



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

JULY 13, 2021

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TUESDAY, JULY 13, 2021

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

MR. TROBMAN: Morning, commissioners, Les Trobman. We do not have any public comment this morning, but we'll have a few speakers when we get to item number 9.

CHAIRMAN DANIEL: Thank you very much. Good morning, Ms. Miller.

MS. MILLER: Good morning, Mr. Chairman.

CHAIRMAN DANIEL: How are you this morning?

MS. MILLER: Very well, thank you.

CHAIRMAN DANIEL: Let's take a quick recess while we prepare for the rest of the meeting. Let's reconvene with Agenda Item 8, discussion, consideration, and possible action regarding program year 2021-2022 innovation funds for boards.

COMMISSIONER DEMERSON: Courtney.

MS. ARBOUR: Good morning, commissioners, Mr. Serna. Courtney Arbour, workforce division. On May 4, commissioners, you all asked staff to bring forward recommendations on an innovation fund for workforce boards, making \$1 million available with a mix of WIOA, TANF, and Wagner-Peyser ES funding. The innovation fund you all indicated was intended to support boards and their greatest innovations in

1 the next year, recognizing that they've all provided innovative
2 approaches to service delivery for job-seekers and employers in
3 their own ways during COVID, and allowing them to compete for
4 this funding so that they could provide other innovations that
5 we might use as best practices going forward. So, staff have
6 surveyed the workforce boards for their input on what criteria
7 resonated with them and also with us on how to best award the
8 funds so that we will award five grants for up to \$200,000 each,
9 totaling one million, and we had a lot of agreement from the
10 boards--almost every board replied, and we had good agreement on
11 what criteria would be beneficial. And so, commissioners, we are
12 recommending that as we put out this call for applications that
13 we consider point-scoring for if boards are implementing
14 something that is new to the state or new to their local area,
15 if it's implemented based on data or evidence of effectiveness
16 of this work, addresses a defined need for business and/or job-
17 seekers in their area, if it's projected to have a high return
18 on investment, if it has the support of one or more community
19 partners, and if it is sustainable. And then staff also
20 recommends that we consider the quality of the implementation
21 plan that is submitted to achieve the program outcomes that they
22 propose to provide with this funding. So, unless you have any
23 questions for me, I'd request your approval to move forward with
24 this application, and then the resulting grants.

25

CHAIRMAN DANIEL: Comments or questions?

1 COMMISSIONER ALVAREZ: Chairman, I have no
2 questions, but I do have a comment. I would like to thank staff
3 for obtaining feedback from the boards regarding the hallmarks
4 of an innovative project. I'm glad we are looking at things like
5 our--like our return on investment and project outcomes.
6 However, I would like to state that the most important function
7 of measuring innovation is to ensure that we are going in the
8 right direction. We want to encourage long-term change, not
9 short-term fixes. So, we are--so, we should not be looking for
10 the big ROIs or outcomes but impactful and scalable results.

11 COMMISSIONER DEMERSON: Courtney, thank you
12 guys for the work, and the team. Let's push forward. And
13 Chairman, this is an idea that was brought forth, innovation
14 ideas, and I think we--innovation fund, and I think this is
15 gonna go over very well as we approach the annual conference, so
16 thank you for bringing that to our attention.

17 COMMISSIONER ALVAREZ: Mm-hmm.

18 CHAIRMAN DANIEL: Thank you. Do we have a
19 motion?

20 COMMISSIONER ALVAREZ: Yes, sir. Chairman, I
21 move that we approve the one-time establishment of an innovation
22 fund grant program with a budget of \$1 million using WIOA, TANF,
23 and Wagner-Peyser ES funds originally intended for the 2021
24 board awards.

25 COMMISSIONER DEMERSON: Second.

1 CHAIRMAN DANIEL: It's been moved and
2 seconded. We're unanimous. Thank you.

3 MS. ARBOUR: Thank you.

4 CHAIRMAN DANIEL: Let's move to Agenda Item
5 9, discussion, consideration, and possible action regarding the
6 Business Enterprises of Texas federal Randolph Sheppard
7 financial relief and restoration funding distribution
8 methodology.

9 MR. HOOKS: Good morning, commissioners, Mr.
10 Serna. For the record, Michael Hooks with the VR division. Today
11 I brought for your consideration potential action and update on
12 the BETFRRP fund distribution methodology. During last week's
13 commission meeting you requested that we conduct a survey of the
14 managers regarding their preference for option one or option two
15 for the BETFRRP distribution. The results of the survey are as
16 follows. BET license managers were notified of the survey last
17 Tuesday afternoon, and provided through midnight Friday to
18 submit their preferences. The count of the submitted preferences
19 was nine for option one, which considers the 2020 BET IRP
20 benefit as prior compensation, and 48 for option two, which does
21 not consider the BET IRP benefit as prior compensation. I will
22 add that late yesterday, BET staff notified me that they had
23 discovered three additional and timely preference responses that
24 had somehow ended up in a junk folder, bringing the final
25 preference count to 51 to 9. Staff have been assessing various

1 interpretations of the RSA guidance and understand that
2 alternative interpretations that would support exclusions of
3 prior compensation are present and have been used. Staff seeks
4 direction on the selection of one of the two options as the
5 methodology by which the FRRP funds will be distributed to
6 eligible BET license managers. Additionally, staff seeks
7 direction on the approval to submit the FRRP application to RSA
8 using the selected methodology. I'm certainly open to any
9 questions you may have.

10 CHAIRMAN DANIEL: Comments or questions?

11 COMMISSIONER ALVAREZ: Yes, Chairman, I have
12 some comments, or one comment. First of all, Mr. Hooks, I wanna
13 thank you and your staff for coming back to us and surveying the
14 managers. I really appreciate the hard work that you put into
15 that. But I'd also would like to thank those that provided
16 comments last weekend, and those that are in attendance today.
17 So, thank you for that.

18 COMMISSIONER DEMERSON: I'm gonna echo
19 Commissioner Alvarez's comments there. But Commissioner Alvarez,
20 thank you for the suggestion of the survey going forward. That
21 was--the information that's come back is information that we can
22 use to make and shape our decision, so--and Michael, thank you
23 again for the work that you guys have done.

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1 CHAIRMAN DANIEL: All right, gentlemen, I
2 think we do have some public commenters here. This would be the
3 appropriate time for us to hear--

4 UNIDENTIFIED SPEAKER: Yes, sir.

5 CHAIRMAN DANIEL: --from the folks who'd
6 like to speak.

7 MR. TROBMAN: Commissioners, we do have
8 three folks who want to provide testimony today. First, we have
9 Mike Sparks.

10 MR. SPARKS: Good morning--oh, there we go.
11 Good morning, everybody. Mike Sparks, I'm the Texas DCM elected
12 committee chair. And as Mr. Hooks explained and went through, we
13 have received the survey back, and it's favorable as option
14 number two. I do wanna let the board know that we have completed
15 a survey back in April which was a phone survey. Our director,
16 Mrs. Henna [inaudible] was on the manager ECM call we had on
17 Tuesday night, in which that phone survey was available to
18 discuss. And it was very favorable to the ECM option number two
19 plan here. So, there's actually two surveys that was done. And
20 it took a lot of time and a lot of effort by our treasurer, Mr.
21 Tommy Crawford, to do that survey. There's really--our request
22 is plain and simple. Our managers have been waiting for three
23 months for income, for relief, it's been a long wait, it's
24 caused a financial burden on some of our managers. It's caused a
25 very stressful situation for a lot of our managers, and we

1 people that have medical issues in this program that are
2 fighting through those issues, you know? Still working. Keeping
3 things going, paying the bills. It's imperative that we get
4 this--the FRRP plan agreed on, and I hope that the board will
5 see to it that option number two is passed so we can submit our
6 plan to RSA. We're getting in a dangerous time zone here, too,
7 with RSA, because in September, if the funds aren't distributed,
8 we're gonna lose all of them. That's my understanding of that.
9 And so again, it's very clear. I appreciate the board here, and
10 I appreciate you asking for the survey, so that you can see
11 people of this program, the managers, want option number two.
12 They believe that's the fairest way to do things. And with that,
13 I'm gonna go ahead and yield my time, and just ask you to give
14 us a hand here, for we're needing assistance as soon as
15 possible. Thank you.

16 MR. TROBMAN: Next, we have Tom Chepey.

17 MR. CHEPEY: Morning, commissioners. Thank
18 y'all for allowing me to speak again today, really appreciate
19 that. Voting option one would negatively affect, adversely
20 affect 57 of our managers. That's 57 out of 105. So, I urge you
21 all today to please make that decision, for the ECM plan as we
22 agreed on, option number two so it includes and we can help 57
23 additional managers on there. We spent many, many months working
24 on all of this, and I firmly believe that as the vice chair and
25 Mike Sparks as the chair of our committee, along with the rest

1 of our elected committee, that's one of the reasons why we chose
2 this plan, is to absolutely include as many managers as
3 possible, that they are eligible for these funds. And as Mr.
4 Sparks said, since the funds were a federal grant, none of this
5 funding is gonna affect, has zero bearing on Texas Workforce
6 Commission, on their budget, on our state licensing agency
7 budget at all. It's not gonna affect any of that at all. So, 100
8 percent of those funds goes to the managers. They're all gonna
9 have a specific portion of return on their losses is what the
10 federal grant is for. So, I appreciate your time once again. I'd
11 really urge y'all to make that decision today for option two for
12 us for the ECM fund, and that way our SLA can move forward
13 immediately and present that to the Randolph Sheppard Act--or
14 the administration, so we can get funding as soon as possible
15 for all of us. Thank y'all.

16 MR. TROBMAN: Aloha Cook, if you could go
17 ahead and unmute yourself, and begin speaking.

18 MS. COOK: Yes, sir. My name is Aloha Cook,
19 and I would like to thank y'all for listening to me last week
20 and again this week. Thank y'all for this survey that y'all
21 asked for us to be done. As it has proven, our managers have
22 chosen option two and the benefit that it will help more
23 managers and provide for more managers. We have managers out
24 there that have been in this program for a long period of time
25 who have had state and federal buildings that have been closed

1 for almost 18 months. They have gone without, where y'all were
2 able to work at home and still get paid. Several of our managers
3 are about to lose their homes because they have no funding to
4 pay for their bills. Not being able to pay for their medical
5 supplies that they need. So, I strongly hope that the point that
6 we took the survey and showed what our managers want, that we
7 want option two, that y'all will grant option two, to provide
8 for more of our managers so that they can get the relief they
9 need before they lose their homes or not be able to buy
10 medicines that they need to stay alive or do whatever they may
11 need to do. So, I hope. And thank y'all for supporting option
12 two. I yield my time.

13 MR. TROBMAN: Commissioners, this matter is
14 now before you for your deliberation.

15 CHAIRMAN DANIEL: [Inaudible--off mic] I
16 have a couple questions [inaudible--off mic].

17 COMMISSIONER ALVAREZ: No further comments,
18 Chair.

19 COMMISSIONER DEMERSON: None here. None
20 here.

21 CHAIRMAN DANIEL: I just wanna understand--I
22 just wanna understand--I just wanna understand about the
23 payments. So, the FRRP payments, a federal payment, are designed
24 to offset 2020 losses. Is that correct?
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1 MR. HOOKS: That is correct. It's for losses
2 incurred while being assigned to a BET facility during calendar
3 year 2020.

4 CHAIRMAN DANIEL: Okay. And then we made,
5 TWC made up to \$15,000 in payments in 2020 for the same purpose?

6 MR. HOOKS: Well, the 2020 payments were
7 designed as an income replacement. You know, the--we refer to it
8 as an IRP. It wasn't a case-by-case basis on just offsetting
9 losses. In fact, the way it was designed was that if any manager
10 made less--any manager made less than 2,720 during any given
11 month while the benefit was in place, that that manager would
12 receive a cash payment of \$3,000. So, it wasn't directly tied to
13 losses, it was an income replacement.

14 CHAIRMAN DANIEL: Okay. And so the income
15 replacement was then triggered by just--for each month they
16 dropped below the \$2,700 threshold, or if they dropped below
17 that threshold they got five payments?

18 MR. HOOKS: No, it was each month. It was
19 each month reporting would determine a payment that month.

20 CHAIRMAN DANIEL: Okay. To the survey, if I
21 recall correctly, nine respondents selected option one.

22 MR. HOOKS: Yes, sir.

23 CHAIRMAN DANIEL: Do we know if any of those
24 people who selected option one in the survey would receive less
25

1 money if we would select option one, or would they all receive
2 more money if they selected option [inaudible]?

3 MR. HOOKS: I don't have that information
4 right now, no, sir.

5 CHAIRMAN DANIEL: Okay. Other comments or
6 questions?

7 COMMISSIONER ALVAREZ: None here, Chairman.

8 COMMISSIONER DEMERSON: None.

9 CHAIRMAN DANIEL: Do we have a motion?

10 COMMISSIONER ALVAREZ: Again, I'd like to
11 thank those that provided comments today and last week. Thank
12 you to the committee members that are here present today. I move
13 that we do not include income replacement payments provided by
14 TWC during calendar year 2020 as a prior compensation, and
15 approve the option two methodology formula. And further, that we
16 approve submitting the financial relief and restoration payments
17 application to the Rehabilitation Services Administration, using
18 the approved methodology.

19 COMMISSIONER DEMERSON: I second.

20 CHAIRMAN DANIEL: It's been moved and
21 second, motion carries. Nothing under item 10, if I'm--

22 MR. SERNA: No, sir.

23 CHAIRMAN DANIEL: Item 11?

24 MR. SERNA: No, sir.

25 CHAIRMAN DANIEL: Nope. Item 12.

1 MR. SERNA: No, sir.

2 CHAIRMAN DANIEL: No. Item 13?

3 MR. SERNA: Also no, sir.

4 CHAIRMAN DANIEL: How about item 14?

5 MR. SERNA: And another.

6 CHAIRMAN DANIEL: Ha ha! I do have one thing
7 sort of semi under item 14, but I'll put it here in any other
8 order of business, because it'll fit there, too. So, there was a
9 press release that went out last week by a company who I think
10 has a contract with us that we did not approve.

11 MR. SERNA: Yes, sir.

12 CHAIRMAN DANIEL: It created some questions
13 for me. Could you, Mr. Serna, arrange for a briefing? We can
14 either do it in a commission meeting, or you can brief each
15 office individually, on our IT projects that are in progress and
16 kind of--

17 MR. SERNA: [Inaudible]

18 CHAIRMAN DANIEL: --where we are with those
19 IT projects? There were several in progress when COVID
20 descended, and I'm sure some of those have progressed. And I
21 know we had some money in the appropriations bill that continue
22 some of those.

23 MR. SERNA: Mm-hmm.

24 CHAIRMAN DANIEL: I would just like to get
25 up to speed on where we are and where we're going. And so

1 however you wanna do that, if you think it's best to do it
2 individually by office or if we wanna carve out time on the
3 agenda, either way works for me. I'll let you guys decide that.

4 MR. SERNA: If it's okay with you, Mr.
5 Chairman, we'll do it next week under executive director's
6 report.

7 CHAIRMAN DANIEL: Perfect. All right. Any
8 other order of business to come before the commission?

9 COMMISSIONER ALVAREZ: None here, Chairman.

10 COMMISSIONER DEMERSON: None.

11 CHAIRMAN DANIEL: All right, well, do we
12 have a motion to adjourn?

13 COMMISSIONER ALVAREZ: I move that we
14 adjourn.

15 COMMISSIONER DEMERSON: Second.

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

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