



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

MARCH 23, 2021

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TUESDAY, MARCH 23, 2021

CHAIRMAN DANIEL: All right, good morning, everybody. This meeting is called to order. Mr. Trobman, has anyone signed up for public comment?

MR. TROBMAN: [Inaudible]

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

MS. MILLER: Good morning, sir.

CHAIRMAN DANIEL: Thank you. This bring us to the end of Agenda Items 3 through 7. Let's pause for just a few minutes to reset for the rest of the meeting.

COMMISSIONER DEMERSON: Thank you, Sherri. You guys [inaudible] thank you guys.

CHAIRMAN DANIEL: All right, let's move to Agenda Item 8, discussion, consideration, and possible action regarding the acceptance of pledges for board contract years 2020 and 2021 child care matching funds.

MR. WEAVER: Good morning, Chairman Daniel, commissioners, Mr. Serna. For the record, Travis Weaver, Workforce Development Division. Today--

COMMISSIONER DEMERSON: You probably need to speak up.

MR. WEAVER: Oh. Can you hear me better? Can you hear me? Hm.

1 UNIDENTIFIED SPEAKER: Travis, just make
2 sure you speak up really, really loud, okay?

3 MR. WEAVER: Okay. Okay. Can you hear me
4 now?

5 COMMISSIONER DEMERSON: Speak up a little
6 bit, Travis.

7 MR. WEAVER: Okay. I feel like I'm gonna be
8 yelling on my side. Okay. Good morning, Chairman Daniel,
9 commissioners, Mr. Serna. For the record, Travis Weaver,
10 Workforce Development Division. Is this better? Today, Workforce
11 Development and Childcare Early Learning are presenting for your
12 approval BCY '21 childcare local match. Annually, local
13 workforce development boards submit local match pledges to
14 secure federal childcare funds pursuant to commission rule
15 80917. Commissioners, a couple comments prior to our request.
16 Today's agenda includes three match agreements from three
17 boards, which includes Borderplex, Dallas, and Panhandle. With
18 today's approval, all boards, including the state, have secured
19 their BCY '21 childcare local match target, with 11 boards
20 exceeding their BCY '21 target. Boards have secured 105.13
21 percent of the statewide childcare match target compared to
22 109.66 at this time last year. One item of note--we will be back
23 one more time [inaudible] as we are expecting five additional
24 match agreements from three boards. I personally want to thank
25 the boards for their efforts in securing match this year during

1 these unprecedented times, especially Concho Valley and Real
2 Capital, who due to their excessive overmatch was able to help
3 several boards secure a match for this year. Today, staff
4 requests commission acceptance of childcare pledges for
5 donations, transfers, and certifications of expense for BCY '21
6 in the amount of \$935,000. Commissioners, this concludes my
7 comments for BCY '21. I'm happy to answer any questions.

8 CHAIRMAN DANIEL: Questions or comments?

9 COMMISSIONER ALVAREZ: None here, Chairman.

10 COMMISSIONER DEMERSON: None here.

11 CHAIRMAN DANIEL: Is there a motion?

12 COMMISSIONER ALVAREZ: Chairman, I move that
13 we accept childcare match in the amount of 935,000 for board
14 contract year 2021.

15 COMMISSIONER DEMERSON: Second the motion.

16 CHAIRMAN DANIEL: So moved and seconded.
17 We're unanimous, thank you.

18 MR. WEAVER: Thank you, sir.

19 CHAIRMAN DANIEL: This is item 9,
20 discussion, consideration, and possible action regarding the
21 revision and implementation of the We Hire Ability employer
22 recognition program.

23 MS. FULLER: Good morning, Mr. Chairman,
24 Commissioner Alvarez, Commissioner Demerson, and Mr. Serna. For
25 the record, Cheryl Fuller, Vocational Rehabilitation Division.

1 In 2019, the commission approved expansion of the agency's
2 hireability campaign, to add an annual employer forum and an
3 employer recognition program called We Hire Ability. The launch
4 of We Hire Ability was scheduled for early 2020 but was
5 postponed to this year, since at that time many employers were
6 focused on responding to the business changes brought about by
7 the pandemic. As we prepare for this year's launch, staff
8 identified three opportunities to refine the recognition program
9 to ensure that it is best positioned to meet its intended
10 purpose to raise awareness among employers about the benefits of
11 hiring people with disabilities and to increase employers'
12 hiring of people with disabilities. The first is to establish
13 the recognition program as a biannual recognition instead of an
14 annual recognition. The benefit of this lengthened timeframe is
15 it would allow additional time for us to partner with recognized
16 employers to collect, promote, and disseminate best practices
17 and resources that can encourage other employers to hire more
18 people with disabilities and develop inclusive workplaces that
19 support retention and advancement of people with disabilities.
20 The second is to recognize employers with the We Hire Ability
21 deal as soon as their nomination is validated, and to recognize
22 as many employers as meet the criteria, rather than waiting to
23 issue the decals in October and limiting the number of employers
24 who may be recognized. The benefit of this proposed change is
25 that we can begin to work with recognized employers immediately,

1 and can include as many employers as meet the criteria. Third
2 and finally is to conduct special awareness activities and
3 events each October, highlighting employers who have been
4 recognized in that cycle and featuring their strategies and
5 effective practices. One such venue for this activity could be
6 the annual employer hireability forum. That concludes my
7 presentation. However, I would like to note that [inaudible]
8 made one correction to the discussion paper for this item, to
9 correct a typographical error on line 29 on the first page. That
10 should read 7 percent instead of 8 percent, and we have
11 submitted a corrected document for posting. I'd be happy to
12 answer any questions.

13 CHAIRMAN DANIEL: Questions or comments?

14 COMMISSIONER ALVAREZ: I just wanna thank
15 our commissioners for the unveiling of this decal that we had an
16 opportunity to visit with our folks there in El Paso. So, just
17 wanted to recognize that. And Cheryl, I wanted to also
18 acknowledge the good work that you guys have put forth in
19 putting this together.

20 MS. FULLER: Thank you, sir.

21 COMMISSIONER DEMERSON: Commissioner Alvarez
22 and Commissioner Daniel, Cheryl, I think it's a good program.
23 It's one that models the We Hire Vets program. And so Cheryl,
24 talk to me about what's different with the We Hire Vets program
25 and this program, because We Hire Vets, I think we're doing that

1 year-round, and so that program is working. And if this one's
2 modeled after that, I'm not sure why we can't continue in that
3 vein. I think the employer's, I know, on the We Hire Vets side,
4 we're recognizing throughout the year, and I would think that we
5 could do the same thing on this side. Is it a staff situation or
6 so? Then I may want to suggest that if it is that, maybe an
7 intern with a disability would love to probably do something
8 along these lines. You know, Bob Gear [SP] helps out, but I'm
9 not sure putting it all [inaudible] the year. Unless there's
10 some great amount of work that's taking place there, I'd love to
11 kind of look at some other things before we simply do it every
12 other year.

13 MS. FULLER: Yes, sir.

14 MR. SERNA: Chairman, let me kind of just
15 attempt to address just a portion of that. We agree, sir, that
16 ultimately, it would probably be--not probably, but it would be
17 worthwhile to shift this to an annual. We were just kind of
18 thinking that initially, in order to build a pool and to promote
19 the program, to do something biannually would let us build the
20 number of employers that are in the program, share best
21 practices, and get more employers engaged in participating in
22 the program. One of the challenges that an employer has in
23 hiring individuals with disabilities is based on the disability,
24 sometimes the employers have to make accommodations, and they're
25 willing to do that.

1 COMMISSIONER DEMERSON: Mm-hmm.

2 MR. SERNA: But if they can--if we can have
3 best practices with how, let's say, HEB accommodated individuals
4 with disabilities, or somebody else that would be recognized in
5 the program, then it may encourage more participants. Once we
6 get that sort of pump primed, then we believe we can shift it to
7 an annual practice. But we just wanted to start off with a
8 biannual to kind of build that pool and that support base of
9 employers.

10 COMMISSIONER DEMERSON: Yeah. I'm of the
11 opinion that it's simply--basically, if you are an employer and
12 you hire over 10 percent of your work base of your employees are
13 disabled, you're recognized from that standpoint. So, I'm not
14 sure if it's best practices or anything. It's basically
15 employers that are out there that you have 10 percent of your
16 workforce that are disabled, you're simply recognized. I think
17 that's the way that works. So, promoting that through that RCT,
18 the employers that I talked to, I'm not sure if there's a heavy
19 lift involved from the employer's standpoint, aside from
20 reporting I have 10 percent of my employees are disabled, I
21 wanna recognize that, put my application in. It gets verified,
22 and there's a decal that's displayed.

23 MR. SERNA: Right.

24 COMMISSIONER DEMERSON: If you wanna hold
25 the decal for over two years, that's fine from that standpoint.

1 But I'm not sure why we would do it one year, wait another year,
2 based on--if it's mimicked after We Hire Vets program. I'm not
3 sure I see the difference.

4 MR. SERNA: I don't think it's--and Cheryl,
5 you can correct me if I'm wrong--I don't think it's withholding
6 the decal as much as the broader--you know, having an award, a
7 broad recognition program. So--and Cheryl--

8 COMMISSIONER DEMERSON: Yeah, I think--

9 MR. SERNA: --you can correct me if I'm
10 wrong.

11 MS. FULLER: Yes, sir, that is correct. And
12 one of the things we have identified in the research we have
13 been doing and in the feedback we have received from some of our
14 RCT members is there remains a gap in the availability of
15 resources and to some degree the dispelling of myths associated
16 with hiring people with disabilities. And what we have seen over
17 time is the powerful positive impact employers who are
18 developing diverse workplaces and hiring people with
19 disabilities can have to encourage other employers in their
20 particular industry sector. So, the idea would be having more
21 time to work with recognized employers to develop those
22 materials and resources, would allow us to do more to provide
23 information and resources to employers at large and hopefully
24 encourage their participation as well.

25

1 COMMISSIONER DEMERSON: Okay. Again, I
2 apologize for not [sounds like] vetting this prior to. I think
3 you guys briefed our team or so, but I just had a chance to
4 really read over it. Again, if I can do anything from the
5 employer's standpoint, let me know. I don't--again, don't think
6 that it needs to be every other year, so we need--I'm gonna be
7 recognizing them throughout the year period. And so, just like
8 we do at We Hire Vets, I think we can do the same thing at We
9 Hire Ability from that standpoint.

10 MR. SERNA: Right.

11 COMMISSIONER DEMERSON: But if we're gonna
12 make it stronger, then we'll go from there and I'll just do my
13 part to make sure that we are recognizing--

14 MR. SERNA: Understand.

15 COMMISSIONER DEMERSON: --that we're still
16 promoting that aspect.

17 MR. SERNA: Yes, sir. And again [inaudible]-
18 -

19 COMMISSIONER DEMERSON: Mr. Alvarez,
20 anything [inaudible]--

21 COMMISSIONER ALVAREZ: Commissioner
22 Demerson, I agree with you. I mean, those were questions that we
23 had asked Cheryl and her team. And I appreciate the fact that
24 you brought this up, and bringing up the fact that RCT's
25 involved. I would like to say that once this decal is awarded to

1 local communities or local businesses, that we market it the
2 same way we do We Hire Vets, as Commissioner Demerson, you know,
3 has done, and the folks before him, by taking pictures,
4 informing employers. I think that's the best way to do it. And
5 certainly I agree with the commissioner, if there's anything we
6 can do to support someone to assist you with the marketing
7 campaign, and you have great staff there with you, Cheryl. And
8 anything you can do to promote that would greatly be
9 appreciated. I think we're hearing more and more about what we
10 as an agency are doing to promote individuals with a disability,
11 whether it's through services or training them. So,
12 congratulations to you and your team, and Commissioner Demerson,
13 I appreciate the comment regarding how we could design this very
14 similar to We Hire Vets.

15 COMMISSIONER DEMERSON: And internships,
16 valuable use. And I know somebody--there's a staff situation,
17 and our concern, that's just something that I threw out there
18 [inaudible] probably enjoy doing something along those lines.

19 MR. SERNA: Yes, sir. And one thing, just to
20 be clear, we will recognize the employers as we validate their
21 applications. So they'll get the decal and we'll recognize them.
22 We'll work on media releases, so that'll be throughout the year.
23 I think what Cheryl was talking about is a broader recognition,
24 where we bring employers in, either virtually or live, and
25 there's sort of a larger event to recognize all the employers

1 that achieved it. But I hear exactly what you're saying with
2 regard to us not waiting two years to recognize the employers
3 that are hiring individuals with disabilities, and that's not
4 our intent. Our intent is as they submit an application and we
5 validate it, we will have a sort of a mini-event in their area.
6 They'll get the decal, we'll issue a press release, and we may
7 have multiple press releases, but then have an organized event
8 biannually is what we were thinking.

9 COMMISSIONER DEMERSON: Okay. And Cheryl,
10 again, I apologize. I should have briefed in--got with the staff
11 before then. But I wanted to just bring those things up, thank
12 you.

13 COMMISSIONER ALVAREZ: Great initiative.
14 Thank you, Cheryl.

15 MS. FULLER: Thank you.

16 CHAIRMAN DANIEL: I think one of the issues
17 might possibly be with the fact that there's an evaluation
18 period. You might want to consider evaluating on a rolling
19 basis. It doesn't matter how long the decal's good for.
20 Companies will be recognized for their commitment over the long
21 term--I hope it's a very long-term period. But you really don't
22 probably need a nomination period; just take nominations when
23 companies can be nominated. It kind of solves the two-year
24 issue, and it kinda in some ways gives us greater flexibility to
25 be able to recognize companies. If I saw an area I would want

1 changed about this--I was fine with it the way you proposed it
2 to get it started, but quickly, I'll ask you to remove the
3 nomination period. You don't need that. Just nominate on a
4 rolling basis and make as many awards as people qualify for.

5 MS. FULLER: Yes, sir.

6 COMMISSIONER ALVAREZ: Cheryl, is it true
7 that we will recognize these businesses during National
8 Disability Month?

9 MS. FULLER: Yes. Our proposal is, as Mr.
10 Serna said, that we would recognize employers as soon as they do
11 have a vetted nomination form, but then October, National
12 Disability Employment Awareness Month, gives us a particular
13 opportunity to have special events to recognize the employers
14 and to really promote their practices to larger audiences. So,
15 it's about recognition as they receive the decal, and then
16 really elevated recognition of those practices during October.

17 COMMISSIONER ALVAREZ: Yeah. I love this,
18 because not only can they use it as a decal in the discussion
19 paper, we also noted that these employers could put it on their
20 website, and they could use it on other areas of their business
21 to promote what they do, and I think that's a great [inaudible].

22 CHAIRMAN DANIEL: This is an important
23 talking point for employers.

24 COMMISSIONER ALVAREZ: Mm-hmm.

25

1 COMMISSIONER ALVAREZ: Okay. I have no
2 recollection [inaudible].

3 COMMISSIONER DEMERSON: No other comments.

4 COMMISSIONER ALVAREZ: No other comments,
5 Chairman.

6 CHAIRMAN DANIEL: All right, do we have a
7 motion on this issue?

8 COMMISSIONER ALVAREZ: Chairman, I move that
9 we modify the We Hire Ability employer recognition program to be
10 the biennium recognition, that we recognize employers as their
11 applications are validated, recognize as many employers as meet
12 the criteria, and that we conduct special awareness activities
13 each October during National Disability Employment Awareness
14 Month, as described by staff.

15 COMMISSIONER DEMERSON: Second.

16 CHAIRMAN DANIEL: It's been moved and
17 seconded. We're unanimous. This is Agenda Item 10, discussion,
18 consideration, and possible action regarding the purchasing from
19 People with Disabilities Program Central Nonprofit Agency
20 management fee.

21 MR. GARCIA: Good morning, commissioners,
22 Mr. Serna. Juan Garcia with the Vocational Rehabilitation
23 Division. The Texas Workforce Commission administers the
24 purchasing for the People with Disabilities PPD program. Texas
25 human resources code section 122.019 authorizes TWC to contract

1 with the Central Nonprofit Agency, or CNA, to perform certain
2 administrative functions of the program. In addition, section
3 122.019(e) and (f) allow the CNA to charge a management fee for
4 service provided to community rehabilitation programs, or CRPs,
5 and require that that fee be reviewed annually. TWC chapter 806,
6 purchases of products and services from people with disabilities
7 rule 806.31(n) requires that as part of the annual review
8 process of the management fee, that TWC must consider public
9 comment from CRPs participating in the PPD program.

10 Additionally, 806.31(b) requires TWC to approve the method of
11 calculation for that management fee. On October 6, 2020, the
12 commission approved for public comment the posting of the
13 proposed management fee rates for state fiscal year '21, which
14 are as follows: 6 percent of the sales price for products, 6
15 percent of the contract price for services, and 5 percent of the
16 contract price for temporary services. These proposed rates are
17 consistent with rates applied in prior years. That public
18 comment period ended on January 8, 2021, with four CRPs
19 submitting comments. Staff proposes no changes to the rates for
20 method of calculation based on the comments received. The method
21 of calculation of proposed managed fee rates is as follows: CRP
22 costs divided by 100 percent minus the management fee rate
23 equals the product or the selling price. This method of
24 calculation is consistent with the one that has been applied in
25 prior years. Staff seeks direction on approving the following

1 proposed management fee rates and method of calculation for
2 state fiscal year '21, as proposed by the Central Nonprofit
3 Agency, and are as follows: 6 percent of the sales price for
4 products, 6 percent of the contract price for services, 5
5 percent of the contract price for temporary services, and a
6 calculation method that reads as follows. CRP cost divided by
7 100 percent minus the management fee, to equal the product or
8 the selling price. With that, I'll answer any questions you
9 might have.

10 CHAIRMAN DANIEL: Any comments or questions?

11 COMMISSIONER ALVAREZ: None here, Chairman.

12 COMMISSIONER DEMERSON: None.

13 CHAIRMAN DANIEL: Is there a motion?

14 COMMISSIONER ALVAREZ: I move that we
15 approve the Central Nonprofit Agency's management fee for the
16 PPD state use program at 6 percent of product sales, 6 percent
17 on services, and 5 percent on temporary personnel services, with
18 the calculation method for product or service prices as
19 presented by staff.

20 COMMISSIONER DEMERSON: Second.

21 CHAIRMAN DANIEL: It's been moved and
22 seconded. We're unanimous, thank you. This is Agenda Item 11,
23 discussion, consideration, and possible action regarding local
24 workforce development area performance expectations for board
25 contract year 2021.

1 MR. LEONARD: Good morning, Mr. Chairman and
2 commissioners, Mr. Serna. Adam Leonard from Operational Insight.
3 I'm here to present the remaining recommendations for board
4 targets for BCY '21. As you know, these have been somewhat
5 delayed as a result of some issues in the data and the pandemic
6 in general. But they're relatively straightforward in most
7 regards. We have a set of measures that are associated with
8 several that we report to the legislature and to the governor's
9 office, and that we contract directly to the boards. The targets
10 on those we're proposing to align with what you approved in the
11 LAR in October. We have traditionally given the boards a measure
12 that focused on the median earnings for basically all the
13 participants that they serve, and ultimately what we've really
14 seen in that is that it is a meaningful measure from an
15 informational standpoint; it's not a meaningful measure from an
16 accountability standpoint, because it's driven very much by
17 what's going on in the economy, who's coming in the door needing
18 to be served, what skills they bring, how well they match up.
19 Basically, it's driven by Wagner-Peyser more than anything else,
20 and Wagner-Peyser doesn't have a great deal of--well, it has no
21 training associated with it, so there isn't really an impact to
22 do a lot of--to impact this measure. Therefore, we're proposing
23 that we not set a target this year on the median earnings
24 measure, but that we will still continue to report it as a
25 useful management tool. Moving into employers receiving

1 workforce assistance, we're basically proposing that we use
2 largely the same methodology we've used in the past, which looks
3 at the changes in the number of employers in each board area
4 over the year. But we recognize that this year, because of the
5 lag in the data that we get from LMCI, we may not be reflecting
6 example what's happening locally, and at the end of the year
7 we'd like to get an update to see the best numbers from them as
8 far as what the numbers of employers in each area are, and
9 perhaps we might need to make an adjustment here or there if
10 we've got areas where the number of businesses coming back are a
11 little slower than in others, that kind of thing. For our
12 Choices program, this is where we start to get some of the weird
13 data things. The performance measure that we've been using
14 focuses on people who are required to participate in the
15 program, and since the pandemic started, HHSC has waived work
16 participation requirements, which kind of makes the measure
17 denominator--you know, it just makes the whole thing not quite
18 work right. And so what we started thinking about was, well,
19 this could be a unique opportunity. And when I say "we," I of
20 course mean the Workforce Division, because it's their program,
21 ultimately. And talking about well, could we make some
22 modifications to the way that--or look at making modifications
23 to the way the measure works, so that it does more than just get
24 a person into a job right now, but actually puts them on a
25 pathway towards what their next job might be, with some short-

1 term training. So what we're proposing is basically for the
2 remainder of this year, we work on that concept and come back to
3 you all with a new measure for next year that would account for
4 kind of the transformation we're hoping to see in this program,
5 and make the measure better aligned with the direction we'd like
6 to go. Ultimately, the agency has a lot of experience using
7 measures to try to change behavior. This, in fact, is one of
8 them, that before we started in 2011ish, the program was very
9 much a counting the amount of time people were sitting in seats
10 in the one stop as opposed to time working, that kind of thing.
11 So, we were able to successfully shift there. We think there's
12 an opportunity to do so here. And then lastly we have our
13 claimant reemployment within 10 weeks. Now, for almost the first
14 half of the year everybody was exempted from work search, right?
15 So, from July to November, which is half of the performance
16 period, basically. What we're proposing is that we would go
17 ahead and set targets for the January through June claimants, so
18 for half a year, essentially, and that we base it largely on
19 what we saw happen in the Great Recession. Because if you look
20 at the first two years of the Great Recession and the
21 unemployment rate and the situation there, it looks an awful lot
22 like it does right now in the sense that the unemployment rates
23 are very similar, and we think the performance is gonna trend
24 upwards. So, I'm happy to answer any questions you might have
25 about these recommendations. And beyond that, I mean, we

1 basically, for those measures, we focused on the performance
2 during the Great Recession for each board, looking at kind of a
3 min/max range of 40 to 50 percent as opposed to closer to 60
4 percent that we were seeing pre-recession. But we would
5 anticipate next year things are gonna be looking a lot more
6 normal.

7 CHAIRMAN DANIEL: Questions or comments?

8 COMMISSIONER ALVAREZ: None here, Chairman.

9 COMMISSIONER DEMERSON: None, thank you,
10 Alan.

11 CHAIRMAN DANIEL: I have some questions.

12 MR. LEONARD: Okay.

13 CHAIRMAN DANIEL: So, three of them are
14 state performance measures that we report via the legislative
15 process. Are the other performance measures [inaudible] are they
16 a requirement of some other program?

17 MR. LEONARD: So, the number of employers
18 receiving workforce assistance has a lot of alignment with a
19 federal piloted measure. It's essentially the numerator of a
20 measure that they call market penetration, which is the percent
21 of employers being served. So, there's kind of an alignment
22 there. There aren't targets on that yet, but there will be, I
23 believe, a year from now. The feds are gonna do that. Choices
24 was--there is a federal measure that let's just say that we
25 don't have a lot of trouble meeting the federal measure. And so

1 in order to try to challenge ourselves, we developed this
2 measure to try to really push the program more towards
3 [inaudible] back 10 years ago when it started. And claimant
4 reemployment, no, there's no measure--or there's no federal
5 program associated with that. That's a standard that we put in
6 place trying to get boards oriented around the idea that hey,
7 all those claimants who are in the system, we really need to be
8 focusing on trying to get them good jobs fast.

9 CHAIRMAN DANIEL: Mm-hmm. So, beyond the
10 three legislative measures and then perhaps the employers
11 receiving assistance, which has a slight relationship.

12 MR. LEONARD: Yeah.

13 CHAIRMAN DANIEL: None of these are tied to
14 our ability to maintain either federal or state funding. In
15 other words, measuring these are not a condition of us getting
16 funding from some source?

17 MR. LEONARD: That's true.

18 CHAIRMAN DANIEL: Yeah. So, these are just
19 things we want to do as a workforce system, and so you can only
20 manage what you can measure kind of situation.

21 MR. LEONARD: That is exactly right.

22 CHAIRMAN DANIEL: Are boards contractually
23 bound to these measures?

24 MR. LEONARD: They are contractually bound,
25 but of course, depending on whether you set or don't set a

1 target on it, it kind of has a different weight. But if you look
2 in the actual contracts, they're listed there.

3 CHAIRMAN DANIEL: Yeah. So, you know, I can
4 appreciate the need to remove the median earnings measure. Is
5 there something that we should consider to take its place?

6 MR. LEONARD: For this year, it would be a
7 big lift. In the long run, well, two things--one is we do have
8 earnings measures, median earnings measures, for our adult
9 dislocated worker and youth programs, which are programs that
10 have significant funding available for training. So, where you
11 can actually impact those outcomes more directly. So, that does
12 exist. One of the things we've also talked about, though, as
13 kind of our own twist on the measure is instead of focusing just
14 on the total amount, focusing on earnings change for people who
15 go through some kind of training or education program. So, how
16 much are we able to, you know, use that training to make a
17 positive impact on somebody's earnings over time.

18 CHAIRMAN DANIEL: Mm-hmm.

19 MR. LEONARD: So, we definitely have that
20 kind of penciled in as something we're working on. It's just we
21 haven't been able to get to it this year because, you know, a
22 few things came up.

23 CHAIRMAN DANIEL: Mm-hmm. Well, you make a
24 fair point about a few things coming up. And you also make a
25 very fair point--I'm not suggesting we should replace it for

1 this particular board contract year. I think that's an
2 impossibility at this point, and while I think you're sometimes
3 capable of the impossible, this is not a time I would choose to
4 ask you for that.

5 MR. LEONARD: Well, it's a reputation I'd
6 rather not lose.

7 CHAIRMAN DANIEL: On the employers receiving
8 workforce assistance, why not just eliminate the TW-assisted
9 part from what we're measuring the boards against? You indicate
10 in your summary that we've modified the methodology for several
11 years in a row. That would tell me that's really not the
12 methodology that we need, if we keep modifying it.

13 MR. LEONARD: Yeah, so there's--no, you're
14 absolutely right, for the benefit of the audience. We measure
15 this two ways--one, boards--or employers serve locally, which
16 are those who are either self-serving or who are receiving staff
17 assistance through the one-stop, and then those that TWC only
18 serves, which are primarily gonna be employers who are getting
19 assistance through [sounds like] Watsi. And yes, ideally, the
20 performance report that was written about 12 or 13, maybe 15
21 years ago would exclude the TWC-only people, but it doesn't
22 right now, and so we've kind of used this target approach as a
23 way to zero out the impact. So at the end of the year, no matter
24 how many are certified, TWC high or low, we just kind of

25

1 subtract them out, and the board is ultimately held accountable
2 for the local targets.

3 CHAIRMAN DANIEL: Mm-hmm. So, perhaps I'm
4 simplifying this too much. Instead of spending time each year
5 modifying these to make them fit, have we considered modifying
6 the performance report to get actual measures that work for us?

7 MR. LEONARD: We have. We're a little bit
8 in-between and between right now on that, in the sense that that
9 report and many of the reports we depend on are part of the old
10 Twist legacy web report system. And we're in the process of
11 trying to move into the data warehouse and build new tools there
12 that would replace those reports. This is on the list. It just
13 wasn't on the list to do quite this early, because there are a
14 few management report we've got to get pulled together for the
15 boards that they're accountable for now on other measures that
16 aren't very well aligned in the Twist system. But definitely I
17 take your point and would agree with it, that this measure
18 really should be focused on what the boards are doing locally.

19 CHAIRMAN DANIEL: Yeah, so I'm leading up to
20 a comment that I'll reserve for later, because I wanna ask a
21 couple more questions that are just procedural kind of things.

22 MR. LEONARD: Sure.

23 CHAIRMAN DANIEL: On the local Workforce
24 Development Board measures, we specifically, coming into full

25

1 [sounds like] work rate on [sounds like] Choices, I agree with
2 that.

3 MR. LEONARD: Yeah.

4 CHAIRMAN DANIEL: This is really looking at
5 claimant reemployment. We are adjusting on last year's--well,
6 actually, it's not claimant reemployment, it's the one before
7 that. We're adjusting on last year's actual performance and not
8 adjusting on last year's targets. So in other words, we're only
9 judging the performance of business units on what they were able
10 to do last year, not on what we wanted them to do last year.

11 MR. LEONARD: That is true, and part of that
12 is what I would describe as an artifact of the work in the Texas
13 Replacement project. We have recently discovered that the vendor
14 product that we purchased treats certain types of postings
15 differently than we used to treat them in the old system, and so
16 until we can kind of get that resolved, what's happening is that
17 these employers, who are, in fact, getting served in our system,
18 we pull them down from the National Labor Exchange, they are
19 available for matching, they may be getting referrals, et
20 cetera. The way that [inaudible] is set up right now is it
21 doesn't tie that posting from the National Labor Exchange back
22 to an employer to allow us to count it. And so what that meant
23 was is the numbers last year essentially dropped, not because
24 the boards were not doing well, but because the system was not

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1 picking up these services that were associated with the National
2 Labor Exchanged and those postings.

3 CHAIRMAN DANIEL: Mm-hmm.

4 MR. LEONARD: So, that was the reason for
5 shifting more to a baseline of what they did. I agree, though,
6 completely with your point that we weren't going off the
7 expectation.

8 CHAIRMAN DANIEL: Well, my unmitigated joy
9 for the limitations of work in Texas are no secret, so I really
10 dislike the fact that we allow ourselves to be hamstrung by our
11 capabilities to measure something, and not just measure what we
12 need to measure. I'm not a local workforce development board,
13 nor am I an executive there, but I can't imagine being put in a
14 position where I'm measured on the basis of limitations that the
15 measuring agency has, based on what computer tools they have to
16 measure it. I know you have significantly better tools, and I'm
17 getting to a comment on that. So, on Choices, moving to that
18 one, did we agree we were gonna cancel that out? We will agree
19 to do that at some point? Will we move away from that? I
20 understand this is a unique situation we find ourselves in,
21 pandemic-related, but is your thinking that we'll use this look-
22 see opportunity for the rest of this board contract year to find
23 a more meaningful measure, or will we go back to what we were
24 measuring? What's your thinking on that right now?

25

1 MR. LEONARD: What we envision is that we
2 would be trying to develop a measure that guides the program for
3 the next X years. That this is about the future, not about the
4 past, and so, yes.

5 CHAIRMAN DANIEL: Yeah, and similarly on the
6 10-week reemployment, you're gonna fill in essentially what is a
7 successful measure, basically whatever they did is fine. Why
8 wouldn't we just waive it?

9 MR. LEONARD: Well, the first half of the
10 year, whatever they did was fine because ultimately, the people
11 weren't mostly responsibility for doing work search at that
12 time, which makes it harder for the board--

13 CHAIRMAN DANIEL: Yeah.

14 MR. LEONARD: --to hold the board
15 accountable. But in this last half of the year, they are subject
16 to work search. The economy is getting stronger.

17 CHAIRMAN DANIEL: Yeah.

18 MR. LEONARD: We do want them in the
19 business of focusing on helping reemploy claimants. So, that was
20 the thinking about why not. Exempting them, you know, just from
21 the measure [inaudible]. Obviously, that is an option. It's just
22 not one that we really considered at the time.

23 CHAIRMAN DANIEL: Yeah. I don't know that
24 I'd be in favor of exempting for the whole year. I suppose I
25 have a philosophical problem with putting in data and saying

1 whatever you did was fine, instead of just saying you're
2 exempted for this time period, and you're subject to the rest of
3 the time period.

4 MR. LEONARD: They are exempted for the
5 first part of the year under this proposal. It's just a
6 mathematical game we're playing to try to make the numbers work
7 out. Because I can't run it with the existing report from
8 January to June yet. But I'll figure it out.

9 CHAIRMAN DANIEL: So, that's another
10 limitation of the computing system, or the reporting system,
11 perhaps?

12 MR. LEONARD: Yeah, we're, I think--but, you
13 know, talking about it now. I think I've come up with a way that
14 I can make it work January to June, the performance period where
15 January to June would be targets in here and just ignoring July
16 through December. I've got an idea.

17 CHAIRMAN DANIEL: And then lastly, this is
18 on the January to June part of it.

19 MR. LEONARD: Mm-hmm.

20 CHAIRMAN DANIEL: This is where we're
21 pulling up some calculations from the Great Recession. But
22 that's not problematic for me. There are some similarities
23 economically between the two. The area I just wanted a little
24 more information on was we're gonna set the targets here once
25 again on past actual performance, not performance that we desire

1 as a system. Because even though the unemployment rates and some
2 other economic measures are similar now as they were during the
3 Great Recession period, there was 10 years of intervening pretty
4 solid economy for the state.

5 MR. LEONARD: Very.

6 CHAIRMAN DANIEL: So, to go back and grab
7 just sort of past performance as the measure and not past sort
8 of targets as the measure, again, I raise that concern. When we
9 peg things to what we were able to do and not what we wanted to
10 do, I think it makes it more difficult for us to continue to
11 push forward.

12 MR. LEONARD: I understand completely. So,
13 normally the way that we actually run this target is we look at
14 a mix of industries of the claimants, where they're coming from,
15 because we have found that certain industries tend to have
16 stronger or weaker outcomes, that kind of thing. It was just
17 coming out of this recession is a little different than the last
18 one in some ways; it's similar in others, obviously. And we
19 really weren't quite sure what to--how to set an expectation,
20 just given the fact that, I mean, even four weeks ago when we
21 were working on this, we didn't anticipate how fast, you know,
22 vaccines were gonna start rolling out in Texas. We were hopeful,
23 but we--you know, I got my shot six days ago. I didn't expect to
24 have one before the end of April, given my age and non-co-
25 morbidity condition. So, it's just a lot of moving parts.

1 CHAIRMAN DANIEL: Yeah. So, just to sum it
2 all up for me, you know, some stopgap measures here;
3 understandable. My main concern sort of lies in watching you
4 make machinations on things to sort of suit the measuring
5 programs, not what actually needs to be done here. And so, I
6 suspect there'll be a measure on your request, a motion on your
7 request. Before we do that, assuming there's no disagreement
8 from my fellow commissioners, here's what I'd ask you to do. I
9 think there's a commission meeting on or about June 9, somewhere
10 around there. I would ask you to bring, at whatever commission
11 meeting's closest to June 9, I would ask you to bring a--it can
12 even be preliminary--but a fairly decent look at what do we
13 really want to be measuring, what do boards need to know about
14 their own performance, what do we need to know about boards'
15 performance, and how can we do a better job of establishing
16 measures that are fair to boards, that they have a legitimate
17 shot of achieving while still accomplishing the things that
18 we're supposed to be accomplishing for the people of Texas. So,
19 I'm not asking for it to be ready to vote on. I'm just asking
20 you to come to us and tell us if you really want a legitimate
21 set of measures that are fair to everyone involved, including
22 the taxpayer, these are some things you need to consider as a
23 commission, this is what it would take, this is how we would
24 have to staff it, this is what it might cost, so that we can, as
25 a commission, start making some informed decisions about how

1 we're gonna measure our performance. I think we've got a great
2 story to tell. I don't always think TWC spends enough time
3 telling our story as well as we could tell it, because we got a
4 great story to tell. I think you're an integral part of that. I
5 appreciate what you're doing here. But I wanna give you a chance
6 to shine, and I think the only way we're gonna do that is to
7 really talk about these measures.

8 MR. LEONARD: Well, Mr. Serna and I have had
9 several conversations around the idea of relooking at some of
10 these measures, and I know that you've probably still got a
11 great deal of interest here. So, the opportunity's in front of
12 us, and I think that we can come to the table with a solid set
13 of general recommendations about what a good system of
14 measurement would look like when it comes to the boards by June.

15 CHAIRMAN DANIEL: Thank you. He has a
16 [inaudible] is there a motion on what he's laid out, or
17 additional comments or questions would be in order at this time
18 as well.

19 COMMISSIONER ALVAREZ: So, Chairman, after
20 hearing what you had to say, I have a motion that I had
21 prepared, but I would be okay with delaying this item, if you
22 would like. And then obviously putting a work session in place
23 and inviting the boards to participate, if that would be okay
24 with you.

25

1 CHAIRMAN DANIEL: Commissioner, my response
2 to that would be there's no reason to delay on my account. I'm
3 comfortable with what was proposed. It does not interfere with
4 our ability to do this on June 9, or the work session that will
5 result from that, because I think we do need to put some things
6 in place for this board contract year. Anything I might think
7 about changing would be for the next board contract year,
8 because I wanna be fair about this. So, it would be your call.
9 We can--

10 COMMISSIONER ALVAREZ: I have no objection
11 to a work session. I think that's a great idea.

12 CHAIRMAN DANIEL: But I do think that what's
13 pending today, we probably need to vote out so that he can shore
14 up the rest of this board contract year.

15 COMMISSIONER ALVAREZ: Okay.

16 MR. LEONARD: Yeah, I was gonna suggest
17 that, with the commission's indulgence, these measures are for
18 the upcoming year. That we have a work session, that we come
19 back and propose improvements to the measure [inaudible]
20 conversations at a staff level, and that then we basically find
21 out from the commissioners, the commission, the policy-setters,
22 hey, here's what we want to measure the system doing.

23 COMMISSIONER ALVAREZ: Mm-hmm.

24

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1 MR. LEONARD: Now, staff, propose measures
2 to us that get us to this point, is what I think the chairman
3 was saying.

4 COMMISSIONER ALVAREZ: Okay.

5 MR. LEONARD: With board input, and it could
6 be that there's an opportunity for, you know, our employers to
7 say, well, here's how I show success. I don't show success by
8 this, I show success by this. We need to take that into
9 consideration as well, I believe.

10 COMMISSIONER ALVAREZ: I agree with you.

11 MR. LEONARD: And if we could get these
12 measures, just for this upcoming year, taken care of, then that
13 would [inaudible]--

14 CHAIRMAN DANIEL: Well, we're halfway
15 through this year, so--some of it, so, we probably need to shore
16 this up.

17 MR. LEONARD: Well, yeah.

18 CHAIRMAN DANIEL: So--

19 MR. LEONARD: Depending on the measure,
20 we're halfway already, coming around the bend.

21 COMMISSIONER ALVAREZ: Commissioner
22 Demerson, do you have anything?

23 COMMISSIONER DEMERSON: No, no comment. I
24 think the chairman's laid out some things and some options, and

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1 [inaudible] understand what we're looking to do. And so, not
2 delaying what's in front of us is a direction to go.

3 COMMISSIONER ALVAREZ: So, if I'm not
4 mistaken, a work session in the future, including board members
5 who participate. I'm okay with that. With that, I do have a
6 motion, then, Chairman. First of all, great report, Adam. I
7 swear, you're the only one that always writes so much stuff, and
8 then it's totally different than what I hear from you on the
9 phone or stuff, so good work. I just wanted to just acknowledge
10 your great work on all this. And then also your work
11 anniversary. I know it's been a while since I've seen you, so
12 it's been some time. I think you're 18 years, or something.

13 MR. LEONARD: Yes.

14 COMMISSIONER ALVAREZ: With that, Chairman,
15 I move that we approve the target methodologies and authorize
16 staff to apply these methodologies to said BCY '21 targets and
17 sub-targets for employee-enrolled orders [sounds like] to post
18 exit--employed enrolled quarters two through four post exit,
19 credential rate, number of employers receiving workforce
20 assistance, and claimant reemployment within 10 weeks, as
21 presented by staff.

22 COMMISSIONER DEMERSON: I second.

23 CHAIRMAN DANIEL: It's been moved and
24 seconded. We're unanimous.

25 MR. LEONARD: Thank you for your time.

1 CHAIRMAN DANIEL: Thank you, thank you very
2 much.

3 MR. LEONARD: I appreciate the [inaudible].

4 COMMISSIONER ALVAREZ: Mm-hmm, very
5 informative.

6 CHAIRMAN DANIEL: Nothing on item 12 is what
7 I'm showing. Item 13 is a standing item, discussion,
8 consideration, and possible action regarding guidance on
9 resource utilization and implementation of services and
10 strategies to target disaster relief efforts and public health
11 emergencies, including those funded with the Department of
12 Labor's disaster dislocated worker grant.

13 MR. SERNA: We have nothing, sir.

14 CHAIRMAN DANIEL: Item 14 is discussion,
15 consideration, and possible action regarding approval of local
16 workforce development board nominees. Hey, Shunta? Either our
17 volume's turned down, or you're muted, and I don't know which
18 one it is.

19 MS. ARBOUR: I'm happy to help with this, if
20 you can hear me. Shunta provided her talking points to me in the
21 event she had any trouble today.

22 CHAIRMAN DANIEL: Well, that's okay with me.

23 MS. ARBOUR: Okay. This is Courtney Arbour,
24 director of the Workforce Division. And good morning,
25 commissioners and Mr. Serna. Before you are workforce board

1 nominees for Workforce Solutions Golden Crescent, Lower Rio
2 Grande Valley, and Southeast Texas. I believe staff answered the
3 questions in the briefings with your office these last couple of
4 weeks, but certainly we're here to answer any questions you may
5 have.

6 CHAIRMAN DANIEL: Comments or questions?

7 COMMISSIONER ALVAREZ: None here, Chairman.

8 COMMISSIONER DEMERSON: None.

9 CHAIRMAN DANIEL: Is there a motion?

10 COMMISSIONER ALVAREZ: I move that we
11 approve the board nominees for Golden Crescent, Lower Rio Grande
12 Valley, and Southeast Texas.

13 COMMISSIONER DEMERSON: I second.

14 CHAIRMAN DANIEL: It's been moved and
15 seconded. We're unanimous.

16 MS. ARBOUR: Thank you.

17 CHAIRMAN DANIEL: Thank you. Nothing under
18 Agenda Item 15. Is there a legislative report? There is.

19 MR. MCCARTY: Good morning, Chairman Daniel,
20 Commissioner Alvarez, Commissioner Demerson, Mr. Serna. For the
21 record, Tom McCarty, external relations. Yesterday, the U.S.
22 Senate confirmed Marty Walsh as the secretary of Labor, and here
23 at the Texas legislature, today the House Appropriations
24 Subcommittee on article 6, 7, and 8 will be taking up budget
25 riders at their formal meeting today. As a reminder, there's no

1 public testimony for those hearings. And then also the House
2 Committee on International Relations and Economic Development
3 will consider HD 1792 by Representative [inaudible] at their
4 hearing Wednesday morning. This is TWC's legislative proposal
5 related to TRS assessors and evaluators. Reagan will be our
6 resource witness for the hearing, and I'm available if you have
7 any questions.

8 CHAIRMAN DANIEL: All right, comments or
9 questions?

10 COMMISSIONER ALVAREZ: None here, Chairman.

11 COMMISSIONER DEMERSON: None.

12 CHAIRMAN DANIEL: Thank you.

13 MR. MCCARTY: Thank you.

14 CHAIRMAN DANIEL: Mr. Serna, any executive
15 director's report today?

16 MR. SERNA: The only thing that I wanted to
17 mentioned, and we've made each of your offices aware, that we
18 continue to experience high levels of fraud because of the
19 volume--the money volume flowing through the UI system. We're
20 taking very aggressive steps, including bringing additional
21 resources, contract resources on board, tools on board, to
22 address that. We believe that we've been relatively successful,
23 but we continue to remain very aggressive in our effort. I am
24 getting more calls from executive directors of state agencies.
25 I've had four in the past week. I'll be sending a letter out to

1 all executive directors of state agencies, and probably
2 university presidents, pointing out to them that the situation
3 is occurring, and some of the steps at a very high level,
4 without any details, because some of them are concerned that
5 they have a system breach or that we have a system breach, and
6 that's not the case.

7 CHAIRMAN DANIEL: Mm-hmm.

8 MR. SERNA: I can guarantee probably 99
9 percent that it's not their system, and 100 that it's not ours.
10 So, I'll be sending out a communication. And then we're also
11 gonna be sending out communications in general for employers and
12 individuals concerning what they need to do if they suspect
13 fraud. So, we'll share those communications with your offices.
14 That's all I have.

15 CHAIRMAN DANIEL: Thank you. Any questions
16 or comments?

17 COMMISSIONER ALVAREZ: No. Thank you, Ed.

18 COMMISSIONER DEMERSON: No, I was just gonna
19 say on certain terms of that communication, that's a good route
20 to go, and a really good [inaudible] public, because I'm getting
21 more and more calls from employers that have been hit with that
22 fraud, so.

23 MR. SERNA: Okay.

24 CHAIRMAN DANIEL: Is there any other item of
25 business to come before the commission?

1 COMMISSIONER ALVAREZ: None here, Chairman.
2 I just appreciate, though, that we're improving on the way that
3 we communicate with our constituents by having these meetings in
4 person, so thank you, Ed, for making the accommodations for
5 that. And maybe just as kind of a helpful hint, maybe inform
6 those reporting to us if they can just do a mic check prior to
7 commission meeting. I just feel like I wanna make sure everybody
8 hears what's going on, and I'm sure that we can improve on that.
9 So, thank you for that.

10 MR. SERNA: [Inaudible] we're going to have
11 a note that we will have a complete practice session the day
12 before.

13 COMMISSIONER ALVAREZ: That's awesome,
14 thanks, Ed.

15 COMMISSIONER DEMERSON: Yeah, I just wanna
16 commend the IT team.

17 COMMISSIONER ALVAREZ: Yes.

18 COMMISSIONER DEMERSON: [Inaudible] in
19 particular, James in particular. A lot of times, he really takes
20 care of a lot of business for those of us who are not as
21 technically astute. But appreciate the work that those guys are
22 doing [inaudible].

23 COMMISSIONER ALVAREZ: We thought James was
24 part of your staff.

25

1 COMMISSIONER DEMERSON: Yeah, it's you, I
2 see him over at your office more than mine, so.

3 MR. SERNA: Great, thank you.

4 COMMISSIONER DEMERSON: We appreciate the
5 work of the IT team.

6 CHAIRMAN DANIEL: All right. If you'll
7 indulge me on a point of personal privilege for just a moment, I
8 wanna congratulate the newly crowned Southern Collegiate
9 Athletic Conference women's basketball champions. That would be
10 our Trinity Tigers--

11 COMMISSIONER DEMERSON: Yes.

12 CHAIRMAN DANIEL: --from San Antonio. Under
13 the senior leadership of Jordan Rudd, Annie Wise, and Emily
14 Daniel, and the head coach there is Cam Hill. Joe Shotlin's [SP]
15 the first assistant. There's no NCAA conference in division
16 three this year, so we're gonna let them claim that as the Texas
17 National Championship. Very proud of these young women. Those
18 seniors, that was their last collegiate game, so we're gonna
19 unleash them on the world in May, and I hope the world is ready,
20 because these young women, they're gonna get it done. So,
21 congratulations, Trinity Tigers, and the Southern Collegiate
22 Athletic Conference champions.

23 COMMISSIONER ALVAREZ: Well said, Chairman.

24 COMMISSIONER DEMERSON: Go, Tigers.

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CHAIRMAN DANIEL: All right. Any other

business?

COMMISSIONER ALVAREZ: None here.

CHAIRMAN DANIEL: Is there a motion to

adjourn?

COMMISSIONER ALVAREZ: Chairman, I move that

we adjourn.

COMMISSIONER DEMERSON: I second.

CHAIRMAN DANIEL: It's been moved and

seconded that we adjourn, and we're adjourned. Thank you.