



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

SEPTEMBER 10, 2024

1 Tuesday, September 10, 2024

2 CHAIRMAN DANIEL: All right. Good morning,
3 all. This meeting is called to order. Mr. Trobman, has anyone
4 signed up for public comment? All right. Here we are.

5 MS. MILLER: Good morning, sir.

6 CHAIRMAN DANIEL: Thank you. This brings us
7 to the end of Agenda Items 1 through 8. We'll take a short
8 recess.

9 CHAIRMAN DANIEL: This is Agenda Item 9,
10 BCY2025 child care minimum reimbursement rates.

11 ALLISON WILSON: Good morning, chairman,
12 commissioners, and Mr. Serna. For the record, Allison Wilson
13 with the Child Care & Early Learning Division. TWC's child care
14 rules require Workforce Boards to establish child care rates at
15 or above a level established by the commission. Today we are
16 bringing forward recommendations for a methodology to set the
17 child care minimum payment rates threshold beginning with board
18 contract year 2025. As outlined in more detail in your
19 materials, we're recommending that the commission set the
20 minimum threshold for child care rates at the 75th percentile of
21 the most recent market survey or at the baseline rate of the
22 most recent cost of quality report, whichever is higher.
23 Additionally, if any rate would drop below the previous year's
24 level, we are recommending retaining the prior year's rate. We
25 are recommending this methodology with one caveat for BCY25

1 until the full launch of our new child care case management
2 system, TX3C. We will temporarily use the existing four age
3 groups for payment rates. The new eight age groups will be
4 implemented early in BCY25 with the TX3C launch. That concludes
5 my remarks and I'm happy to answer any questions you may have.

6 CHAIRMAN DANIEL: Any comments or questions?

7 COMMISSIONER TREVIÑO: None here.

8 COMMISSIONER ESPARZA: No questions.

9 CHAIRMAN DANIEL: Is there a motion?

10 COMMISSIONER TREVIÑO: Chairman, I move that
11 we approve the methodology for setting the child care
12 reimbursement rates minimum threshold for board contract year
13 2025 and subsequent years as described in the discussion paper
14 and recommended today by staff.

15 COMMISSIONER ESPARZA: Second.

16 CHAIRMAN DANIEL: It's been moved and
17 seconded and the vote is unanimous. The motion carries. This is
18 Agenda Item 10, BCY2025 child care performance measures and
19 targets.

20 ALLISON WILSON: Again for the record,
21 Allison Wilson with the Child Care & Early Learning Division.
22 Today we are bringing forward two issues related to board
23 contract year 2025 child care performance measures. The first
24 issue is the BCY25 target for the average number of children
25 served per day. Based on the 25 allocation totaling 1.319

1 billion and the case mix that we now have in place, we are
2 recommending that the commission approve a BCY25 target of
3 155,194 children per day. As outlined in the discussion paper,
4 staff also recommend that we once again conduct a midyear review
5 of the child care targets analyzing more recent cost and case
6 mix data and presenting recommendations to the commission in
7 early calendar year 2025. Staff recommends that we also
8 replicate the BCY24 end-of-year reconciliation process in BCY25.
9 The second child care measure we are bringing forward for your
10 consideration is the initial job search success rate performance
11 measure. Because this is a new measure, insufficient data exists
12 for traditional forecasting methods so to obtain targets the
13 most recent rolling four-quarter averages were calculated for
14 each board and bounded in accordance with longstanding target-
15 setting convention. This methodology is described in more detail
16 in your meeting materials. Staff recommends that the commission
17 approve the targets for the initial job search measure as
18 described. That concludes my remarks. Happy to answer any
19 questions.

20 CHAIRMAN DANIEL: Comments or questions?

21 COMMISSIONER TREVIÑO: None here.

22 COMMISSIONER ESPARZA: No questions,
23 chairman.

24 CHAIRMAN DANIEL: On the chart on child care
25 initial job search success rate, two boards, Lower Rio and

1 Middle Rio, both says that zero percent of the people who
2 participated in that have success on their job search. Is that
3 correct or is that a lack of data?

4 ALLISON WILSON: I may need to get back to
5 you on that.

6 CHAIRMAN DANIEL: OK. The other question I
7 have then is why is this kind of this floating rate? It seems
8 like there's some minimum standard of performance on initial job
9 search success rate that would be the same for every board
10 because it wouldn't matter if you have two or 200,000. It should
11 be the same. So when you get back to me on the other one, just
12 give me some context on why it's this floating average and not
13 just some fixed performance that we can all agree is important
14 for the parents that are participating.

15 ALLISON WILSON: Certainly. We will get with
16 i3 and get back to you on that.

17 CHAIRMAN DANIEL: Thank you. Any additional
18 questions or comments? Is there a motion?

19 COMMISSIONER TREVIÑO: Chairman, I move that
20 we approve the board contract year 2025 child care targets as
21 described in the discussion paper and recommended today by
22 staff.

23 COMMISSIONER ESPARZA: I'll second.
24
25

1 CHAIRMAN DANIEL: It's been moved and
2 seconded and the vote is unanimous, and the motion carries. This
3 is Agenda Item 11, BCY25 non-WIOA targets.

4 DAWN CRONIN: Good morning, chairman,
5 Commissioner Treviño, Commissioner Esparza, and Mr. Serna. For
6 the record, my name is Dawn Cronin with the Workforce
7 Development Division. For your consideration this morning is a
8 discussion paper on the local Workforce Development Board
9 performance measure non-WIOA targets for board contract year
10 2025. These non-WIOA measures include five career and training
11 WIOA-based measures, active job seeker, new employment
12 connection rate, maintaining employment connection rate,
13 credential rate for all career and training participants, two
14 NCP measures, noncustodial parent choices programs, entered
15 employment rate and retention of employment rate, three
16 performance outcome or three performance targets for the
17 reemployment services and eligibility assessment program,
18 outreach and scheduling rate, initial appointment rate, and
19 failure to appear rate or failure to report for your
20 appointment. Additionally, the choices full engagement rate,
21 claimant reemployment within 10 weeks, the number of employers
22 receiving Texas Talent assistance and the successful Texas
23 Talent assistance rate. Four of these are new measures for
24 BCY25. That's the active job seeker new employment, maintaining
25 employment connection, the number of employers receiving Texas

1 Talent assistance, and successful Texas Talent assistance rate.
2 These measures and their calculation methodology were approved
3 by the commission at the April 1st commission meeting. The same
4 methodologies for setting BCY25 targets as those used in BCY24
5 will be applied except for the new measures whose methodology is
6 explained in the discussion paper in your meeting materials.
7 Staff recommends the approval of the non-WIOA performance target
8 measures for BCY25 as detailed in the discussion paper in your
9 meeting materials and I'm happy to answer any questions you may
10 have.

11 CHAIRMAN DANIEL: Any comments or questions?

12 COMMISSIONER TREVIÑO: None here.

13 COMMISSIONER ESPARZA: No, chairman.

14 CHAIRMAN DANIEL: On the measure, number of
15 employers receiving Texas Talent assistance, my question is that
16 my suspicion would be that Gulf Coast Board is going to have a
17 lot more employers than, say, the Deep East Board but we use the
18 number of employers, and we've set, just for example, Gulf Coast
19 says that last year that 29,000 employers received Texas Talent
20 assistance but we've set their goal for the next year at 4,168,
21 far, far, far below what they seem to be capable of. But my real
22 question is it makes better sense to me that this would be a
23 percentage of the employers in your service area, some base
24 number of employers in the service area and I'm just wondering
25 have we ever considered that and if not, why is that not a

1 better measure than setting what appears to me to be some sort
2 of number that we've come up with?

3 DAWN CRONIN: Great questions. The percent
4 of employers in a service area, I don't know if that was
5 considered by i3 or not. We can certainly confer with them and
6 get back with you with that response.

7 CHAIRMAN DANIEL: Sounds good.

8 DAWN CRONIN: OK.

9 CHAIRMAN DANIEL: Thank you.

10 MR. SERNA: Mr. Chairman, I'm sorry to
11 interrupt. Not to specifically address your question but maybe
12 propose that it might be a good time for the commission as well
13 as the staff to sit down together, not that I'm encouraging
14 extra work for anybody but in a work session, to actually go
15 over some of the measures, the methodology behind it. We have a
16 new biennium coming up next fiscal year. We might be able to
17 look at some of these things to better reflect the changes that
18 have occurred in our economy.

19 CHAIRMAN DANIEL: I think that's a good
20 suggestion.

21 MR. SERNA: I'll put something down and get
22 with your offices to try to schedule that.

23 CHAIRMAN DANIEL: Very good. Thank you.

24 MR. SERNA: It would be a working session.

25

1 CHAIRMAN DANIEL: Thank you. All right, back
2 to Agenda Item 11. Any other questions or comments. If not, is
3 there a motion?

4 COMMISSIONER TREVIÑO: Chairman, I move that
5 we approve the board contract year 2025 local Workforce Board
6 performance targets for the non-Workforce Innovation and
7 Opportunity Act measures as described in the discussion paper
8 and recommended today by staff.

9 COMMISSIONER ESPARZA: I second.

10 CHAIRMAN DANIEL: It's been moved and
11 seconded and the motion carries. This is Agenda Item 12, BCY25
12 and BCY26 WIOA targets.

13 DAWN CRONIN: Good morning again. For the
14 record, Dawn Cronin, Workforce Development Division. For your
15 consideration this morning is a discussion paper on the BCY25,
16 BCY26 local Workforce Development Board targets for our
17 statutory WIOA measures. The Workshop Innovation and Opportunity
18 Act requires the Texas Workforce Commission to negotiate two
19 years of targets using a statistical-based model on the boards'
20 best available assumptions of the case mix and economy. At the
21 end of each year the model is applied to the boards' actual case
22 mix and economy and adjustments are made. WIOA Section 116,
23 Subsection C, identifies the following 15 measures to be used
24 for local board performance accountability. There are five
25 measures under each of the three WIOA programs for adults,

1 dislocated worker, and youth. These measures include employed
2 two quarters after exit, the median earnings two quarters,
3 employed four quarters after exit, credential rate, and
4 measurable skills gain. The process for negotiating the targets
5 with each board is described in the discussion paper included in
6 your meeting materials. The negotiated targets will be applied
7 to performance being reported in the board contract years BCY25
8 and 26. Staff recommends the approval of the targets for BCY25
9 and 26 for the WIOA statutory-prescribed performance measure
10 targets negotiated with the 28 boards as listed on pages four
11 through nine in the discussion paper, and I'm happy to answer
12 any questions.

13 CHAIRMAN DANIEL: Are there any comments or
14 questions?

15 COMMISSIONER TREVIÑO: Just a comment. Dawn,
16 I'd like to thank the i3 staff for all their work on these new
17 models that they've presented.

18 COMMISSIONER ESPARZA: No questions.

19 CHAIRMAN DANIEL: I have six questions
20 written down but I'm going to push those to the work session
21 that we're going to have, and—yeah, I'm going to push all of
22 them so I'm sorry that I don't have questions for you but I'll
23 do better next time. Is there a motion?

24 COMMISSIONER TREVIÑO: Chairman, I move that
25 we approve the initial targets for board contract years 2025 and

1 2026 Workforce Innovation and Opportunity Act performance
2 measures as described in the discussion paper and recommended
3 today by staff.

4 COMMISSIONER ESPARZA: I second.

5 CHAIRMAN DANIEL: It's been moved and
6 seconded and the motion carries. This Agenda Item 13, UI trust
7 fund update.

8 CHRIS NELSON: Good morning, chairman,
9 commissioners, Mr. Serna. For the record, Chris Nelson, chief
10 financial officer. Today is the last estimation I'll do for the
11 trust fund balance as of October 1st. The next one I'll bring
12 will be sometime after October 1st and it would be the actual
13 values of the trust fund on October 1st, and then we'll start
14 projecting 2025 after that. As of right now I'm projecting the
15 trust fund balance to be 1.473 billion which should be above the
16 floor of 1.322 billion. That number is locked in. That is the
17 actual one percent of taxable wages as of June 30th so that
18 number is fixed. We have seen increased payouts in the last
19 couple months and a little over 270,000,000 a month and so for
20 the month of September I'm projecting that value and pretty much
21 holding revenue flat for that time period so that even with that
22 we should be about 150,000,000 above the floor come October 1st.
23 Being that I'm projecting to be above the floor, I'll direct
24 staff to work with the Comptroller's office to do the ETIA
25 transfer to cover the Skills appropriation for appropriation

1 year 2025. That concludes my comments and I'd be happy to answer
2 any questions.

3 CHAIRMAN DANIEL: Any comments or questions?

4 COMMISSIONER TREVIÑO: None here.

5 COMMISSIONER ESPARZA: None, sir.

6 CHAIRMAN DANIEL: Commissioners, you would
7 be surprised to know—I mean you missed all the action in 2020
8 and 2021 but there was a time in the history of this agency when
9 Chris Nelson gave me a number with regard to the UI trust fund
10 that he said would range somewhere between zero and
11 \$8,000,000,000. That was the range, and he said he would try to
12 give me an estimate, and when he did, I thought he was clever
13 enough to include the words "ish" at the end of the estimate. I
14 still have that document. [Inaudible].

15 CHRIS NELSON: That's an actual term.

16 CHAIRMAN DANIEL: In the TWC archives.

17 CHRIS NELSON: That's an actual accounting
18 term.

19 CHAIRMAN DANIEL: That was an actual
20 accounting term? Ish? A lot of work goes into this, not just
21 Chris but Eric and his crew and a lot of other people do a lot
22 of work on this UI staff. One of the reasons it runs smoothly is
23 because we take it real seriously and do a lot of work.
24 Appreciate everything you guys are doing. All right, anything?
25 Thank you, sir.

1 CHRIS NELSON: Thanks.

2 CHAIRMAN DANIEL: It strikes me that there
3 probably is a legislative report today. I saw that I think. I
4 saw that it's not a new tie. I've seen that tie before from
5 watching.

6 MR. SERNA: It's yelling legislative report.

7 CHAIRMAN DANIEL: It's probably the height
8 of Italian couture right there, I think. Proceed, sir.

9 MICHAEL BRITT: You all can hear me over the
10 tie, right?

11 CHAIRMAN DANIEL: You could turn that tie
12 down a notch.

13 MICHAEL BRITT: That's funny. Good morning,
14 Mr. Chairman, commissioners, and Mr. Serna. For the record,
15 Michael Britt, Governmental Relations. Yesterday Congress
16 returned from their August recess so now Congress is beginning
17 the work to extend government funding beyond the current end-
18 beyond the end of the current fiscal year which ends September
19 30th. Also this afternoon, Chairman Daniel, Reagan Miller, and
20 Mary York will be testifying before the House Committee on
21 International Relations and Economic Development providing the
22 committee with an update on the agency and an overview of the
23 child care program as well as updates on the Lone Star Workforce
24 of the Future fund and apprenticeships. Next Tuesday Chairman
25 Daniel will be testifying before the Senate Natural Resources

1 and Economic Development Committee on the agency's subsidized
2 child care program as it relates to the committee's interim
3 charge on enhancing workforce productivity. That concludes my
4 remarks. I'm happy to answer any questions.

5 CHAIRMAN DANIEL: Any comments or questions?

6 COMMISSIONER TREVIÑO: None here.

7 COMMISSIONER ESPARZA: None.

8 CHAIRMAN DANIEL: Thank you, sir.

9 MICHAEL BRITT: Thank you.

10 CHAIRMAN DANIEL: Is there an executive
11 director's report today?

12 MR. SERNA: Yes, sir, a few things. First
13 off, I would like to note that your upcoming testimony on IRED
14 is a good example of upward delegation and I appreciate you
15 taking that.

16 CHAIRMAN DANIEL: Noted.

17 MR. SERNA: Second, I'd like Eric to just
18 give you all a quick update on the weekly benefit amount changes
19 that are occurring in the UI system, and then I've got one other
20 item after that.

21 ERIC HOLEN: For the record, Eric Holen,
22 Unemployment Insurance. I have an update relating to the changes
23 in the unemployment insurance weekly benefit amount for WBA for
24 regular initial claims with an effective date on or after
25 October 6, 2024. The changes will have no effect on existing

1 claims. Texas Labor Code Chapter 207.002 sets the minimum and
2 maximum weekly benefit amounts for WBA based on the Labor Market
3 Information department's analysis of Texas average weekly wage
4 in covered employment for the preceding calendar year. For 2023,
5 LMI calculated that the average weekly wage was \$1,384.80, an
6 increase of \$50.92 or 3.2 percent over the preceding calendar
7 year. The minimum weekly benefit amount is set at 7.6 percent of
8 Texas's average weekly wage in covered employment but may not
9 exceed or may not increase by more than one dollar in any year.
10 Since the calculator amount exceeded the limit, the minimum
11 weekly benefit amount will increase by one dollar to \$74 per
12 week. The maximum weekly benefit amount is set at 47.6 percent
13 of Texas's average weekly wage in covered employment but may not
14 increase by more than \$14 in any year. Since the calculator
15 amount exceeded the limit, the maximum weekly benefit amount
16 will increase by \$14 to \$591 per week. To summarize, for
17 initial-regular initial unemployment claims with an effective
18 date on or after October 6, 2024, the minimum weekly benefit
19 amount will be \$74, and the maximum will be \$591. Again, this
20 has no effect on existing claims, and this completes my update
21 and I'm available for any questions.

22 CHAIRMAN DANIEL: Comments or questions?

23 COMMISSIONER TREVIÑO: None here.

24 CHAIRMAN DANIEL: Thank you.

25

1 MR. SERNA: The second item is also
2 informational. Well, I'm sorry. We were recently notified by RSA
3 that we were allotted a reallocation so at the end of the year
4 they have funds left over, they put them back out. We had
5 requested 30.7 million. We received 30.4 million. I wanted to
6 point out that in addition to this, we also because of the
7 changes that the commission made with regard to granting
8 additional general revenue or identifying and transferring
9 additional general revenue into VR, we drew down the full VR
10 regular allotment for fiscal year 24 so we've drawn down the
11 full amount and now we've gotten an additional 30.4 which is
12 only 300,000 less than what we asked for. So we continue to
13 demonstrate good things with that program.

14 CHAIRMAN DANIEL: All right. Any questions
15 or comments for Ed?

16 COMMISSIONER TREVIÑO: No.

17 COMMISSIONER ESPARZA: None.

18 CHAIRMAN DANIEL: Is there any other order
19 of business to come before the commission?

20 COMMISSIONER TREVIÑO: None here.

21 COMMISSIONER ESPARZA: No, sir.

22 CHAIRMAN DANIEL: Real quickly before we
23 adjourn, I want to introduce a couple new staff in my office so
24 we've got Lauren Mamrosh and then Lauren Garcia. Lauren is a
25 recent graduate of Texas A&M School of Law and Lauren Garcia is

1 a recent graduate of American—they have nicknames in the office
2 but I promised I wouldn't share them in a public forum. She's a
3 graduate of American University Washington College of Law.
4 Anyway, they've both taken the bar exam and they're waiting on
5 those scores like all the other law students but they were 2023
6 participants in our legal intern program. They both impressed me
7 greatly with their legal work so I have brought them on as legal
8 analysts in my office. I am thrilled for them to start. Alex is
9 more thrilled than me for them to start because now she doesn't
10 do all the work by herself but we got a good glimpse of their
11 work last summer. If you ever wonder why internships are
12 important, that is why internships are important. I'm looking
13 forward to working with them. We've got a full house down there
14 and it's an exciting time and I'm just thrilled, absolutely
15 thrilled to be able to be on the ground floor on what I think is
16 going to be two pretty incredible legal careers. Hopefully
17 they'll remember us fondly. Is there a motion to adjourn?

18 COMMISSIONER TREVIÑO: Just want to
19 congratulate them too, and I guess if it's L1 and L2 maybe as
20 nicknames.

21 CHAIRMAN DANIEL: That's not their nicknames
22 but, yeah.

23 COMMISSIONER ESPARZA: Can we guess?

24 COMMISSIONER TREVIÑO: All right, well, I
25 move to adjourn.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMISSIONER ESPARZA: I second.

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