



**MEETING OF THE  
TEXAS WORKFORCE COMMISSION**

**DATE**

**JULY 16, 2024**

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Tuesday, July 16, 2024

CHAIRMAN DANIEL: Good morning, all. This meeting is called to order. Mr. Trobman, has anyone signed up for public comment?

MR. TROBMAN: No, sir.

CHAIRMAN DANIEL: Thank you, Mr. Trobman. All right.

CHAIRMAN DANIEL: The motion passes with the exceptions noted. That brings us to the end of Agenda Items 1 through 8. We'll take a short recess.

MS. GONZALES: Thank you.

CHAIRMAN DANIEL: All right, we're back. This is Agenda Item 9, funding for FY25 Chapter 133, apprenticeship training.

KERRY BALLAST: Good morning, Chairman Daniel, Commissioner Treviño, Commissioner Esparza, and Mr. Serna. For the record, Kerry Ballast, Workforce Development Division. At the July 2<sup>nd</sup> meeting, staff were asked to return with a discussion paper outlining use of Texas Industry Recognized Apprenticeship grant program funds to supplement the Texas Education Code Chapter 133, Apprenticeship Training Program contact hour rate. The discussion paper in your notebook materials gives background on this topic and addresses the use of TIRA funds to achieve a consistent Chapter 133 contact hour

1 rate for fiscal year 2025. This concludes my remarks. I am happy  
2 to answer any questions.

3 CHAIRMAN DANIEL: Any comments or questions?

4 COMMISSIONER TREVIÑO: None here.

5 COMMISSIONER ESPARZA: I have a comment,  
6 chairman. First of all, thank you. Kerry, thank you very much,  
7 you and your staff, and Mary for all the information that they  
8 provided to this. I know this is the second time it's come up. I  
9 don't have any questions to this. Commissioner Treviño, I do  
10 want to support your initiatives as far as making sure that we  
11 do have some support for these programs. I still—really to me  
12 this really kind of boils down to the intent of the legislative  
13 actions that pushes this type of funding for Chapter 133. I  
14 understand this is—it's in the same budget, it's allowable as  
15 transfer but I feel the program was set up because of the  
16 legislation that we just talked about and these rules are still—  
17 really took effect in November, a few days after I showed up so  
18 apologize for that learning curve. I really feel that the TIRA  
19 program needs just more support, promotional. We need to find  
20 good avenues and hopefully after those avenues take hold,  
21 employers will be using this program. If it's not, I feel it's  
22 at the direction of the legislature to amend it and to care for  
23 it or snuff it out if it's their choosing. I feel that we are  
24 the ones that enact—obviously we enact what the legislature  
25 provides so I can't support the precedent of using these funds

1 to become a budget mechanism for sustaining the registered  
2 apprenticeship program in the future so again, I-respectfully  
3 I'm going to decline to support.

4 CHAIRMAN DANIEL: A fair point. I do have-I  
5 have a couple questions.

6 KERRY BALLAST: Yes, sir.

7 CHAIRMAN DANIEL: Why is there TIRA money  
8 available?

9 KERRY BALLAST: What we've discovered in  
10 this first year is that there are some parts of the legislation  
11 that employers are pausing on, and a little concerned about. For  
12 example, the way TIRA is currently established, the apprentice  
13 would need to go through up to 26 weeks of employment and then a  
14 year of training, and then a year's worth of employment before  
15 the employer would be eligible for reimbursement. That tends to  
16 disrupt comfort levels for some of our employers who would like  
17 there to be milestones along the way so for example, once  
18 training is completed possibly a reimbursement at that point.  
19 Another point may be along in the employment and then another at  
20 the end of the actual grant period itself. That seems to be one.  
21 I think also just as a matter of a large initiative, as you know  
22 you go through a year of rule development, you begin outreach,  
23 and you just begin to raise awareness of a new initiative. We  
24 certainly are seeing much more interest but not in time to spend  
25 all funds for this current fiscal year.

1 CHAIRMAN DANIEL: So the current fiscal year  
2 we're in, about how much funds were available at the begin of  
3 the fiscal year for TIRA?

4 KERRY BALLAST: Just about a little less  
5 than 10 million.

6 CHAIRMAN DANIEL: And how much do we  
7 anticipate that we will have obligated by the end of this fiscal  
8 year?

9 KERRY BALLAST: If everything goes well, if  
10 we can get a few of these applications through, we're looking at  
11 roughly 3.6 million that we could obligate between now and  
12 August 31.

13 CHAIRMAN DANIEL: So that leaves about 5.4  
14 million, 6.4 million, somewhere in there?

15 KERRY BALLAST: Yes, sir.

16 CHAIRMAN DANIEL: Call it six million for  
17 just our conversation here today. So the six million, would it  
18 roll forward into the next fiscal year?

19 KERRY BALLAST: Yes, sir, it will.

20 CHAIRMAN DANIEL: So then there would be 16-  
21 ish million available assuming everything went according to  
22 plan.

23 KERRY BALLAST: Yes, sir.

24 COMMISSIONER ESPARZA: So is there  
25 opportunity to, in this next legislative session, to amend the

1 points that we're seeing? That's kind of what we're talking  
2 about here.

3 KERRY BALLAST: Yes, sir.

4 COMMISSIONER ESPARZA: Make it easier for  
5 the door to, you know, make it—

6 CHAIRMAN DANIEL: Well, you took the words  
7 right out of my mouth.

8 COMMISSIONER ESPARZA: OK.

9 CHAIRMAN DANIEL: I think—

10 COMMISSIONER ESPARZA: My apologies,  
11 chairman. I know you like your words.

12 CHAIRMAN DANIEL: No, they're for everyone.  
13 That's why I talk so much.

14 COMMISSIONER ESPARZA: That's right.

15 CHAIRMAN DANIEL: You know, I think this  
16 commission needs to do a couple things relative to the  
17 legislative session, and I do appreciate you bringing up this  
18 point. I think there's this particular issue that employers have  
19 raised with TIRA and I think it's a legitimate issue. I think  
20 there's some other timing issues in TIRA that are legitimate  
21 issues. There's a 26-week policy in there I think is limiting  
22 for some certain apprenticeship programs. The reason some of  
23 these things are in there is because this was originally written  
24 in the aftermath of Hurricane Harvey and it was designed to put  
25 people in the field quickly but we've evolved past that in terms

1 of the Texas workforce, and so I think this commission, and  
2 soon, needs to take up that in terms of the legislative proposal  
3 for the legislature to consider to make some changes to TIRA  
4 based on our experience running those, and additionally I think  
5 I've gathered just through our conversation up here because we  
6 don't actually get to talk about this other than on Tuesdays  
7 but, you know, we 100 percent are at a place where I think we  
8 really should consider an exceptional item request on our LAR  
9 for the Chapter 133 apprenticeships. I think it has shown,  
10 despite some lackluster performance for the previous five years,  
11 I think the last 24 months have shown that work that Kerry and  
12 Desi and others have been doing in terms of outreach and making  
13 this program useful for people, they did that and so now we  
14 don't have enough money to run the program in a way that we  
15 would like to run the program, and so we have a couple options  
16 of serve less people. I'm not necessarily interested in serving  
17 less people, or get a funding increase but to your point,  
18 Commissioner Esparza, only the legislature can do that so I  
19 think that needs to be part of the conversation. I've not been  
20 in any way reserved about suggesting that running all of this  
21 under the umbrella of Apprenticeship Texas is probably good for  
22 the program, and I would highly anticipate that whatever tactics  
23 that Kerry and Desi and that team use to build up 133, I highly  
24 suspect that over time and with some, probably some policy  
25 tweaks, that we can do the same time relative to TIRA so that we

1 have frankly a program that's good for federally registered  
2 apprenticeship programs if that's appropriate or a state program  
3 if that's also more appropriate. So I think we've got some  
4 decision points ahead of us that can make a big difference in  
5 the program. I'm not in any way trying to minimize your concern  
6 about the funds. I fall down on the side of I'd rather spend the  
7 funds on an apprenticeship effort than lapse those funds or take  
8 the risk of lapsing those funds. I would also say unless  
9 Commissioner Treviño disagrees that we would move to the TIRA  
10 pool of money last when we were making up what we feel like  
11 could be some shortfalls on the four-dollar-an-hour contact hour  
12 rate so maybe we don't spend the whole million, maybe we do.  
13 It's going to depend on demand but as we're building this, you  
14 know, same line item, same mode of operation in the budget, same  
15 everything. I'm more comfortable with it than you. I'm not in  
16 any way minimizing your concern. I think it's a legitimate  
17 concern. I think were they not in the same exact pool of money  
18 in the budget I'd probably have a completely different feeling  
19 but, you know, my understanding of the state budget and how it  
20 works, I think we're on fairly certain ground here. I would not  
21 feel the same way if we were moving this to a non-apprenticeship  
22 kind of activity. It would be a completely different  
23 conversation if that were the case. I'll be real honest with  
24 you. You know, I would be looking at pre-apprenticeship funds  
25 the same way we're looking at the TIRA funds today if those were



1 not being spent. I think we're building an overall package here.  
2 I don't think it's growing kind of equally. I think we have to  
3 balance our dollars across the growth. I've thought long and  
4 hard about what the intent of the legislature was with the  
5 money. My conclusion at the end of the day is we want a good  
6 strong program. I think it's justifiable. I'm against the—I'm on  
7 the other side of the fence maybe on this one but I do want to  
8 say publicly I think your concerns are very well founded, very  
9 well-articulated, and I think under different circumstances I'd  
10 probably agree with you but I think here you've just got this  
11 kind of sequence of events that have occurred and I think this  
12 is a good and useful tool for us to continue to build our  
13 overall effort because I do think that the things that we've  
14 done relative to 133 will ultimately prove to be good growth  
15 strategies for TIRA and I think we've got a chance to do that.  
16 Your opposition to it is certainly well understood and  
17 appreciated. I think you've made a great point. I don't mean to  
18 cut you out of the conversation.

19 COMMISSIONER TREVIÑO: That's OK.

20 CHAIRMAN DANIEL: I mean Joe and I can talk  
21 all the rest of the day but—

22 COMMISSIONER TREVIÑO: No, I mean I agree  
23 with you, chairman, and I do see your valid point, commissioner,  
24 and this is just—we have been talking to staff about the  
25 exceptional items for future 133 but I applaud staff for how

1 they found this money to—as a last resort but it’s just a bridge  
2 for 2025, not to be a precedent or anything that’s going to be  
3 continuing and it could also maybe help to jumpstart the TIRA  
4 and make it more out there so that employers know that it is  
5 available. So I think that’s what it is, if that lays some of  
6 your concerns about it being a precedent, it’s just a bridge for  
7 2025.

8 COMMISSIONER ESPARZA: I appreciate that.

9 CHAIRMAN DANIEL: I mean, we were—I think  
10 the last two years, I’d say the last two years, I think we’ve  
11 been able to really translate some 133 success into some more  
12 TIRA success but I look at even past kind of the apprenticeship  
13 efforts proper. We were just talking, Commissioner Esparza was  
14 telling me that he had traveled this week to attend an event,  
15 and the event is Noble Texas Builders in the valley. It’s the  
16 kickoff event I think for their teacher externship program but  
17 like when we think about what so many employers across the state  
18 have done relative to teacher externships, this is related to  
19 this overall apprenticeship effort. Pre-apprenticeship efforts  
20 will be part of this, and I look at the job openings in these  
21 types of jobs. These are skilled trade jobs. You don’t have to  
22 go to the university but you’re going to have the equivalent of  
23 a university education. I mean apprenticeship and any avenue  
24 that leads to those apprenticeships is just good business. It’s  
25 good business for the employer and it’s good business for the

1 people who are trying to get those licenses, and so whether it's  
2 the externship that leads you to the pre-apprenticeship that  
3 leads you to that or a teacher just guides you in the right  
4 direction when you're a freshman in high school through the  
5 correct CTE courses, this whole effort and the gains that this  
6 agency has made relative to this whole effort is good. This is a  
7 good and healthy debate. I think it's definitely a legitimate  
8 debate. At the end of the day I think the vote is unanimous in  
9 the sense of we're very proud of what our staff has done  
10 relative to helping people get these good-paying jobs. I think  
11 we all do still agree on that if we're not going to agree on  
12 today's vote which is perfectly understandable. Any further  
13 comments? Any further questions?

14 COMMISSIONER TREVIÑO: None here.

15 CHAIRMAN DANIEL: I'm voting aye. Mr.  
16 Trevino, I assume you're voting aye. We'll get the motion on the  
17 table so go ahead and put the motion on the table.

18 COMMISSIONER TREVIÑO: OK. I move we approve  
19 the addition of \$1,000,000 to the Texas—in the Texas Industry  
20 Recognized Apprenticeship funds to the fiscal year 2025 Chapter  
21 133 apprenticeship training program budget as described in the  
22 discussion paper and presented today by staff.

23 CHAIRMAN DANIEL: I second the motion. Any  
24 further comments?

25

1 COMMISSIONER ESPARZA: No comments. I will—I  
2 said no comments, I apologize.

3 CHAIRMAN DANIEL: Yes, sir.

4 COMMISSIONER ESPARZA: I do support the  
5 amounts previously that we approved on the July 2<sup>nd</sup> health—I  
6 think it was all health care and the DOL expansion so there's  
7 that too so. Yeah, my vote is no.

8 CHAIRMAN DANIEL: Let me just take a point  
9 of personal privilege here. This commission over time, there  
10 have been iterations of this commission where debate was  
11 discouraged at the commission meetings, dissenting votes were  
12 discouraged at the commission meetings. I don't think that's  
13 necessary. This was a very respectful process. We respected the  
14 process. I think there's a great deal of respect for the  
15 commission. Next week you and Commissioner Treviño may agree on  
16 something that I don't agree on, and I think as long as we can  
17 maintain an atmosphere where we can come and debate that and  
18 continue the work of the commission, I don't anticipate that  
19 we're always going to agree about everything. I appreciate you  
20 bringing your concerns. I think you articulated them well. I  
21 don't—I mean I don't think it's ever disrespectful if we don't  
22 like something to speak up and say, hey, I don't like that, let  
23 me tell you why I don't like that. We get a lot better results  
24 from this commission when we take the time to take our jobs that  
25 seriously. I appreciate what you've done. I appreciate you

1 bringing the issue, and I appreciate your patience in letting  
2 Commissioner Esparza get all the information that he needed to  
3 study this. I think it's been a great process. I hope we can  
4 duplicate this in the future when we need to.

5 COMMISSIONER TREVIÑO: I agree.

6 CHAIRMAN DANIEL: The motion carries.

7 KERRY BALLAST: Thank you.

8 CHAIRMAN DANIEL: Thank you.

9 COMMISSIONER ESPARZA: Thanks, Kerry.

10 COMMISSIONER TREVIÑO: Thank you.

11 CHAIRMAN DANIEL: So, Mr. Serna, I have  
12 noticed that Lowell has stopped wearing a tie to commission  
13 meetings when he thinks that I might call on him for a  
14 legislative report. I just want the record to reflect that this  
15 is the third meeting in a row he has not had a tie on to avoid  
16 having to report on legislative issues across the street.

17 MR. SERNA: It seems to be an effective  
18 tactic.

19 CHAIRMAN DANIEL: Until today it was working  
20 really good for him so is there an executive director's report  
21 today?

22 MR. SERNA: One very quickly, actually two  
23 items. First off, I want to make sure that the commission knows  
24 that the agency did apply for disaster unemployment assistance  
25 funding or grant, extra funding, because of first, all the

1 flooding, the severe storms and flooding that we had in East  
2 Texas, and then most recently Hurricane Beryl. Most of that  
3 funding, the lion's share, the huge lion's share of that funding  
4 was for additional benefits with regard to the severe storms. We  
5 really only asked for about 57,000 for administration, about  
6 408,000 initially and then later just under a million for  
7 Hurricane Beryl. We submitted a request on the 3<sup>rd</sup> for about 57-  
8 again, 57,000 in administrative support or funding but 936,000  
9 for actual benefits so we will continue to do that on a very  
10 quick basis. I know this is kind of an after-the-fact report but  
11 because these things happen very quickly, especially with a  
12 disaster, we try to get the funding as quickly as possible. In  
13 case you're wondering why we didn't ask for more, we were  
14 advised that on our initial request, DOL told us it's always  
15 better to come in under a million, then the approval process  
16 moves faster, and then with your supplemental you can ask for a  
17 higher amount because you've already gone through the process  
18 but if you ask for an amount higher than that initially, then it  
19 gets bogged down in the bureaucracy of Washington. The second  
20 thing I want to report is along the same lines. I'm not going to  
21 go into any details but we are seeing, of course with the claims  
22 coming in because of the two disasters, we do anticipate and are  
23 seeing some additional fraud coming in, some attempts at fraud.  
24 Our processes are addressing those. We will add additional  
25 processes to address those. We have heard anecdotally that on

1 some of the social media sites that individuals are being  
2 encouraged to apply for unemployment insurance benefits, and  
3 they're comparing these benefits or with quote is available to  
4 you for Beryl and the floods to what was available during the  
5 pandemic which is not the case. These are completely different  
6 benefits that are strictly unemployment benefits, not support  
7 benefits. We believe that that's just the fraudsters trying to  
8 flood our system so that they can kind of sneak in as well but  
9 we will—we have tools in place and will implement additional  
10 tools to continue to prevent that. It's a priority for us while  
11 we are still trying to get the money to those people that  
12 deserve it and need it as quickly as possible. And with that,  
13 that's all I have for my executive director's report.

14 CHAIRMAN DANIEL: All right, any other order  
15 of business to come before the commission.

16 COMMISSIONER TREVIÑO: None here.

17 COMMISSIONER ESPARZA: No, chairman.

18 CHAIRMAN DANIEL: Is there a motion to  
19 adjourn?

20 COMMISSIONER TREVIÑO: Chairman, I move to  
21 adjourn.

22 COMMISSIONER ESPARZA: I second.

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

25