

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

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
WEDNESDAY, JULY 27, 2016

BE IT REMEMBERED THAT at 1:00 p.m. on
Wednesday, the 27th day of July, 2016, the above-entitled
matter came on for hearing at the Texas Workforce
Commission, TWC Building, 101 East 15th Street, Room 244,
Austin, Texas, before ANDRES ALCANTAR, Chairman; JULIAN
ALVAREZ and RUTH R. HUGHS, Commissioners

	TABLE OF CONTENTS	
		PAGE
1		
2		
3	PROCEEDINGS, WEDNESDAY, JULY 27, 2016	
4	AGENDA ITEM NO. 1	4
5	CHAIRMAN ALCANTAR	
6	AGENDA ITEM NO. 2	4
7	SHERRI MILLER	
8	AGENDA ITEM NO. 3	4
9	JENNIFER TURNER	
10	AGENDA ITEM NO. 4	4
11	JENNIFER TURNER	
12	AGENDA ITEM NO. 5	5
13	SHERRI MILLER	
14	AGENDA ITEM NO. 6	5
15	SHERRI MILLER	
16	AGENDA ITEM NO. 7	5
17	SUSANNA HOLT CUTRONE and LARRY TEMPLE	
18	AGENDA ITEM NO. 8	6
19	RANDY TOWNSEND	
20	AGENDA ITEM NO. 9	22
21	RANDY TOWNSEND	
22	AGENDA ITEM NO. 10	23
23	KELVIN MOORE and HOWARD JOSEPH	
24	AGENDA ITEM NO. 11	25
25	AARON DEMERSON and EMILY CLODFELTER	
	AGENDA ITEM NO. 12	29
	JASON VADEN and ADAM LEONARD	
	AGENDA ITEM NO. 13	31
	ADAM LEONARD and DAVID JOHNSON	
	AGENDA ITEM NO. 14	32
	CARRIE TUPA and ANSON GREEN	
	AGENDA ITEM NO. 15	33
	PATRICIA GONZALEZ, PATRICIA MARTINEZ, JASON VADEN and REAGAN MILLER	

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

TABLE OF CONTENTS (Cont.)

PAGE

AGENDA ITEM NO. 16 37
 PATRICIA GONZALEZ, CLINT WINTERS, JASON VADEN and
 BOB GEAR

AGENDA ITEM NO. 17 50
 BOONE FIELDS AND CHUCK ROSS

AGENDA ITEM NO. 18 50
 JOHN FULLER

AGENDA ITEM NO. 19 51
 TOM McCARTY

AGENDA ITEM NO. 20 51
 LARRY TEMPLE and RANDY TOWNSEND

AGENDA ITEM NO. 21 55
 EXECUTIVE SESSION

AGENDA ITEM NO. 23 55
 ADJOURNMENT

REPORTER'S CERTIFICATE 56

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

AGENDA ITEM NO. 5

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Wage Claim Cases Listed on
the Texas Workforce Commission Dockets 29 and 30.

The Commission considered and took action on
all wage claim cases listed on Dockets 29 and 30.

AGENDA ITEM NO. 6

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Unemployment Compensation
Cases Listed on the Texas Workforce Commission Dockets 29
and 30.

The Commission considered and took action on
all unemployment compensation cases listed on Dockets 29 and
30.

AGENDA ITEM NO. 7

CHAIRMAN ALCANTAR: We are back in session.
Susanna, do we have any public comment?

MS. CUTRONE: No, we do not.

CHAIRMAN ALCANTAR: We -- we do not have any
public comment. Larry, do you have any updates for us,
recognitions?

MR. TEMPLE: Mr. Chairman and Commissioners,
we have three individuals who are celebrating, Carolyn
Williams is celebrating 25 years of state service; Krista
Julian, 25; and the baby of the group, Glenn Neal has served

1 20.

2 CHAIRMAN ALCANTAR: Oh, Glenn finally is
3 getting a pen.

4 MR. TEMPLE: We finally got Glenn -- we
5 finally found Glenn's award.

6 COMM. HUGHS: He's not here today.

7 MR. TEMPLE: So if you guys will come up, and
8 we'll do individual pictures with you guys and the --

9 (Whereupon pictures were taken)

10 AGENDA ITEM NO. 8

11 CHAIRMAN ALCANTAR: Item 8. Discussion,
12 Consideration and Possible Action Regarding Fiscal Year 2017
13 Operating Budget and the Fiscal Year 2018-19 LAR, Statewide
14 Initiatives and Other Budget-Related Issues, Randy Townsend.
15 Good afternoon, Randy.

16 MR. TOWNSEND: Good afternoon, Chairman and
17 Commissioners. For the record, Randy Townsend, Chief
18 Financial Officer. This afternoon, Commissioners, I would
19 like to present to you -- I believe I got into your
20 materials -- the fiscal year 2017 Operating Budget, and then
21 I would also after that like to go through a few items
22 relating to the 2018-19 Legislative Appropriation Request.
23 Regarding the 2017 Operating Budget, we've prepared the
24 materials looking through, you know, the agency's operation.
25 And we're proposing a budget of 1,526,991,374 for fiscal

1 year '17.

2 Also recommending that the staffing the
3 levels, the full-time equivalent, FTEs, be established at
4 4,856 and that we move forward with notifying the
5 Legislative Budget Board and the Governor's Office that that
6 number of FTEs would be a 160 FTEs above our limit for
7 the -- for the full-time equivalent staff. Commissioners,
8 there's an order in your packet that outlines those numbers.
9 There's also a couple of schedules that shows the funding
10 levels broken down by strategy, the staffing levels broken
11 down by strategy. It reconciles the differences on the --
12 on the staffing level I mentioned to you as far as the --
13 the 160 additional FTEs by strategy.

14 I'd be happy to go through that part of it
15 with you this afternoon if you have questions or -- or
16 comments you'd like to make on that, but I believe the '17
17 Operating Budget is ready for approval. And then if that's
18 okay, then I would then move forward with the -- the '18-19
19 so I'll just give you a second there.

20 CHAIRMAN ALCANTAR: Commissioners, any
21 questions?

22 COMM. HUGHS: No. I move that we approve
23 staff's recommendations.

24 COMM. ALVAREZ: I second that.

25 CHAIRMAN ALCANTAR: And --

1 COMM. HUGHS: I move that we approve that we
2 approve staff's recommendations.

3 CHAIRMAN ALCANTAR: And we have a second, and
4 we are unanimous. Thank you, Randy.

5 MR. TOWNSEND: Now -- now, Com --
6 Commissioners, let me move to -- and I need to give you a
7 handout on this one. It's kind of late -- late breaking.
8 This is going to relate -- let me just set this up. This is
9 going to relate to the work we've been doing for a couple of
10 weeks now for the '18-19, you know, those requirements that
11 we identify in our budget for '18-19 a 4 percent reduction
12 in general revenue and general revenue dedicated.

13 We had talked about that some in a previous
14 meeting. I put some of those numbers together. I'm -- I'm
15 prepared to lay that out just for your consideration this
16 afternoon. And I also wanted to start getting some of your
17 thoughts around the -- the -- what we sometimes refer to as
18 the 10 percent reduction exercise as it relates to the
19 '18-19. So I'm going to bring a schedule up for you, and we
20 can go through this.

21 CHAIRMAN ALCANTAR: Okay. Thank you, Randy.

22 COMM. ALVAREZ: Thank you, sir.

23 COMM. HUGHS: Thank you.

24 MR. TOWNSEND: The one thing that I didn't
25 know the last time when we visited on the calculation of the

1 4 percent -- of course, part of that is what is the -- the
2 base amount that we're comparing to. I had given you some
3 numbers that had looked at on a annual basis what the
4 reduction would be which was approximately 8 million a year.

5 In talking with our -- the folks at the LB --
6 Legi -- Legislative Budget Board, I believe the calculation,
7 the way it'll be looked at is on a two-year basis, so it'll
8 look at the '16-17 combined. We're going to be in about the
9 same place we think assuming that the 57 million or so of
10 general revenue for voc. -- vocational rehabilitation match
11 is counted for purposes of reduction in the -- in the base
12 calculation for the agency. There's still a bit of a
13 question whether that's the case or not.

14 What I've provided for this afternoon assumes
15 that it will be counted, and we will not have to make any
16 kind of exceptional item request for the 57 million in -- to
17 complete the funding that's needed for the '18-19 so that is
18 a fairly significant assumption I'm making in the
19 calculation. With that being the -- the -- the starting
20 point, the total amount of general revenue that I'm
21 calculating for the biennium would be right around 413
22 million so just over 206 million a year on an annual basis.

23 The reduction amount would still be at about
24 16 million is my calculation, about 8 million a year so that
25 number is still pretty close I believe. Of course, we will

1 -- we'll find -- we'll find out when we're given the control
2 total by -- by the budget board staff. But given that being
3 the -- the case, the last time if you'll recall, we had gone
4 through several different ideas. I -- I think there were
5 some questions -- there were questions raised. We had
6 provided some additional information to each of you
7 individually with some of those questions to make sure we
8 knew the -- that the proposed reductions, what was going to
9 be impact to the possible programs or -- or the potential
10 impact to the programs if we went down that road so that
11 information's been provided. Hopefully it addressed your
12 questions.

13 And so what this is showing here essentially
14 on -- on the first page, you -- you have all your -- all our
15 -- the agency's general revenue and then broken down by
16 method of finance. As you know quite well that most of our
17 general revenue is pretty much -- 75 percent or so is used
18 to match or satisfy maintenance of effort requirements so
19 there's not a lot of discretionary in general revenue if you
20 want to look at it in -- in those terms. So it proposes
21 some real challenges for this agency to identify a \$8
22 million reduction per year for the next -- next biennium.
23 It also then lay -- lays out by the method of finance those
24 strategies where the general revenue's expended for '16 and
25 '17 each year and then for the biennium total.

1 And then I'm showing you the calculation that
2 we've gone through, applying the logic which we assumed all
3 the general revenue dedicated amount for the funded 1.5
4 million a year for the Employment and Training Investment
5 Assessment, the -- I think there was a question about that
6 the last time. We've provided that information, so this
7 assumes that 3 million would not be available for '18-19.
8 It also assumes that the rest of the GR dedicated in Fund
9 165 -- this is on the second page of your document -- is
10 only funding labor law and the related indirect costs and so
11 that is taken into account.

12 What that left us -- and then the other big
13 piece of this, and I def -- I definitely need to make sure
14 you're clear -- you're clear on the impact of this is that
15 we were able to use general revenue to cover some of --
16 cover the salary increases for several of our federal funded
17 programs. That made up a fairly good-size amount of the 8
18 million a year. The impact of that though is going to be
19 fairly challenging in the out years, particularly for our
20 employment services program and -- and also the unemployment
21 insurance program.

22 For the employment services, it looks like
23 we're going to be -- we'll be about 2 million a year short
24 in funding in '18 and '19 at this point. I mean, that would
25 be the -- the estimate I have -- have for that in -- in

1 going forward with this, you know, this -- this approach.
2 Having said all that, the bottom line on the second page
3 I've done -- or provided you a recap if you will of the --
4 the skills development strategy and the -- the amount of
5 skills development grants and the Jobs Education and Tex --
6 for Texans, the JET program grant.

7 So the JET program's still funded at 10
8 million per year or biennium, 5 million per year. The
9 skills grants would actually drop by about 780,000 for the
10 biennium so from about 22 million to, you know, 21.5 million
11 on the 4 percent part of this so that's kind of where we
12 land with -- with the approach that we had line -- had --
13 had lined out, and we've, you know, crunched through all the
14 numbers and that sort of thing.

15 So I want to just stop for the -- on the 4
16 percent before I get to the 10 percent part of the exercise
17 and to see if there's any questions or any concerns with the
18 approach we've taken. I mean, obviously, there's concerns
19 that we're taking 8 million a year out of our budget.
20 Obviously, that's not an easy thing for us to do for '18-19.
21 But given that's our --our charge to -- to come up with,
22 this is where -- where we -- where we stand at this point,
23 so I'll see if there are any questions or comments or
24 concerns.

25 CHAIRMAN ALCANTAR: Commissioners, questions,

1 comments?

2 COMM. HUGHS: No. In regard to the 4
3 percent, I'm comfortable moving forward with the staff
4 recommendations. However, I have asked staff to pursue
5 options that are going to allow us to continue providing
6 funding to projects that support the Fast Start concept and
7 that fit under the intent of HB 939 because I do think these
8 types of projects are important to employers and they make a
9 difference. So I've just asked to look if there are other
10 ways of approaching that, but I do support the suggestions.

11 COMM. ALVAREZ: I, as well, support the
12 suggestions at 4 percent.

13 CHAIRMAN ALCANTAR: All right. We're all in
14 agreement.

15 MR. TOWNSEND: The -- the same document on
16 the -- the -- the right-most -- three-most -- col -- three
17 right-most columns will show the exercise. This is not
18 necessarily a staff proposal, recommendation. It just is a
19 scenario and, obviously, there's not many good options
20 around this. I'm -- I'm sure that -- as you talked about
21 this this afternoon, if you have some, you know, different
22 direction you want to go, we can, obviously -- can modify
23 this.

24 Let me first say the control total I believe
25 we're going to have that we have to achieve a 10 percent

1 exercise, the reduction, is about 39.6 million for the
2 biennium and so almost 20 million per year out of our, you
3 know, what would be about 300 and -- almost 396 million. So
4 it's a fairly sizable number, and, again, remem --
5 remembering that we have maintenance of effort that is
6 representing, you know, almost 73 million of that -- that
7 total that proposed not to -- not to -- to do anything there
8 as far as reductions.

9 There's a large portion that's for matching
10 federal funds, so what I've done -- and then last time, I
11 think, Chairman, you -- you had -- had reminded me that the
12 previous Commission had -- or we -- how we had approached
13 this was primarily identifying a certain amount from skills
14 and then the remainder coming out of the GR match for child
15 care. This is pretty much that same concept that -- but is
16 identifying some also -- other possibilities as far as
17 reductions to other -- other funding source.

18 So if you -- obviously, if you don't want to
19 go that direction, we can -- you know, we can -- we can take
20 similar approach to last time. I just wanted to show what
21 the umbers looked like.

22 CHAIRMAN ALCANTAR: So, Randy, what was the
23 percentage tied to when we -- in terms of GR? What was that
24 number again that you gave?

25 MR. TOWNSEND: For this year is about --

1 CHAIRMAN ALCANTAR: For -- no, for the next
2 biennium, the -- the GR match, the maintenance of effort
3 requirement.

4 MR. TOWNSEND: Oh, the maint -- the
5 maintenance of effort for -- for our -- our agency is \$73
6 million.

7 CHAIRMAN ALCANTAR: Seventy-three million
8 which represents what -- what percent of the GR?

9 MR. TOWNSEND: About 20 percent roughly.

10 CHAIRMAN ALCANTAR: Okay. Thank you.

11 MR. TOWNSEND: So -- so what I have -- have
12 done in laying this out, I -- I -- I've -- I -- I in --
13 included some numbers there. The proposed amounts -- or the
14 amounts see there would be 12 million over the biennium so 6
15 million a year for the skills if this is something you would
16 want to consider that would take -- remember, that'd take
17 the skills grants down from about 21.5 million or so to
18 probably about 15.5 million give or take. That would be
19 about a 20 percent reduction to the -- the skills strategy.

20 If you wanted to look at adult education for
21 a million a year out of the -- out of the match, the
22 corresponding federal match funds that's -- you -- it's
23 about a 25 percent state match requirement on that so that'd
24 be 6 million in federal funds unless we can identify some
25 other allowable match for that \$2 million. I did include \$1

1 million on employment and community services strategy.
2 Presumably this would be -- I was thinking there's 8 million
3 of the -- that strategy that's related to the rider that --
4 that serves -- that's one of the -- the homeless -- part of
5 the homeless -- homeless population. That would be, you
6 know, \$1 million out of that 8 potentially as -- as a --
7 just a scenario there.

8 Then looking at about 10 million a year out
9 of child care, that would take the child care from about 42
10 million a year in matching to, you know, 32 and that 20
11 million pulls down about 63 million in federal funds, so
12 it's, you know, pretty good match on that. I did include 3
13 million in -- for the voc. rehab. strategy. You know,
14 that's 52 million in that strategy and 57 million overall
15 for the -- or just about 56 for the -- for the voc. rehab.
16 general revenue match. That would result in 11 million in
17 federal funds that would -- would be tied to that 3 million
18 in match for -- for voc. rehab.

19 And then the final area that was included on
20 this page was about 1.6 for the SNAP E&T, 50/50, so there
21 would be a corresponding 1.6 million loss of federal funds
22 if you don't have that match so that could get you to the
23 39.6. I'm not saying this is the way you want to go or the
24 best way to go. I just thought you -- you ought to see at
25 least a kind of a placeholder, an option to look at and

1 react to. So with that, Commissioners -- and I did not do
2 anything with general revenue dedicated because we had
3 pretty much in the 4 percent reduction taken care of
4 everything there.

5 CHAIRMAN ALCANTAR: Right. Commissioners,
6 comments? And this is -- this is --

7 COMM. HUGHS: It's lots of stuff.

8 CHAIRMAN ALCANTAR: -- just laying out the
9 scenario. The -- the bottom line is 39.8 million?

10 MR. TOWNSEND: I think it's about 39.6. We
11 won't know the exact number till we get --

12 CHAIRMAN ALCANTAR: Yeah, bad glasses here.
13 Bad glasses.

14 MR. TOWNSEND: Well, the font. I apologize.
15 It's pretty small but to try to fit all this.

16 CHAIRMAN ALCANTAR: I need to borrow Julian's
17 glasses on top of mine to see or Commissioner Alvarez. And
18 when you looked at these numbers, Randy, it's the GR total
19 plus the match is how we would look at each of those. So
20 when you look at the -- were we to exercise the -- the
21 second item, it would be the 2 plus the 8 or the 6?

22 MR. TOWNSEND: I'm -- I'm sorry, Chairman.
23 What -- which one are you -- are we looking at here?

24 CHAIRMAN ALCANTAR: When you look at the --

25 MR. TEMPLE: Just the corresponding feds that

1 draws down --

2 CHAIRMAN ALCANTAR: -- at the corresponding
3 federal match reduction, that would be the 2 plus --

4 MR. TOWNSEND: Right. There would be about
5 \$82 million reduction in federal funds if you -- with this
6 approach here. It's on the second page of the document so
7 that --

8 CHAIRMAN ALCANTAR: Okay.

9 MR. TOWNSEND: -- some of that's not
10 matching, of course. Skills is not matching anything, but
11 the bottom line that -- that would -- there would be a --
12 and also an impact of \$82 million over the biennium so 40
13 million a year.

14 CHAIRMAN ALCANTAR: And in terms of the --

15 MR. TOWNSEND: Yes.

16 CHAIRMAN ALCANTAR: -- were -- were any of
17 these to be exercised.

18 MR. TOWNSEND: That's right.

19 CHAIRMAN ALCANTAR: Okay.

20 MR. TOWNSEND: And -- and we would -- we
21 would describe that -- I mean, if this is -- you know, if --
22 something along these lines, we would -- we would,
23 obviously, point out the impact as far as the loss of
24 federal funds and in -- in the case of something like child
25 care, we'll -- we would have to talk about and -- and -- the

1 number of children in care that would -- could not be
2 afforded, obviously. And any of the programs really, the
3 performance would be identified as far as what does not get
4 done or what cannot -- years served or what have you, so.

5 CHAIRMAN ALCANTAR: And certainly when we
6 meet with the directors next week, we need to examine where
7 we think we are in terms of local match capabilities. We've
8 asked for quite a bit there, and they've been able to
9 deliver, but we need to make sure we understand where we
10 currently sit and make that assessment. Commissioners, any
11 other comments? We're not taking action on this today.

12 COMM. ALVAREZ: No.

13 MR. TOWNSEND: I wasn't asking for an action.

14 CHAIRMAN ALCANTAR: We were just -- Randy was
15 just laying out the bottom line number and where the
16 available areas to consider sit for us. No comments. All
17 right.

18 COMM. ALVAREZ: Randy, I just want to thank
19 you for what you've done and coming to the offices. I know
20 it's not easy and especially when we talk about cuts and
21 stuff, so I applaud you for taking the time to look this
22 over, and I hope you didn't do it during your birthday on a
23 Saturday.

24 MR. TOWNSEND: Not on Saturday, no, sir.

25 COMM. ALVAREZ: Oh, good. And so I just

1 wanted to just, you know, publicly tell you I appreciate
2 everything you've done. I -- I don't want to see you for a
3 couple of days though. I mean, every day I see you first
4 thing in the morning and last thing -- last thing before I
5 leave so take a break, Randy -- Randy, take a break.

6 MR. TOWNSEND: Yes. It -- it is budget
7 season. I appreciate that.

8 COMM. ALVAREZ: Thank you very much.

9 MR. TOWNSEND: Commis -- Chairman, I --

10 CHAIRMAN ALCANTAR: And -- and, again -- and,
11 again, Randy, as a reminder that the requirement and the
12 instructions are for areas for -- for -- for them to
13 consider in terms of how they evaluate the budget. These
14 are not reductions per se.

15 MR. TOWNSEND: That's correct. On -- on the
16 10 percent part --

17 CHAIRMAN ALCANTAR: Right

18 MR. TOWNSEND: -- that is -- that is correct.
19 Yes, sir.

20 CHAIRMAN ALCANTAR: That these are not
21 reductions. They are just an examination of different
22 priorities and different impacts were they to examine those
23 things.

24 MR. TOWNSEND: That's right.

25 CHAIRMAN ALCANTAR: All right.

1 MR. TOWNSEND: Chairman, if I could and
2 Commissioners, the other thing just to make sure we're -- I
3 don't need answer on this either at -- at this -- at this
4 meeting, but the other item that we will need to complete
5 the -- the appropriation request, the LAR, would be your
6 direction on exceptional items.

7 So I know we're not looking for anything this
8 afternoon, but we do -- we have another Commission meeting
9 in -- in less than week or so, so I did know if there was,
10 you know, as far as -- and just kind of -- and, of course,
11 it's tied to a few other things that are going on as well, I
12 understand. And so I'm just wanting to make sure that we
13 have a game plan for -- for moving forward on exceptional
14 items.

15 CHAIRMAN ALCANTAR: Yeah, I -- I think we
16 can. I am examining a number of things that -- still trying
17 to figure out how they fit in in terms of the amounts and so
18 forth, but I hope to prepared to discuss a couple of items
19 next week --

20 COMM. ALVAREZ: Okay.

21 CHAIRMAN ALCANTAR: -- involving certainly a
22 couple of the existing programs and whether or not we adjust
23 those. Commissioners, do you have any things that you want
24 to ask staff to work on at this time or are you -- you --
25 you bring those items up next week?

1 COMM. HUGHS: No.

2 COMM. ALVAREZ: I'll bring it up next week.

3 CHAIRMAN ALCANTAR: Okay. We'll talk about
4 those next week.

5 MR. TOWNSEND: Okay. Thank you very much.

6 CHAIRMAN ALCANTAR: All right. Thank you.
7 Thank you, Commissioners.

8 AGENDA ITEM NO. 9

9 CHAIRMAN ALCANTAR: Item 9. Discussion,
10 Consideration and Possible Action Regarding the Fiscal Year
11 2017 Allocations to the Local Board Areas for Child Care,
12 TANF, EES, and SNAP, Randy.

13 MR. TOWNSEND: Just a quick -- Chairman and
14 Commissioners, again, for the record Randy Townsend, Chief
15 Financial Officer. Just a quick update on the allocations.
16 Obviously, I don't have anything for you this afternoon.
17 One of the main reasons for that is there's some questions
18 relating to the child care program in particular as it -- as
19 -- as it -- as the impact potentially -- because of
20 reauthorization, so staff is looking at that possible
21 impact. And it could have a vary on the allocations for the
22 child care, so I just didn't feel like we were in position
23 to bring that for your -- for you this -- this afternoon,
24 so.

25 CHAIRMAN ALCANTAR: And that's specific

1 around the federal requirements and the new changes?

2 MR. TOWNSEND: Yes, the federal requirements.

3 Yes, that's right.

4 CHAIRMAN ALCANTAR: Okay. Thank you.

5 AGENDA ITEM NO. 10

6 CHAIRMAN ALCANTAR: Item 10. Discussion,
7 Consideration and Possible Action Regarding the Approval of
8 Products Offered by the CRP Programs Under the Purchasing
9 from People with Disabilities State-Use Program, Howard.

10 Good afternoon, sir.

11 MR. JOSEPH: And good afternoon,
12 Mr. Chairman, Commissioners, Mr. Temple. For the record, my
13 name is Howard Joseph, Program Manager Purchasing from
14 People with Disabilities Program. We have before you Agenda
15 Item Number 10 for the approval of 25 new products with
16 prices.

17 CHAIRMAN ALCANTAR: Let me ask real quick, do
18 we need a motion on the -- on the order, Randy?

19 MR. TOWNSEND: Yes, we do.

20 CHAIRMAN ALCANTAR: We do. Commissioners, do
21 we have an -- do we have a motion on -- on going back to
22 item 8?

23 COMM. HUGHS: Eight.

24 MR. JOSEPH: It's 8, sir.

25 CHAIRMAN ALCANTAR: Do we have a motion on

1 item 8 in terms of the 2016 or 2017 operating budget?

2 COMM. HUGHS: I move that we approve the
3 staff's recommendation.

4 COMM. ALVAREZ: I second that.

5 CHAIRMAN ALCANTAR: We are unanimous. Thank
6 you, Commissioner Alvarez. Appreciate that. Howard, sorry
7 for the interruption.

8 MR. JOSEPH: No problem. I have before you
9 the Agenda Item Number 10 for the approval of 25 new
10 products with prices. We are recommending approval of only
11 22 new products. We're not recommending items number 1,
12 Dawn Degreaser; number 2, Dawn Dish Detergent; and item
13 number 3, Febreze Air Freshener. We also have 14 existing
14 products with price revisions to be approved by the
15 Commission. We are recommending approval of only 13. We
16 are not recommending item number 12, Lightbar of Beacon
17 Lighthouse for the Blind. I'll be happy to answer any
18 questions.

19 CHAIRMAN ALCANTAR: Any questions?
20 Commissioner Hughs?

21 COMM. HUGHS: Okay. I move that we approve
22 staff's recommendations for the products and services
23 offered by certified community rehabilitation programs under
24 the Purchasing from People with Disabilities State-Use
25 Program as requested.

1 COMM. ALVAREZ: I second that.

2 CHAIRMAN ALCANTAR: It is unanimous.

3 MR. JOSEPH: Thank you.

4 CHAIRMAN ALCANTAR: Thank you, sir.

5 AGENDA ITEM NO. 11

6 CHAIRMAN ALCANTAR: Item 11. Discussion,
7 Consideration and Possible Action Regarding Recommendations
8 Received by the Jobs, Advisory Board for Round 1 Community
9 College and ISD Applicants, Aaron Demerson. Good afternoon,
10 Aaron.

11 MR. DEMERSON: Good afternoon, Mr. Chairman,
12 Commissioners. My name is Aaron Demerson, Office of
13 Employer Initiatives. Wanting to bring to you, wanting to
14 lay out the results of the July 22nd board meeting, advisory
15 board meeting, that was held. Behind your -- on Tab 11, we
16 have a summary sheet document that kind of lays out the
17 proposals that we received as well. There was an RFP that
18 was issued back May 13. We had total funds available of
19 about \$5 million, 2.5 million for the ISDs and 2.5 million
20 for the community colleges.

21 From that RFP, we actually received a total
22 number of proposals of about 101, and that's on tab 11, and
23 that was broken down -- broke down with the ISDs of 59 and
24 the community colleges of 42. Staff ended up evaluating 42
25 ISDs and 37 actual community colleges. The sheet that

1 Emily's passing are the results of staff's evaluation and so
2 from that, we have community colleges -- community colleges
3 that we'll be pushing forward and that will be 1 through 10
4 for the community colleges that are recommended for approval
5 from the advisory board. And with the ISDs, we have items 1
6 through 14 that have been recommended for approval as well.

7 A very good round of -- of applications. We
8 received a number of applications. We're looking forward to
9 the next board meeting that will lay out the next RFP
10 process as well, but this is where we stand at this
11 particular point with the -- the latest board meeting that
12 was held July 22nd. Available for any questions.

13 CHAIRMAN ALCANTAR: Any questions or
14 comments, Commissioners?

15 COMM. HUGHS: No, I think this is great work,
16 and I appreciate it. And I -- I also appreciate these staff
17 updates in the JET Program. I -- I would like to get those
18 throughout the year if we could like we do with some other
19 programs just to make sure the Commission's informed with
20 what's happening and thank you for update. I certain
21 approve it.

22 CHAIRMAN ALCANTAR: Aaron, you want to give
23 us an update in terms of what the plan is for the next
24 round?

25 MR. DEMERSON: Yeah, let me let -- Emily can

1 address that.

2 MS. CLODFELTER: Good afternoon. Emily
3 Clodfelter. We are beginning -- we are in the process of
4 planning the next JET advisory board meeting for beginning
5 of Sept -- beginning to mid-September. The new fiscal year
6 start -- with the new fiscal year, we will have \$5 million,
7 and we are also in the process of beginning inter --
8 internal conversations for staff recommendations for the
9 next RFP.

10 CHAIRMAN ALCANTAR: Commissioner Alvarez?

11 COMM. ALVAREZ: I just want to take this
12 opportunity to thank you, Chairman. You did -- you did a
13 great in taking the lead in visiting with the -- the folks
14 around the state talking about this JET program. Let me
15 tell you, there was a lot of interest. So I want to thank
16 you, Aaron, as well with the Chairman in allowing us to be
17 part of that -- those discussions, and I appreciate that,
18 and I wanted to thank you and your team for great work.
19 And, I'll you what, I was impressed with the number of the
20 applicants that came in so good job.

21 CHAIRMAN ALCANTAR: Well, thank you,
22 Commissioner Alvarez. I feel -- I too want to really just
23 thank the staff. They did all the hard work. They really
24 made sure that the advisory committee members were advised
25 of all the requirements, expectations, and they worked

1 really hard to make sure that the -- that the opportunity
2 reflected the intent of the legislation in terms of eligible
3 applicants and the parameters for the program.

4 And I thought -- and I agree with you
5 wholeheartedly the number of applications we received
6 exceeded in terms of the community colleges and technical
7 colleges I believe, Aaron, the number of previously received
8 under other offerings when the program was at another
9 agency, and then you add to that the total number of new
10 applications that we received from the ISD entities that
11 were interested in this program is really a number to really
12 appreciate in terms of the need for these type of -- of
13 equipment. Am I correct in terms of the -- the numbers
14 received?

15 MR. DEMERSON: Yes, yes. I think the highest
16 number that they received at the Comptroller's Office may
17 have been into the 30s or so and we --

18 MS. CLODFELTER: About 30.

19 MR. DEMERSON: -- almost doubled that --
20 almost 30, so we doubled and really increased that
21 tremendously.

22 CHAIRMAN ALCANTAR: Well, appreciate all the
23 hard work. Good job, Emily.

24 MS. CLODFELTER: Thanks.

25 CHAIRMAN ALCANTAR: Good job, Aaron. And to

1 all the folks that evaluated those proposals really -- the
2 committee felt as -- the three of us observed that they did
3 really nice work so looking forward to figuring out how we
4 can build momentum and evaluate how these investments move
5 forward.

6 MR. DEMERSON: Mr. Chairman, I wanted to
7 recognize David Johnson as well and Adam (indiscernible),
8 who did a phenomenal job in that meeting, so.

9 CHAIRMAN ALCANTAR: Oh, yeah, David did a
10 great job. Where are you David?

11 MR. DEMERSON: David, we appreciate all the
12 help.

13 COMM. ALVAREZ: Thank you, David.

14 CHAIRMAN ALCANTAR: You --you were ready with
15 the answers, and it took you all of 30 seconds for the ones
16 you weren't ready for so really impressed. Thank you.

17 MR. DEMERSON: Thank you.

18 CHAIRMAN ALCANTAR: Thank you, sir.

19 AGENDA ITEM NO. 12

20 CHAIRMAN ALCANTAR: Item 12. Discussion,
21 Consideration and Possible Action Regarding Implementation
22 of the WIOA Legislation, Jason. Good afternoon.

23 MR. VADEN: Good afternoon, Commissioners.
24 For the record Jason Vaden, Workforce Development Division.
25 The Texas Workforce Commission's Combined State Plan for the

1 Workforce Innovation and Opportunity Act for Program Years
2 2016 through 2019 was submitted to the U.S. Departments of
3 Labor and Education on April 1st of this year. The plan
4 included certifications and assurances for the vocational
5 rehabilitation program that identified the Texas Department
6 of Assisted and Rehabilitative Services as the state's
7 designated state agency for that vocational rehabilitative
8 services program.

9 With these functions moving to TWC effective
10 September the 1st, a plan amendment is necessary. This
11 afternoon staff recommends approval of this amendment to the
12 WIOA Combined State Plan to indicate that effective
13 September 1st of 2016 TWC is the designated state agency for
14 the vocational rehabilitation get in Texas. And I'm
15 available for questions, if you have any.

16 CHAIRMAN ALCANTAR: Any questions?
17 Commissioner Hughs?

18 COMM. HUGHS: I move that we approve the
19 amendment to the WIOA Combined State Plan to indicate that
20 effective September 1, 2016, TWC is the DSA for the VR
21 programs in Texas.

22 COMM. ALVAREZ: I second that.

23 CHAIRMAN ALCANTAR: We are unanimous.

24 AGENDA ITEM NO. 13

25 CHAIRMAN ALCANTAR: Item 13. Discussion,

1 Consideration and Possible Action Regarding State Level
2 Program Year 2016-17 AEL Performance Measure Targets, David.
3 Good afternoon, sir.

4 MR. JOHNSON: Good afternoon, Mr. Chairman,
5 Commissioners, Mr. Temple. For the record David Johnson
6 with Operational Insight. Before you today are the AEL
7 targets developed in successful negotiations with OCTAE.
8 OCTAE accepted our targets as proposed. Since the AEL
9 targets we gave to the grantees were based on our proposed
10 targets to OCTAE, the grantees targets are now aligned with
11 TWC's own targets and no adjustments need to be made.

12 Under WIOA, performance targets are supposed
13 to be automatically adjusted at the end of the year to
14 reflect to actual case mix and other factors impacting
15 performance since the initial negotiations were based on
16 estimates. If it turns out that the case mix changes
17 significantly from last year, this should cause targets to
18 be adjusted as well. In addition, in response to WIOA
19 performance comments, the Departments of Labor and Education
20 noted that changes in enrollment patterns may also be cause
21 for target adjustments.

22 This means that if the grantees significantly
23 increase, for example, the percentage of those enrolled in
24 the fourth quarter, we may be able to adjust the targets to
25 account for the heightened difficulty of achieving a gain by

1 the end of the year since the participants were enrolled so
2 late in the year. We're asking today for the Commission
3 approval of the negotiated targets and that concludes my
4 prepared remarks, and I'm happy to answer any questions you
5 might have.

6 CHAIRMAN ALCANTAR: Commissioner Hughs?

7 COMM. HUGHS: I move that we approve the
8 suggested or recommended targets from staff.

9 COMM. ALVAREZ: I second that.

10 CHAIRMAN ALCANTAR: We are unanimous. Thank
11 you, David.

12 MR. JOHNSON: Thank you.

13 AGENDA ITEM NO. 14

14 CHAIRMAN ALCANTAR: Item 15. No? 14.
15 Discussion, Consideration and Possible Action Regarding AEL
16 Performance Funding Benchmarks, Carrie. Good afternoon.

17 MS. TUPA: Good afternoon, Chairman and
18 Commissioners. For the record Carrie Tupa, Adult Education
19 and Literacy. On May 17th, you approved pursuant to 40 TAC
20 Rule 800.68 a 2 percent performance allocation for Adult
21 Education and Literacy grantees for program year 2016-17 to
22 be received upon achieving performance accountability
23 benchmarks. Today we bring before you proposed
24 accountability benchmarks for the earning of these funds.

25 In an effort to maintain momentum achieved

1 last year towards program enrollment and ensure funds are
2 distributed to grantees such that they can be spent within
3 the program year, staff is recommending one measure, 60
4 percent of a grantees total enrollment target met by the end
5 of quarter two. This item is up for your approval, and I'll
6 be happy to answer any questions.

7 CHAIRMAN ALCANTAR: Any questions?
8 Commissioner Hughs?

9 COMM. HUGHS: I move that we approve staff's
10 recommendation.

11 COMM. ALVAREZ: I second that.

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

14 MS. TUPA: Thank you.

15 AGENDA ITEM NO. 15

16 CHAIRMAN ALCANTAR: Item 15. Discussion,
17 Consideration and Possible Action Regarding Suspension of
18 Child Care Enrollments, Jason.

19 MR. VADEN: Good afternoon, again. For the
20 record Jason Vaden, Workforce Division. For your
21 consideration this afternoon is a recommendation to suspend
22 enrollments for at-risk child care. The Child Care and
23 Development Block Grant Act of 2014 made significant changes
24 to the child care and development fund. These changes are
25 anticipated to impact the level of child care enrollments

1 beginning in Board contract year 2017. Staff recommends
2 that Boards suspend enrollments for new at-risk child care
3 cases effective August 1st of 2016 unless the Board can
4 demonstrate and TWC concurs that enrollments are sustainable
5 throughout Board contract year 2017, allow for the continued
6 enrollment of TWC priority groups, will not exceed a Board's
7 funding and will not require that eligible children be
8 removed from care.

9 Staff also recommends that a Board -- a
10 Board's contract year 2016 child care funds not expended by
11 contract year 2016's service period end date of October
12 31st, 2016, be extended through December 31st of 2016. And
13 with that, I'm available for any questions, if you have any.

14 CHAIRMAN ALCANTAR: Yes, Jason, can you cover
15 -- give us a background in terms of this new requirement? I
16 guess I'm looking at lines 20 through 26 for the record and
17 some of -- how that impacts the current practice that we
18 have out there?

19 MR. VADEN: Lines 20 through 26.

20 MS. MILLER: Good afternoon, Commissioners.
21 Reagan Miller, Workforce Development. So the changes in --
22 in federal law that you're referencing mandate a 12-month
23 eligibility period for all children on a case. Previously,
24 parents were eligible as long as they were working or in
25 training for the specified number of hours per week and were

1 continuing to -- to participate as required.

2 Under the new law, once a child is enrolled,
3 they are eligible for 12 months of eligibility with no
4 change to the parent co-pay and if they're work hours are
5 reduced, we are not allowed to -- to terminate care. There
6 is -- there is one exception and that is a three-month
7 period for job search. That was an option that states could
8 accept. Currently we allow for 30 days of job search if
9 you're not working or in training. Under the -- the new
10 federal law, states optionally could adopt a three-month
11 period, no shorter.

12 And previously you did elect to modify our
13 rules so that if somebody is not in work or in training for
14 over 90 days, then at that point we can terminate care.
15 Because of that, we are concerned that we are going to enter
16 the new fiscal year with a higher number of children in care
17 who will then be eligible for a mandatory 12 months' worth
18 of child care services, and there's concern about the cost
19 impact that that will have.

20 CHAIRMAN ALCANTAR: And to be clear, our
21 Boards have demonstrated over the years an ability to manage
22 the number of kids that they can enroll and support, and
23 we've -- they've done a wonderful job of being able to
24 manage their -- their programs in accordance with their
25 allocations. What this presents us with then and the reason

1 for your recommendation is this federal requirement and the
2 work that Adam and David are doing to really assess impact,
3 it's meant to make sure that we maintain that record of
4 signing people on and being able to keep them in care and
5 allowing them to effectively transition. And could you also
6 highlight the income -- a family's income in terms of that
7 12 months? Is there a point at which they exceed certain
8 income levels?

9 MS. MILLER: Yes, sir. So if somebody
10 exceeds 85 percent of the state median's income, then that
11 would be another -- another reason to terminate care.
12 That's the maximum income eligibility for a family.

13 CHAIRMAN ALCANTAR: So those are the two --
14 in addition to the -- to the three months, there is that.

15 MS. MILLER: Yes.

16 CHAIRMAN ALCANTAR: So this is intended to
17 really assess and to make sure that we -- that our Boards
18 have the good data and understand the imp -- implications of
19 the -- of this new federal requirement.

20 MS. MILLER: It is. And I -- I appreciate
21 your comment. The Boards have done a very good job of
22 managing the churn that they have now. That churn trend is
23 going to change based upon this new 12-month eligibility, so
24 we want to give the Boards an opportunity to --

25 CHAIRMAN ALCANTAR: Assess.

1 MS. MILLER: Yes, yes, sir.

2 MR. TEMPLE: The -- the previous requirements
3 were more rigorous. We wanted any and all changes of
4 income. Now the only changes are if they bring them over
5 the 85 percent and that cre -- that will result in a lot
6 less churn than what we've had. That's what Adam and
7 company are trying to actually quantify that.

8 CHAIRMAN ALCANTAR: Good. Commissioners, any
9 comments or questions? Commissioner Hughs?

10 COMM. HUGHS: Well, given the need, I -- I
11 move that we approve the staff's recommendations.

12 COMM. ALVAREZ: I second that.

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

15 AGENDA ITEM NO. 16

16 CHAIRMAN ALCANTAR: Item 16. Discussion,
17 Consideration and Possible Action Regarding Statewide
18 Initiatives Funded with WIOA, TANF, AEL, Child Care or State
19 Funds, Jason.

20 MR. VADEN: Again, for the record Jason
21 Vaden, Workforce Division. Under this agenda item, staff
22 will be bringing forward two separate requests for
23 Commission actions. The first request concerns funding to
24 support Workforce Solutions' Offices in preparation for the
25 September 1st transition of vocational rehabilitation

1 services to TWC. Earlier this year, TWC formed a work group
2 comprising staff from local Workforce Development Boards,
3 the Department of Assistive and Rehabilitative Services and
4 agency staff to review minimum accessibility standards that
5 should be in place in all Workforce Solutions' Offices.

6 The work group developed a list of required
7 accommodations and provided examples of products and
8 solutions available to address -- address the needed
9 changes. These are included in the discussion paper in
10 attachment one. Following the development of these
11 accessibility standards, TWC staff surveyed all of the
12 Boards and requested that they determine whether all of
13 their Workforce Solutions' Offices meet these accessibility
14 standards, and if they did not to provide TWC with a cost
15 estimate necessary to meet these accessibility standards.
16 And these estimates are included in attachment two.

17 This afternoon, staff recommends that the
18 Commission approve \$507,000 in Wagner-Peyser Employment
19 Service funding to ensure that Boards acquire necessary
20 products to ensure that all Workforce Solutions' Offices
21 meet the minimum accessibility standards. And I'm available
22 for questions, if you have any.

23 CHAIRMAN ALCANTAR: Any questions?

24 COMM. ALVAREZ: No questions.

25 CHAIRMAN ALCANTAR: Commissioner Hughs?

1 COMM. HUGHS: I move that we approve the --
2 the discussion paper on accessibility standards as requested
3 by staff.

4 COMM. ALVAREZ: I second that.

5 CHAIRMAN ALCANTAR: And I wholeheartedly make
6 this unanimous. This is a really important investment, and
7 I appreciate all the hard work for us to get there, John and
8 everybody else that worked on it. Really good work, so I
9 appreciate it. Next one, Jason?

10 MR. VADEN: Okay. I'm going to hand it over
11 to Bob Gear now for the presentation of this second item for
12 consideration under Agenda Item 16.

13 CHAIRMAN ALCANTAR: Thank you, Jason. Good
14 afternoon, Bob.

15 MR. GEAR: Good afternoon, Chairman Alcantar,
16 Commissioner Hughs, Commissioner Alvarez, Mr. Temple. As
17 you know, every year in Texas there's over 20,000 service
18 member who separate, and we currently do not have a great
19 system of working with these service members and providing
20 them important services. In coordination with the
21 Governor's Office, Operation Welcome Home is a program
22 designed to better meet the needs of transitioning service
23 members who are remaining in Texas. Operation Welcome Home
24 has five major components that staff are recommending for
25 approval.

1 Number one, Operation Welcome Home is to be
2 hosted by Texas Workforce Commission in conjunction with the
3 Tri-Agency Summit in mid-September. The purpose of this
4 summit is to bring our Workforce Boards and their military
5 installation partners together so they can start building or
6 -- or maintain the existing relationships they already have.
7 The second -- component number two, Welcome Home Texas
8 Alliance. This accrediting alliance that will meet at least
9 four times a year.

10 When this alliance meets four times a year,
11 they will discuss issues and challenges and best practices
12 that are going on in all the military installations in the
13 state. The Texas Workforce Commission in conjunction with
14 its Boards will encourage its military installation
15 partners, the Texas Veterans Commission and the Texas
16 Department of Licensing and Regulation to -- to participate.

17 Component number three of Operation Welcome
18 Home, the home handoff is, to me, the most critical part of
19 this whole -- of -- of this initiative. And -- and what
20 this is is the ability for the Texas Workforce partners to
21 start working with these service members 180 days prior to
22 separation. With this, this will give the Workforce
23 partners the ability to provide these services not only
24 employment but also for education, career technical training
25 and offering entrepreneurship.

1 Component number four, Skills for Transition
2 program. Funded training would complement the efforts that
3 are already ongoing on the military installations. This
4 would provide skills. This training would provide skills to
5 the separating service members in high-demand occupations,
6 in target-demand occupations in each of the Board areas.
7 Over the next two fiscal years, \$4 million of the skills
8 development fund would be used to train approximately 2,000
9 transitioning service members at a cost of no more than
10 2,000 per service member.

11 And rec -- and number five, employer
12 recognition award, the employers are critical, an important
13 part of this equation. Employers who hire and are providing
14 services to Texas veterans or transitioning service members
15 ought to be recognized. Staff recommends approval --
16 approval to move forward with the various components of
17 Operation Welcome Home and requests approval to examine
18 opportunities for employer recognition awards for the 2017
19 annual conference. In addition, staff recommends approval
20 for skills development funds to be available for the Skills
21 for Transition program as outlined in the discussion paper.
22 And I'll be happy to answer any questions.

23 CHAIRMAN ALCANTAR: Thank you, Bob.

24 Commissioner Hughs?

25 COMM. HUGHS: Well, I don't have any

1 questions. I wholeheartedly agree.

2 CHAIRMAN ALCANTAR: Any comments?

3 COMM. HUGHS: I certainly want to thank you,
4 Bob and the rest of the staff for all of your tireless work
5 on this project. It's something that we have identified
6 throughout the state as a need and something that I think is
7 going to be -- have a great impact in identifying, reaching
8 out and having services at 180 days out as we've discussed
9 and as we've heard in -- in the meetings that we've gone to
10 throughout the state so very excited about this effort. I
11 hope my fellow Commissioners will support it.

12 And I know we're looking at options as to
13 what we can do to support military spouses and families, but
14 I certainly think getting veteran earlier and trying to get
15 to that soft landing as they become veterans is -- is a
16 really great start and thank you so much for that.

17 COMM. ALVAREZ: So before I second that, I
18 would like to state something. I would like to state that I
19 would want to make sure that these transitioning veterans
20 are provided information regarding DOL registered
21 apprenticeship programs. These programs are targeted
22 occupations and lead to good paying jobs. I would like the
23 staff to explore opportunities for veterans in programs such
24 as veterans in piping, VIP, or Helmets to Hardhats which are
25 accelerated apprenticeship programs. Also I want to make

1 sure that they are coordinated with the military transition
2 assistance program. And with that, I second that.

3 CHAIRMAN ALCANTAR: Well, I want -- I want to
4 really recognize the leadership of Commissioner Hughs in
5 working on this issue. I really applaud your leadership on
6 -- on this work. I think really support all the hard work
7 that went into putting together such a wonderful approach to
8 really serving our heroes, and I applaud you for you doing
9 such good work, Commissioner Hughs. I wholeheartedly
10 support this recommendation and look forward to building
11 upon what this is intending to do. Thank you. I thank you
12 all. It is unanimous.

13 MR. GEAR: Thank you, Mr. Chairman.

14 COMM. HUGHS: So I don't know if I formally
15 approved the staff's recommendation. I don't know that I
16 actually said that.

17 COMM. ALVAREZ: I'd also like to say
18 something if it's okay.

19 CHAIRMAN ALCANTAR: So -- so you -- she moved
20 it. So Commissioner Hughs moved it.

21 COMM. ALVAREZ: I seconded it.

22 CHAIRMAN ALCANTAR: Commissioner Alvarez
23 seconded it, and I made it unanimous.

24 COMM. ALVAREZ: Yes.

25 COMM. HUGHS: Perfect. Thank you, both so

1 much.

2 CHAIRMAN ALCANTAR: For the record.

3 COMM. ALVAREZ: For the record. So I'd like
4 to add one more thing before we close and -- and share this
5 with my fellow Commissioners. I think we've discussed this
6 in the past. Commissioners, on the May 31st, 2016, meeting
7 we voted on apprenticeship funding for fiscal year 2017. At
8 the time of the vote, I expressed the importance of funding
9 journey workers. As I have traveled throughout the state,
10 the one consistent message I've heard from apprentice
11 schools is the need to -- is the need that we continue
12 funding these journey workers.

13 Journey workers train and oversee
14 apprenticeships or apprentices at the worksite and the
15 technologies involved, must -- must continuously improve
16 their own skills and education. In order to ensure the
17 continuation of funding for journey workers, I move that we
18 increase the amount of apprenticeship funding for fiscal
19 year 2017 by \$300,000 specifically to fund journey workers.

20 CHAIRMAN ALCANTAR: Commissioner, can we --
21 can we have that discussion next week when -- when Randy is
22 talking about the budget and the exceptional items. And --
23 and if you could at that time indicate at what year you're
24 looking at doing that in --

25 COMM. ALVAREZ: Okay.

1 CHAIRMAN ALCANTAR: -- and how many years you
2 want to do that for.

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

4 CHAIRMAN ALCANTAR: If I can ask you to do
5 that at that time. Thank you, sir.

6 CHAIRMAN ALCANTAR: Item 17. Discussion,
7 Consideration and Possible Action Regarding the
8 Nondiscrimination and Equal Opportunity Methods of
9 Administration Recertification Amendment, Boone Fields and
10 Chuck Ross. Okay. Wait -- wait -- wait a minute. Before
11 we leave that.

12 Susanna, could we -- does that posting allow
13 for a discussion on that? I think it does actually, right?
14 I thought it was -- I lost track that we had multiple things
15 on that agenda item. Before I -- before I actually asked
16 for a deferral. Going back to Agenda Item 16, it does
17 provide --

18 MR. TEMPLE: We have operating budget, and we
19 have LAR, and we have statewide. We have all three.

20 CHAIRMAN ALCANTAR: Okay, great. Then I'd
21 like for you to replay that out again, Commissioner, and
22 clarify what years you're looking at doing that, so we can
23 discuss that. I'm sorry. I --

24 COMM. ALVAREZ: Okay. Good.

25 CHAIRMAN ALCANTAR: -- I -- I was focused on

1 the veterans' --

2 MS. CUTRONE: Yes, that's --

3 CHAIRMAN ALCANTAR: -- initiatives, and I
4 forget that we had just talked about accessibility.

5 MS. CUTRONE: The broad posting on Item 16
6 allows for the discussion, yes.

7 CHAIRMAN ALCANTAR: Okay, great. Let's have
8 it.

9 COMM. ALVAREZ: So my discussion really is
10 just to ensure the continuation of funding for journey
11 workers. As I mentioned earlier and I expressed during our
12 -- not only our 60x30 travels but also a meeting the -- our
13 -- our -- our schools -- training schools, they've all
14 expressed the concern that, you know, obviously journey
15 workers are important to them and that I ask that during the
16 fiscal year 2017 that we increase that amount to 300,000
17 which is not by much.

18 CHAIRMAN ALCANTAR: By 300,000. I certainly
19 appreciate the focus on -- on apprenticeship and certainly I
20 agree that during the total of -- of our agency's regional
21 and other related meetings that we heard a lot support for
22 these type of programs and these type of investments. I
23 certainly would support that investment. Commissioner
24 Hughs?

25 COMM. HUGHS: I -- I think it's a worthy

1 cause. I'm not clear where the money is coming from, and --
2 and I haven't seen any of this on paper. I'm not sure if
3 it's something that staff is working up so that we're clear
4 on where it's coming from because we're in the middle of
5 reductions. So I don't not support the effort, but I don't
6 feel that I could vote on that money right now unless
7 someone could share with me exactly where it would come from
8 and how we could justify it in the bigger picture at this
9 point.

10 COMM. ALVAREZ: Well, I said I didn't want to
11 see this guy again. Randy, can you come up here? Now, I've
12 had this discussion with this Randy.

13 COMM. HUGHS: Okay.

14 COMM. ALVAREZ: Only because of my travels
15 and obviously because of the 60x30 --

16 CHAIRMAN ALCANTAR: Are you -- are you
17 proposing more WIOA funding for this?

18 COMM. ALVAREZ: I'm going to let Randy
19 explain that because there is a source there which is --

20 CHAIRMAN ALCANTAR: Okay.

21 MR. TOWNSEND: Chairman, Commissioner, again,
22 for the record Randy Townsend, Chief Financial Officer.
23 Yes, sir. That -- right now, we supplement -- we provide
24 additional funding for our apprenticeship program generally
25 from two main -- main sources besides the general revenue

1 and that is the WIOA, the worker -- Workforce Innovation and
2 Opportunity statewide funding, and then the -- our TANF
3 funding.

4 We do a little bit with our SNAP E&T, so the
5 proposals as I'm understanding it would -- would take
6 300,000 from our reserve balance, Commission reserve balance
7 for our WIOA statewide and move it for the journey worker
8 funding, and so there'd be 300,000 left in that balance. I
9 believe that number, if I remember correctly, is right
10 around 7 million currently is our estimate for our '17 for
11 the WIOA statewide, so it would take it from 7 million down
12 to 6.7, I believe, is -- is roughly the numbers.

13 CHAIRMAN ALCANTAR: And so the objective,
14 Commissioner, would be for you to expand, continuing
15 expanding the number of apprenticeship programs but also to
16 have additional funding to specifically focus on journeymen?

17 COMM. ALVAREZ: That's correct, journey
18 workers.

19 COMM. HUGHS: Do we know how many people
20 would be served with this amount of money?

21 MR. TEMPLE: Up to 2,000.

22 CHAIRMAN ALCANTAR: Up to 2,000.

23 COMM. HUGHS: So is this recommended by
24 staff?

25 CHAIRMAN ALCANTAR: This is the Com --

1 this --

2 COMM. HUGHS: Okay. It's just something
3 we're doing up here on our own?

4 CHAIRMAN ALCANTAR: Yeah.

5 COMM. HUGHS: Okay.

6 CHAIRMAN ALCANTAR: This is the
7 Commissioner's recommendation.

8 COMM. HUGHS: So, well, at least we know we
9 can use -- we have the funding identified. We know how many
10 individuals will be served, and we've identified it is a
11 need. So to that extent, I will support the effort.

12 CHAIRMAN ALCANTAR: Okay. Then we -- to
13 restate this, the motion is to add another 300,000 from WIOA
14 -- is that your motion, Commissioner?

15 COMM. ALVAREZ: That's correct.

16 CHAIRMAN ALCANTAR: I second. And it's --

17 COMM. HUGHS: Unanimous.

18 CHAIRMAN ALCANTAR: -- unanimous.

19 COMM. ALVAREZ: And specifically to address
20 journey workers.

21 CHAIRMAN ALCANTAR: Right. All right.

22 MR. TOWNSEND: And I'll reflect that in the
23 budget documents when we present them.

24 CHAIRMAN ALCANTAR: All right. Thank you,
25 sir.

1 AGENDA ITEM NO. 17.

2 CHAIRMAN ALCANTAR: Item 17. Discussion,
3 Consideration and Possible Action Regarding the
4 Nondiscrimination and Equal Opportunity Methods of
5 Administration, Boone Fields. Good afternoon, sir.

6 MR. FIELDS: Okay. Good afternoon,
7 Mr. Chairman, Commissioners, Mr. Temple. For the record,
8 I'm Boone Fields, Deputy Director of the Regulatory
9 Integrity Division and the State Equal Opportunity Officer.
10 I've briefed your offices and if it pleases the Commission
11 today, I'm presenting for your approval the WIOA §188
12 amendment five Methods of Administration. And upon your
13 approval this will be signed by the Governor and sent to the
14 Department of Labor.

15 CHAIRMAN ALCANTAR: Commissioner Hughs?

16 COMM. HUGHS: I move that we approve the
17 Nondiscrimination and Equal Opportunity Methods of
18 Administration recertification amendment as recommended.

19 MR. FIELDS: Thank you.

20 COMM. ALVAREZ: I second that.

21 CHAIRMAN ALCANTAR: It is unanimous.

22 AGENDA ITEM NO. 18

23 CHAIRMAN ALCANTAR: Item 18. Discussion,
24 Consideration and Possible Action Regarding the Approval
25 Local Board Nominees, John Fuller.

1 MR. FULLER: Good morning, Mis -- good
2 afternoon, Mr. Chairman, Commissioners, Mr. Temple. For the
3 record, John Fuller, Workforce Development. Commissioners,
4 before you today, you have for your consideration, you have
5 nominees from Borderplex, Brazos Valley, Coastal Bend and
6 South Plains.

7 CHAIRMAN ALCANTAR: Commissioner Hughs?

8 COMM. HUGHS: I move that we approve the
9 Local Workforce Development Board nominees for Borderplex,
10 Brazos Valley, Coastal Bend and South Plains.

11 COMM. ALVAREZ: I second that.

12 CHAIRMAN ALCANTAR: We are unanimous.

13 MR. FULLER: Thank you.

14 AGENDA ITEM NO. 19

15 CHAIRMAN ALCANTAR: Item 19. Discussion,
16 Consideration and Possible Action Regarding State or Federal
17 Legislation. There is no update.

18 AGENDA ITEM NO. 20

19 CHAIRMAN ALCANTAR: Item 20. Report and
20 Update by the Executive Director. Larry, what do you have
21 for us?

22 MR. TEMPLE: Well, as you're well aware, we
23 had our second and final pre-K summit, early education
24 summit. It was very successful. All we heard and staff
25 heard were just great reviews, and I just want to -- to

1 thank staff for all the hard work in making it, you know,
2 come off as well as it did, very successful. And Randy's
3 going to have a report on the NASWA administration finance
4 meeting that he went to.

5 CHAIRMAN ALCANTAR: Great. And I agree, I
6 really -- especially want to recognize the efforts of
7 Patricia and Reagan who is -- are either of them here?

8 COMM. HUGHS: Stephanie's at the conference.

9 CHAIRMAN ALCANTAR: Yeah, they're still at
10 the conference. That's right.

11 COMM. HUGHS: They're still there. But we --
12 yeah.

13 CHAIRMAN ALCANTAR: Great.

14 COMM. HUGHS: It was great feedback.

15 CHAIRMAN ALCANTAR: We really appreciate
16 their hard work on this. Okay. Randy?

17 MR. TOWNSEND: Good afternoon, again,
18 Commissioners. Randy Townsend, Chief Financial Officer. I
19 had the opportunity the first part of this month, which
20 seems like a year ago now, to attend the joint meeting of
21 the UI -- the National Associated State Workforce Agencies,
22 the Administration of Finance, AMF, and along with the
23 Unemployment Insurance Committee. I was actually up there a
24 day early on -- on -- I started on the UI work group which
25 was really most of the -- the work in -- in this particular

1 case, but one of the things as you probably know the state
2 of Texas really doesn't come out very -- very favorably on
3 the formula as it relates to the -- our -- our unemployment
4 insurance grant funding.

5 We receive roughly \$120 million a year. We
6 essentially budget about 145, 150 million. A lot of that is
7 the formula that's really not very favorable to the -- to
8 the state, and so, of course, other states always think
9 they're under-funded as well. But when you look at the
10 comparison, we're -- we're way under-funded, so there was a
11 lot of -- there was a whole day devoted to ideas around how
12 to -- to help in general -- obviously, ignoring limitations
13 with the Congress and that sort of thing. And so I was very
14 involved in that kind of conversation, adding some -- some
15 ideas around how, you know, one might -- we might be able to
16 go about doing that and -- and along those lines so that was
17 a good deal of the work.

18 The other part that was kind of interesting,
19 as you know, we also -- states get -- get beat up a little
20 bit with, we get the WIOA statewide balances and then the
21 measuring stick is how -- how quickly you either expended
22 that money or have had that money committed by the end of
23 June 30th. And, of course, Texas has been kind of near the
24 top of the list for the last couple years. We're working
25 on, of course, bringing that down where we can control that.

1 But there's -- in mid-part of the year,
2 there's -- there's some things being done reporting-wise
3 that aren't taking into account some of the legitimate
4 obligations, and so it makes it look like states aren't
5 spending their money or haven't committed the funds and so
6 working on trying to clarify that with the Department of
7 Labor so that we're reflecting real numbers that -- that
8 recognize not only this actually expenditures but the -- the
9 actual commitments and obligations that are out there so
10 that when the -- when Congress is looking at the balances
11 that we're not somehow missing an important piece of the --
12 of the commitment so that was one -- one of the other big
13 pieces of -- of -- of work that we actually did in -- in
14 that -- in that group.

15 And, of course, a lot of that group had led
16 previously in -- in the past years to supporting the idea
17 of, you know, getting the -- the funding returned from the 5
18 percent back to the 15 percent level, so -- so now we just
19 need to make sure we're demonstrating -- not just Texas but
20 all states that we're -- we're spending it. So that was
21 probably the two big items that -- that -- there was other
22 items, of course, but that occurred during -- during that
23 joint work group meeting, so I just wanted to share that
24 with you, so.

25 CHAIRMAN ALCANTAR: All right. Thank you,

1 Randy. Larry, what else do you have?

2 MR. TEMPLE: That's all.

3 AGENDA ITEM NO. 21

4 CHAIRMAN ALCANTAR: So we're not going into
5 executive session.

6 AGENDA ITEM NO. 23

7 CHAIRMAN ALCANTAR: Is there a motion to
8 adjourn?

9 COMM. HUGHS: I move that we adjourn.

10 COMM. ALVAREZ: I second that.

11 CHAIRMAN ALCANTAR: We are adjourned.

12 (Proceedings concluded at 3:06 p.m.)

13

14

15

16

17

18

19

20

21

22

23

24

25

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

C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 3rd day of August, 2016.

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

Verbatim Reporting & Transcription, LLC
1322 Space Park Drive, Suite C165
Houston, Texas 77058
281.724.8600