



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

AUGUST 16, 2022

1 Tuesday, August 16, 2022

2 CHAIRMAN DANIEL: Good morning, everyone.

3 This meeting is called to order. Mr. Trobman, has anyone signed
4 up for public comment?

5 MR. TROBMAN: [Inaudible].

6 CHAIRMAN DANIEL: Thank you very much. Good
7 morning, Ms. Miller.

8 MS. MILLER: Good morning, sir.

9 CHAIRMAN DANIEL: Thank you. We'll take a
10 short break.

11 CHAIRMAN DANIEL: This is Agenda Item 8,
12 Chapter 850 and Chapter 856, vocational rehabilitation services
13 proposed rules.

14 CHERYL FULLER: Good morning, Mr. Chairman,
15 Commissioner Alvarez, Commissioner Demerson, and Mr. Serna. For
16 the record, Cheryl Fuller, Vocational Rehabilitation Division.
17 Commissioners, before you today for your consideration for
18 approval are proposed rule amendments to Chapter 850, Vocational
19 Rehabilitation Services Administrative Rules and Procedures, and
20 Chapter 856, Vocational Rehabilitation Services. The policy
21 concepts for these proposed rules were approved by the
22 commission on April 18, and June 14, 2022. The proposed
23 amendments will adopt in Chapter 850 rules required by the Texas
24 Labor Code, Chapter 352.104, for the monitoring and oversight of
25 VR counselor performance and decision making. They will amend

1 Chapter 856 to adopt by rule standards governing the
2 determination of rates paid for medical services provided under
3 Texas Labor Code, Chapter 352, and they will amend both Chapter
4 850 and Chapter 856 to streamline, clarify, and more
5 specifically align existing rule language with federal
6 regulations. Based on both comments received during our most
7 recent four-year rule review, and on recent guidance from the
8 Rehabilitation Services Administration, staff recommends
9 submitting the proposed rules for publication in the Texas
10 Register for a 30-day comment period. Staff also requests the
11 ability to make minor nonsubstantive changes to the document in
12 order to comply with the publication requirements of the Texas
13 Register and the Office of the Secretary of State. This
14 concludes my presentation. I'm available to answer any questions
15 you might have.

16 CHAIRMAN DANIEL: Any comments or questions?

17 COMMISSIONER ALVAREZ: Thank you, Cheryl.

18 COMMISSIONER DEMERSON: None here.

19 CHAIRMAN DANIEL: Is there a motion?

20 COMMISSIONER ALVAREZ: Chairman, I move that
21 we approve the proposed rule amendments to 40 Texas
22 Administrative Code, Chapter 850 and 856, and post to the Texas
23 Register for public comment as recommended by staff.

24 COMMISSIONER DEMERSON: Second.

25

1 CHAIRMAN DANIEL: It's been moved and
2 seconded, the motion carries.

3 CHERYL FULLER: Thank you.

4 CHAIRMAN DANIEL: This is Agenda Item 9. We
5 have one discussion paper here. This is the expansion of Texas
6 Rising Star Early Childhood Conference. I think there were some
7 other things on the agenda. Those have been postponed to a
8 future commission meeting.

9 CHRIS NELSON: Good morning, chairman,
10 commissioners, Mr. Serna. For the record, Chris Nelson, chief
11 financial officer. On July 5th the commission voted to approve
12 the statewide initiatives packet for 2023 through 2025 as part
13 of our budget within the legislative appropriation request. This
14 morning I have one addition to that budget request. The Texas
15 Workforce Commission has been supporting a professional
16 development conference for Texas Rising Star providers since
17 2016. This annual conference is for the professional development
18 needs of Texas Rising Star early childhood care givers. The
19 event is available but at a nominal registration fee with TWC
20 funds supporting most of the hotel and registration costs to
21 allow participation by child care workers who otherwise could
22 not afford to attend such an event. The current annual budget of
23 750,000 supports one event and up to 800 attendees. To support
24 TRS program growth, staff recommends that beginning in fiscal
25 year 2024, the commission annually dedicate three million to

1 support four TRS early childhood educator conferences.
2 Additionally, staff note that \$20 registration fee charged to
3 attendees is no longer adequate. Authorizing staff to change the
4 fee would provide greater flexibility to ensure that the venues
5 selected continue to honor early childhood educators as
6 professionals while also offsetting some of the out-of-pocket
7 expenses of attending a conference. Staff recommend that the
8 commission increase the annual budget for the conference from
9 750,000 per year to three million for four conferences annually
10 beginning in 2024, and authorize staff to assess an appropriate
11 registration fee for future conferences. That concludes my
12 comments and I'd be happy to answer any questions.

13 CHAIRMAN DANIEL: Any comments or questions?

14 COMMISSIONER ALVAREZ: None here, chairman.

15 COMMISSIONER DEMERSON: None here.

16 CHAIRMAN DANIEL: Is there a motion?

17 COMMISSIONER ALVAREZ: Chairman, I move that
18 we increase the annual budget for the Texas Rising Star Early
19 Childhood Conference to three million for four conferences
20 annually beginning in fiscal year 2024 and authorize staff to
21 assess an appropriate registration fee for future conferences as
22 recommended by staff.

23 COMMISSIONER DEMERSON: Second.

24

25

1 CHAIRMAN DANIEL: It's been moved and
2 seconded. The motion carries. This is Agenda Item 10, TWC
3 capital and exceptional items appropriations request.

4 CHRIS NELSON: For the record, Chris Nelson,
5 chief financial officer again. The next two documents lay out
6 the commission exceptional items to be considered as part of our
7 LAR request, the first being our capital items. In the
8 attachment our staff recommendations for necessary capital
9 projects not already in our bill pattern. The first two, the
10 Labor Law case management system and the cash draw expenditure
11 reporting system are the last two major systems to be upgraded
12 and replaced as part of our long-term strategy to remove systems
13 from our mainframe. Labor Law would be funded with general
14 revenue dedicated funds from our penalties and interest also
15 known as Fund 165. CDER would be funded primarily with federal
16 funds but does have a small general revenue component to support
17 the Skills grants that flow through that system. The customer
18 care portal is a new case management system to help TWC provide
19 better customer service across the various programs TWC
20 administers using the Main Door concept for tracking customer
21 interactions and service. This would be 100 percent federally
22 funded across TWC's major programs. The Child Care Single
23 Information portal is to provide a single child care hub for the
24 wide array of child care services available and would be 100
25 percent federally funded. The Tele-Center telecommunications

1 project is to replace components of the Tele-Center
2 communications and performance monitoring systems and it would
3 all be federally funded. The supply and demand tool is to
4 replace and/or upgrade TWC's LMCI website and information and
5 would be dependent on receiving additional federal funds or some
6 other source that would be applied for in the future. The AEL
7 case management system is the last major case management system
8 that needs to be updated and this project is to upgrade that
9 system. This would also be 100 percent federally funded. As part
10 of the LAR we need to rank exceptional items in terms of agency
11 priority. These projects have already been ranked based off
12 staff priority. The commission could vote to change it, but they
13 are laid out in staff priority. That concludes my comments and
14 I'd be happy to answer any questions on that item.

15 CHAIRMAN DANIEL: Any comments and questions
16 on capital items?

17 COMMISSIONER ALVAREZ: None here, chairman.

18 COMMISSIONER DEMERSON: None.

19 CHAIRMAN DANIEL: You want to do a motion
20 now or do you just want to do it all at the end?

21 COMMISSIONER ALVAREZ: Does this require a
22 motion?

23 CHRIS NELSON: This would, yes, if you want
24 to approve these items.

25

1 COMMISSIONER ALVAREZ: OK. I move that we
2 approve the capital budget exceptional items in the priority
3 sequence laid out by staff.

4 CHAIRMAN DANIEL: Just to clarify your
5 motion. You got it. I answered my own question. Thank you,
6 commissioner.

7 COMMISSIONER ALVAREZ: You got it, chairman.

8 COMMISSIONER DEMERSON: Second.

9 CHAIRMAN DANIEL: It's been moved and
10 seconded and we're unanimous.

11 COMMISSIONER ALVAREZ: Were you thinking of
12 the sequence?

13 CHAIRMAN DANIEL: Yes.

14 CHRIS NELSON: The next item is the other
15 commission exceptional items. For the record, Chris Nelson,
16 chief financial officer. The next document lays out the
17 commission exceptional items to be considered as part of our
18 LAR. These are listed in the order presented to me but I will
19 ask the commission to vote on which items to consider as part of
20 our LAR, and rank the priority as well. First is a pre-
21 apprenticeship career pathways item laid out by Commissioner
22 Alvarez. Second is an industry-recognized apprenticeship item
23 laid out by Chairman Daniel. Third is a Jobs for Education in
24 Texas or JET increase laid out by Chairman Daniel. Fourth is a
25 staff-recommended exceptional item to add six FTEs for 325,000

1 per year to alleviate a backlog within the Civil Rights
2 Division. Due to the current funding mechanism within the EEO
3 program, staff have determined there are not enough resources to
4 remove this backlog of cases without additional funds through an
5 exceptional item. Fifth is a request to increase the state child
6 care matching funds that pull down additional federal matching
7 dollars for the child care program. The federal matching funds
8 increased by 52 million in 2021. TWC projects they have
9 sufficient state match in 2023 and 2024 but not enough in 2025
10 to pull down the additional federal funds. To help maintain
11 TWC's number of children served, staff are asking if the
12 commission would consider an exceptional item of 35 million
13 dollars to pull down the additional 52 million in federal funds
14 in 2025. The sixth item is a request to increase the Skills
15 appropriation by Commissioner Alvarez. I would like to point out
16 a clarification in the language. It notes a 27.3-million-dollar
17 appropriation. I didn't catch that before publishing this. That
18 actually includes that that 27 million includes JET and capital.
19 Once you remove that, the Skills appropriation itself is about
20 19.1 million in 2022, and my apologies for not catching that
21 before posting it. That concludes my comments and I'd be happy
22 to answer any questions or open it up to the commission.

23 CHAIRMAN DANIEL: All right. Comments or
24 questions for Chris? Let's just open these up for general
25 discussion. Let's go back to the start. Commissioner Alvarez,

1 COMMISSIONER DEMERSON: This, Chris, this
2 exceptional item that's listed here, it doesn't have FTEs there,
3 so we'd add one FTE into that category.

4 CHRIS NELSON: Yes, based off the
5 commissioner's comments, we would add one—if you approve, as
6 he's laid out, we would add one additional FTE for each year in
7 this request.

8 COMMISSIONER DEMERSON: OK.

9 COMMISSIONER ALVAREZ: If I may add, this
10 was an exceptional item I requested the last session in which we
11 know last session we had lot of interest in registered
12 apprenticeship programs, apprenticeship, CTE programs. I felt
13 like this was fitting for us to go ahead and reintroduce this
14 initiative again.

15 CHAIRMAN DANIEL: Would this be just an
16 increase to the Chapter 133 funding, functionally at the budget
17 level?

18 COMMISSIONER ALVAREZ: No. Correction. Let
19 me look at this. Yes, it does allow—it is part of the 133. Yes,
20 sir.

21 CHAIRMAN DANIEL: So in '24 and '25 we would
22 be requesting an increase to Chapter 133.

23 COMMISSIONER ALVAREZ: That's correct, of
24 7.5 million.

25

1 CHRIS NELSON: This would be a specific
2 service allowable within Chapter 133.

3 CHAIRMAN DANIEL: So, I saw this. In
4 principle, I can see where this is beneficial. I'm a little
5 concerned about the fact that all of the—Chapter 133 lays out
6 three categories of training. This would seem to go into the
7 preparatory training category, except Chapter 133 seems to have
8 a restriction that everyone participating in Chapter 133 funds
9 have already have signed an apprenticeship agreement with an
10 apprenticeship committee. Is that your vision for this is that
11 these would be people who have signed their apprenticeship
12 contract but still have access to schools so we would pay for
13 education? I'm not clear on how that would work.

14 COMMISSIONER ALVAREZ: First of all, this
15 would be the first time we've ever funded pre-apprenticeship, so
16 it's different than registered apprenticeship. I don't know if
17 that makes anything.

18 CHAIRMAN DANIEL: My question is that 133
19 has very specific constructs for how the money gets spent. It
20 doesn't seem to contemplate any money being spent on someone
21 who's not already enrolled in an apprenticeship program by
22 having signed an apprenticeship agreement. I'm not able to see
23 any latitude statutorily for spending money outside that
24 framework, even for something I agree with. I'm not exactly sure
25 how the money would get spent via Chapter 133 on someone just

1 who's at the interest level. In other words, they would already
2 have had to have signed up.

3 COMMISSIONER ALVAREZ: If I'm not mistaken,
4 both of us, or all three of us, have attended MC3 training
5 programs with Tamara Atkinson. Am I not correct? If I'm not
6 mistaken, this would fund the MC3, so there is no guarantee that
7 these individuals that receive this funding would actually have
8 direct entry to an apprenticeship program. It gives them
9 exposure and it allows them to receive a credential while
10 they're in that three-week course, four weeks, depending on how
11 they design it. But I do know that Tamara Atkinson, Paul
12 Fletcher, in our Houston area with Juliet, they have all taken
13 advantage and this unfortunately is not covered by us. It's
14 covered by someone else, maybe a private employer, but in this
15 particular case this would be an exception allowing us to be
16 able to pay for pre-apprentices in these types of programs. This
17 is just really basic training.

18 COMMISSIONER DEMERSON: Chairman, let me ask
19 a question. It sounds like you're asking the ability to spend
20 this money, and Commissioner Alvarez, you're saying this is new,
21 it's a pre-apprenticeship program. If this is something that
22 we've put forward in the past, I wonder if those questions have
23 already been addressed, and if anyone on staff or anybody has an
24 answer to the question that's been posed, do we have the ability
25 to use this program for this pre-apprenticeship?

1 KERRY BALLAST: Good morning, Kerry Ballast,
2 Workforce Development Division. Typically, in response to your
3 question, chairman, in LEAs, local education agencies, or
4 apprenticeship committees, building apprenticeship programs as
5 we know them in Chapter 133, we are able to use as that
6 mechanism referred to as preparatory instruction. What this
7 typically is is that the LEA or the committee begins to look at
8 their next pool or crop of apprentices. So this is part of the
9 recruitment. It's part of building that next class, so to speak.
10 What they often do to make sure that they have the right
11 individuals for their program, is they will create pre-
12 apprenticeship programs in which number one, they might do a
13 math class aligned with the industry that they are going into
14 that program with. The understanding is that that individual
15 will finish that pre-apprenticeship and move directly into the
16 apprenticeship program. They've kind of then watched closely.
17 They've met the quality standards that that employer is looking
18 for, that committee is looking for, and they're just beginning
19 that pipeline. It is very likely and we see this at end of year
20 in the apprenticeship, that there might be individuals who at
21 the end of that pre-apprenticeship, that first year, their
22 second year, it's not a good fit and they rotate out of that
23 registered apprenticeship program. In this world, the individual
24 enters with the agreement that on the end of the training they
25

1 are employed and then they're moving into their first year of
2 apprenticeship.

3 CHAIRMAN DANIEL: But they do sign an
4 agreement?

5 KERRY BALLAST: Yes, sir.

6 CHAIRMAN DANIEL: So that meets, yeah. If
7 they're signing an agreement with, I guess either the LEA or the
8 apprenticeship committee, then that would meet the requirements
9 for Chapter 133, even for the preparatory training.

10 KERRY BALLAST: Yes, sir.

11 CHAIRMAN DANIEL: So those agreements, they
12 don't have any kind of claw backs for the money that was spent
13 that they don't complete the program?

14 KERRY BALLAST: Correct.

15 CHAIRMAN DANIEL: I don't think there's a
16 statutory requirement that we have that.

17 KERRY BALLAST: No, sir.

18 CHAIRMAN DANIEL: So in other words, they're
19 duly admitted to the—they're considered having signed an
20 agreement, they're considered an apprenticeship in that program.
21 So really the only risk to us is that the non-completers sort of
22 count against our numbers.

23 KERRY BALLAST: They do. As you already
24 know, being through this several years, we always at the end of
25 each year have a little bit of an attrition rate.

1 CHAIRMAN DANIEL: I think that's to be
2 expected. I also wonder and I doubt we've kept numbers on this
3 because we really haven't probably looked at this as closely,
4 but I would have to believe at some level that having the
5 ability to get more people in these agreements and into these
6 kinds of preparatory, pre-apprenticeship-type situations, that's
7 more recruitment and increases our chances for completers
8 because we might get people we otherwise wouldn't have gotten.

9 KERRY BALLAST: That's it.

10 CHAIRMAN DANIEL: Would we agree with that?

11 KERRY BALLAST: Yes.

12 CHAIRMAN DANIEL: OK.

13 COMMISSIONER DEMERSON: Thank you, Kerry.

14 CHAIRMAN DANIEL: That's all the questions I
15 have.

16 KERRY BALLAST: OK.

17 COMMISSIONER ALVAREZ: So just a
18 recommendation. Back in 2016 when we were asked to meet with
19 stakeholders around the state talking about how we could
20 increase that pipeline of aging tradesman, how do we encourage
21 students to be involved in CTE programs, Texas was last when it
22 came to apprentices. We were last in producing the number of
23 apprentices. As of Friday and of course conversations we've had
24 with the Department of Labor and yesterday's conversation that
25 we had with those that are serving on this new taskforce that

1 the DOL has, Texas is number one, and it's innovative ways like
2 this that make us that. Back in 2016 we were encouraged by
3 stakeholders to provide some type of pre-apprenticeship programs
4 that would encourage students to get into these types of
5 occupations, and if it allows a 7.5-million-dollar investment on
6 the part of TWC, I don't see why this would be—you know, why we
7 would have—this is why we would not want to support something
8 like this when it was part of the Tri-Agency language that we,
9 TWC, along with two other agencies create some type of pre-
10 apprenticeship program, and if I'm not mistaken, we're the only
11 ones doing that. We've had discussions with the other agencies
12 and we are leading this, and discussions that we've had with
13 legislators, why aren't we supporting more pre-apprenticeship
14 programs regardless of where the funding comes or how we do it.
15 This is a really good way. Again, there's no guarantee that
16 these individuals will go that career path but it certainly gets
17 them motivated into this type of occupation which we seem to
18 have obstacles, and we seem to have issues trying to encourage
19 people to go into the trades.

20 COMMISSIONER DEMERSON: Commissioner
21 Alvarez, I think you've laid it out and chairman had a question
22 and I think Kerry's addressed that question for me, the ability
23 to use it, and so I think it's a good initiative.

24 CHAIRMAN DANIEL: The other question—this is
25 a procedural question. I think the premise here is sound. I

1 definitely think there's some use for this. If we—I'm thinking
2 about how the General Appropriations Act operates. So we're
3 basically asking for the biennium a 7.5-million-dollar increase
4 to the Chapter 133 funds that we otherwise—does this exceptional
5 item, does the discussion of using it for pre-apprenticeship,
6 does it act as the appropriate sort of—I hate to use this word
7 but it's the only one I can think of—the appropriate earmark
8 that that money would be dedicated to pre-apprenticeship
9 activities, and let's say we didn't have that many. I don't know
10 why we wouldn't but let's say we didn't have that many, would we
11 be able to use that for other Chapter 133 activities once we
12 evaluated the need for pre-apprenticeship type programs?

13 CHRIS NELSON: Chairman, I believe it would
14 show up in our apprenticeship strategy so you would just see—if
15 this got approved and signed by the governor next summer, you
16 would see an increase to our apprenticeship appropriation. In
17 our accounting system well below that, we would track this as,
18 as you kind of used the term earmarked, as we have specific line
19 items identifying what we expect the uses of this to be but
20 since it's all within the same appropriation, I believe TWC
21 would be able to in a sense move from this to something else if
22 these funds did not get utilized.

23 CHAIRMAN DANIEL: I'm presuming we would
24 operate on good faith here and in the first year the additional
25 2.5 million that might potentially be there depending on the

1 legislature's action, we would attempt to do that for pre-
2 apprenticeship. At such point as we didn't, we would then just
3 fund sort of general Chapter 133? At two and a half million, I
4 don't in any way think it's not going to be fully subscribed but
5 if for some reason it weren't.

6 CHRIS NELSON: That's correct.

7 CHAIRMAN DANIEL: And even-do we have UB
8 authority on Chapter 133 funds?

9 CHRIS NELSON: We do not.

10 CHAIRMAN DANIEL: We do not so we'd have to
11 do in that fiscal year.

12 CHRIS NELSON: That's correct.

13 CHAIRMAN DANIEL: OK.

14 COMMISSIONER ALVAREZ: Let me remind
15 everyone that we have major companies coming into this great
16 state of ours, Samsung, others who have approached the offices
17 saying we need folks to clear the land so that we can start
18 construction. Well, who do you think is going to do that? It's
19 going to take individuals that are going through these MC3 and
20 multicraft curriculum courses that are going to be doing that,
21 and these are entry-level certifications that Tamara, Paul
22 Fletcher, and some of those folks in the surrounding area are
23 certifying through these programs, and so this money would allow
24 us to be able to assist those individuals that are going in
25 there because if I'm not mistaken with conversations I've had

1 with Ed and the folks at Samsung, they're looking at thousands
2 of people, laborers. You've got to have some type of
3 certification to get there, and this MC3 model allows them to be
4 on the site to clear the land, to help the construction folks
5 there, and if they pursue their education by going into an
6 apprenticeship program or a community college, by all means
7 they're welcome to do that. I just wanted to put that on the
8 record because again, there's no reason why we should be limited
9 on the number of individuals that we're training as a result of
10 not enough funding. This is a perfect resource for us to be able
11 to assist our boards with that.

12 CHAIRMAN DANIEL: The MC3 programs, are they
13 aligned with the LEAs or the apprenticeship committees? Do you
14 know?

15 CHRIS NELSON: Yes.

16 CHAIRMAN DANIEL: They are. They are part of
17 it.

18 COMMISSIONER ALVAREZ: Actually we would
19 love to get them on that IBC list and that's on the record as
20 well. Right now we have NCCER but there's no reason why we
21 couldn't allow schools to make that determination if the MC3
22 model fits better than the NCCER model fits. We'll work on that.

23 CHAIRMAN DANIEL: I don't have any other
24 questions on this one. Can we take these up at the end just one
25 by one to vote. We'll go through and answer questions on them

1 just in the order that they're listed here. The next one is one
2 that I proposed. This is the IRAP program that was passed in the
3 2019 legislative session. We did rules for it later in 2019
4 here, and so we've had both the statute and the rules on the
5 books since 2019. We didn't ask for an exceptional item to fund
6 this particular industry-recognized apprenticeship program in
7 the last session due to some COVID issues that we were facing. I
8 think very much in keeping with Commissioner Alvarez's comments
9 in terms of the need for skilled workers of all sorts, I think
10 this is another tool in our toolbox that lets us train
11 apprenticeships. This particular program is well laid out in
12 statute. I went back and reviewed our regulation on this. Our
13 rules are laid out orderly and in accordance with the statute.
14 The money that we might request here I would just simply assume
15 would run, staff would run in accordance with the rules that are
16 already on the books. I'd be happy to entertain any questions.

17 COMMISSIONER ALVAREZ: You want to go,
18 Commissioner Demerson?

19 COMMISSIONER DEMERSON: I'll go ahead and
20 ask. This legislation, House Bill 2784, Speaker Phelan-

21 CHAIRMAN DANIEL: Yes.

22 COMMISSIONER DEMERSON: And team pushed that
23 forward. I have a statewide initiative that I'm pushing forward
24 in regards to this. I may pull it if we're going in this
25 direction, not sure just yet. The question I have in regards to

1 the legislation when it was passed during the 86th Texas
2 Legislative Session, did they have a budgeted amount at that
3 time or did they allocate FTEs at that time?

4 CHAIRMAN DANIEL: No.

5 COMMISSIONER DEMERSON: Nothing at all, OK.
6 So the 20 million that we're looking at right now for an
7 exceptional item, is that in line with what they would want,
8 this industry would want?

9 CHAIRMAN DANIEL: I discussed it with the
10 staff, the bill author's staff within the last couple weeks
11 explaining what my interest was here, explain what the dollar
12 amounts were. It would be inappropriate to say that they were
13 supportive. They were certainly not opposed. They are not really
14 supporting any appropriations requests by agencies, and that is
15 the position I would have encouraged them to take. They did ask
16 some questions and the answers were simply this is a dollar
17 amount I think that's supportable. It's sort of on par with what
18 we do relative to Skills. It's a dollar amount that I think can
19 be spent. It didn't seem to raise any objections from them.
20 Again, I don't think the speaker's office at this point is
21 supporting any one appropriations request over another, and I
22 don't want to leave that impression but they expressed no
23 concern to me nor any sort of concern that they might want me to
24 change something so I think the dollar amount is in keeping
25 within some realm of comfort for them. What they actually

1 support, I don't know, or what they might actually encourage me
2 to do, I don't know, they didn't say.

3 COMMISSIONER DEMERSON: I have no other
4 questions.

5 COMMISSIONER ALVAREZ: You know, throughout
6 the years when we're not in session, we have an opportunity to
7 meet with our legislators when there are JET grant presentations
8 or other presentations that we invite them to, and so just as an
9 FYI, the items that we have brought forth from my office are
10 from discussions that we've had with legislators that are very
11 interested on, just like you, chairman, meeting with these
12 individuals that sit on various committees. We as well do the
13 same, and we've been very successful in the past with some of
14 the rollouts that we've been able to introduce. I do have some
15 questions, and I was very—I was honored to be at S&B
16 Infrastructure, and I think that was your first official event,
17 Commissioner Demerson, as a commissioner when the signing of
18 House Bill 2784 which is a great initiative.

19 COMMISSIONER DEMERSON: Governor Abbott was
20 at that event.

21 COMMISSIONER ALVAREZ: Governor Abbott was
22 there meeting with members of S&B Infrastructure where this was
23 actually—where we had that stakeholder meeting. Again, the term
24 of pre-apprenticeship was in the discussion. For clarification
25

1 purposes, I want to make sure that we're not asking for four
2 FTEs on this, right? We're asking for two.

3 CHRIS NELSON: That's correct. It's two per
4 year. The four subtotal is not necessary on this document, the
5 FTEs.

6 COMMISSIONER ALVAREZ: OK, I just wanted to
7 make that clear. Without input from staff, the team who is
8 expected to execute this initiative, who is expected to initiate
9 this initiative, execute it?

10 CHRIS NELSON: My assumption is it would be
11 Kerry Ballast's team that also does the apprenticeship program.

12 COMMISSIONER ALVAREZ: OK. I like the idea.
13 I'm just not crazy about the amount. Again, with conversations
14 that I've had with folks as well, while I applaud this effort, I
15 believe we can risk of not fulfilling our objective to customer
16 serve because staff may already have too much on their plate but
17 if you're saying we've had this discussion, I'm assuming that
18 they would be able to take it on. If we were to increase the
19 amount, I would be willing to support it. Although we like to go
20 big, we should take measures smaller, measured steps especially
21 since we have not done something like this before. A smaller
22 amount for a pilot would make more sense. If we are having
23 trouble getting employers to apply for TIP high demand and
24 Skills grants which I'm hearing, I am not sure at this time it's
25 the right time for us to be taking this large undertaking.

1 Moreover, apprenticeship team is working on apprenticeship
2 expansion efforts, health care apprenticeship and other
3 projects. Those are my comments for right now.

4 COMMISSIONER DEMERSON: Mr. Chairman, have
5 you heard from industry an amount?

6 CHAIRMAN DANIEL: I haven't heard an amount,
7 just a general support for the policy.

8 COMMISSIONER DEMERSON: Support is out there
9 big time, I think the amount—

10 CHAIRMAN DANIEL: There's not an amount. It
11 varies. It depends on who you talk to.

12 COMMISSIONER DEMERSON: OK.

13 COMMISSIONER ALVAREZ: I think it's a great
14 initiative, great concept. I'm just not in agreement with the
15 amount but again, we're going to be bringing these up and I
16 guess we're going to be taking—

17 CHAIRMAN DANIEL: We'll come back and take a
18 look into this. This next one is jobs—Jobs and Education for
19 Texas. Essentially, functionally this would double the amount of
20 the appropriation. That's what the request would do for JET. We
21 have exceeded that in every program year that I've looked at
22 since we have had it here at TWC. I see that we have exceeded—
23 applications have exceeded the number of applications that we
24 could fund in every year that we've had it. Some of those years
25 it was double. COVID years look a little bit different. I think

1 they presented a challenge across the board. This last year we
2 had an additional 50 or so million dollars from TEA, and we used
3 all of it in the first year. That was primarily ISDs, charter
4 schools, Windham School District, lots of demand at the high
5 school level. Community colleges used all 7.5 million this last
6 year. In the next fiscal year we'll revert back to 7.5 million
7 total. The current split—you'll see this coming up in a future
8 item today on the agenda, we've been splitting 50-50, 60-40. I
9 think that the advisory committee's request is to split it 60-40
10 which would push ISDs back to around 3.2, 3.5 million when they
11 got just somewhere right around 50 million this year so lots of
12 demand here, lots of demand at both the community college and
13 the high school level including charter schools and Windham
14 School District, and an opportunity for us to expand the program
15 with a proven track record for demand where it often—
16 applications almost always exceed the number of dollars that
17 we're able to award at the end of the time. Staff's done a
18 remarkable job in my opinion of putting in place a promotion
19 plan for this and talking to the schools, and I think staff's
20 done an exceptional job of putting in place some new mechanisms
21 to communicate, two-way communication with schools, and I think
22 that's showing up in the demand for the program so very timely.
23 Depending on how we vote later today, a great increase in the
24 participation in this program and one that numerically if you
25 chart it out over the last five or six fiscal years, one that

1 you'll see the demand continues to grow. I think this last year
2 with this influx of one-time money from TEA, I think we saw
3 exactly what the program can do if funded in a larger amount.
4 This is, of course, in talking to the legislature, I think every
5 exceptional item is carefully considered. I would consider this
6 a modest request although it is doubling the program but I think
7 there's definitely demand. I think we can continue to do good
8 work with it. Any questions?

9 COMMISSIONER ALVAREZ: Chairman, the fact
10 that enough interest was generated to allocate the additional 50
11 million we received from TEA for JET, I could support this
12 request. This is an extremely popular grant program. In its
13 early years, the OEI team did a great job of marketing,
14 outreach, and educating entities on how to apply.

15 COMMISSIONER DEMERSON: Will support the
16 initiative. I've had the pleasure and privilege of being able to
17 operate that program, and so it is the Jobs and Education for
18 Texans program so let's make that clarification on the top, Jobs
19 and Education for Texans versus Jobs for Education in Texas
20 unless we're changing it.

21 CHAIRMAN DANIEL: No, I don't think we're
22 changing it.

23 COMMISSIONER DEMERSON: OK, all right, so
24 Jobs and Education for Texans is proper.

25

1 CHRIS NELSON: Accountants aren't the
2 greatest at [inaudible].

3 COMMISSIONER DEMERSON: Then we're good,
4 great program.

5 CHAIRMAN DANIEL: There weren't enough
6 numbers in it for Chris, and so [inaudible]. If there's no
7 questions, the next one is civil rights. This is a staff
8 recommended exceptional item so, Chris.

9 CHRIS NELSON: I've laid out already. I'd be
10 happy to answer any additional questions. I don't have any other
11 comments than what I've stated earlier but I'd be happy to
12 answer any questions.

13 COMMISSIONER ALVAREZ: I don't have any at
14 this time for this one.

15 COMMISSIONER DEMERSON: No, I'm sufficiently
16 briefed and appreciate the briefing.

17 CHAIRMAN DANIEL: Child care? Any questions
18 on child care? This is just simply a pull down.

19 CHRIS NELSON: That's correct. The
20 additional 35 million would bring down the additional 52 for
21 basically increased child care funding by 87 million total which
22 we would put into direct care to help maintain the number of
23 children served.

24 CHAIRMAN DANIEL: Got it, and then Skills
25 Development Fund. Commissioner Alvarez?

1 COMMISSIONER ALVAREZ: Yes, sir. Skills
2 Development is funded by state general revenue dollars. In the
3 last biennium the state legislature funded Skills at 54 million.
4 TWC requests an additional 50 million in general revenue to
5 support DF and dual credit grant programs. This exceptional item
6 request is for 25 million for 2024 serving 12,500 customers, and
7 25 million for 2025 serving 12,500 customers for a total of 50
8 million and a total of customers served at 25,000 people.

9 COMMISSIONER DEMERSON: So, Commissioner
10 Alvarez, you're asking for an additional 50 million in addition
11 to what we have here? You're asking for an additional 50
12 million? Is that--what's the demand of that program? Are we
13 overusing that program as well? Is that demand out there? Is
14 staff going to be able to get an additional 50 million dollars
15 out to our Texas colleges.

16 COMMISSIONER ALVAREZ: I don't know. We have
17 Mary here and she might be able to answer that question. Mary,
18 if you don't mind making your way up to the podium.

19 COMMISSIONER DEMERSON: [Inaudible] say
20 something in regards to the ability to utilize the programs that
21 we have right now.

22 COMMISSIONER ALVAREZ: That's a good
23 question.

24 COMMISSIONER DEMERSON: We're doing a good
25 job but I want to make sure that if that demand is out there,

1 then it's something good but if that demand is not, we need to
2 know that.

3 MARY YORK: Good morning, commissioners. My
4 name is Mary York, the director for Outreach and Employer
5 Initiatives. Regarding your question, Commissioner Demerson, we
6 have seen a slight decline in Skills Development Fund
7 applications I think primarily as a result of the pandemic as
8 businesses have had to focus in other areas or not been able to
9 let their staff away for training purposes. But we do see an
10 uptick in those applications coming in, and I am committed to
11 the team that they do a fantastic job of working with businesses
12 to develop applications based on their needs.

13 COMMISSIONER ALVAREZ: I'd be willing to
14 negotiate, commissioner.

15 COMMISSIONER DEMERSON: Basically, I've had
16 the privilege and pleasure of running that program as well, and,
17 Ed, you know that point in regards to 50 million dollars and
18 making sure that we're utilizing it if we see that there's a
19 need because what we don't want to do is to have money allocated
20 and having to give it back to the legislative [inaudible].

21 COMMISSIONER ALVAREZ: I agree.

22 COMMISSIONER DEMERSON: I think a thorough
23 conversation on that uptick, Mary, in regards to—and a realistic
24 look at it. I mean it's OK if we don't need it. We are where we
25 are but if the need is out there, then let's realistically look

1 at the numbers and not put ourselves in a position of asking for
2 more than we can chew in that sense.

3 COMMISSIONER ALVAREZ: I agree with you.

4 CHAIRMAN DANIEL: Are we turning people
5 down? Are we running out of money?

6 MARY YORK: No, we are not.

7 CHAIRMAN DANIEL: We're not running out of
8 money at the end of the fiscal year. Are we--when I look at the
9 expenditures, it strikes me that we spend about what we're
10 getting. Is that accurate or is that budget math?

11 MARY YORK: I think that's accurate. We are
12 allocating all of the funds but we are not turning anyone away.

13 CHAIRMAN DANIEL: So demand is about equal
14 to supply?

15 MARY YORK: At this time, yes.

16 CHAIRMAN DANIEL: Including with all of our
17 outreach? I'm asking because this is a program I wholeheartedly
18 support. I think this is one of our sort of key programs
19 including if you look at apprenticeship, if you look at Skills.
20 Our ability to provide upskilling and reskilling in multiple
21 different formats, I think that is a real strength for TWC and
22 something that--a definite value-add that we bring to the ability
23 for companies to continue to create jobs in the state. I don't
24 want to air out all of our laundry here in this meeting but the
25 fact is is we tend to finish each fiscal year in kind of a

1 flurry of Skills Development contracts to get those done so we
2 can spend the money but we are spending all the money regardless
3 of kind of what our mechanism is for doing it. I think there's a
4 couple reasons for that. One, we don't set a hard deadline. We
5 kind of fund as we go and as companies need the money, it's
6 available to them. We don't set an annual deadline and that's a
7 programmatic function. That's an operations issue and I'll leave
8 that to you, that there might be ways to kind of fix the timing
9 on when the money gets spent. I think for me from a setting a
10 policy here, money is getting spent and I think staff is doing a
11 really good job once again as they are with JET and I think as
12 they are with some of our apprenticeship funds. I think they're
13 doing a really good job of getting the word out to the people
14 who can use that and get that done. I do—even though,
15 Commissioner Demerson, even though I think that demand and
16 supply are kind of at some sort of equilibrium right now, I'm
17 watching the news every day. I'm seeing how just in
18 semiconductors the number of plants that are going in not just
19 here in Central Texas but also in the Dallas-Fort Worth
20 metroplex, two new constructions that I'm aware of up in
21 Sherman, and there's just going to be a lot of need for
22 training. I think there's people that are going to cross over
23 from other industries, and so I think there's a case to be made.
24 I'm a little concerned here with the dollar amount, and I do
25 think we need to fix kind of the language here in terms of what

1 the appropriation is. We get about 19 million a year for Skills
2 Development Fund after we back JET out of that and a couple
3 other things that we're obligated to do including dual credit I
4 think which comes out of the fund as well. I think if we were to
5 say some reasonable amount of money, whatever that is in terms
6 of this is what we think semiconductors are going to do over the
7 next five years or if we knew that some other type of advanced
8 manufacturing or some other type of job, it doesn't really
9 matter to us if it's a high-skill, high-wage job, middle-skill,
10 high-wage job, any of those, I think they fall firmly into this
11 category, and I think we could support that. So if in fact
12 supply and demand are at equilibrium, I think we can project out
13 a little bit and look at some new things that are coming on the
14 marketplace and probably justify that. Other than semiconductor,
15 are you hearing from other employers in terms of a potential for
16 increased need for training or is it a generalized increase in
17 need for training?

18 MARY YORK: I think based upon the growth
19 that Texas is seeing in its business community, the
20 attractiveness of the state as a place to expand or relocate,
21 we're seeing a general need for training, a general need for a
22 skilled workforce so apart from—and I think rightly so pointing
23 out that the very specific demand in the semiconductor space, I
24 would argue that almost any sector is seeing growth and a need
25 for additional workers with those specific skills.

1 CHAIRMAN DANIEL: We've been reading about
2 some big brands that are wanting to expand their workforce just
3 in the Austin area over the last three or four years, and I
4 don't know how much of these particular issues have been settled
5 yet but I've seen a number of those brands make application for
6 Skills Development Funds so it does strike me that more and more
7 employers or potential employers are seeing this as an
8 opportunity to really beef up the workforce here which is good
9 for the greater kind of ecosystem that they're offering.

10 MARY YORK: Yes, and I would also say I
11 think that we also have the opportunity to look at ways that we
12 deploy those dollars for Skills Development Fund moving forward,
13 and seeing how we can make things easier for businesses, make
14 that training happen more quickly, ensure that they have the
15 workers that they need as those decisions are being made and
16 they actually get those businesses off the ground.

17 CHAIRMAN DANIEL: Thank you.

18 COMMISSIONER ALVAREZ: I'd also like to add,
19 chairman, if I may, thinking of all the companies that are
20 coming into Texas like the expansion of LNG in Brownsville, the
21 expansion of SpaceX. Just the other day having a conversation
22 with Senator Perry's office about a school district which we've
23 informed staff about, a school district that owns the water
24 rights to a community, that's where they're getting their
25 training dollars. I understand that we have hiccups when it

1 comes to who is eligible for the funding but in some particular
2 areas, public seems to be the biggest employer in the community.
3 There is a demand. I just don't think—I think what we've done
4 with JET as I mentioned in my remarks, they've done a remarkable
5 job of marketing that. I think we're doing the same thing with
6 the Skills, and I understand that the amount might be a little
7 high but I still think that the amount of some type of addition
8 to what they currently receive is warranted. Just what we're
9 doing, conversations we're having with the Texas Water
10 Development Board and how we can work together in partnership
11 with them, there are some really big things that are happening
12 as you know, whether it's water, electricity, all this other
13 stuff, and I think we need to be prepared. I mean I think it's
14 been stated in the past, we need to think big, and this
15 certainly supports our dual credit programs as well.

16 COMMISSIONER DEMERSON: Commissioner
17 Alvarez, I'm looking at this again, very supportive of the
18 program initiatives. I don't want staff to bite off too much
19 that it can chew, 12.5 and 12.5 seems to work for me, maybe half
20 of that, you wanted 50 million. We used to have a 12-million-
21 dollar allocation, 25 million per year back in the day, and so
22 maybe look at those numbers when we go across the street or
23 whenever we have these exceptional items, you're going to have
24 to back it up in regards to the demand and the like, and so 50
25 million, that's a lot of semiconductors, a lot of growth in

1 Texas, a lot of training and the like. Our state is booming and
2 we're doing a great job marketing. The state business climate is
3 good. Folks want to be here but being a little bit more
4 realistic in terms of the numbers and what we'll have to defend
5 if asking for these exceptional items, we need to be prepared to
6 do that. If it exists, then that's fine. If we know that these
7 things are out there or if they're gut feeling or research or
8 anything that we have is indicating that, then let's go for it
9 but 12.5 and 12.5 per year and allow staff to really add another
10 close to 15 million dollars in there that might allow them to
11 get out. If we're wildly successful with it, then we come back
12 again. Also the innovation that we talked about, I think that's
13 something that's good that we've done it one way for a number of
14 years, and if there's anything that we can do to really meet the
15 needs that are out there and asking the questions and finding
16 out if meeting the needs of those employers and the like and the
17 type of training that they need, and if we can do anything
18 innovatively, then let's take advantage of doing just that. But
19 that's my comments. Full support of the initiative here. The
20 dollar amount kind of stands out only because I know what we've
21 had to do in the past to get the money out, and don't want us to
22 take on too much in that regard so that's my comments.

23 CHAIRMAN DANIEL: If I were you, Mary, I
24 would punt this next question to Chris but you're standing there
25 so I'm going to ask it. I have one additional concern. I support

1 the program, think it's probably ripe for a little bit of an
2 expansion, can certainly justify those things. In terms of
3 setting a dollar amount, I noticed that another item on today's
4 agenda would be riders for the agency. One of those riders that
5 we would be proposing is to—we're requesting and hoping to get
6 unexpended balance authority between fiscal years of the
7 biennium for TWC with regard to the Skills Development Fund.
8 Having been on sort of both sides of this issue, if I were a
9 legislative person, I would be concerned about an agency asking
10 for a fairly large dollar increase at the same time they're
11 asking for UB authority. I think there would be a lot of
12 questions there. Have we thought through maybe what the answers
13 to those questions might be?

14 CHRIS NELSON: Not completely. You are
15 correct. I think with the—historically with the Skills and then
16 once we got JET, they're both general revenue funded so we have
17 no inherent UB authority to move any unexpended balances
18 forward. Typically what we see at the end of the—as you stated,
19 at the end of the year, there's this flurry of activity going
20 through the procurement process, whether it's an RFA or not, the
21 contracting process, there's a scramble to get everything
22 committed by August 31st so we don't lapse anything. So the rider
23 was intended to help alleviate that, not that we would in a
24 sense what to punt anything into the next year. We still want to
25 have the goal of committing all the funds for that given year

1 but if it bleeds into September or something like that where
2 staff aren't killing themselves to try to get a contract
3 executed by August 31st, but you do bring up a good point that if
4 you're requesting funds at the same time you're asking for UB
5 authority, there could be a skeptical eye of, you know, is there
6 some other—are these two things joined together, and I would say
7 they are not joined together. The request for funds would be an
8 increase to service delivery. The UB authority is just to help
9 the contracting function so that we're committing everything but
10 we're not pushing things beyond what [inaudible] more time to be
11 done. But we would have to kind of—as we explain this, make sure
12 that these two are not related to each other. These are two
13 inherent separately requests, and there is nothing that joins
14 the two is probably how we would want to frame it.

15 COMMISSIONER ALVAREZ: I'm glad you asked
16 that question because I was going to ask you the same thing on
17 UB authority for the IRAPs if we didn't use all 50 million.

18 CHRIS NELSON: The way the rider is laid out
19 in this package that we'll talk about in a minute is specific to
20 the Skills and the JET appropriations so the IRAP funding would
21 not have that unless you specifically requested we add that.

22 CHAIRMAN DANIEL: All right, thank you. Any
23 other questions?

24 COMMISSIONER ALVAREZ: None here.

25

1 CHAIRMAN DANIEL: Let's do this. We've got
2 two, three things we need to do. We need to figure out which of
3 these we want. We need to figure out what the dollar amounts are
4 on what we'd like to request, and then we need to put these in
5 priority order so let's do, just for ease of considering this,
6 is there any item on here that someone objects to that we need
7 to take a vote on, or do we feel like all of these items should
8 be exceptional items?

9 COMMISSIONER ALVAREZ: I'm OK with the
10 exceptional items with the exception of the amounts.

11 COMMISSIONER DEMERSON: OK with the
12 exceptional items.

13 CHAIRMAN DANIEL: All right, on pre-
14 apprenticeship career pathways, it's laid out at 2.5 million in
15 fiscal 24, 5 million in fiscal 25, 7.5 million for the biennium.
16 Do we want to make any adjustments there?

17 COMMISSIONER ALVAREZ: Not me.

18 CHRIS NELSON: Except for your request for
19 the FTE?

20 COMMISSIONER DEMERSON: One FTE.

21 CHAIRMAN DANIEL: Yeah, I've got that noted
22 here. All right. On IRAPs we've got 20 million in fiscal 24, 20
23 million in fiscal 25 with a total of 40 million.

24 COMMISSIONER DEMERSON: Do you have any
25 problems on the dollar amount lower than the 40 million?

1 CHAIRMAN DANIEL: I think 40 is appropriate.

2 COMMISSIONER ALVAREZ: Personally, I think
3 that's a little high considering this is going to be our first
4 time. I'd be willing to negotiate to 5 million per year. I just
5 don't think we're going to get the 40, that money out along with
6 some of the other programs especially in 2024. That would be
7 really a lot of work for us to get employers—I mean we have to
8 explain. We have an issue right now explaining to employers what
9 IRAPs are, pre-apprenticeship is, even this agency has issues
10 sometimes identifying what the distinction is between the three.
11 I can tell you that's going to be a challenge. I'd be willing to
12 go and negotiate. I think it's a win-win if we roll this out. I
13 know you had asked for that, Commissioner Demerson, on your
14 statewide initiative.

15 COMMISSIONER DEMERSON: My statewide
16 initiative I think is—what's the dollar amount, about 600,000 or
17 something?

18 COMMISSIONER ALVAREZ: Yeah, yours wasn't
19 even a million.

20 COMMISSIONER DEMERSON: Yeah, it's low.

21 COMMISSIONER ALVAREZ: It was [inaudible].

22 COMMISSIONER DEMERSON: About a million
23 dollars or what have you, a smaller amount for sure but that's
24 just kind of based on conversations with some of the folks in
25 the industry wanting to get something out. I was pleased to see

1 this exceptional item coming forward at a larger amount so I
2 just kind of want to know the dollar amounts so we make sure
3 that what we're asking for, again going across the street asking
4 for exceptional items is always something that we're careful
5 about in that sense and so the dollar amounts, if we can justify
6 it, that's what I want to make sure that we're solid with that
7 and the industry is behind us in that regard.

8 COMMISSIONER ALVAREZ: Chris, we're getting
9 UB authority, right?

10 CHRIS NELSON: Say again.

11 COMMISSIONER ALVAREZ: We're getting UB
12 authority on this?

13 COMMISSIONER DEMERSON: No, not on this.

14 CHRIS NELSON: Not on this unless you
15 specifically request that we add it to the riders.

16 COMMISSIONER ALVAREZ: OK.

17 CHAIRMAN DANIEL: So do we think 5 million a
18 year is sufficient? I think staff can do better than that but if
19 that's all we think they can do—

20 COMMISSIONER DEMERSON: No, I think half of
21 what we have here where it's 10.

22 CHAIRMAN DANIEL: Ten and 10?

23 COMMISSIONER DEMERSON: Yeah, that's—I mean
24 you've had conversations—

25

1 CHAIRMAN DANIEL: Ten and 10 for a total of
2 20 I think works for me.

3 COMMISSIONER DEMERSON: I agree with that. I
4 think based on what we have here, asking for 20, what I've heard
5 from both you gentlemen with regards to apprenticeship and the
6 needs that are out there, I think we're observing a good model
7 and opportunity to take care of business here.

8 CHAIRMAN DANIEL: I would certainly agree to
9 10 and 10 for a total of 20 for the biennium.

10 COMMISSIONER DEMERSON: I'm solid here.

11 CHAIRMAN DANIEL: OK.

12 COMMISSIONER ALVAREZ: OK.

13 CHAIRMAN DANIEL: On JET, 7.5 for each of
14 the two fiscal years for a total of 15 million for the biennium.
15 Any concerns?

16 COMMISSIONER DEMERSON: None.

17 COMMISSIONER ALVAREZ: None here, chairman.

18 CHAIRMAN DANIEL: Civil rights at 650,000
19 for the biennium, six FTE, so that more or less becomes
20 permanent. What do we do when we get through the backlog?

21 CHRIS NELSON: This would just be for the
22 biennium. I think it would not be a request to increase our—

23 CHAIRMAN DANIEL: Not for the baseline?

24 CHRIS NELSON: Yes.

25

1 CHAIRMAN DANIEL: OK, got it. Any concerns,
2 questions?

3 COMMISSIONER ALVAREZ: None here, chairman.

4 CHAIRMAN DANIEL: Child care, pretty self-
5 explanatory, 35 gets you 52. Those are not [inaudible]. That's a
6 pretty good opportunity to pull down federal money really.

7 CHRIS NELSON: And part of this projection
8 is we had a—the FMAP rate determines how much match we have to
9 come up with. Everybody had a favorable FMAP rate during the
10 COVID years. That is projected to basically decrease which
11 increases the amount of match we have to come up with which is
12 the other predicament that we see ourselves in.

13 CHAIRMAN DANIEL: Right, all right, and then
14 Skills Development Fund.

15 COMMISSIONER ALVAREZ: I'm in agreement with
16 Commissioner Demerson on the 12.5 for the yearly for two years.

17 COMMISSIONER DEMERSON: As I mentioned, I'm
18 good with that.

19 MR. SERNA: Excuse me, commissioners, just
20 one quick thing. On this last item, the Skills Development Fund,
21 I would request that staff be allowed to determine if we need
22 additional FTEs to support any kind of an expansion of that if
23 we can. It wouldn't be a large number but still need to include
24 something in the exceptional item. We would not change the

25

1 amount that you all agree to but we would necessarily may need
2 to add one or two FTEs in order to execute that.

3 COMMISSIONER DEMERSON: I'm all for that
4 again having run the program, you need a team to do the work and
5 so I have no problems with that.

6 MR. SERNA: And the staff would be for
7 contract management, outreach. Outreach of course is what we-

8 CHAIRMAN DANIEL: We want to make sure it's
9 appropriately staffed because we need to be successful here. I
10 mean, what are we talking about? One FTE, maybe two FTEs?

11 MR. SERNA: Probably no more than two. I
12 would like for us to at least be able to get some numbers. Right
13 now it's dashed out, and if it's OK with the author, we'd like
14 to be able to include it.

15 COMMISSIONER ALVAREZ: I'd be OK with that.

16 CHAIRMAN DANIEL: I don't have an issue with
17 that either.

18 COMMISSIONER ALVAREZ: I'm OK with that.

19 CHAIRMAN DANIEL: So on all of these
20 exceptional item requests, staff needs to go through these and
21 make sure the fundamental facts are correct, make sure the FTE
22 counts are correct, and make sure that our rationales are
23 correct. So for example, I'm asking that this language on
24 Chapter 133 for pre-apprenticeship, I'm asking that it be
25 cleared up and we present a more direct case. I like the

1 argument about the MC3 programs. I like the tieback to the local
2 education agencies and the apprenticeship committees, and I
3 think that the legislature would want to know those things. I
4 think there's a good story to tell there, and I'd really like to
5 see that reflected in this exceptional item request. We will get
6 a chance to talk about this but it will be—the description will
7 be read way more often than our verbal explanation of things
8 that are going to happen. Same thing on the IRAPs. If we need to
9 go through and sort of clean this up in terms of making our case
10 and which industries, we definitely have, what, several days to
11 get that done. I don't think that's huge. JET, as
12 straightforward as this is, let's let staff give this an
13 additional reading and make sure that we still agree with this.
14 Civil rights, child care, we're pretty straightforward. Then on
15 the Skills one, these dollar amounts need to be fixed because
16 there's JET money included in the Skills money and I want to
17 make sure it's apples to apples when we're talking to the
18 legislature about this. I don't have an argument on the 12.5 for
19 the fiscal year if we think that we can spend that, and
20 certainly the addition of up to two FTEs to handle that, I don't
21 think is a bad idea either.

22 COMMISSIONER DEMERSON: Chairman, also on
23 the Skills Development Fund exceptional item, we have something
24 that's dual credit that's in here and so making sure we're clear
25 on that as well, the dual credit portion of it.

1 CHAIRMAN DANIEL: Well, isn't dual credit
2 statutorily, is it 5 percent of the Skills Development Fund
3 allocation? Is that right? It's some statutory percentage.

4 COMMISSIONER DEMERSON: It's a certain
5 percentage but just making sure that we're set and understanding
6 that as well.

7 CHAIRMAN DANIEL: Five or 10? It's 5
8 percent. Mary York says it's 5 percent.

9 COMMISSIONER DEMERSON: OK.

10 CHAIRMAN DANIEL: Les did not shake his head
11 so I think that's probably accurate.

12 COMMISSIONER ALVAREZ: Don't be guessing
13 now.

14 CHAIRMAN DANIEL: No, I think she knows. I
15 think she's got her computer back there. The addition of 12.5
16 percent would just be another 600,000 that could potentially go
17 for dual credit which I also think is a good program so, OK. I
18 think we're in agreement here. I'm just going to give biennial
19 totals, 7.5 on pre-apprenticeship, 20 on IRAP, 15 on JET,
20 650,000 on civil rights, 35 million on child care, and a total
21 of, what is that, 25 million on additional for Skills
22 Development Fund. How will we—I guess it's just the way we sort
23 of restructure this a little bit to indicate that it's for
24 Skills and not for the whole Skills budget item which includes
25 JET. We want to be extra clear on that.

1 CHRIS NELSON: Correct. We'll go back
2 through all because typically what we use is these kind of
3 summary documents, whether we're briefing LBB, the governor's
4 office, or other legislators. We'll clean up the language in
5 this and make it as concise and to the point that we want
6 because that will because in a sense our briefing document so
7 we'll clean up the language in Skills and review all of these to
8 make sure that the language is accurate and reflects what we're
9 asking for and why we're asking for it.

10 CHAIRMAN DANIEL: OK, any objections?

11 COMMISSIONER ALVAREZ: No objections.

12 CHAIRMAN DANIEL: We need to order these?

13 CHRIS NELSON: That is correct.

14 CHAIRMAN DANIEL: All right. We've got a
15 couple ways we can go about this. Just to make this expedient,
16 this is my thinking. This is just my reaction to this. I would
17 probably advance child care as the number one priority on the
18 exceptional items simply because it enables us to pull down a
19 large chunk of federal funding and get child care for 13,000
20 more kids which means that many more parents can go to work. I
21 would probably be inclined to put the civil rights request since
22 that's a workload request, it impacts peoples' rights. Probably
23 put that in as second. After that I think it becomes sort of a
24 matter of interest but I would advocate for one and two being

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1 child care and civil rights in that order but if there's an
2 objection, we need to talk about it right now.

3 COMMISSIONER DEMERSON: That's the one and
4 two I had on my list.

5 COMMISSIONER ALVAREZ: I object.

6 CHAIRMAN DANIEL: OK, tell us your thoughts.

7 COMMISSIONER ALVAREZ: So my thoughts are
8 big. Of course I understand child care, the value of child care,
9 and I also appreciate the money that the federal government has
10 been giving us. I appreciate the work Bryan Snoddy has done with
11 civil rights but I'm looking at opportunities here for us to do
12 a really good job of marketing what this great agency has done
13 for many years and we continue to do. So my order was to—I do
14 like the opportunity to increase the JET funding was one. I
15 think of all the things we talk about, that's certainly one. I
16 also like—obviously I'm going to support pre-apprenticeship as
17 number two, and then I was going to choose child care as number
18 three.

19 CHAIRMAN DANIEL: I'll tell you what. Let me
20 do this just so we can complete this discussion. I'll give you
21 the order I had. I expect everybody's to be different. This is
22 just to inform the discussion. Were it left up to me and it's
23 not, it's a consensus here or certainly a majority, I would have
24 child care one, civil rights two, JET three, pre-apprenticeship
25 four, IRAP five, and Skills six. Skills goes sixth because I

1 think that's our biggest reach. I think it's justifiable but I
2 think it's one where we're kind of reaching for growth and we
3 need to explain that. I've said on child care and civil rights
4 why. JET, I think we agree on. Even if it's three, it's my first
5 sort of non-operations deal. I think pre-apprenticeship is kind
6 of key to building support there. IRAP would then come in behind
7 pre-apprenticeship, and I've explained Skills. That's how I
8 would do it. Let's talk about it. Let me hear kind of your one
9 through six and we'll see where we align and don't align.

10 COMMISSIONER ALVAREZ: Chairman, I'd be OK
11 with child care, civil rights being, child care one, civil
12 rights two but I would—again because of the interest and because
13 of just the momentum we have now with the health care
14 apprenticeship initiative that's going on and some of the other
15 things we have, I would put pre-apprenticeship as number three.
16 I would put JET number four, Skills number five.

17 CHAIRMAN DANIEL: Commissioner Demerson?
18 I'll give you a chance to calculate.

19 COMMISSIONER DEMERSON: No, I'm good. So you
20 and I are pretty much in agreement. We just transpose one area.
21 Child care and civil rights one and two because they are staff
22 recommendations and I want to definitely push that out. For me
23 the JET program is number three, and then because I represent
24 the employers here in the state, I went with the industry-
25 recognized apprenticeship program being number four, pre-

1 apprenticeship program being number five, and then the Skills
2 initiative being the last. I don't know if I have six items or-

3 CHAIRMAN DANIEL: There are supposed to be
4 six so I'm—you had child care, civil rights, JET, and the fourth
5 was?

6 COMMISSIONER DEMERSON: Was going to be the
7 IRAP.

8 CHAIRMAN DANIEL: IRAP, and then five pre-
9 apprenticeship.

10 COMMISSIONER DEMERSON: And then JET sixth.

11 CHAIRMAN DANIEL: I think we do have those
12 two inverted. I would have put pre-apprenticeship before
13 [inaudible].

14 COMMISSIONER DEMERSON: I'm OK either way. I
15 love both of the programs but I represent the employers and I
16 wanted—

17 CHAIRMAN DANIEL: That's a fair point, very
18 fair point.

19 COMMISSIONER ALVAREZ: Chairman, after
20 listening to your and Commissioner Demerson's recommendation on
21 the order, I will agree to your order.

22 CHAIRMAN DANIEL: All right, the one I laid
23 out?

24 COMMISSIONER ALVAREZ: Yes, the one you laid
25 out.

1 CHAIRMAN DANIEL: The one I laid out was
2 child care, civil rights, JET, pre-apprenticeship, IRAP, and
3 Skills.

4 COMMISSIONER DEMERSON: I can agree.

5 COMMISSIONER ALVAREZ: I would agree with
6 that.

7 CHAIRMAN DANIEL: Staff, did you capture
8 that?

9 CHRIS NELSON: We have it.

10 CHAIRMAN DANIEL: Commissioner Alvarez, if
11 you would—

12 COMMISSIONER ALVAREZ: I agree with that.

13 CHAIRMAN DANIEL: Let's make a motion to—do
14 we need to make a motion at this point since we agreed by
15 acclamation, Mr. Trobman?

16 MR. TROBMAN: Make sure it's summarized
17 accurately.

18 COMMISSIONER ALVAREZ: Make the motion and
19 I'll second that or Commissioner Demerson can.

20 CHAIRMAN DANIEL: I move we approve the
21 capital exceptional items as part of the 2024-2025 Legislative
22 Appropriations Request as presented by staff today, and then I
23 move that we adopt the exceptional items as laid out by the
24 commissioners. We had amended dollar amounts that we had an
25 extensive discussion of, and those will be in the transcript. I

1 stated those plainly at the end of the discussion, and the order
2 in which we would do them I stated plainly at the end of the
3 discussion that will be in the transcript. That's my motion.

4 COMMISSIONER DEMERSON: Second.

5 COMMISSIONER ALVAREZ: I agree with that.

6 CHAIRMAN DANIEL: It's been moved and
7 seconded. We're unanimous in the vote. We'll move to Agenda Item
8 11, TWC rider revisions appropriations request.

9 CHRIS NELSON: For the record, Chris Nelson,
10 chief financial officer again. The next document lays out staff
11 recommended rider revisions to our bill pattern as part of our
12 LAR. Most of the changes reflect changes to the biennium years
13 and strategy changes as TWC changed its budget structure as part
14 of our strategic plan submitted this past spring. Other key
15 changes include removing rider three so the UI program would use
16 consistent authority to increase its federal funds found in
17 Article IX that's used for all other federal programs, adding an
18 industry-based certification advisory council to our bill
19 pattern so we may reimburse travel costs consistent with the
20 intent of House Bill 3938 this past session, removing the child
21 care transferability rider since all of our direct child care
22 costs are now on one strategy since the strategy change in our
23 strategic plan, adding UB authority for the child care system
24 replacement and VR system replacement systems due to the size
25 and lengths of these IT projects, requesting UB authority for

1 the JET and Skills strategies from the first year of the
2 biennium to help ensure we commit all the funds for their
3 intended purpose while also ensuring adequate timelines for
4 procurement and contracting execution, and lastly, requesting
5 100 percent transferability between JET and Skills strategies to
6 ensure all funds are utilized in the event demand in one
7 increases and/or decreases in another such as we saw during
8 COVID. That concludes my comments and I'd be happy to answer any
9 questions.

10 CHAIRMAN DANIEL: Any questions or comments?

11 COMMISSIONER ALVAREZ: Chairman, just for
12 clarification, since we did ask for funding on the IRAPs, is
13 this something we need to add to that on the UB authority in
14 case we don't use it all? I'd be OK with that.

15 CHAIRMAN DANIEL: I don't know how to do
16 that, commissioner, on an exceptional item in terms of a rider
17 request. Generally riders deal with concrete items. We could put
18 it in the exceptional item request.

19 CHRIS NELSON: I believe we could add that
20 to the language, justification language of the exceptional item
21 requesting the amount—

22 CHAIRMAN DANIEL: That would [inaudible].

23 COMMISSIONER ALVAREZ: OK, I'm fine with
24 that.

25 CHRIS NELSON: UB authority for that amount.

1 COMMISSIONER ALVAREZ: I'd be OK with that.

2 CHAIRMAN DANIEL: Yeah, no objection.

3 COMMISSIONER ALVAREZ: No other further
4 comments from here.

5 COMMISSIONER DEMERSON: None here.

6 CHAIRMAN DANIEL: Is there any other
7 questions or comments about rider revisions?

8 COMMISSIONER ALVAREZ: None here.

9 COMMISSIONER DEMERSON: None.

10 CHAIRMAN DANIEL: Is there a motion?

11 COMMISSIONER ALVAREZ: I move that we
12 approve the rider revisions as presented by staff.

13 COMMISSIONER DEMERSON: Second.

14 CHAIRMAN DANIEL: It's been moved and
15 seconded. We're unanimous on that vote.

16 CHRIS NELSON: Thank you.

17 CHAIRMAN DANIEL: Thank you. This is Agenda
18 Item 12, JET advisory board recommendations for FY 2022 grants.

19 MATT SNIADOCKI: Good morning, chairman,
20 commissioners, Director Serna. For the record, my name is Matt
21 Sniadecki, program manager for the Jobs and Education for Texans
22 program, Outreach and Employer Initiatives Division. The FY 2022
23 Jobs and Education for Texans request for applications were
24 issued on March 17, 2022, for grant awards for public colleges,
25 public technical institutes, and public state colleges, and on

1 April 20, 2022, for grant awards to Texas independent school
2 districts, open enrollment charter schools, and the Windham
3 School District. Two hundred and 55 total applications were
4 received, 48 applications from institutions of higher education,
5 and 207 applications from open enrollment charter schools and
6 school districts. On July 28, 2022, the JET advisory board made
7 the following recommendations to the commission regarding the FY
8 2022 JET awards to recommend the commission to direct staff to
9 move forward with awarding grants based on their final
10 evaluation score. Staff seeks direction regarding JET awards for
11 FY 2022 as recommended by the JET advisory board, and allows
12 staff the ability to move down the list 50 points and above as
13 funds become available during contract negotiations. I'd be
14 happy to answer any questions.

15 CHAIRMAN DANIEL: Any comments or questions?

16 COMMISSIONER ALVAREZ: Chairman, I just have
17 one comment. It is great to see the reach and impact that these
18 grants will have on training our future workforce. This program
19 is one of many that illustrates the importance of TWC's
20 involvement with youth initiatives.

21 COMMISSIONER DEMERSON: Good work.

22 CHAIRMAN DANIEL: Point of clarification. If
23 people drop out, people decide not to proceed, Chris finds money
24 in the budget sometimes as all these things happen. Does our
25 vote today give staff sufficient latitude that no matter the

1 source of additional funds, if they have to move down, that
2 keeping that 50 point in mind, they can get any eligible
3 applicant as long as the money lasts, and the advisory board is
4 aware of that and approve the same so is that correct? That's
5 correct. All right, do we have a motion on this issue?

6 COMMISSIONER ALVAREZ: Chairman, I accept
7 and approve the JET advisory board recommendations concerning
8 fiscal year 2022 grants to public junior colleges, public
9 technical institutes, public state colleges, open enrollment
10 charter schools, and school districts, and direct staff to award
11 grants moving down the list of eligible applicants scoring 50
12 points and above as funds become available during contract
13 negotiations.

14 COMMISSIONER DEMERSON: I second.

15 CHAIRMAN DANIEL: It's been moved and
16 seconded. We're unanimous. Thank you. This is Agenda Item 13,
17 JET advisory board recommendations for FY 2023, program funding
18 and parameters.

19 MATT SNIADOCKI: Good morning again. For the
20 record, Matt Sniadecki, program manager for the Jobs and
21 Education for Texans grant program. TWC was appropriated 7.52
22 million for fiscal year 2023 for use by the Jobs and Education
23 for Texans program. On July 28, 2022, the JET advisory board met
24 to discuss the program parameters and funding allocation for
25 FY23. At the July 28th meeting, the following recommendations

1 were made to the commission regarding FY23 program parameters
2 and funding. The first would be funding allocation that will be
3 split 40 percent IHEs, 60 percent open enrollment charter
4 schools and school districts. The second would be the minimum-
5 maximum grant amount that is recommended to be set at 40,000 at
6 the minimum and 350,000 as the maximum. The third would be the
7 number of applications per eligible applicant. IHEs would be
8 afforded one application per eligible applicant as well as open
9 enrollment charter schools and school districts receiving one
10 application per eligible applicant. Number four would be the
11 minimum point threshold at 50 points. Staff seeks direction
12 regarding the adoption and implementation of the program
13 parameters for FY2023 as recommended by the JET advisory board.

14 CHAIRMAN DANIEL: Comments or questions?

15 COMMISSIONER ALVAREZ: None here except
16 thanks, Matt, for the great work you've done, you and your team.

17 CHAIRMAN DANIEL: All right, is there is a
18 motion?

19 COMMISSIONER ALVAREZ: Chairman, I move that
20 we adopt and implement the program parameters for fiscal year
21 2023 as recommended by the JET advisory board.

22 COMMISSIONER DEMERSON: I second.

23 CHAIRMAN DANIEL: It's been moved and
24 seconded. We're unanimous. Thanks, Matt.

25

1 COMMISSIONER DEMERSON: Has Matt been up
2 here before?

3 CHAIRMAN DANIEL: It's not his first time,
4 no.

5 COMMISSIONER ALVAREZ: He just had shorter
6 hair.

7 CHAIRMAN DANIEL: Yeah, you don't recognize
8 him from the hair style but, yeah, he's been here before. Is
9 there a legislative report today?

10 MR. SERNA: No, sir.

11 CHAIRMAN DANIEL: How about an executive
12 director's report?

13 MR. SERNA: Also, no, sir.

14 CHAIRMAN DANIEL: Is there any other order
15 of business to come before the commission?

16 COMMISSIONER ALVAREZ: Chairman, I'd like to
17 acknowledge something that's taking place today. The 85th
18 anniversary of the National Apprenticeship Act which is also
19 known as the Fitzgerald Act, was enacted on August 16, 1937,
20 which established the nation's apprenticeship system. The Office
21 of Apprenticeship will commemorate the 85th anniversary of the
22 Act to celebrate the success of registered apprenticeships over
23 the past 85 years while engaging the public and our stakeholders
24 to share feedback on how we can continue to modernize,
25 diversify, strengthen, and expand registered apprenticeship

1 moving forward. The 85th anniversary celebratory activities will
2 begin on August 16, 2022, and take place throughout the rest of
3 the year to highlight the value of registered apprenticeship in
4 building our economy, providing access to good-quality jobs,
5 advancing racial and gender equality and supporting underserved
6 communities. A couple of things I'd like to acknowledge. We are
7 launching the Apprenticeship USA brand, hosting a national
8 online dialogue, and then of course we had our kickoff yesterday
9 with the Department of Labor but just wanted to acknowledge
10 that.

11 COMMISSIONER DEMERSON: Congratulations on
12 that. Chairman, I wanted to talk about an event or mention an
13 event I attended last week in San Antonio with the Alamo
14 Workforce Solutions Alamo team. They actually are partnering
15 with the food bank and they've placed an office inside the food
16 bank which is very creative, first of its kind. Adrian Lopez and
17 the team kicked that initiative off, and it was well received
18 with a number of individuals coming in looking for food, and so
19 if you're in that position, you may be in a position of needing
20 access to a job or a career as well. It was well received with
21 the mayor and a state senator in attendance, and the
22 congressman's office as well but wanted to applaud the efforts
23 of Adrian and his team with that initiative.

24 CHAIRMAN DANIEL: Is there any other order?
25 Is there a motion to adjourn?

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COMMISSIONER ALVAREZ: Chairman, I move that
we adjourn.

COMMISSIONER DEMERSON: Second.

CHAIRMAN DANIEL: It has been moved and
seconded to adjourn, and we are adjourned.