

## MEETING OF THE TEXAS WORKFORCE COMMISSION

June 30, 2020

## 1 TUESDAY, JUNE 30, 2020 2 CHAIRMAN DANIEL: Morning, everyone. This 3 meeting is called to order. Mr. Trobman, has anyone signed up 4 for public comment? 5 TROBMAN: Morning, Commissioners. No, we 6 do not have anyone signed up for public comment this morning. 7 CHAIRMAN DANIEL: Thank you very much. 8 Good morning, Ms. Miller. 9 CHAIRMAN DANIEL: Okay. Hopefully that 10 [unintelligible]. Is everybody ready? 11 AARON DEMERSON: Yes, Chairman. 12 JULIAN ALVAREZ III: Yes, sir. 13 CHAIRMAN DANIEL: We're back in session. 14 This is [unintelligible] for the year of 2020, fiscal year 2021, 15 allocations, planning estimates and funding distributions for 16 adult education and the literacy programs. 17 CHRIS NELSON: Good morning, Chairman and 18 commissioners, Mr. Serna. For the record Chris Nelson, Chief 19 Financial Officer. Can you hear me? 20 CHAIRMAN DANIEL: Yes. 21 CHRIS NELSON: Okay. This morning you have

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before you the FY21 PY20 Education and Literacy allocations.

you recall, on May 12th the commission was presented with AEL

planning estimates for contracts that would go into effect July

first based off planning numbers provided by the department of

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education. TWC expects to receive the final state allotment on July first, however we have reached out to the Department of Education last week and were notified that they do not expect the final allotment to change at this point. So, there are two changes made to the final allocation being presented this morning versus the planning estimate document. First, the total AEL allocation, excluding EL civics, consist of approximately 77% federal funds, 14% state and nine percent NF funding. Starting last year, TWC began validating with its available data the AE program services that provided AEL programs enough talent, eligible clients to fully support spending this NF funding. Since local providers are no longer required to document NF eligibility, the allocation by funding source has been recalculated so that each area and provider receives the same equitable distribution of each funding source and the associated administrative limit with funding source. [unintelligible] their total allocation the same as the planning estimate numbers. The second item different is page three which shows a provider breakdown of the AEL allocation as we use the factor data by county to determine the appropriate share of funding for each provider considering the counties that they serve. That concludes my remarks. I'll be happy to answer any questions.

CHAIRMAN DANIEL: Any comments or

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JULIAN ALVAREZ III: No, Chairman. 2 AARON DEMERSON: None here. 3 CHAIRMAN DANIEL: Is there a motion? 4 JULIAN ALVAREZ III: I move that we approve 5 Program Year 2020, Fiscal Year 2021 AEO block grant allocations 6 and the executive director is hereby ordered to administer these 7 block grants, allocations in the most feasible and economical 8 manner and within all guidelines prescribed by HB1 General 9 Appropriations Act, 86th Legislature, regular session, the Texas 10 Labor Code and the TWC rules. 11 AARON DEMERSON: Second. 12 CHRIS NELSON: Thank you. 13 CHAIRMAN DANIEL: It's been moved and 14 seconded. AARON DEMERSON: Yes. 15 16 CHAIRMAN DANIEL: Motion carries. 17 Item Nine. Item Nine, chapter 800 rules on contract purchasing 18 is being postponed to a future meeting. Okay. That would bring 19 us to Item 10, discussion, consideration and possible action 20 regarding proposed rule reviews under Texas Government Code 21 Section 201.039 relating the Jobs Education for Texans Grant 22 Program, vocational rehabilitation services, career schools and

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management requirements.

colleges, administrative rules and regulations, business

enterprises in Texas, VR services and VR services contract

1	JOE MULLINS: Good morning, Chairman,
2	commissioners, Mr. Serna. For the record, this is Joe Mullins
3	with Workforce Development. Texas Government Code Section
4	2001.039 requires that state agencies review their rules every
5	four years to assess whether the reasons for adopting or
6	readopting the rules continue to exist. Additionally, the
7	assessment includes the determination of whether the rules are
8	obsolete, whether they reflect current legal and policy
9	considerations and whether they reflected the commission's
10	current procedures. In accordance with their rule review
11	requirements, staff is seeking direction on pushing a notice in
12	the Texas Register notifying the public of our intent to review
13	Chapter 804, Jobs and Education for Texans Grant, Chapter 807,
14	Career Schools and Colleges, Chapter 850, Vocational
15	Rehabilitation Services Administrative Rules and Regulations,
16	Chapter 854, Business Enterprises of Texas, Chapter 856, VR
17	Services, and Chapter 858, VR Services Contract Management
18	Requirements. After a 30-day public comment period, staff will
19	bring forth the results in the assessment. I'll be happy to
20	answer any questions you have.
21	CHAIRMAN DANIEL: Comments or questions?

CHAIRMAN DANIEL: Comments or questions?

AARON DEMERSON: No comments here,

Chairman.

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JULIAN ALVAREZ III: None here.

CHAIRMAN DANIEL: Is there a motion?

JULIAN ALVAREZ III: I move that we file a notice of intent for rule review with the Texas Register for Chapters 804, 807, 850, 854, 856, and 858 as recommended by staff.

AARON DEMERSON: Second.

CHAIRMAN DANIEL: [unintelligible] second,

motion carries.

UNKNOWN: Thank you.

CHAIRMAN DANIEL: I am allotted discussion consideration and possible action regarding proposals pertaining to the Agricultural Improvement Act of 2018 and the SNAP EMT Good Cause process is being postponed to a future commission meeting. This will bring us to Item 12, discussion, consideration and possible action regarding statewide initiatives funded with workforce innovation opportunity act, temporary assistance for needy families, adult education, literacy, childcare and other state level funds.

JENNIFER TROKE: Good morning, Chair, commissioners and Mr. Serna. For the record, Jen Troke
Workforce Division. Over the past year the Texas Workforce
Commission in partnership with the Office of the Governor, Texas
Workforce Investment Counselor TWIC, and Rural Capital Area
Workforce Board have worked together to develop a new evidence
framework to better measure the impact of publicly funded
workforce development programs. A goal of the work is to

discover innovative approaches and replicable models that leave transformative outcomes for workers and employers. approach creates an evaluation point structure that incentivizes grant applicants to identify and use program models that have demonstrated a record of effective outcomes. In August 2019 the commission approved \$1.8 million and we owe a statewide funding for the building construction trades request for applications or The team is preparing to implement the evidence framework into this RFA, which includes incorporating evidence, tiers and new space metrics. Recognizing that many Texas youth ages 16 to 24 are not currently engaged in employment or the workforce, also known as the opportunity give, and the growing demand for workers in the construction trade, staff recommends prioritizing opportunities, models in this RFA that provides training and demand skills that can be learned and applied quickly. Additionally, staff recommends that an evaluation of the project be conducted to ensure that we are learning from the youth training project, figuring out what works and providing realtime adjustments to programs so that training participants are positioned for long-term success. Today staff are seeking commission approval to prioritize opportunity youth as the eligible participants in the 2020 Building and Construction Trades RSA and competitively procure a program evaluator who can support the implementation of these grantees using up to

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\$300,000 of the \$1.8 million in funding previously approved for this project. Any questions?

CHAIRMAN DANIEL: Comments or questions?

JULIAN ALVAREZ III: No questions,

||Chairman.

AARON DEMERSON: Chairman, one quick question. Jennifer, proposed evaluators, are those common uses under grant programs or program evaluators or is this the first time that we're doing that?

JENNIFER TROKE: It's the first time that TWC is doing that, but this is a practice that's been, I would say, advancing more and more in recent years. And the idea is that by evaluating we then know what works and then we're putting our money in the future into those programs that are working. So, it's a smarter way to invest.

AARON DEMERSON: Good, good, and tells the story. Good, thank you.

JENNIFER TROKE: Thank you.

CHAIRMAN DANIEL: Yeah. Certainly, commissioners that is true. And I just want to also point out that we're breaking a little new ground here in the way we'll be doing or at least seeking applicants. You know, we're sort of broadening our pool of applicants here and given ourselves more opportunities to succeed in my opinion. I think that this evidence-based approach to selecting folks to do these workforce

programs that we have is a little bit of a departure from some of the ways we've done it in the past. I think it gives us additional capabilities and the evaluator, if I understand it correctly, it gives us a chance to evaluate this new process while it's at least new to us. It's not a new process in the broad scheme of things. But while we're mastering this progress, it gives us a chance to both update what we're doing and then update or keep the process kind of moving forward so that we can understand it better for the future.

this?

JULIAN ALVAREZ III: [unintelligible]

CHAIRMAN DANIEL: Yeah, yeah, for sure.

Any other comments or questions? So, do we have a motion on

JULIAN ALVAREZ III: Yes, Chairman. I move that we approve modification to the 2020 Building and Construction Trades RFA to prioritize opportunity youth as the eligible participants and competitively procure a program evaluator who can support the implementation of these grantees and work cooperatively to build the evidence base for youth workforce development programs using up to \$300,000 of the \$1.8 million in funding previously approved for this project.

AARON DEMERSON: I second.

CHAIRMAN DANIEL: Seconded. We're unanimous. Thank you.

JENNIFER TROKE: Thank you.

Agenda Item 13, discussion, consideration and possible action regarding guidance on resource utilization and implementation services and strategies to target disaster relief efforts and public health emergencies, including those funded by the Department of Labor's Disaster Dislocated Workers Grant. Mr. Serna.

ED SERNA: Yes, sir. We have a couple of things for you. First Clay Cole has got two items and I think Chris is actually going to present the first item. Go ahead.

CHRIS OAKLEY: Yes, sir. Good morning,
Chairman, commissioners, Mr. Serna. For the record, Chris
Oakley, UI Division. At the last open meeting on June 23rd the
UI Division was instructed to provide an update regarding the
performance of UI policy during the Covid-19 pandemic. The
following is our update. Each time the federal government has
passed UI-related legislation or Governor Abbott has issued
orders dealing with the Covid-19 pandemic the UI Division
believes the TWC has acted appropriately in passing on
flexibility to customers. In response to Covid-19, the TWC has
waived the initial waiting week, waived work search, suspended
offset over payment recovery for regular unemployment,
implemented emergency rule making to align with the new federal
programs, issued suitable work guidance and suspended and
delayed chargeback and reimbursement recoveries. Additionally,

within the UI Division, our policy department works on a daily basis with operations to ensure that we are serving our customers as efficiently as possible. However, each time the DOL has provided information and guidance they have also stressed the importance of program integrity. UI Division continues to follow DOL quidance and strives to [unintelligible] these programs along with state unemployment in a proper and compliant manner. After conducting the review requested at the last commissioners meeting our opinion is that our existing laws, rules and policies have performed well and provide the intended flexibilities to customers under current laws. We find no reason to alter or modify our current strategies and see no current opportunity for rulemaking under the current state and federal legislation that provides the flexibilities benefitting Texans during the Covid-19 pandemic. We also identified and reviewed the following areas. First is the safety requirements of those employers opening or operating their businesses during the Covid-19 pandemic. The UI Division notes that guidelines for opening and operating businesses during the pandemic can be found among other places in the governor's open Texas rules, the Department of State Health Services, the Department of Homeland Security and the Centers for Disease Control. Additionally, businesses have taken these guidelines and crafted their own specific guidelines that best cover their unique circumstances. The UI Division believes that continuing to utilize our existing

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laws, rules and policies on a case by case basis works best to promote the opening of the Texas economy while safeguarding the safety of employees. Our opinion is that additional rulemaking in this area might operate to limit our adjudicator's ability to fairly determine whether the employer is safeguarding the perspective employee's health and safety at the workplace. Furthermore, the UI Division believes it is not within the TWC's purview to decide which of the guidelines published by the various entities are best for Texas. We can only determine on a case by case basis if a particular employer is providing a safe working environment for a particular employee, not make an overall ruling on the applicability and sufficiency of the various guidelines for Texas. The second area is our administering of the PUA Program. The UI Division continues to administer this program in compliance with DOL guidance. As of Monday June the 29th, approximately 699,000 claimants have filed for PUA. And of those, 420,000 are self-employed individuals and as a result do not have regular unemployment eligibility. As explained by the DOL, the program is often of short-term duration and the numbers do not appear to be out of place. Also, when Texas triggered on to the extended benefits, we triggered due to the insured unemployment rate, not the total unemployment rate. This leads to our conclusion that regular benefits are being paid to the majority of claimants and that the PUA Program has been reserved as a program of last resort,

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just as it was intended and as it has been described by the DOL. However, we monitor DOL guidance on an ongoing basis. If at any time DOL issues guidance that in some way allows the expansion of the PUA Program, we will not hesitate to implement that quidance. In conclusion, the UI Division understands that numbers and data don't always give the true picture of crisis and of those that are suffering as a result of the Covid-19 pandemic. Every day we receive calls from claimants that are suffering and in crisis as a result of this pandemic. And each one of those claimants' stories moves us on a personal level and motivates us to do our jobs better. We constantly work to provide comfort and assistance to claimants in need striving to make the customer experience the best possible. Our policy should provide clarity to the process and we will continue to monitor them to ensure that they do just that. That concludes my report and I'm happy to answer any questions.

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CHAIRMAN DANIEL: Comments or questions?

JULIAN ALVAREZ III: Chairman, I do have

comments at this time. First of all, I want to applaud and I

want to thank Chris, Mr. Oakley, for the great report that you

just brought forth and the research that you've put together for

today's meeting. I certainly appreciate it and I think we all

do. I would like to state, though, I would ask that the staff

bring forth a policy concept for rules related to good cause for

refusing suitable work based on the guidance adopted by the

commission on June 16, 2020 for Covid-19 impacted claimants, maintaining ability and availability, eligibility when refusing work because of those factors. In work search exemptions for part-time employees whose hours were reduced by the employer because of business was impacted by Covid. I feel that it's important for us to keep in mind that this allows us for transparency and I certainly would appreciate public input. There's a lot of confusion among UI claimants, in my opinion and by what we've experienced here at the office. Clear rules will provide guidance. Those are my comments, Chairman.

AARON DEMERSON: First of all, let me thank Chris, Clay, Leshay and that entire UI team for partnering us and the governor's office on these virtual townhall meetings that we've had over the past bringing valuable information to the Texas employers' associations. And so, we appreciate the work you're doing. That report that you just brought is something that's of value and that we appreciate the work that you guys have been doing.

 $\label{eq:CHAIRMAN DANIEL: All right, any other} % \end{substantial}% % \end{substantial}%$ 

ED SERNA: I think Clay's got a standing UI update.

CHAIRMAN DANIEL: All right.

CLAY COLE: Good morning, Chairman Daniel, Commissioner Demerson, Commissioner Alvarez, Mr. Serna. For the

record, Clay Cole, Unemployment Insurance Division. I'm going to start off with our UI claims and payment activity update. Over the past four weeks of June compared with the last four weeks of May claims are down slightly. However, we still have average of approximately 146,000 claims per week in June. includes all claim types. And to date we've processed over 3.5 million claims and paid out over \$15 billion in unemployment benefits. Now the 3.5 million represents approximately 2.7 million unique claimants and we have processed approximately 2.6 million claims. Next week we anticipate an uptick in claims, 'cause it's a quarter change and any time we have a quarter change we have new people eligible for regular benefits based on their wage credits. But you can see that comparison and total number of unique claimants, 2.7 and the claims process 2.6. Just want to commend all our UI staff, our contract call centers and volunteers for their great work. And clearly, we understand we still have a lot of work in front of us and we're continuing to strive to meet the needs of our fellow Texans. And efforts to improve our overall service delivery, we're continually working to expand the skillsets of our contract call centers, constantly working with them on training, developing new assignment types that they can work. And this is just continuing to free up our staff in UI on more complex back end assignments and outbound calls. UI is hiring an additional TWC temporary staff just for our overall support too. Just want to

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make sure y'all can hear me clearly. We continue to see improvement in our assignment management, very pleased with the improvements we're seeing there. We've been able to successfully backdate claims for those that have difficulty getting through to us and we still have some work there. But at this point, we're going to point where we can address backdated requests on a case by case basis as we go forward. Just want to thank IT and our UI staff. Over the weekend we deployed the State Extended Benefits Programming which provides 13-week extension of unemployment benefits to individuals who have exhausted the pandemic emergency unemployment compensation and remain unemployed. The first payable week for the state extended benefits will be this weekend, July fourth. So, those individuals that are exhausting the PEUC, the emergency unemployment now will transition automatically over to the state extended benefits. Again, just want to thank those teams that were able to, you know, deploy that successfully over the weekend. Of course, as we deploy one program yesterday we were officially notified by the Department of Labor that the Texas Workforce Commission is now triggered onto high unemployment period beginning July 5, 2020, which extends potential duration for benefits for eligible claimants up to seven weeks or 30% of their regular entitlement. This extension is for individuals that will exhaust state extended benefits, so those that will come on here July fifth. Once they exhaust that, they're

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potentially eligible for an extension of seven weeks because of the high unemployment period Texas is now triggered on. potentially adds seven weeks to the Pandemic Unemployment Assistance individuals. So, it will take them from right now 39 weeks to 46 weeks potentially. And so, what we're looking at right now, the first payable week, say if somebody triggers onto the state extended benefits and gets 13 weeks, so the first week they would be eligible for the new high unemployment period would be the week ending October 3, 2020. So, IT and UI will be working on implementing that new program. And finally, UI and IT are working on a portal for employers to report return to work date for employers that they're working to retain. portal will capture return to work dates for employees on temporary layoff up to 12 weeks. And if it's beyond that, we'll need some justification and talk through some of that. right now, initially we tell them to give us that 12 weeks and then we can talk later. These individuals with the return to work date will be exempted from work search as the company works to reopen. We plan to have this ready sometime next week and we continue to work closely with external relations on messaging for all these things that I've discussed today. And this concludes my update and I'll be happy to answer any questions you might have.

CHAIRMAN DANIEL: All right, any questions

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JULIAN ALVAREZ III: Chairman, I just wanted to take this opportunity to thank Clay. Great report and great update. Thank you, Clay.

CLAY COLE: Thank you.

thank Clay and the team. Clay, you mentioned messaging and information that you laid out. That's going to be very, very, very important. So, information on our website, information working with my team as related to the employers, we want that information because we love to provide this valuable information and those dates. We're proactive with it, the less amount of questions that we'll receive in regards to it. So, this is new again for a lot of people, lot of companies, lot of individuals. And so, we're messaging and getting that word out. It's very, very, very important. I want to overcommunicate the need to do that.

CLAY COLE: I hear you loud and clear. I agree.

CHAIRMAN DANIEL: Thank you, Clay.

CLAY COLE: Thank you.

ED SERNA: One last thing, Mr. Chairman, under this agenda item. Of course we agree with Commissioner Demerson and all of y'all about the importance of messaging. With regard to that based on the increase in Covid-19 cases and the Governor's June 26 executive order we'll be pausing the

reinstatement of the work search requirement for unemployment insurance. We'll continue to monitor the situation and come back to the commission in late July with a recommendation regarding reinstatement, but at the current time we're going to pause the reinstatement. I'll answer any questions y'all have.

CHAIRMAN DANIEL: I think everything that's going on that's a very prudent move. My opinion is we should pause that and reevaluate the situation. We're seeing continued claim activity in numbers that would suggest there's still more to come, at least that's what I'm sort of processing through after hearing Clay's report. Certainly, we've seen a pause on some reopenings. A lot of our discussion a couple weeks ago when we talked about this last time was related to reopening. With that paused, I think for us to hit the pause button here now is a very prudent move and one that I could support.

JULIAN ALVAREZ III: No, I agree with you, Chairman. And thank you for the update and again thank you for allowing the commissioners to have input in this decision. I think it's really important that we continue the dialogue with you. And I, again, appreciate your remarks and you working closely with the three commissioners or the commission during this time. So, thank you for that, ED.

ED SERNA: Yes, sir.

AARON DEMERSON: Chairman, something you mentioned early on, being flexible, nimble and taking care of business. Proactive is the way that we want to go and so keep in lock step with reality and what's happening out there keeps us relevant. And so, pausing at this point makes a lot of sense.

CHAIRMAN DANIEL: Mr. Serna, that's an operational issue and one that falls in your jurisdiction. I do appreciate the update and I do think that moving through July is prudent as well.

ED SERNA: Thank you, sir. That's all we have for this agenda item. I think Tom has an update.

AARON DEMERSON: That doesn't look like Tom.

MICHAEL BRITT: Good morning, Chairman

Daniel, Commissioner Alvarez, Mr. Demerson and Mr. Serna. For

the record, I am Michael, Director of Governor Relations in

place of Tom this morning. We've been monitoring one

congressional hearing this week. This morning the U.S. Senate

Health Education, Labor and Pensions Committee is holding a

hearing right now to receive a Covid-19 update on progress

towards safely getting back to work and getting back to school.

We also continue to monitor congressional action on potential

legislation that would provide further assistance to those

affected by Covid-19, and we'll keep you updated if there's any

1 developments there. And that [unintelligible]. I'll be happy 2 to answer any questions that you all may have. 3 CHAIRMAN DANIEL: Any questions? 4 JULIAN ALVAREZ III: No, Chairman. 5 AARON DEMERSON: None here. 6 CHAIRMAN DANIEL: I wrote all my questions 7 for Tom, so I don't have any. Thank you, Michael. Mr. Serna. 8 ED SERNA: I have one thing under the 9 Executive Directors Report and that is a bit of good news. 10 Republic Government Technology Magazine has recognized our Work 11 in Texas website with a Best in Texas award. We were recently 12 awarded that. Though we know we still need to continue to work 13 on it and improve it, even though it's new, we did receive that 14 award. 15 CHAIRMAN DANIEL: Well, I'll take some good 16 news. 17 JULIAN ALVAREZ III: That's really good to 18 hear. Really good. Thanks, Ed for that. 19 AARON DEMERSON: You see my hand's up over 20 there? I'm using technology there. You see that thumbs up over 21 there? 22 CHAIRMAN DANIEL: That's right. 23 [unintelligible]. Also needs to come before the commission?

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No? Is there a motion to adjourn?

1	JULIAN ALVAREZ III: Chairman, I move that
2	we adjourn.
3	AARON DEMERSON: Second that motion.
4	CHAIRMAN DANIEL: It's been moved and
5	seconded that we adjourn and we are adjourned. Thank you all.
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