

3.B. Rider Revisions and Additions Request

Agency Code: 320	Agency Name: Texas Workforce Commission	Prepared By: Chris Nelson	Date: July 31, 2024	Request Level: Base
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Current Rider Number	Page Number in 2024–25 GAA	Proposed Rider Language
8	VII-41	<p>3. Unexpended Balances Appropriation: Skills Development and Jobs and Education for Texans (JET). Any unobligated and unexpended balances of General Revenue <u>Funds and GR-Dedicated Lone Star Workforce of the Future Account No. 5198</u> appropriations made to the Texas Workforce Commission (TWC) in Strategies B.1.1, Skills Development, and B.1.3, Jobs and Education for Texans (JET), as of August 31, 2024<u>2026</u>, are appropriated for the same purposes for the fiscal year beginning September 1, 2024<u>2026</u>.</p> <p>Additionally, notwithstanding the limitations of Article IX, Section 14.01 of the Act, amounts appropriated to TWC above in Strategies B.1.1, Skills Development, and B.1.3, Jobs and Education for Texans (JET), may be transferred between these strategies without limitation, as may be necessary to ensure services are provided to as many eligible participants as possible. Transfers between these strategies require written notification to be provided to the Legislative Budget Board (LBB) and Governor no later than 30 business days after the transfer and a report on transfers (regardless of whether transfers were actually made during that quarter) to be submitted to the LBB and Governor quarterly. The report shall be prepared in a format specified by the LBB and the Governor.</p> <p>The agency requests UB authority for funds from the new GR-Dedicated Lone Star Workforce of the Future Account No. 5198 to conform to existing funding made available for Skills Development and JET by House Bill 1755 and House Bill 3461 as enacted by the 88th Legislature, Regular Session.</p>

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29	VII-44	<p>4. Professional Development for Early Childhood Education. Out of federal Child Care Development Funds (CCDF) appropriated above, the Texas Workforce Commission shall dedicate \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 <u>\$1,500,000 in the 2026-27 biennium</u> for programs that encourage increased participation in continuing professional development for early childhood professionals. Funding may be used to fund teacher training programs, programs that lead to a national credential in early childhood education, or work-study programs in child care. Funding may also be used for pilot programs that utilize tools for individualized instruction coupled with professional development components that support ongoing learning for teachers.</p> <p>The agency requests authority to make the full \$1.5 million available in the request for applications (RFA) process at the beginning of the first fiscal year for flexibility to spend the funds as needed each fiscal year instead of evenly split between the two years.</p>

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33	VII-45	<p>5. Notification of Vocational Rehabilitation Federal Funds Distribution.</p> <p>(a) The Texas Workforce Commission (TWC) shall notify the Legislative Budget Board and the Governor by letter at least 30 calendar days prior to:</p> <ul style="list-style-type: none"> (1) requesting additional federal funding for the Vocational Rehabilitation program; or (2) any intent to redirect General Revenue Funds for this purpose. <p>(b) The notification required by Subsection (a) of this rider shall include:</p> <ul style="list-style-type: none"> (1) the purpose for the additional federal funding; (2) the original purpose and item of appropriation for which the General Revenue Funds were appropriated; (3) the effect on measures and/or full-time-equivalent positions for all affected strategies; and (4) the effect on future maintenance of effort and match requirements. <p>(c) Furthermore, it is the intent of the Legislature that no federal funds be drawn and expended by utilizing as matching funds any General Revenue Funds appropriated for the subsequent state fiscal year.</p> <p>(d) <u>Notwithstanding the above, out of the General Revenue funds appropriated above in Strategy B.2.1, Vocational Rehabilitation, \$30,793,540 is appropriated to draw down all available federal funds from the federal fiscal year 2025 award.</u></p> <p>TWC is requesting authority to utilize \$30,793,540 in General Revenue Funds from state FY 2026 to match the federal FY 2025 award through this rider change. This would allow the agency to draw an additional \$113,777,069 in Federal Funds from the 2025 federal award. The Vocational Rehabilitation exceptional item aligns with this rider revision request. If the exceptional item and rider revision are approved, no request for a supplemental appropriation will be required to cover all Vocational Rehabilitation FY 2025 costs.</p>

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41	VII-47	<p>6. Health and Human Services Commission Partnership. Out of funds appropriated above in Strategy B.2.1, Vocational Rehabilitation, \$8,586,875 in fiscal year 2024<u>2026</u> and \$8,586,875 in fiscal year 2025<u>2027</u> may be used by the Texas Workforce Commission only for the purpose of payment to the Health and Human Services Commission for an interagency agreement made for the purpose of funding <u>independent living services for people with disabilities authorized under the Rehabilitation Act of 1973 (29 U.S.C. §796 et seq.)</u>rehabilitative services for persons with disabilities.</p> <p>TWC requests a revision to narrow the allowable use of funds transferred from the TWC VR program to HHSC. Current rider language may be construed by HHSC to include programs that are not established under the Rehabilitation Act of 1973 and not allowable sources of expenditure for the Social Security Administration-Vocational Rehabilitation (SSA-VR) Reimbursement Program funds that are transferred for this IAC. TWC’s IAC with HHSC defines the scope but revising the rider language would codify the agreement.</p>
46	VII-48	<p>7. Unexpended Balances Appropriation: Acquisition of Information Resource Technology and Legacy Modernization. Any unobligated and unexpended balances of capital budget remaining as of August 31, 2023<u>2025</u>, that were appropriated to the Texas Workforce Commission for the 2022-23<u>2024-25</u> biennium for the Unemployment Insurance System Improvements, Workforce Case Management System<u>Solutions Improvements, Operations Infrastructure, and</u> Child Care Application, and Vocational Rehabilitation System projects (estimated to be \$0) are appropriated for the next fiscal biennium beginning September 1, 2023<u>2025</u>, for the same purpose.</p> <p>Due to the size and scope of these projects, TWC is asking for appropriation flexibility beyond the 2024-25 biennium, as needed. The names of the projects have been updated to align with the Capital Budget rider titles. As these projects are 94 percent federally funded, any unexpended balance authority utilized would be a minimal cost the 2026-27 General Appropriations Bill.</p>

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701	VII-	<p><u>XX. Appropriation: GR-Dedicated Business Enterprise Program Account No. 492. Funds identified in the method of financing above, Business Enterprise Program Account No. 492, are estimated revenues and receipts from an assessment of net proceeds from each vending facility in the program, in accordance with the Randolph-Sheppard Act at 34 C.F.R. § 395.1(s). The Texas Workforce Commission is appropriated any additional revenues (estimated to be \$0) for the purpose of maintenance and replacement of equipment and other allowable program expenditures.</u></p> <p>TWC is requesting estimated appropriation authority from Business Enterprise Program Account No. 492. TWC is requesting this rider to receive any amounts in addition to the estimated appropriation amounts to expend all revenue generated each year.</p> <p>In accordance with the Randolph-Sheppard Act at 34 C.F.R. § 395.1(s), revenue is generated from an assessment of net proceeds from each vending facility in the program and used for maintenance and replacement of equipment and other program costs. If not appropriated, the BET Account No. 492 will continue to accumulate fund balance that cannot be used for another purpose.</p> <p>TWC conducted a review of all BET equipment. TWC has identified the age of all equipment in the BET facilities and determined the typical lifecycle of food service equipment. TWC has identified equipment that is 20+ years old that needs to be replaced. The request is primarily due to identifying aged equipment, but also the rising cost of purchasing equipment since Covid-19. It is BET’s plan to replace all aged equipment (i.e., 10+ years old) within the next four years.</p> <p>This program is also funded with Vocational Rehabilitation (VR) federal grant funds (CFDA 84.126). Any additional revenue appropriated from Fund 492 would offset those federal VR grant dollars for use in the VR program. Increasing the Fund 492 appropriation will contribute to the VR grant match and draw additional federal funds.</p>

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702	VII-	<p><u>XX. Cash Flow Contingency for Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T).</u></p> <p><u>Contingent upon the receipt of SNAP E&T 50 percent Federal Funds allocated as a reimbursement for the state’s authorized share of funding available from the USDA Food and Nutrition Services the Texas Workforce Commission (TWC) may temporarily utilize additional General Revenue Funds, pending the receipt of federal reimbursement, in an amount not to exceed 75 percent of the amount as specified in the notification letter of federal award to be received in each year of the biennium. The General Revenue amounts utilized above the General Revenue method of finance must be repaid upon receipt of federal reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the CPA. All transfers of the method of finance shall be reported by the TWC Workforce Development Division to the LBB.</u></p> <p>TWC receives SNAP 50-50 federal funds from HHSC and the 50-50 General Revenue Funds (GR Match for SNAP Administration Account No. 8014) are directly appropriated to TWC. In resolving Food and Nutrition Service (FNS) audit findings on the SNAP program, HHSC has identified a possible issue in how the funds pass from FNS to HHSC and then TWC. The terms and conditions for the 50-50 funds state it is to operate like a reimbursement, not a grant in which a grantee can draw cash in advance (how the majority of HHSC and TWC grant programs operate).</p> <p>This causes a cash flow issue for TWC. When Boards draw 50-50 Federal Funds, TWC would not be able to provide the funds until after HHSC approves TWC’s invoice with costs incurred to request reimbursement.</p> <p>TWC could only float the 50-50 Federal Funds with the 50-50 GR for a portion of the year and is requesting authority to borrow GR from CPA to cover the federal funds until reimbursed from HHSC; similar to the arrangement for the Civil Rights Program.</p>