



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

OCTOBER 18, 2022

1 Tuesday, October 18, 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: Good morning, commissioners,
6 Les Trobman, general counsel. We have one person who did
7 register, Rishem Muhammad. Mr. Muhammad, if you're there go
8 ahead and unmute yourself and please begin. I don't believe he's
9 on the line so that's what we have. Thanks.

10 CHAIRMAN DANIEL: Thank you, Mr. Trobman.
11 Good morning, Ms. Miller.

12 MS. MILLER: Good morning, sir.

13 CHAIRMAN DANIEL: The motion passes with the
14 exceptions noted. That brings us to the end of Agenda Items 3
15 through 7. Let's take a short break.

16 CHAIRMAN DANIEL: This is Agenda Item 8,
17 final rules for 40 TAC Chapters 800 and 805.

18 MAHALIA BALDINI: Good morning, Chair
19 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.
20 Serna. For the record, Mahalia Baldini with the Workforce
21 Development Division. On August 5, 2022, the commission approved
22 proposed amendments to TWC rules in Chapter 800 entitled General
23 Administration, and Chapter 805 entitled Adult Education and
24 Literacy. Chapter 800 proposed rules provide the commission
25 flexibility when deobligating AEL statewide funds and consider

1 AEL grant recipients' performance in the reallocation of those
2 funds. Chapter 805 proposed rules provide modifications to the
3 AEL requirements and provides updated terms and definitions. The
4 proposed rule amendments were published in the Texas Register
5 for a 30-day public comment period and no comments were
6 received. Staff recommends adopting the amendments for Chapter
7 800 and Chapter 805 as outlined in your notebook materials.
8 Should the commission adopt these rules, staff requests the
9 ability for minor nonsubstantial changes in order to conform to
10 the publication requirements for the Texas Register. This
11 concludes my presentation and I'm happy to answer any questions
12 that you may have.

13 CHAIRMAN DANIEL: Comments or questions?

14 COMMISSIONER ALVAREZ: None here, chairman.

15 COMMISSIONER DEMERSON: None.

16 CHAIRMAN DANIEL: Is there a motion?

17 COMMISSIONER ALVAREZ: Chairman, I move that
18 we adopt amendments to 40 TAC Chapter 800, 805 as recommended by
19 staff.

20 COMMISSIONER DEMERSON: Second.

21 CHAIRMAN DANIEL: It's been moved and
22 seconded. We're unanimous. Thank you. This is AEL Advisory
23 Committee membership.

24 MAHALIA BALDINI: Good morning again. For
25 the record, Mahalia Baldini, Workforce Development Division.

1 Texas Labor Code Chapter 315.005 in the Texas Administrative
2 Code, Rule Chapter 805.43 require that the Texas Workforce
3 Commission establish an adult education and literacy advisory
4 committee. The advisory committee must not be composed of more
5 than nine members and must include both a business
6 representative as well as local Workforce Development Board
7 representative. At this time the committee does not have
8 representation from the business community. As such, staff seeks
9 direction on appointing Leslie Cantu, the assistant vice
10 president of administration for Toyotetsu to fulfill this
11 requirement to serve on the AEL Advisory Committee for a two-
12 year term that would end October of 2024. This concludes my
13 remarks and I'm happy to answer any questions.

14 CHAIRMAN DANIEL: Comments or questions?

15 COMMISSIONER ALVAREZ: Mahalia, I love
16 Leslie Cantu so great choice.

17 MAHALIA BALDINI: Thank you.

18 COMMISSIONER DEMERSON: I second those
19 thoughts. Leslie is coming to us. She also serves I believe as a
20 board chair of our Alamo Workforce Solutions office team as well
21 so excellent choice.

22 MAHALIA BALDINI: She does.

23 COMMISSIONER DEMERSON: Excellent choice.
24 Thank you.

25 CHAIRMAN DANIEL: Is there a motion?

1 COMMISSIONER ALVAREZ: I move that we
2 appoint Leslie Cantu to serve on the AEL Advisory Committee for
3 a two-year term as discussed by staff.

4 COMMISSIONER DEMERSON: Second.

5 CHAIRMAN DANIEL: It's been moved and
6 seconded. We're unanimous. Thank you. This is Agenda Item 10,
7 final rules for 40 TAC Chapter 800, Tax Refund for Wages Paid to
8 Employees Receiving Financial Assistance.

9 SHUNTA WILLIAMS: Good morning, chairman,
10 commissioners, and Mr. Serna. For the record, Shunta Williams
11 with the Workforce Development Division. Commissioners, before
12 you today for your consideration and adoption are final rule
13 amendments to Chapter 800, General Administration. In an open
14 meeting on August 9, 2022, the commission approved proposed
15 amendments to clarify the requirements and eligibility
16 determination relating to tax refund for wages paid to employees
17 receiving financial assistance as outlined in your notebook
18 materials. The proposed rule amendments were published in the
19 August 26, 2022, issue of the Texas Register for a 30-day public
20 comment period with no comments received. Staff recommends
21 adopting the amendments to Chapter 800, and requests the ability
22 to make minor nonsubstantive changes to the document in order to
23 comply with publication requirements of the Texas Register and
24 the Office of the Secretary of State. This concludes my

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1 presentation and I'm available to answer any questions you may
2 have.

3 CHAIRMAN DANIEL: Any comments or questions?

4 COMMISSIONER ALVAREZ: So nice to see you,
5 Shunta.

6 SHUNTA WILLIAMS: Thank you.

7 COMMISSIONER DEMERSON: None here.

8 CHAIRMAN DANIEL: Is there a motion?

9 COMMISSIONER ALVAREZ: I move that we
10 approve and adopt final rules for Chapter 800, Tax Refund for
11 Wages Paid to Employees Receiving Financial Assistance.

12 COMMISSIONER DEMERSON: Second.

13 CHAIRMAN DANIEL: It's been moved and
14 seconded. We're unanimous.

15 SHUNTA WILLIAMS: Thank you.

16 CHAIRMAN DANIEL: This is Agenda Item 11,
17 Board Nominations.

18 CHERIE DUDLEY: Good morning, chairman,
19 commissioners, and Mr. Serna. For the record, Cherie Dudley with
20 the Workforce Development Division. Today for your consideration
21 we have Workforce Board nominations for Borderplex, Concho
22 Valley, North Central Texas, Heart of Texas, Greater Dallas,
23 Gulf Coast, Northeast Texas, Rural Capital Area, and South
24 Plains. Staff recommends approval on the presented nominees, and
25 I'm here to answer any questions you may have.

1 CHAIRMAN DANIEL: Any questions or comments?

2 COMMISSIONER ALVAREZ: None here.

3 COMMISSIONER DEMERSON: None here.

4 CHAIRMAN DANIEL: We never have any
5 questions. Is there a motion?

6 COMMISSIONER ALVAREZ: I move to approve the
7 board nominees for Borderplex, Concho Valley, North Central
8 Texas, the Heart of Texas, Greater Dallas, Gulf Coast, Northeast
9 Texas, Rural Capital Area, and South Plains.

10 COMMISSIONER DEMERSON: I second.

11 CHAIRMAN DANIEL: It's been moved and
12 seconded. We're unanimous. Thank you.

13 CHERIE DUDLEY: Thank you.

14 CHAIRMAN DANIEL: Is there an executive
15 director's report today? [Inaudible] Oh, we sure do. I skipped
16 ahead. I was trying to somehow put that out of my mind. This is
17 Agenda Item 12, Estimated Unemployment Trust Fund Balance Report
18 to the Governor, and legislative leadership. It's a good report,
19 too. I don't know why we [inaudible]. It is, no, not an issue.
20 It's an important issue. We don't want to do ranges here.

21 CHRIS NELSON: Good morning, chairman,
22 commissioners, Mr. Serna. For the record, Chris Nelson, chief
23 financial officer. Before you is the final kind of projection
24 for 2022 and it's very close to the actuals that will be
25 computed as of October 1st, and I'll walk through the document

1 and kind of highlight and recap what happened in 2022. On
2 October 1, 2021, we started with a 5.8-billion-dollar deficit.
3 We paid out almost 2.6 billion dollars or we collected 2.6
4 billion dollars in remittances from employers but we also
5 received 6.9 billion dollars in SBA ARPA funds to help replenish
6 the trust fund. That leaves basically a 2.1-billion-dollar trust
7 fund balance as of October 1, 2022. In the past couple years,
8 you'll be reminded that we brought before discussion papers for
9 the commission to contemplate adjusting the deficit tax and
10 replenishment tax. With the trust fund balance at 2.1 billion,
11 there is no need for that. We are working right now with the
12 unemployment insurance folks to provide them the total benefits
13 paid ending September 30th. That will be used to calculate the
14 normal tax rates that just happens on an annual basis but there
15 should not be any reason for a commission action item. It would
16 just be whatever the rates are calculated based off employer
17 experience rates. One other thing to note, a couple other things
18 to note is on 3.04 at the time this report was created, it
19 wasn't done yet but we did transfer, because we were above the
20 floor where we computed at 1.285 billion, because we were above
21 the floor on September 1st and projected to be October 1st, we do
22 transfer from the ETIA fund 19.9 million from that fund to fund
23 the Skills appropriation. It doesn't mean we doubled the Skills
24 appropriation but the regular general revenue we received just
25 goes back to the comptroller's office but the ETIA fund does

1 fund the Skills appropriation in those years when we're above
2 the trust fund. So when I report the next quarter, you'll see
3 that reflected in the 2022 column. Another thing to note is
4 right now we don't have any data on the non-LEU employers and
5 the potential for reversal of chargebacks. We're working with
6 unemployment insurance now. Hopefully in probably December I'll
7 start bringing projections for the end of 2023. We're hoping to
8 be able to quantify what that impact would be and have that
9 reflective of any projections we do hopefully in December. Right
10 now, we don't have any information on what the impact would be
11 but in future reports we should have something on that. That was
12 all I had. I'd be happy to answer any questions.

13 CHAIRMAN DANIEL: Any comments or questions?

14 COMMISSIONER ALVAREZ: None here.

15 COMMISSIONER DEMERSON: None.

16 CHRIS NELSON: Thank you. I'd also like to
17 just note that in the audience is Antonius [SP] Garcia and
18 Giovanni [SP] Lopez. They are two high school seniors, and they
19 are job shadowing me and hopefully future business majors, major
20 in accounting and business, and so they are job shadowing me
21 today. Hopefully I won't turn them into the health care
22 profession.

23 CHAIRMAN DANIEL: Make some time to come by
24 my office so I can tell you what he really does [inaudible]. Do
25 we need a motion on this, Chris?

1 CHRIS NELSON: No, it's just informational.

2 CHAIRMAN DANIEL: Thank you very much.

3 COMMISSIONER ALVAREZ: Thank you, buddy.

4 CHAIRMAN DANIEL: No, but seriously sometime

5 this afternoon stop by. I've got a lot to share. All right, Mr.

6 Serna, I think I accomplished the whole agenda at this point. Is

7 there an executive director's report?

8 MR. SERNA: I have no executive director's

9 report. I'm not going to prolong this meeting.

10 CHAIRMAN DANIEL: So much suspense

11 [inaudible]. Is there any other order of business to come before

12 the commission?

13 COMMISSIONER ALVAREZ: Chairman, I'd like to

14 introduce everyone our new attorney that's joined our staff.

15 Holly Aspan who is joining us. Holly, if you could stand, thank

16 you for—she's been filling in for a couple of, I guess, almost a

17 couple of years now and so we're excited that she finally

18 applied for the position that was vacant so we're glad to have

19 her so Holly, welcome aboard.

20 COMMISSIONER DEMERSON: Chairman, a number

21 of things real quick. Chris, what high school are they from? I

22 don't know if I missed that.

23 CHRIS NELSON: Harmony Science Academy.

24 COMMISSIONER DEMERSON: Harmony Science

25 Academy, glad to have you guys here. A couple of quick things.

1 We've been working out across the state and just a number of
2 things I just want to share and highlight. I had an opportunity
3 to go to Temple, Texas, with Commissioner Alvarez and
4 [inaudible]. We had a We Hire Ability ceremony there. Susan
5 Collins with the local board joined us at that activity, and her
6 and her team very well done. We also had an opportunity to be in
7 Nacogdoches, Texas, and I'm sharing this because of the
8 feedback, Ed. I want you to know that Senator Nichols really
9 appreciated the work that the agency was doing, shared those
10 comments publicly about his support of TWC. He was there with
11 Representative [inaudible], chairman, and also [inaudible] as
12 well, and he recognized James White and a lot of positive
13 attributes about what the Workforce Commission has been doing
14 and the like. We were there at the request of Nancy Windham that
15 was on a panel with Robert Allen and Adriana Cruz talking about
16 economic development, workforce, and the like. Mark Durand, our
17 local Workforce Solutions office team was there as well. I
18 wanted to also just say thanks to Julia and her team. We just
19 recently completed our TCEs across the state, put a number of
20 those things on. That work doesn't take place without the hard
21 work of my team but also the team that Julia and her team being
22 there [inaudible] number of requests that we had so we continue
23 to appreciate the work that they're doing there as well. Lastly,
24 a couple of things. Our Texas Interns Unite! event, we were in
25 Dallas [inaudible] the boots on the ground for all activities

1 were very supportive of those efforts. White Cane Day was
2 phenomenal with Cheryl Fuller and her team. Appreciate what
3 they're doing for employers that are out there but that
4 particular day was one of special interest to me, and really
5 appreciated the opportunity to participate in that activity once
6 again. Chairman, that's all that I have to say.

7 CHAIRMAN DANIEL: All right, thank you. Is
8 there a motion to adjourn?

9 COMMISSIONER ALVAREZ: I move that we
10 adjourn.

11 COMMISSIONER DEMERSON: I second that
12 motion.

13 CHAIRMAN DANIEL: It's been moved and
14 seconded to adjourn, and we're adjourned.

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