



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

APRIL 1, 2024

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Monday, April 1, 2024

CHAIRMAN DANIEL: Good afternoon, everyone.

This meeting is called to order. Mr. Trobman, do we have any public comment?

MR. TROBMAN: No, sir.

CHAIRMAN DANIEL: Thank you very much. Good afternoon.

MS. MILLER: Good afternoon.

CHAIRMAN DANIEL: That brings us to the end of Agenda Items 1 through 8. We'll take a short recess.

MS. MILLER: Thank you.

CHAIRMAN DANIEL: Thank you. This is Agenda Item 9, final rule adoption of 40 TAC Chapter 801.

CHAIRMAN DANIEL: I thought you were going to get to do it.

COMMISSIONER TREVIÑO: I guess the startup music didn't start so.

DAWN CRONIN: Good afternoon, commissioners, Mr. Serna. For the record, my name is Dawn Cronin. Before you today in your information booklet is the—for consideration and adoption are final rules to Chapter 801, Local Workforce Development Boards, which adds the requirement that boards must have representation from child care representative or workforce as established in House Bill 1615 from the 88th Legislative Session. In an open meeting on December 19, 2023, the commission

1 approved amendments to TWC's Chapter 801. The proposed rule
2 amendments were published in the January 5, 2024, issue of the
3 Texas Register for a 30-day public comment period. We received
4 one public comment in support of the rule. Staff reviewed and
5 responded to the comment. However, no changes were made to the
6 proposed rule. Today staff recommends the adoption of the
7 Chapter 801 rules as provided in your meeting materials.
8 Additionally, staff requests the ability to make minor
9 nonsubstantive changes to the document in order to comply with
10 the publication requirements of the Texas Register and the
11 Office of the Secretary of State. This concludes my presentation
12 and I'm happy to answer any questions you might have.

13 CHAIRMAN DANIEL: Any comments or questions?

14 COMMISSIONER TREVIÑO: None here.

15 COMMISSIONER ESPARZA: No questions.

16 CHAIRMAN DANIEL: No questions. Is there a
17 motion?

18 COMMISSIONER TREVIÑO: Chairman, I move we
19 approve the adoption of amendments to 40 Texas Administrative
20 Code, Chapter 801, Local Workforce Development Boards, as
21 recommended today by staff.

22 COMMISSIONER ESPARZA: Second.

23 CHAIRMAN DANIEL: It's been moved and
24 seconded, and the vote is unanimous. Thank you.

25 DAWN CRONIN: Thank you.

1 CHAIRMAN DANIEL: This is Agenda Item 10,
2 Lone Star Workforce of the Future Fund Program Parameters.

3 COLLIN BRADLEY: Good afternoon, Chairman
4 Daniel, Commissioner Treviño, Commissioner Esparza, and Mr.
5 Serna. For the record, I'm Collin Bradley with the Outreach and
6 Employer Initiatives Division. I did make a mistake in uploading
7 the supporting materials for this item so that is the list I
8 just handed you with the correct number of occupations but House
9 Bill 1755 passed during the Regular Session of the 88th Texas
10 Legislature directs TWC to establish and administer the Lone
11 Star Workforce of the Future Fund program. Additionally, statute
12 require TWC to establish an advisory board consisting of
13 education and workforce stakeholders to assist the commission on
14 administering the program. The advisory board met on March 6,
15 2024, to discuss and recommend program parameters that could
16 then be presented to the commission for final approval. The Lone
17 Star Workforce of the Future Fund was allocated two and a half
18 million dollars for fiscal year 2024. Statute requires the
19 commission to adopt a list of high-demand occupations in high-
20 growth career fields. Entities that receive funding under this
21 chapter must facilitate the successful transition of at least 50
22 percent of trained program participants from low-wage work or
23 unemployment to a full-time, high-demand, and high-growth
24 occupation offering a self-sufficient wage. The advisory board
25 made the following recommendations for fiscal year 2024. The

1 advisory board recommends the approval of a statewide high-
2 growth, high-demand occupation list consisting of 266
3 occupations which is what I just handed you. The advisory board
4 also recommends the approval of a maximum award amount per
5 grantee per funding cycle of \$250,000 with an unlimited number
6 of applications per grantee per funding cycle so long as the
7 total amount does not exceed \$250,000. The advisory board lastly
8 recommends the approval of a target cost per program participant
9 of \$7,500. Staff seeks the approval of program parameters as
10 recommended by the Lone Star Workforce of the Future Fund
11 advisory board. That concludes my presentation. Happy to answer
12 any questions.

13 CHAIRMAN DANIEL: Any comments or questions?

14 COMMISSIONER TREVIÑO: None here.

15 COMMISSIONER ESPARZA: No questions,
16 chairman.

17 CHAIRMAN DANIEL: Is there a motion?

18 COMMISSIONER ESPARZA: Chairman, I have a
19 question, sorry.

20 CHAIRMAN DANIEL: Yes, sir.

21 COMMISSIONER ESPARZA: Hey, Collin.

22 COLLIN BRADLEY: Yes, sir.

23 COMMISSIONER ESPARZA: Thank you for the
24 information and the discussion paper. One question that I have
25 as far as the recommendation for approval of a target cost per

1 program participant of \$7,500, is that a limit as in an
2 applicant may not go over the 7,500 mark, that it could it be
3 considered or is there an option?

4 COLLIN BRADLEY: There are options where a
5 program, if we like it—we'll be reviewing each application but
6 it could go over 7,500 depending on training costs and
7 wraparound services. That's something that this program covers
8 so just depending but 7,500 is a target cost to where we could
9 accept a reasonable number of applications and train a
10 reasonable number of individuals to be placed in high-demand
11 occupations.

12 COMMISSIONER ESPARZA: OK. Yeah, so kind of
13 a good faith effort to get it to 7,500. I think the bill had
14 said that it may not exceed 15,000 per participant, and I think
15 we're well to adopt that target cost for that. My own meaning
16 here therefore is in some cases the cost per training equipment
17 may exceed 7,500 per person depending on the job when it comes
18 to the—

19 COLLIN BRADLEY: Correct, and there is—

20 COMMISSIONER ESPARZA: More functional or
21 more tech-heavy industry.

22 COLLIN BRADLEY: Yes, sir.

23 COMMISSIONER ESPARZA: And I appreciate the
24 agency and I appreciate the divisions for making those
25 recommendations.

1 COLLIN BRADLEY: Yes, sir.

2 COMMISSIONER ESPARZA: Thank you.

3 CHAIRMAN DANIEL: What was the advisory
4 board's discussion on the \$7,500 figure?

5 COLLIN BRADLEY: So we—our rationale behind
6 the 7,500 is we met with some of our community college partners,
7 and we reasonably estimated that many of the demand—many of the
8 programs and training under this program could be trained with
9 \$7,500.

10 MARY YORK: Just to add again the
11 requirements of the program, require a 40 percent match on the
12 part of the applicant so taking into account that additional 40
13 percent, the advisory board felt that the 7,500 target was well
14 within a reasonable amount, and as a point of clarification we
15 did want to let the commission know that we had checked in with
16 the bill author to confirm that 7,500 again fell within the
17 legislative intent and they confirmed it did.

18 COMMISSIONER ESPARZA: Yeah, because the
19 bill reads that.

20 CHAIRMAN DANIEL: I am a little concerned
21 though. I think I just heard Collin say that 7,500 is just a
22 target and we could go over. I don't remember the advisory board
23 making that recommendation. I'm just trying to clarify that
24 point.

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1 MARY YORK: We would expect applications to
2 come in at \$7,500 or less for the state portion of the training,
3 and while there are many uses, many eligible uses for the fund,
4 some of the more expensive things we see such as equipment are
5 not allowable under the program. So while the fund can be used
6 for training and wraparound services, things like a high-dollar
7 piece of equipment would not be funded.

8 CHAIRMAN DANIEL: Is there any further
9 discussion?

10 COMMISSIONER TREVIÑO: None here.

11 COMMISSIONER ESPARZA: No, sir.

12 CHAIRMAN DANIEL: Is there a motion?

13 COMMISSIONER TREVIÑO: Chairman, I move that
14 we approve the fiscal year 2024 program parameters as
15 recommended by the Lone Star Workforce for the Future Fund
16 advisory board and described in the discussion paper presented
17 today by staff.

18 COMMISSIONER ESPARZA: Second.

19 CHAIRMAN DANIEL: It's been moved and
20 seconded, and the motion carries.

21 COLLIN BRADLEY: Thank you.

22 CHAIRMAN DANIEL: This is Agenda Item 11,
23 RESEA plan submission.

24 DAWN CRONIN: Good afternoon, commissioners,
25 Mr. Serna. For the record, my name is Dawn Cronin. Before you

1 today in your briefing books is the RESEA state plan update for
2 program year 2024. The plan is due to DOL on Monday, April 8th.
3 As in prior years, they gave us about three weeks to pull all
4 the updates together. The plan update and budget narrative
5 included a plan to spend carryforward balances from prior grant
6 years along with a supplemental allocation received for program
7 year '23, 5.9 million, to support the expansion of the
8 subsequent meeting pilot. Additionally for 2023, TWC received an
9 outcome award or outcome performance payment in the amount of
10 2.7 million for meeting and exceeding DOL performance standards
11 for RESEA. Staff requests commission approval of the 2024 RESEA
12 state plan and budget narrative, and I'm happy to answer any
13 questions you might have.

14 CHAIRMAN DANIEL: Any comments or questions?

15 COMMISSIONER TREVIÑO: None here.

16 COMMISSIONER ESPARZA: No questions.

17 CHAIRMAN DANIEL: Is there a motion?

18 COMMISSIONER TREVIÑO: Chairman, I move we
19 approve the fiscal year 2024 Reemployment Services and
20 Eligibility Assessment state plan for submission to the U.S.
21 Department of Labor as recommended today by staff.

22 COMMISSIONER ESPARZA: I second.

23 CHAIRMAN DANIEL: It's been moved and
24 seconded, and the motion carries. Thank you.

25 DAWN CRONIN: Thank you.

1 CHAIRMAN DANIEL: This is Agenda Item 12,
2 modification to the funding for CTE credentialing funding and
3 support.

4 DAWN CRONIN: Good afternoon, commissioners,
5 Mr. Serna. For the record, my name is Dawn Cronin. Before you in
6 your information booklets is the initiative for career,
7 technical, and education training and credentialing. This is an
8 initiative approved on September 11, 2023, to cover costs
9 associated with exams, credentials, and licensing resulting from
10 CTE coursework and costs associated with connecting job seekers
11 to employment. The program was funded with a combination of
12 statewide WIOA funds and TANF statewide funds. The use of the
13 TANF funds limits the population that can be served under this
14 initiative to low-income only. The initiative was also approved
15 as a distribution to boards, and staff believe that an
16 application-based approach would prove more successful.
17 Distributions can result in boards receiving funds that they
18 have limited capacity to spend. The changes outlined in the
19 discussion paper will enhance the program efficacy for both
20 boards and CTE credential seekers. Staff recommends supporting
21 the CTE credentialing initiative with 1.5 million in WIOA
22 statewide and further recommend that the program be awarded to
23 boards on an application basis rather than a statewide
24 distribution. I'm happy to answer any questions you might have.

25 CHAIRMAN DANIEL: Any comments or questions?

1 COMMISSIONER TREVIÑO: None here.

2 COMMISSIONER ESPARZA: No questions.

3 CHAIRMAN DANIEL: Is there a motion?

4 COMMISSIONER TREVIÑO: Chairman, I move we
5 approve the modifications to the Career and Technical Education
6 Credentialing Funding and application parameters as recommended
7 today by staff.

8 COMMISSIONER ESPARZA: I second.

9 CHAIRMAN DANIEL: It's been moved and
10 seconded, and the vote is unanimous. Thank you.

11 DAWN CRONIN: Thank you.

12 CHAIRMAN DANIEL: This is Agenda Item 13,
13 estimated unemployment trust fund balance.

14 CHRIS NELSON: Good morning, chairman,
15 commissioners, Mr. Serna. For the record, Chris Nelson, chief
16 financial officer. This afternoon you have a copy of the updated
17 September 30, 2024, projection for the unemployment insurance
18 trust fund. A couple of the changes I'll go over. On one
19 reference, 1.07, you'll see we are revising the estimated
20 benefits paid up to just short of three billion dollars, and
21 then on 1.08, revising down the estimated trust fund balance to
22 just under 1.6 billion. The biggest changes in the benefits paid
23 as we've seen increased benefits paid over the last several
24 months is continued claims and the average weekly benefit
25 amount. Initial claims are relatively flat but we've seen an

1 increase in continued claims. That's still—and we're revising up
2 the trust fund floor to 1.4 billion so we're still projected to
3 be above the floor by just short of 200,000,000. In the event,
4 at the very bottom on 3.05 projecting to have 354,000,000 in the
5 employment ETIA account, and for your reminder, the way that
6 works is on September 30th if we're above the floor, we use the
7 ETIA account to fund the Skills Development program. If we're
8 below the floor, we transfer the amount necessary from that
9 account into the trust fund to the point it comes up above the
10 floor or exhausts that account. So even if we get below the
11 floor, we still have projected another 350,000,000 that we could
12 move into the trust fund if we needed to so that concludes my
13 update and I'd be happy to answer any questions.

14 CHAIRMAN DANIEL: Any questions or comments?

15 COMMISSIONER TREVIÑO: None here.

16 COMMISSIONER ESPARZA: No questions.

17 CHAIRMAN DANIEL: Thank you very much.

18 CHRIS NELSON: Thank you, sir.

19 CHAIRMAN DANIEL: Is there an executive
20 director's report today?

21 MR. SERNA: There is, sir.

22 CHAIRMAN DANIEL: All right.

23 MR. SERNA: I have three things. First off,
24 your offices have been briefed on the PY24-25 planning
25 estimates. We intend to post those to the TWC website and then

1 we will be sharing those with the Workforce Development Boards
2 later this week. These are the estimates that they can begin to
3 use to establish their activities for the near future. This is
4 also a bit of a show and tell with some mixed emotions. Susanna
5 Holt Cutrone has announced that she after 25 years of state
6 service, 19 of which have been with this agency, will be
7 retiring at the end of this month. I was going to say April but
8 this is April, at the end of this month. The show and tell part
9 is we do have a certificate and a flag for her. She's done an
10 outstanding job. She's been our—when I started, she was our HR
11 director. She's been the interim general counsel. She is
12 currently the deputy general counsel. Les told me with a great
13 deal of apprehension that she was going to be retiring which
14 leads me to worry about who's been doing all the real work in
15 the office but we'll find that out very soon.

16 CHAIRMAN DANIEL: Oh, I think that will make
17 itself known in May.

18 MR. SERNA: But I do want to acknowledge all
19 of her great service to the state but especially to TWC, and
20 also express my personal appreciation for everything that she's
21 done including convincing me to start on the 31st of March, the
22 beginning, the end of a month which I had never done. She called
23 and was able to convince me to actually come to work on a Monday
24 at the end of the month so she's very persuasive in her
25 understanding of what the executive team needed so I appreciate

1 that very much. With that, I commend Susanna. And commissioners,
2 perhaps after this we can get you all to-

3 CHAIRMAN DANIEL: Oh, I saw Julio working
4 back there so I knew that there was going to be an opportunity
5 for photographs.

6 MR. SERNA: The other thing is, and this is
7 not an April fool's joke, this is a serious matter. I also want
8 to recognize another TWC employee at a different level though
9 for 15 years of state service and that would be our own
10 chairman, Bryan Daniel. Actually, the other part of the show and
11 tell in case you were wondering why I had my briefcase with me
12 was for his 15-year certificate which I noticed-

13 CHAIRMAN DANIEL: I signed my own
14 certificate.

15 MR. SERNA: He signed his own certificate.
16 Of course, I have one in my office for me that I signed my own
17 certificate as well but my congratulations to the chairman for
18 his 15 years of service to the state but especially for his
19 service here at TWC beginning in August I think of 2019. Early
20 August, wasn't it, sir?

21 CHAIRMAN DANIEL: Something like that.

22 MR. SERNA: Just in time for COVID and
23 everything else that we had to deal with, and it's been an
24 interesting time getting through all that but it's been a

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1 pleasure working with you to do that, not that you're
2 contemplating anything else. Fifteen years is not quite enough.

3 CHAIRMAN DANIEL: You keep giving me
4 certificates.

5 MR. SERNA: We might even get you a better
6 frame in the future. You know, you got to get to 20.

7 CHAIRMAN DANIEL: Fifteen will sneak up on
8 you. It's over a 30-year career and you think it's just two
9 years at a time but it does add up after a while. Thank you very
10 much.

11 MR. SERNA: Yes, sir. That was all I have to
12 report.

13 CHAIRMAN DANIEL: Does anybody else have any
14 other order of business to come before the commission?

15 COMMISSIONER TREVIÑO: I just want to say
16 congratulations, chairman. Fifteen years does fly by, and
17 Susanna, thank you for everything you've done for me when I
18 started, getting me through the policies and the ethics. That's
19 no small feat. I know Les keeps hoping you're going to say April
20 fools but I know that's not the case but good luck with all your
21 future endeavors and enjoy retirement.

22 COMMISSIONER ESPARZA: Congrats, Susanna.
23 [Inaudible].

24 SUSANNA HOLT CUTRONE: [Inaudible].

25 COMMISSIONER ESPARZA: Enjoy the pause.

1 CHAIRMAN DANIEL: Absolutely. Before we
2 commence taking pictures, Mr. Serna, I do have one request. I
3 would like for you to ask staff to do an evaluation of the
4 Chapter 133 program, evaluate it for its effectiveness and its
5 efficiency, and bring back a discussion paper either confirming
6 that it is effective and efficient as is or recommending any
7 changes which might increase its effectiveness or efficiency.
8 Thank you.

9 MR. SERNA: Yes, sir. We'll do that.

10 CHAIRMAN DANIEL: All right, anything else,
11 because we need to take pictures with Susanna.

12 COMMISSIONER TREVIÑO: Just real quick, I
13 wanted to say thanks for everything, Michael Treyger. He's in
14 the back. I know he's going to be leaving as well, and just
15 wanted to wish him the best as well.

16 CHAIRMAN DANIEL: He thought he was going to
17 fly under the radar.

18 COMMISSIONER TREVIÑO: Yeah, he did.

19 CHAIRMAN DANIEL: I'm glad you saw him.

20 COMMISSIONER TREVIÑO: Yeah.

21 MR. SERNA: Do we let him back in the
22 building?

23 CHAIRMAN DANIEL: Michael's the only guy I
24 know that we had a farewell party for him like-

25 MR. SERNA: The long goodbye.

1 CHAIRMAN DANIEL: A month ago, and he just
2 keeps coming to work. Hopefully Susanna will do the same thing.
3 Just months and months after the alleged departure, just keep
4 showing up. That's what we like. All right, anything else? Is
5 there a motion to adjourn?

6 COMMISSIONER TREVIÑO: Chairman, I move we
7 adjourn.

8 COMMISSIONER ESPARZA: I second.

9 CHAIRMAN DANIEL: It's been moved and
10 seconded to adjourn, and we're adjourned.

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