



**MEETING OF THE  
TEXAS WORKFORCE COMMISSION**

**DATE**

**JULY 5, 2022**

1 Tuesday, July 5, 2022

2 CHAIRMAN DANIEL: Motion passes with the  
3 exceptions noted. Thank you. Let's take a short break.

4 CHAIRMAN DANIEL: All right. This is Agenda  
5 Item 8, Chapter 800 Allocations and Chapter 805, Deobligation  
6 and Reallocation of the AEL Funds.

7 MAHALIA BALDINI: Good afternoon, Chairman  
8 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.  
9 Serna. For the record, Mahalia Baldini with the Workforce  
10 Development Division. On March 22<sup>nd</sup>, the commission approved the  
11 policy concept on potential amendments to the Texas Workforce  
12 Commission rules, Chapter 800 and Chapter 805. The policy  
13 concept was posted online for a three-week public comment period  
14 and no comments were received. Chapter 800 proposed rules  
15 provide the commission flexibility when deobligating adult  
16 education and literacy statewide funds and consider an adult  
17 education and literacy grant recipient's performance in the  
18 reallocation of those deobligated funds. Chapter 805 proposed  
19 rules provide modifications to the AEL requirements and provide  
20 updated terms and conditions. Additionally, TWC reviewed the  
21 Chapter 805 as part of the proposed rules in accordance with the  
22 Texas Government Code. Today, staff seeks approval on the  
23 proposed amendments to Chapter 800 and 805 for publication in  
24 the Texas Register for a 30-day comment period. I'm happy to  
25 answer any questions that you may have.

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CHAIRMAN DANIEL: Comments or questions?

COMMISSIONER ALVAREZ: None here, chairman.

COMMISSIONER DEMERSON: None.

CHAIRMAN DANIEL: Is there a motion?

COMMISSIONER ALVAREZ: I move that we approve the proposed rule amendments to 40 TAC Chapter 800 and 805 and post to the Texas Register and public comment as recommended by staff.

COMMISSIONER DEMERSON: I second.

CHAIRMAN DANIEL: It's been moved and seconded. We're unanimous. Thank you. This is Agenda Item 9, Chapter 839, Grants for Registered Apprenticeship Programs.

KERRY BALLAST: Good afternoon, Chairman Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr. Serna. For the record, Kerry Ballast with Workforce Development Division. On March 22<sup>nd</sup>, the commission approved the policy concept on TWC rules in a new chapter 839, Apprenticeship Programs Additional. The policy concept was posted and no comments were received. Today's proposed rules for Chapter 839 are to implement Senate Bill 337 from the 87<sup>th</sup> legislative session, Grants to Facilitate Participation in Apprenticeship Training Programs by Certain Veterans and Military Personnel. Today, staff seeks approval on the proposed amendments to new 40 TAC Chapter 839 for publication in the Texas Register for a 30-

1 day public comment period. I'm available to answer any  
2 questions.

3 CHAIRMAN DANIEL: Comments or questions?

4 COMMISSIONER ALVAREZ: None here, chairman.

5 COMMISSIONER DEMERSON: None.

6 CHAIRMAN DANIEL: I've got one quick  
7 question. Do these rules allow the grants to benefit industry-  
8 recognized apprenticeship programs in any way?

9 KERRY BALLAST: No, sir, not at this time.

10 CHAIRMAN DANIEL: So they would be excluded,  
11 anything dealing with IRAPs?

12 KERRY BALLAST: Yes, sir.

13 CHAIRMAN DANIEL: OK. Any other comments or  
14 questions?

15 COMMISSIONER ALVAREZ: None here.

16 COMMISSIONER DEMERSON: None.

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18 CHAIRMAN DANIEL: Is there a motion?

19 COMMISSIONER ALVAREZ: I move that we  
20 approve the proposed rules for Chapter 839 and post to the Texas  
21 Register for a 30-day public comment period.

22 COMMISSIONER DEMERSON: I second.

23 CHAIRMAN DANIEL: It's been moved and  
24 seconded. We're unanimous. Thank you. This is Agenda Item 10,  
25 Chapter 839, Tax Refund for Employers Who Employ Apprentices.

1                   KERRY BALLAST: Again, Kerry Ballast for the  
2 Workforce Development Division. On March 22<sup>nd</sup>, the commission  
3 approved the policy concept on TWC rules for new Chapter 839,  
4 Apprenticeship Programs Additional. The policy concept was  
5 posted and no comments were received. Today's proposed rules for  
6 Chapter 839 are to implement Senate Bill 1524 from the 87<sup>th</sup>  
7 legislative session. This is the tax refund pilot program for  
8 certain persons who employ apprentices. Staff seeks approval on  
9 the proposed amendments to new 40 TAC Chapter 839 for  
10 publication in the Texas Register for a 30-day public comment  
11 period.

12                   CHAIRMAN DANIEL: Comments or questions?

13                   COMMISSIONER ALVAREZ: None here, chairman.

14                   COMMISSIONER DEMERSON: None.

15                   CHAIRMAN DANIEL: Is there a motion?

16                   COMMISSIONER ALVAREZ: I move that we  
17 approve the proposed rule for Chapter 839 and post to the Texas  
18 Register for a 30-day public comment period.

19                   COMMISSIONER DEMERSON: Second.

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

22                   KERRY BALLAST: Thank you.

23                   CHAIRMAN DANIEL: This is Agenda Item 11,  
24 TWC FY2023 Operating Budget, and 2024-25 Legislative  
25 Appropriations.

1                   CHRIS NELSON: Good afternoon, chairman,  
2 commissioners, Mr. Serna. For the record, Chris Nelson, chief  
3 financial officer. Last week the LBB published the LAR  
4 instructions for state agencies including the required  
5 submission date for each agency. TWC's LAR submission date is  
6 August 26, 2022. As part of our overall LAR submission, I have  
7 two items for your consideration this afternoon that would be  
8 part of the complete LAR approval I will bring in August. The  
9 first is a staff recommendation to expand the Older Individuals  
10 who are Blind program or OIB by using \$4,000,000 in additional  
11 SSABR funds in 2023 up to 5,000,000 in 2024, and up to 6,000,000  
12 in 2025 including submitting this request to increase TWC's FTE  
13 cap in 2024 and 2025 for the additional FTEs needed for the  
14 expansion. That concludes my remarks for that item and I'd be  
15 happy to answer any questions.

16                   CHAIRMAN DANIEL: Any comments or questions  
17 on that item?

18                   COMMISSIONER ALVAREZ: None here, chairman.

19                   COMMISSIONER DEMERSON: None.

20                   CHAIRMAN DANIEL: We'll take up motions on  
21 both of them together.

22                   CHRIS NELSON: OK. The next item is a staff  
23 recommendation of statewide initiatives for the 2023 operating  
24 budget and 2024-2025 LAR. This includes statewide initiatives  
25 for the child care, TANF, WIOA, employment services, and adult

1 ed programs. On page 7 of 8, we have clustered youth and  
2 veterans initiatives to group those initiatives by the target  
3 populations regardless of the program that funds the initiative.  
4 That concludes my remarks for that item, and I'd be happy to  
5 answer any questions.

6 CHAIRMAN DANIEL: Any comments or questions?

7 COMMISSIONER ALVAREZ: This was 11b? Was  
8 that the-

9 CHAIRMAN DANIEL: That's my understanding.

10 COMMISSIONER ALVAREZ: At this point I don't  
11 have any comments.

12 COMMISSIONER DEMERSON: Nothing here.

13 CHAIRMAN DANIEL: So I have some comments.

14 Just general comments regarding statewide initiatives funded by  
15 both WIOA and TANF, and then I'm going to have four requests at  
16 the end. I've noticed for some of the programs, staff is  
17 recommending either maintaining or increased funding in  
18 situations where the historical performance of the program  
19 doesn't seem to support the recommendation. I think we need to  
20 do a little more work on that. I don't think that fiscal years  
21 '20 and '21 are years we should be using to set budgets. They're  
22 very unique and I just don't think it's a good practice to set  
23 budgets based on solely those years but I think there's other  
24 historical evidence that we can use to fund initiatives at  
25 historically supportable amounts, and we need to think about

1 contingencies for years when certain programs show increased  
2 demand. Also, in looking at it I've noted that some of our  
3 programs seem very similar in nature which I wonder if that  
4 doesn't lead to some variability in the program's success. I  
5 think we need to postpone action on any of today's budget items  
6 but I would like for staff to prepare a policy concept paper to  
7 address each of the following issues, and we'll take action on  
8 these at a subsequent commission meeting. First, to fully  
9 investigate the program performance of the High-Demand Job  
10 Training and the Texas Industry Partnership programs and the  
11 feasibility of combining these two programs into one line item  
12 including establishing a supportable funding level. Two, to  
13 fully investigate the program performance of the Governor's  
14 Summer Merit Program and Camp Code, and to take a look at the  
15 feasibility of combining these two programs into one line item  
16 including establishing a supportable funding level which may in  
17 fact be an increased funding level for those two programs.  
18 Three, fully investigate a plan for the WIOA and TANF statewide  
19 programs designated as youth initiatives in our documents to  
20 identify historical financial performance, establish supportable  
21 funding levels based on that performance, and to create an  
22 annual youth initiatives reserve fund to cover unanticipated  
23 surges in program participation, and, fourth, to establish a  
24 plan to track performance for all statewide programs funded from  
25 WIOA and TANF sources with a specific focus on numerical





1 barebones hard skills of future Texas workers. We should not  
2 dilute its effectiveness by trying to combine it with other  
3 initiatives that have related but still very different goals and  
4 a much broader focus. The narrow focus on real-world skills  
5 increasingly necessary in our labor force is what gives this  
6 initiative its strength and gives our agency the chance to stay  
7 relevant in preparing workers for their evolving demands they  
8 will face as they enter tomorrow's workforce. Those are my  
9 comments regarding that. If we are going to be looking,  
10 reevaluating some of the programs, I'd also like to put on the  
11 record then for staff to come to my office and share with me the  
12 current status of what we've used in funding when it comes to  
13 this blanket--what is it we call it--I can't think of the word I'm  
14 trying to get--

15 COMMISSIONER DEMERSON: Are you talking  
16 about any of the programs?

17 COMMISSIONER ALVAREZ: Yeah, something that  
18 we have in place already. I was planning to move forward on the  
19 recommendation staff made but after hearing the very unique and  
20 historical evidence of some of these programs, I understand  
21 about consolidating so I'll be looking at some of these other  
22 programs and making my recommendations as well as to what we  
23 should be consolidating. That's all I have at this point.

24 COMMISSIONER DEMERSON: Based on the  
25 comment, I appreciate the chairman mentioning to the staff to

1 bring forth a report. We're not taking any action today on these  
2 items, and, Commissioner Alvarez, thank you for the briefing and  
3 update on the items that we just mentioned.

4 CHAIRMAN DANIEL: If there are no other  
5 comments, is there a motion?

6 COMMISSIONER ALVAREZ: Let me see what I've  
7 got. Well, I guess my motion would be that we bring back the  
8 recommendations made today from the dais at a later date after  
9 discussing these changes or possibly updates with staff.

10 CHRIS NELSON: Would that include the OIB  
11 expansion or just for the statewide initiatives that you're  
12 looking to bring back?

13 COMMISSIONER ALVAREZ: It wouldn't include  
14 it in my opinion, no.

15 CHRIS NELSON: Just to clarify, since  
16 there's two specific budget-

17 COMMISSIONER DEMERSON: I'm thinking those  
18 are two separate items if I'm not mistaken.

19 CHRIS NELSON: That's correct. That's why  
20 I'm just clarifying. The request to bring back, is that specific  
21 to statewide initiatives discussion? Make sure I understand what  
22 the request is.

23 CHAIRMAN DANIEL: My intent today was to  
24 vote out this package that you brought as it was and then have

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1 you bring these four items to a subsequent commission meeting.

2 That's not certainly Commissioner Alvarez's motion.

3 COMMISSIONER ALVAREZ: No.

4 COMMISSIONER DEMERSON: Commissioner

5 Alvarez, your motion was to move forward but your question was

6 if we were considering the OIB, was it OIB?

7 COMMISSIONER ALVAREZ: Yes.

8 COMMISSIONER DEMERSON: Information, and I

9 think the answer was basically they are two separate items from  
10 that standpoint.

11 COMMISSIONER ALVAREZ: That's correct.

12 COMMISSIONER DEMERSON: So you're in a

13 position that--can we hear your motion knowing that fact?

14 COMMISSIONER ALVAREZ: Yes, so I am looking  
15 through my language.

16 MR. SERNA: Mr. Chairman, can I just point  
17 something out?

18 CHAIRMAN DANIEL: Mr. Serna.

19 MR. SERNA: Chris, the approval of these two  
20 agenda items assists us in putting together the budget that's  
21 got to come back to the commission for approval so anything that  
22 we put in these policy concept papers can then be considered and  
23 programs combined or not.

24 CHRIS NELSON: Correct.

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1 MR. SERNA: At the time of budget approval  
2 so this approval of if the commission chooses to approve items  
3 11a and 11b, it doesn't restrict the commission to these as laid  
4 out. It helps us put the operating budget and the LAR together  
5 that we will bring back to the commission in August for any  
6 final changes.

7 CHAIRMAN DANIEL: Yes, so we have three  
8 things going on at one time. We've got this OIB proposal which  
9 is a good proposal and we should do that. That's my opinion. The  
10 second thing that we have going on is the FY23 budget which we  
11 need to take action on, and then the third thing that's going on  
12 is we're looking at '24 and '25 projections for the LAR. This  
13 document does—well, there's two documents. The OIB is a  
14 standalone issue. The other document is essentially the '23  
15 fiscal year budget, and it kind of sets the stage for the '24  
16 and '25 fiscal years in the LAR. So this is why we need to take  
17 action today. I think Workforce Division probably needs some  
18 certainty on their '23 budget so they can move out with that,  
19 and I think as we think about '24 and '25, we need some things  
20 to think about.

21 CHRIS NELSON: Right, and I think in  
22 addition to this agenda item, as we bring the operating budget  
23 and the LAR to the commission for approval, make other changes  
24 to funding, combining programs or whatever you want to do, this  
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1 just gives us clarification for how we move forward to prepare  
2 those documents.

3 COMMISSIONER ALVAREZ: I'm going to take a  
4 recess. Chairman, I'm back.

5 CHAIRMAN DANIEL: All right.

6 COMMISSIONER ALVAREZ: Sorry for the  
7 inconvenience. So I do have—I just want to make it clear, I do  
8 have the motion for as referenced earlier the expansion of OIB  
9 program. I have the motion for that, and then I also have the  
10 motion for our approving the budget for 2023. Am I correct as  
11 proposed by staff?

12 CHRIS NELSON: 2023 operating budget and the  
13 24-25 LAR for the statewide initiatives component of it.

14 COMMISSIONER ALVAREZ: But that's going to  
15 come back, right? The LAR? The recommendations that we're making  
16 from here?

17 CHRIS NELSON: If that's what your wish is,  
18 yeah, we can bring that back.

19 COMMISSIONER ALVAREZ: I can make the motion  
20 for 11a which is the expansion of the OIB program which we're  
21 asking for today. I can also make the motion for the statewide  
22 initiatives operating budget for 2023, right? What we're talking  
23 about bringing back at a later date is the LAR for 2024-2025.  
24 Those were the three that were discussed, right? Chairman?

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1 CHAIRMAN DANIEL: I think what Chris is  
2 saying is is that today we—stop me as soon as I start speaking  
3 before you in an inappropriate way.

4 COMMISSIONER ALVAREZ: Yes, sir.

5 CHAIRMAN DANIEL: Chris would like today to  
6 pass fiscal year 23 budget. Chris would also like to pass the  
7 WIOA and TANF and all the statewide funds parts for the 24-25  
8 LAR request. What Chris is delicately dancing around is is he's  
9 not going to dictate to us our ability to change our mind at a  
10 later date if we want to.

11 CHRIS NELSON: That's correct, and based off  
12 your request of additional papers, there could very likely be—  
13 even if you approve the '23 through '25 statewide initiatives  
14 packet as presented, when we bring that back, especially for 24-  
15 25 with the overall statewide initiatives packet, there will  
16 probably have to be additional items considered based off of the  
17 discussion papers that have been requested already as far as  
18 consolidating and things so there will be other adjustments if  
19 possible if that's what's being asked.

20 CHAIRMAN DANIEL: And also too,  
21 commissioner, we've not even begun to consider the potential for  
22 exceptional items or other things that may be in our LAR so  
23 there will be a series of votes taken on the LAR.

24 CHRIS NELSON: Correct, because the LAR is  
25 such a huge packet in a sense, we've purposely tried to break

1 it up into bite-size chunks instead of bringing \$2,000,000,000  
2 worth of items in one commission meeting.

3 COMMISSIONER ALVAREZ: OK.

4 COMMISSIONER DEMERSON: Commissioner  
5 Alvarez, before you make the motion, I also want to be clear so  
6 concerning fiscal years '24 and '25, we will have opportunities  
7 to impact that statewide initiatives [inaudible].

8 CHRIS NELSON: That's correct. As I stated  
9 in my opening comments, our submission date is August 26<sup>th</sup> so  
10 probably the week or two before that date I will bring the  
11 entire LAR packet based off anything you had previously approved  
12 that you will say, you know, yes, that's basically the LAR  
13 package you would like to submit. Typically when I say it  
14 includes items previously approved such as the OIB expansion or  
15 statewide initiatives or anything like that.

16 COMMISSIONER DEMERSON: OK.

17 COMMISSIONER ALVAREZ: Look, I just want to  
18 make it clear. I don't want something to go unnoticed. I mean  
19 we've got things that are being said here, and people tend to  
20 look at every word that we say. I just want to make sure that  
21 before we make any changes, that those are brought to the  
22 attention of the three offices, all right? That's all I'm  
23 asking.

24 [inaudible]

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1 COMMISSIONER DEMERSON: Commissioner  
2 Alvarez, before you look at making a motion I also—again, being  
3 clear on my side, have initiatives, discussion papers that I  
4 want to bring forward, and I want to make sure that I am  
5 afforded the opportunity to bring those forward. If that's not  
6 today, then making sure we do it before the August timeframe is  
7 fine. Texas Interns Unite! National intern date conference, also  
8 looking at Texas Industry recognized apprenticeship program type  
9 opportunities, and then a virtual employer's best practice  
10 training webinar for veterans, foster youth, and folks with  
11 disabilities so those are initiatives that I want to bring out  
12 centered around statewide initiatives for '24 and '25, and I  
13 want to make sure that I have the opportunity to do that.

14 COMMISSIONER ALVAREZ: Chairman, thank you  
15 for affording me the opportunity to meet with staff regarding  
16 this. Again, I just want to make it clear. I'm going to go ahead  
17 and read the motion and will ask everybody to listen to it but I  
18 ask that the staff come to our offices, give us updates with any  
19 changes or any revisions or any recommendations, all right?  
20 First one, chairman, Agenda Item 11a, expansion on OIB program,  
21 I move that we approve the expansion of the Independent Living  
22 Services For Older Individuals who are Blind program in 2023  
23 through 2025 as recommended by staff and described in the  
24 discussion paper.

25 COMMISSIONER DEMERSON: Second.

1 CHAIRMAN DANIEL: It's been moved and  
2 seconded. We're unanimous.

3 COMMISSIONER ALVAREZ: And then the other  
4 ones I guess are the two combined, and again, correct me if I'm  
5 wrong. I move that we approve fiscal year 2023 operating budget  
6 and 2024-2025 legislative appropriations request for statewide  
7 initiatives as recommended by staff and any revisions that we  
8 made from the dais today, or recommendations.

9 COMMISSIONER DEMERSON: I second.

10 CHAIRMAN DANIEL: It's been moved and  
11 seconded. We're unanimous. I don't show anything under Agenda  
12 Items 12 through 15. There's no legislative report today. Is  
13 there an executive director's report today?

14 MR. SERNA: No, sir, not today.

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

17 COMMISSIONER ALVAREZ: None here, chairman.

18 COMMISSIONER DEMERSON: None here.

19 CHAIRMAN DANIEL: All right, is there is a  
20 motion to adjourn?

21 COMMISSIONER ALVAREZ: Chairman, I move that  
22 we adjourn.

23 COMMISSIONER DEMERSON: Second.

24 CHAIRMAN DANIEL: It has moved and seconded  
25 that we adjourn and we are adjourned. Thank you.