JOBS AND EDUCATION FOR TEXANS (JET) ADVISORY BOARD MEETING MINUTES
April 27, 2016

A duly posted open meeting of the Jobs and Education for Texans (Jet) Advisory Board was held on Wednesday, April 27, 2016, at 9:00 a.m. at Texas Workforce Commission, 101 E. 15th Street, Room 151, Austin, Texas. A quorum was present.

MEMBERS PRESENT
Andres Alcantar
David Gardner
Steve Lecholop
Tony Fidelie
Mario Lozoya

MEMBERS NOT PRESENT
John Fitzpatrick

I. CALL TO ORDER AND ROLL CALL

Chairman Andres Alcantar called the meeting to order and asked Emily Clodfelter (Program Manager) to call the roll.

Ruth R. Hughs, Commissioner Representing Employers was then introduced and she proceeded to provide remarks welcoming the advisory board members and expressing her support of the program and interest she continues to hear thru-out the state in the program.

II. INTRODUCTIONS OF ADVISORY COMMITTEE MEMBERS AND STAFF

The Chairman then welcomed members and provided high-level remarks on the program and stated an objective for the meeting today would center on providing direction to the staff for moving the program forward.

He then asked members to introduce themselves and also introduced the TWC Executive Director Larry Temple and Office of Employer Initiatives Division Director Aaron Demerson for remarks.

III. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION REGARDING OPEN GOVERNMENT REQUIREMENTS

Lona Chastain, Deputy General Counsel, Texas Workforce Commission gave a brief overview on the Open Meetings Act and Public Information Act. Ms. Chastain discussed various open government processes to include quorum rules and the importance of proper communication

outside the posted public meetings. Ms. Chastain informed the committee members to contact TWC General Counsel's office if any members had questions regarding processes for Advisory Board members.

Larry Temple, TWC Executive Director, remarked briefly on the importance of transparency and fair processes and informed the advisory board members that they will not know the actual name of applicants from individual school districts or community colleges being submitted and/or recommended to the advisory board by staff. The TWC staff will provide advisory board recommendations without actual school names.

IV. JOBS AND EDUCATION FOR TEXANS (JET): A HISTORIC PERSPECTIVE

John Villarreal, Economic Development and Analysis Division, Texas Comptroller of Public Accounts provided a historic perspective on the Jobs and Education for Texans (Jet) program that was most recently housed and operated by the Texas Comptroller of Public Accounts agency. His report included historical information on a number of factors that included information on high-demand-high growth occupations being targeted for training utilizing JET funds, and distribution of JET equipment funds based on the industry. He expressed his interest in assisting the Texas Workforce Commission in any way possible to ensure success of the program. Emily Clodfelter publicly Thanked John & Robert Woods (Director-Economic Development & Analysis) for their huge support in assisting thus far.

V. PUBLIC COMMENT

No public comments.

VI. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON PROGRAM PARAMETERS FOR ROUND 1 JOBS AND EDUCATION FOR TEXANS (JET) GRANTS TO PUBLIC JUNIOR COLLEGES, PUBLIC TECHNICAL INSTITUTES, AND INDEPENDENT SCHOOL DISTRICTS

Aaron Demerson, Director of Office Employer Initiatives, provided the board with an overview of how the team would lay out a number of items to be considered by the advisory board for action.

Karol Denise Huntmoses, Team Lead, Grant Procurement for Texas Workforce Commission, provided information to the advisory board on steps the staff would be taking to issue a Request for Proposal (RFP) for both community colleges and independent school districts based on a number of future items to be presented by staff and addressed/recommended by the advisory board. She proceeded to provide information on the timelines from posting, to receiving applications, to scoring and the contract stage. Mr. Demerson asked about the contract (ending)

timeframe after Request for Proposals (RFPs) and Ms. Huntmoses stated the beginning date would be around May 6 and the end would be around the August 2016 time-frame.

The Chairman emphasized getting the RFP out as soon as possible and prior to the end of the school year to give them as much time as possible to complete.

A discussion with questions and answers ensued centered on how the program will be advertised, when funding would occur, the types of equipment and the process flow chart and scoring criteria.

Staff provided answers stating advertising or getting the word out would go thru our Gov Delivery, Electronic State Business Daily (ESBD) system, Education Service Centers and also will be placed on the Grant Procurement website.

The Chairman also stated we could look into press releases in April or any other ways/suggestions by the JET advisory committee suggestions.

Funding for the JET grants would occur in August 2016 and definitions on types of equipment would be discussed by the advisory board.

Mr. Demerson then begin a discussion on how the high-demand/targeted occupations would be determined which would involve the targeted occupations listed by the 28 local workforce board and the two-three year trend data from our Labor Market & Career Information data.

He explained the scoring process as identified in Tab 7 of the board booklet and then reviewed the flowchart of the process.

He reported Advisory Board members would see the scores in rank order.

Chairman Alcantar responded to a question related to the economic impact scoring based on the amount of weight being placed on higher paying jobs vs the need of the employer by stating the assessment is being based on projections…both two-three year trend data and the high demand occupation approach that staff is looking at taking. He mentioned and received confirmation that information for both is available on the website.

Emily Clodfelter also spoke about scoring related to letters of/and support from the local workforce boards that express the need of the community for high demand/targeted job occupations.

Chairman Alcantar and Doyle R. Fuchs, Director of Labor Market and Career Information also weighed in on how workforce determines “high demand” occupations in response to the question of how we define high need?

Mr. Fuchs stated LMCI performs a series of projects based under an agreement with the Department of Labor and supplies the national statistics to local development workforce areas. His team looks at short term projections that cover a three year period and long term projections

are done that cover a 10 year period. LMCI is currently working on data estimates for 2014 and 2024. Local workforce sets the demand for their targeted occupations and training dollars are limited to those targeted job occupations.

In regards to the question from Board member Steve L on how we are balancing the need to prepare students for the 21st century technology and skills that are currently in high need, Chairman Andres Alcantar stated the program is intended to operate and fall back on the local and regional priorities. El Paso for example is strong and knows what is needed to diversify their economy. Austin may be in need of Information Technology (IT) and Health care as determined locally. We need to provide them with the framework for their own high demand occupation and the legislation calls for such.

Commissioner David Gardner commented on how the right questions are being asked. He stated how this program is one of the best he has ever seen. He said in the past, they worked on project proposals and staff pointed out to him how the criteria didn't include high demand occupations. He stated that you will probably find holes and criticism, but he didn't know of another program that has a handle on things like the JET program.

Mr. Demerson discussed the scoring process previously utilized by the comptroller's office in case of a tie and stated there would be flexibility to look at other criteria to solve that problem. He stated tie scores will be ranked according to the unemployment rate in the county where the program will be administered (applicants located in areas with higher unemployment rate will be given priority). If a tie remains, the secondary criteria for prioritizing an evaluation will be the poverty level in the county where the program will be administered (applicants located in areas with higher poverty levels will be given priority).

Mr. Demerson then addressed the determination of fund allocation. He mentioned the legislation called for the distribution of $5 million dollars by September 1, 2016. For the first round, staff recommended $2.5 million for community colleges and the other $2.5 million for Independent School Districts.

Chairman Alcantar informed the advisory committee that ISDs had not been part of the JET program. Legislation added ISD's but did not state how the funds should be divided.

Advisory Board members discussed a number of parameters to ensure the best potential outcome for fund allocation and asked staff to look at establishing a floor score on projects and any remaining/excess amounts could be transferred to either of the other groups that meet the minimum threshold level.

The Advisory Board moved on recommending $2.5MM for ISD's and $2.5MM for community colleges with the aforementioned threshold level determinations. The Chairman also asked for a briefing on the number and type of projects that did not receive funding that met the threshold level. It would be good statistical data on the potential needs that still remain.

The next item centered on determination of the minimum and maximum grant amounts. He stated currently under the Comptroller's office, the minimum amount is $50,000 and the maximum amount is $350, 000. After discussion the Advisory Board recommended a minimum grant amount for this round be set at $50,000 and the maximum grant amount is $350,000.

Mr. Demerson then discussed the amount and type of matching funds required from public junior colleges, public technical institutes, and independent school districts and the match amount. House Bill 3062 states "To be eligible to receive a grant under this section, a public community college, public technical institute or independent school district described under Section 134.007 must provide matching funds in accordance with rules adopted under Section 134.008. The matching funds may be obtained from any source available to the public junior college, public technical institute, or independent school district, including industry consortia, community or foundation grants, individual contributions and local governmental agency operating funds."

Historically, the JET grant may provide funding of up to 95% of total equipment and equipment installation costs. Applicant's match is the remaining 5% of total equipment and equipment installation costs.

Cristina Ramos, Manager, Workforce Business Services, Workforce Development Division, Texas Workforce Commission, provided an overview of how the match had previously been determined under operations at the Comptroller's office and stated staff is recommending that the same 5% cash match remain in place.

The advisory board was in agreement with the staff recommendation and moved this action forward.

The determination of how invoices are submitted and reimbursements are handled as well as payback turn-around time-frames was also discussed by Cristina Ramos. Presently 90% of the invoice can be reimbursed and 10% is held until contractual obligations are met. Staff informed the Advisory Board that there is a very fast turn-around for payback.

Staff recommendations are to keep the current reimbursement parameters in place. Mr. Lozoya asked the committee to consider a 95% reimbursement and 5% retention for applicants that purchase equipment from a Texas owned business.

After discussion the advisory board agreed with the motion and instructed staff to move forward with a 95% reimbursement and 5% retention schedule for applicants purchasing equipment form a Texas vendor.

Board member Lecholop asked that we should also make sure (maybe in the RFP) that applicants are aware that we are not asking them to forego purchasing industry standard type equipment.

Before moving forward to the next agenda item the Chairman wanted Commissioner Gardner to re-visit an original question he had earlier. Commissioner Gardner asked the Advisory Board to consider replacing the word new as keeping it would eliminate the opportunity for existing programs to grow. The Advisory Board agreed and asked staff to strike this reference to ensure the ability to build on existing programs as planned.

Board members then engaged in a discussion related to various definitions of equipment such as durable vs non-durable and software purchases.

VII. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON THE FINAL CONTRACT PROCESS

The Chairman called Cristina Ramos who provided an update on how the final contracting stage would be handled and streamlining measures being implemented on reporting requirements.

VIII. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON STATUTORY AND ADMINISTRATIVE RULES OVERVIEW FOR FUTURE ROUNDS

The Chairman called on Ms. Lorelei Miller, who provided an update and overview on the rule making process and timeline dates for the Advisory Board.

The Chairman then recognized Julian Alvarez, Commissioner representing Labor, and thanked him for joining the meeting. Commissioner Alvarez stated he was honored to be in attendance and was looking forward to catching-up on very good information that had been discussed.

Board member Lecholop stated he was ok with the previous discussion on equipment related to software.

Board member Fidelie wanted to emphasized the need to ensure that recommendations being brought forward to the Advisory Board be masked possibly with numbers to ensure full transparency/accountability.

IX. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON FUTURE BOARD MEETINGS

Staff will be reaching out to Advisory Board Members for a meeting to be held sometimes in July.
A brief discussion on raising awareness via press release. Any materials going out would be shared with Advisory Board members.

X. ADJOURNMENT

Motion to adjourn by Board member Lozoya