

**Texas Workforce Commission
Summary of Recommendations - House**

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Larry Temple, Executive Director

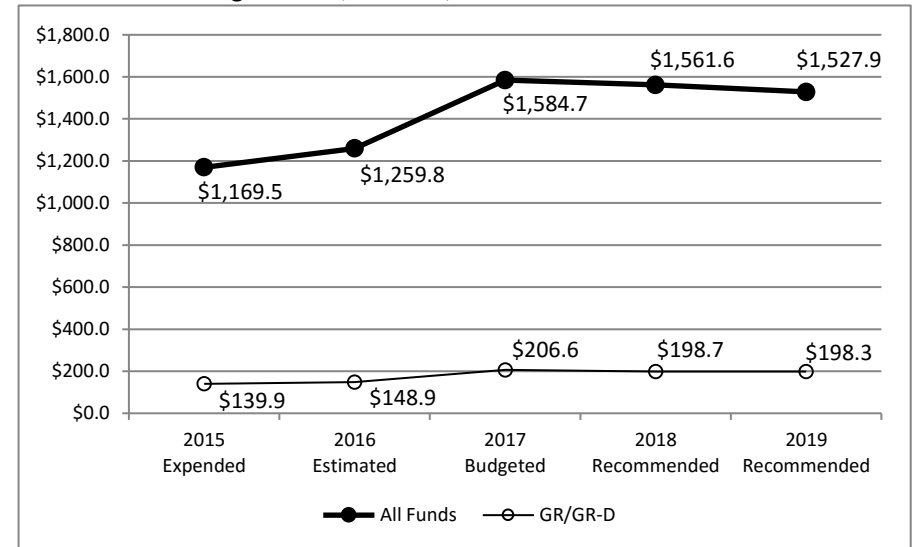
Caitlin Perdue, LBB Analyst

Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$339,894,462	\$384,367,485	\$44,473,023	13.1%
GR Dedicated Funds	\$15,632,400	\$12,588,583	(\$3,043,817)	(19.5%)
<i>Total GR-Related Funds</i>	<i>\$355,526,862</i>	<i>\$396,956,068</i>	<i>\$41,429,206</i>	<i>11.7%</i>
Federal Funds	\$2,349,936,802	\$2,546,821,260	\$196,884,458	8.4%
Other	\$139,043,230	\$145,719,420	\$6,676,190	4.8%
All Funds	\$2,844,506,894	\$3,089,496,748	\$244,989,854	8.6%

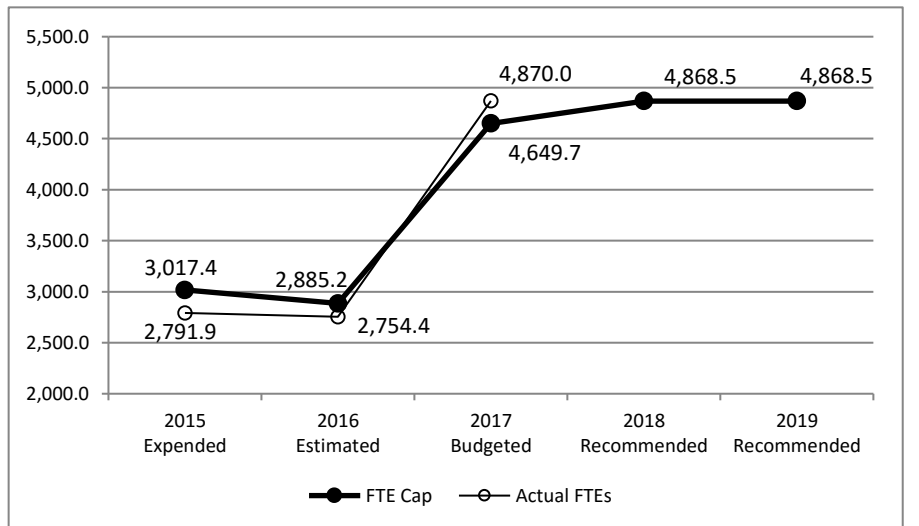
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	4,870.0	4,868.5	(1.5)	(0.0%)

The bill pattern for this agency (2018-19 Recommended) represents an estimated 99.7% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Texas Workforce Commission
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Decrease of \$16.3 million for 1) \$11.0 million for a MOF swap to fund statewide employee salary increases with Federal Funds instead of GR and GR-D, 2) \$3.0 million for Workforce Employment and Training activities, 3) \$1.7 million for the Skills Development program, and 4) \$0.6 million for a funding reduction for the Department of Assistive and Rehabilitative Services (DARS) vocational rehabilitation program in alignment with the federal funding allocation and state federal match; pursuant to the four percent reduction.	(\$12.2)	(\$4.1)	\$0.0	\$0.0	(\$16.3)	15 strategies
B)	Biennialize funding for the vocational rehabilitation programs transferring from DARS. Health and Human Services Commission recommendations include a corresponding reduction.	\$56.7	\$1.1	\$252.2	\$1.1	\$311.1	A.2.1, A.2.2, A.2.3, C.1.1, C.1.2, C.1.3
C)	Decrease in Federal Funding primarily related to a reduction of 1) \$47.2 million for the Adult Education Grant, 2) \$25.8 million for the Child Care and Development Block Grant, and 3) \$8.4 million in State Administrative for Supplemental Nutrition Assistance Program; offset by increases of 1) \$11.2 million for the Unemployment Insurance Grant, 2) \$10.4 million for the Employment Services Grant, and 3) \$4.5 million in Child Care Mandatory & Matching Funds.	\$0.0	\$0.0	(\$55.3)	\$0.0	(\$55.3)	25 strategies
D)	Interagency Contract increase for the child care provided to the foster care and protective services populations from the Department of Family and Protective Services.	\$0.0	\$0.0	\$0.0	\$11.6	\$11.6	A.4.4

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

E)	Decrease of GR and GR-D for 1) \$30,926 in the PC Replacement capital budget to fund a 6-year replacement cycle; and 2) \$36,942 in the Building Maintenance capital budget to fund at 2016-17 levels.	(\$0.0)	(\$0.1)	\$0.0	\$0.0	(\$0.1)	5 strategies
F)	Decrease in Interagency Contracts primarily related to the Office of Attorney General Non-Custodial Parents project and the DARS system integration capital project not anticipated in the next biennium.	\$0.0	\$0.0	\$0.0	(\$5.5)	(\$5.5)	8 strategies

Texas Workforce Commission
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
G)	Anticipated decrease in Appropriated Receipts related to Third Party Reimbursements from Local Workforce Development Boards for the Child Care Development federal grant local match.	\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	10 strategies
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$44.5	(\$3.0)	\$196.9	\$6.7	\$245.0	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$56.7	\$1.1	\$252.2	\$12.7	\$322.7	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$12.2)	(\$4.2)	(\$55.3)	(\$6.0)	(\$77.7)	As Listed

NOTE: Totals may not sum due to rounding.

**Texas Workforce Commission
Selected Fiscal and Policy Issues - House**

1. **Child Care Funding.** The Texas Workforce Commission (TWC) provides three child care programs including 1) Choices child care for Temporary Assistance for Needy Families (TANF) participants and applicants, Supplemental Nutrition Assistance Program – Employment & Training participants, and former Department of Family and Protective Services (DFPS) foster and protective care children; 2) At-Risk child care for low income families; and 3) the current DFPS foster and protective care caseload. Choices child care participants primarily receive fully subsidized care. Historically, the average fully subsidized Choices child care case averaged four months, before transitioning to the At-Risk Child Care program, which provides child care services with a parent co-pay requirement. The federal Child Care and Development Block Grant (CCDBG) Act of 2014 reauthorized the child care program for the first time since 1996 and represents significant changes to the Child Care and Development Fund (CCDF) program.
 - **Extension of Eligibility Period.** On October 1, 2016, a requirement went into effect that established a 12-month eligibility re-determination period for CCDF participants, regardless of changes in income below the federal threshold of 85 percent of the state median income or temporary changes in participation in work, training, or education activities. As a result of this change, the agency is anticipating an increase in participation and needed funding for the TANF Choices & Mandatory Child Care program and a corresponding decrease in participation and funding for the At-Risk program. The agency also anticipates this will result in fewer families receiving care, as more funding will be required to cover the 12-month child care subsidy. TWC is monitoring the impact of this significant change in fiscal year 2017.
 - **Department of Family and Protective Services (DFPS).** TWC has an Interagency Contract (IAC) with DFPS to provide child care services for children in foster care and protective services. The IAC amount has been updated for fiscal years 2016 to 2019 to align funding with LBB forecasts. TWC is projecting the federal eligibility requirement will also affect the DFPS caseload. As children leave protective care, TWC will be required to fund the child care services for the remainder of the 12 months, serving fewer families in the At-Risk program.
 - **Child Care Transferability Rider.** Recommendations include a new Child Care Transferability rider requested by the agency to transfer funding between Strategy A.4.1, TANF Choices & Mandatory Child Care and Strategy A.4.2, At-Risk & Transitional Child Care, beyond current transferability limitations established in Article IX, Section 14.01, Appropriation Transfers, in order to maximize the expenditure of available child care funds and respond to unanticipated caseload changes. The rider includes a notification requirement when accessing this rider as well as a quarterly report on transfers to the Legislative Budget Board. (See Rider Highlights #45)
 - **Child Care Performance Measures.** Recommendations adjust performance measures and targets related to child care for the average number of children served to reflect the new federal changes. The agency requested to increase targets for the average number of children served by TANF Choices & Mandatory and decrease the target for the average number of children served by At-Risk & Transitional. Recommendations increase the average cost per child served in alignment with the agency's request from \$23.76 in fiscal year 2017 to \$23.77 in fiscal years 2018-19 for TANF Choices & Mandatory and from \$17.69 in 2017 to \$17.70 in 2018 and \$17.71 in 2019 for At-Risk & Transitional related to the average child remaining in care longer. The Commission determines a lump sum allocation along with a performance target for the number of children served for each local workforce board. With these parameters, the local boards work with child care service providers to reimburse services rendered at a rate not to exceed a set maximum rate. This maximum rate is determined by the local workforce board, in alignment with the Market Rate Survey provided by the agency. The final rates set by the local boards affect all children served in that area, including children paid for by DFPS. (See Performance Measure Highlights Section)
2. **Capital Budget.** Recommendations include \$69.1 million in capital budget authority in the 2018-19 biennium, including \$0.9 million in GR and GR-D, \$68.0 million in Federal Funds, and \$0.2 in Appropriated Receipts. The capital budget funding and authority for the 2018-19 biennium only includes continuing projects or projects required by federal guidelines. The majority of the capital budget is related to Data Center Consolidation and Centralized Accounting and Payroll/Personnel System totaling \$49.5 million. The remainder of the capital budget includes 1) \$6.2 million for PC replacements on a 6-year replacement cycle, increased bandwidth capabilities, and operations infrastructure, such as content management and telecommunications; 2) \$6.2 million for TWC-owned building maintenance; 3) \$3.9 million for the second phase for a data warehouse and a contracting system; 4) \$2.2 million for a portal for employers to enter data on short-time unemployment

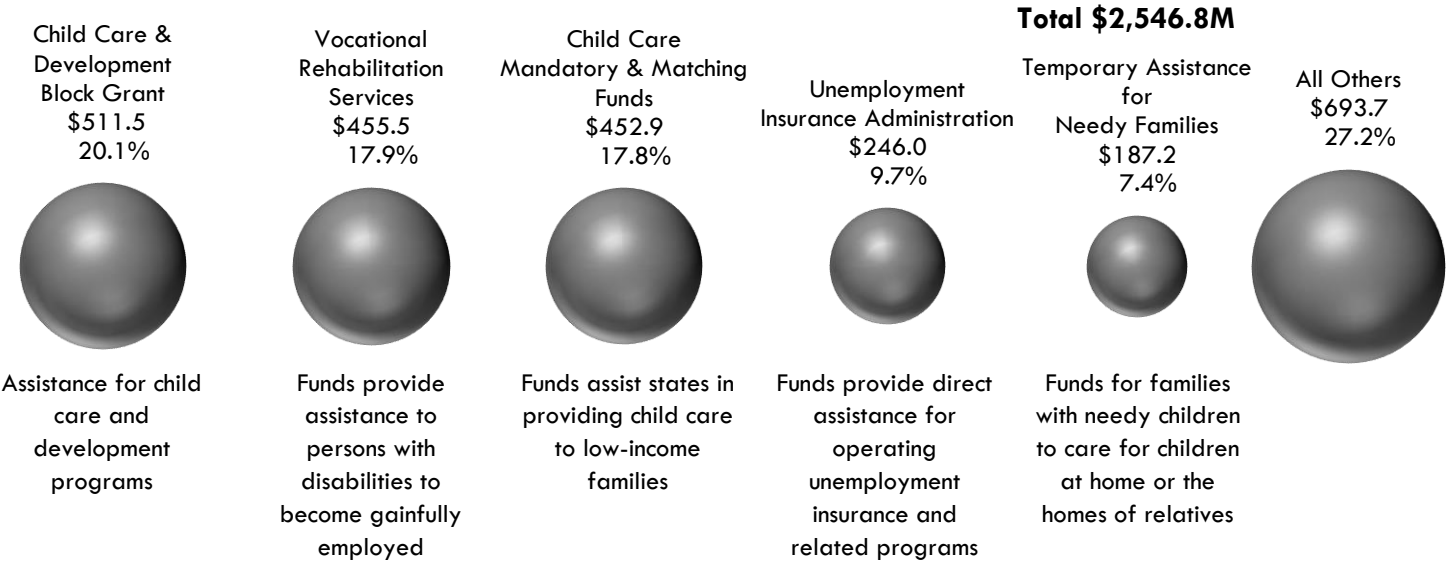
compensation; and 5) \$1.1 million related to RehabWorks for the VR program and establishing food service facilities for Business Enterprises of Texas. (See Rider Highlights #2)

3. **Vocational Rehabilitation Overview.** SB 208 (84R) transferred the vocational rehabilitation program from the Department of Assistive and Rehabilitative Services (DARS) to TWC, including the Criss Cole Rehabilitation Center and independent living services for older individuals who are blind. The list below provides a breakdown of VR funding for the 2016-17 biennium and the 2018-19 biennium.

Method of Finance (millions)	2016-17	2018-19
General Revenue	\$113.6	\$113.0
GR-D Business Enterprise Program Account	\$1.4	\$1.4
GR-D Business Enterprise Program Trust Fund	\$0.8	\$0.8
Federal Funds	\$503.1	\$505.5
Other Funds	\$3.9	\$2.2
All Funds	\$622.8	\$622.9

4. **Four Percent Reduction.** TWC's four percent reduction amount totals \$16.3 million. Recommendations include the following items identified in the agency's four percent reduction. The 2018-19 recommendations do not include reductions in Maintenance of Effort (MOE) requirements or federal matching funds. GR-D Business Enterprise Trust Fund 5043 was not subject to the Comptroller of Public Accounts' certification of the General Appropriations Act in the 2016-17 biennium and, as a result, approximately \$0.8 million was exempt from the four percent reduction.
 - **Method of Finance Swap for Salary Increases.** The reduction totaling \$11.0 million in GR and GR-D across multiple programs, including Unemployment Insurance and Employment Services, relates to statewide employee salary increases provided in the 2014-15 and 2016-17 General Appropriations Act. The agency received a portion of the salary increases from GR and GR-D, and is replacing this portion with increases in Federal Funds for the 2018-19 biennium.
 - **Workforce Employment and Training Activities.** This reduction in grant funding totals \$3.0 million in the GR-D Employment and Training Investment Assessment Holding Fund and includes the associated deletion of Rider 33, Workforce Employment and Training Activities, which funds initiatives for job creation and economic development as well as \$0.2 million each year transferred to the Texas Veterans Commission for veteran employment programs.
 - **Skills Development Program.** The reduction in grant funding for the Skills Development program totals \$1.7 million in GR and will result in a reduction of approximately 500 Skills Development trainees each year. Recommendations provide funding for 12,087 trainees each fiscal year.
 - **Vocational Rehabilitation (VR) Program.** The reduction for the VR program totals \$0.6 million in GR to align the GR needed to match the estimated level of federal VR grant funding in the 2018-19 biennium.
5. **Unemployment Compensation (UC) Trust Fund.** The UC Trust Fund is a federal trust fund established outside of the state treasury, administered by TWC to support the state's unemployment compensation program. The UC Trust Fund is financed through taxes on employers responsible for benefits paid to former workers. The fund balance is required to be above the floor of \$400 million or 1% of taxable wages, whichever is greater. As of January 2017, the Trust Fund Floor is \$1,107.2 million. If the UC Trust Fund balance is less than the required floor, then the fund is replenished by a transfer from GR-D Employment and Training Investment Assessment (ETIA) Fund 5128. In fiscal year 2017, \$108.0 million will be transferred from the GR-D ETIA Fund to the UC Trust Fund. After this transfer, the UC Trust Fund will still be below the floor totaling \$1,066.6 million, and as a result, the agency may issue bonds or a tax assessment to generate sufficient revenue to meet the fund floor.
6. **Method of Finance for Adult Education Match.** Recommendations include a new Method of Finance for General Revenue Match for Adult Education. This further identifies the General Revenue used for federal matching requirements separate from the discretionary General Revenue.

Texas Workforce Commission
Summary of Federal Funds (2018-19) - House

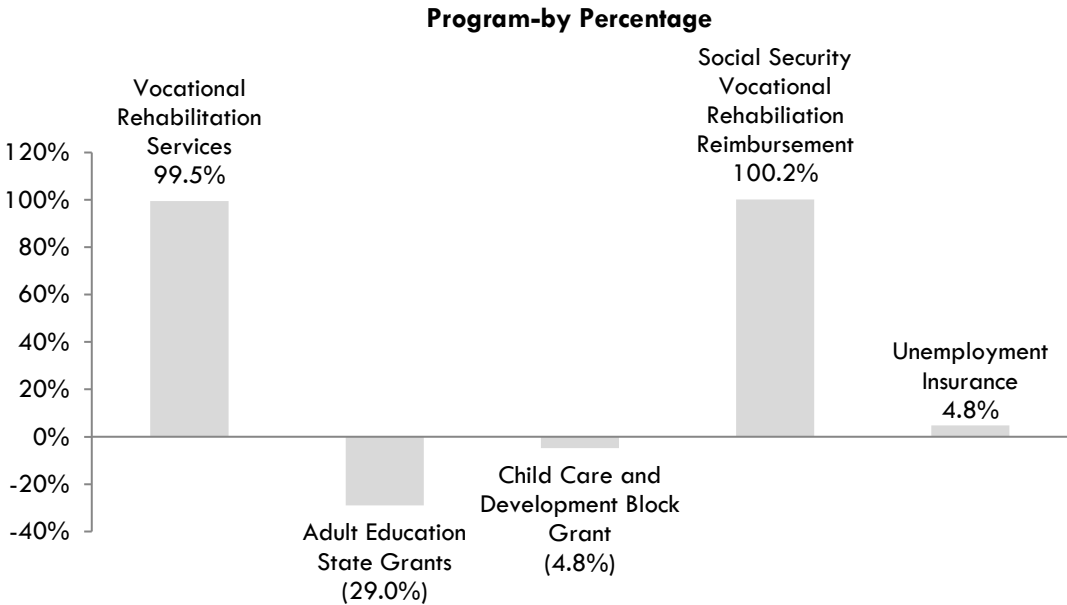
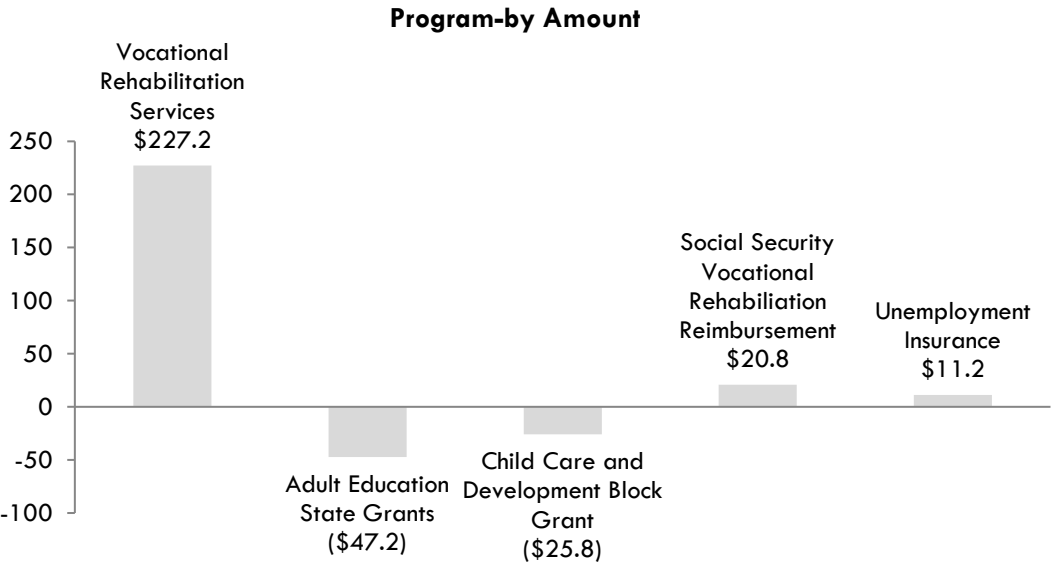


Selected Federal Fiscal and Policy Issues

1. The Vocational Rehabilitation program was transferred from the Department of Assistive and Rehabilitative Services to the Texas Workforce Commission in Fiscal Year 2017.

2. Beginning in fiscal year 2017, states will be required to use at least 3 percent of their Child Care and Development Fund award to improve the quality of infant and toddler care.

Programs with Significant Federal Funding Changes from 2016-17



**Texas Workforce Commission
Quality Assurance Team Highlights - House**

Section 3b

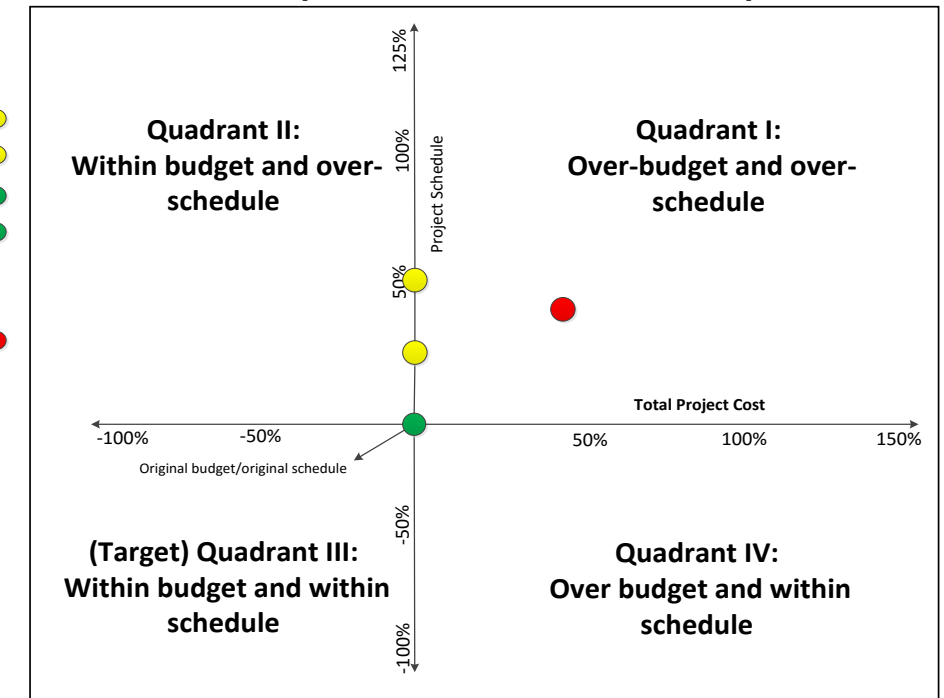
Summary of Total Costs (in millions) and Time Frames reported to the Quality Assurance Team

	Original Projected Costs	Current Projected Costs	Difference in Costs	Expenditures to Date	Original Timeline in Months	Current Timeline in Months	Difference in Time	% Complete	
Active Project Name									
1 Claimant View 1.0	\$1.2	\$1.2	\$0.0	\$1.0	15	19	4	100%	●
2 Tax Electronic Correspondence	\$1.5	\$1.6	\$0.1	\$1.0	20	39	19	73%	●
3 Integration for DARS Transition	\$5.0	\$5.0	\$0.0	\$2.4	12	12	0	100%	●
4 Treasury Offset Program	\$1.8	\$1.8	\$0.0	\$0.7	24	24	0	87%	●
Canceled Project Name									
5 Tax Modernization	\$9.1	\$12.8	\$3.7	\$8.1	29	53	24	75%	●
6 Streamline Fraud/Non-Fraud Determinations	\$1.0	\$1.0	\$0.0	\$0.0	22	22	0	0%	
7 Tax User Interface	\$3.3	\$3.3	\$0.0	\$0.0	18	18	0	0%	
8 Update Tax Filing Options	\$2.5	\$2.5	\$0.0	\$0.0	21	21	0	0%	
9 Common Components Phase 2	\$1.7	\$1.7	\$0.0	\$0.0	23	23	0	0%	
10 Improve Job Matching	\$1.4	\$1.4	\$0.0	\$0.0	20	20	0	0%	
Project Totals (10)	\$28.5	\$32.3	\$3.8	\$13.2					

Notes:

- a) The Claimant View 1.0 project is 36% over duration. The increase is due to the agency prioritizing other projects that were further along with the development.
- b) The Tax Electronic Correspondence project is 89% over duration and a slight increase over cost. Shortly after project initiation QAT noted that all costs were not being identified and realized that procurement of a vendor took an additional six months from the initial estimated planned time. The project was extended to align with the revised Tax Modernization project as the agency was schedule to have both projects developed by the same vendor and staff resources.
- c) Texas Workforce Commission (TWC) canceled six projects, five were canceled before project initiation. The decision to cancel these projects were made by TWC's Business Enterprise Strategic Technology (BEST) team not to move forward due to re-alignment of agency priorities. Tax Modernization project was canceled based on the number of project problems including the vendor's poor quality of project deliverables (Schedule and Project code).

Major Information Resources Projects



Legend

- Project is within budget and within schedule
- Project exceeds budget OR schedule
- Project is over budget and behind schedule

**Texas Workforce Commission
Quality Assurance Team Highlights - House**

Section 3b

Significant Project Highlights

1 Claimant View 1.0 - Benefits Electronic Correspondence

This project was authorized to begin in FY 2013 as a 15 month project and was appropriated through the Unemployment Insurance (UI) IT Improvement Project capital budget item for development.

According to agency, the number of active UI claimants continues to grow and the cost of preparing and mailing documents required by statute continues to consume a larger percentage of the total UI operating budget. This project will replace the mailing of documents for those claimants who voluntarily agree to receive correspondence electronically. If the claimant has selected electronic correspondence, a notice of the existence of electronic correspondence will be generated and e-mailed to the user.

An important benefit for this project is offering the claimant access to correspondence through the project web system without TWC staff intervention, or waiting on mail delivery.

2 Tax Electronic Correspondence

This project was authorized to begin in FY 2014 as a 20 month project and was appropriated as part of the UI IT Improvement Project capital budget item for development.

UI Tax correspondence documents are created, imaged and mailed. This project will replace the mailing of documents for those employers who voluntarily agree to receive correspondence electronically. The list of documents eligible for this process will be identified and when created, if the employer has opted in to electronic correspondence, a notice of the existence of electronic correspondence will be generated and emailed to the user who has opted in. The email instructs the employer to logon to UTS and navigate to the Message Center to view the unread document. When the user logs on to UTS, the unread messages for that employer will be identified. Once the user has read a document, it will be electronically marked as read with the appropriate timestamp.

QAT Budget Highlights (in millions)

Project Name	2016-17 Base	2018-19 Requested	2018-19 Recommended
Claimant View 1.0	\$0.1	\$0.0	\$0.0
Tax Electronic Correspondence	\$0.4	\$0.0	\$0.0
Integration for DARS Transition	\$4.3	\$0.0	\$0.0
Treasury Offset Program	\$0.8	\$0.0	\$0.0
Total	\$5.6	\$0.0	\$0.0

**Texas Workforce Commission
Quality Assurance Team Highlights - House**

Section 3b

3 Integration for DARS Transition

This project was authorized to begin in FY 2016 as a 12 month project and was appropriated through a Request to Exceed pursuant to Article IX, Section 14.03(b) of the 2016-17 GAA on January 22, 2016. The project was funded through an Interagency Contract of \$3.9 million with the Department of Assistive and Rehabilitative Services (DARS) and \$0.4 million in existing Federal Funds.

The System Integration for DARS Transition project will integrate financial, human resources, vocational rehabilitation, and other applications and interfaces that support the services and programs transferring to TWC from DARS and Health and Human Services Commission effective September 1, 2016.

4 Treasury Offset Program

This project was authorized to begin in FY 2016 as a 24 month project and was appropriated through the UI IT Improvement Project capital budget item for development.

This project focuses on creating an interface with the federal Treasury Offset Program (TOP) database in order to collect debts from individuals who have received an overpayment of UI benefits as a result of misreporting wages or fraud, and any penalties assessed on those overpayments. Implementation of this project is required to be in compliance with federal law as reflected in the US Department of Labor's Unemployment Insurance Program. This project will allow TWC to replenish the UI Trust Fund and return funds to the federal government for related UI benefit debt.

5 Tax Modernization Project

This project was authorized to begin in FY 2012 as a 29 month project and was appropriated through the UI IT Improvement Project capital budget item for development.

The Tax Modernization project supports TWC's goal to collect all appropriate employer contributions for unemployment insurance. The refurbishment of the Unemployment Tax System will support this objective by ensuring the systems that support the collection of taxes are maintainable, responsive and available for the collection of employer contributions to unemployment insurance.

In FY 2016, TWC and the vendor were unable to reach agreement on reasonable project dates and, in May, TWC contracted with Gartner to perform a third-party project health check (i.e., Independent Verification and Validation (IV&V)). Gartner identified 8 key recommendations for TWC to evaluate and remediate the project. Gartner recommends that all project work is stopped before executing the recommendations. Based on the number of project problems, TWC does not believe that the Nov 2016 implementation date can be met and TWC canceled the contract for convenience with NTT Data.

**Texas Workforce Commission
FTE Highlights - House**

Section 3c

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	3,017.4	2,885.2	4,649.7	4,868.5	4,868.5
Actual/Budgeted	2,791.9	2,754.4	4,870.0	NA	NA

Schedule of Exempt Positions (Cap)

Commissioner, Group 6	\$150,000	\$189,500	\$189,500	\$189,500	\$189,500
Commissioner (2), Group 5	\$150,000	\$189,500	\$189,500	\$189,500	\$189,500
Executive Director, Group 5	\$165,919	\$192,698	\$192,698	\$192,698	\$192,698

Notes:

a) The agency received an increase of 1,860.9 FTEs in the 2017 FTE cap related to the vocational rehabilitation programs transferred from Department of Assistive and Rehabilitative Services (DARS) pursuant to SB 208 (84R).

b) The agency increased by 220.3 FTEs from the 2017 FTE cap to the 2017 FTE actual due to the following:

- Increase of 160.0 FTEs related to the projected increase in unemployment claims allowable under Article IX, Section 6.10(h) regulations as the FTEs will be 100 percent federally funded;
- Increase of 46.3 FTEs to better reflect the actual number of FTEs transferring from the DARS pursuant to Senate Bill 208 (84R); and
- Increase of 14.0 FTEs related to the determination that the agency would implement the independent living services program for older individuals who are blind that was initially contracted to the Health and Human Services Commission.

c) Recommendations include 4,868.5 FTEs in the 2018-19 biennium in alignment with the agency's request. The decrease of 1.5 FTEs from the 2017 actual is related to the elimination of the federal Apprenticeship USA Grant.

**Texas Workforce Commission
Performance Measure Highlights - House**

Section 3d

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
TANF Choices & Mandatory Child Care Key Measures					
• Average Number of Children Served Per Day	4,671	6,213	13,722	13,934	13,934
• Average Cost Per Child Per Day for Child Care	\$23.31	\$23.81	\$23.76	\$23.77	\$23.77
At-Risk & Transitional Child Care Key Measures					
• Average Number of Children Served Per Day	95,623	94,235	95,060	90,560	90,560
• Average Cost Per Child Per Day for Child Care	\$17.60	\$17.73	\$17.69	\$17.70	\$17.71

Notes:

a) Recommendations adjust performance measures and targets related to child care for both the average number of children served and the average cost per child served to reflect the new federal changes (See Selected Fiscal and Policy Issue #1). The agency requests to increase targets for the average number and cost for children served by TANF Choices & Mandatory Child Care and decrease the target for the average number of children served by At-Risk & Transitional Child Care.

b) Child care rates are set by the Commission determining a lump sum allocation along with a performance target for number of children served for each local workforce board. With these parameters, the local boards work with child care service providers to reimburse services rendered at a rate not to exceed a set maximum rate. This maximum rate is determined by the local workforce board, in alignment with the Market Rate Survey provided by the agency. The final rates set by the local boards affect all children served in that area.

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Vocational Rehabilitation					
• Participants Served - Vocational Rehabilitation	69,121	75,327	71,738	70,501	71,028
• Average Cost per Participant Served - Vocational Rehabilitation	\$3,263.51	\$3,789	\$3,265	\$3,265	\$3,265
• Number of Individuals Employed by Business Enterprises of Texas Businesses (Managers and Employees)	1,439	1,450	1,500	1,520	1,540

Notes:

a) The performance measures above represent new measures as a result of the vocational rehabilitation program transfers from Department of Assistive and Rehabilitative Services (DARS) in fiscal year 2017, pursuant to Senate Bill 208 (84R).

b) Participants Served and Average Cost per Participant Served are impacted by a requirement in the federal Workforce Innovation and Opportunity Act (WIOA) that 15 percent of all Vocational Rehabilitation funds are spent on Pre-Employment Transition Services, which is primarily for youth and considered non-participants. The WIOA requirements also changed the definition of a "participant" changed from any consumer who has contact with the program to an individual who has an approved Individual Plan for Employment and is receiving services.

**Texas Workforce Commission
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations amend this rider and reflect changes to capital budget authority for the following: (1) a decrease of \$9.6 million for Unemployment Insurance Improvements due to anticipated lapses in 2016-17 and fewer projects in 2018-19; (2) a decrease of \$1.6 million for PC Replacement to fund a 6-year replacement cycle and LAN/WAN area upgrades; (3) an increase of \$2.7 million to biennialize funding for the Vocational Rehabilitation program; and (3) an increase of \$1.2 million for Operations Infrastructure and Workforce Solutions Improvements. The capital budget funding and authority for the 2018-19 biennium only includes continuing projects or projects required by federal guidelines. (See Selected Fiscal and Policy Issue #2 and Items Not Included in Recommendations #4 & 5)
23. **Local Matching Funds.** Recommendations amend this rider to increase the local matching funds provided by local workforce areas used to draw down Child Care Matching Federal Funds, in alignment with the agency's request. The agency anticipates a less favorable Federal Medicaid Assistance Percentage (FMAP) rate in the 2018-19 biennium, which results in a higher match requirement for the agency. TWC typically meets this match requirement through: 1) statewide appropriations going towards pre-kindergarten programs; 2) General Revenue; and 3) the local match funding provided through this rider. The agency currently cannot increase the match level from pre-kindergarten programs and has chosen not to allocate additional General Revenue for this purpose, and instead is asking the local workforce areas to make up the projected difference.
33. **Reimbursement of Advisory Committee Members.** Revise rider to include the Purchasing from People with Disabilities Advisory Committee from the SB 212 (84R) program transfer from the Comptroller of Public Accounts. Pursuant to SB 212 (84R), this advisory committee is not subject to the Texas Government Code, Chapter 2110, which requires reimbursement for expenses to be prescribed by the GAA. As a result, recommendations add the committee to the rider to provide transparency on reimbursement costs.
44. **Adult Education and Family Literacy Workforce Diploma Program Pilot Project.** This rider allows the agency to establish an Adult Education and Family Literacy (AEL) workforce diploma pilot project to increase participation in adult diploma and technical training programs and increase job placement outcomes in high demand job fields. However, there is currently no available funding to implement the project as this expenditure is not currently allowable for federal funds received in the strategy identified in the rider. Revisions delete the strategy reference to expand the use of any available funds for this purpose.

New Riders

45. **Child Care Transferability.** Recommendations include a new Child Care Transferability rider for unlimited transferability between Strategy A.4.1, TANF Choices & Mandatory Child Care and Strategy A.4.2, At-Risk & Transitional Child Care, beyond current transferability limitations established in Article IX, Section 14.01, Appropriation Transfers, in order to maximize the expenditure of available child care funds and respond to unanticipated caseload changes in alignment with the agency's request. Recommendations include a notification requirement to the Legislative Budget Board when accessing this rider. (See Selected Fiscal and Policy Issue #1)
46. **Department of Family and Protective Services (DFPS) Child Care Reporting Requirement.** Recommendations include a new rider requiring TWC to submit a monthly report to the LBB and DFPS on budgeted and actual expenditures as well as budgeted and actual caseload totals for the

children in the DFPS state care program.

Deleted Riders

- 33. **Workforce Employment and Training Activities.** Delete rider, which allocates \$3.0 million in the GR-D Employment and Training Investment Assessment Holding Fund for workforce initiatives, submitted as a part of the agency’s four percent reduction. (See Selected Fiscal and Policy Issue #4)
- 34. **Sunset Contingency.** Delete contingent rider as Senate Bill 208 (84R) passed, which continues the agency for up to 12 years.
- 45. **Contingency for the Department of Assistive and Rehabilitative Services Program Transfer.** Delete contingent rider as SB 208 (84R) passed, which transferred the vocational rehabilitation program from Department of Assistive and Rehabilitative Services to TWC.

Texas Workforce Commission
Items Not Included in Recommendations - House

Section 5

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Jobs and Education for Texans Program. Request to increase grant funds to public community and technical colleges and independent school districts for start-up costs of equipment purchases/upgrades for career and technical education programs. This item relates to Tri-Agency Recommendation #1 to identify statewide initiatives for the next generation to make Texas a leader in targeted fields.	\$4,000,000	\$4,000,000	0.0	No	Yes	\$4,000,000
2)	Adult Education and Literacy Program. Request to expand the development of adult learner models that result in literacy and skills attainment certifications, including the Accelerate Texas program, which provides education to under-skilled or under-employed populations to access entry-level career pathways, as well as high school and community college dropout recovery models for adults up to age 26. This item relates to Tri-Agency Recommendation #3 to build a partnership among the Texas Education Agency (TEA), Texas Higher Education Coordinating Board (THEBC), Texas Workforce Commission (TWC), and other stakeholders to align education goals with the state's higher education plan for 60 percent of 25- to 34-year-olds to hold a certificate or degree by 2030.	\$10,000,000	\$10,000,000	0.0	No	Yes	\$10,000,000
3)	Workforce Career and Technical Education Specialists Demonstration Program. Request to develop a demonstration program to co-locate workforce development specialists in high schools and provide guidance regarding apprenticeship or trade schools for careers in targeted occupations. This item relates to Tri-Agency Recommendation #3 (description in Item #2).	\$2,000,000	\$2,000,000	0.0	No	Yes	\$0
4)	Capital budget authority of \$15.0 million for a Work-In-Texas project to replace the existing online State Labor Exchange. This request would be funded with existing Federal Funds. This is a request for a new project to be funded under a new capital budget item. Estimated continued funding starting in fiscal year 2020 totals \$4.5 million each year for software maintenance.	\$0	\$0	0.0	Yes	Yes	\$0

Texas Workforce Commission
Items Not Included in Recommendations - House

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
5)	Capital budget authority totaling \$2,201,846 for new projects under the current Workforce Solutions Improvements capital budget item, including 1) \$900,000 for a TRACER system project to replace the existing system that provides labor market data to consumers; 2) \$650,923 for a Criss Cole Rehabilitation Center project to redesign the scheduling, attendance, and tracking system; and 3) \$650,923 for a Business Enterprises of Texas (BET) project to redesign the BET Manager Monthly Reporting system. This request would be funded with existing Federal Funds.	\$0	\$0	0.0	Yes	Yes	\$0
TOTAL Items Not Included in Recommendations		\$16,000,000	\$16,000,000	0.0			\$14,000,000

**Texas Workforce Commission
Appendices - House**

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** Information is included in the presentation section of the packet

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
WORKFORCE INNOVATION & OPPORTUNITY A.1.1	\$239,229,571	\$234,704,552	(\$4,525,019)	(1.9%)	
WKFORCE INNOVATN & OPP ACT - YOUTH A.1.2	\$90,783,277	\$93,355,274	\$2,571,997	2.8%	
TANF CHOICES A.1.3	\$177,420,583	\$172,461,443	(\$4,959,140)	(2.8%)	
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	\$98,725,130	\$109,955,031	\$11,229,901	11.4%	All Funds net increase due to the following: -Decrease of \$1,975,688 in GR and GR-D for a MOF swap to fund statewide employee salary increases with Federal Funds instead of GR and GR-D for the four percent reduction; -Decrease of \$3,000,000 in GR-D Employment and Training Investment Assessment Holding Fund for the four percent reduction; -Decrease of \$4,296 in GR and GR-D for PC replacements to fund a 6-year replacement cycle and building maintenance funded at 2016-17 levels; -Increase of \$16,162,376 in Federal Funds for increases in grant funding received for Employment Services and Unemployment Insurance; and -Increase of \$47,509 in Interagency Contracts and Appropriated Receipts.
SNAP E & T A.1.5	\$44,320,798	\$35,958,908	(\$8,361,890)	(18.9%)	
TRADE AFFECTED WORKERS A.1.6	\$39,292,889	\$40,045,855	\$752,966	1.9%	
SENIOR EMPLOYMENT SERVICES A.1.7	\$9,599,824	\$9,636,039	\$36,215	0.4%	
APPRENTICESHIP A.1.8	\$12,210,244	\$8,928,049	(\$3,282,195)	(26.9%)	
ADULT EDUCATION AND FAMILY LITERACY A.1.9	\$197,507,327	\$150,463,766	(\$47,043,561)	(23.8%)	Decrease in the Adult Education Grant to align the federal program year with the state fiscal year.
VOCATIONAL REHABILITATION A.2.1	\$298,939,607	\$591,670,537	\$292,730,930	97.9%	Increase to biennialize funding for the vocational rehabilitation program transferred from the Department of Assistive and Rehabilitative Services (DARS) per SB 208 (84R).
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	\$2,489,507	\$4,980,708	\$2,491,201	100.1%	Increase to biennialize funding for the Business Enterprises of Texas program transferred from DARS per SB 208 (84R).
BUSN ENTERPRISES OF TEX TRUST FUND A.2.3	\$404,212	\$808,424	\$404,212	100.0%	Increase to biennialize funding for the Business Enterprises of Texas program transferred from DARS per SB 208 (84R).
SKILLS DEVELOPMENT A.3.1	\$58,920,784	\$57,180,034	(\$1,740,750)	(3.0%)	Decrease in grant funding for the Skills Development Program for the four percent reduction. This reduction will result in a reduction of approximately 500 Skills Development trainees each year.
SELF SUFFICIENCY A.3.2	\$4,535,063	\$5,075,520	\$540,457	11.9%	
LABOR MARKET AND CAREER INFORMATION A.3.3	\$9,184,413	\$7,902,597	(\$1,281,816)	(14.0%)	

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
WORK OPPORTUNITY TAX CREDIT A.3.4	\$1,350,690	\$1,415,730	\$65,040	4.8%	
FOREIGN LABOR CERTIFICATION A.3.5	\$1,201,662	\$1,296,219	\$94,557	7.9%	
TANF CHOICES & MANDATORY CHILD CARE A.4.1	\$120,637,625	\$172,558,519	\$51,920,894	43.0%	Reallocation from Strategy A.4.2 for the anticipated increase in the number of children served for this program due to the changes in federal requirements.
AT-RISK & TRANSITIONAL CHILD CARE A.4.2	\$992,805,000	\$918,883,129	(\$73,921,871)	(7.4%)	All Funds decrease due to the following: -Reallocation of \$19,366,828 in GR for Child Care and Development Fund and \$32,554,066 in Federal Funds to Strategy A.4.1 for the anticipated increase in the number of children served for this program due to the changes in federal requirements; and -Decrease of \$22,001,922 in the Child Care and Development Block Grant due to an anticipated increase in funding needed for fiscal year 2017 related to the change in federal requirements and the subsequent decrease in enrollment in the At-Risk program in the 2018-19 biennium.
CHILD CARE ADMINISTRATION A.4.3	\$11,554,047	\$12,087,944	\$533,897	4.6%	
CHILD CARE - DFPS FAMILIES A.4.4	\$127,747,692	\$139,348,471	\$11,600,779	9.1%	Increase in Interagency Contracts for the child care provided to the foster care and protective services populations from the Department of Family and Protective Services.
UNEMPLOYMENT CLAIMS A.5.1	\$132,919,163	\$135,073,893	\$2,154,730	1.6%	Increase for a MOF swap to fund statewide employee salary increases with Federal Funds instead of GR and GR-D for the four percent reduction.
UNEMPLOYMENT APPEALS A.5.2	\$34,701,627	\$35,553,995	\$852,368	2.5%	Increase for a MOF swap to fund statewide employee salary increases with Federal Funds instead of GR and GR-D for the four percent reduction.
UNEMPLOYMENT TAX COLLECTION A.5.3	\$51,611,945	\$51,629,714	\$17,769	0.0%	Increase for a MOF swap to fund statewide employee salary increases with Federal Funds instead of GR and GR-D for the four percent reduction.
Total, Goal A, WORKFORCE DEVELOPMENT	\$2,758,092,680	\$2,990,974,351	\$232,881,671	8.4%	
SUBRECIPIENT MONITORING B.1.1	\$6,124,171	\$6,251,051	\$126,880	2.1%	
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	\$9,809,989	\$11,195,044	\$1,385,055	14.1%	
LABOR LAW ENFORCEMENT B.1.3	\$8,316,156	\$8,056,219	(\$259,937)	(3.1%)	
CAREER SCHOOLS & COLLEGES B.1.4	\$2,003,167	\$2,102,411	\$99,244	5.0%	
CIVIL RIGHTS B.2.1	\$4,702,324	\$4,746,737	\$44,413	0.9%	
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	\$30,955,807	\$32,351,462	\$1,395,655	4.5%	

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION C.1.1	\$31,259,802	\$37,516,411	\$6,256,609	20.0%	Increase to biennialize funding for the vocational rehabilitation program transferred from DARS per SB 208 (84R).
INFORMATION RESOURCES C.1.2	\$16,132,213	\$17,611,607	\$1,479,394	9.2%	
OTHER SUPPORT SERVICES C.1.3	\$8,066,392	\$11,042,917	\$2,976,525	36.9%	
Total, Goal C, INDIRECT ADMINISTRATION	\$55,458,407	\$66,170,935	\$10,712,528	19.3%	
Grand Total, All Strategies	\$2,844,506,894	\$3,089,496,748	\$244,989,854	8.6%	All Funds net increase due to the following: -Decrease of \$16,315,240 in GR and GR-D for the four percent reduction, including 1) \$10,975,600 for a MOF swap to fund statewide employee salary increases with Federal Funds instead of GR and GR-D, 2) \$3,000,000 in grant funding from the GR-D Employment and Training Investment Assessment Holding Fund for job creation and economic development initiatives for the four percent reduction, 3) \$1,740,750 for the Skills Development program, and 4) \$598,890 related to the reduction to align the DARS federal funding allocation and state federal match; -Decrease of \$67,868 in GR and GR-D for PC replacements to fund a 6-year replacement cycle and building maintenance funded at 2016-17 levels; -Decrease of \$55,347,070 in Federal Funds primarily due to decreases in Adult Education Grant and the Child Care and Development Block Grant; -Decrease of \$5,494,834 in Interagency Contracts primarily from OAG and DARS not anticipated in the next biennium; -Decrease of \$547,157 in Appropriated Receipts due to an anticipated decrease in Third Party Reimbursements from Local Workforce Development Boards for the Child Care Development federal grant local match; -Increase of \$311,161,244 in All Funds, including \$57,812,314 in GR and GR-D, \$252,231,528 in Federal Funds, and \$1,117,402 in Other Funds, to biennialize funding for the vocational rehabilitation program transferred from DARS per SB 208 (84R); and -Increase of \$11,600,779 in Interagency Contracts for the child care provided to the foster care and protective services populations from the Department of Family and Protective Services.

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
WORKFORCE INNOVATION & OPPORTUNITY A.1.1	\$238,920,080	\$234,704,552	(\$4,215,528)	(1.8%)	
WKFORCE INNOVATN & OPP ACT - YOUTH A.1.2	\$90,783,277	\$93,355,274	\$2,571,997	2.8%	
TANF CHOICES A.1.3	\$157,306,879	\$154,802,739	(\$2,504,140)	(1.6%)	
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	\$80,966,025	\$97,128,401	\$16,162,376	20.0%	
SNAP E & T A.1.5	\$35,985,270	\$27,590,799	(\$8,394,471)	(23.3%)	
TRADE AFFECTED WORKERS A.1.6	\$39,292,889	\$40,045,855	\$752,966	1.9%	
SENIOR EMPLOYMENT SERVICES A.1.7	\$9,572,364	\$9,608,579	\$36,215	0.4%	
APPRENTICESHIP A.1.8	\$5,834,421	\$2,556,000	(\$3,278,421)	(56.2%)	
ADULT EDUCATION AND FAMILY LITERACY A.1.9	\$173,593,132	\$126,692,366	(\$46,900,766)	(27.0%)	Decrease in the Adult Education Grant for a one-time adjustment in fiscal year 2016 to align the federal program year with the state fiscal year.
VOCATIONAL REHABILITATION A.2.1	\$242,103,844	\$485,695,094	\$243,591,250	100.6%	Increase to biennialize funding for the vocational rehabilitation program transferred from the Department of Assistive and Rehabilitative Services (DARS) per SB 208 (84R).
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	\$876,238	\$1,754,170	\$877,932	100.2%	Increase to biennialize funding for the Business Enterprises of Texas program transferred from DARS per SB 208 (84R).
BUSN ENTERPRISES OF TEX TRUST FUND A.2.3	\$0	\$0	\$0	0.0%	
SKILLS DEVELOPMENT A.3.1	\$0	\$0	\$0	0.0%	
SELF SUFFICIENCY A.3.2	\$4,535,063	\$5,075,520	\$540,457	11.9%	
LABOR MARKET AND CAREER INFORMATION A.3.3	\$8,702,129	\$7,598,039	(\$1,104,090)	(12.7%)	
WORK OPPORTUNITY TAX CREDIT A.3.4	\$1,350,690	\$1,415,730	\$65,040	4.8%	
FOREIGN LABOR CERTIFICATION A.3.5	\$1,201,662	\$1,296,219	\$94,557	7.9%	
TANF CHOICES & MANDATORY CHILD CARE A.4.1	\$79,062,412	\$111,616,478	\$32,554,066	41.2%	Reallocation from Strategy A.4.2 for the anticipated increase in the number of children served for this program due to the changes in federal requirements.

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
AT-RISK & TRANSITIONAL CHILD CARE A.4.2	\$891,805,242	\$837,249,254	(\$54,555,988)	(6.1%)	Federal Funds decrease due to the following: -Reallocation of \$32,554,066 to Strategy A.4.1 for the anticipated increase in the number of children served for this program due to the changes in federal requirements; and -Decrease of \$22,001,922 due to a decrease in the Child Care and Development Block Grant.
CHILD CARE ADMINISTRATION A.4.3	\$11,501,114	\$12,087,944	\$586,830	5.1%	
CHILD CARE - DFPS FAMILIES A.4.4	\$0	\$0	\$0	0.0%	
UNEMPLOYMENT CLAIMS A.5.1	\$128,928,419	\$134,853,071	\$5,924,652	4.6%	
UNEMPLOYMENT APPEALS A.5.2	\$33,575,226	\$35,553,995	\$1,978,769	5.9%	
UNEMPLOYMENT TAX COLLECTION A.5.3	\$49,074,569	\$50,710,658	\$1,636,089	3.3%	
Total, Goal A, WORKFORCE DEVELOPMENT	\$2,284,970,945	\$2,471,390,737	\$186,419,792	8.2%	
SUBRECIPIENT MONITORING B.1.1	\$5,846,553	\$6,021,266	\$174,713	3.0%	
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	\$8,978,194	\$10,350,303	\$1,372,109	15.3%	
LABOR LAW ENFORCEMENT B.1.3	\$0	\$0	\$0	0.0%	
CAREER SCHOOLS & COLLEGES B.1.4	\$0	\$0	\$0	0.0%	
CIVIL RIGHTS B.2.1	\$2,858,846	\$2,917,225	\$58,379	2.0%	
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	\$17,683,593	\$19,288,794	\$1,605,201	9.1%	
CENTRAL ADMINISTRATION C.1.1	\$26,544,613	\$31,769,182	\$5,224,569	19.7%	
INFORMATION RESOURCES C.1.2	\$14,171,077	\$15,254,762	\$1,083,685	7.6%	
OTHER SUPPORT SERVICES C.1.3	\$6,566,574	\$9,117,785	\$2,551,211	38.9%	
Total, Goal C, INDIRECT ADMINISTRATION	\$47,282,264	\$56,141,729	\$8,859,465	18.7%	

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$2,349,936,802	\$2,546,821,260	\$196,884,458	8.4%	Increase in Federal Funds primarily due to the increase of \$252,231,528 to biennialize funding for the vocational rehabilitation program transferred from DARS per SB 208 (84R). The remaining changes in federal receipts are due to the following. Decrease of \$86.6 million in traditional federal funds that are no longer anticipated to be available: - \$47,167,576 Adult Education State Grant Program - \$25,830,164 Child Care and Development Block Grant - \$8,410,792 State Admin Matching Grant for SNAP - \$3,241,638 Apprenticeship USA Grants - \$1,106,191 Employment & Training Administration Pilots - \$448,820 WIOA Dislocated Worker National Reserve Technical Grants - \$214,359 WIOA - Adult - \$113,364 Employment Discrimination - \$51,449 Disaster Unemployment Assistance Increase of approximately \$31.2 million in traditional federal funds: - \$11,153,631 Unemployment Insurance - \$10,416,509 Employment Services - \$4,497,182 Child Care Mandatory & Matching Funds of the CCDF - \$1,979,251 WIOA - Youth - \$1,337,875 WIOA Incentive Grants - \$938,282 Trade Adjustment Assistance Workers - \$330,386 WIOA Dislocated Worker Formula Grants - \$187,899 Labor Force Statistics - \$99,465 Fair Housing Assistance Program - \$91,927 Temporary Labor Certification for Foreign Workers - \$91,924 WIOA National Emergency Grants - \$69,428 Work Opportunity Tax Credits - \$37,283 Senior Community Service Employment Program - \$6,241 WIOA Dislocated Worker National Reserve Grants

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- OTHER FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
WORKFORCE INNOVATION & OPPORTUNITY A.1.1	\$0	\$0	\$0	0.0%	
WKFORCE INNOVATN & OPP ACT - YOUTH A.1.2	\$0	\$0	\$0	0.0%	
TANF CHOICES A.1.3	\$2,455,000	\$0	(\$2,455,000)	(100.0%)	Decrease in Interagency Contracts for funding from the Office of the Attorney General (OAG) for Non-Custodial Parents participating in the TANF program not currently continuing in the 2018-19 biennium. OAG funding is contingent on the federal Office of Child Support Enforcement's approval for the OAG to use child support performance incentive funding for this purpose. The OAG plans to submit this request in the Spring.
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	\$781,240	\$828,749	\$47,509	6.1%	
SNAP E & T A.1.5	\$0	\$0	\$0	0.0%	
TRADE AFFECTED WORKERS A.1.6	\$0	\$0	\$0	0.0%	
SENIOR EMPLOYMENT SERVICES A.1.7	\$0	\$0	\$0	0.0%	
APPRENTICESHIP A.1.8	\$0	\$0	\$0	0.0%	
ADULT EDUCATION AND FAMILY LITERACY A.1.9	\$0	\$0	\$0	0.0%	
VOCATIONAL REHABILITATION A.2.1	\$3,733,016	\$380,694	(\$3,352,322)	(89.8%)	Decrease in Interagency Contracts from Department of Assistive and Rehabilitative Services (DARS) for the transfer of data and information technology systems for the vocational rehabilitation programs not anticipated in the next biennium.
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	\$927,055	\$1,854,110	\$927,055	100.0%	Increase to biennialize funding for the Business Enterprises of Texas program transferred from DARS per SB 208 (84R).
BUSN ENTERPRISES OF TEX TRUST FUND A.2.3	\$0	\$0	\$0	0.0%	
SKILLS DEVELOPMENT A.3.1	\$0	\$0	\$0	0.0%	
SELF SUFFICIENCY A.3.2	\$0	\$0	\$0	0.0%	
LABOR MARKET AND CAREER INFORMATION A.3.3	\$192,800	\$304,558	\$111,758	58.0%	
WORK OPPORTUNITY TAX CREDIT A.3.4	\$0	\$0	\$0	0.0%	
FOREIGN LABOR CERTIFICATION A.3.5	\$0	\$0	\$0	0.0%	
TANF CHOICES & MANDATORY CHILD CARE A.4.1	\$0	\$0	\$0	0.0%	
AT-RISK & TRANSITIONAL CHILD CARE A.4.2	\$1,957,055	\$1,958,000	\$945	0.0%	
CHILD CARE ADMINISTRATION A.4.3	\$52,933	\$0	(\$52,933)	(100.0%)	
CHILD CARE - DFPS FAMILIES A.4.4	\$127,747,692	\$139,348,471	\$11,600,779	9.1%	Increase in Interagency Contracts for the child care provided to the foster care and protective services populations from Department of Family and Protective Services.

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- OTHER FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
UNEMPLOYMENT CLAIMS A.5.1	\$410,689	\$220,822	(\$189,867)	(46.2%)	
UNEMPLOYMENT APPEALS A.5.2	\$0	\$0	\$0	0.0%	
UNEMPLOYMENT TAX COLLECTION A.5.3	\$0	\$0	\$0	0.0%	
Total, Goal A, WORKFORCE DEVELOPMENT	\$138,257,480	\$144,895,404	\$6,637,924	4.8%	
SUBRECIPIENT MONITORING B.1.1	\$0	\$0	\$0	0.0%	
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	\$256,458	\$309,576	\$53,118	20.7%	
LABOR LAW ENFORCEMENT B.1.3	\$0	\$0	\$0	0.0%	
CAREER SCHOOLS & COLLEGES B.1.4	\$0	\$0	\$0	0.0%	
CIVIL RIGHTS B.2.1	\$119,838	\$106,819	(\$13,019)	(10.9%)	
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	\$376,296	\$416,395	\$40,099	10.7%	
CENTRAL ADMINISTRATION C.1.1	\$76,479	\$53,925	(\$22,554)	(29.5%)	
INFORMATION RESOURCES C.1.2	\$15,398	\$20,180	\$4,782	31.1%	
OTHER SUPPORT SERVICES C.1.3	\$317,577	\$333,516	\$15,939	5.0%	
Total, Goal C, INDIRECT ADMINISTRATION	\$409,454	\$407,621	(\$1,833)	(0.4%)	
Grand Total, All Strategies	\$139,043,230	\$145,719,420	\$6,676,190	4.8%	Other Funds net increase due to the following: -Decrease of \$5,663,849 in Interagency Contracts from OAG and DARS not anticipated in the next biennium; -Decrease of \$547,157 in Appropriated Receipts due to an anticipated decrease in Third Party Reimbursements from Local Workforce Development Boards for the Child Care Development federal grant local match; -Increase of \$169,015 for various increases in other Interagency Contracts; -Increase of \$1,117,402 in the Blind Endowment Fund and Appropriated Receipts to biennialize funding for the vocational rehabilitation programs transferred from DARS per SB 208 (84R); and -Increase of \$11,600,779 in Interagency Contracts for the child care provided to the foster care and protective services populations from the Department of Family and Protective Services.

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- SUPPLEMENTAL

Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
					Match refers to cost-sharing requirements that accompany receipt of federal funds. Match ratios vary considerably by program. For most federal grants, state expenditures must occur throughout the grant year in proportion to federal funds drawn. Maintenance of Effort (MOE) refers to a minimal level of state spending required as a condition of receiving federal funds. MOE is an absolute dollar amount, typically based on a historical level of state spending.
WORKFORCE INNOVATION & OPPORTUNITY A.1.1	\$239,229,571	\$234,704,552	(\$4,525,019)	(1.9%)	The Workforce Innovation & Opportunity Act (WIOA)-Adult program promotes a revitalized workforce investment system by providing information, advice, job search assistance, and training to job seekers primarily through One-Stop Career Centers.
GENERAL REVENUE FUNDS	\$309,491	\$0	(\$309,491)	(100.0%)	Decrease of \$309,491 in GR for the four percent reduction.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$238,920,080	\$234,704,552	(\$4,215,528)	(1.8%)	-\$203.4 million in Federal Funds for WIOA-Adult and Dislocated Worker grants, which have no state match or MOE requirements. Funds are allocated based on the state's share of unemployed persons and economically disadvantaged adults. Funds are distributed to local workforce development boards. Up to 15 percent may be reserved for statewide workforce investment activities. -Various other federal grants are provided within this strategy.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
WKFORCE INNOVATN & OPP ACT - YOUTH A.1.2	\$90,783,277	\$93,355,274	\$2,571,997	2.8%	WIOA-Youth program assists low-income youth ages 14 to 24 to acquire the educational and occupational skills, training, and support needed to achieve academic and employment success and to successfully transition to careers and productive adulthood.
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$90,783,277	\$93,355,274	\$2,571,997	2.8%	Federal Funds for the WIOA-Youth grant has no state match or MOE requirements. Funds are allocated based the state's share of unemployed persons and economically disadvantaged adults. Funds are distributed to local workforce development boards. Up to 15 percent may be reserved for statewide workforce investment activities.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
TANF CHOICES A.1.3	\$177,420,583	\$172,461,443	(\$4,959,140)	(2.8%)	The Temporary Assistance for Needy Families (TANF) Choices program provides TANF recipients employment and training services.
GENERAL REVENUE FUNDS	\$17,658,704	\$17,658,704	\$0	0.0%	Recommended funding of \$17,658,704 included for the TANF MOE.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$157,306,879	\$154,802,739	(\$2,504,140)	(1.6%)	Federally funded through the TANF grant.
OTHER FUNDS	\$2,455,000	\$0	(\$2,455,000)	(100.0%)	
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	\$98,725,130	\$109,955,031	\$11,229,901	11.4%	The Employment Services program provides a variety of placement services without charge to job seekers or to employers seeking qualified individuals to fill job openings.
GENERAL REVENUE FUNDS	\$13,090,562	\$11,841,192	(\$1,249,370)	(9.5%)	Decrease of \$1,249,370 in GR for the four percent reduction. Recommended funding of \$11,841,192 is discretionary.
GR DEDICATED	\$3,887,303	\$156,689	(\$3,730,614)	(96.0%)	Decrease of \$3,726,318 in GR-D for the four percent reduction as well as \$4,296 for PC replacements to fund a 6-year replacement cycle and building maintenance funded at 2016-17 levels. Recommended funding of \$156,689 is discretionary.
FEDERAL FUNDS	\$80,966,025	\$97,128,401	\$16,162,376	20.0%	-\$83.6 million in Federal Funds for Employment Services grants, which has no state match or MOE requirements. Two-thirds of available funds are allotted based on each state's share of the civilian labor force. One-third is based on the state's share of unemployed persons.
OTHER FUNDS	\$781,240	\$828,749	\$47,509	6.1%	

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
SNAP E & T A.1.5	\$44,320,798	\$35,958,908	(\$8,361,890)	(18.9%)	The Supplemental Nutrition Assistance Program (SNAP)—Employment and Training (E&T) program provides assistance to SNAP recipients in obtaining a job, or education and training to enhance recipients' opportunities for entering the workplace.
GENERAL REVENUE FUNDS	\$8,335,528	\$8,368,109	\$32,581	0.4%	Recommended funding of \$8,368,109 included for the SNAP state match.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$35,985,270	\$27,590,799	(\$8,394,471)	(23.3%)	Each state receives a designated allotment based on a formula that considers the number of potential SNAP—E&T participants. For a base amount of federal funds, no match is required. States may access additional federal funds with a 50 percent state match.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
TRADE AFFECTED WORKERS A.1.6	\$39,292,889	\$40,045,855	\$752,966	1.9%	The Trade Adjustment Assistance (TAA) program provides benefits and employment services to workers who lose their manufacturing or service job, or whose hours of work and wages are reduced as a result of increased imports or a shift in production to foreign countries.
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$39,292,889	\$40,045,855	\$752,966	1.9%	No federal match or MOE requirements.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
SENIOR EMPLOYMENT SERVICES A.1.7	\$9,599,824	\$9,636,039	\$36,215	0.4%	The Senior Community Service Employment program provides training and employment services to low income job seekers age 55 and older.
GENERAL REVENUE FUNDS	\$27,460	\$27,460	\$0	0.0%	Recommended funding of \$27,460 included for the Senior Employment Services state match.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$9,572,364	\$9,608,579	\$36,215	0.4%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
APPRENTICESHIP A.1.8	\$12,210,244	\$8,928,049	(\$3,282,195)	(26.9%)	The Apprenticeship program provides paid on-the-job training with supervision and classroom instruction.
GENERAL REVENUE FUNDS	\$6,375,823	\$6,372,049	(\$3,774)	(0.1%)	Recommended funding of \$6,372,049 is discretionary. Decrease of \$3,774 for PC replacements to fund a 6-year replacement cycle and building maintenance funded at 2016-17 levels.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$5,834,421	\$2,556,000	(\$3,278,421)	(56.2%)	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
ADULT EDUCATION AND FAMILY LITERACY A.1.9	\$197,507,327	\$150,463,766	(\$47,043,561)	(23.8%)	The Adult Education and Literacy program provides English language, math, reading, and writing instruction to participate in the workforce, obtain a high school credential, or attend college or career training. The agency awards grants to local providers.
GENERAL REVENUE FUNDS	\$23,914,195	\$23,771,400	(\$142,795)	(0.6%)	Decrease of \$142,795 in GR for the four percent reduction. Recommended funding of \$23,771,400 included for the Adult Education and Literacy state match.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$173,593,132	\$126,692,366	(\$46,900,766)	(27.0%)	Each state receives a designated allotment based on a formula that considers the ratio of adults and youths age 16 and older who are not enrolled or hold a high school diploma or equivalent. 25 percent state match of the total amount of funds expended for adult education and literacy activities.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
VOCATIONAL REHABILITATION A.2.1	\$298,939,607	\$591,670,537	\$292,730,930	97.9%	The Vocational Rehabilitation (VR) program provides employment and education services for adults and youth with disabilities.
GENERAL REVENUE FUNDS	\$53,102,747	\$105,594,749	\$52,492,002	98.8%	Recommended funding of \$105,594,749 included for the VR state match.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$242,103,844	\$485,695,094	\$243,591,250	100.6%	States are allocated funds based on population, weighted by per capita income. The state match is 21.3 percent for vocational rehabilitative services. At a minimum, states must maintain spending at the level of expenditures for the fiscal year two years earlier.

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$3,733,016	\$380,694	(\$3,352,322)	(89.8%)	
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	\$2,489,507	\$4,980,708	\$2,491,201	100.1%	Business Enterprises of Texas (BET) program provides employment opportunities for Texans who are blind or visually impaired to establish a business managing cafeteria or food vending facilities.
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$686,214	\$1,372,428	\$686,214	100.0%	Recommended funding of \$1,372,428 from revenues of vending facility operations used as a state match.
FEDERAL FUNDS	\$876,238	\$1,754,170	\$877,932	100.2%	
OTHER FUNDS	\$927,055	\$1,854,110	\$927,055	100.0%	
BUSN ENTERPRISES OF TEX TRUST FUND A.2.3	\$404,212	\$808,424	\$404,212	100.0%	
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$404,212	\$808,424	\$404,212	100.0%	The BET Trust Fund collects receipts from vending machines on federal property and funds a retirement program for individuals licensed to operate vending facilities under the BET program.
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
SKILLS DEVELOPMENT A.3.1	\$58,920,784	\$57,180,034	(\$1,740,750)	(3.0%)	The Skills Development program provides grants to community and technical colleges for job training programs for businesses to train new workers or improve the skills of their existing workforce.
GENERAL REVENUE FUNDS	\$58,920,784	\$57,180,034	(\$1,740,750)	(3.0%)	Decrease of \$1,740,750 in GR for the four percent reduction. Recommended funding of \$57,180,034 is discretionary.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
SELF SUFFICIENCY A.3.2	\$4,535,063	\$5,075,520	\$540,457	11.9%	The Self Sufficiency program provides grants to TANF and SNAP recipients to obtain certificates and credentials that lead to employment.

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$4,535,063	\$5,075,520	\$540,457	11.9%	Federally funded through the TANF grant.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
LABOR MARKET AND CAREER INFORMATION A.3.3	\$9,184,413	\$7,902,597	(\$1,281,816)	(14.0%)	The Labor Market and Career Information program provides information to local workforce development boards on labor market trends, economic conditions, data on occupations and industries, educational programs, training opportunities, and career development principles.
GENERAL REVENUE FUNDS	\$289,484	\$0	(\$289,484)	(100.0%)	Decrease of \$289,484 in GR for the four percent reduction.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$8,702,129	\$7,598,039	(\$1,104,090)	(12.7%)	No state match or MOE requirements.
OTHER FUNDS	\$192,800	\$304,558	\$111,758	58.0%	
WORK OPPORTUNITY TAX CREDIT A.3.4	\$1,350,690	\$1,415,730	\$65,040	4.8%	The Work Opportunity Tax Credit program provides a federal tax credit to employers who hire individuals from target groups who face barriers to employment.
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,350,690	\$1,415,730	\$65,040	4.8%	No state match or MOE requirements.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
FOREIGN LABOR CERTIFICATION A.3.5	\$1,201,662	\$1,296,219	\$94,557	7.9%	The Foreign Labor Certification program assists employers to hire temporary foreign workers when there is a shortage of domestic workers.
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,201,662	\$1,296,219	\$94,557	7.9%	No state match or MOE requirements.
OTHER FUNDS	\$0	\$0	\$0	0.0%	

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
TANF CHOICES & MANDATORY CHILD CARE A.4.1	\$120,637,625	\$172,558,519	\$51,920,894	43.0%	The TANF Choices & Mandatory Child Care program provides child care assistance to TANF participants and applicants, SNAP participants, and former Department of Family and Protective Services (DFPS) foster and protective care children, providing parents and guardians the opportunity to participate in work-related activities and obtain employment.
GENERAL REVENUE FUNDS	\$41,575,213	\$60,942,041	\$19,366,828	46.6%	Recommended funding of \$60,942,041 included for the GR child care state match.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$79,062,412	\$111,616,478	\$32,554,066	41.2%	The Child Care Mandatory and Matching Funds grant program has two funding streams. -For matching funds, allocations are based on the proportion of children younger than age 13 residing in a state. There is a required MOE for matching funds and the federal to state match ratio is the Federal Medical Assistance Percentage. -For mandatory funds, allocations are based on historical expenditures for certain federal child care programs and do not have a state match or MOE.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
AT-RISK & TRANSITIONAL CHILD CARE A.4.2	\$992,805,000	\$918,883,129	(\$73,921,871)	(7.4%)	The At-Risk & Transitional Child Care program provides subsidized child care for low income families, providing parents and guardians the opportunity to participate in work-related activities and obtain employment.
GENERAL REVENUE FUNDS	\$99,042,703	\$79,675,875	(\$19,366,828)	(19.6%)	Recommended funding of \$55,490,282 included for the TANF MOE and \$24,185,593 included for the GR child care state match.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$891,805,242	\$837,249,254	(\$54,555,988)	(6.1%)	For the Child Care and Development Block Grant (CCDBG), states are allocated funds based on the number of children younger than age 13 and state per capita income. CCDBG does not have a state match or MOE.
OTHER FUNDS	\$1,957,055	\$1,958,000	\$945	0.0%	
CHILD CARE ADMINISTRATION A.4.3	\$11,554,047	\$12,087,944	\$533,897	4.6%	
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$11,501,114	\$12,087,944	\$586,830	5.1%	
OTHER FUNDS	\$52,933	\$0	(\$52,933)	(100.0%)	
CHILD CARE - DFPS FAMILIES A.4.4	\$127,747,692	\$139,348,471	\$11,600,779	9.1%	Funding transferred from DFPS for child care for foster and protective care children.
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$127,747,692	\$139,348,471	\$11,600,779	9.1%	
UNEMPLOYMENT CLAIMS A.5.1	\$132,919,163	\$135,073,893	\$2,154,730	1.6%	Unemployment Insurance Administration funds are direct payments to states for operating unemployment insurance programs, trade adjustment assistance, disaster unemployment assistance, and unemployment compensation for federal employees and ex-service members. Funds are not used for payments to unemployed individuals. Program operations are initially funded according to nationally developed workload projections based on economic assumptions. Additional quarterly funds are then made available based on actual workloads. There are no state match or MOE requirements. This impacts the majority of federal funding in Strategies A.5.1, A.5.2, and A.5.3.
GENERAL REVENUE FUNDS	\$3,580,055	\$0	(\$3,580,055)	(100.0%)	Decrease of \$3,580,055 in GR for the four percent reduction.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$128,928,419	\$134,853,071	\$5,924,652	4.6%	
OTHER FUNDS	\$410,689	\$220,822	(\$189,867)	(46.2%)	
UNEMPLOYMENT APPEALS A.5.2	\$34,701,627	\$35,553,995	\$852,368	2.5%	
GENERAL REVENUE FUNDS	\$1,126,401	\$0	(\$1,126,401)	(100.0%)	Decrease of \$1,126,401 in GR for the four percent reduction.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$33,575,226	\$35,553,995	\$1,978,769	5.9%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	

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Funding Changes and Recommendations - House, by Strategy -- SUPPLEMENTAL

Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
UNEMPLOYMENT TAX COLLECTION A.5.3	\$51,611,945	\$51,629,714	\$17,769	0.0%	
GENERAL REVENUE FUNDS	\$1,618,320	\$0	(\$1,618,320)	(100.0%)	Decrease of \$1,618,320 in GR for the four percent reduction.
GR DEDICATED	\$919,056	\$919,056	\$0	0.0%	Recommended funding of \$919,056 is discretionary.
FEDERAL FUNDS	\$49,074,569	\$50,710,658	\$1,636,089	3.3%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal A, WORKFORCE DEVELOPMENT	\$2,758,092,680	\$2,990,974,351	\$232,881,671	8.4%	
GENERAL REVENUE FUNDS	\$328,967,470	\$371,431,613	\$42,464,143	12.9%	
GR DEDICATED	\$5,896,785	\$3,256,597	(\$2,640,188)	(44.8%)	
FEDERAL FUNDS	\$2,284,970,945	\$2,471,390,737	\$186,419,792	8.2%	
OTHER FUNDS	\$138,257,480	\$144,895,404	\$6,637,924	4.8%	
SUBRECIPIENT MONITORING B.1.1	\$6,124,171	\$6,251,051	\$126,880	2.1%	Funding to review the financial and programmatic operations of the local workforce development boards and contract service providers.
GENERAL REVENUE FUNDS	\$277,618	\$229,785	(\$47,833)	(17.2%)	Decrease of \$66,706 in GR for the four percent reduction. Increase of \$18,873 reallocated from other strategies. Recommended funding of \$138,384 included for the SNAP state match and \$91,401 is discretionary.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$5,846,553	\$6,021,266	\$174,713	3.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	\$9,809,989	\$11,195,044	\$1,385,055	14.1%	Funding to provide support to the local workforce development boards, including the implementation of policies and programs, technical assistance, and training and professional development.
GENERAL REVENUE FUNDS	\$532,252	\$484,444	(\$47,808)	(9.0%)	Decrease of \$65,146 in GR for the four percent reduction. Increase of \$17,338 reallocated from other strategies. Recommended funding of \$299,766 included for the SNAP state match and \$184,678 is discretionary.
GR DEDICATED	\$43,085	\$50,721	\$7,636	17.7%	Recommended funding of \$50,721 is discretionary.
FEDERAL FUNDS	\$8,978,194	\$10,350,303	\$1,372,109	15.3%	

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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$256,458	\$309,576	\$53,118	20.7%	
LABOR LAW ENFORCEMENT B.1.3	\$8,316,156	\$8,056,219	(\$259,937)	(3.1%)	Funding to assist employers and employees with the understanding and compliance of the Texas Pay Day Law and Texas Child Labor Law.
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$8,316,156	\$8,056,219	(\$259,937)	(3.1%)	Decrease of \$213,853 in GR for the four percent reduction as well as \$46,084 for PC replacements to fund a 6-year replacement cycle and building maintenance funded at 2016-17 levels. Recommended funding of \$8,056,219 is discretionary.
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
CAREER SCHOOLS & COLLEGES B.1.4	\$2,003,167	\$2,102,411	\$99,244	5.0%	The Career Schools and Colleges program regulates career schools and colleges from certificate and registration fees collected.
GENERAL REVENUE FUNDS	\$2,003,167	\$2,102,411	\$99,244	5.0%	Recommended funding of \$2,102,411 is discretionary.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
CIVIL RIGHTS B.2.1	\$4,702,324	\$4,746,737	\$44,413	0.9%	The Civil Rights program enforces the Texas Commission on Human Rights Act and the Texas Fair Housing Act through investigation of employment or housing discrimination complaints.
GENERAL REVENUE FUNDS	\$1,723,640	\$1,722,693	(\$947)	(0.1%)	Recommended funding of \$1,722,693 is discretionary.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$2,858,846	\$2,917,225	\$58,379	2.0%	No state match or MOE requirement.
OTHER FUNDS	\$119,838	\$106,819	(\$13,019)	(10.9%)	
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	\$30,955,807	\$32,351,462	\$1,395,655	4.5%	
GENERAL REVENUE FUNDS	\$4,536,677	\$4,539,333	\$2,656	0.1%	
GR DEDICATED	\$8,359,241	\$8,106,940	(\$252,301)	(3.0%)	

Texas Workforce Commission
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Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$17,683,593	\$19,288,794	\$1,605,201	9.1%	
OTHER FUNDS	\$376,296	\$416,395	\$40,099	10.7%	
CENTRAL ADMINISTRATION C.1.1	\$31,259,802	\$37,516,411	\$6,256,609	20.0%	
GENERAL REVENUE FUNDS	\$3,803,385	\$4,949,775	\$1,146,390	30.1%	Decrease of \$968,434 in GR for the four percent reduction. Increase of \$2,114,824 to biennialize DARS funding and for reallocations to other strategies. Recommended funding of \$4,403,255 included for the SNAP and VR state match and \$546,520 is discretionary.
GR DEDICATED	\$835,325	\$743,529	(\$91,796)	(11.0%)	Decrease of \$91,796 for the four percent reduction. Recommended funding of \$743,529 is discretionary.
FEDERAL FUNDS	\$26,544,613	\$31,769,182	\$5,224,569	19.7%	
OTHER FUNDS	\$76,479	\$53,925	(\$22,554)	(29.5%)	
INFORMATION RESOURCES C.1.2	\$16,132,213	\$17,611,607	\$1,479,394	9.2%	
GENERAL REVENUE FUNDS	\$1,558,561	\$2,019,905	\$461,344	29.6%	Decrease of \$373,089 in GR for the four percent reduction. Increase of \$834,433 to biennialize DARS funding and for reallocations to other strategies. Recommended funding of \$1,804,706 included for the SNAP and VR state match and \$215,199 is discretionary.
GR DEDICATED	\$387,177	\$316,760	(\$70,417)	(18.2%)	Decrease of \$70,417 for the four percent reduction. Recommended funding of \$316,760 is discretionary.
FEDERAL FUNDS	\$14,171,077	\$15,254,762	\$1,083,685	7.6%	
OTHER FUNDS	\$15,398	\$20,180	\$4,782	31.1%	
OTHER SUPPORT SERVICES C.1.3	\$8,066,392	\$11,042,917	\$2,976,525	36.9%	
GENERAL REVENUE FUNDS	\$1,028,369	\$1,426,859	\$398,490	38.7%	Decrease of \$179,522 in GR for the four percent reduction. Increase of \$578,012 to biennialize DARS funding and for reallocations from other strategies. Recommended funding of \$1,290,432 included for the SNAP and VR state match and \$136,427 is discretionary.
GR DEDICATED	\$153,872	\$164,757	\$10,885	7.1%	Recommended funding of \$164,757 is discretionary.
FEDERAL FUNDS	\$6,566,574	\$9,117,785	\$2,551,211	38.9%	

Texas Workforce Commission
Funding Changes and Recommendations - House, by Strategy -- SUPPLEMENTAL

Strategy/Fund Type/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$317,577	\$333,516	\$15,939	5.0%	
Total, Goal C, INDIRECT ADMINISTRATION	\$55,458,407	\$66,170,935	\$10,712,528	19.3%	
GENERAL REVENUE FUNDS	\$6,390,315	\$8,396,539	\$2,006,224	31.4%	
GR DEDICATED	\$1,376,374	\$1,225,046	(\$151,328)	(11.0%)	
FEDERAL FUNDS	\$47,282,264	\$56,141,729	\$8,859,465	18.7%	
OTHER FUNDS	\$409,454	\$407,621	(\$1,833)	(0.4%)	
Grand Total, All Agency	\$2,844,506,894	\$3,089,496,748	\$244,989,854	8.6%	
GENERAL REVENUE FUNDS	\$339,894,462	\$384,367,485	\$44,473,023	13.1%	Recommended funding of \$384,367,485 includes: 1) \$80,392,604 in discretionary funds; 2) \$230,825,895 in federal matching funds; and 3) \$73,148,986 in federal MOE funds.
GR DEDICATED	\$15,632,400	\$12,588,583	(\$3,043,817)	(19.5%)	Recommended funding of \$12,588,583 includes: 1) \$11,216,155 in discretionary funds; and 2) \$1,372,428 in federal matching funds.
FEDERAL FUNDS	\$2,349,936,802	\$2,546,821,260	\$196,884,458	8.4%	
OTHER FUNDS	\$139,043,230	\$145,719,420	\$6,676,190	4.8%	

Texas Workforce Commission
Summary of Federal Funds - House
(Dollar amounts in Millions)

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child Care and Development Block Grant	\$238.9	\$298.5	\$257.1	\$254.5	\$537.4	\$511.5	20.1%	(\$25.8)	(4.8%)
Vocational Rehabilitation Services	\$0.0	\$228.3	\$227.5	\$228.0	\$228.3	\$455.5	17.9%	\$227.2	99.5%
Child Care Mandatory & Matching Funds of the Child Care & Development Fund	\$221.5	\$226.9	\$226.4	\$226.4	\$448.4	\$452.9	17.8%	\$4.5	1.0%
Unemployment Insurance	\$118.6	\$116.2	\$129.5	\$116.5	\$234.8	\$246.0	9.7%	\$11.2	4.8%
Temporary Assistance for Needy Families	\$93.1	\$94.1	\$94.8	\$92.4	\$187.2	\$187.2	7.4%	\$0.0	0.0%
Adult Education State Grant Program	\$102.8	\$59.9	\$57.9	\$57.7	\$162.7	\$115.5	4.5%	(\$47.2)	(29.0%)
Workforce Investment and Opportunity Act (WIOA) Dislocated Worker Formula Grants	\$57.0	\$53.8	\$55.5	\$55.6	\$110.8	\$111.1	4.4%	\$0.3	0.3%
WIOA - Youth Programs	\$55.0	\$52.2	\$55.2	\$54.0	\$107.2	\$109.2	4.3%	\$2.0	1.8%
WIOA - Adult Programs	\$54.8	\$44.3	\$49.6	\$49.3	\$99.1	\$98.9	3.9%	(\$0.2)	(0.2%)
Employment Service	\$42.4	\$41.7	\$54.4	\$40.1	\$84.0	\$94.5	3.7%	\$10.4	12.4%
Trade Adjustment Assistance Workers	\$20.0	\$20.7	\$21.0	\$20.7	\$40.7	\$41.6	1.6%	\$0.9	2.3%
Social Security Vocational Rehabilitation Reimbursement	\$0.0	\$20.8	\$20.8	\$20.8	\$20.8	\$41.6	1.6%	\$20.8	100.2%
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	\$18.7	\$18.1	\$14.3	\$14.1	\$36.8	\$28.4	1.1%	(\$8.4)	(22.8%)
WIOA National Emergency Grants	\$6.1	\$6.2	\$6.2	\$6.2	\$12.3	\$12.4	0.5%	\$0.1	0.7%
Senior Community Service Employment Program	\$4.8	\$4.8	\$4.8	\$4.8	\$9.6	\$9.6	0.4%	\$0.0	0.4%
Labor Force Statistics	\$2.6	\$2.7	\$2.9	\$2.7	\$5.3	\$5.5	0.2%	\$0.2	3.5%
Social Services Block Grant	\$2.0	\$2.0	\$2.0	\$2.0	\$4.0	\$4.0	0.2%	\$0.0	0.0%
Rehabilitation Services Independent Living	\$0.0	\$2.0	\$2.0	\$2.0	\$2.0	\$4.0	0.2%	\$2.0	100.1%
Supported Employment Services for Individuals w/ Severe Disabilities	\$0.0	\$2.0	\$2.0	\$2.0	\$2.0	\$4.0	0.2%	\$2.0	100.0%
WIOA Dislocated Worker National Reserve Demonstration Grants	\$1.7	\$1.8	\$1.8	\$1.8	\$3.5	\$3.5	0.1%	\$0.0	0.2%
WIOA Incentive Grants	\$0.2	\$1.5	\$1.5	\$1.5	\$1.7	\$3.0	0.1%	\$1.3	80.5%
Fair Housing Assistance Program State and Local	\$1.1	\$1.1	\$1.2	\$1.1	\$2.2	\$2.3	0.1%	\$0.1	4.5%
Work Opportunity Tax Credit Program (WOTC)	\$0.7	\$0.8	\$0.8	\$0.8	\$1.5	\$1.6	0.1%	\$0.1	4.5%
Temporary Labor Certification for Foreign Workers	\$0.6	\$0.7	\$0.8	\$0.7	\$1.4	\$1.5	0.1%	\$0.1	6.7%

Texas Workforce Commission
Summary of Federal Funds - House
(Dollar amounts in Millions)

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Employment Discrimination State and Local	\$0.5	\$0.6	\$0.5	\$0.5	\$1.1	\$1.0	0.0%	(\$0.1)	(10.5%)
Developmental Disabilities Basic Support & Advocacy Grants	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.5	0.0%	\$0.2	100.0%
Disaster Unemployment Assistance	\$0.1	\$0.0	\$0.02	\$0.02	\$0.1	\$0.05	0.0%	(\$0.1)	(51.4%)
WIOA Pilots, Demonstrations, & Research Projects	\$0.2	\$0.9	\$0.0	\$0.0	\$1.1	\$0.00	0.0%	(\$1.1)	(100.0%)
Dislocated Worker National Reserve Technical Assistance and Training	\$0.4	\$0.0	\$0.0	\$0.0	\$0.4	\$0.00	0.0%	(\$0.4)	(100.0%)
Apprenticeship USA Grants	\$0.0	\$3.2	\$0.0	\$0.0	\$3.2	\$0.00	0.0%	(\$3.2)	(100.0%)
TOTAL:	\$1,043.9	\$1,306.1	\$1,290.6	\$1,256.2	\$2,349.9	\$2,546.8	100.0%	\$196.9	8.4%

Texas Workforce Commission
Summary of Ten Percent Biennial Base Reduction Options - House

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Skills Development	This reduction would result in a decrease of 3,333 trainees in the biennium.	\$6,000,000	\$6,000,000	0	\$0	10.5%	N
	At-Risk Child Care	The reduction in At-Risk Child Care totals \$13.8 million in GR matching funds and would result in a reduction of approximately 4,200 at-risk children from low income working families in subsidized child care each year. Due to the Federal Child Care and Development Fund (CCDF) matching requirements, the At-Risk GR matching reduction would also result in a corresponding reduction in federal CCDF funds of \$25.3 million.	\$13,818,727	\$13,818,727	0	\$25,309,255	17.3%	N
2)	Employment and Community Services	This reduction would result in a decrease of funding provided to Local Workforce Boards for employment placement services.	\$1,000,000	\$1,000,000	0	\$0	8.4%	N
	Supplemental Nutritional Assistance Program (SNAP) Employment and Training	The reduction in SNAP Employment and Training totals \$1.6 million in GR matching funds and would result in 3,175 fewer participants served in the biennium. The SNAP reduction would also result in a corresponding reduction in Federal Funds of \$1.6 million.	\$1,621,551	\$1,621,551	0	\$1,621,551	19.4%	N
	Adult Education and Family Literacy (AEL)	The reduction in AEL totals \$2.0 million in GR matching funds and would result in 11,000 fewer participants served in the biennium. The AEL reduction would also result in a corresponding federal funds reduction of \$6.0 million.	\$2,000,000	\$2,000,000	0	\$6,000,000	8.4%	N
	Vocational Rehabilitation (VR)	The reduction in VR services totals \$3.0 million in GR matching funds and would result in 3,676 fewer VR consumers served in the biennium. The VR reduction would also result in a corresponding federal funds reduction of \$11.1 million.	\$3,000,000	\$3,000,000	0	\$11,084,507	2.8%	N
	Skills Development	This reduction would result in a decrease of 3,333 trainees in the biennium.	\$6,000,000	\$6,000,000	0	\$0	10.5%	N
	At-Risk Child Care	The reduction in At-Risk Child Care totals \$6.2 million in GR matching funds and would result in a reduction of approximately 1,900 at-risk children from low-income working families in subsidized child care each year. Due to the CCDF matching requirements, the At-Risk GR reduction would also result in a corresponding reduction of federal CCDF funds of \$11.3 million.	\$6,181,273	\$6,181,273	0	\$11,321,116	7.8%	N
TOTAL, 10% Reduction Options			\$39,621,551	\$39,621,551	0.0	\$55,336,429		