



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

JUNE 13, 2023

1 Tuesday, June 13, 2023

2 CHAIRMAN DANIEL: Good morning,
3 everyone. This meeting is called to order. Mr. Trobman, has
4 anyone signed up for public comment?

5 MR. TROBMAN: No, sir.

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

8 MS. GONZALES: Good morning.

9 CHAIRMAN DANIEL: The motion passes with the
10 exceptions noted which brings us to the end of Agenda Items 3
11 through 7. We'll take a short recess.

12 MS. GONZALES: Thank you.

13 CHAIRMAN DANIEL: All right, let's start
14 back with Agenda Item 8, Statewide Initiatives for the Fiscal
15 Year 2024, TWC Itemized Operating Budget.

16 CHRIS NELSON: Good morning, chairman,
17 commissioners, Mr. Serna. For the record, Chris Nelson, chief
18 financial officer. As we prepare building the 2024 operating
19 budget, we are bringing forward today one component of that
20 which is a statewide initiative budget. The document you have
21 before you lays out the initiatives by child care, TANF,
22 statewide WIOA, adult ed, and employment services, and also the
23 groupings of veterans' initiatives and middle skills. With child
24 care, because there is significant increases in child care,
25 there is some other documentation behind the schedule that

1 justifies those increases but most of the WIOA, adult ed, and
2 TANF, by and large largely minor decreases for the most part,
3 some minor increases. One thing to note I'll lay out, on page
4 four, the yellow row, row 22, the commission statewide budget
5 for 24 is 8.8 million. WIOA funds come with a three-year life
6 cycle. This 8.8 million is probably a mix of the new grant we're
7 getting here in July but it could include prior years so I would
8 recommend if commissioners have ideas for using that, because of
9 the contracting and procurement timelines, if you wait a year to
10 make a decision on utilizing that fund, you've got to build in
11 sometimes a six to nine-month procurement life cycle so you're
12 into almost year three before you really get anything off the
13 ground so if you have ideas, I would definitely not wait until
14 the end of next summer before you start coming up with ideas and
15 working with staff on that. The same for the adult ed. Adult ed
16 is not quite three years. It's a two-year life cycle but same
17 thing, if you have ideas now or in the near future, bring that
18 up and don't wait too much longer because you've got to factor
19 in that procurement life cycle as well. Those are my only
20 comments. I think there's program staff here to answer any
21 questions if there are any as well but I'd be happy to answer
22 any questions if I can.

23 CHAIRMAN DANIEL: All right, any comments or
24 questions?

25 COMMISSIONER DEMERSON: None here.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMISSIONER TREVIÑO: None here.

CHAIRMAN DANIEL: I have an amendment. It's a short one and I'll explain it. It may or may not—I don't have any specific questions. I do have maybe one comment for you, Chris, and staff in general. We're getting—I think we're getting a lot more in-depth information about this budget as we consider it so thank you to all the folks who work on that. I mean I had our hopes up today that Irene was going to be talking and now you're here but, in all seriousness, you guys, program staff, the amount of work that goes into this is obvious. We're getting really good data. I see that we're doing a much more of a deep dive relative to expenditure data, historical data, and I've had several conversations with programmatic staff about performance data, and there's a better trove of that. These are all really useful things to us here on the commission. What I would ask staff to do is to continue down that path and really position us for the potential to sunset some programs, enhance some programs if the historicals really show us that. Your very gentle admonition to us to not take our sweet time about passing initiatives is well received as far as I'm concerned, and I think part of that is us understanding which of our existing programs are performing, which ones perhaps aren't performing as expected, and which ones might perform better with simply just a tweak to the way they perform so I appreciate you saying that. I think you're right. When we come back around to this at the end,

1 commissioners, I'm going to propose that we set up a work
2 session soon, sooner rather than later this summer to talk about
3 the statewide balances, what's left in WIOA, TANF, adult ed, and
4 some other things, and for us to have a thoughtful discussion
5 about where we see the commission heading and how those are
6 performing. As Chris well knows and Commissioner Demerson
7 certainly does and Commissioner Treviño I think will understand
8 this, I don't like us doing kind of one-off things in separate
9 commission meetings. I like it when we can discuss through
10 things and kind of understand how the agency is performing. We
11 all have areas we feel strongly about based on the work we want
12 to see done at the commission, and we need to accommodate all of
13 that as best we can, and I don't think our interests here are
14 competitive. I think the budget supports several things that we
15 want to do but we can't just keep putting money into programs
16 because historically we've put money into programs. Some may
17 require more, some may require less, some may require none, and
18 it's something we need to kind of talk about. So from a staff
19 perspective, the short version of that is keep it up with the
20 good data. This is really helpful, and it really kind of shows
21 us where we are with performance of those and how we might want
22 to enhance those or change those moving forward. All right. I do
23 have an amendment. I want to get the motion on the table which I
24 can do or Commissioner Demerson can do it. I'm not married to

25

1 any one way. Any questions for Chris though before we put the
2 motion on the table [inaudible].

3 COMMISSIONER DEMERSON: Chairman, like you I
4 felt the general scolding as well from Chris in doing these
5 things moving forward but—

6 CHRIS NELSON: Advisement, not scolding.

7 COMMISSIONER DEMERSON: But I'm a big
8 supporter of continuous improvement. I think what you're talking
9 about is continuous improvement with our programs and the like,
10 and so no other questions or comments from me.

11 CHAIRMAN DANIEL: All right. You want to do
12 this motion or I can do it? It's up to you.

13 COMMISSIONER DEMERSON: Yeah, I'll do it.

14 CHAIRMAN DANIEL: Go right ahead.

15 COMMISSIONER DEMERSON: OK, I'm making sure
16 that we have anything—you didn't put anything else in here in
17 statewide initiatives, right? You mentioned—OK. I move that we
18 approve the statewide initiatives budget as part of Fiscal Year
19 2024 operating budget as described in the summary documents and
20 discussion paper as recommended today by staff.

21 COMMISSIONER TREVIÑO: I second the motion.

22 CHAIRMAN DANIEL: It's been moved and
23 seconded. So would there be any objection from any commissioner
24 to consider an amendment to reduce the apprenticeship line item
25 by \$650,000 and increasing the teacher externship line item by

1 \$600,000. I'm not asking you to approve the amendment. I'm
2 asking you if there's any objection to us talking about that.

3 COMMISSIONER DEMERSON: No objection from
4 me.

5 COMMISSIONER TREVIÑO: No objection.

6 CHAIRMAN DANIEL: Hearing no objection, let
7 me explain my amendment. At the apprenticeship line item, we've
8 supplemented general revenue funds that the legislature has
9 provided, about three—a little over \$3,000,000 in general
10 revenue funds that they've been doing for quite a while. This is
11 Chapter 133 funding. These are funds that federally registered
12 apprenticeship programs can access to do some of the
13 instructional costs related to their apprenticeships. We have
14 been doing this supplement for a number of years now. I can see
15 it back as far as like 2017-2018. I think it actually predates
16 that. That's just as far back as I can see. We for a long time
17 did about \$1,000,000. At some point in about 2017 it looks like
18 the commission jumped that up to 1.65 million dollars. We have
19 year in, year out, some years more than others, we have expended
20 about 67 percent of that over that time. I'm looking at how the
21 commission's been operating. I'm looking at frankly the very
22 real success of the apprenticeship program, and I'm weighing
23 that out against the benefits that I believe that we're seeing
24 from the teacher externship program. If you'll recall, we had
25 two rounds of funding for that this year. I think moving that to

1 \$2,000,000 which is the effect of my amendment, it would take it
2 from 1.4 million to \$2,000,000. It would reduce the supplement
3 to the Chapter 133 funding by an amount that sort of seems to be
4 the amount that we haven't been spending on average. Some years
5 are different than others. Take that same pot of money, move it
6 over to externships to increase those teacher externships to a
7 level that will allow us just to get to more schools. We're
8 hearing more and more demand for the teacher externship from
9 employers, and I don't think we're necessarily going to short
10 the apprenticeship program too much. If we find that we do, if
11 we find that there's just this extremely increased demand for
12 the Chapter 133 funds, I think there's time to revisit that
13 depending on what those contracts start looking like. That's my
14 amendment. I would say one more thing. I'm committed to, at the
15 appropriate time, to going back to the legislature and asking
16 for an exceptional item increase to increase the Chapter 133
17 funds. I think it's warranted. I think that if performance
18 continues along the same line that we've seen it, I think this
19 commission would be warranted in asking for that exceptional
20 item request at the next legislative session particularly in
21 light of some of the new money that's come to the industry-
22 recognized apprenticeship program. I think what I'm trying to
23 say in a nutshell is I'd like for us to start moving the
24 commission out of the supplementary funds for apprenticeship,
25 put those funds into something that we're operating, and then

1 make some more permanent decisions relative to Chapter 133 and
2 call this to the attention of the legislature for an increase
3 that way. That is my amendment so my amendment would be I move
4 to reduce the Fiscal Year 2024 apprenticeship line item to
5 \$1,000,000 and increase the teacher externship line item to
6 \$2,000,000. That is the essence of my amendment. Certainly,
7 would welcome any discussion, and then I want to get a vote on
8 this so that we can understand how we want to move forward with
9 it.

10 CHRIS NELSON: Chairman, just to clarify,
11 you're on page four and you're talking about row number six,
12 increasing by \$650,000? That's track code 74046?

13 CHAIRMAN DANIEL: That is correct.

14 CHRIS NELSON: And decreasing row 20, track
15 79024, by 650K?

16 CHAIRMAN DANIEL: That is correct.

17 CHRIS NELSON: OK.

18 COMMISSIONER DEMERSON: So open for
19 discussion?

20 CHAIRMAN DANIEL: Yes.

21 COMMISSIONER DEMERSON: Chairman, I think
22 that the mere fact that we're talking about the flexibility that
23 if in fact we find ourselves needing access to more activity in
24 the apprenticeship route, then that's doable and so if that
25 amount of money on average has not been spent and we know the

1 importance and the excitement behind externship programs, it
2 makes sense. We have a lot of flexibility in this regard, and
3 the movement towards doing even more legislatively at some point
4 in time begins to make sense, and so supplementing for
5 apprenticeships is something that we've seen but this is, for
6 employers, in my regard those employers have taken advantage of
7 the programs, that's something that's important to them but if
8 we're not spending that money right now, we can move it into the
9 externship program, it does make sense.

10 COMMISSIONER TREVIÑO: I agree. I mean in my
11 limited time visiting the Workforce Boards, I see the benefit of
12 the teacher externship program but I just ask for a little
13 flexibility like you had mentioned, chairman. If we do see a
14 need to move money back to apprenticeships or whatever, that we
15 can have that discussion when that comes up.

16 CHAIRMAN DANIEL: So would there be an
17 objection to the amendment?

18 COMMISSIONER DEMERSON: None from me.

19 COMMISSIONER TREVIÑO: None from me.

20 CHAIRMAN DANIEL: There's no objection.
21 We'll put that amendment in place. Are there any other
22 amendments that we should consider? Let's then consider the
23 amended motion so the amended motion would be Commissioner
24 Demerson's motion to accept staff's recommendations amended by
25

1 my amendment on apprenticeship and on teacher externships. Is
2 there any further discussion on the amended motion?

3 COMMISSIONER DEMERSON: None here.

4 COMMISSIONER TREVIÑO: None here.

5 CHAIRMAN DANIEL: The only discussion I
6 would have is one more time, great job, guys. This budget cycle
7 is complicated, it's difficult, it's a lot of moving parts. I
8 appreciate everything that went into it. Appreciate all the work
9 that you did. Having said that then, is there any objection to
10 the amended motion?

11 COMMISSIONER DEMERSON: None here.

12 COMMISSIONER TREVIÑO: None here.

13 CHAIRMAN DANIEL: No objection, and the
14 motion passes unanimously.

15 CHRIS NELSON: Thank you. Chairman, just to
16 remind again, since you brought up the future legislative cycle,
17 about this time next year we will be building our next LAR so
18 keep that in mind as well.

19 COMMISSIONER DEMERSON: Chairman, I'm going
20 to ask Chris, where is Irene?

21 CHRIS NELSON: That is a good question. She
22 was scheduled to present because I was out last week but when
23 they moved this, she politely asked if I was going to present
24 today and I said, sure, I'll present.

25

1 CHAIRMAN DANIEL: So she gently scolded you
2 into coming here to the meeting?

3 CHRIS NELSON: Yes.

4 CHAIRMAN DANIEL: This is a legitimate line
5 of inquiry Commissioner Demerson has uncovered.

6 COMMISSIONER DEMERSON: Chairman and
7 Commissioner Treviño, it's funny because when we asked Irene
8 where is Chris, Ed had I think told me Chris is in Dallas or
9 something like that, and Irene said Chris is here. You were at
10 two places at that time.

11 MR. SERNA: [Inaudible].

12 CHAIRMAN DANIEL: Let the record reflect
13 that Mr. Serna is providing clarifying comments as the
14 whereabouts of Chris Nelson.

15 COMMISSIONER DEMERSON: Keep Chris here.

16 CHAIRMAN DANIEL: Chris, would you like to
17 talk about Agenda Item 8B, Child Care Statewide Initiatives?

18 CHRIS NELSON: I would but I don't know if I
19 have any additional comments.

20 CHAIRMAN DANIEL: All right. Any discussion
21 on child care initiatives?

22 COMMISSIONER DEMERSON: Not from me.

23 COMMISSIONER TREVIÑO: None from me.

24

25

1 CHAIRMAN DANIEL: All right. I think we do
2 need a motion on this though or did your original motion cover
3 child care as well?

4 CHRIS NELSON: The motion you took I believe
5 just covered everything that was in the schedule. The child care
6 documentation is supporting documentation for those increases.

7 CHAIRMAN DANIEL: I would agree that the
8 Commissioner Demerson's original budget covered the child care
9 as well. He said the overall fiscal 2024 operating budget as
10 described by staff.

11 COMMISSIONER DEMERSON: That's right.

12 CHAIRMAN DANIEL: Any additional discussion
13 since I opened the door? None? I think our motion covered both
14 documents. I think I'm good to go on that. I think staff has
15 everything that they need.

16 CHRIS NELSON: Yep.

17 CHAIRMAN DANIEL: Everybody's agreed? Thank
18 you. Let's see here. I do not see a legislative report lurking
19 in the back. Is there an executive director's report today?

20 MR. SERNA: No, sir, there is not.

21 CHAIRMAN DANIEL: I have one request for
22 you, Mr. Serna. Coming out of the regular session several new
23 programs were created, and I think there were some statutory
24 changes to some other programs. I would ask staff to take a look
25 at our rulemaking process and study the efficiency of that

1 process, and report back to the commission at your first
2 available opportunity on any improvements we can make to the
3 efficiency of our rulemaking process, and any efforts to speed
4 that up would be much appreciated by this commissioner and I
5 suspect some others as well although I won't speak for them.

6 MR. SERNA: We'll do that as quickly as
7 possible. Speaking of speeding things up, since we do have
8 several rules that we need to get in place so if we're going to
9 improve the process, we'll want to process those rules under
10 that improved process so we'll come back as quick as possible,
11 within the next week or so.

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

14 COMMISSIONER DEMERSON: Mr. Chairman, I too
15 want to—first of all, I think speed and efficiency is important
16 and so I've already spoke on continuous improvement so if we can
17 do anything in the rulemaking process, then let's go for it.
18 With the advent of technology and the like, do what we can to
19 make it that much better. In regards to [inaudible] Esports,
20 I've been in conversations with the governor's friendly music
21 office but they have a gaming component as well, and so Esports
22 is something that's huge here in Texas and so I may—and becoming
23 even bigger in the world and I may circle back, Ed, asking for a
24 discussion paper in regards to initiatives around Esports.

25

1 Again, still in conversations right now but I'll bring that
2 forward as I get more additional information.

3 MR. SERNA: Yes, sir.

4 COMMISSIONER DEMERSON: Thank you.

5 COMMISSIONER TREVIÑO: No comments.

6 CHAIRMAN DANIEL: Mr. Trevino?

7 COMMISSIONER TREVIÑO: No comments, thank
8 you.

9 CHAIRMAN DANIEL: Oh, thank you. Is there a
10 motion to adjourn?

11 COMMISSIONER DEMERSON: So moved.

12 COMMISSIONER TREVIÑO: I second the motion
13 to adjourn.

14 CHAIRMAN DANIEL: Then I think we're-

15 COMMISSIONER DEMERSON: Before we adjourn-

16 CHAIRMAN DANIEL: Yes?

17 COMMISSIONER DEMERSON: Real quick, I do
18 want to introduce an intern that we have on board, Josh
19 Devonish. Josh, if you would stand. Josh is going to be taking
20 over for Brandy when she leaves in July but Josh is a senior at
21 Southwest Texas—uh oh, Texas State University there in San
22 Marcos, and delighted to have him on board.

23 CHAIRMAN DANIEL: Well, welcome, yeah.

24 Commissioner, I often tell folks that I wish that everybody
25 sitting in the room could see what we see. As you were talking

1 and introducing this wonderful addition to your crew, I noticed
2 that the young lady that was exiting gave a very significant
3 goodbye. That means we did it right. She's learned all she can
4 learn and she's ready [inaudible].

5 COMMISSIONER DEMERSON: Getting out of here.

6 CHAIRMAN DANIEL: I think that's wonderful.

7 It's been moved and seconded to adjourn. Is there any further
8 comment? We're adjourned, thank you.

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25