion and
2 Consideration and Possible Action Regarding the Publication
3 for Public Comment Proposed Rules Related to Board Oversight
4 and Capacity. Joel Mullins, good morning.

5 MR. MULLINS: Morning, Chairman,
6 Commissioners, Mr. Temple. For the record, I'm Joel Mullins
7 with Workforce Development. Current TWC rule requires the
8 Agency to evaluate at least annually each board's oversight
9 capacity including the board's identity -- ability to
10 identify and resolve longstanding board oversight problems.

11 On May 8th of this year, the Commission
12 approved a policy concept to amend Commission Rules Section
13 802.67 to broaden the definition of the types of board
14 oversight problems that can be evaluated by the rule,
15 specifically amending subsection B, paragraph 6 to encompass
16 severe board oversight problems and to include definitions
17 of the terms severe and longstanding.

18 The policy concept was posted online for a
19 three-week board comment period and no comments were
20 received. This morning, staff seeks direction on proposed
21 amendments to 40 TAC Section 802.67 for publication in the
22 Texas Register for a 30-day public comment period. I'll be
23 happy to answer any questions.

24 CHAIRMAN ALCANTAR: Commissioner Hughs?

25 COMM. HUGHS: I move that we approve the

1 proposed rules relating to board oversight capacity, Chapter
2 802, to be published in the Texas Register for public
3 comment.

4 COMM. ALVAREZ: I'll second that.

5 CHAIRMAN ALCANTAR: We're again unanimous.

6 AGENDA ITEM NO. 17

7 CHAIRMAN ALCANTAR: Item 17, Discussion,
8 Consideration, Possible Action regarding the Adoption of
9 Rules Related to Good Cause Process for SNAP E&T previously
10 published for public comment on May 4th. Joel?

11 MR. MULLINS: Once again, Joel Mullins with
12 Workforce Development. Current SNAP E&T Rules at 40 TAC
13 Chapter 813 provides the criteria for good cause
14 determination stating specifically that local Workforce
15 Board staff make good cause determinations for mandatory
16 work registrants.

17 Based on discussions with federal partners,
18 this rule should be amended to clarify the respective roles
19 of TWC and the Texas Health and Human Services Commission in
20 the good cause determination process.

21 On April 17th of this year, the Commission
22 approved proposed rules for publication in the Texas
23 Register; the public comment period ended June 4th and no
24 comments were received.

25 However, after the comment period, staff

1 amended Section 813.13(a) to remove ambiguity regarding the
2 final authority over approval of good cause plans by more
3 clearly explaining that all good cause plans are forwarded
4 to HHSC for determination.

5 This morning staff seeks direction on
6 adoption of the Chapter 813 SNAP E&T rules related to good
7 cause as included in your notebook materials.

8 CHAIRMAN ALCANTAR: I can't help myself.
9 Larry, was the federal government supportive of good,
10 efficient, and effective delivery of services here?

11 MR. TEMPLE: They decided to go the other way
12 on this one.

13 CHAIRMAN ALCANTAR: Okay.

14 MR. TEMPLE: They didn't like efficiency that
15 we've been doing since 1996. They decided they would renege
16 on their waiver and make us be more costly and inefficient
17 in our operation of our program.

18 CHAIRMAN ALCANTAR: And --

19 MR. TEMPLE: That's why we had to pass these
20 rules.

21 CHAIRMAN ALCANTAR: Impacted to state
22 agencies, local board partners and all the operations?

23 MR. TEMPLE: In two other states. Not just
24 -- they picked on Florida and Tennessee. There's three of
25 us that were doing it this way, and we were all considered

1 best practices by F&S.

2 CHAIRMAN ALCANTAR: Interesting.

3 MR. TEMPLE: Yeah.

4 CHAIRMAN ALCANTAR: All in the name of
5 inefficient governmental requirements?

6 MR. TEMPLE: Yeah.

7 CHAIRMAN ALCANTAR: Okay. All right. Do we
8 have a motion?

9 MR. TEMPLE: My soapbox for the day. Thank
10 you.

11 COMM. HUGHS: I'll go along with that, but
12 for the time being, I move that we approve the adoption of
13 amendments to rules relating to the Good Cause Process for
14 Supplemental Nutrition Assistance Program, Employment and
15 Training, as recommended.

16 COMM. ALVAREZ: I'll second that.

17 CHAIRMAN ALCANTAR: We are unanimous. Thank
18 you, Joel.

19 AGENDA ITEM NO. 18

20 CHAIRMAN ALCANTAR: Item 18, Discussion,
21 Consideration and Possible Action for the Childcare
22 Development Fund State Plan for Federal Fiscal Years 2019
23 through 2021. Jason, good morning.

24 MR. VADEN: Good morning, Commissioners. For
25 the record, Jason Vaden, Workforce Division. For your

1 consideration this morning is the Childcare Development Fund
2 state plan for program years 2019 through 2021. The plan is
3 the primary mechanism that the Administration for Children
4 and Families uses to determine compliance with requirements
5 of the Childcare Development Block Grant Act.

6 This plan is the first since states fully
7 implemented the new provisions related to childcare
8 reauthorization. The plan includes sections on consumer
9 education, providing stable financial assistance for
10 families, ensuring equal access, information on health and
11 safety standards, and continuous quality improvement
12 efforts.

13 On April 3rd you approved a draft of the plan
14 which was posted for public comment. Stakeholders also had
15 the opportunity to provide input at three stakeholder
16 meetings across the state. The final version of the plan
17 before you incorporates feedback received during the public
18 comment period, as well as changes based on recently issued
19 federal guidance.

20 This morning, staff seeks direction and
21 approval of 2019 through 2021 Childcare Development Fund
22 State Plan for submission to the Administration for Children
23 and Families. This concludes my remarks and I'm happy to
24 answer any questions you may have.

25 CHAIRMAN ALCANTAR: Commissioner Hughs.

1 COMM. HUGHS: I move that we approve the
2 Childcare and Development Fund State Plan for federal fiscal
3 years 2019 through 2021 as discussed and for staff to make
4 any technical corrections before submitting it to the
5 Administration for Children and Families.

6 COMM. ALVAREZ: I'll second that.

7 CHAIRMAN ALCANTAR: We are unanimous.

8 AGENDA ITEM NO. 19

9 CHAIRMAN ALCANTAR: Item 19, Discussion and
10 Consideration and Possible Action Regarding Publication for
11 Public Comment Proposed Rules Related to Childcare Services,
12 TRS Guidelines.

13 MR. VADEN: Again, for the record, Jason
14 Vaden, Workforce Division. On May 8th, you approved a
15 policy concept regarding modifications to TWC's Chapter 809
16 Childcare Rules specific to requirements relating to the
17 Texas Rising Star Program.

18 The policy concept incorporated feedback on
19 the TRS Program from a work group that was convened earlier
20 this year comprised of Workforce system and community
21 stakeholders. A number of Workforce Boards commented on the
22 policy concept and those comments were taken into
23 consideration.

24 This morning, staff is seeking direction on
25 proposed Chapter 809 rule modifications as reflected in your

1 materials.

2 This morning, staff seeks direction on these
3 proposed amendments to the Commission's Chapter 809 rules as
4 set forth in your materials. This concludes my remarks and
5 I am happy to answer any questions.

6 CHAIRMAN ALCANTAR: Commissioner Hughs?

7 COMM. HUGHS: I move that we approve the
8 proposed rules relating to childcare services, rules in
9 relation to the Texas Rising Star Guidelines, Chapter 809 to
10 be published in the Texas Register for public comment.

11 COMM. ALVAREZ: I'll second that.

12 CHAIRMAN ALCANTAR: We are unanimous. Thank
13 you, Jason.

14 AGENDA ITEM NO. 20

15 CHAIRMAN ALCANTAR: Item 20, Discussion,
16 Consideration and Possible Action Regarding Texas Rising
17 Star Assessor Mentor Funding. Courtney, good morning.

18 MS. ARBOUR: Good morning, Chairman,
19 Commissioners, and Mr. Temple. Courtney Arbour, Workforce
20 Division. Commissioners, as you know, since board contract
21 year 14, the Commission has been approving funding to
22 support the work of the mentors and assessors at the local
23 workforce boards. In the operating grant for this next
24 year, the Commission approved just under \$3.6-million. And
25 then in February with the Bipartisan Budget Act of 2018

1 being enacted, Texas saw an unprecedented amount of CCDBG
2 funding and as part of your approval of a rollout of a plan
3 for that funding, you approved an additional \$3-million on
4 June 14th.

5 We've been having conversations with the
6 Workforce Boards about this additional funding and their
7 ramp up and one of the comments they've been making is while
8 they are appreciative of the funding that has been made
9 available for the mentor and assessor work, that they know
10 that with the increased demand to identify TRS providers
11 throughout the state and to assist providers in reaching
12 those higher star levels, that they believe in some cases
13 the demand already outweighs the amount of funding that's
14 been provided.

15 So, we have -- we're requesting direction
16 from you and the authority to put out an additional \$3.5-
17 million to the Workforce Boards for support of their work,
18 their mentor and assessor staffing.

19 Additionally, the distribution methodology
20 for the mentor and assessor funding has not been reviewed in
21 a number of years, and so staff have looked at that
22 distribution and have briefed your offices with a
23 recommended change that we'd also like some direction on.

24 The direction that we are seeking is that we
25 would establish base funding for each board at 150,000 and

1 then apply -- after applying that base to each of the
2 Workforce Boards, the remainder of that mentor and assessor
3 funding would be distributed in the following way: 50
4 percent of the funds would be based on the Board's relative
5 percentage of the total statewide regulated providers and 50
6 percent would be based on the relative percentage of the
7 total number of children under age 13 living in families at
8 or below 150 percent of federal poverty level.

9 I do want to point out that while your
10 notebook document references positions at a certain dollar
11 amount, that was really just intended to get us to the base
12 amount of 150,000. Boards will not be required to hire any
13 specific number of staff, recognizing that they may want to
14 use this funding to increase salaries of current staff and
15 hire other FTEs, but they would have flexibility in doing
16 that to best meet their local need.

17 So, with that, I would request your
18 consideration for the \$3.5-million. I will -- I want to
19 also double back to indicate that would bring the total
20 amount of -- the annual amount of funding for mentors and
21 assessors to \$10,084,137 and we would request to put a
22 portion of that out immediately so that boards can begin
23 their ramp up. So, a portion of that would go out in 2018.

24 CHAIRMAN ALCANTAR: Commissioners, any
25 questions?

1 COMM. ALVAREZ: No questions.

2 CHAIRMAN ALCANTAR: Commissioner Hughs?

3 COMM. HUGHS: I move that we approve
4 increasing TRS mentor and assessor funding by an additional
5 3.5 million for an annual amount of \$10,084,137 and changing
6 the TRS mentor and assessor distribution method as
7 recommended by staff.

8 COMM. ALVAREZ: I'll second that.

9 CHAIRMAN ALCANTAR: We are unanimous. I want
10 to thank Courtney for all of the good work on this and TRS
11 in general. Thank you, Courtney, and the team for so much
12 work an effort that you've put into that one.

13 AGENDA ITEM NO. 21

14 CHAIRMAN ALCANTAR: Item 21, Discussion,
15 Consideration, and Possible Action Regarding Additional
16 Childcare Quality Funds for Local Boards. Courtney.

17 MS. ARBOUR: In my earlier item I referenced
18 the bipartisan budget act of 2018 which brought a historic
19 amount of CCDBG funding to the state of Texas. As -- on
20 June 14th the Commission approved a plan for rolling out
21 that funding that addressed direct care and a number of
22 quality initiatives.

23 As part of that vote, the Commissioners
24 directed us to make available \$7-million to boards for
25 quality improvement activity, and the majority of that

1 funding would be set aside for improving the quality of
2 infant and toddler care.

3 You also approved the use of those funds for
4 assisting providers in becoming TRS certified or retaining
5 their TRS designation.

6 So, our decision point for today is that we
7 seek direction on clarifying that they must expend at least
8 50 percent of their portion of the 7-million by improving
9 the quality of care for infants and toddlers.

10 In the discussion paper there are a number of
11 ways that the funding can be spent. I won't list all of
12 those for the -- just for the sake of time. But some of the
13 items that we would place in their contracts is they can use
14 the funding for research and data analysis to identify areas
15 in the state where there's a need for infant and toddler
16 care but a lack of available care or capacity.

17 That they would use the funding for consumer
18 education activities to provide information to parents of
19 infants and toddlers and that they could also use the funds
20 for training of caregivers on identifying and providing
21 services to infants and toddlers experiencing homelessness
22 and a number of other things as I mentioned in your
23 discussion paper.

24 We also would clarify to boards that they may
25 extend the additional quality funds related to assisting

1 providers in becoming TRS certified or assisting TRS
2 certified providers in achieving higher TRS certification
3 levels.

4 CHAIRMAN ALCANTAR: Commissioner Hughs?

5 MS. ARBOUR: With your agreement we would
6 also -- excuse me -- with your agreement -- just going to go
7 on and on -- we would seek direction on prohibiting boards
8 from using the funds for consumables such as supplies, craft
9 materials, laundry or cleaning supplies, office supplies.
10 And now I am finished and happy to answer any questions.

11 CHAIRMAN ALCANTAR: Commissioner Hughs?

12 COMM. HUGHS: I move that we approve the
13 discussed staff recommendations regarding the use of
14 additional childcare quality funds for local Workforce
15 Development Boards.

16 COMM. ALVAREZ: I'll second that.

17 CHAIRMAN ALCANTAR: We are unanimous. Thank
18 you, Courtney.

19 AGENDA ITEM NO. 22

20 CHAIRMAN ALCANTAR: Item 22, Discussion,
21 Consideration and Possible Action Regarding AEL Performance
22 Funding Benchmarks for Program Year 2018-19. Good morning.

23 MS. BALLAST: Good morning, Chairman,
24 Commissioners, Mr. Temple. Today we seek direction
25 regarding performance-based funding benchmarks for all Adult

1 Education and Literacy grantees for program year 2018 - 19.

2 Chapter 805, Section 805(3)(d) indicates that
3 the Commission shall establish annual performance benchmarks
4 for grantees to earn up to 10 percent of their allocation as
5 outlined in Chapter 800, Section 868(c)(3).

6 This year 3 percent of funds were held back
7 in AEL allocations and staff have identified two measures by
8 which grantees would earn these funds. Measure one would
9 allow grantees to earn 2 percent of their performance
10 funding allocation upon achievement of 60 percent of their
11 total enrollment target by the end of quarter two of the
12 program year. This measure incentivizes early program
13 startup and expansion as new grant contracts were awarded in
14 July.

15 Measure two would allow grantees to earn 1
16 percent of their performance funding allocation upon
17 achievement of 95 percent of their end-of-year measurable
18 skills target. This measure incentivizes program
19 participant outcomes. We seek directions on this item
20 today, and I will be happy to answer any questions.

21 CHAIRMAN ALCANTAR: Thank you. Commissioner
22 Hughs?

23 COMM. HUGHS: I move that we approve the
24 discussed AEL performance spending benchmarks for program
25 year 2018 and '19 as recommended by staff.

1 COMM. ALVAREZ: I'll second that.

2 CHAIRMAN ALCANTAR: We are unanimous.

3 AGENDA ITEM NO. 23

4 CHAIRMAN ALCANTAR: Item 23, Discussion,
5 Consideration and Possible Action Regarding Proposed
6 Amendments to Rules on AEL Title 2 to clarify language,
7 delete obsolete terms and other allowable terms of the AEL
8 Advisory Committee Members.

9 MS. BALLAST: Okay. Thank you, again. Kerry
10 Ballast, State Operating Program. Today I bring before you
11 propose rules for Chapter 805 of the Texas Administrative
12 Code.

13 The Workforce Innovation and Opportunity Act
14 provided substantial changes to definitions relating to
15 Adult Education and Literacy -- what we know as AEL,
16 participant eligibility, eligible providers, as well as
17 changes to the overall intent of the law.

18 Additionally, in the four years since the
19 transfer of the Adult Education program to TWC, staff have
20 identified the need to amend certain parts of Chapter 805
21 based on management of the program and the addition of new
22 rules in the Texas Education Code.

23 Today we seek direction on proposed Chapter
24 805 rules, modifications to better align to WIOA, including
25 aligning definitions, essential program components, and

1 eligible providers with those described in WIOA, as well as
2 remove program evaluation requirements for the use of AEL
3 state leadership funds that are required in WIOA.

4 Additionally, we seek direction on amending
5 Chapter 805 to better address program implementation needs,
6 including that need to increase TWC Commissioner discretion
7 and the development of performance benchmarks, remove high
8 school diploma requirements for adults that are now
9 addressed in the Texas Education Code for implementation by
10 the Texas Education Agency, clarify staff requirements for
11 instructional staff, modify other non-WIOA terms related to
12 grant solicitations, increase advisory committee member
13 participation periods and align requirements for the use of
14 funds collected from tuition and fees.

15 This concludes my prepared remarks and I will
16 be happy to answer any questions.

17 CHAIRMAN ALCANTAR: Thank you, Kerry.
18 Commissioner Hughs?

19 COMM. HUGHS: I did have a question. I know
20 that we're -- the request is to serve two-year terms and
21 that makes a lot of sense to have a little more continuity
22 for a longer period of time. But because we are trying to
23 extend the amount of time, I wasn't sure why there's a
24 request to limit it to no more than two terms rather than
25 just evaluate reappointments as they come up. Is that

1 something staff feels strongly about? That was the only
2 thing that stood out, because I know the intent is to have
3 more continuity and have people serve longer.

4 MR. TEMPLE: No there's -- I mean, what we
5 were trying to do is find somewhere in the middle and to get
6 new blood, obviously, as well. Try to find individuals in
7 those respective areas but --

8 COMM. HUGHS: So, you want to have a limit --
9 a two-year?

10 MR. TEMPLE: It -- that was just something
11 that we looked at. There's nothing that requires it.

12 COMM. HUGHS: I might suggest we just change
13 that second part under -- on lines 5 through 7 under C on
14 page 21 -- where it might read instead of, I mean, limited
15 to no more than two terms. Maybe instead it could say the
16 Commission shall provide direction when appointing a member
17 to a second term. And that's really just an effort to give
18 you all flexibility unless you don't want it.

19 MR. TEMPLE: No. That's -- I mean -- you.

20 COMM. HUGHS: I don't know if my fellow
21 commissioners --

22 MR. TEMPLE: The Commission will be making
23 those nominations and, you know.

24 CHAIRMAN ALCANTAR: Commissioner Alvarez?

25 COMM. ALVAREZ: I'm okay with that.

1 MR. TEMPLE: Okay.

2 COMM. HUGHS: Okay. Well, with that
3 amendment, I move that we approve the proposed amendments to
4 rules on AEL Chapter 805 to be published in the Texas
5 Register for public comment as amended.

6 MR. TEMPLE: Okay.

7 CHAIRMAN ALCANTAR: Do we have a second?

8 COMM. ALVAREZ: I'll second that.

9 CHAIRMAN ALCANTAR: We are unanimous.

10 AGENDA ITEM NO. 24

11 MS. BALLAST: Thank you. And finally, today
12 we seek direction regarding proposed rules for Chapter 800,
13 Section 800.2 and Section 800.78 of the Texas Administrative
14 Code.

15 Since the transfer of the Adult Education
16 program in 2013, TWC staff have recognized the need to
17 reevaluate the rules by which AEL funds are de-obligated
18 based on the expenditure trends of AEL grant recipients.

19 The enrollment trends and related
20 expenditures of grantees demonstrate high enrollments in the
21 fall and weaker enrollments later in the year. The
22 obligation periods currently in rule come too late to
23 maximize the use of funds in areas demonstrating need after
24 reallocation. Modifications proposed in the policy concept
25 would move the de-obligation period up one month to allow

1 for an earlier and longer period of expenditure through the
2 program year.

3 Additionally, staff have identified the need
4 to align the current definition of Adult Education found in
5 this chapter to the definition found in the Workforce
6 Innovation and Opportunity Act. Staff has also identified
7 the definition of project REO as the program is no longer
8 operational.

9 Today we seek direction on those proposed
10 rules for Chapter 800 which would align references, terms,
11 and definitions with those described in WIOA and change the
12 months during which expenditure thresholds are evaluated.
13 This concludes my prepared remarks, and I am happy to answer
14 any questions.

15 CHAIRMAN ALCANTAR: Commissioner Hughs, do we
16 have a motion on item 24?

17 COMM. HUGHS: I move that we approve the
18 proposed amendments to rules relating to Section 800.2
19 definition of AEL and Section 800.78 relating to midyear de-
20 obligation of AEL funds to be published in the Texas
21 Register for public comment.

22 COMM. ALVAREZ: I'll second that.

23 CHAIRMAN ALCANTAR: We are unanimous. Thank
24 you, Kerry.

25 MS. BALLAST: Thank you.

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AGENDA ITEM NO. 25

CHAIRMAN ALCANTAR: Item 25, Discussion, Consideration and Possible Action regarding the Approval of Local Board Nominees. Cam Bell?

MR. BELL: Good morning, Mr. Chairman, Commissioners, Mr. Temple. Cameron Bell, Workforce Development Division. Before you for your consideration and approval, our Workforce Development Board nominations for Workforce Solutions Gulf Coast, Coastal Bend, Permian Basin, South Plains, and Southeast Texas.

CHAIRMAN ALCANTAR: Commissioner Hughs?

COMM. HUGHS: I move that we approve local Workforce Development Board nominees for Gulf Coast, Coastal Bend, Permian Basin, South Plains and Southeast Texas.

COMM. ALVAREZ: I'll second that.

CHAIRMAN ALCANTAR: We are unanimous. Thank you, Cam, and the team for all the great work over the years.

MR. BELL: It's been my high honor and privilege.

AGENDA ITEM NO. 26

CHAIRMAN ALCANTAR: Item 26. Do we have no further statewide initiative updates? We do not.

AGENDA ITEM NO. 27

CHAIRMAN ALCANTAR: Do we have a Hurricane

1 Harvey update, Larry?

2 MR. TEMPLE: No, sir.

3 CHAIRMAN ALCANTAR: We do not.

4 AGENDA ITEM NO. 28

5 CHAIRMAN ALCANTAR: Item 28, Discussion,
6 Consideration and Proposed Action Regarding State or Federal
7 Legislation. Tom McCarty. Tom, I want to thank you and
8 Michael, and the rest of the team -- Allison included, for
9 all of the great work and support over the years. I really
10 appreciate it.

11 AGENDA ITEM NO. 29

12 CHAIRMAN ALCANTAR: Item 29, Report and
13 Update by the Executive Director. Larry, what do you have
14 for us this morning?

15 MR. TEMPLE: Well, I want to make you aware
16 if you are seeing a lot of people coming in and out of the
17 building and working we are doing the Texas Specific
18 Requirements of WIT this week.

19 So, we've got a big August deliverable that
20 we are working on. I know that many of you -- the three of
21 you have gotten comments and calls and interest in the gig
22 economy and we have let everyone know that our current
23 policy is after we require the employer/employee
24 relationship to be able to be listed in WIT. No changes in
25 that whatsoever. We're certainly getting a lot of calls

1 about it and interest, though, and I am sure you are, too.
2 And we are sticking to current policy based on your
3 guidance.

4 COMM. HUGHS: Larry, I appreciate that
5 update. I have been receiving interest in really providing
6 some clarity on the gig economy and the classification of
7 workers in that particular industry, and the marketplace
8 contractor industry.

9 MR. TEMPLE: Yeah.

10 COMM. HUGHS: I really like employers to have
11 an understanding of where we are in Texas and I'd like to
12 ask staff to bring forward a proposal of potentially looking
13 at an administrative rule that addresses the employment
14 status of marketplace contractors.

15 MR. TEMPLE: Okay. We can review and see
16 where we are and bring back to you all to see what's there.

17 COMM. HUGHS: Great. Thank you. I think
18 that would be really helpful to have a clear set of
19 standards so that we know what the employment status is, and
20 we can really evaluate under that standard. So, a rule
21 might be a solution for that.

22 MR. TEMPLE: Okay.

23 COMM. ALVAREZ: I would agree with that.
24 We're hearing more and more --

25 MR. TEMPLE: I know --

1 COMM. ALVAREZ: -- more jobs are gig economy.

2 MR. TEMPLE: You and I have had several
3 conversations. We've been talking to the same person, I
4 think, for a couple of years now.

5 COMM. ALVAREZ: Uh-huh.

6 MR. TEMPLE: Talking about that. And I would
7 like to personally thank the Chairman for -- this will be --
8 last night was the last time after 21 years that I've talked
9 to him the night before a Commission Meeting to make sure we
10 had everything lined up. So, whether he was in the
11 Governor's office or over here serving as a Chairman, so I
12 appreciate your support all the years and your leadership
13 and good luck on your new adventure.

14 CHAIRMAN ALCANTAR: Thank you, Larry.
15 Courtney, Jennifer, Jason, Joel, and the rest of the
16 Workforce Team, really great outfit. Great work over the
17 years. I really appreciate it, your commitment to
18 excellence and I will always appreciate that.

19 Les, your team; Diane, Joel, Suzanna,
20 everyone, an honor to work with you. High quality of work.
21 The counsel that you have given us have kept us on the right
22 track. We're really proud of the team that you have here,
23 that you have in place and really appreciate the support.

24 I've been working with Jennifer, Cam and now
25 Brian over the years. It's been quite an honor. Reagan,

1 thank you so much. I congratulate you on your retirement.
2 Your contributions have been significant. And you live with
3 a great deal of respect and appreciation from our leaders
4 across the state and serving our 28 boards. Thank you for
5 your wise counsel to them over the years and all that you
6 have done to elevate the performance of our Workforce
7 system. You have been very important in terms of what we
8 have accomplished. I just wish you great happiness moving
9 forward.

10 You know, there are so many people. Tommy,
11 in the '90s you have been there; you've been supportive.
12 You supported and advised so many wonderful commissioners
13 over the years. And our IT team has really developed quite
14 a level of performance that I'm really proud of. Thank you
15 for the work over the past couple of years. We've really
16 stepped it up there when we needed to. And I just want to
17 recognize your great work.

18 Ed and Randy. Randy, your work since the
19 '90s gave you a big ole' reworking of a lot of stuff and it
20 worked. It always does, but it worked because of your great
21 acumen and your wonderful focus on doing things in a way
22 that protects our Agency here and overall in the support of
23 a great fiscal stewardship -- it's been an honor to work
24 with you.

25 Yeah, Larry, you called me last night at

1 10:30, and -- which is not unusual. It's 7:00 a.m. and 9:00
2 a.m., 11:00 p.m. -- anytime of the day. That's what we've
3 had. It's been an honor to work with you. I'm really proud
4 of you.

5 I'm proud of the work that you have done over
6 the years to really strengthen the TWC brand. It's a strong
7 brand, it's a brand that is worthy of the recognition that
8 it gets at the state level. And you've had -- you've been
9 so key to so much of the accomplishments that have been
10 achieved here over the years. I know that your staff is
11 proud of you. I'm proud of you. It's been an honor to have
12 worked with you over the years. Really great that we have a
13 wonderful friendship.

14 There's so many people in this room that I've
15 really enjoyed working with and I'm really proud of all of
16 you and I really appreciate your support.

17 Jennifer, thank you -- really. You are
18 exceptional. You're exceptional in terms of our Agency.
19 You know so much about public ed and higher ed. You know
20 about economic development efforts in this state. You
21 understand the overall strategy, and I thank you deeply for
22 all the help.

23 Cam, Billy, are you listening in? Billy,
24 thank you for all of the wonderful support that you've given
25 me and really appreciated the thank yous that I got on the

1 road for your professionalism and your great customer
2 service.

3 Cam, you've developed so fast and you're an
4 excellent advisor. Your capabilities are so evident and
5 you're a great advisor. You've fulfilled your role as a
6 Senior Policy Advisor beyond my expectations. Really great
7 to have worked with you.

8 And Brian, you are so impressive. We've only
9 worked for a short period of time. You're a great addition
10 to TWC. You are quite insightful, and you bring so much and
11 your legal expertise -- it's so well-rounded. It's a little
12 different than what we have here which to makes you very
13 unique and a great addition to our team. So, we're very
14 fortunate to have you at TWC.

15 And finally, my fellow commissioners, Julian
16 and Ruth, it's been an honor to work with you. I really
17 appreciated the agenda that we've built together. More
18 importantly, I'm proud that we were able to advance our
19 agenda. We advanced it in a way that's very powerful and
20 impactful for so many people in need. It's what this
21 mission is all about. We've strengthened partnerships,
22 we've leveraged all along the way. I thank you for your
23 work together and, with that, I guess I close this.

24 Do I have a motion to adjourn this?

25 COMM. HUGHS: You may close, but you cannot

1 adjourn until I make a motion.

2 CHAIRMAN ALCANTAR: Okay.

3 COMM. HUGHS: And while you're doing a great
4 job at running out the clock, I do want to take a moment to
5 thank you for your leadership. For welcoming us, for
6 guiding us, for really having this tremendous enthusiasm,
7 and expertise that you brought each and every day to the
8 agency and to each of us. And trying to put together
9 initiatives that are going to make a meaningful impact
10 across the State long after your time here.

11 So, it's been a very bittersweet day for us
12 today, and I congratulate you and celebrate you. And look
13 forward to being able to talk to you without public posting
14 in the future.

15 Congratulations, and I won't move to adjourn
16 yet in case anyone else has any other words before I make
17 the motion.

18 CHAIRMAN ALCANTAR: Thank you, Commissioner
19 Hughs.

20 COMM. ALVAREZ: Before I make any comments
21 regarding our Chairman, I'd like to take this opportunity to
22 thank Reagan for all the great work you've done, Reagan.
23 You're certainly going to be missed here. You know, Larry's
24 right hand is going to be missing and so, you know, you've
25 established a great team here. Wherever we went or wherever

1 we go we have always heard the name Reagan. We were out of
2 state last week and the first person that went up to us
3 couldn't believe that you were retiring. And then, you
4 know, this is somebody that's not even in our state. Word
5 got out quick that you were leaving us. And so, you're
6 deeply going to be missed not only by our agency but those
7 that you became good friends with at NASWA and
8 (indiscernible). So with that, I just want to congratulate
9 you for the great work and for assembling such a great team
10 and I know we've got some good people that are going to be
11 trying to keep up with the great efforts you have, but you
12 have established with Courtney and some of the other folks
13 and Carrie, a good team. And thank you for working so
14 closely with my office. I know it's tough sometimes, but I
15 really appreciate your efforts and that will not go
16 unnoticed.

17 Ladies and gentlemen, when you think of a
18 good communicator, someone who's passionate, someone who's
19 committed, you know, someone who has shown leadership, you
20 know, who do you think of? You know you think of our
21 Chairman.

22 You know our Chairman from day one has
23 displayed great leadership here. And you know, there's a
24 difference between being a leader and someone who is being a
25 follower. And he certainly has displayed being a great

1 leader. By his actions, by what he's been able to
2 accomplish with not only the Governor's office but also with
3 Texas Workforce Commission. And I'm just glad to have been
4 two years a part of that.

5 I brought my handkerchief in case I start
6 crying, so I -- don't cry. But I just wanted to -- I just
7 wanted to take this moment to share with you that you are
8 going to be greatly missed, and I look forward to seeing you
9 around.

10 Of course, it's going to be kind of cool
11 because you can't tell me what to do, but you certainly have
12 been a great friend and colleague and I really mean that.

13 Yesterday we were with Mark presenting a
14 check and one of the first things that came out of the
15 folk's mouth was, Chairman, we are going to miss you. And I
16 said I'm not the Chairman; I'm Alvarez, unless you know
17 something I don't know, but I did say the Chairman is going
18 to be gone or will be leaving us and people -- you've
19 touched many lives and here's what I found fascinating in my
20 remarks yesterday.

21 Some of the state representatives were there
22 and I acknowledged to them that without your continued
23 support and the support of Commissioner Hughs and their
24 continued support, those grants wouldn't have been
25 available. And so, we appreciate everything you've done.

1 There are many people in this room that
2 admire the work that you have done. There are many people
3 in this state that you have touched, and I appreciate that.
4 Even my apprentices appreciate everything you have done and
5 they still to this day have asked, you know -- they wish you
6 well.

7 With that I brought a kiss to give you. Just
8 on the record, this is the kiss that I will give to the
9 Chairman.

10 CHAIRMAN ALCANTAR: I'll accept that one.

11 COMM. ALVAREZ: Thank you. But again, just
12 think of those qualities when you reflect on the Chairman
13 and I ask that at sometime today, you know, after his little
14 get-together and just conversations that you are having with
15 other people, that you take some time to close your eyes and
16 think about something that the Chairman did to touch your
17 lives or the lives of our fellow Texans.

18 Just take the time and just, you know, think
19 about how you've done that. Because we all want to be known
20 as touching the lives or creating some type of legacy. And
21 Chairman, you have created that legacy.

22 CHAIRMAN ALCANTAR: Thank you, Commissioner
23 Alvarez.

24 AGENDA ITEM NO. 32

25 CHAIRMAN ALCANTAR: Commissioner Hughs, do we

1 have a motion?

2 COMM. HUGHS: I move that we adjourn.

3 COMM. ALVAREZ: I'll second that.

4 CHAIRMAN ALCANTAR: We're adjourned. Thank

5 you. Have a great day.

6 (Proceedings concluded at 10:06:11 a.m.)

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C E R T I F I C A T E

STATE OF TEXAS)

COUNTY OF TRAVIS)

I, Kimberly C. McCright, Certified Vendor and Notary in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true, and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 30th day of August, 2018.

/s/ Kimberly C. McCright
Kimberly C. McCright
Certified Vendor and Notary Public

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