

MEETING OF THE TEXAS WORKFORCE COMMISSION

DATE

APRIL 30, 2024

1 Tuesday, April 30, 2024 2 CHAIRMAN DANIEL: Good morning, all. This 3 meeting is called to order. Has anybody signed up for public 4 comment? 5 JEWELL PATRICIO: [Inaudible]. 6 CHAIRMAN DANIEL: Thank you so much. Good 7 morning, Ms. Miller. 8 MS. MILLER: Good morning, sir. 9 CHAIRMAN DANIEL: Motion passes with the 10 exceptions noted. Thank you. That brings to the end of Agenda 11 Items 1 through 8. We'll take a short recess. 12 CHAIRMAN DANIEL: This is Agenda Item 9, 13 proposed rules for 40 TAC, Chapter 809, Child Care Services. 14 ALLISON WILSON: For the record, Allison 15 Wilson with Child Care & Early Learning. Before you today for 16 your consideration are proposed rule amendments to Chapter 809, 17 Child Care Services. These proposed amendments include changes 18 to align with the new Child Care and Development Fund final 19 rule, the addition of children with disabilities as a priority 20 population for contracted slots and changes to the Texas Rising 21 Star program based on the program's four-year review as required 22 by state statute. The Texas Rising Star changes were informed by 23 the work of a stakeholder workgroup consisting of child care 24 providers, child care professional organizations, local board 25 staff, state agency representatives, and early childhood

advocates. In addition, we solicited public input on the workgroup recommendations through in-person and virtual public meetings, email outreach, and by posting the recommendations and information about the review on TWC's website. Based on the input of the workgroup and the public, the following recommendations were incorporated into the proposed rule amendments. First, the addition of a provision to allow Texas Rising Star certified providers to retain certification for up to six months if the program undergoes facility change and is issued an initial permit from child care regulations. This will help support continuity of quality when programs undergo changes such as ownership changes while still maintaining high standards of accountability. Affected programs will be assessed within three months of the facility change. Second is a modification of the child care regulation licensing history review period to reduce that from 12 months to six months. This change acknowledges that programs can correct most licensing issues with a shorter time period and lessens the impact for those that do. Third, the rule amendments include clarification that an entry-level designated provider may receive new referrals if it is determined that the provider's licensing history will meet certification criteria by the end of the 24-month entry-level period. This change addresses an unintended consequence of the rule as written and supports stable access to child care subsidies and providers that are on a path to high quality.

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Staff recommends submitting the proposed rule for publication in the Texas Register for a 30-day public comment period. Staff also requests the ability to make minor nonsubstantive changes to the document to comply with publication requirements of the Texas Register and the Secretary of State. That concludes my presentation. I'm happy to answer any questions.

CHAIRMAN DANIEL: Comments or questions?

COMMISSIONER TREVIÑO: None here.

COMMISSIONER ESPARZA: No questions.

CHAIRMAN DANIEL: Is there a motion?

COMMISSIONER TREVIÑO: Chairman, I move that

we approve the amendments to 40 Texas Administrative Code,
Chapter 809, Child Care Services, for publication for public
comment as recommended today by staff.

COMMISSIONER ESPARZA: I second.

CHAIRMAN DANIEL: It's been moved and seconded and the motion carries. This is Agenda Item 10, proposed revisions to Texas Rising Star guidelines.

ALLISON WILSON: Again, for the record,
Allison Wilson with Child Care & Early Learning. Today for your
consideration is the draft Texas Rising Star guidelines. The
draft changes to the guidelines are also based on the Texas
Rising Star four-year review and align with proposed rule
amendments as discussed on the prior agenda item. These changes
include the following: For entry-level designations, staff

recommends reducing the points threshold for licensing deficiencies from 75 to 40 to align with the rule change that reduces the licensing review period from 12 months to six months. The points threshold will continue to only include deficiencies that are weighted high or medium high recognizing that lower weighted deficiencies are more often tied to paperwork errors and may not reflect the level of quality. Second, we also recommend changing the eligibility criteria for new Texas Rising Star providers to modify the specific licensing deficiencies that prevent a program from being eligible for initial certification by reducing them from 12 to four. The four specified deficiencies that will remain relate to background checks and abuse neglect which we heard broad consensus for maintaining. Also recommending that with the reduction in the specific licensing deficiencies as noted, we recommend adding a new points threshold of 25 based on a lookback period of six months. This change will align Texas Rising Star eligibility with the points-based approach in place for entry-level designations that looks only at high and medium-high weighted deficiencies. Third, for Texas Rising Star certified providers we also recommend changes to the impact of licensing deficiencies to align with the new six-month lookback period, revising the specific licensing deficiencies that have an impact and use of a points-based approach that only considers high and medium-high weighted licensing deficiencies. These changes will

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continue to support the use of probationary periods to allow certified providers the opportunity to recover from licensing issues and demonstrate they are maintaining quality. Finally, staff recommends modifying the list of TWC-recognized national accreditations to include all Department of Defense-recognized accrediting entities. This change will support more efficient assessment of programs that have recognized high-quality designations. That concludes my remarks and I'm happy to answer questions.

CHAIRMAN DANIEL: Preliminary questions for Allison? We have a public commenter. Any real quick thoughts, she's going to come back.

COMMISSIONER ESPARZA: No questions.

CHAIRMAN DANIEL: All right. Let's move to public comment.

JEWELL PATRICIO: Jewell Patricio with the Office of General Counsel. We have one commenter, Alison May, who signed up for comment on this item.

ALISON MAY: Chairman Daniel and members of the commission, my name is Alison May with KinderCare Learning Companies speaking on behalf of our 100 quality early learning centers across Texas serving over 9,000 children daily, 60 percent of whom participate in the Child Care Services or CCS program. Thank you for the opportunity to comment on Agenda Item 10, Texas Rising Star four-year review. We appreciate TWC's

commitment to ongoing rulemaking to improve the TRS system to ensure families served by CCS receive measurable, high-quality early learning experiences. The new requirement to the TRS level two in order to serve families through subsidy has gone well for the vast majority of our centers. However, we have concerns around specific centers not receiving the TRS supports and consistent direction needed to improve quality and provide the continuity of care that families and communities are seeking. The TRS rulemaking process will be critical for addressing the current challenges and we believe is a step in the right direction. Specifically, we applaud the draft rule that will modify the licensing lookback from 12 to six months which provides a more accurate reflection of a center's licensing history. We look forward to robust engagement in this process ahead and thank you for considering the draft rules before you today. CHAIRMAN DANIEL: All right, I think that's it for public comment. Allison? Any comments, questions? COMMISSIONER TREVIÑO: None here. CHAIRMAN DANIEL: Is there a motion? COMMISSIONER TREVIÑO: Chairman, I move that we approve the revisions to the Texas Rising Star guidelines for

COMMISSIONER ESPARZA: I second.

public comment as recommended today by staff.

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CHAIRMAN DANIEL: It's been moved and seconded and the motion carries. Thank you. This is Agenda Item 11, selection decisions for the Adult Education and Literacy Core Provider Request.

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JAMES GOLSAN: Good morning, chairman, commissioners, and Mr. Serna. For the record, I'm James Golsan, Workforce Development Division. Rider 46 to the General Appropriations Act of the 86th Texas Legislature requires that AEL grant awards be reviewed and approved by TWC's commissioners prior to notification of award to the grant recipient. For your approval this morning we are bringing forward the selection decision for Adult Education and Literacy Core Provider Limited Counties RFA, AEFLA Section 231 which supports core AEL service delivery across the state. Staff reviewed four eligible applicants and today are recommending three as winners for a total award of \$2,211,367 although we would like to note that award amounts and county coverages could be adjusted during award formation to ensure federally required statewide coverage. Staff are also bringing forward for review and approval the final group of awardees for AEL core provider AEFLA Section 243 which supports integrated English literacy and civics education for English language learners. Staff reviewed 30 eligible applicants and selected 12 as grantees. Nine were presented at the April 16 commission meeting. Today staff recommend three additional winners from our original core provider 243

1 competition for a total award of \$912,209 for those three. We 2 would be happy to answer any questions you all might have. 3 CHAIRMAN DANIEL: Any comments or questions? COMMISSIONER TREVIÑO: None here. 4 5 COMMISSIONER ESPARZA: No questions. CHAIRMAN DANIEL: Is there a motion? 6 7 COMMISSIONER TREVIÑO: Chairman, I move we 8 approve three grant awards for Adult Education and Family 9 Literacy Act, Section 231, Provider Activities, totaling 10 \$2,211,367, and three grant awards for Adult Education and 11 Family Literacy Act, Section 243, Provider Activities, totaling 12 \$912,209 as described in the discussion paper and recommended 13 today by staff. 14 COMMISSIONER ESPARZA: I second. CHAIRMAN DANIEL: It's been moved and 15 16 seconded and the motion carries. This is Agenda Item 12, final 17 rules for 40 TAC, Chapter 811, Choices. 18 JOEL MULLINS: Good morning, chairman, 19 commissioners, Mr. Serna. For the record, I'm Joel Mullins with 20 the Workforce Development Division. In an open meeting on 21 February 20, 2024, the commission approved proposed amendments 22 to TWC's Chapter 811 rules to update rule language to conform 23 with present terminology and update definitions to conform with 24 federal statute and regulations. The proposed rule amendments

were published in the March 8th issue of the Texas Register for a

1 30-day public comment period and no comments were received. 2 Staff recommends adopting the amendments to Chapter 811 as 3 presented here today. Additionally, staff requests the ability 4 to make minor nonsubstantive changes to the document in order to 5 comply with the publication requirements of the Texas Register 6 and the Office of the Secretary of State. This concludes my 7 remarks. I'm happy to answer any questions. 8 CHAIRMAN DANIEL: Comments or questions? 9 COMMISSIONER TREVIÑO: None here. 10 COMMISSIONER ESPARZA: No questions. 11 CHAIRMAN DANIEL: Is there a motion? 12 COMMISSIONER TREVIÑO: I move that we 13 approve the adoption of amendments to 40 Texas Administrative 14 Code, Chapter 811, Choices, as recommended today by staff. 15 COMMISSIONER ESPARZA: I second. 16 CHAIRMAN DANIEL: It's been moved and 17 seconded and the motion carries. This is Agenda Item 13, final 18 rules for 40 TAC, Chapter 843, Job Matching Services. 19 JOEL MULLINS: Again, for the record, I'm 20 Joel Mullins with Workforce Division. In an open meeting on 21 February 20, 2024, the commission approved proposed amendments 22 to TWC's Chapter 843 rules to expand the categories of 23 eligibility for military employment preference to align with 2.4 Texas Government Code, Chapter 657, as amended by Senate Bill 25

1376 from the 88th Texas Legislative Session. The proposed rule

1 amendments were published in the March 8^{th} issue of the Texas Register for a 30-day public comment period and no comments were 2 3 received. Additionally, staff conducted a four-year rule review 4 of Chapter 843 in accordance with Texas Government Code and 5 determined that the initial reasons for adopting the chapter 6 still exist and that the chapter is still needed. Staff 7 recommends adopting the amendments to Chapter 843 as presented 8 here today, and also requests the ability to make minor 9 nonsubstantive changes to the document in order to comply with the publication requirements of the Texas Register and the 10 11 Office of the Secretary of State. I'm happy to answer any 12 questions. 13 CHAIRMAN DANIEL: Comments or questions? 14 COMMISSIONER TREVIÑO: None here. 15 COMMISSIONER ESPARZA: No questions. 16 CHAIRMAN DANIEL: Is there a motion?

COMMISSIONER TREVIÑO: Chairman, I move that we approve the adoption of amendments to 40 Texas Administrative Code, Chapter 843, Job Matching Services, as recommended today by staff.

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COMMISSIONER ESPARZA: I second.

CHAIRMAN DANIEL: It's been moved and seconded and the motion carries. This Agenda Item 14, apprenticeship training program and pre-apprenticeship funding for fiscal year 2025.

KERRY BALLAST: Good morning, Chairman Daniel, Commissioner Treviño, Commissioner Esparza, and Mr. Serna. For the record, Kerry Ballast, Workforce Development Division. For your consideration today are the fiscal year 2025 planning estimates for the apprenticeship and pre-apprenticeship training programs. Each year the Texas Workforce Investment Council makes recommendations under the Chapter 133, Apprenticeship Training Program. The fiscal year '25 recommendations are listed in your notebook materials so for today the commission decision points for FY25 are as follows: A contact hour rate not to exceed \$4.25 for apprenticeship training programs; a five percent reserve for new programs or established programs not currently receiving funds; a rate not to exceed \$2,000 per participant in pre-apprenticeship training programs; and planning estimates as detailed in your notebook materials for FY25 as contingent upon adoption of TWC's FY25 operating budget. That concludes my remarks. I'm happy to answer any questions.

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CHAIRMAN DANIEL: Any comments or questions?

COMMISSIONER TREVIÑO: The registered

apprenticeship program in Texas has grown over 115 percent in

the last 10 years. It has gone from just over 4,000 apprentices

and 764,798 contact hours in 2014 to over 9,000 apprentices and

over 1,742,828 contact hours in 2024. During that timeframe, the

general revenue funding for that program only increased 20

percent. It's crucial to follow the TWIC recommendations on contact hour rates as emphasized by many programs. TWC has previously used federal funding to support this but now with all programs expanding and new industries promoting apprenticeships, we need to rethink our funding approach. The current staff proposal does not meet the projected expansion creating a shortfall of \$4,322,524 compared to the needed funds for fiscal year 2025. The apprenticeship program is still projected to grow by 14.5 percent in fiscal year 2026 with a similar increase anticipated for fiscal year 2027. This highlights the urgent need for extra funding to reach the target contact hour rate of \$4.00 per hour. That concludes my comments.

COMMISSIONER ESPARZA: I want to make a request. Looking at lines 17 through 24, as I understand it the total GR that we're asking, this is only for the fiscal year '25 is 7.3 million. I'm looking at 3.6 and 3.6 between 17 and 24, and adopting the proposal here maintains that we're basically not exceeding 4.25 contact hourly rate. Correct? I'm asking, yeah right, I'm trying to make sure that I understand this correctly. In this case I just wanted to make sure that we noted that the GR number in both [inaudible] because I think it was split. I just wanted to make sure I combined it, and we maintain tracking of that. I don't have any questions. I just wanted to make sure that was—

KERRY BALLAST: Thank you.

1 COMMISSIONER ESPARZA: Thank you for that. 2 CHAIRMAN DANIEL: I have one question. If 3 funding for pre-apprenticeship is not fully expended, can that 4 be used for the apprenticeship training program in the same 5 fiscal year? 6 KERRY BALLAST: Yes, sir, it can. 7 CHAIRMAN DANIEL: Does this money roll over 8 fiscal year to fiscal year, and does it roll over biennium to 9 biennium? 10 KERRY BALLAST: I'm-11 CHAIRMAN DANIEL: We haven't really had that 12 problem, right? But just fiscal year? 13 KERRY BALLAST: Fiscal year, yes. 14 CHAIRMAN DANIEL: OK. All right, is there a 15 motion? 16 COMMISSIONER TREVIÑO: Chairman, I move we 17 approve the fiscal year 2025 apprenticeship and pre-18 apprenticeship training program funding parameters and planning 19 estimates as described in the discussion paper and presented 20 today by staff and ask the staff to research ways to supplement 21 funding pending the approval of the fiscal year 2025 budget. 22 COMMISSIONER ESPARZA: I second that. 23 CHAIRMAN DANIEL: All right, so that's the 24 motion, it's been seconded. With regard to your request for 25 staff to research ways to fill any potential shortfalls, I just

want to go on record at this point saying we need to have a fairly robust discussion leading into our LAR discussions with regard to an exceptional item for this. I think the demand is certainly there. I think we're seeing expansion here, and I will say when the legislature sets a dollar amount, there is a part of me that feels like when we sort of supplement that in an aggressive way, there's some legislative intent issues that I get a little bit concerned about. I'd like to engage the legislature in a solid conversation about this via the appropriations process so when we get to that point in the program which is what, Chris, July, August? When will we do that? So, July, August timeframe, I think when we come back into open meeting, I hope we're able to have a good discussion about what that legislative appropriation [inaudible] ought to be, and I hope that there will be support for an exceptional item at that time to increase that money. I think there's a really fair case to be made here for increasing that money, particularly if we continue to do some program administration things that continue to strengthen the program so having said that, it's been moved and seconded. Any further comment? COMMISSIONER TREVIÑO: I wholeheartedly agree with the chair and look forward to that discussion

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happening.

COMMISSIONER ESPARZA: Yeah, I agree. I support the chairman. Also, I second to the research is

1 admirable for our labor but I definitely want to make sure that 2 we're within our lines of our legislative intent and budget. 3 Thank you. 4 CHAIRMAN DANIEL: All right, that motion 5 carries unanimously. 6 KERRY BALLAST: Thank you. 7 CHAIRMAN DANIEL: This is Agenda Item 15, 8 apprenticeship training program funding parameters pursuant to 9 Texas Education Code, Chapter 133. 10 KERRY BALLAST: Again, for the record, Kerry 11 Ballast, Workforce Development Division. As requested at the 12 April 1, 2024, meeting, staff had completed an evaluation of 13 Texas Education Code, Chapter 133, Apprenticeship Training 14 Program, for its effectiveness and efficiency, and we've made 15 recommendations for any changes which might increase its 16 effectiveness and efficiency. Staff have completed an evaluation 17 and after identifying challenges experienced under the current 18 program offer recommendations to sustain the Chapter 133 program 19 for future years. Those challenges and recommendations are 20 listed in your notebook materials. At this time staff seek 21 direction on the recommendations listed in the discussion paper. 22 That concludes my remarks. Happy to answer any questions. 23 CHAIRMAN DANIEL: Comments or questions? 24 COMMISSIONER TREVIÑO: As mentioned earlier, 25 it's crucial to follow TWIC's recommendations for the contact

hour rate but additional funding is needed to sustain the \$4.00 rate. Although the performance measures introduced by the commission in August of 2023 improved the quality of apprenticeship programs, I aim to ensure that any changes to the awarding method do not inadvertently show bias towards or against a specific industry or program. The apprenticeship program is expected to experience, as I said, a 14.5 percent growth in fiscal year '26 with a comparable rise anticipated for fiscal year '27. To meet the LLB target for fiscal year '25, it's necessary to increase funding to sustain the \$4.00 per hour contact rate so before proceeding with awarding contracts based on performance, I would, one, like to request that staff analyze and present the following: Identify the industries most affected by the change in awarding contracts including those likely to receive awards and those likely to miss out; two, to assess the geographical impact of these awards across the state; and, three, to determine whether a program longevity and experience will influence the performance-based awarding method. I can repeat that if you need me to.

CHAIRMAN DANIEL: I think we're good.

COMMISSIONER TREVIÑO: OK.

COMMISSIONER ESPARZA: Just one point of clarification if I may. So, are all these bullet points under the decision points, are they separate decisions?

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KERRY BALLAST: We listed them as separate. I could see how one or two may work together.

process as described—so bullet point two was approved, added funding at some point, additional funding would reduce the need for a competitive procurement process [inaudible] so it would affect point three. I'm trying to find out if these are—if adopting two would basically eliminate or I'm sorry, adopting two would lessen the need for three. I'm trying to figure out—again, once again I'm confused here. I want to make sure that we—it's not all or are we piecemealing out so at this point.

KERRY BALLAST: Yes, sir.

CHAIRMAN DANIEL: Let me—I would say that this is how I read that, all right? I don't think this is perfect. I mean if I was doing this unilaterally there would be some things I would do different, but I think staff has struck upon I think a fairly decent compromise for a lot of things that have to happen. I think if I'm understanding your question, would more money get rid of the need to have a more competitive procurement process because we'd have more money, and I think just listening to staff and understanding the program over the years, I think in some ways those are related but I think in some other ways they're looking for two things simultaneously. They'd like to do more apprenticeship assistance, I do too, and then I think that they would like to ensure that the ones that

are getting done are the very best that can be done regardless of kind of what industry it's in. There's some really established ones, electricians being one, plumbing's got a great one, and there's some newer ones that are coming online that the five percent or 10 percent, five percent [inaudible] really doesn't seem adequate for but they can be really good like thejust because you're new doesn't mean you're not as good, and just because you've been around for 15 years doesn't mean you're doing it the best so I kind of perceive kind of a, yeah, they're related but I kind of perceive staff's trying to accomplish two different things here. Don't ever let me put words in your mouth. If you disagree with me, say so. You keep nodding but I hope that means that I read what you wrote right but, you know, I think just because we got more money, I'm not necessarily sure staff intends to abandon kind of a-I won't say a stronger enforcement but more project-based enforcement of kind of what we're trying to do here.

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KERRY BALLAST: If I may, chairman. I do believe the conversation about the funding is essential and I'm glad to hear you'll take it back up. I think for the year ahead, just as we were in this year, we will most likely, if something doesn't just change a little bit for this year, we will find ourselves back in front of you at some point saying that numbers are growing, we cannot reach the \$4.00, and we're looking for additional funding.

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                         CHAIRMAN DANIEL: That's not a bad problem
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   to have. That is a challenge for this commission to deal with
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   that I am glad that we have to deal with that challenge. If
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   something's growing that rapidly, people are benefiting from it.
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   The craft trades of Texas are growing. We're actually able to
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   build all the stuff that we need to build for all the new jobs
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   that want to come here. I'll deal with that problem every time
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   you want me to deal with it as long as we're seeing that kind of
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   positive growth, absolutely.
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                         COMMISSIONER ESPARZA: Thank you for the
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   clarification, chairman.
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                         CHAIRMAN DANIEL: All right, any other
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   conversation.
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                         COMMISSIONER ESPARZA: No comments or
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   questions from me.
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                         CHAIRMAN DANIEL: Is there a motion?
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                         COMMISSIONER TREVIÑO: Well, I don't have a
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   motion at this time due to the request that I had for staff.
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                         COMMISSIONER ESPARZA: To staff on the
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   research? I'm sorry.
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                         COMMISSIONER TREVIÑO: Correct.
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                         KERRY BALLAST: I believe, Commissioner
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   Treviño, the request is to do a sample of if we moved to
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   performance based for this year and report back what that would
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   look like?
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COMMISSIONER TREVIÑO: That would be fine. 1 2 CHAIRMAN DANIEL: OK, if there's no 3 objection, we'll table this and bring it back at a following 4 commission meeting once staff has had a chance to do that 5 research in the next two weeks. COMMISSIONER TREVIÑO: Thank you. 6 7 KERRY BALLAST: We'll be ready. Thank you. 8 CHAIRMAN DANIEL: All right, thank you. 9 COMMISSIONER ESPARZA: Thanks for that. 10 CHAIRMAN DANIEL: What if I skip to the next 11 one [inaudible]. You weren't going to care, were you? You were 12 just going to start right in. Well, I guess we're on Agenda Item 13 16, the Texas Workforce Commission strategic plan for fiscal 14 vears 2025 to 2029. 15 JENNIFER COLEHOWER: Good morning, Chairman 16 Daniel, Commissioner Treviño, Commissioner Esparza, and Mr. 17 Serna. For the record, my name is Jennifer Colehower with the 18 Office of Strategy Development and Business Transformation. 19 Before you today for consideration is the Texas Workforce 20 Commission strategic plan for fiscal years 2025 to 2029 for 21 submission to the Office of the Governor and the Legislative 22 Budget Board pending commission approval this morning. Texas 23 Government Code, Chapter 2056, requires strategic planning for 24 all states agencies. The plan covers a five-year period. The

plans are reviewed and updated every two years aligning with our

two-year state budget cycle. Part one of the plan contains TWC's mission, vision, and philosophy which have not had any changes compared to the current plan; a message from the executive director; TWC goals and action items which currently do not have any changes in the current plan, and they focus on three goals, thriving employers, skilled workforce, and exceptional customer service; agency overview incorporates an internal assessment, recent state legislation, and recent federal legislation; and part one concludes with redundancies and impediments. Part two contains required supplemental schedules including TWC's budget structure which there were no changes; performance measure definitions which were no changes; the historically underutilized business plan; TWC's workforce plan; a section on alignment with the Texas Workforce Commission strategic plan for fiscal years '24 to 2031 with the Texas Workforce Investment Council; report on customer service; and certification of compliance with cybersecurity training will also be included. Before I conclude I'd like to take a moment to acknowledge all those who are supporting and contributing to the strategic plan this cycle including you and your staff. Staff requests approval of the strategic plan before you today and also requests the ability to make nonsubstantive edits as we format the plan for publication and submission. That concludes my presentation.

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CHAIRMAN DANIEL: Comments or questions?

COMMISSIONER TREVIÑO: No comments.

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                          COMMISSIONER ESPARZA: No questions.
                          CHAIRMAN DANIEL: Is there a motion?
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                          COMMISSIONER TREVIÑO: Chairman, I move to
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   adopt the Texas Workforce Commission strategic plan for fiscal
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    years 2025 to 2029 for submission to the Office of the Governor
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    and the Legislative Budget Board.
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                          COMMISSIONER ESPARZA: I second.
                          CHAIRMAN DANIEL: It's been moved and
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   seconded and the motion carries.
                         MR. SERNA: Mr. Chairman?
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                          JENNIFER COLEHOWER: Thank you.
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                         MR. SERNA: Jennifer is a valuable member of
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   my staff, but I think this might be the first time that I recall
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   her actually standing at the microphone to present to you all. I
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   didn't want that to not get mentioned. I think she, you know,
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    deserves some attention.
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                          CHAIRMAN DANIEL: That's an excellent point,
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   Mr. Serna.
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                          JENNIFER COLEHOWER: I do believe I was here
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   last year.
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                          COMMISSIONER ESPARZA: First time with me.
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                          COMMISSIONER TREVIÑO: I wouldn't say
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   anything against-
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                          JENNIFER COLEHOWER: Point taken.
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                         CHAIRMAN DANIEL: On cross examination she
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   has presented evidence that she was here at this exact same time
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   last year.
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                         MR. SERNA: She's a good attorney probably.
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                         CHAIRMAN DANIEL: Sometimes too good. Isn't
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   that true? Thank you very much.
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                         JENNIFER COLEHOWER: Thank you.
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                         CHAIRMAN DANIEL: I see no evidence of a
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   legislative report lurking back there.
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                         MR. SERNA: No, sir, no ties.
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                         CHAIRMAN DANIEL: Is there an executive
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   director's report today?
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                         MR. SERNA: Just one item. We do have a Star
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   award to recognize one of our employees. There she comes. Get a
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   presentation on it.
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                         CHRISTINA KARNES: Good morning, Mr.
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   Chairman, commissioners, Mr. Serna. For the record, I'm
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   Christina Karnes. I'm the director of the TWC appeals
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   department. It is my pleasure today to be able to present you a
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   Star award winner from the appeals department, Ron Mackell. Ron
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   is an assistant director in the appeals department and is
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   receiving an award for his implementation and expansion of a
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   legal internship program that has drawn statewide attention to
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   various legal opportunities at TWC. As you may know, due to low
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   unemployment rates and our great Texas economy, we are always
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looking for ways to recruit the best candidates for legal positions across the agency. Ron had an innovative idea of taking the existing internship opportunities within appeals and other departments in the agency and expanding them into an interdepartmental rotation program that would maximize exposure to legal interns to receive to various legal positions within the agency. Last summer students from around the country experienced the TWC corporate culture firsthand by participating in the program that included appeals, the Office of the General Counsel, and all three commissioner offices. Ron facilitated the program from beginning to end and built collaborative relationships with many departments within TWC including human resources, the Office of the General Counsel, all the commissioner offices, and the media productions department. Many of these relationships were built through Ron's outgoing and positive personality and his propensity to show up bearing donuts and a smile. Ron pushed the internship job postings to law schools, coordinated interviews and applicant selections with other offices, and planned numerous activities for the interns. He arranged guided visits to the state capitol, the Texas Supreme Court, the Texas Court of Criminal Appeals, and the Governor's appointment office. They also attended the internship conference last summer. He coordinated agency training sessions that provide mentoring and guidance to the interns facilitating both their personal growth and insights to

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help them develop their skills as future lawyers. Ron conducted videotaped mock interviews with the interns and worked further with the media production department to ensure each student left TWC with a professional headshot. He coordinated a farewell luncheon and worked with the Office of the General Counsel and the commission offices, particularly Norma Allen of OGC, and Kimberly Watson in the chairman's office to ensure a successful conclusion to the internship. Each intern gave an end-of-program PowerPoint presentation highlighting their time at TWC and making a specific recommendation for one rapid process improvement. Representatives from UT, Texas A&M, and Tulane law schools attended the event in person, and there were representatives from several other law schools, the Texas Court of Criminal Appeals, and many parents who viewed the presentations online in real time. There was an informal morning VIP coffee and donuts before the presentations because you just really can never too many donuts, and along with that there was also an afternoon luncheon which provided the interns a final opportunity to network with many supervisors and directors within TWC. The success of the internship program has led to continued outreach to law schools and lawyers and has helped us receive an increasing number of qualified applicants for legal positions within the agency. Ron has attended recruiting events at several law schools since the internship concluded and has been approached by both students and staff because they heard

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such great things about the program from our former interns. The internship program continues this summer with Commission Appeals joining the rotation, and the Civil Rights Division is also going to be joining us for some of the group activities. The Appellate Services Division is excited to see what the future holds for this great program, and we are very proud of Ron's innovative approach to developing a strong legal internship and recruiting program for the agency. Thank you for your time today.

MR. SERNA: Mr. Chairman, that's all that I-since I didn't do anything, that's all that I have to report.

We'll take pictures after you adjourn.

COMMISSIONER ESPARZA: I've got a comment to add to Ron's deal.

CHAIRMAN DANIEL: Well, pile on.

COMMISSIONER ESPARZA: I've got some prepared comments from staff and [inaudible]. That's what I'm talking about, Ron. That's what I'm talking about, Ron. Thank you so much. No, I appreciate it, and Ron, thank you for your initiative in taking on such a great challenge. I think that is just your spearheading and recruitment of a lot of great talent, and you've identified our best resource which is our attorneys and their expertise as mentors, so I really appreciate, and this is my first summer having one of our office interns participate. I'm excited to bring them aboard and to continue to guide them.

I've heard a lot of great things about this innovative program.

I appreciate you for all the work you've done. Congratulations on the award.

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COMMISSIONER TREVIÑO: I too just congratulations, Ron. I mean it's well deserved. Last year our summer interns were boasting about all the activities that they did and how much fun and how much they learned, which is important. Your dedication to that program is exceptional. Just for the record, as a connoisseur of donuts, I never got any donuts from your side.

CHAIRMAN DANIEL: You bring up an interesting point, commissioner. I too never received any donuts. We'll ask for all appropriate investigations into that situation. In a lot of ways, I have a lot of sympathy for you because last summer's interns were just an absolutely fun bunch and for you to be able to top that this summer is going to be very, very challenging so best of luck to you on that endeavor. Award is well deserved. This internship is picking up speed. I actually—although in—what's today, Kim? The 30th, 29th? In 14 days I will no longer have a law student. I will have sort of a person waiting to take the bar exam. It's actually talked about on campuses, the things we're doing here, and there is one student from that law school who actually has chosen a career being a state government lawyer over a private sector firm because she just thinks it will ultimately be more rewarding so

all we can do in that regard, I think we are actually doing things to strengthen government so congratulations, great award. Looking forward—I don't like to take pictures but I'm going to take some pictures with you as soon as this is over. I've got a couple things for Ed. Does anybody else have anything before I jump in?

COMMISSIONER TREVIÑO: Nothing here.

COMMISSIONER ESPARZA: No, sir.

CHAIRMAN DANIEL: Two requests. First request is for staff to bring forward a comprehensive proposal with any necessary initiatives to have TWC stand up a health care staffing initiative to help address the health care staffing shortage that we're seeing in Texas right now. The second request is for staff to bring forward recommendations for 40 TAC, Chapter 815, that's the marketplace contractor rule, of any necessary updates and changes that they think should be made to that rule at this time. Is there any other order of business to come before the commission? Hearing none, is there a motion to adjourn?

COMMISSIONER TREVIÑO: Chairman, I move we

COMMISSIONER ESPARZA: I second.

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

adjourn.