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1 P R O C E E D I N G S

2 TUESDAY, AUGUST 11, 2015

3 (9:00 a.m.)

4 AGENDA ITEM NO. 1

5 CHAIRMAN ALCANTAR: Good morning,
6 everyone. This meeting will now go called to order.

7 AGENDA ITEM NO. 2

8 Discussion, Consideration and Possible
9 Action Regarding Whether to Assume Continuing
10 Jurisdiction on Unemployment Compensation Cases, Wage
11 Claim Cases, and/or Tax Liability Cases and
12 Reconsideration of Unemployment Compensation Cases, Wage
13 Claim Cases, and/or Tax Liability Cases, if Any.

14 No discussion.

15 AGENDA ITEM NO. 3

16 Discussion, Consideration and Possible
17 Action Regarding Tax Liability Cases Listed on the Texas
18 Workforce Commission Dockets 29, 30 and 31.

19 The Commission considered and took action
20 on all tax liability cases listed on Dockets 29, 30 and
21 31.

22 AGENDA ITEM NO. 4

23 Discussion, Consideration and Possible
24 Action Regarding Higher Level Appeals in Wage Claim
25 Cases Listed on the Texas Workforce Commission Dockets

1 29, 29a, 30 and 31.

2 The Commission considered and took action
3 on all wage claim cases listed on Dockets 29, 29a, 30
4 and 31.

5 AGENDA ITEM NO. 5

6 Discussion, Consideration and Possible
7 Action Regarding Higher Level Appeals in Unemployment
8 Compensation Cases Listed on the Texas Workforce
9 Commission Dockets 29, 29a, 30 and 31.

10 The Commission considered and took action
11 on all unemployment compensation cases listed on Dockets
12 29, 29a, 30 and 31.

13 (Off the record: 9:00 a.m. to 10:17 a.m.)

14 CHAIRMAN ALCANTAR: Good morning,
15 everyone.

16 We are back in session.

17 AGENDA ITEM NO. 6

18 CHAIRMAN ALCANTAR: Mr. Jones, has anyone
19 signed up for public comment?

20 MR. JONES: No public comment,
21 Mr. Chairman.

22 CHAIRMAN ALCANTAR: All right. Thank you,
23 Mr. Jones.

24 AGENDA ITEM NO. 7

25 CHAIRMAN ALCANTAR: Item 7. Discussion,

1 Consideration and Possible Action Regarding the
2 Estimated Unemployment Trust Fund Balance Pursuant to
3 Labor Code Section 204.061, Randy Townsend.

4 Good morning, Randy.

5 MR. TOWNSEND: Good morning, Chairman.
6 Good morning, Commissioners. For the record, Randy
7 Townsend, Chief Financial Officer.

8 Commissioners, this morning I'm presenting
9 the trust fund projection for October 1, 2015. This is
10 an estimate we've prepared using information available
11 to us through the first part of August -- August 4th.

12 What I was wanting to do was go through a
13 little bit of the current status of the trust fund and
14 then give you an update on where we stand with respect
15 to the holding fund -- the employment and training
16 investment holding fund.

17 With regard to the unemployment trust fund
18 we began the year as of October 1st with a balance in
19 the trust fund of 1,875,000,000. We're estimating that
20 we will collect from employers -- employer
21 remittances -- just about 2.2 billion.

22 We're also estimating that we will deposit
23 interest earned on the balance in the trust fund of
24 approximately 43.7 million. We'll have a small amount
25 of transfers and adjustments, we would estimate, and

1 then we're expecting that our unemployment benefit
2 payments -- payments to claimants -- will be a total of
3 approximately 2.5 billion for the year.

4 Based on those assumptions and those
5 estimates that would bring the unemployment trust fund
6 cash balance to 1,637,000,000 on October 1st of this
7 year.

8 When you take into account the amounts
9 that have been deposited for the obligation assessment,
10 reducing for the estimated obligations of the bonds,
11 that would actually bring the net position of the trust
12 fund on September 30th or October 1st to 1,090,000,000.

13 At this point, then, you would compare
14 that net position on the trust fund -- that
15 1,090,000,000 -- to the estimated floor, and we still
16 are waiting to get the official floor numbers. We won't
17 actually have that till about the August 20th date at
18 this point.

19 Comparing that to the 1,036,000,000 for
20 the trust fund floor we would be above the floor on
21 October 1st, is our projection at this point.

22 With that being the case, then we'd move
23 down and look at the status of the employment and
24 training investment assessment, the ETI holding fund.
25 And, Commissioners, as you know, this is the amounts

1 that would be transferred for above the floor to fund
2 our skills development program, and so I wanted to go
3 through that with you this morning.

4 The beginning balance on the -- this was
5 as of September of last year for the holding fund -- was
6 31 million. We're expecting to add collections, that
7 one-tenth of 1 percent, that we put into the holding
8 fund, of 103.9 million for the state fiscal year.

9 After you take into account the collection
10 expense that is -- that we're required by the Department
11 of Labor to take into account for collecting those
12 amounts, that would give us an ending balance, we're
13 estimating, on August 31st of 134.56 million.

14 At this point, we're still working with
15 just verifying with our legal folks, in terms of the
16 transfer reading the statutory language it would appear
17 that we should make a transfer for the biennium, the way
18 the language we believe reads.

19 So we're checking with our legal folks --
20 legal counsel -- just to verify that and with the
21 Controller's office as well. If that's the case, then
22 we would transfer 48.6 million for the skills
23 development program, and then there's a rider for
24 one-and-a-half million a year that we're also now
25 estimating -- it's not showing on your document this

1 morning -- 3 million would fund that rider that we have
2 for this next biennium.

3 If that all is the case then that would
4 still leave a balance in the holding fund, after all the
5 transfers, of 84. -- well, 83 million, I guess, once you
6 take that other million-and-a-half into account.

7 If those transfers can't be made for the
8 biennium, then we will, of course, make those
9 adjustments. Commissioners, the only other thing I
10 would add on this -- of course, we're supposed to make
11 our projection as of September 1st -- we're very close
12 at this point in terms of the dollars we're talking
13 about, but I believe at this stage that we are going to
14 be above the floor and can make those transfers.

15 I will hold off, though, to the end of the
16 month just to make sure that with the floor amount when
17 we get the final numbers that that's still the case, and
18 if need be I can report back to you next month on the
19 status of that, and with that, Commissioners, if you
20 have questions or comments about the status with the
21 trust fund I'll be happy to address those.

22 CHAIRMAN ALCANTAR: Commissioner, do you
23 have any questions?

24 COMM. HUGHS: Not at this time.

25 COMM. CONGLETON: No.

1 CHAIRMAN ALCANTAR: Yeah, a report back
2 would be good, Randy --

3 MR. TOWNSEND: Thank you.

4 CHAIRMAN ALCANTAR: -- next month.

5 AGENDA ITEM NO. 8

6 CHAIRMAN ALCANTAR: Item 8. Discussion,
7 Consideration and Possible Action Regarding Fiscal Year
8 2016 Operating Budget, Including Funding Priorities,
9 Staffing and Performance and Other Related Issues, Randy
10 Townsend.

11 MR. TOWNSEND: Commissioners, again, for
12 the record, Randy Townsend, Chief Financial Officer.
13 Reagan Miller is going to join for this part of the
14 presentation as we will go over some of the statewide
15 initiatives here in just a few minutes.

16 Commissioners, this is the presentation
17 for your consideration and approval the 2016 operating
18 budget for the Texas Workforce Commission.

19 CHAIRMAN ALCANTAR: Randy, could you get a
20 little closer?

21 MR. TOWNSEND: Yeah, the Fiscal 2016
22 operating budget. It includes appropriated funds only.
23 I've included in the materials for you this morning --
24 it's a nine-page summary of the operating budget.

25 I wanted just to cover a few of the

1 highlights and then we'll get into the statewide
2 initiatives, and I think we have a few items we'd just
3 like to clarify with you this morning on that.

4 Overall, the 2016 budget is being
5 presented for your consideration this morning at a total
6 of 1,206,651,915. That amount includes funding mostly
7 out of federal funds totaling almost 83 percent of the
8 total budget.

9 When you just look at the salary level the
10 budget funds 89.6 percent federal funds for salaries,
11 and then the grants are funded at 81 percent federal
12 funds.

13 It includes a total of general revenue
14 funding of \$141.6 million. Moving to Page 2 of the
15 document, just a couple of highlights for you this
16 morning, on the budget, this will give you the detail
17 for the 1,003,125,084 for the federal funds.

18 It's broken down from the largest funding
19 sources -- mostly child care, for example -- the
20 234 million and the 221 million amounts, and then it
21 also highlights for you the Workforce Investment Act or
22 Workforce Investment Opportunity Act funding for the
23 three funding sources there.

24 Finally on this page, on the summary for
25 the general revenue, it includes, again, the 44.96

1 million in general revenue and showing you the breakdown
2 at 24 million of skills development and then, of course,
3 reflecting the new JET program, the Job and Education to
4 Texans program, that we will be taking responsibility
5 for the 1st of September.

6 Moving to Page 3, this is a breakdown of
7 the strategy funding, including our staffing levels for
8 2016. Had mentioned the 1.2 billion budget for '16, of
9 course, and then the FTEs that are being proposed in the
10 budget, 2,931 FTEs.

11 That would be slightly above the FTE limit
12 of a total of 48 FTEs. Staff would propose that we move
13 forward with a request -- or with a notification,
14 actually, to the LBB and the Governor's office and State
15 Auditor's office as allowed for in the Appropriations
16 Act.

17 This is primarily due to the fact that our
18 unemployment claims have not decreased to the point that
19 we thought they would for this year. Moving to Page 4,
20 this is a breakdown of the budget by object of expense.

21 As you can see, almost 82 percent of our
22 overall budget for the agency is funded through
23 pass-through grants. Just under 11 percent is salaries
24 and wages.

25 If you'd just look at a recap at the very

1 bottom of the object of expense for grants you'll see
2 that almost 519 million of that total, 52 percent is
3 actually related to child care.

4 On Page 5 of 9 of your materials there,
5 that's a little further breakdown of our object of
6 expense totals by budget object for your reference.

7 Moving to Page 6, this will give you the
8 details of each of our divisions and a high-level
9 summary there again for your reference this morning, and
10 that brings us to the last three pages of the
11 document -- 7, 8 and 9 -- and this is the details
12 relating to our statewide initiatives, and Reagan, I
13 believe, has a few items that she wanted to discuss and
14 we wanted to get these up for your consideration this
15 morning so we can modify the budget accordingly.

16 MS. MILLER: Good morning, Chairman and
17 Commissioners. For the record, Reagan Miller. We
18 wanted to highlight four corrections to the document
19 that you have in front of you.

20 The first one on Page 7 of 9 at the top
21 under the "AEL Initiatives" under 2015 there's a
22 \$210,000 initiative for the Workforce Integration
23 efforts. That was actually approved at 240,000 in a
24 prior Commission meeting.

25 So we would request that that be updated

1 to reflect the actual amount --

2 CHAIRMAN ALCANTAR: Commissioners. That
3 would be fine with me.

4 COMM. CONGLETON: I agree.

5 COMM. HUGHS: That's fine.

6 MS. MILLER: Okay. On the top of the next
7 page, Page 8 of 9, the very first item is the "Texas
8 Wide Open for Veterans" portal.

9 At the last meeting there was some
10 discussion about including 100,000 in the 2016 budget.
11 So we would like your input on adding \$100,000 for that
12 initiative.

13 CHAIRMAN ALCANTAR: Commissioners.

14 COMM. HUGHS: I'm fine.

15 CHAIRMAN ALCANTAR: Yes. Okay. We're
16 good.

17 COMM. CONGLETON: I'm okay.

18 MS. MILLER: At the bottom of that page
19 under the WIOA initiatives we had budgeted half a
20 million in '15 and half a million in '16 for Veterans
21 Apprenticeship Initiatives.

22 We've issued two RFPs and we haven't had
23 very good results, I think, because we've had other
24 increases in the apprenticeship program. So at this
25 point we're recommending that this initiative be zeroed

1 out for both '15 and '16.

2 CHAIRMAN ALCANTAR: Commissioner.

3 COMM. CONGLETON: I'll agree.

4 COMM. HUGHS: I agree.

5 CHAIRMAN ALCANTAR: All right. And I
6 agree.

7 MS. MILLER: Great. And then finally on
8 the last page in --

9 (Sound system malfunction)

10 CHAIRMAN ALCANTAR: Turn it off and turn
11 it back on. All right. Go ahead.

12 MS. MILLER: In 2015 we had a College
13 Credit for Heroes internship budget approved. There's
14 no funding for this in 2016, but in --

15 (Sound system malfunction)

16 MS. MILLER: -- okay. Let's try that
17 again. But in 2015 there was 200,000 budgeted through a
18 competitive RFP process. Only 50,000 was contracted.

19 So we would like to reflect that this
20 budgeted amount should be 50,000 and that that remaining
21 150,000 would then be returned to the commission
22 reserve.

23 COMM. CONGLETON: I'll agree.

24 CHAIRMAN ALCANTAR: I'll agree.

25 COMM. HUGHS: I'll agree.

1 MS. MILLER: Thank you.

2 MR. TOWNSEND: And, Commissioners, that
3 concludes the presentation for the 2016 operating budget
4 for the Workforce Commission, if you have any other
5 questions or comments you'd like to offer.

6 CHAIRMAN ALCANTAR: I guess the only
7 comment I have is, Larry, before you submit the request
8 for the FTEs or the notification, let's sit down and go
9 over a couple of those numbers.

10 I just want to -- I just have one
11 follow-up. It's a minor detail. Commissioners, do you
12 have any questions or comments on this?

13 COMM. HUGHS: I do. I just want to
14 confirm. If we approve the WIOA statewide projects
15 today, can we confirm there will still be funding
16 available for future projects?

17 MR. TOWNSEND: There will be. After we
18 make the adjustments that were considered this morning I
19 believe that will bring the balance to just under
20 \$5 million.

21 You've added the one million from the
22 Veterans apprenticeship and then that 100,000 for the
23 Wide Open for Veterans portal. You'll have a balance,
24 yes, ma'am.

25 COMM. HUGHS: Thank you.

1 CHAIRMAN ALCANTAR: And those balances
2 would be added to the totals that are on Page 8 of 9 in
3 yellow?

4 COMM. HUGHS: Uh-huh.

5 CHAIRMAN ALCANTAR: So we just add those
6 amounts -- that million back into that Item 74999?

7 MR. TOWNSEND: That's correct. And we
8 will take that 100,000 out of the WIOA statewide because
9 that was incentive funding that we had used last year
10 for --

11 CHAIRMAN ALCANTAR: Right. Any other
12 questions, Commissioner?

13 COMM. HUGHS: No. Thank you.

14 CHAIRMAN ALCANTAR: Commissioner
15 Congleton. Do you need a motion on this?

16 MR. TOWNSEND: Oh, we do, Chairman.

17 COMM. CONGLETON: Move that we approve the
18 FY-2016 block grant -- oh, I'm on the wrong one. I've
19 got to go back.

20 I move that we approve the FY-2016
21 operating budget for \$1,206,651,915 as presented by the
22 staff and instruct the Executive Director to administer
23 to the most feasible and economic manner in accordance
24 with the General Appropriations Act.

25 COMM. HUGHS: Second.

1 CHAIRMAN ALCANTAR: It is unanimous.
2 Thank you, Randy, for the really good work and I really
3 appreciate all the effort you, Kim, and the rest of the
4 team put into this.

5 MR. TOWNSEND: Thank you very much, and
6 we'll bring an order up for your signature afterwards.

7 CHAIRMAN ALCANTAR: All right. Thank you.

8 AGENDA ITEM NO. 9

9 CHAIRMAN ALCANTAR: That brings us to Item
10 9. Discussion, Consideration and Possible Action
11 Regarding Fiscal Year 2016 Allocations for Local Board
12 Areas, Randy.

13 MR. TOWNSEND: Yes, Mr. Chairman and
14 Commissioners. Again, for the record, Randy Townsend,
15 Chief Financial Officer.

16 I'm presenting the remaining portion of
17 our Fiscal Year 2016 allocations. These amounts for
18 child care, TANF Choices, Employment Services and our
19 Supplemental Nutritional Assistance program, Employment
20 Training Program, and the Small Board funding were
21 presented previously as planning estimates, and this
22 morning I'm asking your consideration and approval for
23 the remaining allocations for those particular programs
24 I just mentioned, and I will just mention the totals for
25 you in terms of the child care -- the 489,198,290. That

1 matches the planning estimate exactly.

2 The TANF Choices amount of 74,475,980
3 allocate -- proposed allocation, again, is also the
4 exact amount as previously presented for the planning
5 estimate. The Employment Services total is slightly
6 higher than our planning estimate at 24,299,365, and
7 then the Supplemental -- SNAP E&T is slightly -- well,
8 it's not slightly.

9 It's a million dollars less than our
10 planning estimate due to a reduction in the federal
11 grant available to the state of Texas, and that
12 allocation amount is 12,164,578.

13 Another note on the SNAP E&T, that does
14 not include any of the able body without dependence
15 funding which has, prior to this year, been about
16 \$5 million a year. This most recent year it was close
17 to nine.

18 We probably will not find that number out
19 until October or November later this fall, and when we
20 do we will make those amounts available to the Boards
21 based on the same methodology. And then finally the
22 small Board funding distribution to the five small
23 support areas are -- well, six I guess here -- is
24 1,460,883. And, Commissioners, that concludes my
25 presentation for the allocations this morning for 2016.

1 If you have any questions or comments...

2 CHAIRMAN ALCANTAR: Any questions,
3 Commissioners?

4 Commissioner Congleton.

5 COMM. CONGLETON: I have no questions. I
6 move we approve the FY 2016 block grant allocation to
7 the Workforce Development Boards as discussed.

8 COMM. HUGHS: I second the motion.

9 CHAIRMAN ALCANTAR: It's unanimous. Thank
10 you, Randy.

11 MR. TOWNSEND: Thank you, Commissioners.

12 AGENDA ITEM NO. 10

13 CHAIRMAN ALCANTAR: Item 10, discussion,
14 Consideration Regarding WOIA (sic). I believe we have
15 no update.

16 AGENDA ITEM NO. 11

17 CHAIRMAN ALCANTAR: Item 11. Discussion,
18 Consideration and Possible Action Regarding Issues
19 Related to the Implementation of WIOA, Including State
20 and Local Boards, Jason Vaden.

21 Good morning.

22 MR. VADEN: Good morning, Commissioners.
23 Jason Vaden, Workforce Division. In July 2014 the
24 Workforce Innovation and Opportunity Act was enacted and
25 with it Congress recognized Texas' workforce system just

1 as they did with the Workforce Investment Act.

2 WIOA maintains the provisions that allow
3 Texas to continue operating under prior consistent state
4 law. Absent any new direction from the Texas
5 Legislature Texas will continue to operate accordingly.

6 As such, staff have identified four keys
7 areas where prior consistent state law is applicable.
8 The first pertains to compliance state and local Board
9 membership and the associated provisions set forth in
10 WIOA.

11 The Texas Workforce Investment Council and
12 all 28 Workforce Investment Boards were formed under
13 prior consistent state law and were in existence prior
14 to the enactment of both WIA and WIOA.

15 Additionally, in a letter dated May 11,
16 2015 Governor Abbott notified the Department of Labor's
17 Regional Administrator that TWIC continues to meet the
18 requirements to function as the State Workforce
19 Development Board and will continue to serve in that
20 capacity under WIOA.

21 Therefore, TWIC and all 28 Boards are
22 considered WIOA compliant. The second area pertains to
23 the designation of local workforce development areas.

24 WIOA requires approval of requests for
25 initial designations as a local area for an area that

1 was designated as a local area for WIA purposes for the
2 two-year period preceding the enactment of WIOA if the
3 local area performs successfully and sustains fiscal
4 integrity.

5 Further guidance from DOL indicates the
6 Governor shall develop a policy for designation of local
7 workforce development areas. Texas Government Code
8 2308.252 establishes requirements regarding the
9 designation of workforce areas in the state.

10 Texas meets the requirements for
11 developing a policy on the designation of workforce
12 areas through prior consistent law found at 2308.252.

13 Additionally, TWIC rule at Texas
14 Administrative Code 901.1 establishes requirements for
15 designation and redesignation of workforce areas.

16 Guidance will be issued to Workforce
17 Boards of the process to submit requests for initial
18 designations of local workforce areas. The third item
19 pertains to the process for appeal in the event that the
20 Governor denies the request for a local area designation
21 as required under WIOA.

22 Texas Government Code 2308 establishes a
23 requirement for an appeal process regarding local area
24 designations and TWIC rule at Texas Administrative Code
25 901.2 establishes the appeal of a decision on

1 designation or redesignation. As such, no further
2 action is needed from an implementation perspective.

3 The fourth area pertains to the Chief
4 Elected Official Policy for Board member nominations,
5 including the establishment of a formal policy to
6 facilitate nominations from business organizations,
7 trade associations and Adult Education and Literacy
8 providers.

9 Based on the review of these provisions
10 TWC is compliant under prior state law and no additional
11 implementation steps are needed. While these items do
12 not require action on your part today, we want to ensure
13 that they're highlighted for the purposes of openness
14 and transparency and that we have an historical archive
15 of WIOA implementation items.

16 Each of the items discussed earlier will
17 be included in our WIOA state plan which will be
18 submitted to the respective federal entities in March of
19 2016, and with that I'm happy to answer any questions.

20 CHAIRMAN ALCANTAR: Commissioners, do you
21 have any questions?

22 COMM. CONGLETON: I have a comment.

23 CHAIRMAN ALCANTAR: Go ahead.

24 COMM. CONGLETON: Our current Boards do an
25 excellent job. There's no question about that. That

1 said, I believe Congress was on to something when they
2 strengthened the connection between Workforce Boards and
3 apprenticeship.

4 Requiring apprenticeship training
5 directors to be partners within the system is an
6 important innovation. We can maintain our current Board
7 structure and strengthen it at the same time. Under
8 state law 15 percent of the Board seats are reserved for
9 labor, our community-based organizations that is
10 compared to employers who are required to be more than
11 half of every Board.

12 That is not a balance and there is no
13 danger of employers losing influence. The TWC is
14 successful over the years with the equal weight of labor
15 and employers. TWIC has a strong labor representation
16 and a standing advisory committee on apprenticeship.
17 Numerous training directors serve on that committee.

18 It is good for the TWC. It's good for
19 TWIC and it is good for Congress. I don't see how it
20 could be bad for Boards. I know that we disagreed in
21 the past, but I propose a compromise.

22 For now let's strongly encourage CEOs to
23 appoint job apprenticeship training directors to each
24 Board. This would also go along towards complying with
25 the ETA rules that there be more than one labor

1 representative on each Board.

2 I fully support in maintaining the
3 alternative entity. We can strengthen it. I am asking
4 Commissioners that we write the CEOs and urge them to
5 consider apprenticeship directors for the Boards'
6 membership as the positions become available.

7 This will greatly increase job training
8 (inaudible) on the Board. We require someone for child
9 care with child care experience on the Board. We
10 require a Veteran who understands Veterans' issues. Why
11 wouldn't we want someone who understands job training?

12 CHAIRMAN ALCANTAR: And so you're
13 not asking -- you're just asking us to consider that?

14 COMM. CONGLETON: Yeah. I'm asking you --
15 I would like for you to do it. Sure. Just write them a
16 letter and ask them to do that.

17 CHAIRMAN ALCANTAR: Well, yeah. I'll take
18 that under consideration, Commissioner. Let me think --
19 let me review the --

20 COMM. CONGLETON: -- requiring them to do
21 it.

22 CHAIRMAN ALCANTAR: Yeah. Certainly I
23 would not be in support of requiring any specific slots,
24 but let me examine what the current makeup is and take a
25 look at our current Board membership.

1 Commissioner, do you have any comments at
2 this point?

3 COMM. HUGHS: No.

4 CHAIRMAN ALCANTAR: All right. And in
5 terms of the local Board area designations, certainly I
6 like the current 28 Boards. I don't see a need to
7 reexamine those, and certainly I understand that we're
8 just going through the process of what's required here,
9 but I just want to be very clear that I'm very
10 comfortable and very supportive of the current
11 designations that we have in place.

12 All right. Thank you, Jason. Appreciate
13 your good work.

14 AGENDA ITEM NO. 12

15 CHAIRMAN ALCANTAR: Item 12. Discussion,
16 Consideration and Possible Action Regarding Evaluation
17 Criteria and Performance Minimums for Eligible Training
18 Providers, Jason again.

19 MR. VADEN: Again, for the record, Jason
20 Vaden, Workforce Division. For your consideration today
21 are the eligibility criteria and statewide performance
22 minimums for the initial certification of eligible
23 training providers as required under WIOA. WIOA
24 maintains the requirements set forth in WIA that the
25 commission in consultation with TWIC must establish

1 criteria, information requirements and procedures
2 regarding the eligibility of training providers to
3 receive funds.

4 WIOA allows for existing eligible training
5 providers approved using criteria set forth in WIA to be
6 grandfathered in through December 31, 2015. However,
7 providers seeking approval on or after July 22, 2015
8 must be evaluated based on the requirements set forth in
9 WIOA.

10 All providers, including existing
11 providers that are grandfathered in under WIA
12 requirements, must be evaluated using WIOA criteria on
13 or before January 1, 2016 first at initial application
14 and every two years following.

15 At a minimum, initial eligibility criteria
16 factors must include performance expectations.
17 Partnerships with employers and the provision of high
18 quality training services includes the ability of the
19 provider to operate programs leading to a recognized
20 post-secondary credential.

21 Current TWC ETP criteria regarding
22 performance expectations and the ability of providers to
23 operate programs leading to recognized post-secondary
24 credentials are set forth in existing TWC rules.

25 However, criteria regarding partnerships

1 with employers do not exist. This morning staff
2 recommends the following in regards to evaluation
3 criteria for initial certification.

4 First, retaining the existing evaluation
5 criteria as they pertain to performance expectations and
6 the ability of providers to operate programs leading to
7 a recognized post-secondary credential, including a
8 criteria regarding partnerships with employers by
9 requiring documentation to partnerships related to the
10 particular training program by submission of a letter of
11 support from a local employer or employers, evidence
12 that a training program has an existing employer-based
13 advisory committee or other means acceptable to the
14 Board as set forth in policy adopted in a public
15 meeting.

16 Also this morning in a second set of
17 recommendations staff recommends renewing the following
18 performance minimums previously approved by the
19 commission for Program Year 2014 for this upcoming year
20 Program Year 2015, and those are at 60 percent program
21 completion rate, a 60 percent entered employment rate
22 and for the average wage 80 percent of the average
23 hourly wage for occupation supported by the training as
24 long as that amount is at least the federal minimum
25 wage, and if data is not available specifically for an

1 occupation 80 percent of the entry level wage for all
2 occupations.

3 Staff also recommends that in the spirit
4 of continuous improvement Boards continue to be required
5 to adopt performance requirements that meet or exceed
6 the performance minimums, monitor provider performance,
7 report to TWC any information or findings regarding the
8 submission of inaccurate information, violations of
9 program requirements or laws by providers.

10 Staff further recommends that Boards
11 continue to be allowed to adjust performance measures
12 where appropriate to local conditions and needs and
13 incorporate additional-related performance requirements
14 and verifiable performance information, that they also
15 be allowed to withdraw approval for a program for
16 failure to meet the Board's performance criteria, verify
17 performance information submitted in applications,
18 investigate possible violations and withdraw approval
19 for a provider or take appropriate action for findings
20 of intentional submission of inaccurate information or
21 other violations and require a provider to submit an
22 application in cases of change in regulatory or
23 accreditation status or violations of state and local
24 laws, and then, finally, staff recommends reviewing and
25 developing recommendations for the criteria and

1 processes used for subsequent certification of providers
2 in concert with the Department of Labor's reporting and
3 rule guidance on the additional work that will be done
4 in Calendar Year 2015 on that initial certification
5 process, and with that I'll be happy to answer any
6 questions.

7 CHAIRMAN ALCANTAR: Commissioners, do you
8 have any questions for Jason?

9 COMM. HUGHS: No.

10 CHAIRMAN ALCANTAR: Commissioner
11 Congleton.

12 COMM. CONGLETON: Move that we retain the
13 existing performance expectations for eligible training
14 providers, that we add new criteria regarding
15 partnerships with employers and the alignment with
16 in-demand occupations as discussed and that we authorize
17 the Boards to adopt higher standards and to monitor and
18 withdraw approval as necessary.

19 COMM. HUGHS: Second.

20 CHAIRMAN ALCANTAR: It's unanimous. Thank
21 you, Jason.

22 AGENDA ITEM NO. 13

23 CHAIRMAN ALCANTAR: Item 13. Discussion,
24 Consideration and Possible Action Regarding Fiscal Year
25 2016 SNAP State Plan for Submission to the U.S.

1 Department of Agriculture, Jason.

2 MR. VADEN: Again, for the record, Jason
3 Vaden, Workforce Division.

4 For your consideration this morning we
5 have the Supplemental Nutrition Assistance Program
6 Employment and Training plan for federal Fiscal Year
7 2016.

8 This year we anticipate receiving
9 approximately \$17.7 million in federal and state funds
10 to deliver SNAP E&T services. The SNAP plan is
11 substantially the same as the FY15 plan which the
12 Commission took action on previously.

13 Other than the funding amount available,
14 the only changes to the plan are the addition of
15 language regarding TWC's intent to pilot a third-party
16 reimbursement initiative, expanded partnership efforts
17 with food banks and the addition of a section pertaining
18 to (inaudible) sanctions.

19 This morning staff is seeking approval of
20 the FY16 SNAP plan for submission to the food and
21 nutrition service, and we would ask that we be allowed
22 to make any technical corrections prior to submission,
23 and with that I'll be to happy to answer any questions
24 you may have.

25 CHAIRMAN ALCANTAR: Commissioner

1 Congleton.

2 COMM. CONGLETON: Move we approve the 2016
3 SNAP Employment and Training plan for submission to the
4 U.S. Department of Agriculture.

5 COMM. HUGHS: Second the motion.

6 CHAIRMAN ALCANTAR: It's unanimous. Thank
7 you, Jason.

8 AGENDA ITEM NO. 14

9 CHAIRMAN ALCANTAR: Item 14. Discussion,
10 Consideration and Possible Action Regarding the Use of
11 Additional Skills Development Funds to Support Dual
12 Credit, Courtney.

13 Going morning, Courtney.

14 MS. ARBOUR: Good morning, Chairman,
15 Commissioners, Mr. Temple. Courtney Arbour, Workforce
16 Division.

17 In March 2015 the Commission approved
18 \$1 million from the Skills Development Fund to support
19 the creation and expansion of dual credit career and
20 technical education programs in Texas schools that are
21 highly technical in nature and address local area
22 demands for high skill, high-demand occupations and
23 high-wage industries.

24 The response to that request for
25 applications has been significant with the full amount

1 of funding now approved for contracts and several other
2 applications pending.

3 Today staff requests the Commission
4 approve an additional \$346,857 to fund up to three
5 additional dual credit projects maximizing the 5 percent
6 of SDF dollars available for this purpose in statute.

7 CHAIRMAN ALCANTAR: Commission Congleton.

8 COMM. CONGLETON: Move that we approve the
9 additional \$346,857 of skills development funds to fund
10 the dual credit and technical education programs in
11 order to further expand this valuable program.

12 COMM. HUGHS: Second the motion.

13 CHAIRMAN ALCANTAR: It's unanimous.

14 AGENDA ITEM NO. 15

15 CHAIRMAN ALCANTAR: Item 14, Discussion,
16 Consideration and Possible Action -- oh, actually we're
17 on 15.

18 Discussion, Consideration and Possible
19 Action Regarding the Administration of the Jobs
20 Education for Texans Grant Program (JET), Courtney.

21 MS. ARBOUR: Yes. Thank you, Chairman.
22 Courtney Arbour, Workforce Division.

23 House Bill 3062 of the 84th Texas
24 Legislature regular session transferred the
25 administration of the Jobs and Education for Texans

1 grant program -- or "JET" -- from the State
2 Comptroller's office to the Texas Workforce Commission.

3 TWC has been appropriated \$5 million in
4 each fiscal year from the GR fund to implement the
5 provisions of this legislation.

6 The legislation allows for all rules,
7 forms, policies, procedures or decisions of the
8 Comptroller that are related to the JET program to
9 continue in effect until superseded by rule or
10 appropriate act of TWC.

11 The legislation also changes the makeup of
12 the JET Advisory Committee in addition to including
13 independent school districts as eligible grantees. For
14 the first year of the program under TWC grants will be
15 awarded utilizing the current rules in place from the
16 Comptroller's office while also incorporating those
17 legislative changes I've just mentioned.

18 TWC will concurrently in the first year
19 initiate rulemaking and the review process.

20 CHAIRMAN ALCANTAR: And the first year
21 will be done in consultation with the Advisory Committee
22 once they have been designated by the appointing
23 entities.

24 Commissioner Congleton.

25 COMM. CONGLETON: Do you need a motion?

1 MS. ARBOUR: We don't necessarily need a
2 motion. This is informational.

3 COMM. HUGHS: Excuse me, Mr. Chairman. I
4 have a comment --

5 CHAIRMAN ALCANTAR: Oh, please.

6 COMM. HUGHS: -- if I may put that on the
7 record. I'm certainly supportive of the TWC operating
8 the JET program. As the Chairman of the JET Advisory
9 Board I hope that you'll ensure that employers have a
10 seat at the table official or unofficially.

11 I think it's important to continue to tell
12 the employer community the funds and programs are
13 obligated to technical and community colleges to help
14 them meet their supply needs.

15 It's critical that employers are able to
16 utilize programs like this to partner with their local
17 education entity to be able to meet the rapid response
18 needs.

19 Thank you.

20 CHAIRMAN ALCANTAR: I would agree entirely
21 that we need to make sure that we maintain that linkage
22 that honors and responds to economic activity at the
23 local level and --

24 COMM. CONGLETON: I think you can rest
25 assured that most of them will be employers probably.

1 CHAIRMAN ALCANTAR: And one of the things
2 that we're going to do is -- we're going to have Aaron
3 there as the -- from the employer initiatives office
4 staffing the group.

5 So we'll make sure that we have a good way
6 to communicate and leverage the work that we're trying
7 to do.

8 It's my intent that we make sure and
9 communicate to our current partners and potential new
10 partners these investments so that we can better
11 leverage the work that is taking place there. I would
12 agree entirely.

13 COMM. HUGHS: Thank you.

14 CHAIRMAN ALCANTAR: Thank you.

15 AGENDA ITEM NO. 16

16 CHAIRMAN ALCANTAR: Item 16. Discussion,
17 Consideration and Possible Action Regarding Policy
18 Concepts on 12-Month Eligibility for Child Care Services
19 and the Options to Terminate Care Within the Eligibility
20 Period Pursuant to the Child Care and Development Block
21 Grant Act of 2014, Patricia Gonzalez.

22 Good morning, Patricia.

23 MS. GONZALEZ: Good morning, Chairman,
24 Commissioners, Mr. Temple. For the record, Patricia
25 Gonzalez, Workforce Development.

1 For your consideration today is a policy
2 concept proposing changes to Chapter 809 child care
3 services. The Child Care Development Block Grant Act of
4 2014 added the requirement of a 20-month eligibility and
5 redetermination period for children who have been
6 determined eligible for subsidized child care.

7 States are required to demonstrate in the
8 state plan that after initial eligibility each child who
9 receives assistance will be considered to meet all
10 eligibility requirements for not fewer than 12 months
11 before the state redetermines eligibility regardless of
12 changes in income as long as the income does not exceed
13 the federal threshold of 85 percent of the state median
14 income or temporary changes in participation and work
15 training or educational activities.

16 Although the Act requires a period of 12
17 months of minimum eligibility it includes a provision
18 that allows states the option to terminate eligibility
19 due to a permanent change in work, training or education
20 provided that the state allows a period of continued
21 child care for at least three months to allow parents to
22 engage in work, resume work, job search or attend an
23 educational training program as soon as possible.

24 Staff recommends amendments to Chapter 809
25 to require a 12-month eligibility period once the child

1 has been determined eligible and specify that child care
2 is terminated during that 12-month eligibility only if
3 the parent has a permanent job loss or permanent change
4 in participation in training or educational activity and
5 the parent does not find employment or resume job
6 training or educational activities within three months
7 of the permanent change.

8 Staff also recommends establishing the
9 definition of "permanent job loss" or a change in
10 participation in the training or educational activity to
11 include a loss of employment without a definite return
12 to work date established by the employer at the end of
13 an educational or job training program without
14 enrollment or additional classes within three months.

15 This concludes my presentation, and I'm
16 able to answer questions, if any.

17 CHAIRMAN ALCANTAR: Commissioners, do you
18 have any questions?

19 Commissioner Congleton.

20 COMM. CONGLETON: Move that we approve the
21 policy concept and begin the process of amending our
22 Chapter 809 child care rules to provide for 12 months of
23 continuous eligibility with termination only if the
24 parent has a permanent job or -- job loss or a permanent
25 change in training or education activity. Even then the

1 parent shall be afforded three months to find a job or
2 resume training.

3 COMM. HUGHS: Second the motion.

4 CHAIRMAN ALCANTAR: It's unanimous. Thank
5 you, Patricia.

6 MR. GONZALEZ: Thank you, sir.

7 AGENDA ITEM NO. 17

8 CHAIRMAN ALCANTAR: Item 17. Discussion,
9 Consideration and Possible Action Regarding the Approval
10 of Local Board Nominees, John Fuller.

11 Good morning, John.

12 MR. FULLER: Good morning, Mr. Chairman,
13 Commissioners, and Mr. Temple. For the record, John
14 Fuller, Workforce Development Division.

15 Commissioners, before you today you have
16 the nominations from the Alamo Board, Brazos Valley,
17 Concho Valley, East Texas, Panhandle, Permian Basin,
18 South Texas, Southeast Texas and West Central Texas.

19 CHAIRMAN ALCANTAR: Commissioner
20 Congleton.

21 COMM. CONGLETON: Move that we approve the
22 Board nominees from Alamo, Brazos Valley, Concho Valley,
23 East Texas, Panhandle, Permanent Basin, South Plains,
24 Southeast and West Central.

25 COMM. HUGHS: Second the motion.

1 CHAIRMAN ALCANTAR: It is unanimous.

2 Thank you, John.

3 MR. FULLER: Thank you.

4 AGENDA ITEM NO. 18

5 CHAIRMAN ALCANTAR: Item 18. Discussion,
6 Consideration and Possible Action regarding State or
7 Federal or Proposed Regulations, Tom McCarty. There is
8 no update.

9 AGENDA ITEM NO. 19

10 CHAIRMAN ALCANTAR: Item 19, Report and
11 Update from the Executive Director. Larry, what do you
12 have for us?

13 MR. TEMPLE: Mr. Chairman, Commissioners,
14 I'll ask LaSha to come up, and while she's coming up I'm
15 going to give you an update on the DARS transition.

16 We reengaged our transition teams with our
17 counterparts at HHSC and DARS yesterday. Had a good
18 meeting setting a really aggressive agenda in working
19 toward the transition.

20 We've got appointees for the steering
21 committee, the transition teams, kind of a governance if
22 we have issues that can be raised to the steering
23 committee to where we can get to leadership.

24 The whole meeting yesterday was more
25 organizational, but at the same time everyone agreeing

1 that our goal is to have the transition plan ready to
2 hand to the oversight committee that's supposed to be by
3 October 1. It's supposed to be, actually, appointed by
4 October 1.

5 So we had some rough drafts submitted to
6 them. They're looking at it, and their comments will be
7 back to us by the 24th. We'll begin that process of a
8 rough draft and timeline. Of course, I'll bring that to
9 you to let you see that as well. So moving well and --

10 CHAIRMAN ALCANTAR: So the rough draft was
11 submitted to whom, Larry?

12 MR. TEMPLE: For you to look at -- for the
13 Commissioners to review. So we're getting their input
14 now in what our team said they believed, what needed to
15 be done and when it needed to be done, and then we're --
16 if you remember, they kind of took the summer to do
17 things relative to the HHSC. So we're reengaged now.

18 Our team kept working during the summer
19 trying to identify our tasks that we saw that we knew
20 about and what the timeline was. So, obviously, one of
21 the big ones is the data sharing to where we can get
22 into the financials and the case management and the
23 payroll and all of that, and that's by October 1 that
24 we're supposed to get into that and that document has
25 been roughed out pretty well before the break, and so I

1 think we'll have that pretty quick, but we'll keep
2 you -- your offices -- you apprised of this as we go.

3 We'll be getting status reports formally
4 every two weeks from the work groups and we'll roll that
5 up into a formal status report for you every two weeks.
6 Any questions on that?

7 CHAIRMAN ALCANTAR: Commissioners.

8 COMM. HUGHS: No. Thank you.

9 MR. TEMPLE: LaSha.

10 MS. LENZY: Thank you. Good morning,
11 Chairman Alcantar, Commissioner Hughs and Commissioner
12 Congleton, Mr. Temple.

13 For the record, I'm LaSha Lenzy,
14 Unemployment Insurance Division. I have a brief update
15 relating to changes in the weekly unemployment insurance
16 benefit amounts that affect claimants who file new
17 initial claims on or after October 4th of 2015.

18 This has no effect on existing claims;
19 only on new initial claims. As you may recall in
20 accordance with statute, specifically House Bill 567,
21 every year a calculation is done by the Labor Market
22 Information Department to determine whether there will
23 be any change to the unemployment insurance weekly
24 minimum and maximum benefit amounts.

25 This year Labor Market Information has

1 completed those calculations and determined that based
2 on the increase in the annual average weekly wage for
3 covered employment that new number is \$1,017.

4 Therefore, there will be a resulting
5 increase in the unemployment insurance weekly benefit
6 amounts for claimants. The exact calculation is that
7 the maximum weekly benefit amount is 47.6 percent of the
8 average weekly wage, and the minimum is 7.6 percent of
9 that average weekly wage.

10 As you probably remember, though, with the
11 House Bill 2273 there is a tolerance set that the
12 maximum weekly benefit amount increases cannot exceed
13 \$14 in any given year for the max and \$1 in any given
14 year for the minimum.

15 So when you take all of that into account,
16 the actual changes will be that we will go from a
17 maximum of 465 per week to a new weekly max of 479 and a
18 weekly minimum of 64 up to 65.

19 Any questions that I may answer?

20 CHAIRMAN ALCANTAR: Commissioners.

21 COMM. HUGHS: No, thank you.

22 COMM. CONGLETON: No.

23 MS. LENZY: Thank you very much.

24 MR. TEMPLE: LaSha, do you know our
25 timeline on getting those letters out?

1 MS. LENZY: Our letters will go out to the
2 staff this week.

3 MR. TEMPLE: All right.

4 CHAIRMAN ALCANTAR: Thank you, LaSha.

5 MS. LENZY: Thank you.

6 CHAIRMAN ALCANTAR: Larry, do you have
7 anything else?

8 MR. TEMPLE: That's all, Mr. Chairman,
9 Commissioners.

10 AGENDA ITEM NO. 22

11 CHAIRMAN ALCANTAR: Commissioner
12 Congleton, do I have a motion to adjourn?

13 COMM. CONGLETON: So made.

14 COMM. HUGHS: Second.

15 CHAIRMAN ALCANTAR: We're adjourned. Have
16 a good day.

17 (Proceedings concluded at 10:59 a.m.)

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