

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

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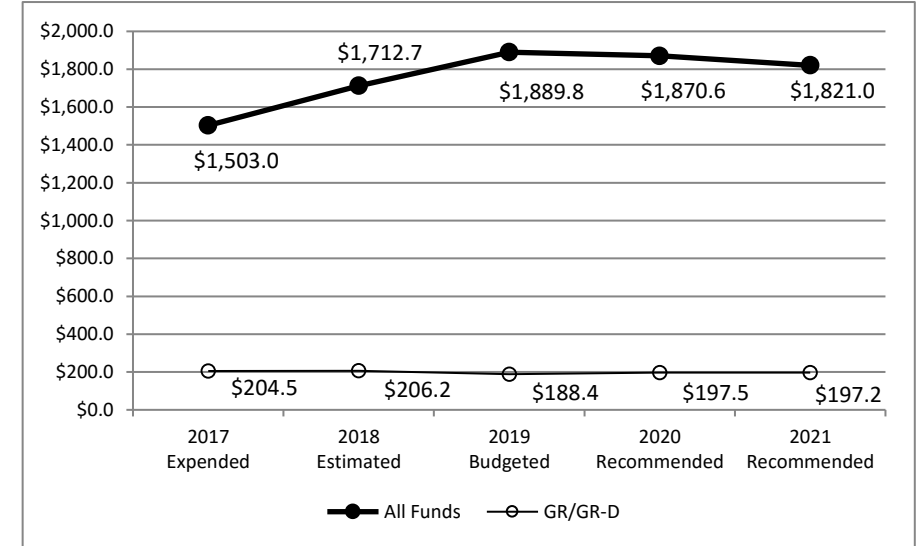
Ed Serna, Interim Executive Director

Caitlin Pearson, LBB Analyst

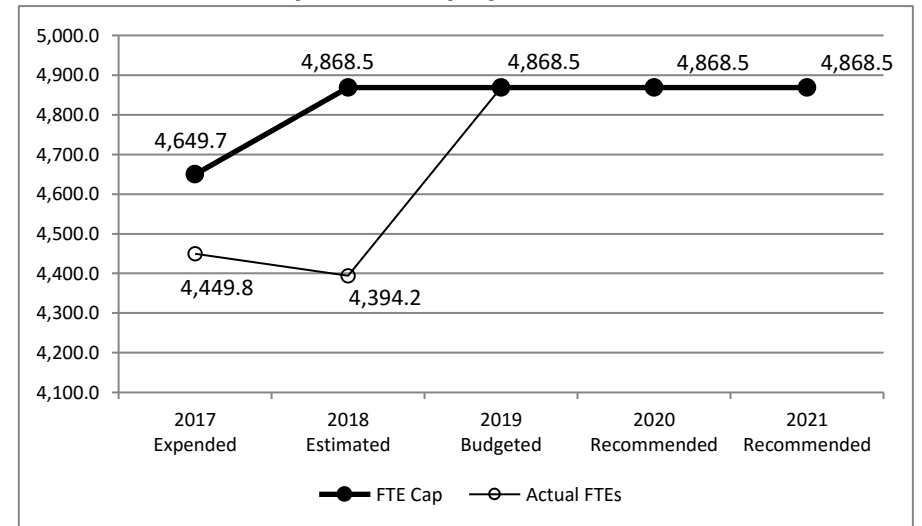
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$382,153,493	\$382,153,493	\$0	0.0%
GR Dedicated Funds	\$12,501,583	\$12,501,583	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$394,655,076</i>	<i>\$394,655,076</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$2,997,475,114	\$3,064,193,685	\$66,718,571	2.2%
Other	\$210,418,485	\$232,790,881	\$22,372,396	10.6%
All Funds	\$3,602,548,675	\$3,691,639,642	\$89,090,967	2.5%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	4,868.5	4,868.5	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)

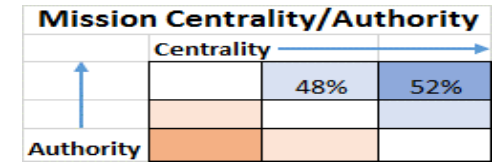


The bill pattern for this agency (2020-21 Recommended) represents an estimated 99.7% of the agency's estimated total available funds for the 2020-21 biennium.

**Texas Workforce Commission
Strategic Fiscal Review Program Summary - House**

Texas Workforce Commission

To promote and support a workforce system that offers employers, individuals and communities the opportunity to achieve and sustain economic prosperity.

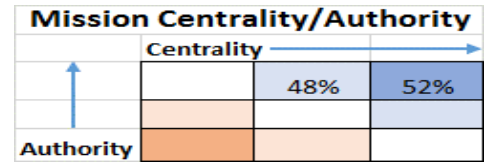


				2018-19 Base Funding	2020-21 Recommendations	Percent Change from Base	GR-Related Percentage of Rec. Total	2020-21 Agency Total Request
Total Budget 100%	Budget, Ordered by Mission Centrality and Authority	Strategy	Agency Ranking	\$3,602,548,675	\$3,691,639,642	2%	11%	\$3,737,286,106
		3.1.1 Central Administration						
		3.1.2 Information Resources						
	<i>Indirect Administration</i>	3.1.3 Other Support Services	26	\$63,832,046	\$65,400,979	2%	12%	\$65,400,979
98%	Child Care - DFPS and Former DFPS	1.4.1 TANF Choices & Mandatory Child Care						
		1.4.4 Child Care - DFPS Families	25	\$294,466,466	\$329,849,386	12%	0%	\$272,986,278
89%	Career Schools and Colleges	2.1.4 Career Schools & Colleges	14	\$2,168,854	\$2,169,335	0%	100%	\$2,473,166
89%	Civil Rights	2.2.1 Civil Rights	13	\$4,838,085	\$5,070,430	5%	34%	\$5,070,430
89%	Child Care - Admin & Quality	Various	12	\$201,657,859	\$216,619,906	7%	0%	\$216,619,906
83%	Child Care - At-Risk & Transitional	1.4.2 At-Risk & Transitional Child Care	11	\$1,022,993,835	\$1,033,605,702	1%	14%	\$1,068,738,717
55%	Child Care - Choices	1.4.1 TANF Choices & Mandatory Child Care	9	\$147,723,706	\$151,919,489	3%	0%	\$151,919,489
51%	Jobs and Education for Texans (JET)	1.3.1 Skills Development	6	\$10,000,000	\$10,000,000	0%	100%	\$16,000,000
51%	Foreign Labor Certification	1.3.5 Foreign Labor Certification	24	\$1,263,183	\$1,330,208	5%	0%	\$1,330,208
51%	Business Enterprises of Texas (BET) Trust Fund	1.2.3 Business Enterprises of Texas Trust Fund	23	\$808,424	\$808,424	0%	100%	\$808,424
51%	Temporary Assistance for Needy Families (TANF) Self-Sufficiency	1.3.2 Self-Sufficiency	22	\$5,024,309	\$5,029,028	0%	0%	\$5,029,028
51%	Senior Community Services Employment	1.1.7 Senior Employment Services						
		2.1.1 Subrecipient Monitoring						
		2.1.2 Pgm Supp, Tech Asst & Training Svcs	21	\$8,863,278	\$8,858,113	-0%	1%	\$8,858,113
50%	Supplemental Nutrition Assistance Program (SNAP) Employment & Training	1.1.5 SNAP E & T						
		2.1.1 Subrecipient Monitoring						
		2.1.2 Pgm Supp, Tech Asst & Training Svcs	20	\$34,383,582	\$35,054,909	2%	25%	\$35,431,975
49%	Trade Adjustment Assistance	1.1.6 Trade Affected Workers						
		2.1.1 Subrecipient Monitoring						
		2.1.2 Pgm Supp, Tech Asst & Training Svcs	19	\$39,993,308	\$40,299,425	1%	0%	\$40,846,170
48%	Work Opportunity Tax Credit	1.3.4 Work Opportunity Tax Credit	18	\$1,427,040	\$1,577,204	11%	0%	\$1,577,204

**Texas Workforce Commission
Strategic Fiscal Review Program Summary - House**

Texas Workforce Commission

To promote and support a workforce system that offers employers, individuals and communities the opportunity to achieve and sustain economic prosperity.



					2018-19 Base Funding	2020-21 Recommendations	Percent Change from Base	GR-Related Percentage of Rec. Total	2020-21 Agency Total Request
Total	Budget, Ordered by Mission Centrality and Authority	Strategy	Agency Ranking		\$3,602,548,675	\$3,691,639,642	2%	11%	\$3,737,286,106
48%	Labor Market and Career Information	1.3.3 Labor Market And Career Information	17		\$6,718,880	\$6,975,213	4%	0%	\$6,975,213
48%	Business Enterprises of Texas (BET)	1.2.2 Business Enterprises of Texas	16		\$4,286,439	\$4,459,723	4%	31%	\$4,459,723
48%	Labor Law	2.1.3 Labor Law Enforcement	15		\$7,721,861	\$8,163,494	6%	100%	\$7,957,527
48%	Unemployment Insurance	Various	10		\$224,440,685	\$234,361,026	4%	0%	\$274,361,026
41%	Adult Education and Literacy	1.1.9 Adult Education and Family Literacy 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs	8		\$162,399,823	\$158,599,621	-2%	15%	\$160,692,335
37%	Vocational Rehabilitation	1.2.1 Vocational Rehabilitation 2.1.2 Pgm Supp, Tech Asst & Training Svcs	7		\$582,002,204	\$619,202,493	6%	17%	\$628,346,334
20%	Apprenticeship	1.1.8 Apprenticeship 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs	5		\$11,459,593	\$11,378,067	-1%	56%	\$12,723,067
20%	Skills Development	1.3.1 Skills Development 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs	4		\$44,845,569	\$44,834,174	-0%	100%	\$45,234,788
19%	Employment Services	1.1.4 Employment and Community Services 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs	3		\$108,805,557	\$102,854,683	-5%	11%	\$103,060,650
16%	Temporary Assistance for Needy Families (TANF) Choices	1.1.3 TANF Choices 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs	2		\$185,836,675	\$185,682,604	-0%	10%	\$188,039,264
11%	Workforce Innovation and Opportunity Act (WIOA)	Various	1		\$424,587,414	\$407,536,006	-4%	0%	\$412,346,092

Note: Indirect administration program names are italicized, and not included in the Mission Centrality / Authority Matrix.

**Texas Workforce Commission
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 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)	Increase to biennialize the federal appropriation increase for the Child Care and Development Block Grant.	\$0.0	\$0.0	\$49.5	\$0.0	\$49.5	A.4.1, A.4.2, A.4.3
B)	Interagency Contract (IAC) 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	\$15.3	\$15.3	A.4.4
C)	Method of Finance swap for the Supplemental Nutrition Assistance Program - Employment & Training, including an increase of approximately \$0.7 million in IAC to serve additional participants.	\$0.0	\$0.0	(\$6.7)	\$7.4	\$0.7	6 strategies

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

D)	Net increase in traditional federal receipts, primarily related to an increase in carryforward Vocational Rehabilitation grant funds from the 2018-19 biennium, offset by a decrease in the Workforce Innovation and Opportunity Act National Emergency grant provided for Hurricane Harvey that is not anticipated in the 2020-21 biennium.	\$0.0	\$0.0	\$23.9	\$0.0	\$23.9	22 strategies
E)	Decrease primarily related to Interagency Contracts from the Office of Attorney General Non-Custodial Parents project and Appropriated Receipts from child care donations not anticipated in the next biennium.	\$0.0	\$0.0	\$0.0	(\$0.3)	(\$0.3)	13 strategies

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$0.0	\$0.0	\$66.7	\$22.4	\$89.1	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$73.4	\$22.7	\$96.1	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	\$0.0	\$0.0	(\$6.7)	(\$0.3)	(\$7.0)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Strategic Fiscal Review.** The Texas Workforce Commission (TWC) is under Strategic Fiscal Review (SFR) for the Eighty-sixth Legislative Session. Significant observations and considerations include:
 - Analysis was performed on 26 programs at the agency. TWC has strong authority and mission centrality for 18 of the 25 programs reviewed, excluding the Indirect Administration program. The remaining programs have strong authority and moderate mission centrality. None of the current TWC programs have weak authority or weak mission centrality.
 - Recommendations include a total appropriation comprised of 83.0 percent Federal Funds and 10.7 percent General Revenue (GR)-Related funds. In addition, 77.5 percent of the GR-Related funds are appropriated to meet federal maintenance of effort (MOE) or match requirements needed to draw down federal grants (see Supplemental Schedule 3: Federal Funds Match and MOE Requirements). The functions carried out by the agency occur at both the statewide level and at 28 designated Local Workforce Development Boards (LWDB) that deliver workforce and support services at the local level.
 - The Child Care program experienced a historic increase in federal appropriations (see Items #2 and #3 below). Additional supplemental information regarding the program is included elsewhere in this document as listed below.
 - An infographic outlines the federal awards, expenditures, and balances for the Child Care and Development Block Grant (CCDBG) and Child Care Mandatory and Matching grant (see Section 3: Child Care and Development Fund).
 - A review of historical expenditures and children served has been conducted (see Supplemental Schedule 1: Summary of Child Care Program).
 - Recommendations add the federal CCDBG to Article IX, Sec. 13.10, which requires approval by the Legislative Budget Board and the Governor to expend funds for certain federal grants that are appropriated to several state agencies (see Rider Highlights Sec. 13.10).
 - Recommendations adjust the performance measure targets for the average number of children served to reflect new appropriated levels and the average cost per child per day to reflect the statewide two percent provider reimbursement rate increase (see Supplemental Schedule 2: Child Care Performance Measure Highlights and Provider Rates Overview).
 - While “Skills Development Fund” is the statutory program name for the Skills Development program, the Skills Development Fund was not created until the Eighty-fifth Legislature, and the program has been historically appropriated GR. See SFR Appendix 5d: Skills Development Fund for potential statutory changes to clarify the program’s funding source.

2. **CCDBG Funding.** On March 23, 2018, the federal Consolidated Appropriations Act of 2018 increased the CCDBG appropriation. Texas received approximately \$521.3 million in fiscal year 2018, an increase of approximately \$228.5 million from fiscal year 2017. It is assumed the increased level of child care funding will continue into the 2020-21 biennium. Recommendations include a total CCDBG appropriation for TWC of approximately \$487.5 million in fiscal year 2020 and \$449.3 million in fiscal year 2021. The Department of Family and Protective Services (DFPS) and Health and Human Services Commission (HHSC) also receive CCDBG funding for protective services children and child care provider regulation. The below table provides a breakdown of CCDBG direct appropriations by agency, excluding indirect benefits, for fiscal years 2017 through 2021.

CCDBG Direct Appropriations by Agency (in millions)					
	2017	2018	2019	2020	2021
TWC Child Care Program	\$256.5	\$372.7	\$514.8	\$487.5	\$449.3
DFPS Child Care Program	\$13.8	\$38.3	\$47.1	\$49.2	\$49.6
Child Care Provider Regulation <i>(DFPS in FY 2017; HHSC in FY 2018-21)</i>	\$17.3	\$17.1	\$17.0	\$16.2	\$16.2
Total Direct Appropriations	\$287.6	\$428.1	\$578.9	\$552.9	\$515.1

Since the federal appropriation was allocated in May 2018, TWC distributed partial funding to LWDBs that year and the remaining 2018 balances are anticipated to be expended in fiscal years 2019 and 2020. As a result, total appropriations are greater in fiscal years 2019 and 2020 as balances are expended on additional children served. Fiscal year 2021 assumes a level of appropriation equal to the total CCDBG award level. Adjustments in appropriated levels each fiscal year may be made through attrition as families reach their 12 month redetermination period, exceed the program’s income requirement, or voluntarily opt out of the program. TWC requests \$35.1 million in Federal Funds from the Child Care and Development Block Grant to provide subsidized child care for approximately 6,900 additional low income working families in the At-Risk & Transitional Child Care program in fiscal year 2021 (see Items Not Included in Recommendations #1).

The below table provides a breakdown for the new federal CCDBG expenditures, including: 1) direct care allocations to provide additional child care services at TWC; 2) caseload and cost growth for child care services at DFPS, funded within the DFPS budget; 3) a statewide two percent increase in the reimbursement rates to providers, effective August 2018; and 4) federally required quality improvement activities.

Breakdown of New CCDBG Expenditures (in millions)				
	2018	2019	2020	2021
TWC Direct Care	\$72.2	\$166.7	\$139.5	\$101.3
DFPS Direct Care	\$24.4	\$33.3	\$35.3	\$35.8
Statewide Provider Rate Increase	-	\$47.5	\$47.5	\$47.5
Quality Improvement Activities	\$44.0	\$44.0	\$44.0	\$44.0
Total	\$140.6	\$291.5	\$266.3	\$228.6

- 3. Department of Family and Protective Services Child Care.** TWC has an Interagency Contract (IAC) with DFPS to provide child care services for children in foster care and protective services. Children under protective care are funded through an appropriation in the DFPS budget. The IAC amounts reflected in TWC’s budget are updated for fiscal years 2017 to 2021 to align funding with LBB staff forecasts. In addition, as children leave DFPS protective care, TWC funds child care services for former DFPS populations within its budget for the remainder of the federally required 12 month service period.

Historically, DFPS appropriations and expenditures have grown each fiscal year due to caseload growth and have been funded through supplemental GR appropriations. As a result of the new increased federal appropriation, the DFPS supplemental need for fiscal year 2018 was funded through federal CCDBG funds. LBB staff projections assume the fiscal year 2019 supplemental need and the fiscal years 2020 and 2021 caseload and cost growth will be addressed through CCDBG as well. Recommendations include \$182.2 million in IACs in the 2018-19 biennium within TWC’s budget for DFPS child care, an increase of \$42.9 million from 2018-19 appropriated levels. Recommendations include \$197.5 million in IACs in the 2020-21 biennium, an increase of \$15.3 million from the 2018-19 adjusted base. The increase in CCDBG funding at DFPS in 2020-21 would serve approximately 2,650 children in the TWC At-Risk & Transitional Child Care program.

- 4. Vocational Rehabilitation (VR).** TWC transferred \$8.9 million in GR for VR from fiscal year 2019 to fiscal year 2018 through authority granted in Art. IX, Sec. 14.04(e), Disaster Related Transfer Authority, to meet the 21.3 percent state match requirement for an additional \$33.0 million in federal VR funds. The agency initially requested the funding to assist with the projected demand for customers adversely impacted by Hurricane Harvey, however, actual demand was less than anticipated and a portion of the reallocation funds will be used to provide VR services for current, former, and new participants. The GR transfer creates a deficit in fiscal year 2019 and will create a potential supplemental need for the agency to meet the state match in that year. If the state match is not met, the federal VR grant will be reduced by \$33.0 million in fiscal year 2019.

5. **VR Method of Finance (MOF) Swap.** Senate Bill 208 (84R) transferred the VR program from the Department of Assistive and Rehabilitative Services to TWC. At that time, the VR federal funds were appropriated under MOF 555 beginning in fiscal year 2017. Recommendations include a MOF swap of these funds from MOF 555 to the agency's Workforce Commission Federal Account No. 5026 to align the agency's federal funds under a single MOF.
6. **Supplemental Nutrition Assistance Program (SNAP) MOF Swap.** Historically, TWC was appropriated a portion of the federal SNAP grant to fund the Employment & Training (E&T) program for SNAP participants. The federal waiver that granted administrative and fiscal authority of the program to TWC expired. As of fiscal year 2018, the U.S. Department of Agriculture requires the lead agency, HHSC, to assume administrative and fiscal responsibility of the program, and requires the SNAP E&T federal funding to be appropriated directly to HHSC. Since this change went into effect in April 2018, recommendations include a MOF swap of approximately \$6.7 million in Workforce Commission Federal Account No. 5026 to \$7.4 million in IACs to biennialize funding for the 2020-21 biennium and provide an increase of \$0.7 million in IACs from the 2018-19 base to serve additional participants.
7. **Capital Budget Requests.** The agency requests capital budget funding and authority for the following three projects not included in the recommendations:
 - **Unemployment Insurance System Replacement.** Request to replace the unemployment insurance system used to process claims and store appeals information. The request totals \$40.0 million in federal Unemployment Insurance grant funds. (See Items Not Included in Recommendations #4)
 - **Workforce Case Management System.** Request to replace stand-alone systems from multiple programs into an integrated system for workforce services and case management activities performed by agency staff and LWDBs. The request totals \$18.9 million in Federal Funds from programs including the Workforce Innovation and Opportunity Act (WIOA), Temporary Assistance for Needy Families Choices, SNAP E&T, Adult Education, VR, and Trade Adjustment Assistance. (See Items Not Included in Recommendations #5)
 - **Eligible Training Provider and Career Schools System.** Request to replace four separate systems into a single web application to track eligible training providers and career schools. The request totals \$1.2 million in General Revenue and Federal Funds from programs including Skills Development, Career Schools and Colleges, and WIOA. (See Items Not Included in Recommendations #6)

CHILD CARE & DEVELOPMENT FUND

	<i>exp. 2017</i>	<i>est. 2018</i>	<i>bud. 2019</i>	<i>rec. 2020</i>	<i>rec. 2021</i>
BEGINNING BALANCE	\$82,754,613	\$84,029,111	\$175,699,347	\$109,184,353	\$68,832,463
Child Care & Devt. Block Grant (CCDBG)	\$77,502,791	\$75,452,670	\$162,648,045	\$98,746,698	\$61,008,455
Child Care Mandatory & Match (CCM&M)	\$5,251,822	\$8,576,441	\$13,051,302	\$10,437,655	\$7,824,008
AWARD	\$520,413,014	\$752,235,293	\$745,803,168	\$745,803,168	\$745,803,168
CCDBG	\$292,749,787	\$521,265,277	\$521,265,277	\$521,265,277	\$521,265,277
CCM&M ¹	\$227,663,227	\$230,970,016	\$224,537,891	\$224,537,891	\$224,537,891
EXPENDITURES²	\$(519,138,516)	\$(660,565,057)	\$(812,318,162)	\$(786,155,058)	\$(748,416,815)
CCDBG					
Texas Workforce Comm.	\$(258,461,036)	\$(374,469,930)	\$(516,818,262)	\$(489,628,169)	\$(451,426,860)
Dept. of Family & Protective Services	\$(36,338,872)	\$(38,260,536)	\$(47,106,648)	\$(49,176,846)	\$(49,639,912)
Health & Human Services Comm.	-	\$(21,339,436)	\$(21,241,714)	\$(20,198,505)	\$(20,198,505)
CCM&M					
Texas Workforce Comm.	\$(224,338,608)	\$(226,495,155)	\$(227,151,538)	\$(227,151,538)	\$(227,151,538)
ENDING BALANCE	\$84,029,111	\$175,699,347	\$109,184,353	\$68,832,463	\$66,218,816

NOTES: 1) Amount includes \$224,537,891 M&M and \$6,432,125 in re-allotted funds in 2018; 2) Agency expenditures include both direct and indirect costs.

Supplemental Schedule 1: Summary of Child Care Program - House

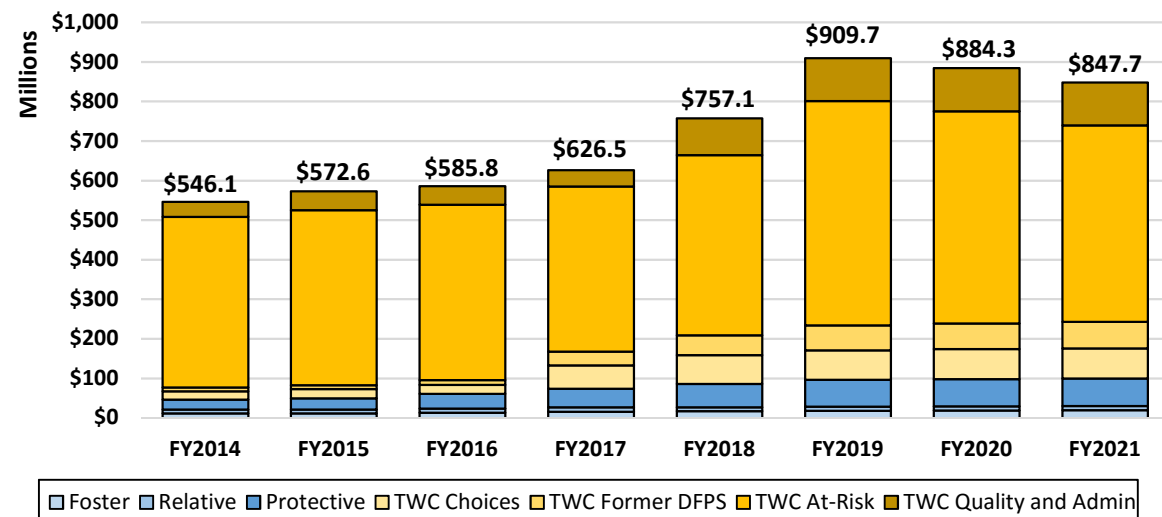
Child Care All Funds ¹	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	REC 2020	REC 2021
TWC Choices	\$21.4 M	\$24.1 M	\$23.3 M	\$59.0 M	\$72.6 M	\$75.1 M	\$76.0 M	\$76.0 M
TWC Former DFPS	\$9.6 M	\$9.3 M	\$12.0 M	\$34.7 M	\$49.8 M	\$62.4 M	\$65.1 M	\$67.2 M
TWC At-Risk	\$431.0 M	\$442.8 M	\$443.5 M	\$417.8 M	\$455.5 M	\$567.5 M	\$536.5 M	\$497.1 M
TWC Quality and Admin	\$37.7 M	\$47.3 M	\$46.5 M	\$41.1 M	\$93.0 M	\$108.6 M	\$108.8 M	\$107.8 M
DFPS Foster	\$11.5 M	\$11.6 M	\$13.4 M	\$15.2 M	\$16.9 M	\$18.0 M	\$18.8 M	\$19.5 M
DFPS Relative	\$9.5 M	\$9.7 M	\$10.5 M	\$11.9 M	\$10.3 M	\$10.4 M	\$10.5 M	\$10.7 M
DFPS Protective	\$25.4 M	\$27.8 M	\$36.6 M	\$46.7 M	\$58.9 M	\$67.8 M	\$68.7 M	\$69.4 M
Total	\$546.1 M	\$572.6 M	\$585.8 M	\$626.5 M	\$757.1 M	\$909.7 M	\$884.3 M	\$847.7 M

Average Children Served	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	REC 2020	REC 2021
TWC Choices	3,898	3,144	4,094	8,373	11,269	10,768	10,768	10,768
TWC Former DFPS	1,635	1,527	1,905	5,510	7,976	9,421	9,734	9,998
TWC At-Risk	96,472	95,623	94,264	83,942	88,973	111,695	106,238	97,990
DFPS Foster	1,858	1,843	2,069	2,340	2,597	2,681	2,749	2,829
DFPS Relative	1,648	1,662	1,768	1,971	1,687	1,654	1,655	1,660
DFPS Protective	4,411	4,764	6,027	7,616	9,571	10,763	10,761	10,800
Total	109,922	108,563	110,127	109,752	122,073	146,982	141,905	134,045

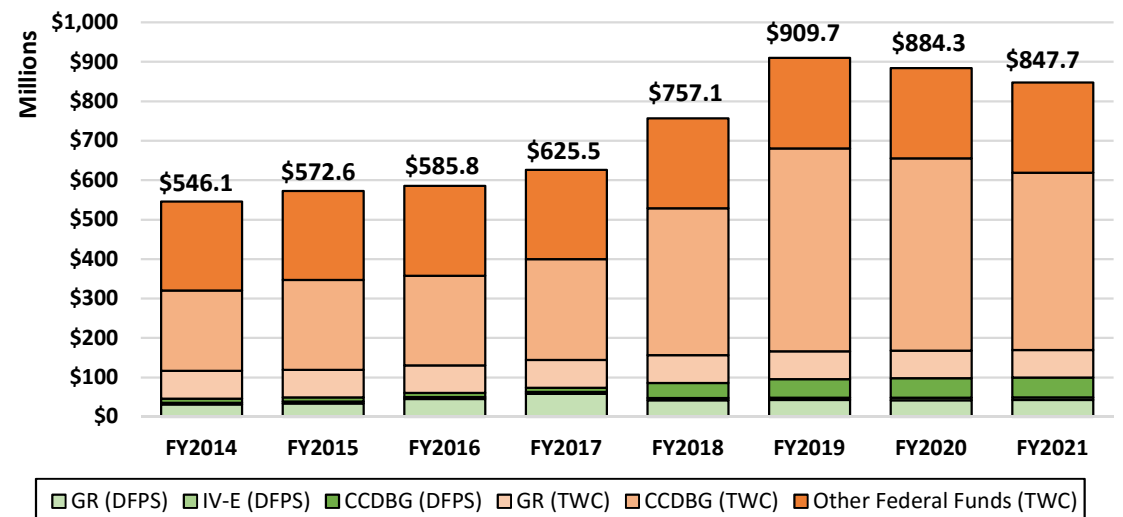
Care Type Definitions:
TWC Choices: Children who receive fully subsidized child care funded at Texas Workforce Commission (TWC).
TWC Former DFPS: Children who are no longer under Department of Family and Protective Services (DFPS) protection, but continue to receive child care services funded at TWC.
TWC At-Risk: Children who receive partly subsidized child care funded at TWC.
TWC Quality & Admin: Quality activities and administration costs funded at and administered by TWC.
DFPS Foster: Children in DFPS foster care, funded within the DFPS budget.
DFPS Relative: Children in DFPS care who are placed with relatives or other caregivers than their parents, funded within the DFPS budget.
DFPS Protective: Children in DFPS care who remain at home, but need child care services to provide a safer and more stable environment to reduce the risk of abuse and neglect, funded within the DFPS budget.

¹ FY 2020-21 reflect amounts included in the recommendations. Excludes expenditures for child care provider regulation and other indirect costs. Includes all methods of financing for the child care program in the TWC and DFPS budgets.

Funding by Care Type



Funding by Methods of Finance



Supplemental Schedule 2: Child Care Performance Measure Highlights and Provider Rates Overview - House

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
TANF Choices Child Care Key Measures					
• Average Number of Children Served Per Day	14,059	19,221	20,396	20,709	20,973
• Average Cost Per Child Per Day for Child Care	\$24.15	\$24.15	\$25.47	\$25.61	\$25.77
At-Risk & Transitional Child Care Key Measures					
• Average Number of Children Served Per Day	83,952	88,613	111,695	106,238	97,990
• Average Cost Per Child Per Day for Child Care	\$18.02	\$18.21	\$19.21	\$19.35	\$19.51

Notes:

a) **Average Number of Children Served Per Day.** Recommendations adjust the performance measure targets for the average number of children served to reflect the new appropriated levels, which primarily impacts the At-Risk & Transitional Child Care program key measure. Since the new federal Child Care and Development Block Grant (CCDBG) appropriation was allocated in May 2018, the agency distributed partial funding to Local Workforce Development Boards (LWDB) that year and the remaining 2018 balances are anticipated to be expended in fiscal years 2019 and 2020. As a result, the average number of children served in the At-Risk & Transitional program increases in fiscal years 2019 and 2020 as balances are expended. Fiscal year 2021 assumes the average number of children served at the full CCDBG award level. Recommendations also include additional CCDBG funding for Department of Family and Protective Services (DFPS) child care in fiscal years 2018 through 2021 related to caseload and cost growth. The increase in CCDBG funding at DFPS in 2020-21 would serve approximately 2,650 children in the TWC At-Risk & Transitional Child Care program. Adjustments in the number of children served each fiscal year may be made through attrition as families reach their 12 month redetermination period, exceed the program’s income requirement, or voluntarily opt out of the program.

b) **Average Cost Per Child Per Day.** Recommendations adjust the performance measure targets for the average cost per child per day for child care services to reflect the statewide two percent provider reimbursement rate increase.

c) **Overview of Provider Reimbursement Rates Setting.** According to 45 Code of Federal Regulations §98.45, Equal Access, TWC must certify that the child care provider rates are sufficient to ensure equal access for eligible families to child care services comparable to families not eligible to receive Child Care and Development Fund assistance. TWC must ensure provider rates are adequate based on a market rate survey. The annual Texas Child Care Market Rate Survey (MRS) is conducted by the University of Texas at Austin under contract with TWC. TWC determines a lump sum allocation along with a performance target for number of children served for each LWDB. With these parameters and based on the MRS and other local factors, the LWDBs establish maximum reimbursement rates, including rates for full-day, part-day, provider type, age, and quality. Pursuant to Government Code, Section 2308.15, LWDBs must establish graduated rates for the Texas Rising Star (TRS) program greater than the maximum rate for a non-TRS provider. The final rates set by the LWDBs affect all children served in that area.

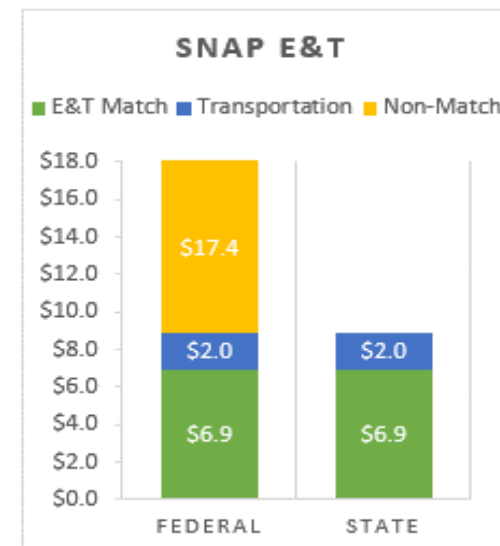
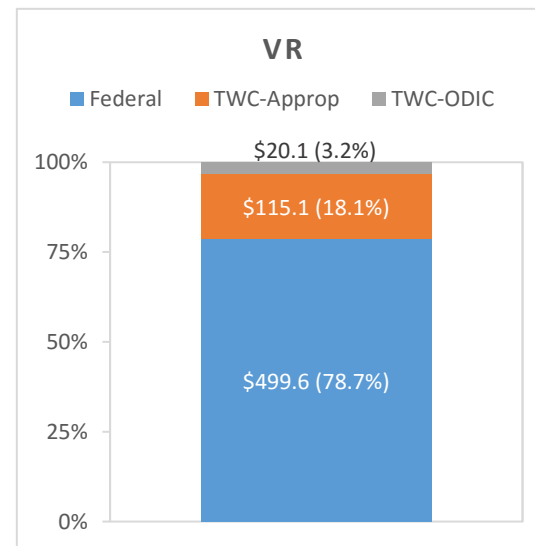
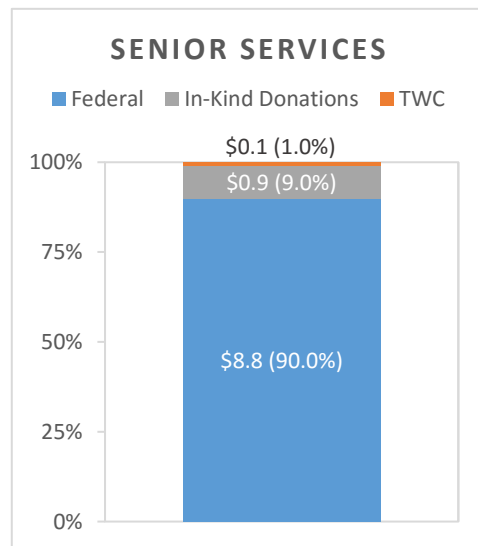
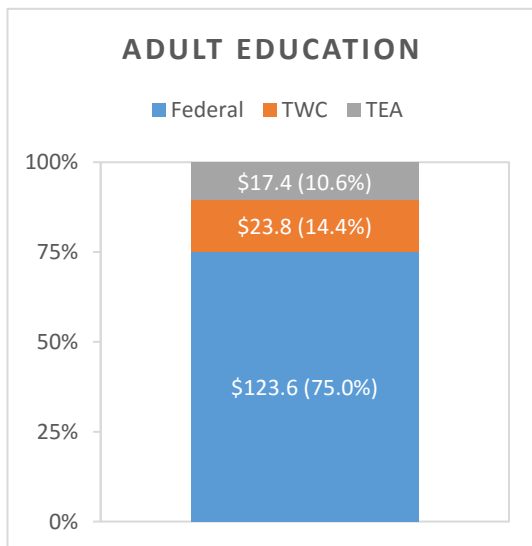
Texas Workforce Commission

Supplemental Schedule 3: Federal Funds Match and Maintenance of Effort Requirements - Fiscal Years 2020-21 - House

The Texas Workforce Commission (TWC) receives funding from 22 federal grants in the 2020-21 biennium. For eight grants, the federal government requires the state to either match the federal contribution at a certain percentage or maintain a maintenance of effort (MOE) requirement. The remaining 14 grants do not have a match or MOE requirement.

CFDA	Federal Grant	State Program	Match/MOE Details	Match	MOE
84.126	Vocational Rehabilitation Grants to States	Vocational Rehabilitation (VR)	The match consists of state funds and other direct and indirect costs (ODIC), including benefits, outside the agency's bill pattern.	21.3%	State expenditures from two federal fiscal years earlier (\$66.9 million in FY 2020)
84.177	Rehabilitation Services - Independent Living for Older Individuals Who are Blind	VR	The match consists entirely of state funds.	10.0%	N/A
84.187	Supported Employment Services for Individuals w/ Most Severe Disabilities	VR	The match is exclusively related to the allotment reserved for youth services (totaling half of the federal grant).	10.0%	N/A
93.596	Child Care Mandatory & Matching Funds of the Child Care & Development Fund	Child Care	The match is based on the Federal Medical Assistance Percentage (FMAP) and consists of state, local, and Texas Education Agency (TEA) matching funds. The MOE consists of TEA and TANF MOE funds.	39.11% in FY 2020 (Proj. FMAP)	State expenditures from 1994 or 1995 (\$34.7 million)
93.558	Temporary Assistance for Needy Families (TANF)	TANF Choices	The agency's appropriation contributes portionally to the statewide TANF MOE and also counts towards the Child Care MOE.	N/A	Statewide (\$236.7 million)
84.002	Adult Education State Grant Program	Adult Education	The match consists of state funds within the agency's bill pattern and state funds within TEA's bill pattern for the Windham School District adult education programs.	25.0%	No less than 90% of either the highest cost per student or highest total state expenditures
10.561	State Admin Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	SNAP Employment & Training (E&T)	The agency receives a base amount of federal dollars and can access additional federal dollars for E&T services and reimbursement for participants' transportation costs.	50.0%	N/A
17.235	Senior Community Service Employment Program	Senior Services	The match consists of state funds and local funds outside the agency's bill pattern from the grantee that administers the program providing certified in-kind donations.	10.0%	N/A

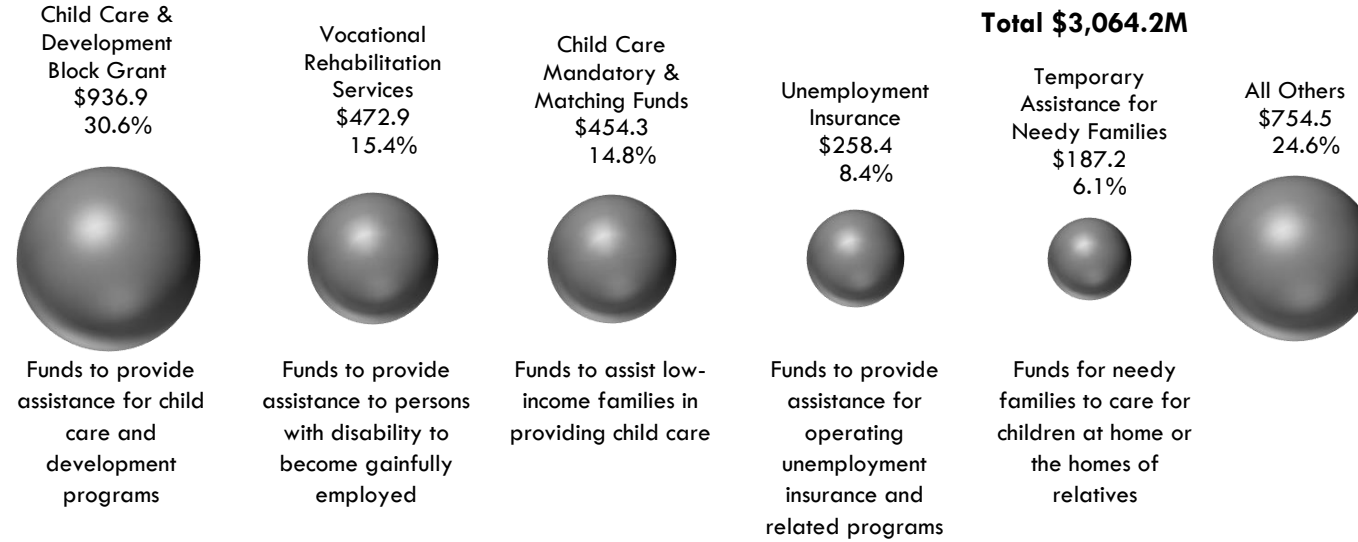
Four grants are highlighted below to represent the total federal contribution and state and local matches in the 2020-21 biennium. (In Millions)



Potential For Additional Federal Draw Down Dollars
 According to the agency, all federal programs are limited by the federal allotment, except for the VR and SNAP E&T programs, which have available additional draw down federal dollars in the event that the state increased the GR match.

Texas Workforce Commission

Summary of Federal Funds (2020-21) - House



Funds to provide assistance for child care and development programs

Funds to provide assistance to persons with disability to become gainfully employed

Funds to assist low-income families in providing child care

Funds to provide assistance for operating unemployment insurance and related programs

Funds for needy families to care for children at home or the homes of relatives

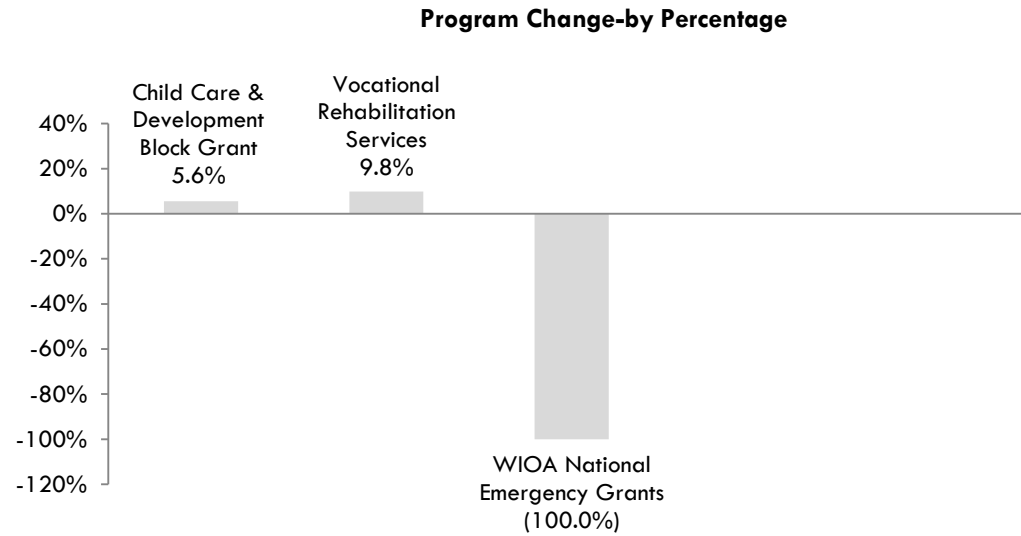
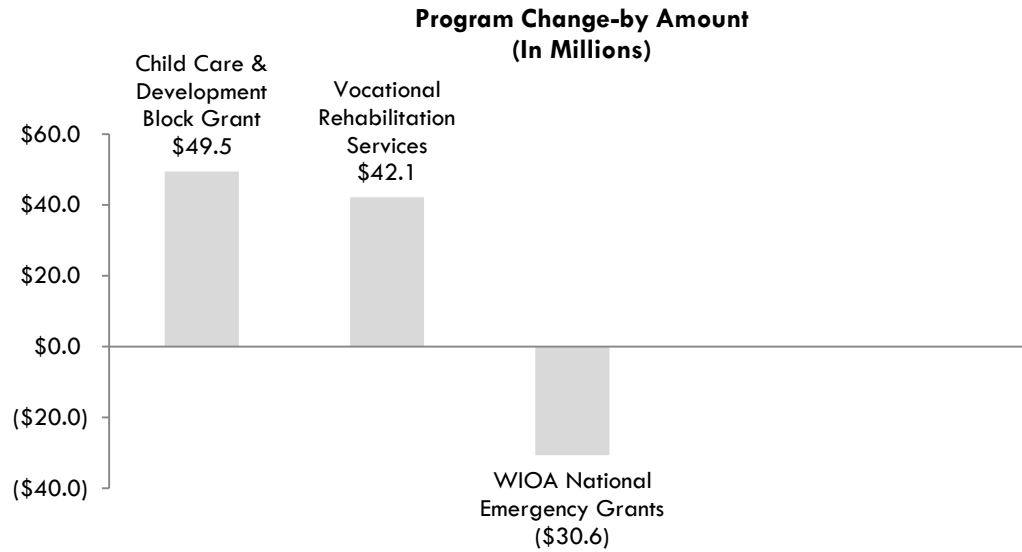
Selected Federal Fiscal and Policy Issues

1. Federal Funds estimates include an increase of \$49.5 million for the Child Care and Development Block Grant and \$42.1 million for Vocational Rehabilitation Services in the 2020-21 biennium.

This is attributable to increases in federal award amounts to states beginning in federal fiscal year 2018 and continuing through 2021. Additionally, the agency is utilizing a larger portion of prior awards from previous federal fiscal years.

2. Federal Fund estimates include a \$30.6 million decrease in WIOA National Emergency Grants, primarily awarded after Hurricane Harvey. This grant is not anticipated in the 2020-21 biennium.

Programs with Federal Funding Changes from 2018 - 19



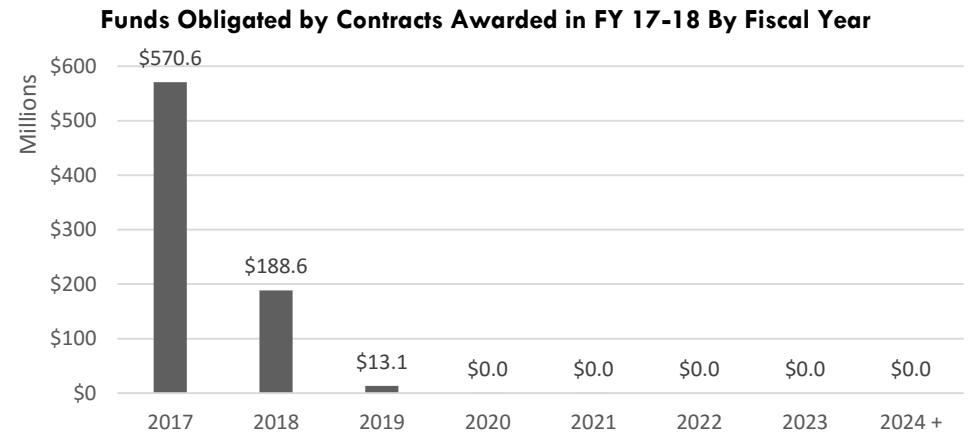
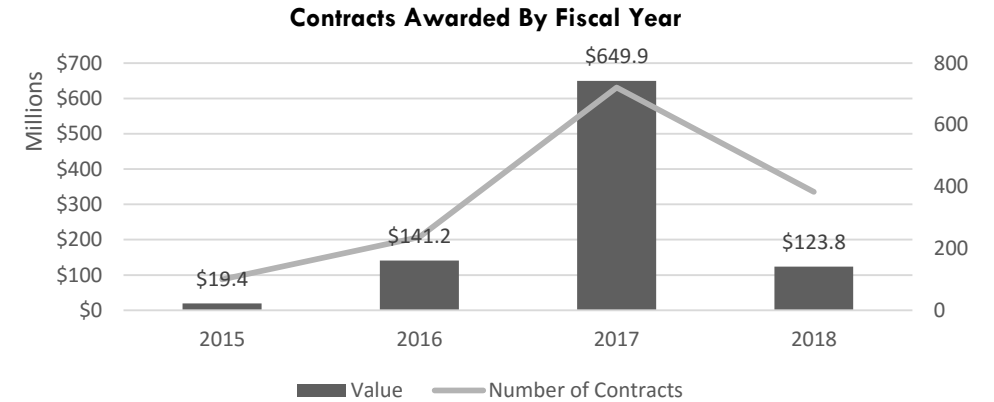
**Texas Workforce Commission
Contracting Highlights - House**

As of 8/31/2018, the Texas Workforce Commission had 916 active procurement contracts valued at \$283.0 million and 20 revenue generating contracts worth \$8.4 million.

Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database¹

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of Total
Procurement Contracts	1,104	\$ 773.7	\$ 0.7	100%
Award Method				
Total Competitive Contracts	230	\$ 39.4	\$ 0.2	5.1%
Total Non-Competitive	874	\$ 734.4	\$ 0.8	94.9%
<i>Provider Enrollment</i>	699	\$ 665.3	\$ 1.0	86.0%
<i>Sole Source</i>	11	\$ 8.9	\$ 0.8	1.1%
<i>Interagency Agreement</i>	164	\$ 60.2	\$ 0.4	7.8%
Procurement Category				
Information Technology	78	\$ 19.0	\$ 0.2	2.5%
Medical	155	\$ 3.0	\$ 0.02	0.4%
Construction	20	\$ 3.5	\$ 0.2	0.4%
Goods	18	\$ 12.4	\$ 0.7	1.6%
Management Services	676	\$ 703.6	\$ 1.0	90.9%
Consulting	3	\$ 0.1	\$ 0.0	0.0%
Other Services	154	\$ 32.0	\$ 0.2	4.1%
Revenue Generating Contracts				
Competitive	2	\$ 0.5	\$ 0.2	93.8%
Non-competitive	1	\$ 0.0	\$ 0.0	6.2%



¹These figures reflect the total value of reported contracts awarded in FY 2017-18 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

**Texas Workforce Commission
Contracting Highlights - House**

(Dollar values rounded to the nearest tenth of a million)

Largest Active Contracts from Previous Fiscal Years	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 DARS Hospital	Provider Enrollment	\$ 4.3	0.0%	10/01/11	7 years	0	Hendrick Medical Center
2 BET Vending Services Business Enterprises of Texas	Competitive	\$ 3.7	2.7%	04/01/15	6 years	0	Longview Snack Foods
3 DARS CRP (Community Rehab Program)	Provider Enrollment	\$ 3.2	379.8%	06/01/16	3 years	0	Work Ready Inc
4 DARS DME/Vehicle Modification	Interagency	\$ 2.5	0.0%	12/03/12	6 years	0	First Care Medical Equipment
5 DARS Hospital	Provider Enrollment	\$ 2.4	0.0%	03/01/13	6 years	0	Memorial Hermann Health System

Largest Competitive Contracts Awarded in FY 17-18

1 PC Refresh	Competitive	\$ 2.9	-	05/11/17	3 months	-	Unisys Corporation
2 Outsourced IT Help Desk	Competitive	\$ 1.7	-	09/01/16	1 year	-	Unisys Corporation
3 Managed Print Services	Competitive	\$ 1.0	-	09/01/16	1 year	-	Xerox Corporation
4 Conference Bridge: CHD, UI Appeals, & UI Tax	Competitive	\$ 0.9	-	09/01/16	1 year	-	C2T Incorporated
5 H/W & S/W, Module, Pwr Sply, And Switch + Maint	Competitive	\$ 0.9	-	04/27/17	1 month	-	Presidio Networked Solutions Group Llc

Largest Non-Competitive Contracts Awarded in FY 17-18

1 Reporting Of Child Care Development Funds	Provider Enrollment	\$ 37.1	-	10/01/16	1 year	-	Department Of Family & Protective Services
2 Child Care Partially Subsidized Direct Care Allocation	Provider Enrollment	\$ 34.9	-	10/01/16	1 year	-	Dallas County Local Wdb Inc
3 Child Care Services Formula Allocation	Provider Enrollment	\$ 33.3	-	08/31/17	1 year	-	Houston-Galveston Area Council
4 Child Care Partially Subsidized Direct Care Allocation	Provider Enrollment	\$ 27.7	-	10/01/16	1 year	-	Alamo Workforce Development Inc
5 Child Care Partially Subsidized Direct Care Allocation	Provider Enrollment	\$ 23.5	-	10/01/16	1 year	-	Tarrant County Wdb

*Note: The percent change is the difference in contract value between the initial award amount and the current contract value. This calculation includes contract amendments and renewals.

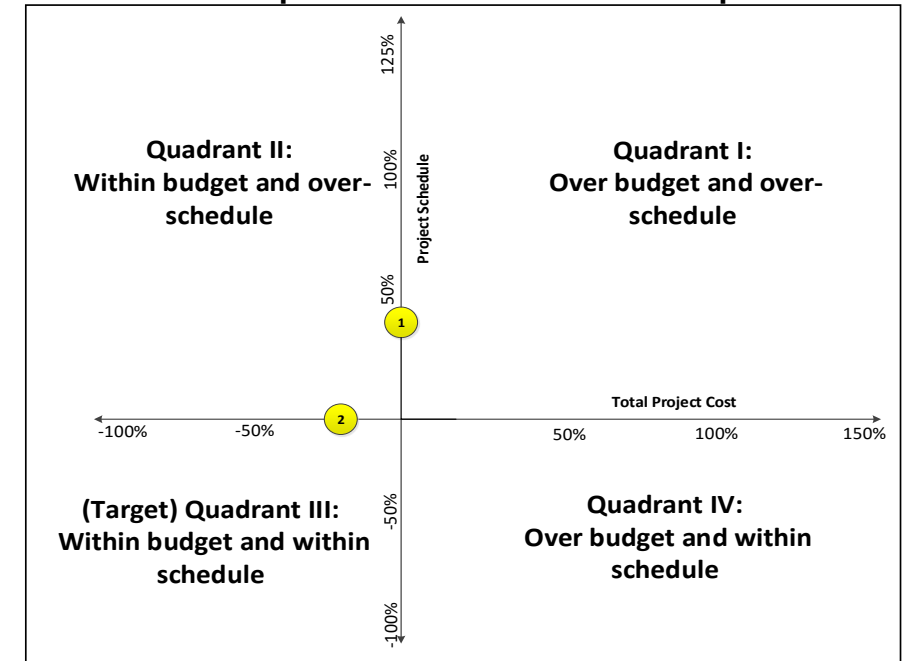
**Texas Workforce Commission
Quality Assurance Team Highlights - House**

Of TWC's four major information resource projects monitored by the Quality Assurance Team, two are over schedule and within budget. Details on two projects are listed below; information on the projects that are within budget and on schedule is in Appendix F.

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

Project Name	Original Projected Cost	Current Projected Cost	Under / (Over) Initial Project Cost	Expenditures to Date	Original Timeline in Months	Current Timeline in Months	Months Ahead of / (Behind) Schedule	% Complete	
1 Enterprise Contracting System Phase II	\$1.7	\$1.7	\$0.0	\$1.0	11	15	(4)	100%	●
2 Short Time Compensation (Shared Work) Portal Project	\$3.0	\$2.8	\$0.2	\$0.8	14	16	(2)	41%	●
Project Totals	\$4.7	\$4.5	\$0.2	\$1.8					

Major Information Resources Projects



Legend

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

*Note: These figures reflect all project costs (Capital and Informational) and timelines from self-reported monitoring reports that are sent to the Quality Assurance Team (QAT) for review. QAT includes representatives from the Comptroller of Public Accounts, Department of Information Resources, Legislative Budget Board, and the State Auditor's Office (Advisory Only).

Significant Project Highlights

1 Enterprise Contracting System Phase II

The project is the second phase of two phases to implement an enterprise contracting system. Phase I replaced the Health and Human Services Commission's (HHSC) Contract Administration and Tracking System (HCATS) that supported contract management activities for the Vocational Rehabilitation (VR) program and ReHabWorks. Phase II will replace Texas Workforce Commission's (TWC) Contract Administration and Tracking System (CATS) and TWC's PeopleSoft Financials Contracts Module.

The initial project start and finish dates were September 5, 2016, and August 31, 2018, respectively. The project is within budget but is 32 percent over schedule. The extension is due to project management changes from agile/iterative to waterfall approach.

2 Short Time Compensation (Shared Work) Portal Project

TWC will create an online application to external users (employers) to enter information for the Shared Work and Mass Claims programs. Users will have direct access to update information that will alleviate manual processes currently performed by TWC staff. This solution will leverage the existing infrastructure of the Unemployment Insurance Benefits System and existing web-based self-service systems.

The initial project start and finish dates were December 1, 2018, and February 28, 2020, respectively. The project is within budget but is 14 percent over duration. The extension is due to the agency adjusting the schedule due to the availability of staff resources. With this change, the agency is within budget and within schedule.

QAT Budget Highlights (in millions)

Project Name	2018-19 Base	2020-21 Requested	2020-21 Recommended
1 Workforce Solutions Improvements	\$0.6	\$0.0	\$0.0
2 Unemployment Insurance Improvements	\$2.2	\$0.0	\$0.0
Total	\$2.8	\$0.0	\$0.0

*Notes: In the Capital Budget Rider for the 2018-19 GAA, Workforce Solutions Improvements included funding for project #1 and Unemployment Insurance Improvements included funding for project #2. These projects are included in the 2018-19 Base.

**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 a net decrease of \$5.6 million including the following: 1) a decrease of \$10.4 million due to the completion of the Work-In-Texas job matching system replacement; 2) a decrease of \$4.9 million due to the completion of Workforce Solutions Improvements, Unemployment Insurance Improvements, and RehabWorks Enhancement projects; 3) an increase of \$3.5 million to implement the Centralized Accounting and Payroll/Personnel System Human Resources and Travel Solution projects; 4) an increase of \$2.5 million for a new cyber security initiative; 5) an increase of \$2.2 million primarily related to Operations Infrastructure projects; and 6) an increase of \$1.5 million in Data Center Consolidation in alignment with the Department of Information Resource estimate of ongoing costs.
21. **Local Matching Funds.** Recommendations amend this rider to continue 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 more favorable Federal Medical Assistance Percentage (FMAP) rate in the 2020-21 biennium, which results in a lower match requirement for the State. TWC typically meets this match requirement through: 1) General Revenue; 2) statewide appropriations going towards pre-kindergarten programs; and 3) the local match funding identified by the rider.
31. **Reimbursement of Advisory Committee Members.** Revise rider to increase the Elected Committee of Managers reimbursement allocation from \$16,000 to \$22,000 for reimbursement of 12 advisory members attending four meetings each year.
32. **Notification of Vocational Rehabilitation Federal Funds Distribution.** Revise rider to delete section (b) that requires the agency to notify the LBB and the Governor at least 14 days prior to budgeting more federal Vocational Rehabilitation funds than originally appropriated, including federal funds carried forward from prior fiscal years. This unexpended balances authority for federal funding is provided in Article IX, Section 13.09. The requirement remains that the agency shall notify the LBB and the Governor at least 30 days prior to requesting additional federal funding for this program and any intent to redirect GR for this purpose.
35. **Appropriation: GR-Dedicated Business Enterprise Program Trust Fund Account No. 5043.** Revise rider to delete the submission of an annual report to the LBB and the Governor on the management of the Business Enterprise Program Trust Fund and the related retirement investments. This retirement plan was phased out as of December 2011, making the report no longer necessary, and was replaced with an annual distribution to eligible Business Enterprises of Texas managers. A quarterly reporting requirement remains in the rider related to these distributions.

Deleted Riders

5. **Authorization: Sale of Agency-owned Buildings and Land.** Delete rider that authorizes the agency to sell agency-owned buildings and land as a rider cannot authorize the sale of buildings and land absent statutory authorization. The agency does not have statutory authorization for such sales.
7. **Federal Funds Appropriated.** Delete rider that states the agency is authorized to receive and disburse all federal dollars made available to the state, and distribute those funds in accordance with state plans and federal guidance. This authority is provided in Art. IX, Sec. 13.01, Federal Funds/Block Grants.

Article IX Revisions

- 13.10. **Temporary Assistance for Needy Families (TANF), Social Services Block Grant (SSBG), or Child Care and Development Block Grant (CCDBG).** Recommendations add the federal CCDBG to Article IX, Sec. 13.10, which requires approval by the LBB and the Governor to expend funds for certain federal grants that are appropriated to several state agencies.

**Texas Workforce Commission
Items Not Included in Recommendations - House**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items - In Agency Priority Order							
1)	Child Care. Request for Federal Funds from the Child Care and Development Block Grant to provide subsidized child care for 6,900 additional low income working families in the At-Risk & Transitional Child Care program in fiscal year 2021.	\$0	\$35,133,015	0.0	No	Yes	\$35,133,015
2)	Jobs and Education for Texans (JET) Program Expansion. Request to increase grant funds to public community and technical colleges and independent school districts (ISD) with start-up costs of equipment purchases or upgrades for career and technical education programs. The funding would provide equipment to approximately 17 additional ISDs and 12 additional institutions and train approximately 6,537 participants in high-demand occupations in the biennium.	\$6,000,000	\$6,000,000	0.0	No	Yes	\$6,000,000
3)	Apprenticeship Training Program. Request to increase grant funds to public community and technical colleges to provide on-the-job training with supervision and classroom instruction. The funding will allow TWC to stay at or near the goal of paying \$4 per contact hour to apprenticeship training programs and train 1,035 apprentices in the biennium.	\$1,345,000	\$1,345,000	0.0	No	Yes	\$1,345,000
4)	Unemployment Insurance System Replacement. Request for capital budget funding and authority in Federal Funds to replace the unemployment insurance system used to process claims and store appeals information.	\$0	\$40,000,000	0.0	Yes	Yes	\$10,050,000
5)	Workforce Case Management System. Request for capital budget funding and authority in Federal Funds and Other Funds to replace multiple stand-alone systems into an integrated system for workforce services and case management activities performed by TWC staff and Local Workforce Development Boards.	\$0	\$18,853,281	0.0	Yes	Yes	\$4,200,000
6)	Eligible Training Provider and Career Schools System. Request for capital budget funding and authority in General Revenue and Federal Funds to replace four separate workforce systems into a single web application.	\$704,445	\$1,178,276	0.0	Yes	Yes	\$0
7)	Request to reinstate a rider in the agency's bill pattern that authorizes the agency to sell agency-owned buildings and land.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$8,049,445	\$102,509,572	0.0			\$56,728,015

**Texas Workforce Commission
Strategic Fiscal Review Appendices - House**

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Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 1: Program Listing -- Services and Administration
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

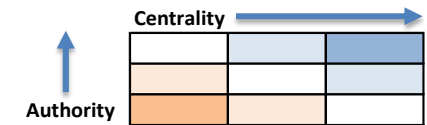
Mission Centrality/Authority



Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
1	Workforce Innovation and Opportunity Act (WIOA)	2015	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	Partial
2	Temporary Assistance for Needy Families (TANF) Choices	1996	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	No
3	Employment Services	1996	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	Partial
4	Skills Development	1996	Admin Code, Statute	No Federal Requirement	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	No
5	Apprenticeship	1996	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	No
6	Jobs and Education for Texans (JET)	2016	Statute	No Federal Requirement	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	N/A	No
7	Vocational Rehabilitation	2017	Statute	Public Law	Strong	Strong	Business & Workforce Development & Regulation, Health Care - Rehabilitation, Disability & Long Term Care	Statewide	Qualified	Partial
8	Adult Education and Literacy	2014	Statute	Public Law	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	Partial
9	Child Care - Choices	1998	Admin Code, Statute	Public Law, Rules	Strong	Moderate	Business & Workforce Development & Regulation, Family & Nutrition Services	Statewide	N/A	No
10	Unemployment Insurance	1996	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	Partial
11	Child Care - At-Risk & Transitional	1998	Admin Code, Statute	Public Law, Rules	Strong	Moderate	Family & Nutrition Services	Statewide	N/A	No
12	Child Care - Admin & Quality	1998	Admin Code, Agency Rider, Statute	Public Law, Rules	Strong	Moderate	Business & Workforce Development & Regulation, Family & Nutrition Services	Statewide	Qualified	No
13	Civil Rights	2004	Admin Code, Statute	Public Law	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	N/A	N/A
14	Career Schools and Colleges	2000	Admin Code, Statute	Public Law	Strong	Moderate	Business & Workforce Development & Regulation	Statewide	No	N/A

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 1: Program Listing -- Services and Administration
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority



Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
15	Labor Law	1996	Admin Code, Statute	No Federal Requirement	Strong	Strong	Business & Workforce Development & Regulation	Statewide	No	No
16	Business Enterprises of Texas (BET)	2017	Statute	Public Law	Strong	Strong	Health Care - Rehabilitation, Disability & Long Term Care	Statewide	No	No
17	Labor Market and Career Information	1996	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	Partial
18	Work Opportunity Tax Credit	1996	Statute	Public Law	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	N/A
19	Trade Adjustment Assistance	1996	Admin Code, Statute	Public Law	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	No
20	Supplemental Nutrition Assistance Program (SNAP) Employment & Training	1996	Admin Code, Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	No
21	Senior Community Services Employment	1996	Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	No
22	Temporary Assistance for Needy Families (TANF) Self-Sufficiency	2000	Statute	Public Law, Rules	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	No
23	Business Enterprises of Texas (BET) Trust Fund	2017	Statute	Public Law	Strong	Strong	Health Care - Rehabilitation, Disability & Long Term Care	Statewide	N/A	N/A
24	Foreign Labor Certification	1996	No State Requirement	Public Law	Strong	Strong	Business & Workforce Development & Regulation	Statewide	N/A	N/A
25	Child Care - DFPS and Former DFPS	1998	Admin Code	Public Law, Rules	Strong	Moderate	Family & Nutrition Services	Statewide	N/A	No
Indirect Administration Programs										
26	Indirect Administration	1996	Statute	No Federal Requirement	N/A	N/A	State Government Administration & Support	Statewide	Qualified	Partial

Note: *Significant Audit and/or Report Findings.* Qualified indicates that there may be issues relating to agency operations that have not been documented in formal audits, reviews or reports, or LBB Staff cannot verify whether recommendations have been implemented.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 2: Program Listing -- Fiscal
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission				LBB Staff Review and Analysis							
Agency Ranking	Program Name	2014-15 Expended	2016-17 Expended	2018-19 Est / Budg	2019 FTEs Budg	2020-21 Recommended	2021 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?
1	Workforce Innovation and Opportunity Act (WIOA)	\$ 339,559,720	\$ 337,771,931	\$ 424,587,414	67.0	\$ 407,536,006	67.2	-4.0%	0.2	No	N/A
2	Temporary Assistance for Needy Families (TANF) Choices	\$ 184,211,676	\$ 182,244,670	\$ 185,836,675	36.3	\$ 185,682,604	36.3	-0.1%	0.0	No	N/A
3	Employment Services	\$ 96,219,270	\$ 95,095,430	\$ 108,805,557	616.3	\$ 102,854,683	616.3	-5.5%	0.0	No	Qualified
4	Skills Development	\$ 47,532,761	\$ 49,190,135	\$ 44,845,569	29.1	\$ 44,834,174	29.1	0.0%	0.0	No	N/A
5	Apprenticeship	\$ 6,062,589	\$ 8,822,644	\$ 11,459,593	5.4	\$ 11,378,067	5.4	-0.7%	0.0	No	N/A
6	Jobs and Education for Texans (JET)	\$ -	\$ 9,552,527	\$ 10,000,000	0.0	\$ 10,000,000	0.0	0.0%	0.0	No	N/A
7	Vocational Rehabilitation	\$ -	\$ 270,055,572	\$ 582,002,204	1,794.3	\$ 619,202,493	1,794.3	6.4%	0.0	No	N/A
8	Adult Education and Literacy	\$ 146,357,856	\$ 196,849,741	\$ 162,399,823	26.2	\$ 158,599,621	26.2	-2.3%	0.0	No	N/A
9	Child Care - Choices	\$ 45,449,601	\$ 82,273,709	\$ 147,723,706	0.0	\$ 151,919,489	0.0	2.8%	0.0	No	N/A
10	Unemployment Insurance *	\$ 6,214,082,667	\$ 6,717,054,863	\$ 4,726,257,227	1,516.6	\$ 4,736,177,568	1,516.6	0.2%	0.0	Yes	Qualified
11	Child Care - At-Risk & Transitional	\$ 873,815,584	\$ 861,316,359	\$ 1,022,993,835	0.0	\$ 1,033,605,702	0.0	1.0%	0.0	No	N/A
12	Child Care - Admin & Quality	\$ 84,992,500	\$ 87,605,322	\$ 201,657,859	83.6	\$ 216,619,906	83.6	7.4%	0.0	No	N/A
13	Civil Rights	\$ 4,173,415	\$ 4,532,409	\$ 4,838,085	36.5	\$ 5,070,430	36.5	4.8%	0.0	No	N/A
14	Career Schools and Colleges *	\$ 1,969,177	\$ 2,065,430	\$ 2,747,022	13.8	\$ 2,769,335	13.6	0.8%	-0.2	Yes	Compliant
15	Labor Law *	\$ 14,830,453	\$ 16,519,436	\$ 15,721,861	65.3	\$ 16,163,494	65.3	2.8%	0.0	Yes	Compliant
16	Business Enterprises of Texas (BET)	\$ -	\$ 2,469,995	\$ 4,286,439	18.0	\$ 4,459,723	18.0	4.0%	0.0	Yes	Compliant
17	Labor Market and Career Information	\$ 7,387,719	\$ 8,621,295	\$ 6,718,880	55.9	\$ 6,975,213	55.9	3.8%	0.0	No	N/A
18	Work Opportunity Tax Credit	\$ 1,417,761	\$ 1,483,593	\$ 1,427,040	12.5	\$ 1,577,204	12.5	10.5%	0.0	No	N/A
19	Trade Adjustment Assistance	\$ 29,712,857	\$ 27,329,882	\$ 39,993,308	54.6	\$ 40,299,425	54.6	0.8%	0.0	No	N/A
20	Supplemental Nutrition Assistance Program (SNAP) Employment & Training	\$ 44,047,761	\$ 39,733,505	\$ 34,383,582	14.2	\$ 35,054,909	14.2	2.0%	0.0	No	N/A
21	Senior Community Services Employment	\$ 9,807,539	\$ 9,130,724	\$ 8,863,278	1.2	\$ 8,858,113	1.2	-0.1%	0.0	No	N/A
22	Temporary Assistance for Needy Families (TANF) Self-Sufficiency	\$ 2,589,270	\$ 2,974,376	\$ 5,024,309	1.2	\$ 5,029,028	1.2	0.1%	0.0	No	N/A
23	Business Enterprises of Texas (BET) Trust Fund	\$ -	\$ 407,051	\$ 808,424	0.0	\$ 808,424	0.0	0.0%	0.0	Yes	Compliant
24	Foreign Labor Certification	\$ 939,043	\$ 1,200,266	\$ 1,263,183	12.1	\$ 1,330,208	12.1	5.3%	0.0	No	N/A
25	Child Care - DFPS and Former DFPS	\$ 114,404,360	\$ 180,839,483	\$ 294,466,466	0.0	\$ 329,849,386	0.0	12.0%	0.0	No	N/A

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 2: Program Listing -- Fiscal
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission				LBB Staff Review and Analysis							
Agency Ranking	Program Name	2014-15 Expended	2016-17 Expended	2018-19 Est / Budg	2019 FTEs Budg	2020-21 Recommended	2021 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?
Indirect Administration Programs											
26	Indirect Administration	\$ 39,622,757	\$ 49,707,275	\$ 63,832,046	408.4	\$ 65,400,979	408.4	2.5%	0.0	No	Compliant
Total		\$ 8,309,186,336	\$ 9,244,847,623	\$ 8,112,943,385	4,868.5	\$ 8,202,056,184	4,868.5	1.1%	0.0		

	2018-19 Est/Budg	2020-21 Recommended
Inside the Treasury	\$ 3,602,548,675	\$ 3,691,639,642
Outside the Treasury	\$ 4,510,394,710	\$ 4,510,416,542
Total	\$ 8,112,943,385	\$ 8,202,056,184

* Program has funds Outside the Treasury and / or Outside the Bill Pattern.

Notes: *Qualified* indicates that the agency may be using the funds for the purpose(s) intended or for similar purposes which are not specifically authorized by the constitution or statute, or that there may be conflicts within authorizing laws.

Revenue Supported includes fees, tuition set asides, and donations.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 3: Assessment of Mission Centrality and Authority
 (Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission centrality is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.
Authority is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.

		MISSION CENTRALITY		
		Weak	Moderate	Strong
A U T H O R I T Y	Strong		Jobs and Education for Texans (JET) (6) Child Care - Choices (9) Child Care - At-Risk & Transitional (11) Child Care - Admin & Quality (12) Civil Rights (13) Career Schools and Colleges (14) Child Care - DFPS and Former DFPS (25)	Workforce Innovation and Opportunity Act (WIOA) (1) Temporary Assistance for Needy Families (TANF) Choices (2) Employment Services (3) Skills Development (4) Apprenticeship (5) Vocational Rehabilitation (7) Adult Education and Literacy (8) Unemployment Insurance (10) Labor Law (15) Business Enterprises of Texas (BET) (16) Labor Market and Career Information (17) Work Opportunity Tax Credit (18) Trade Adjustment Assistance (19) Supplemental Nutrition Assistance Program (SNAP) Employment & Training (20) Senior Community Services Employment (21) Temporary Assistance for Needy Families (TANF) Self-Sufficiency (22) Business Enterprises of Texas (BET) Trust Fund (23) Foreign Labor Certification (24)
	Moderate			
	Weak			

Notes: Agency program rankings included after the program name. The matrix does not include Indirect Administration programs.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

1	Account No: 165	Account Type: GR DEDICATED
	Account Name: Unemployment Compensation Special Administration Account	
	Legal Cite(s): Social Security Act, Section 904, 42 U.S. Code, Sec. 1104, Labor Code, Sec. 203.002-003, 203.005, & 203.201-203	
	Authorized Use: Money in this fund may used: 1) to reimburse the Unemployment Compensation (UC) Trust Fund for benefits paid to former state employees; 2) in the administration of Labor Code, Ch. 51, 61, and 62; 3) for payment of interest on advances from the UC Trust Fund; 4) as a revolving fund to cover expenditures under Labor Code, Subchapter E and for which federal funds have been requested but not received, subject to the charging of the expenditures against the federal funds when received; 5) to refund a penalty as provided by Labor Code, Sec. 203.203; and 6) subject to the provisions of Government Code, Ch. 2107, to pay individuals who contract with TWC to collect delinquent unemployment taxes, penalties, and interest owed under Labor Code, Subchapter E.	
	Revenue Source: The fund collects various fees and penalties including lien fees for filing a tax lien, unemployment compensation penalties for violations of the Unemployment Compensation Act, and administrative penalties for benefits received by misrepresentation.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
3	Employment Services	\$ 465,373	\$ -	No
10	Unemployment Insurance	\$ 118,438	\$ 117,637	Yes
15	Labor Law	\$ 7,721,861	\$ 8,163,494	Yes
26	Indirect Administration	\$ 1,242,599	\$ 1,267,140	Yes
Total		\$ 9,548,271	\$ 9,548,271	

Notes/Comments:	<p>The beginning fund balance for this fund in fiscal year 2020 is estimated to be approximately \$33.0 million and revenue is projected to generate approximately \$29.3 million over the biennium. Appropriations are made from this account to TWC as listed above primarily for the Labor Law program and administration costs totaling \$9.5 million. Appropriations are also made to the Reimbursements to the Unemployment Compensation Benefit Account in a separate bill pattern for benefits paid to former state employees and are estimated to be \$10.7 million in GR-D Fund 165 in the 2020-21 biennium.</p> <p>Through SFR analysis, GR-D Fund 165 was found to be used for purposes in the Employment Services program that were not authorized by statute. Historical expenditures to serve participants in the Employment Services program are not in compliance with the authorized use of GR-D Fund 165. As a result, recommendations for the 2020-21 biennium reallocate \$0.2 million to the Labor Law program for the administration of Labor Code, Ch. 51, 61, and 62.</p>
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Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

2	Account No: 492	Account Type: GR DEDICATED
	Account Name: Business Enterprises Program Account	
	Legal Cite(s): Randolph-Sheppard Act, 20 U.S. Code, Sec. 107, Human Resources Code, Sec. 91.014, Labor Code, Sec. 355.011	
	Authorized Use: With these funds, TWC may supply a vending facility manager with related equipment and initial stock necessary to begin business under the Business Enterprises of Texas (BET) program. In addition, the agency shall collect enough money from the proceeds of the operation of the vending facilities: 1) to ensure a sufficient amount of initial stock for the facilities and their maintenance; 2) to pay for supervision and other expenses incidental to the operation of the facilities; and 3) to pay other program costs to operate the facilities and provide financial support.	
	Revenue Source: This fund collects revenue from dormitory, cafeteria, and merchandise sales for the management of the BET program.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
16	Business Enterprises of Texas (BET)	\$ 1,372,428	\$ 1,372,428	Yes
Total		\$ 1,372,428	\$ 1,372,428	

Notes/Comments: The BET program develops business management opportunities for legally blind individuals in food service operations and vending facilities located on public and private properties.

3	Account No: 5043	Account Type: GR DEDICATED
	Account Name: Business Enterprises Program Trust Funds	
	Legal Cite(s): Randolph-Sheppard Act, 20 U.S. Code, Sec. 107, Labor Code, Sec. 355.016	
	Authorized Use: The fund may be used for any expenditures authorized by the federal Randolph-Sheppard Act. The fund is used to administer a retirement program for managers licensed to operate vending facilities through the Business Enterprises of Texas (BET) program. In addition, TWC may contract with a professional management service to administer the fund.	
	Revenue Source: All federal vending machine income is credited to this fund including receipts (other than those of a blind vendor) from vending machine operations on federal property.	

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
23	Business Enterprises of Texas (BET) Trust Fund	\$ 808,424	\$ 808,424	Yes
Total		\$ 808,424	\$ 808,424	

Notes/Comments: N/A

4	Account No: 5128	Account Type: GR DEDICATED
	Account Name: Employment and Training Investment Assessment (ETIA) Holding Fund	
	Legal Cite(s): Labor Code, Sec. 204.122	
	Authorized Use: The fund provides a source of funding for the Unemployment Compensation (UC) Trust Fund in the event that additional funding is needed for unemployment insurance benefits for workers who lost their jobs through no fault of their own. Remaining money in the fund is used to fund the appropriations for the Skills Development program. If, on September 1 each year, TWC determines that the amount in the UC Trust Fund will be at or below 100 percent of its floor on the next October 1 computation date, TWC shall transfer to the UC Trust Fund as much of the amount in the holding fund as is necessary to raise the amount in the UC Trust Fund to 100 percent of its floor, up to and including the entire amount in the ETIA fund. If there is a remaining balance in this fund, TWC shall transfer from the ETIA Fund to the General Revenue Fund amounts equal to the Skills Development appropriation.	
	Revenue Source: The ETIA Fund collects the employment and training investment assessment, which is an assessment of one-tenth of one percent of wages paid by the employer.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
3	Employment Services	\$ -	\$ -	Qualified
10	Unemployment Insurance	\$ 772,460	\$ 772,460	Qualified
Total		\$ 772,460	\$ 772,460	

Notes/Comments: The above appropriations from the ETIA fund are indicated as Qualified because the agency is using the funds for their intended purposes in the General Appropriations Act, but the purpose is not specifically authorized in statute. TWC was previously appropriated \$1.5 million each fiscal year for the Employment Services program to perform workforce employment and training activities. This funding and associated rider were removed as a part of the four percent reduction in the 2018-19 biennium. The appropriation of approximately \$0.8 million for the Unemployment Insurance program is used to reimburse the federal government for tax collection costs associated with the ETIA fund, pursuant to Rider 22, Employment and Training Investment Assessment Reimbursement, in the agency's bill pattern.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

5	Account No: 0894	Account Type: Outside the Treasury
	Account Name: Payday Law Wage Determination Trust Fund	
	Legal Cite(s): Government Code, Sec. 403.031(a), Labor Code, Sec. 61.056 & 61.063	
	Authorized Use: The fund is established for the deposit of employer remittances from initial wage determinations and to hold in escrow, wages and penalties assessed by TWC if the party required to pay said wages or penalties files a petition for judicial review in a court of competent jurisdiction contesting the final order. Claims that are not appealed are paid from this fund by processing separate claims through the Comptroller, plus any accrued interest. Appealed claims, after judicial review, are remitted to either the claimant or the party assessed the wage payment or the penalty plus the interest accrued on the escrowed amount. TWC must pay to the claimant wages collected and any interest earned on those wages within 30 days of adjudication or resolution.	
	Revenue Source: The fund receives and distributes wage determination claims. In addition, if it is determined that an employer acted in bad faith in not paying wages as required, an examiner, tribunal, or commission, in addition to ordering the payment of the wages, may assess an administrative penalty against the employer. If it is determined an employee acted in bad faith in bringing a wage claim, an administrative penalty may be assessed. An administrative penalty assessed under this section may not exceed the lesser of: the amount of the wages in question or claimed; or \$1,000.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
15	Labor Law	\$ 8,000,000	\$ 8,000,000	Yes
Total		\$ 8,000,000	\$ 8,000,000	

Notes/Comments: N/A

6	Account No: 0844	Account Type: Outside the Treasury
	Account Name: TWC Obligation Trust Fund	
	Legal Cite(s): Labor Code, Sec. 203.102	
	Authorized Use: This fund is used to pay bond obligations and bond administrative expenses; and principal and interest incurred on advances from the federal Unemployment Compensation (UC) Trust Fund.	
	Revenue Source: This fund is composed of revenue received from the unemployment obligation assessment under Labor Code, Sec. 203.105; and any surplus revenue transferred from the UC Trust Fund to pay outstanding bond obligations under Labor Code, Sec. 204.065.	

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
10	Unemployment Insurance	\$ -	\$ -	Yes
Total		\$ -	\$ -	

Notes/Comments: This fund is established in the Uniform Statewide Accounting System (USAS) to facilitate processing and reporting of revenues and expenditures from obligation assessments. Payments will be made without appropriation to pay bond obligations and bond administrative expenses and principal and interest on advances from the UC Trust Fund.

7	Account No: 0925	Account Type: Outside the Treasury
	Account Name: Career School or College Tuition Trust Fund	
	Legal Cite(s): Education Code, Sec. 132.2415 & 132.242	
	Authorized Use: The fund is used to provide a full refund to each student enrolled at a closed career school or college. TWC may provide a partial refund to a student only if the commission determines that the amount in the fund is insufficient to provide a full refund to the student.	
	Revenue Source: TWC may collect annually a fee from each career school or college to be deposited to the credit of this fund. The fund balance may not exceed \$1.0 million. The total amount of the fees collected in a year shall be set by TWC to pay the liabilities of the fund during that year, not to exceed 0.2 percent of the gross amount of tuition and fees charged by career schools and colleges in that year, excluding refunded amounts.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
14	Career Schools and Colleges	\$ 578,168	\$ 600,000	Yes
Total		\$ 578,168	\$ 600,000	

Notes/Comments: N/A

8	Account No: 0936	Account Type: Outside the Treasury
	Account Name: Unemployment Compensation Clearance Account	
	Legal Cite(s): Labor Code, Sec. 203.022	
	Authorized Use: Any money deposited in the Clearance Account shall be immediately deposited with the United States Secretary of the Treasury to the credit of the federal Unemployment Compensation (UC) Trust Fund.	

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Revenue Source:	Money requisitioned from this account in the UC Trust Fund may be used only for the payment of benefits or for refunds as provided by the Unemployment Compensation Act.
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Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
10	Unemployment Insurance	\$ -	\$ -	Yes
Total		\$ -	\$ -	

Notes/Comments:	N/A
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9	Account No: 0937	Account Type: Outside the Treasury
	Account Name: Unemployment Compensation Benefit Account	
	Legal Cite(s): Labor Code, Sec. 203.021 & 203.023	
	Authorized Use: This fund is established to hold money that is requisitioned from the Unemployment Compensation (UC) Trust Fund to pay benefits under the Unemployment Compensation Act.	
	Revenue Source: Funds transferred from the UC Trust Fund.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
10	Unemployment Insurance	\$ 4,450,528,664	\$ 4,450,528,664	Yes
Total		\$ 4,450,528,664	\$ 4,450,528,664	

Notes/Comments:	The above expenditures of \$4,450.5 million in each biennium reflect the projected unemployment benefits paid to individuals from Texas employers.
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10	Account No: 0938	Account Type: Outside the Treasury
	Account Name: Unemployment Compensation Trust Fund	
	Legal Cite(s): 42 U.S. Code, Sec. 1104, Labor Code, Sec. 203.021	

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Authorized Use:	TWC shall direct the administration of the federal Unemployment Compensation (UC) Trust Fund exclusively for the purposes outlined in the Unemployment Compensation Act. Specifically, money in the fund may be used only for the payment of benefits or for refunds outlined in the Act. In addition, TWC, under an agreement with or waiver by the United States Secretary of Labor, may use this money to conduct demonstration projects for the reemployment of unemployed individuals in the manner prescribed by the agreement or waiver and consistent with any applicable requirements under federal law.
Revenue Source:	The revenue within this fund consists of: 1) contributions collected under the Unemployment Compensation Act; 2) interest earned on money in the fund; 3) property or securities acquired through the use of money in the fund; 4) earnings of property or securities described by item (3) above; 5) amounts recovered for losses sustained by the fund; and 6) other money received for the fund from any other source.

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
10	Unemployment Insurance	\$ 51,287,878	\$ 51,287,878	Yes
Total		\$ 51,287,878	\$ 51,287,878	

Notes/Comments:	<p>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 above expenditures of \$51.3 million in each biennium reflect the benefits paid to individuals who have received unemployment benefits from Texas employers, but have since moved out of state. 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 December 2018 projections, the Trust Fund Floor is \$1,132.3 million and the Trust Fund Balance is \$2,129.7 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.</p> <p>In addition to any revenue transferred from the ETIA Fund, the UC Trust Fund is financed by the following four components:</p> <ol style="list-style-type: none"> 1) General Tax – A variable rate that reflects the employer's responsibility for repaying actual unemployment benefits paid to former workers; 2) Replenishment Tax – A flat tax paid by all employers to replenish the UC Trust Fund for benefits paid out that could not be charged to any specific employer; 3) Unemployment Obligation Assessment – Amounts needed to pay any outstanding bond obligations due or any interest on federal loans used to pay unemployment benefits; and 4) Deficit Tax – A tax added to the General Tax rate for the next calendar year if the amount of money in the UC Trust Fund as of October 1 is less than the established minimum floor.
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Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 4: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

11	Account No: 0367	Account Type: Outside the Treasury
	Account Name: TWC Unemployment Compensation Revenue Bond Fund	
	Legal Cite(s): Labor Code, Sec. 203.255	
	Authorized Use: Proceeds may be used to: 1) repay the principal and interest of previous advances from the federal Unemployment Compensation (UC) Trust Fund; 2) pay unemployment benefits by depositing the proceeds in the UC Trust Fund; 3) pay the costs of issuing the bonds; 4) provide a bond reserve; and 5) pay capitalized interest on the bonds for the period determined by TWC, not to exceed two years. Any excess money remaining, after the purposes for which the bonds were issued is satisfied, may be used to purchase or redeem outstanding bonds. If there are no outstanding bonds or bond interest to be paid, the remaining proceeds shall be transferred to the UC Trust Fund.	
	Revenue Source: Proceeds from the issuance of bonds.	

Ranking:	Program Name	2018-19 Est/Budg	2020-21 Recommended	In Compliance with Authorized Use?
10	Unemployment Insurance	\$ -	\$ -	Yes
Total		\$ -	\$ -	

Notes/Comments: N/A

	2018-19 Est/Budg	2020-21 Recommended
Inside the Treasury	\$ 12,501,583	\$ 12,501,583
Outside the Treasury	\$ 4,510,394,710	\$ 4,510,416,542
Total	\$ 4,522,896,293	\$ 4,522,918,125

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5a: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Workforce Innovation and Opportunity Act (WIOA)

Agency Ranking

1 out of 26

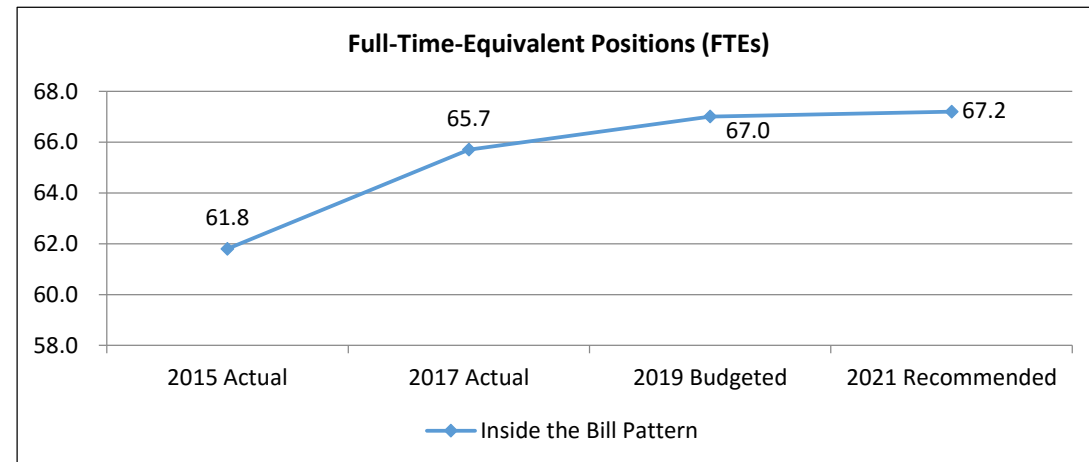
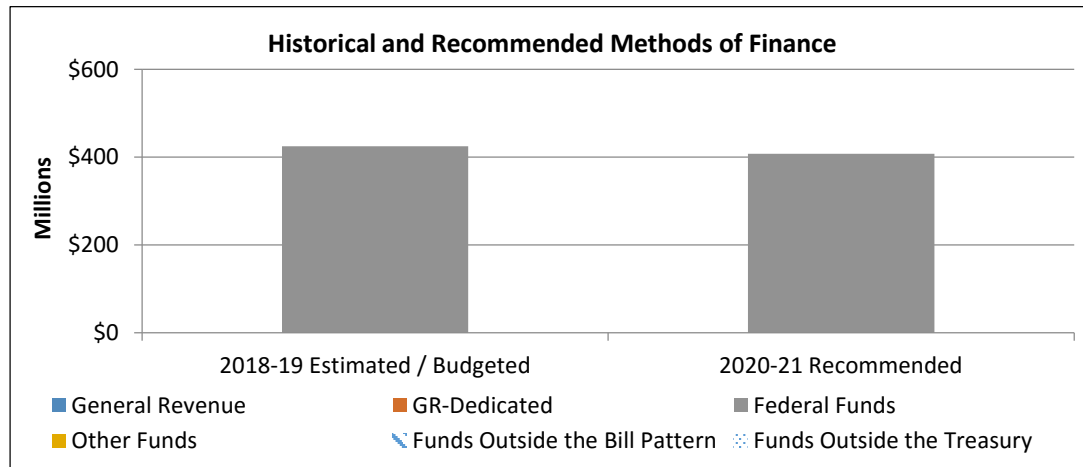
Provides workforce development to increase employability, occupational attainment, retention, and earnings of adults, dislocated workers, and youth. Provides information, advice, job search assistance, and training to job seekers primarily through One-Stop Career Centers.

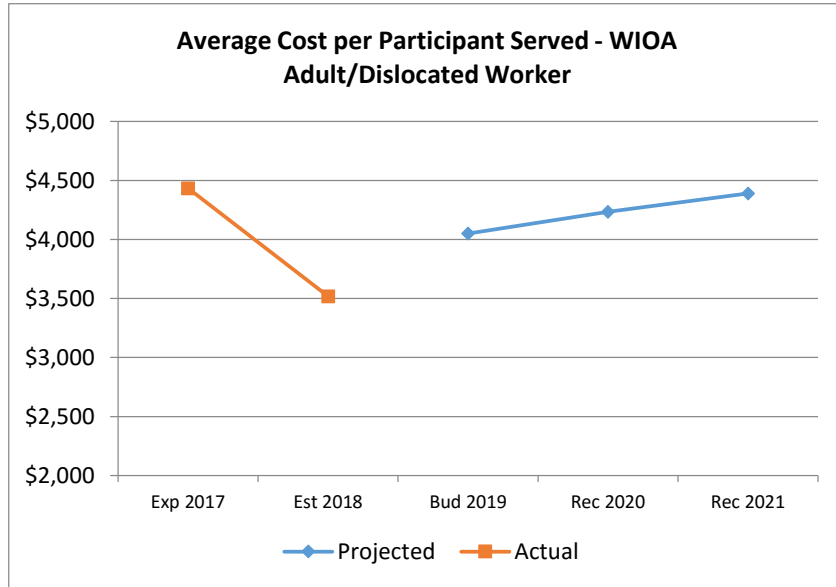
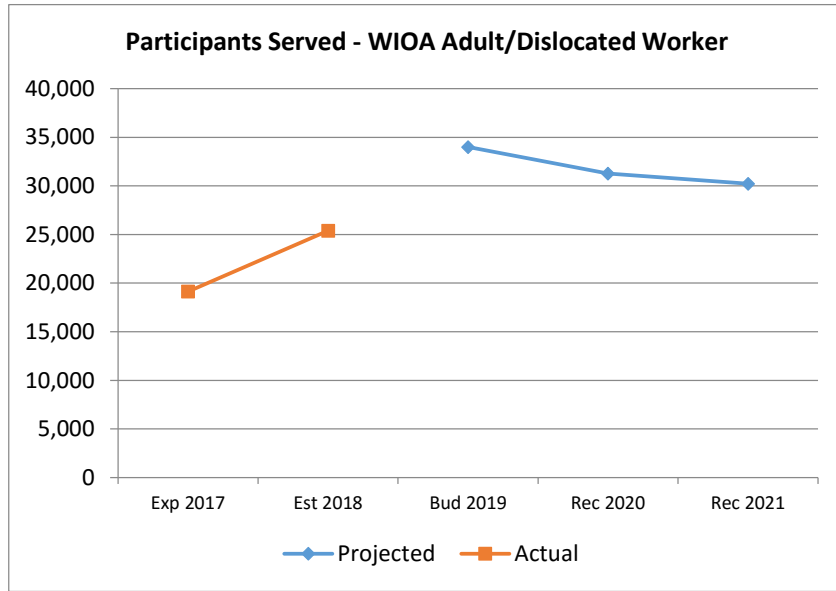
Legal Authority: Labor Code, Sec. 302.021 & 301.063, 40 Administrative Code, Ch. 801 & 841; 29 U.S. Code, Sec. 3101 et seq., 29 U.S. Code, Sec. 49 et seq., 42 U.S. Code, Sec. 501 et seq.; 20 Code of Federal Regulations Part 652

Year Implemented	2015	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 409,109,354	\$ 394,217,949	96.7%
Personnel Costs	\$ 8,253,566	\$ 8,171,058	2.0%
Operating Costs	\$ 7,205,115	\$ 5,120,214	1.3%
Capital Costs	\$ 19,379	\$ 26,785	0.0%
Total	\$ 424,587,414	\$ 407,536,006	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 407,536,006	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 407,536,006	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include a reduction in the WIOA program totaling \$17.0 million. This is primarily related to a decrease of \$30.6 million for the WIOA National Emergency grant provided for Hurricane Harvey that is not anticipated in the 2020-21 biennium; and an increase of \$14.5 million for the WIOA Adult and Dislocated Workers grants to serve additional participants.
- 2 WIOA Adult, Youth, and Dislocated Worker grants have no state match or maintenance of effort requirements. Funds are allocated based the state’s share of unemployed persons and economically disadvantaged adults. Up to 15 percent may be reserved for statewide workforce investment activities.
- 3 The goal of the WIOA program is to improve the quality of the adult workforce, reduce welfare dependency, reemploy dislocated workers, enhance economic productivity and competitiveness, and to assist eligible youth in acquiring skills, training, and support needed to successfully transition to careers and productive adulthood. TWC allocates WIOA funds to Local Workforce Development Boards (LWDB), based on each areas share of unemployed persons and economically disadvantaged adults and youth, to contract for training services, workforce services, and maintenance of the Workforce Solutions offices.
- 4 WIOA was signed into law on July 22, 2014, and took effect July 1, 2015. It replaced the Workforce Investment Act of 1998 (WIA), streamlined the workforce development system, applied a single set of outcome metrics, and eliminated the sequence of services allowing local areas to better meet the needs of individuals. Core programs are now required to report on the same performance indicators, including workers who entered and retained employment, median wages, credential attainment, and measurable skill gains. Core programs as designated by the U.S. Dept. of Labor include WIOA, Adult Education, Vocational Rehabilitation, and Employment Services. WIOA also increased the requirement to serve out of school youth from 25% to 75% all of WIOA youth.

Challenges and Enhancement Opportunities

- 1 Agency states WIOA implementation has been an ongoing process. Implementation challenges include full integration of services that were not required under WIA, and modifying automated systems to meet WIOA's program and reporting requirements.

Alternative Funding Options

- 1 TWC requests to replace stand-alone systems from multiple programs into an integrated system for workforce services and case management activities performed by agency staff and Local Workforce Development Boards. The request is for capital budget funding and authority of \$18.9 million from Federal Funds. (See Items Not Included in Recommendations #5)
- 2 TWC requests to replace four separate systems into a single web application to track eligible training providers and career schools. The request is for capital budget funding and authority of \$1.2 million from General Revenue and Federal Funds. (See Items Not Included in Recommendations #6)

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5b: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Temporary Assistance for Needy Families (TANF) Choices

Agency Ranking

2 out of 26

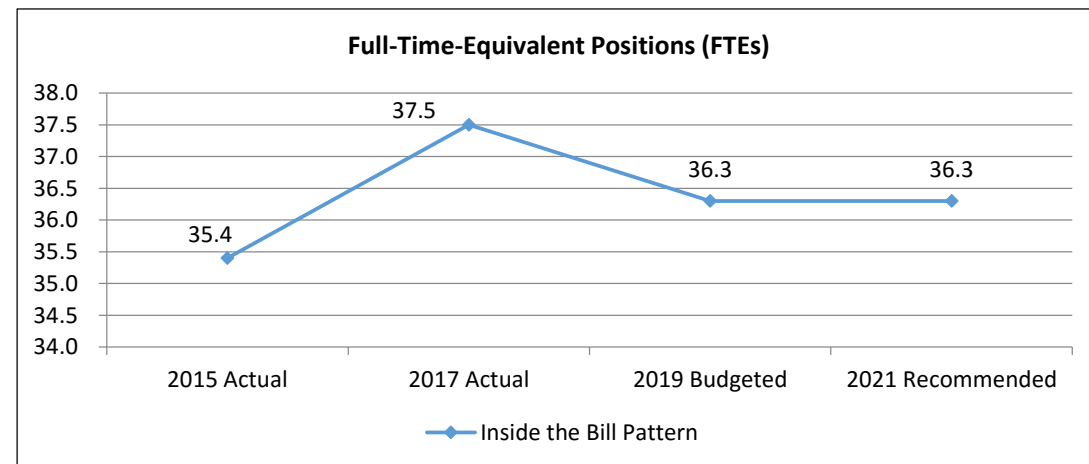
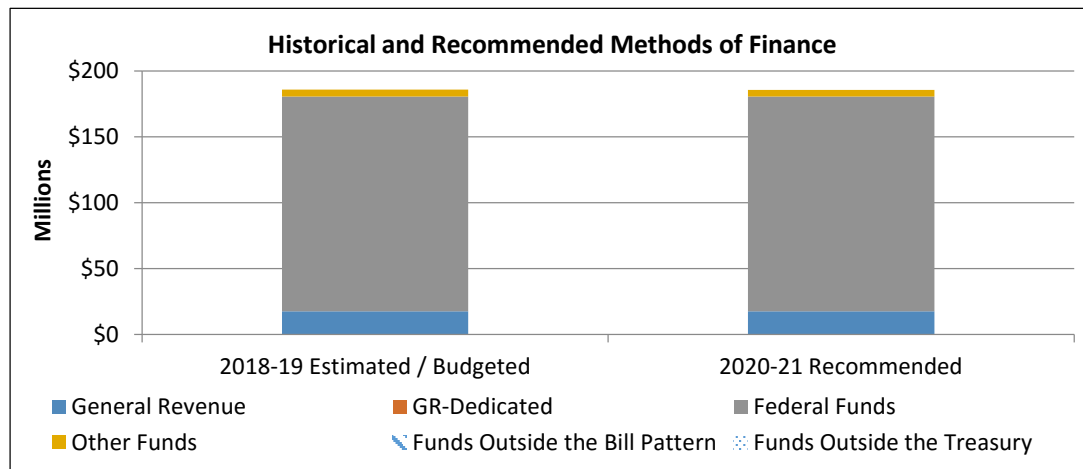
Assists applicants, recipients, nonrecipient parents, and former recipients of TANF cash assistance to transition from welfare to work through participation in work-related activities, including training and subsidized and unsubsidized employment.

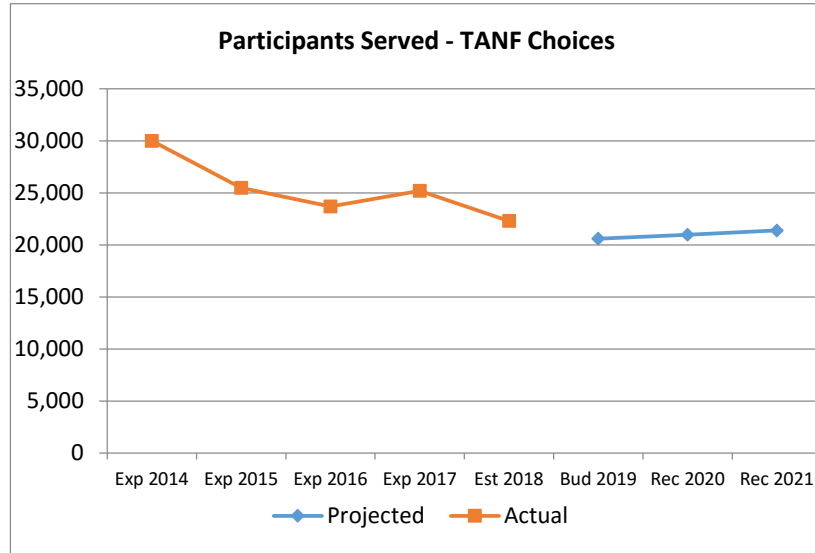
Legal Authority: Human Resources Code, Ch. 31 & 34, 40 Administrative Code, Ch. 811; 42 U.S. Code, Sec. 601 et seq., 45 Code of Federal Regulations Part 260

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 178,983,583	\$ 178,177,278	96.0%
Personnel Costs	\$ 4,237,545	\$ 4,536,180	2.4%
Operating Costs	\$ 2,606,691	\$ 2,947,703	1.6%
Capital Costs	\$ 8,856	\$ 21,443	0.0%
Total	\$ 185,836,675	\$ 185,682,604	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 185,682,604	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 185,682,604	100.0%



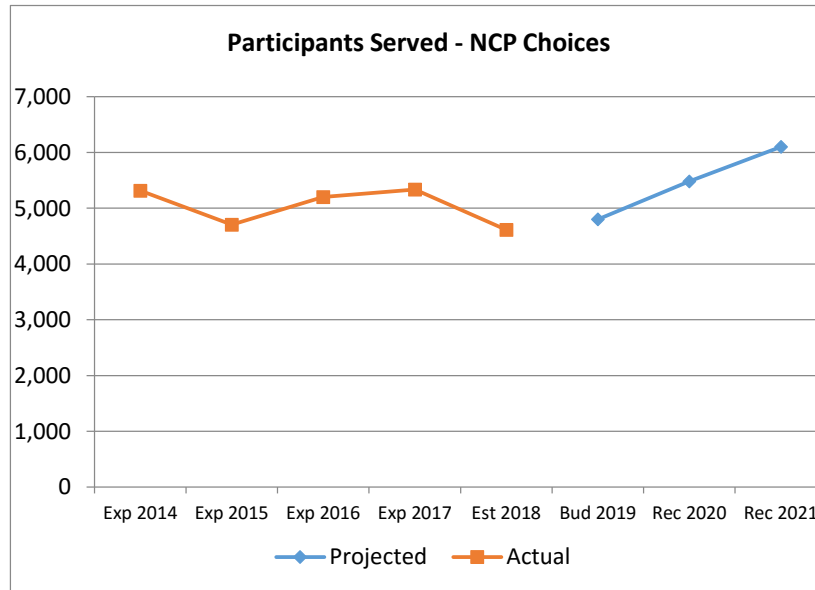


Summary of Recommendations and Fiscal and Policy Issues

- 1 The Choices program provides job search and job readiness classes, basic skills training, education, vocational training, and support services. The Local Workforce Development Boards also have the flexibility to provide job retention services, called Choices Plus. In addition to the services provided under Choices and Choices Plus, TWC funds special initiatives and projects, including Services to Foster Youth; Noncustodial Parent Choices (NCP) program; After-School Robotics Initiative; and Summer Merit Program for youth summer camps.
- 2 The TANF Choices program is funded by the federal TANF grant and GR MOE for TANF. The agency also enters into an Interagency Contract with the Office of the Attorney General for Non-Custodial Parents participating in the TANF program.

Alternative Funding Options

- 1 TWC requests to replace stand-alone systems from multiple programs into an integrated system for workforce services and case management activities performed by agency staff and Local Workforce Development Boards. The request is for capital budget funding and authority of \$18.9 million from Federal Funds. (See Items Not Included in Recommendations #5)



Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5c: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Employment Services

Agency Ranking

3 out of 26

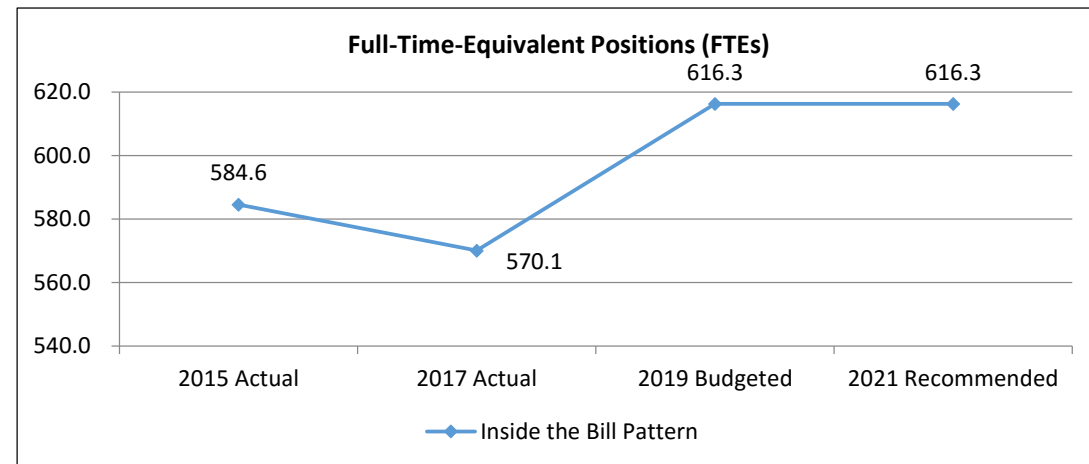
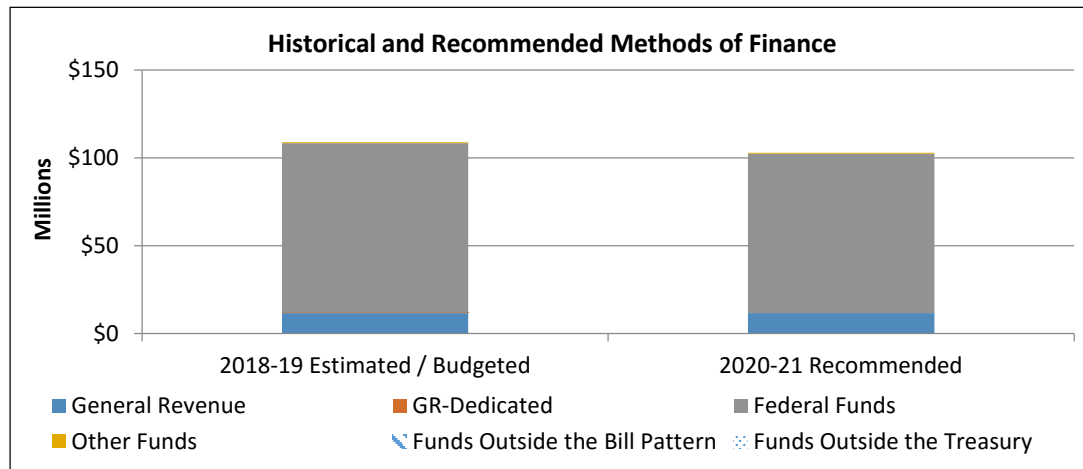
Provides a variety of employment-related services including: recruitment services for employers with job openings; job search assistance, job referral, and placement assistance for job seekers; and reemployment services for unemployment benefit claimants to help them return to work.

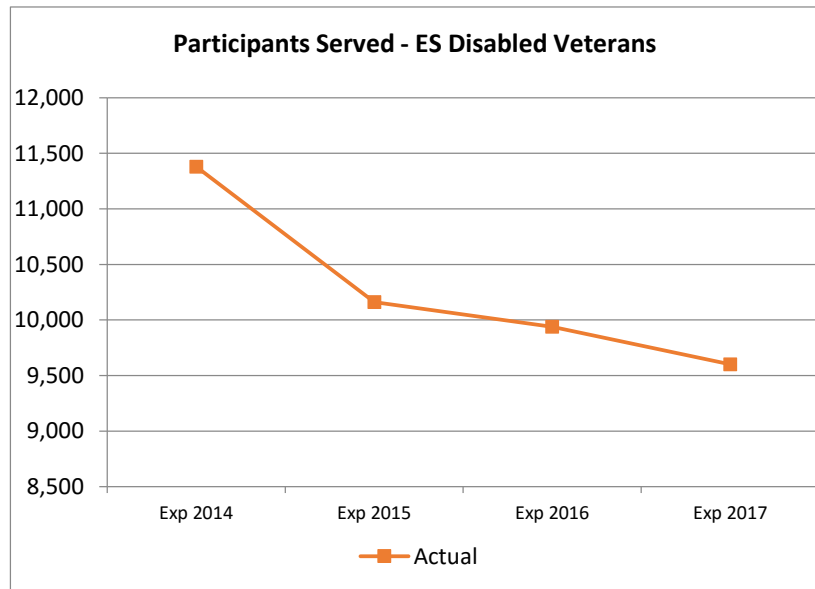
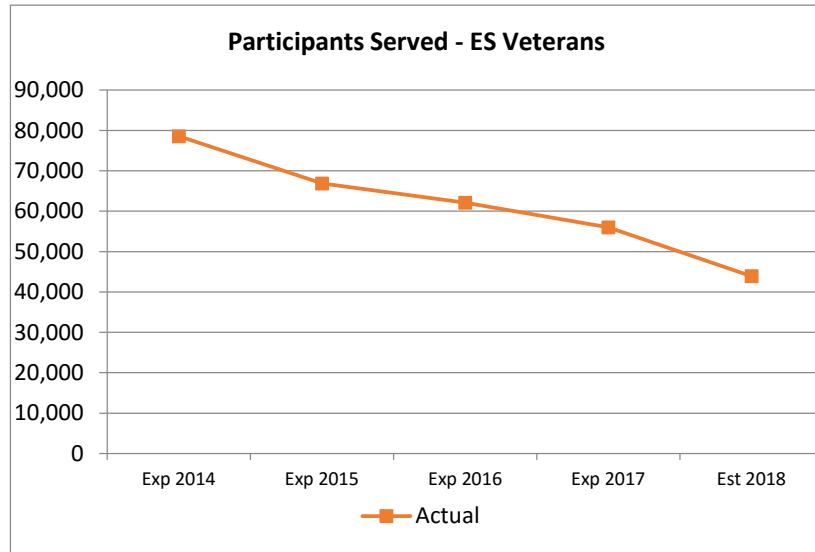
Legal Authority: Labor Code, Sec. 302.021, 302.151-154, & Ch. 307, 40 Administrative Code, Ch. 801, 841, & 843; 29 U.S. Code, Sec. 49, Sec. 2801, & Sec. 3101 et seq., 42 U.S. Code, Sec. 501 et seq., 20 Code of Federal Regulations Part 652

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	Qualified
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 47,284,491	\$ 48,395,038	47.1%
Grants	\$ 36,187,942	\$ 33,474,320	32.5%
Operating Costs	\$ 25,183,099	\$ 20,877,807	20.3%
Capital Costs	\$ 150,025	\$ 107,518	0.1%
Total	\$ 108,805,557	\$ 102,854,683	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 102,854,683	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 102,854,683	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include a decrease of approximately \$6.0 million primarily related to a reduction in available federal grant funds. The program includes \$0.5 million in General Revenue in Rider 24, The Women’s Institute for Technology Employment Training, to develop programs for women entering careers in Texas manufacturing and technology. The program also includes \$8.0 million in General Revenue in Rider 28, Employer Community Based Organization Partnerships, to assist Texans in securing permanent employment through partnerships between community-based organizations and employers.
- 2 The Employment Services program provides a variety of employment-related services to the general public, including job search assistance, job referral, and reemployment services for unemployment benefit claimants. Although job search and recruitment assistance services are physically provided through the state’s network of Local Workforce Development Boards (LWDB), approximately 600 agency employees administer these services.
- 3 The Employment Services grant has no state match or maintenance of effort 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.

Challenges and Enhancement Opportunities

- 1 Agency reports the ability to provide services to veterans in rural LWDB areas is a challenge for the program.
- 2 Agency reports that it continues to focus on the Work-In-Texas Job Matching System project to replace the existing online State Labor Exchange and continue maintenance in the 2020-21 biennium.

Alternative Funding Options

- 1 As part of the SFR analysis, the agency was asked to estimate the impact of a reduction of \$8.0 million in General Revenue from Rider 28, Employer and Community Based Organization Partnerships. The reduction would result in an estimated 2,600 fewer homeless and unemployed clients being served each year. This rider differs from the main Employment Services program in that: 1) it restricts services specifically to target unemployed residents without permanent housing; and 2) it is administered by community based organizations in partnership with employers instead of through state staff located at the LWDBs. The agency included this rider as the first biennial base reduction option in Appendix E.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5d: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Skills Development

Agency Ranking

4 out of 26

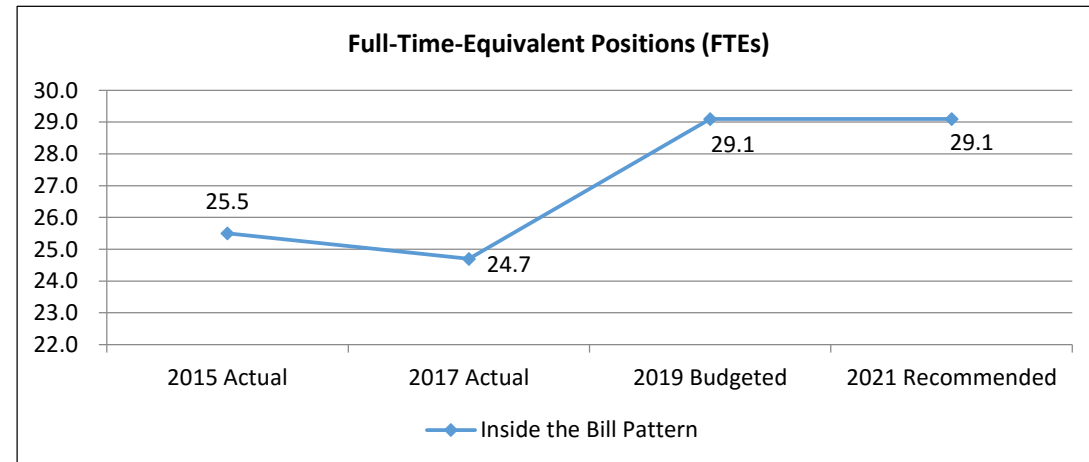
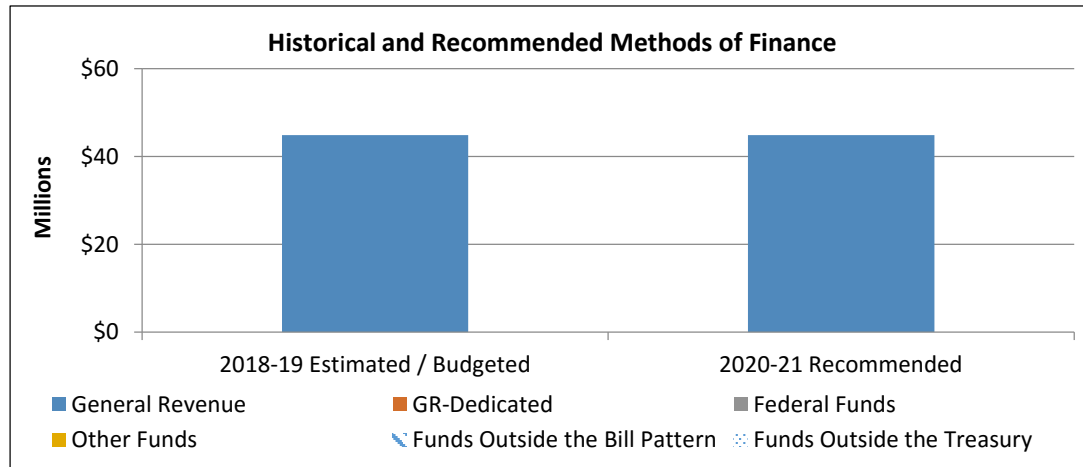
Provides skills development grants to public community and technical colleges and the Texas Engineering Extension Service to provide customized job training programs for businesses or consortium of businesses to train new workers or upgrade the skills of the existing workforce.

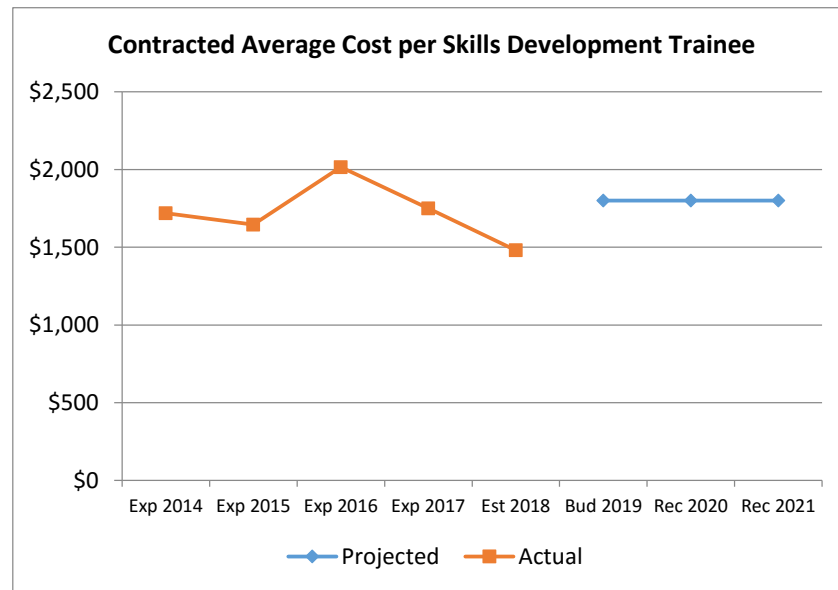
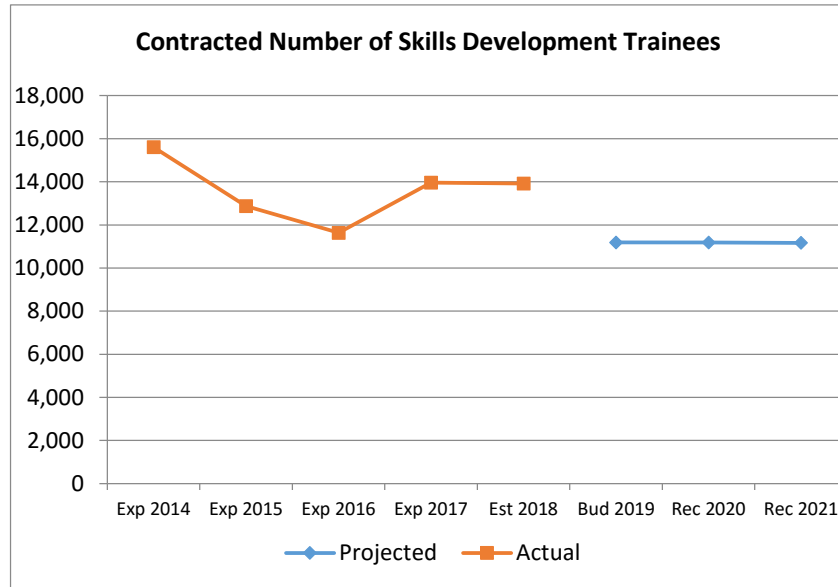
Legal Authority: Labor Code, Ch. 303, 40 Administrative Code, Ch. 803

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 40,277,995	\$ 40,219,841	89.7%
Personnel Costs	\$ 3,469,831	\$ 3,611,812	8.1%
Operating Costs	\$ 1,088,197	\$ 1,002,521	2.2%
Capital Costs	\$ 9,546	\$ -	0.0%
Total	\$ 44,845,569	\$ 44,834,174	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 44,834,174	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 44,834,174	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 The Skills Development program receives the majority of the agency's discretionary General Revenue.
- 2 Rider 14, Skills Development and Self-Sufficiency Fund Report, requires the agency to report quarterly on contracts executed, expenditures, program participants, closed contracts, and any other supporting documentation as specified by the LBB and the Governor. In order to receive additional information on actual performance data for the program in the 2020-21 biennium, LBB staff will request supporting documentation including contracted and final wage increase data and actual number of workers participating in trainings.

Recommended Statutory Changes for Program Improvement

- 1 See supplemental information in SFR Appendix 5d Program Summary: Skills Development Fund for potential statutory changes to clarify the program's funding source.
- 2 A potential statutory change for the program would be to require the agency to report actual performance data in the annual report required under Labor Code, Ch. 303.006. The performance data contained in annual reports are from grant contracts with colleges, representing projected outcomes about the number of workers participating in trainings. Actual data are collected through a different database and are used for final determination of grant payments based on completion, but are not published.

Challenges and Enhancement Opportunities

- 1 Agency states the challenges are primarily local, such as accommodating business work schedules for training, identifying qualified instructors, and meeting the statutorily required prevailing wage for the area.

Alternative Funding Options

- 1 As part of the SFR analysis, the agency was asked to estimate the impact of a 10 percent funding reduction to the program. The reduction would impact the program by decreasing General Revenue funding by approximately \$2.2 million each fiscal year and would result in a corresponding decrease of approximately 1,246 trainees each fiscal year.
- 2 TWC requests to replace four separate systems into a single web application to track eligible training providers and career schools. The request is for capital budget funding and authority of \$1.2 million from General Revenue and Federal Funds. (See Items Not Included in Recommendations #6)
- 3 Agency states additional resources would allow for the funding of more applications. For example, in fiscal year 2017, the program received 64 proposal submissions totaling \$30.6 million. The agency funded 47 grants at an average award of \$479,000 serving 188 businesses and supporting the creation of 2,771 new jobs.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5d: Skills Development Fund

While the statutory program name “Skills Development Fund” implies the Skills Development program has a dedicated funding source, it has been funded with General Revenue (GR). The Skills Development Fund was established by the Seventy-fourth Legislature, 1995, in House Bill 1863 as a GR-Dedicated Account. However, the fund was not exempt from the funds consolidation process, and was therefore consolidated into GR that session. The Seventy-ninth Legislature, 2005, established the GR-Dedicated Employment and Training Investment Assessment (ETIA) Holding Account No. 5128 (GR-D ETIA 5128) in House Bill 2421. This established a new assessment of one-tenth of one percent on wages paid by employers, but reduced an existing assessment, leaving total assessments unchanged.

According to statute, GR-D ETIA 5128 is required to transfer revenue into the Unemployment Compensation (UC) Trust Fund if additional funds are needed to meet the UC Trust Fund floor. If there are funds left in GR-D ETIA 5128, then amounts up to the appropriations for the Skills Development program would be transferred to the Skills Development Fund. However, since the Skills Development Fund had not been created, this transfer goes into GR. As a result of the enactment of legislation by the Eighty-fifth Legislature, 2017, regarding the use of the Skills Development program to recruit certain employers, a Skills Development Fund was established, but no revenue source was designated to go into that fund. The balance of this fund is \$0. Appropriations to the Texas Workforce Commission (TWC) for the Skills Development program totaled \$23.6 million each fiscal year in General Revenue in the 2018-19 biennium.

The UC Trust Fund was projected to be below the floor for fiscal years 2009 through 2011, which would have limited funds available for the Skills Development program had appropriations been from a dedicated account and in accordance with the originally enacted statutory process. For fiscal years 2012 through 2014, no funds were transferred from GR-D ETIA 5128 to GR, as TWC was repaying revenue bonds with GR-D ETIA 5128. During those years, GR was appropriated to TWC for the Skills Development program. Since fiscal year 2015, this process has not affected the amount of funding available to the Skills Development Fund program, as the UC Trust Fund has been above the floor and transfers from GR-D ETIA 5128 have been made to GR. However, if in future years the UC Trust Fund were not projected to be above the floor, the amount of funding available for the Skills Development program could be affected by the process used for those appropriations if the process were to be amended to align with the originally enacted statute.

To align the program’s appropriations and statute, the Legislature could choose one of the following options:

- a. Continue funding the Skills Development program through GR and amend statute to conform with this process with the following changes:
 - i. Abolish the Skills Development Fund created during the 85th Legislature.
 - ii. Amend language to direct GR-D ETIA 5128 transfer of funds to GR instead of to the Skills Development Fund if the UC Trust Fund is determined to be above the floor.
 - iii. Amend language to remove reference to appropriations from the dedicated Skills Development Fund for the program.
- b. Change the appropriations process to align with statute by appropriating funds for the Skills Development program from the dedicated Skills Development Fund with the following changes:
 - i. Amend statute to have revenue from GR-D ETIA 5128 flow into the dedicated Skills Development Fund, if the UC Trust Fund is projected to exceed the floor.
 - ii. Change method of finance in the General Appropriations Bill to be from the same account, rather than GR.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5e: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Apprenticeship

Agency Ranking

5 out of 26

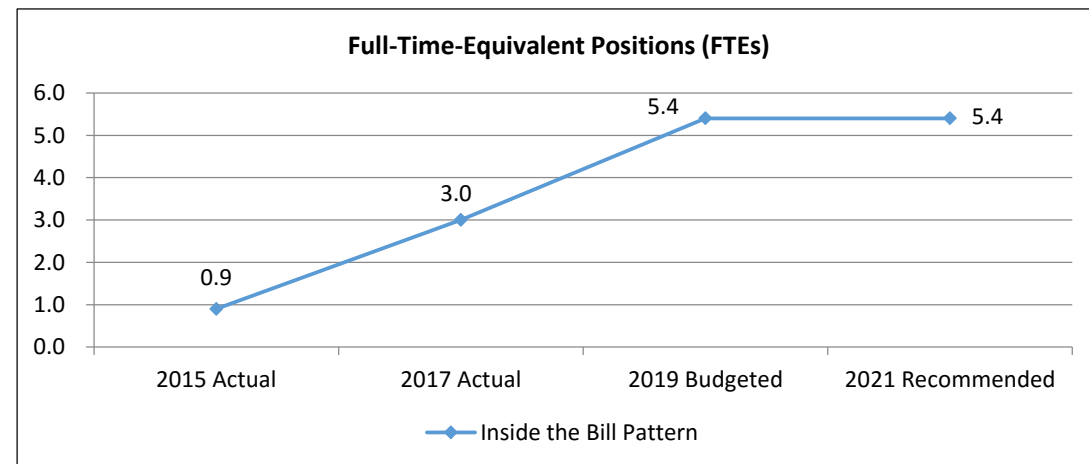
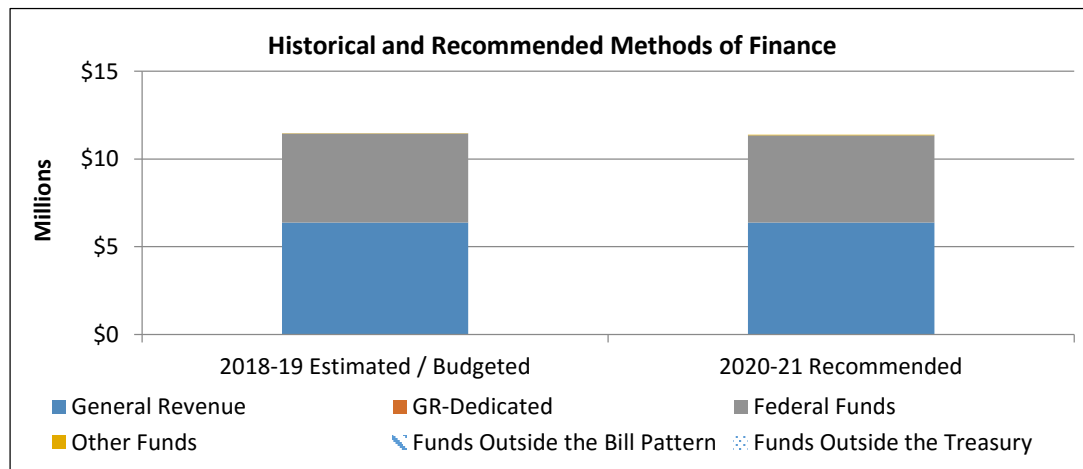
Awards grants to local providers that conduct classroom instruction, on-the-job training, and supervision of apprentices in collaboration with local employers.

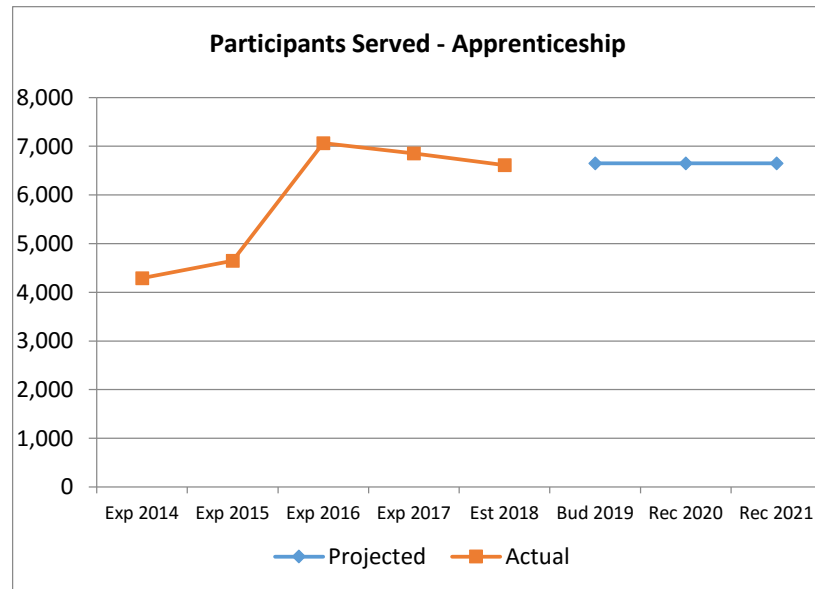
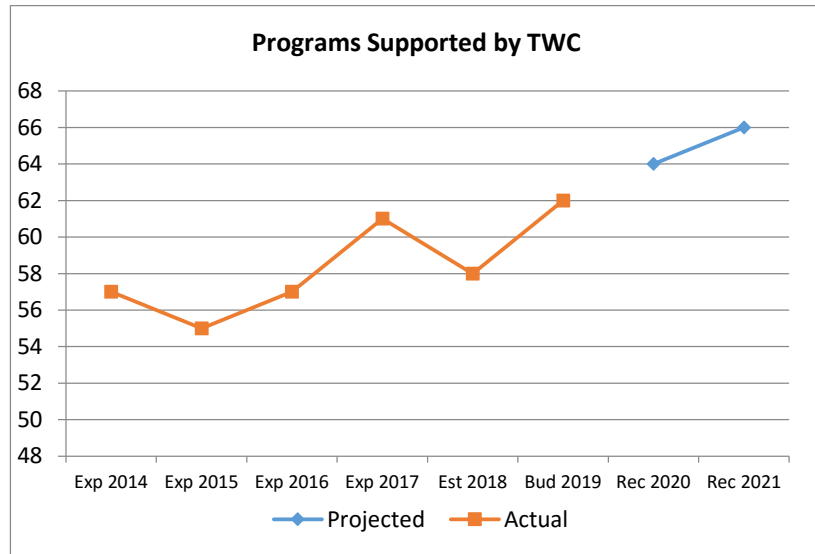
Legal Authority: Labor Code, Sec. 302.021, Education Code, Ch. 133, 40 Administrative Code, Ch. 837; National Apprenticeship Act of 1937, 29 U.S. Code, Sec. 50 et seq., 29 Code of Federal Regulations Part 29

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 10,435,721	\$ 10,285,569	90.4%
Personnel Costs	\$ 713,078	\$ 758,870	6.7%
Operating Costs	\$ 309,267	\$ 333,628	2.9%
Capital Costs	\$ 1,527	\$ -	0.0%
Total	\$ 11,459,593	\$ 11,378,067	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 11,378,067	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 11,378,067	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 In fiscal year 2018, the agency implemented a rule change, based on House Bill 2790 from the Eighty-fifth Legislature, which expanded the eligible applicants for the program to apprenticeship committees of a registered apprenticeship program. Prior to this change, only educational entities such as community colleges and independent school districts were eligible applicants. According to the agency, in fiscal year 2019, there are six apprenticeship committees as grantees.
- 2 The Apprenticeship program is appropriated discretionary General Revenue. Appropriations have increased over time since fiscal year 2014, which has subsequently increased the number of apprenticeship programs and participants served since that time. In addition, the agency personnel needed to administer the program has grown as shown in the program's FTE chart.

Challenges and Enhancement Opportunities

- 1 Agency reports that typically registered apprenticeship training programs operate on a traditional school year schedule and often the agency awards all program funding in the fall semester. Apprenticeship programs and the associated employers that would like to start the related classroom training in a month other than September through November or begin additional training in January do not have this opportunity as funding has been committed. TWC could reserve more funding through the year or for the spring semester in order to serve all interested applicants.

Alternative Funding Options

- 1 Agency requests \$1.3 million in General Revenue (GR) grant funds to public community and technical colleges to provide on-the-job training with supervision and classroom instruction. The funding will allow TWC to stay at or near the goal of paying \$4 per contact hour to apprenticeship training programs and train 1,035 apprentices in the biennium. (See Items Not Included in Recommendations #3)
- 2 As part of the SFR analysis, the agency was asked to estimate the impact of receiving 50 percent of the exceptional item request for the Apprenticeship program. Approximately \$0.7 million in GR in the biennium would allow TWC to stay at or near the goal of paying \$4 per contact hour to apprenticeship training programs and train 434 apprentices in the biennium.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5f: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
		X	
Authority			

Program: Jobs and Education for Texans (JET)

Agency
Ranking

6 out of 26

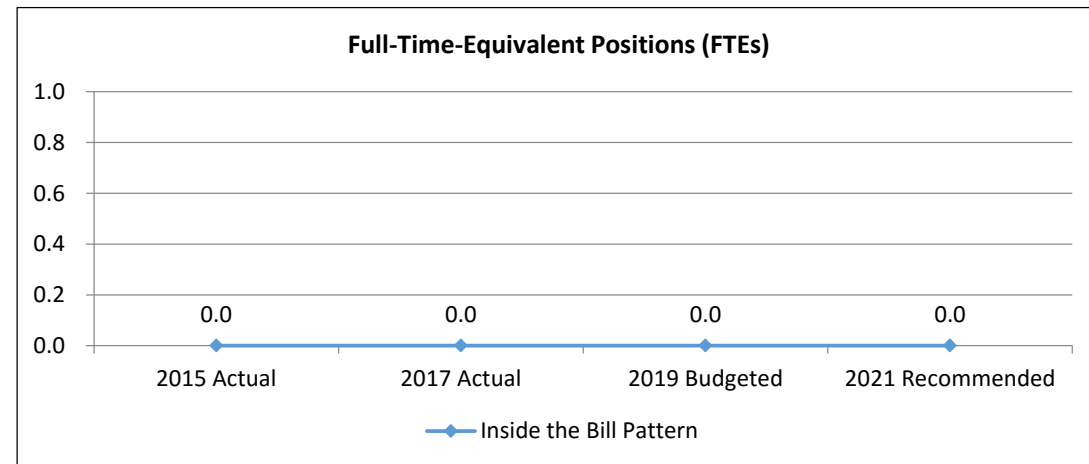
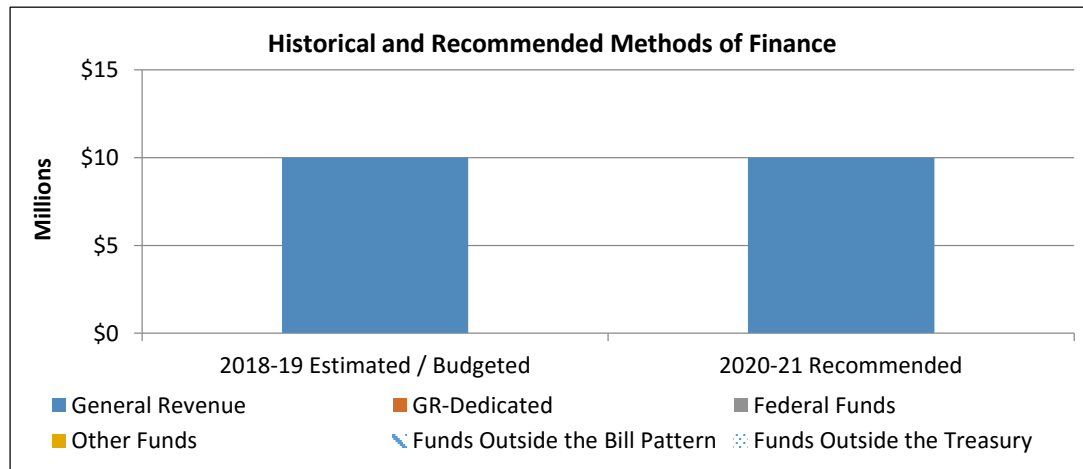
Provides grants to public junior colleges, public technical institutes, public state colleges, and independent school districts for the purchase and installation of equipment necessary for the development of career and technical education courses or programs in high-demand occupations.

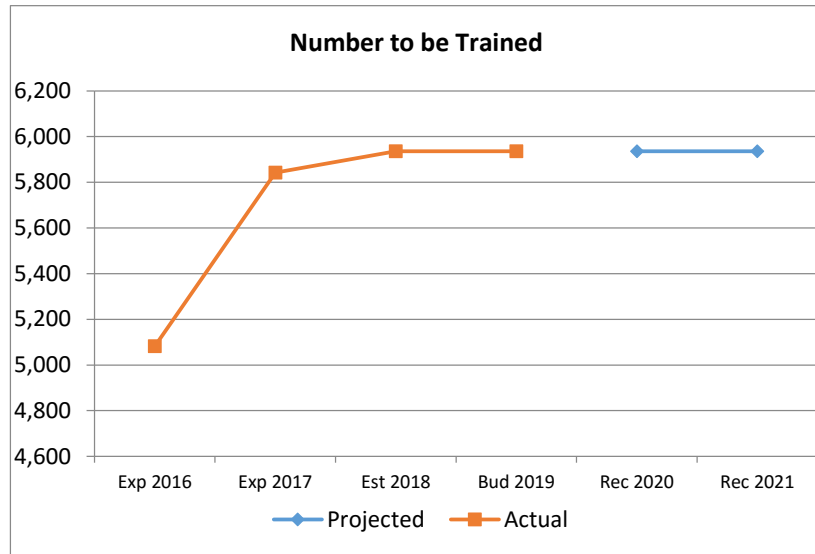
Legal Authority: Education Code, Ch. 134

Year Implemented	2016	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 10,000,000	\$ 10,000,000	100.0%
Total	\$ 10,000,000	\$ 10,000,000	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 10,000,000	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 10,000,000	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 While there has not been significant changes to the JET program since it transferred to TWC from the Comptroller of Public Accounts in the Eighty-fourth Legislature (House Bill 3062), the JET Advisory Committee voted in fiscal year 2016 to begin awarding grant funds based on a 50/50 split between colleges and independent school districts.

Challenges and Enhancement Opportunities

1 Each fiscal year, the total funding requested in applications for the program exceeds the amount of funding available to award. TWC states the below exceptional item would meet the demand requested in applications for colleges. However, the agency would require an additional \$5.0 million in GR in the biennium to fully meet demand for the independent school districts.

Alternative Funding Options

- 1 Agency requests \$6.0 million in General Revenue (GR) in the biennium for grants to public community and technical colleges and independent school districts (ISD) with start-up costs of equipment purchases or upgrades for career and technical education programs. The funding would provide equipment to approximately 17 additional ISDs and 12 additional institutions and train approximately 6,537 participants in high-demand occupations in the biennium. (See Items Not Included in Recommendations #2)
- 2 As part of the SFR analysis, the agency was asked to estimate the impact of receiving 50 percent of the exceptional item request for the JET program. The funding of \$3.0 million in GR in the biennium would allow TWC to train approximately 3,268 additional participants in high-demand occupations in the biennium.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5g: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: Vocational Rehabilitation

Agency Ranking

7 out of 26

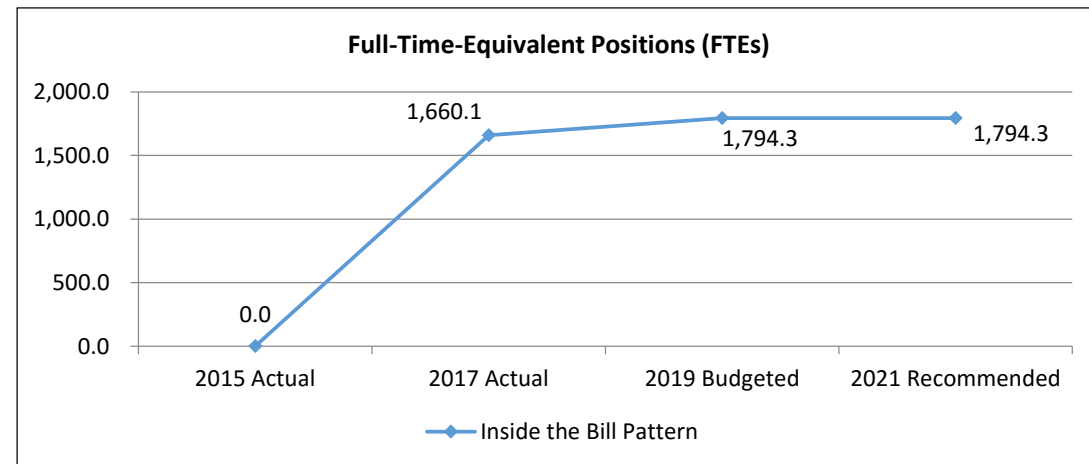
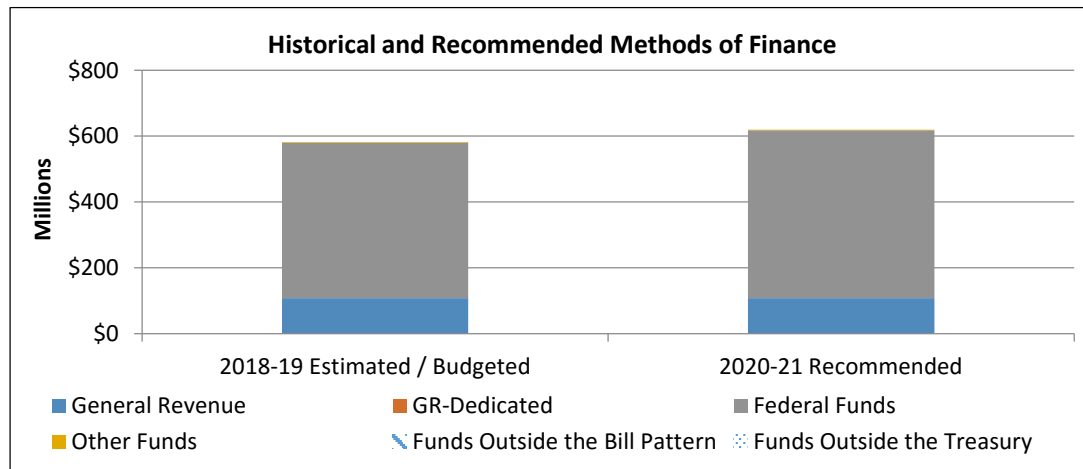
Provides employment and education services for adults and youth with disabilities, including vocational evaluation, physical restoration, rehabilitation technology, postsecondary education and training, and job placement assistance.

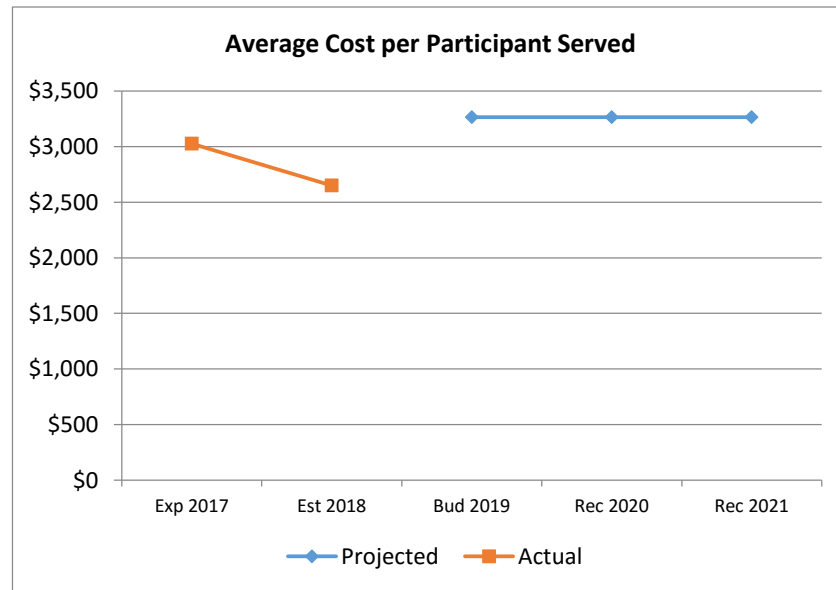
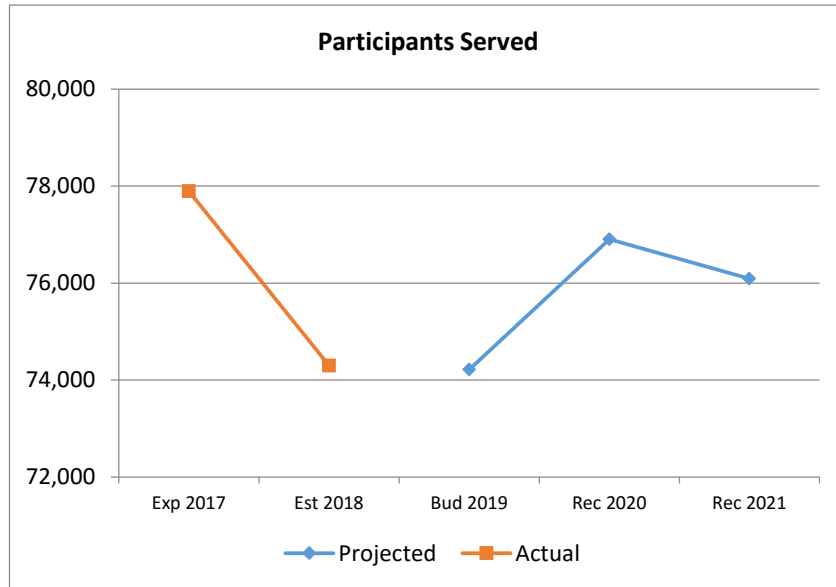
Legal Authority: Labor Code, Sec. 352; Workforce Innovation and Opportunity Act of 2014 (Rehabilitation Act of 1973), 29 U.S. Code, Sec. 701-731

Year Implemented	2017	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	Qualified	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation, Health Care - Rehabilitation, Disability & Long Term Care		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 382,696,193	\$ 414,908,646	67.0%
Personnel Costs	\$ 181,802,648	\$ 186,795,394	30.2%
Grants	\$ 17,171,652	\$ 17,171,652	2.8%
Capital Costs	\$ 331,711	\$ 326,801	0.1%
Total	\$ 582,002,204	\$ 619,202,493	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 619,202,493	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 619,202,493	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include an increase in the Rehabilitation Services grant primarily related to federal carryforward funds to serve additional participants in the next biennium.
- 2 TWC transferred \$8.9 million in GR for VR from fiscal year 2019 to fiscal year 2018 through authority granted in Art. IX, Sec. 14.04(e), Disaster Related Transfer Authority, to meet the 21.3 percent state match requirement for an additional \$33.0 million in federal VR funds. The agency initially requested the funding to assist with the projected demand for customers adversely impacted by Hurricane Harvey, however, actual demand was less than anticipated and a portion of the reallocation funds will be used to provide VR services for current, former, and new participants. The GR transfer creates a deficit in fiscal year 2019 and will create a potential supplemental need for the agency to meet the state match in that year. If the state match is not met, the federal VR grant will be reduced by \$33.0 million in fiscal year 2019.
- 3 States are allocated VR federal funds based on population, weighted by per capita income. The state match is 21.3 percent for VR services. At a minimum, states must maintain spending at the level of expenditures for the fiscal year two years earlier.

Alternative Funding Options

- 1 TWC requests to replace stand-alone systems from multiple programs into an integrated system for workforce services and case management activities performed by agency staff and Local Workforce Development Boards. The request is for capital budget funding and authority of \$18.9 million from Federal Funds. (See Items Not Included in Recommendations #5)
- 2 In recent years, Texas has been allotted additional Federal Funds each fiscal year for the VR program. In the 2020-21 biennium, the trend is projected to continue and TWC anticipates the potential to draw down an additional \$19.1 million in federal VR funds in the biennium. The agency would require an additional \$5.2 million in General Revenue to meet the state match to draw down these federal dollars. TWC anticipates it could serve an additional 2,967 VR participants each fiscal year with this funding.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5h: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Adult Education and Literacy

Agency Ranking

8 out of 26

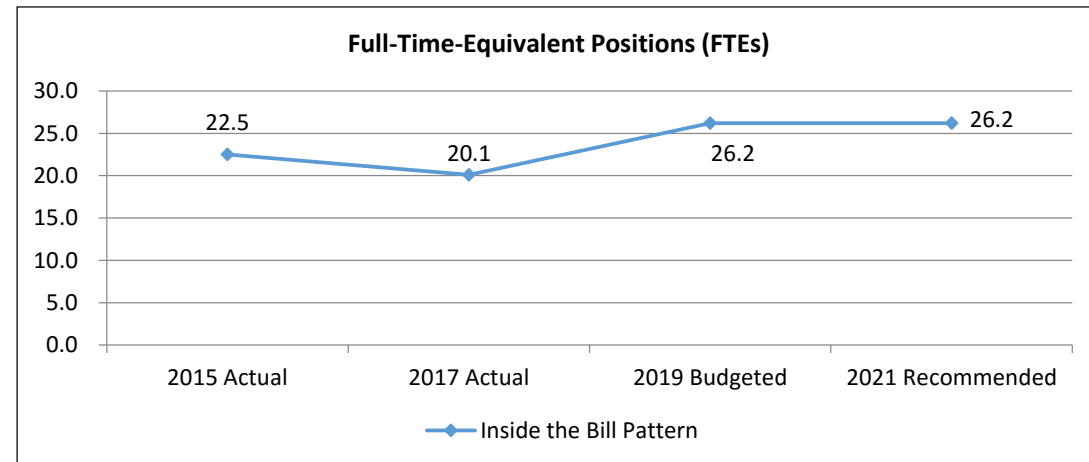
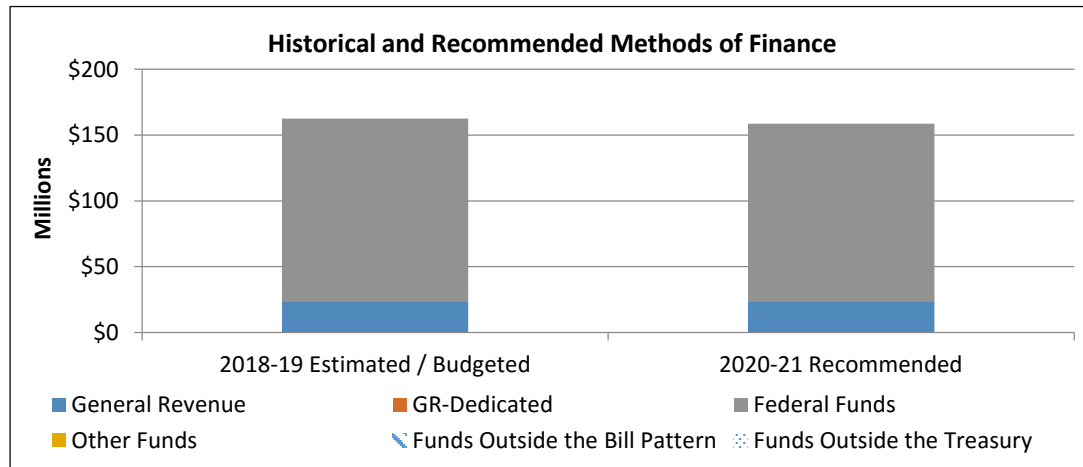
Awards grants to local providers to provide English language, math, reading, and writing instruction to participate in the workforce, obtain a high school equivalency, or attend college or career training.

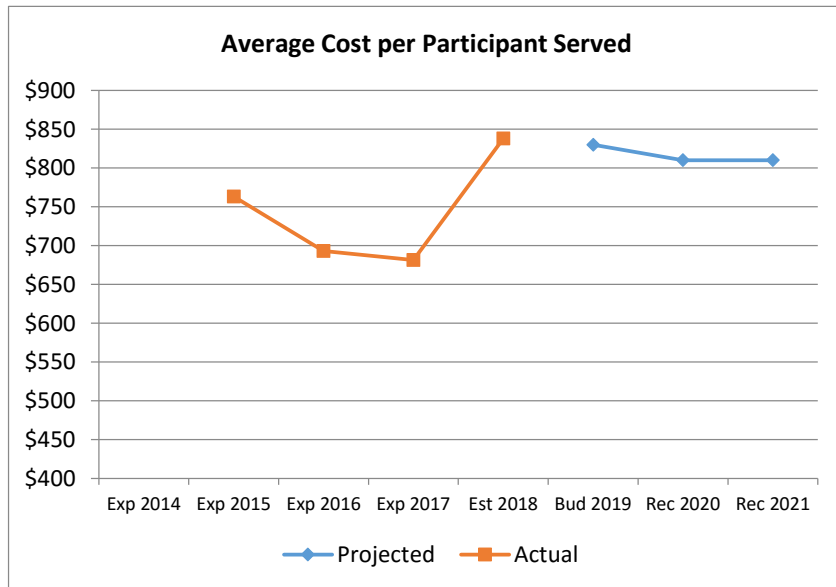
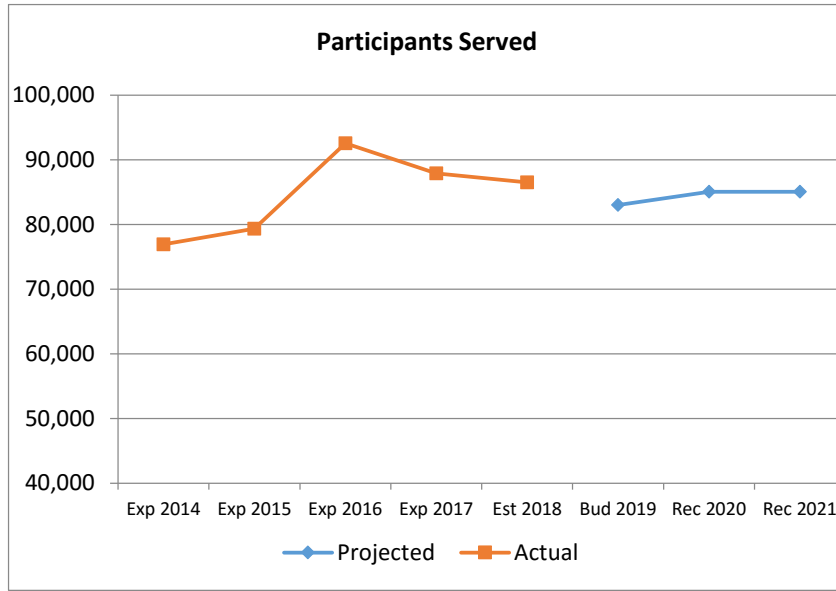
Legal Authority: Labor Code, Ch. 315; 20 U.S. Code, Ch. 30, Subch. II

Year Implemented	2014	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 158,106,721	\$ 154,093,710	97.2%
Personnel Costs	\$ 2,987,318	\$ 3,201,844	2.0%
Operating Costs	\$ 1,298,911	\$ 1,304,067	0.8%
Capital Costs	\$ 6,873	\$ -	0.0%
Total	\$ 162,399,823	\$ 158,599,621	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 158,599,621	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 158,599,621	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include a decrease in the Adult Education grant primarily from carryforward funds expended in the prior biennium that are not anticipated in the next biennium.
- 2 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. There is a 25 percent state match of the total amount of funds expended for adult education and literacy activities.

Challenges and Enhancement Opportunities

- 1 The Workforce Innovation and Opportunity Act of 2014 significantly reengineered the Adult Education program. The agency states that while it has implemented policy and performance models revisions, the dissemination of these changes, related reporting, best practices associated the models, and related training presents a challenge. This is largely due to the diffused nature of the Adult Education system, which is comprised of approximately 50 grantees as well as a wider network of sub-recipients. While some Local Workforce Development Boards administer this program, not all regions do as it is federally required that Adult Education contracts go through a bidding award process.

Alternative Funding Options

- 1 TWC requests to replace stand-alone systems from multiple programs into an integrated system for workforce services and case management activities performed by agency staff and Local Workforce Development Boards. The request is for capital budget funding and authority of \$18.9 million from Federal Funds. (See Items Not Included in Recommendations #5)
- 2 As part of the SFR analysis, the agency was asked to estimate the impact of serving an additional 10 percent of Adult Education participants. With a projected average cost of \$810 per participant served, an increase of 8,300 participants, or 10 percent, would require an additional \$6.7 million in General Revenue each fiscal year.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5i: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
		X	
Authority			

Program: Child Care - Choices

Agency
Ranking

9 out of 26

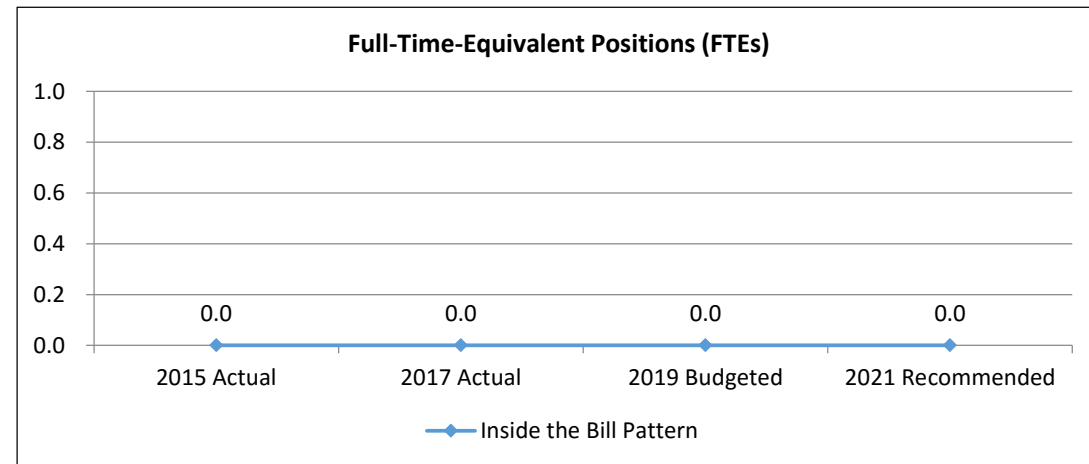
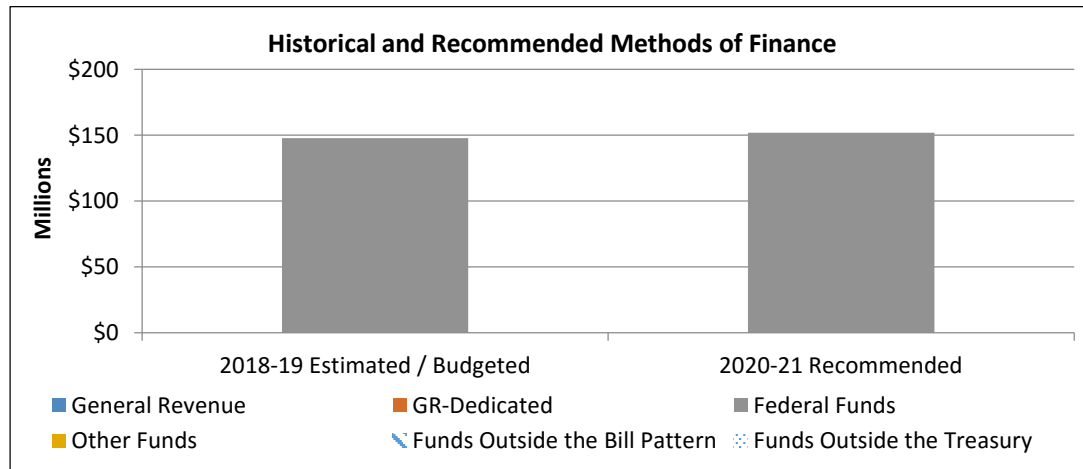
Provides subsidized child care for families participating in the TANF Choices and SNAP Employment & Training programs, providing the opportunity to participate in work-related activities and obtain employment.

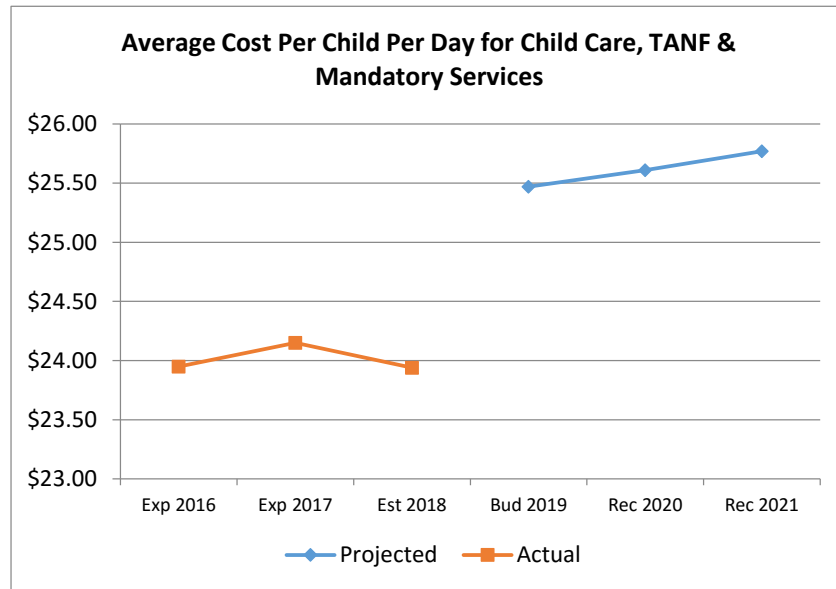
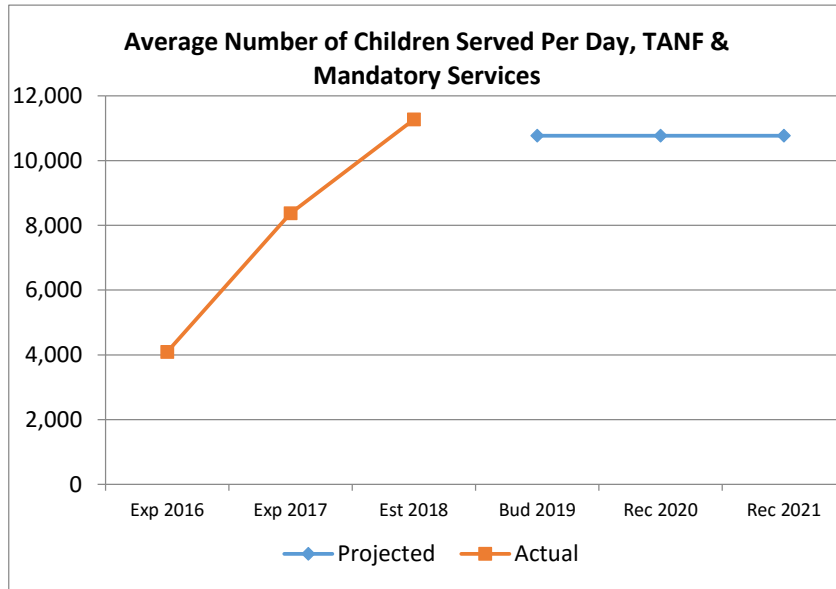
Legal Authority: Labor Code, Sec. 302.004-006 & 302.021, Human Resources Code, Ch. 44 & Sec. 31.0035, Government Code, Sec. 2308.315-318, 40 Administrative Code, Ch. 809; 42 U.S. Code, Sec. 601 et seq. & Sec. 9858 et seq., 45 Code of Federal Regulations Part 98

Year Implemented	1998	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation, Family & Nutrition Services		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 147,723,706	\$ 151,919,489	100.0%
Total	\$ 147,723,706	\$ 151,919,489	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 151,919,489	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 151,919,489	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 This program provides fully subsidized child care to families who are enrolled in services such as Temporary Assistance for Needy Families (TANF) recipients in Choices activities, TANF Applicants who are seeking subsidized child care to support employment in lieu of further pursuit of TANF, and Supplemental Nutrition Assistance Program (SNAP) Employment & Training (E&T) participants. Since these populations are considered mandatory, the agency provides services to all Choices program participants before serving low income families in the At-Risk & Transitional program.
- 2 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. 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.
- 3 According to the agency, the CCDF reauthorization has added the ability for an individual in the TANF Choices and SNAP E&T programs to retain child care services, even after participation in the programs have ended, for a period of up to 12 months from the beginning of care. This change significantly increased the length of time that a Choices child remains in care with a \$0 parent share of cost, resulting in increased costs to the program. Historically, a Choices case averaged four months, before transitioning to the At-Risk Child Care program, which provides services with a parent co-pay requirement. The average cost per child per day performance measure is also impacted in fiscal years 2019 through 2021 due to the statewide two percent provider reimbursement rate increase, effective August 2018.
- 4 See Selected Fiscal and Policy Issue #2 and Supplemental Schedules in Section 3 for more information on child care recommendations, program funding, and performance measures.

Challenges and Enhancement Opportunities

- 1 Agency reports a challenge for the program is maintaining communication with participants to provide an understanding of the requirements to retain child care services after participation in the Choices program has ended.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5j: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	Authority	
			X
Authority			

Program: Unemployment Insurance

Agency Ranking 10 out of 26

Provides temporary, partial income replacement to eligible individuals who have lost jobs through no fault of their own. Conducts unemployment appeals for the entitlement of benefits. Collects wage information and unemployment taxes from employers.

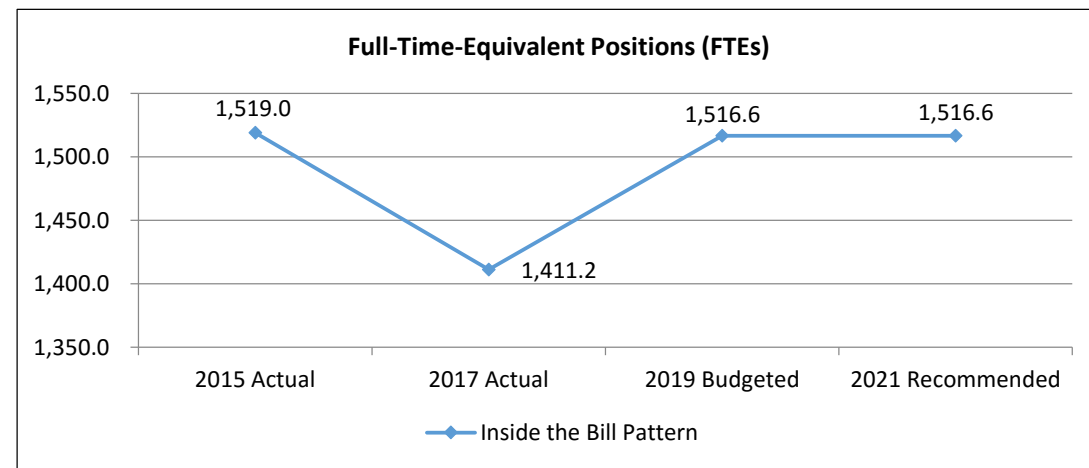
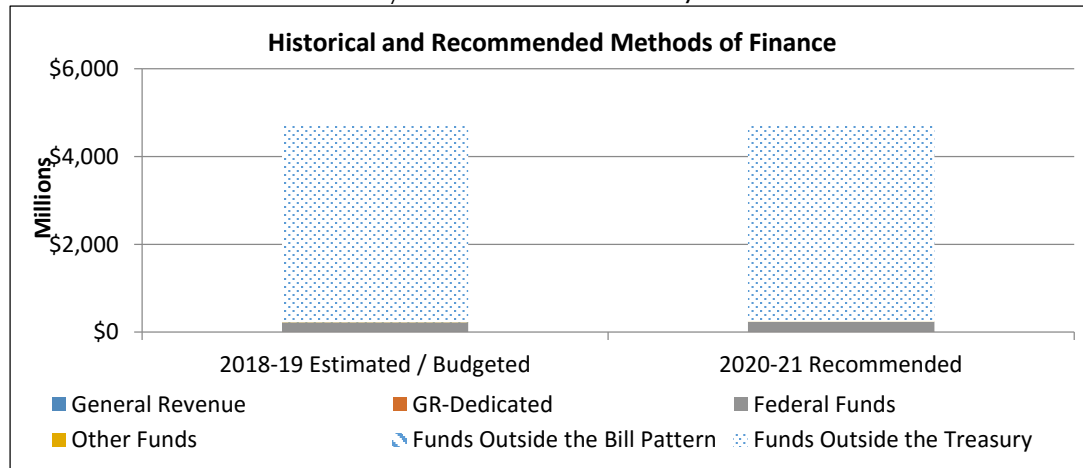
Legal Authority: Labor Code, Ch. 201-215 & 301, 40 Administrative Code, Ch. 815; Social Security Act (Titles III, IX, XI, XII), 42 U.S. Code, Sec. 501-504, Sec. 1101-1110, Sec. 1320b-7, & Sec. 1321-1324, 5 U.S. Code, Sec. 8501 & 8521 et seq., Federal Unemployment Tax Act, 26 U.S. Code, Sec. 3301 et seq., 20 Code of Federal Regulations 601-650

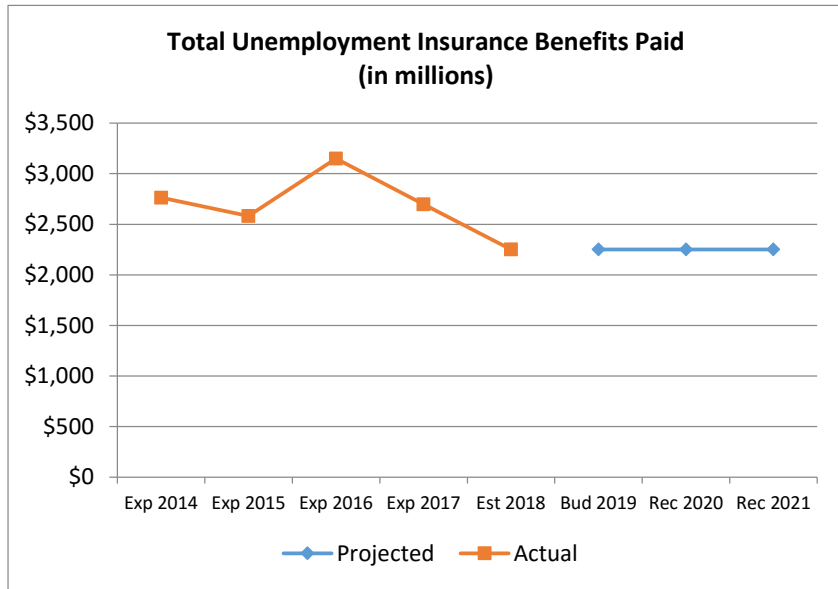
Year Implemented	1996	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	Qualified
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs-Outside*	\$ 4,501,816,542	\$ 4,501,816,542	95.1%
Personnel Costs	\$ 127,157,741	\$ 129,419,442	2.7%
Operating Costs	\$ 82,210,158	\$ 87,849,885	1.9%
Grants	\$ 13,947,790	\$ 14,189,576	0.3%
All Other Objects of Expense	\$ 1,124,996	\$ 2,902,123	0.1%
Total	\$ 4,726,257,227	\$ 4,736,177,568	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 234,361,026	4.9%
Funds Outside the State Treasury	\$ 4,501,816,542	95.1%
Total	\$ 4,736,177,568	100.0%

*Indicates Outside the Bill Pattern/Outside the State Treasury.



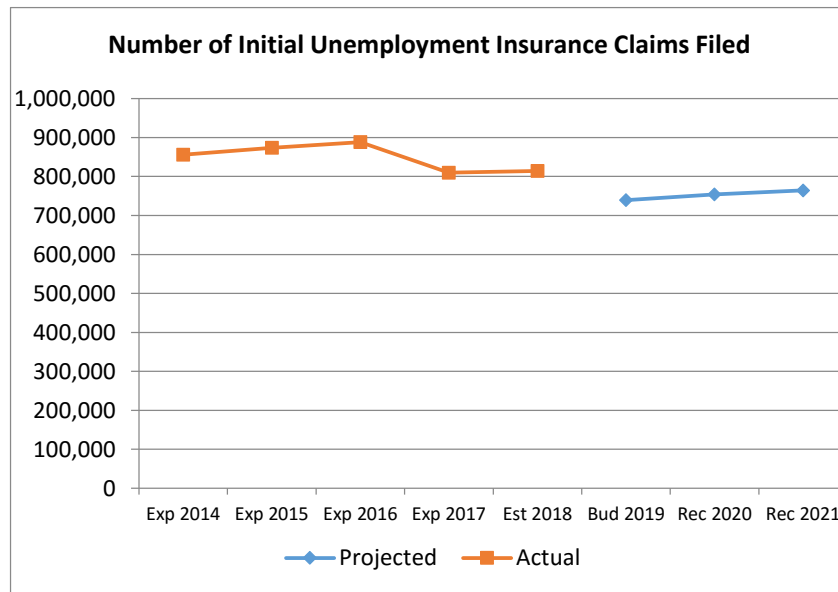


Summary of Recommendations and Fiscal and Policy Issues

- 1 The federal Unemployment Insurance (UI) Administration funds are direct payments to states for operating unemployment insurance programs, disaster unemployment assistance, and unemployment compensation for federal employees and ex-service members. Federal UI Administration grant 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 General Revenue match or maintenance of effort requirements.
- 2 Recommendations include \$234.4 million in federal UI grant funds in the 2020-21 biennium to administer the UI program. There is also a total of \$4,501.8 million in expenditures outside the state treasury in the 2020-21 biennium, including \$4,450.5 million to pay unemployment benefits to Texas residents and \$51.3 million for benefits paid to individuals who earn unemployment from Texas employers, but who now reside out of state.

Alternative Funding Options

- 1 TWC requests to replace the unemployment insurance system used to process claims and store appeals information. The request is for capital budget funding and authority of \$40.0 million from Federal Funds (See Items Not Included in Recommendations #4)



Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5k: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	Authority	
		X	
Authority			

Program: Child Care - At-Risk & Transitional

Agency Ranking 11 out of 26

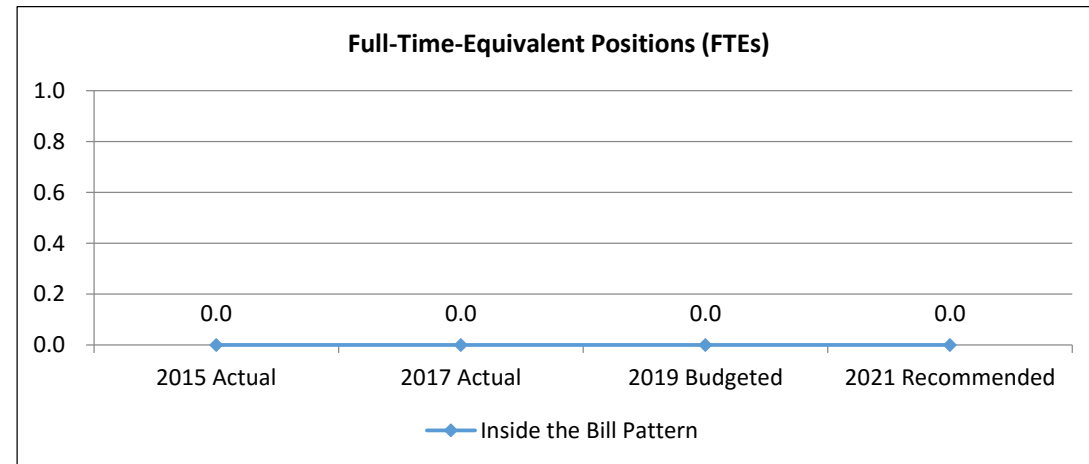
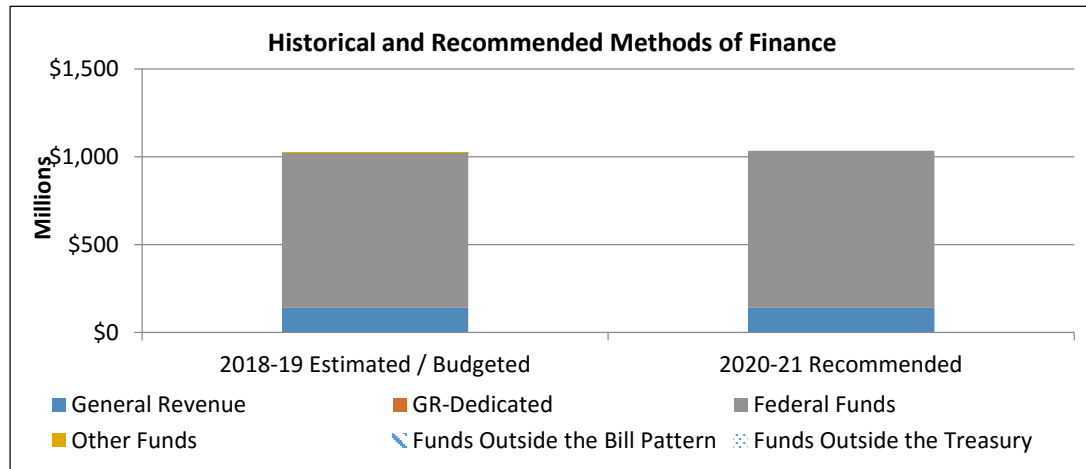
Provides subsidized child care for low income families and families transitioning off of public assistance, providing the opportunity to participate in work-related activities and obtain employment.

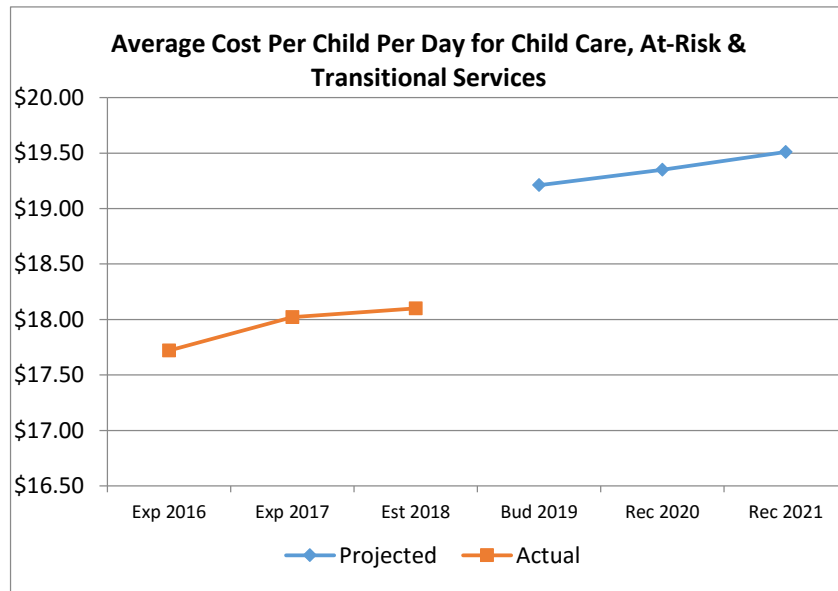
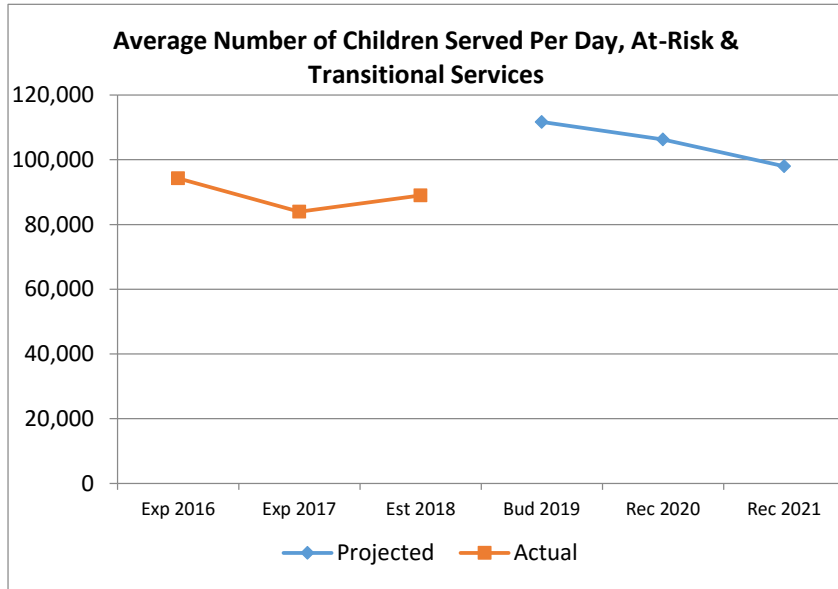
Legal Authority: Labor Code, 302.004-006 & 302.021, Human Resources Code, Ch. 44 & Sec. 31.0035, Government Code, Sec. 2308.315-318, 40 Administrative Code, Ch. 809; 42 U.S. Code, Sec. 601 et seq. & Sec. 9858 et seq., 45 Code of Federal Regulations Part 98

Year Implemented	1998	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 1,022,993,835	\$ 1,033,605,702	100.0%
Total	\$ 1,022,993,835	\$ 1,033,605,702	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,033,605,702	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,033,605,702	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 This program provides partly subsidized child care to families with income below the federal threshold of 85 percent of the state median income. The program subsidizes the largest portion of cost for child care services and the parent share of cost historically averages between \$4 and \$5 per child per day.
- 2 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 maintenance of effort (MOE). On March 23, 2018, the federal Consolidated Appropriations Act of 2018 increased the CCDBG appropriation. Texas received approximately \$521.3 million in fiscal year 2018, an increase of approximately \$228.5 million from fiscal year 2017. It is assumed the increased level of child care funding will continue into the 2020-21 biennium. The new federal CCDBG funding is assumed to be expended on the following: 1) direct care allocations to provide additional child care services; 2) a statewide two percent increase in the reimbursement rates to providers, effective August 2018; 3) federally required quality improvement activities; and 4) caseload and cost growth for child care services at DFPS, funded within the DFPS budget.
- 3 In addition to the federal CCDBG, the Child Care program includes Child Care Mandatory and Matching grant funds, which includes two funding streams. For mandatory funds, allocations are based on historical expenditures for certain federal child care programs and do not have a state match or MOE. 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.
- 4 See Selected Fiscal and Policy Issue #2 and Supplemental Schedules in Section 3 for more information on child care recommendations, program funding, and performance measures.

Challenges and Enhancement Opportunities

- 1 Agency states the need for affordable child care continues to be a factor in the state. The demand for child care surpasses the funding available to provide services, even as the agency receives additional federal funding to support the program. Increased employment efforts will continue to increase the need for affordable child care. In addition, the cost of child care is anticipated to continue to rise, particularly as the state serves more children at high quality child care providers that participate in the Texas Rising Star program.
- 2 Agency states that if additional resources are provided the program would be able to provide child care services to more children throughout the state.
- 3 Agency requests \$35.1 million in Federal Funds from the Child Care and Development Block Grant to provide subsidized child care for approximately 6,900 additional low income working families in the At-Risk & Transitional Child Care program in fiscal year 2021. (See Items Not Included in Recommendations #1)

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5I: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
		X	
Authority			

Program: Child Care - Admin & Quality

Agency Ranking

12 out of 26

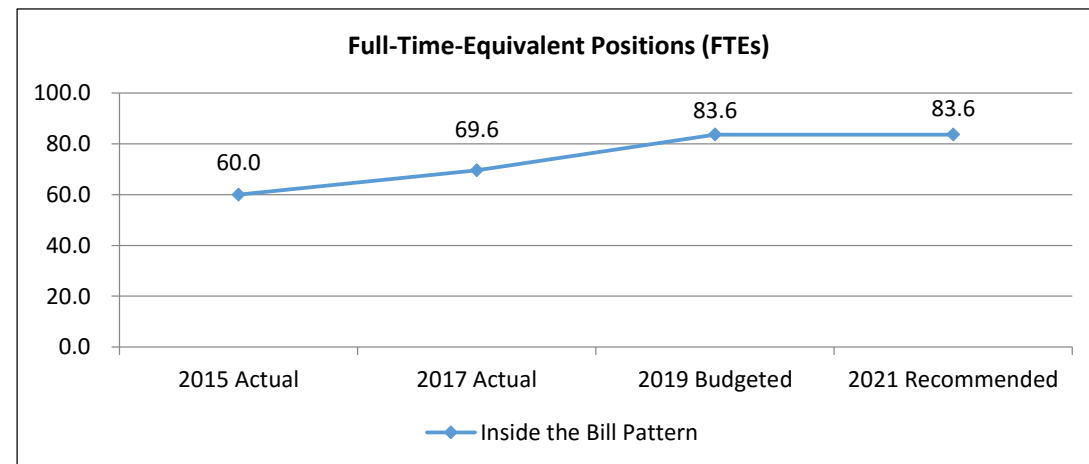
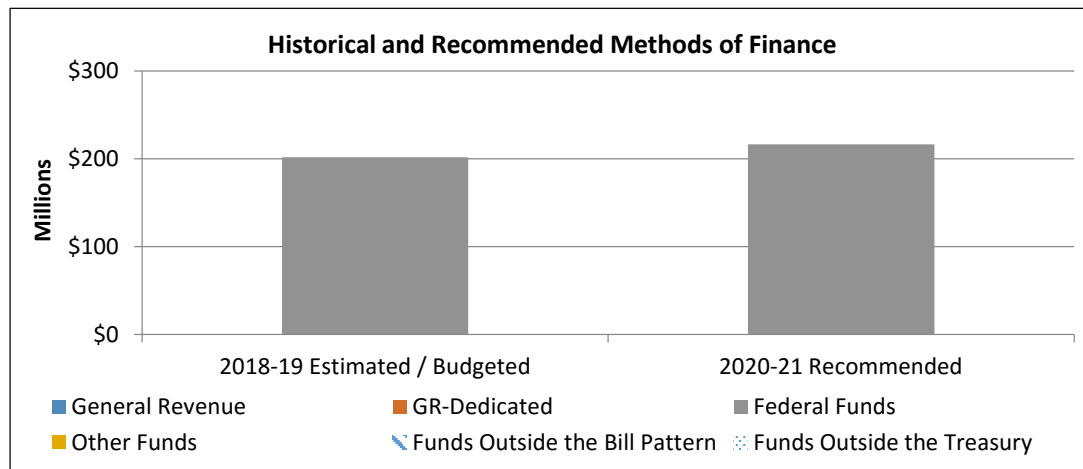
Provides administrative support to the Child Care programs providing subsidized child care for low income families and implements quality child care initiatives including the Texas Rising Star provider certification program.

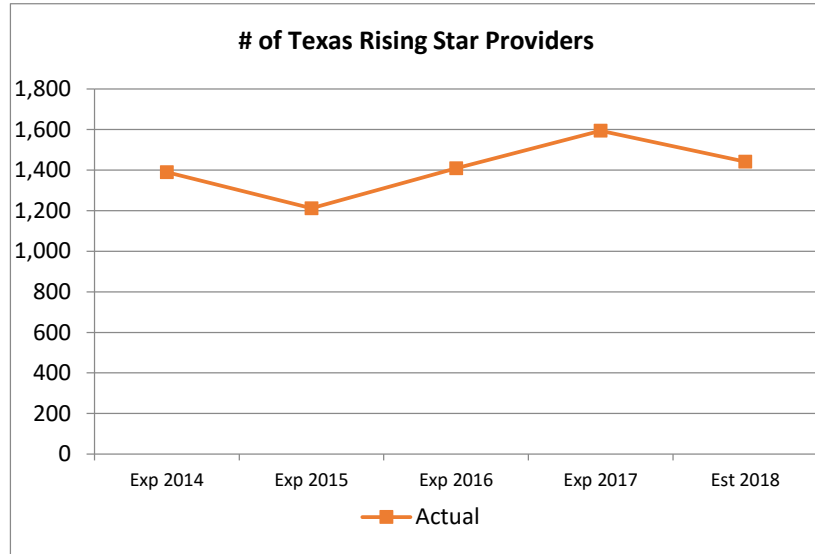
Legal Authority: Labor Code, Sec. 302.004-006 & 302.021, Human Resources Code, Ch. 44 & Sec. 31.0035, Government Code, Sec. 2308.315-318, 40 Administrative Code, Ch. 809, General Appropriations Act, Riders 25, 27, & 29; 42 U.S. Code, Sec. 601 et seq. & Sec. 9858 et seq.; 45 Code of Federal Regulations Part 98

Year Implemented	1998	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	Qualified	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation, Family & Nutrition Services		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 177,432,674	\$ 195,780,083	90.4%
Operating Costs	\$ 14,458,469	\$ 10,530,281	4.9%
Personnel Costs	\$ 9,746,266	\$ 10,259,056	4.7%
Capital Costs	\$ 20,450	\$ 50,486	0.0%
Total	\$ 201,657,859	\$ 216,619,906	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 216,619,906	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 216,619,906	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 The federal Child Care and Development Block Grant (CCDBG) Act of 2014 required a five year phased increase of the required set-aside for quality expenditures. Prior to the reauthorization of the CCDBG Act, the quality set-aside was four percent. The percentage will increase to nine percent by the 2020-21 biennium. In addition, states must spend at least three percent on activities specifically targeted to improve quality of care for infants and toddlers.

The major initiative under this funding source is the Texas Rising Star (TRS) provider certification program. The program funds mentors and assessors throughout the state to assist child care providers in meeting higher quality standards required by TRS. Child care providers, local school districts, and early childhood professionals also benefit from quality expenditures that fund professional development activities, early childhood research, and evidence-based frameworks for caring for and educating young children.

2 Due to the additional CCDBG funding and increased investment in quality expenditures, TWC allocated an additional \$44.0 million in quality improvement activities starting in fiscal year 2018, including \$6.5 million to support TRS Mentor and Assessor Expansion. In addition, TWC increased the TRS reimbursement rates for child care providers based on the 2017 Texas Child Care Market Rate Survey.

3 See Selected Fiscal and Policy Issue #2 and Supplemental Schedules in Section 3 for more information on child care recommendations, program funding, and performance measures.

Challenges and Enhancement Opportunities

1 Agency states the lack of comprehensive data about child care quality and availability across the state is a challenge. In order to address this challenge, TWC approved funding in November 2018 for a statewide cost of quality study with in-depth provider interviews and analyses of provider expenditures. The study will estimate the costs necessary to support the implementation of state health, safety, and staffing requirements, as well as the cost drivers associated with implementing the TRS quality standards. In addition, more specific questions on child care quality have been added to TWC's Annual Child Care Market Rate Survey to better understand market rates as they relate to the provision of quality child care.

2 Agency states that additional resources could assist additional child care providers to attain TRS certification.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5m: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
		X	
Authority			

Program: Civil Rights

Agency Ranking

13 out of 26

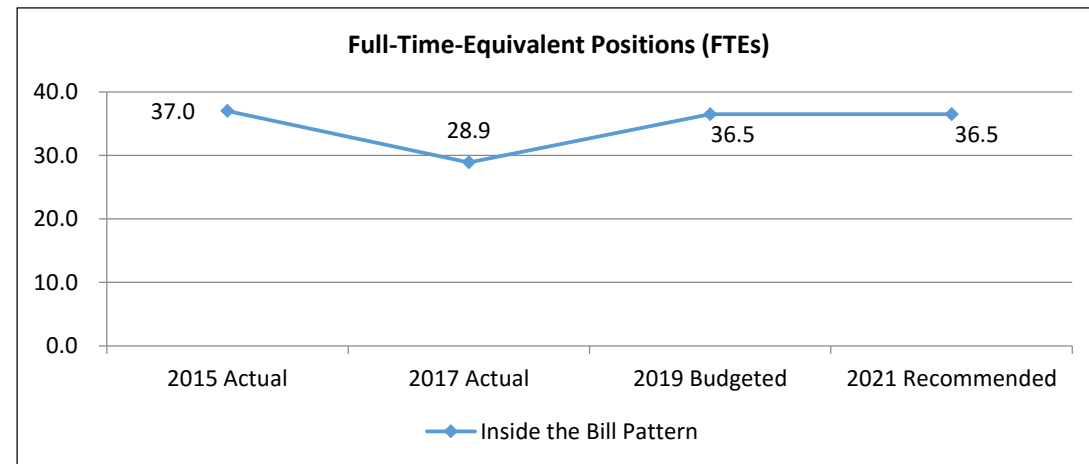
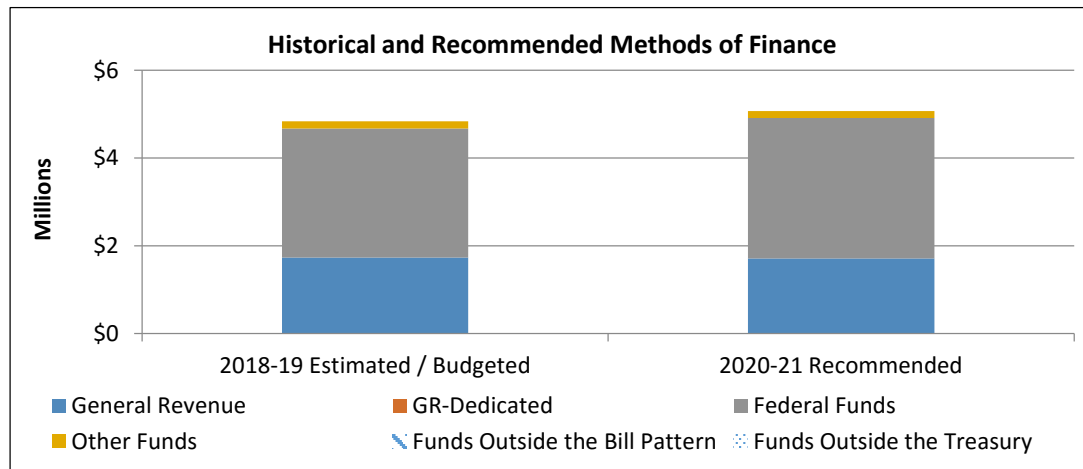
Investigates employment and housing discrimination, delivers training and technical assistance, reviews personnel policies of state agencies and institutions of higher education, and reports Equal Employment Opportunity (EEO) statistics for state agencies.

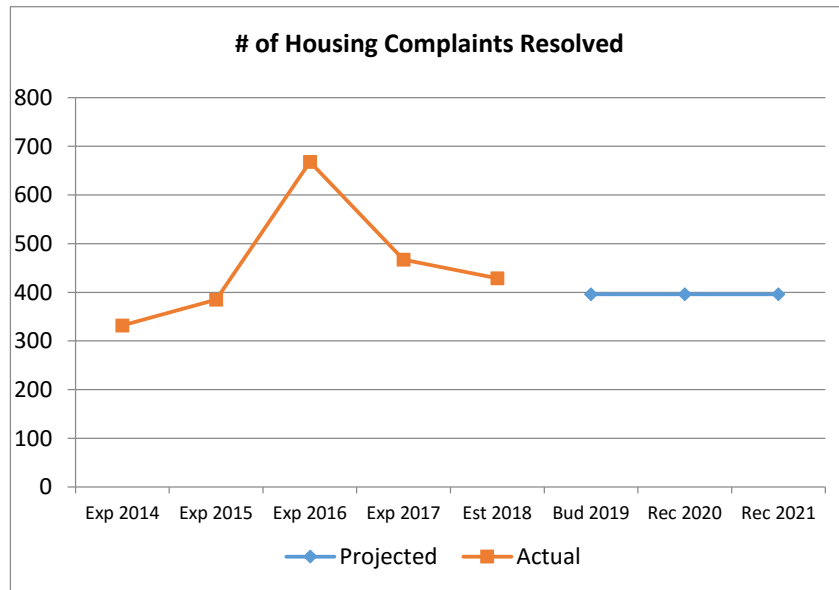
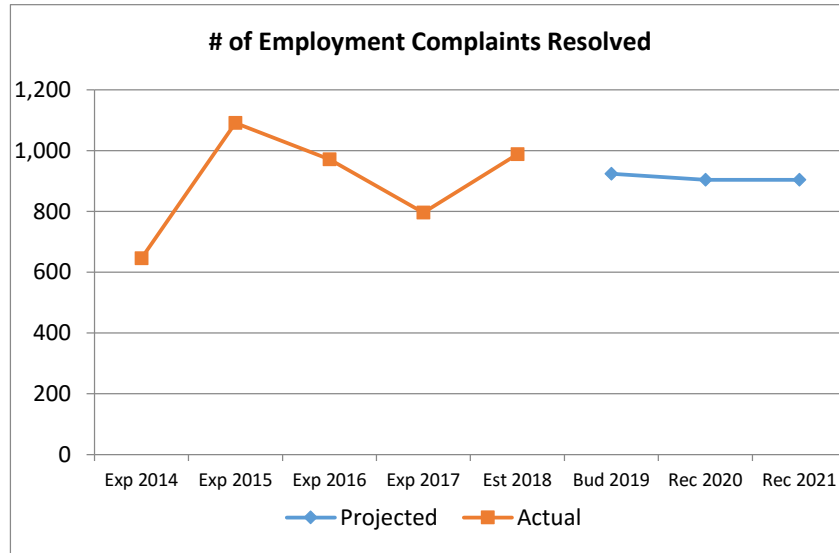
Legal Authority: Labor Code, Ch. 21 and Subch. I, Ch. 301, Government Code, Subch. F, Ch. 437 & Sec. 2052.003, Property Code, Ch. 301 (Texas Fair Housing Act), 40 Administrative Code, Ch. 819; Title VII, Civil Rights Act, Title VIII, Fair Housing Act

Year Implemented	2004	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 3,758,338	\$ 3,927,006	77.4%
Operating Costs	\$ 1,070,246	\$ 1,143,424	22.6%
Capital Costs	\$ 9,501	\$ -	0.0%
Total	\$ 4,838,085	\$ 5,070,430	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 5,070,430	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 5,070,430	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include an increase of \$0.2 million in the federal Fair Housing Assistance grant. The program receives partial reimbursement of case costs pursuant to contracts with the U.S. Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

Recommended Statutory Changes for Program Improvement

1 Agency states an amendment could be made to Property Code, Sec. 301.041(a) to align state statute with the federal Fair Housing Act. This provision exempts certain housing sales or rental by an owner from housing discrimination prohibitions. The amendment would specify that the exemptions do not apply if there is a violation of Property Code, Sec. 301.022, 301.026, or 301.027.

Challenges and Enhancement Opportunities

- 1 Agency states the program is challenged by staff turnover and handling the backlog of filings. When investigators leave, primarily due to compensation, the agency is often required to hire individuals with limited investigative and civil rights experience, which impacts the speed and quality of cases resolved. In addition, managers are required to spend more time providing training and performing administrative tasks instead of resolving cases.
- 2 Agency states that if additional resources were appropriated, it could be used to increase investigator compensation to address turnover and hire additional administrative staff to support staff and management to increase their time on key functions.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5n: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
		X	
Authority			

Program: Career Schools and Colleges

Agency Ranking

14 out of 26

Regulates career schools and colleges from certificate and registration fees collected. Provides information and technical assistance to schools, students, and the public. Career schools and colleges are privately owned institutions that offer training on skills needed to perform a particular job.

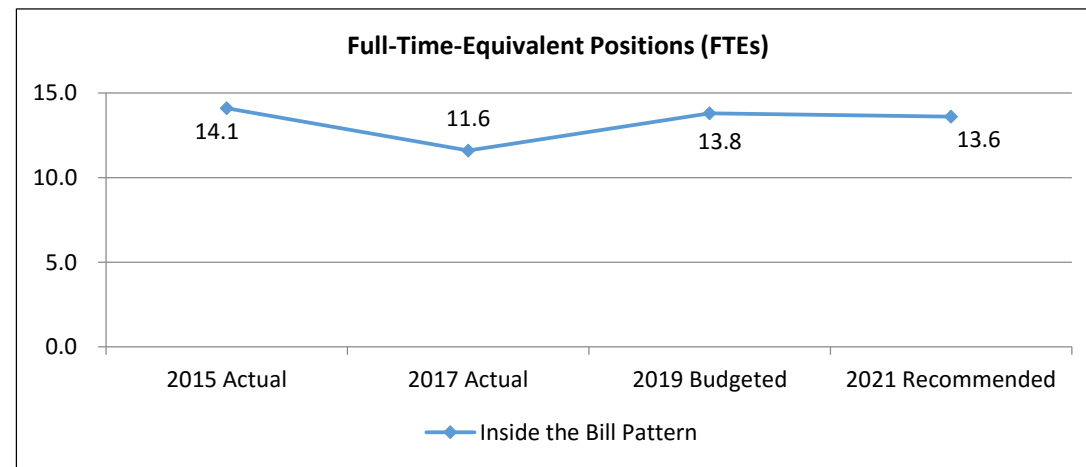
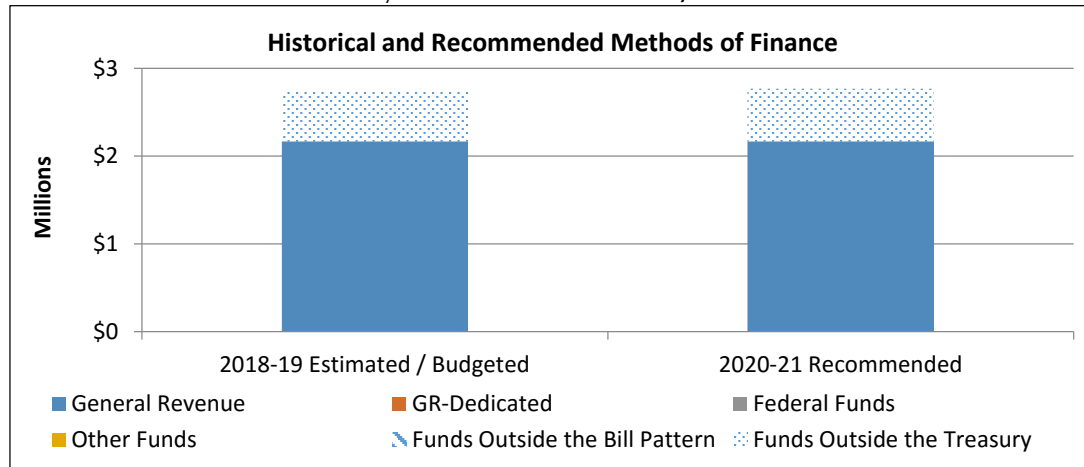
Legal Authority: Labor Code, Sec. 302.021, Education Code, Ch. 132, 40 Administrative Code, Ch. 807; 20 U.S. Code, Sec. 2301 et seq.

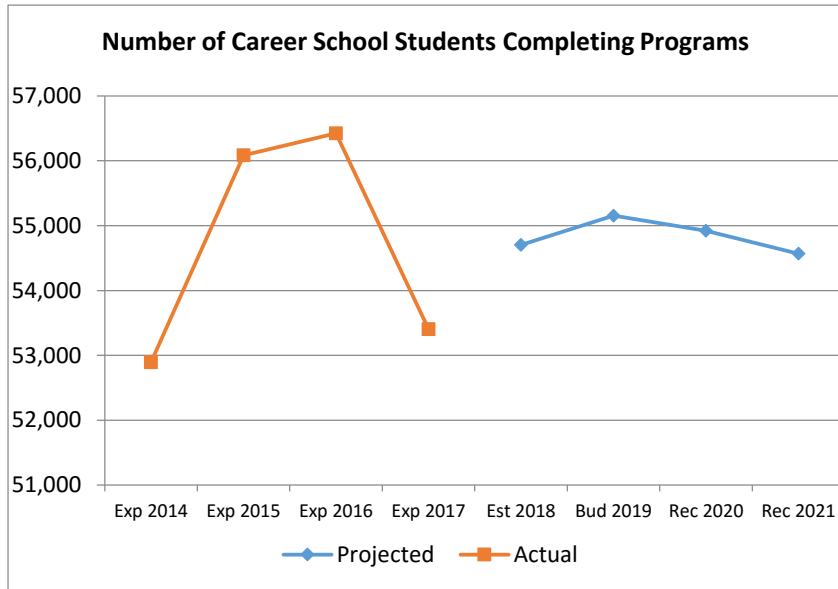
Year Implemented	2000	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	N/A	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 1,433,330	\$ 1,465,804	52.9%
Operating Costs	\$ 693,776	\$ 665,639	24.0%
Operating Costs-Outside*	\$ 578,168	\$ 600,000	21.7%
Grants	\$ 37,892	\$ 37,892	1.4%
All Other Objects of Expense	\$ 3,856	\$ -	0.0%
Total	\$ 2,747,022	\$ 2,769,335	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 2,169,335	78.3%
Funds Outside the State Treasury	\$ 600,000	21.7%
Total	\$ 2,769,335	100.0%

*Indicates Outside the Bill Pattern/Outside the State Treasury.





Summary of Recommendations and Fiscal and Policy Issues

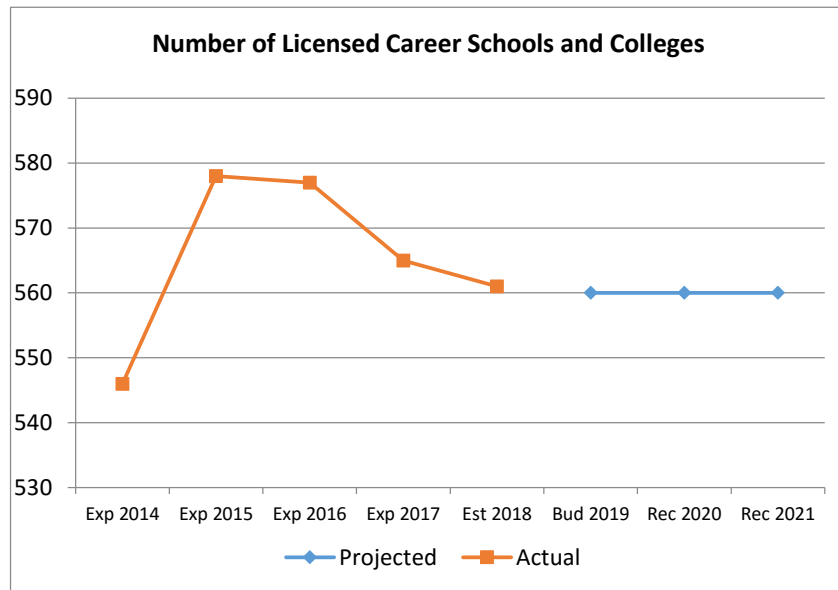
1 Recommendations include \$2.2 million in General Revenue in the 2020-21 biennium to regulate career schools and colleges. There is an additional \$0.6 million in projected expenditures in the Career School or College Tuition Trust Fund 925 outside the state treasury to provide a full refund to each student enrolled in a career school or college that has closed in the 2020-21 biennium.

Challenges and Enhancement Opportunities

1 Agency states the program's legacy system is outdated and does not link with other provider systems to track regulatory, program, and placement information for over 500 career schools in Texas.

Alternative Funding Options

1 TWC requests to replace four separate systems into a single web application to track eligible training providers and career schools. The request is for capital budget funding and authority of \$1.2 million from General Revenue and Federal Funds. (See Items Not Included in Recommendations #6)



Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5o: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: Labor Law

Agency Ranking

15 out of 26

Provides a process for employees to file wage claims for unpaid wages or compensation. Ensures that a child is not employed in an occupation or manner that is detrimental to the child's safety, health, or well-being. Disseminates information on the Texas Minimum Wage Act.

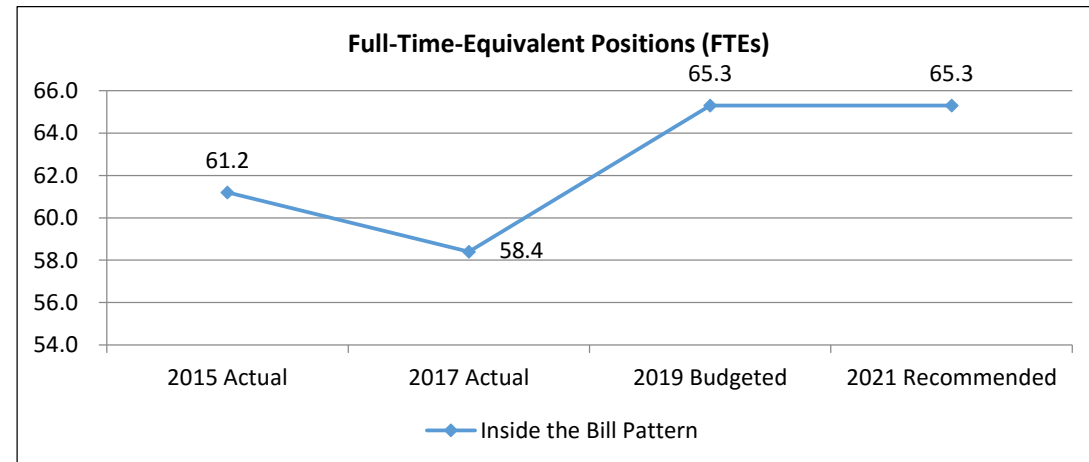
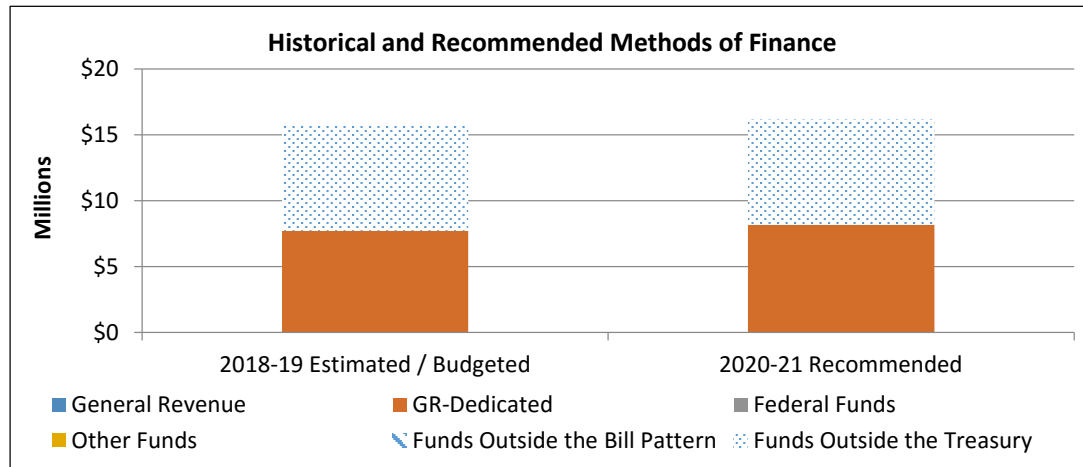
Legal Authority: Labor Code, Ch. 51, 61, & 62, 40 Administrative Code, Ch. 817 & 821

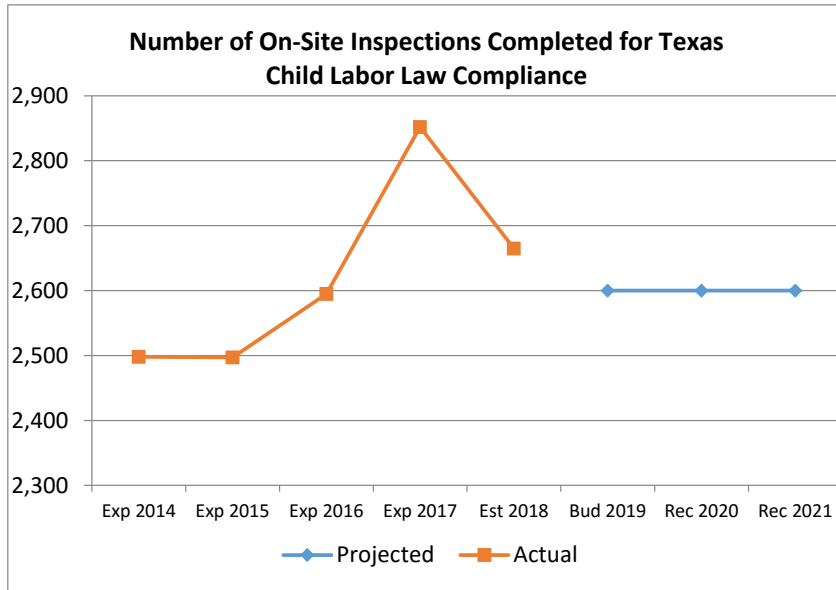
Year Implemented	1996	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs-Outside*	\$ 8,000,000	\$ 8,000,000	49.5%
Personnel Costs	\$ 5,890,303	\$ 6,119,232	37.9%
Operating Costs	\$ 1,814,939	\$ 2,044,262	12.6%
Capital Costs	\$ 16,619	\$ -	0.0%
Total	\$ 15,721,861	\$ 16,163,494	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 8,163,494	50.5%
Funds Outside the State Treasury	\$ 8,000,000	49.5%
Total	\$ 16,163,494	100.0%

*Indicates Outside the Bill Pattern/Outside the State Treasury.



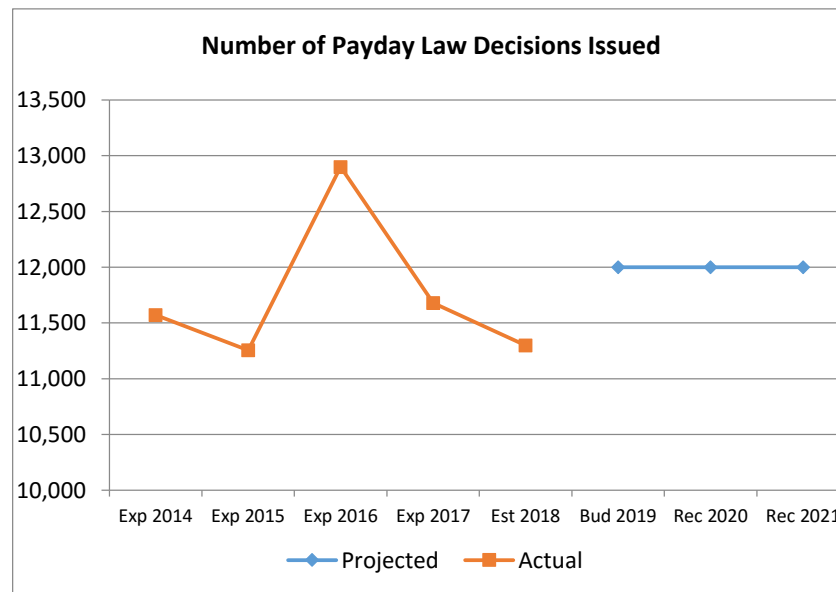


Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include \$8.0 million in GR-D Fund 165 in the 2020-21 biennium to administer the Labor Law program. There is an additional \$8.0 million in projected expenditures in the Payday Law Wage Determination Trust Fund 894 outside the state treasury to pay claimant wages collected under the Texas Payday Law in the 2020-21 biennium.

Challenges and Enhancement Opportunities

1 Agency states legacy IT systems for the program could be modernized to facilitate customer interaction and streamline business processes.



Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5p: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Business Enterprises of Texas (BET)

Agency Ranking

16 out of 26

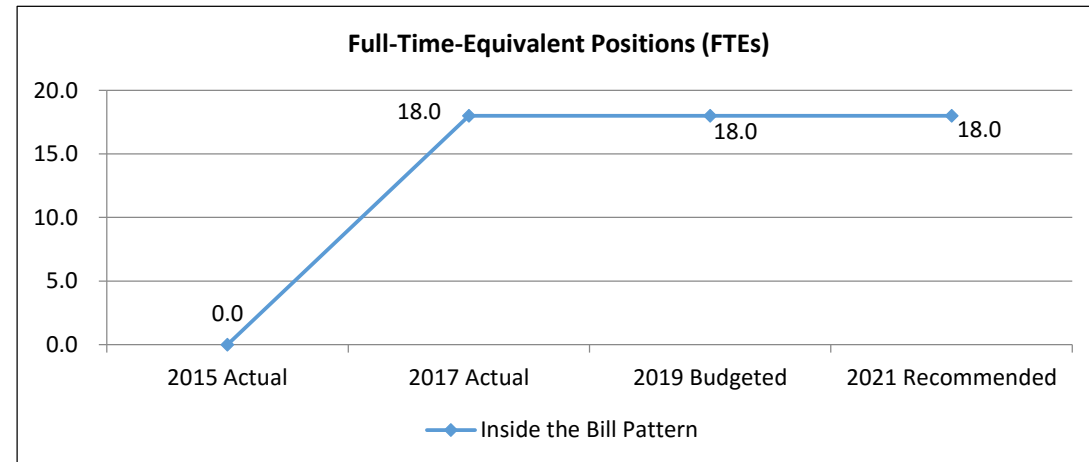
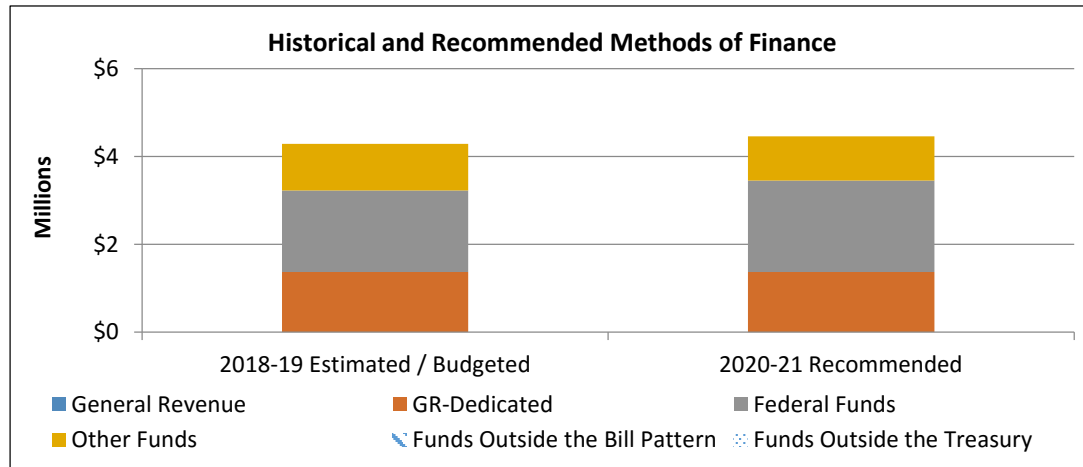
Develops business management opportunities for legally blind individuals in food service operations and vending facilities located on public and private properties. Managers in the program rely on business profits for personal income and to hire labor and purchase re-sale products.

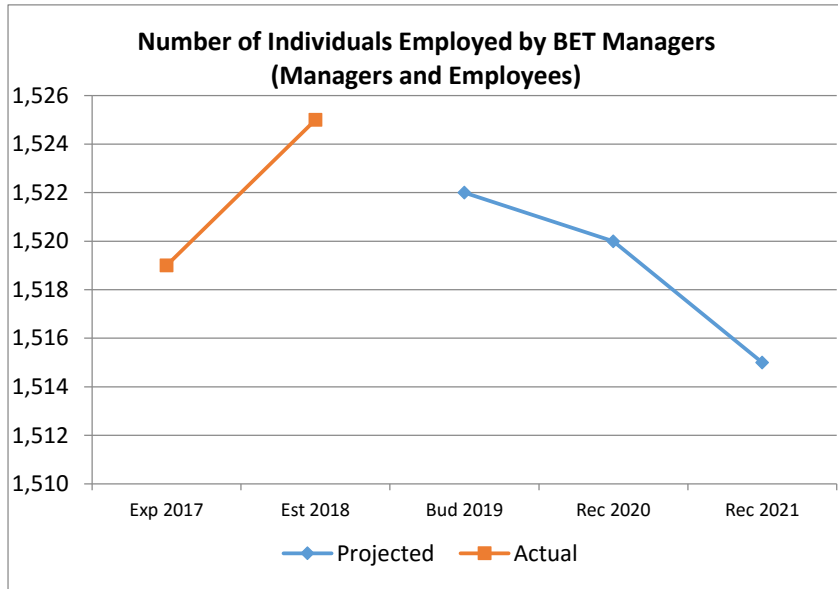
Legal Authority: Labor Code, Ch. 355; Randolph-Sheppard Act, 20 U.S. Code, Sec. 107

Year Implemented	2017	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Health Care - Rehabilitation, Disability & Long Term Care		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 2,060,099	\$ 2,254,969	50.6%
Personnel Costs	\$ 2,170,372	\$ 2,204,754	49.4%
Capital Costs	\$ 55,968	\$ -	0.0%
Total	\$ 4,286,439	\$ 4,459,723	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 4,459,723	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 4,459,723	100.0%



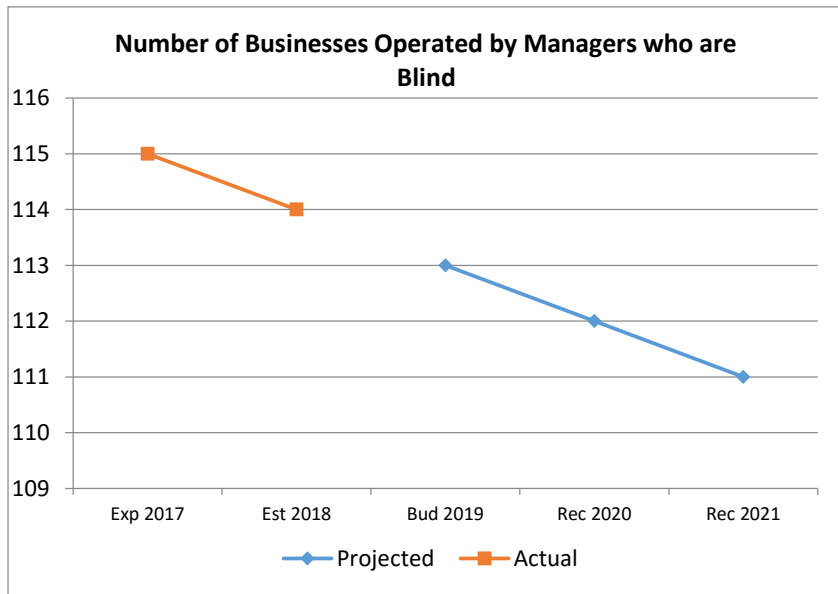


Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations include an increase of \$0.2 million in federal Rehabilitation Services grant funds in the 2020-21 biennium to provide additional support for BET managers to operate BET businesses. The program is also appropriated GR-D Business Enterprises Program Fund 492 to supply vending facility managers with the related equipment and initial stock needed to begin business under the program. The fund collects a percentage of revenue from merchandise sales to administer the program.

Challenges and Enhancement Opportunities

1 Agency states that increases in the number of state and federal employee/customer populations who work compressed schedules or telework reduces the number of potential consumers and profit at properties where BET operates food service facilities. In addition, as employment opportunities in other fields expand for individuals who are blind, there are fewer individuals interested in referrals to the program, creating challenges in staffing food service and vending facilities operated by the program.



Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5q: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Labor Market and Career Information

Agency Ranking

17 out of 26

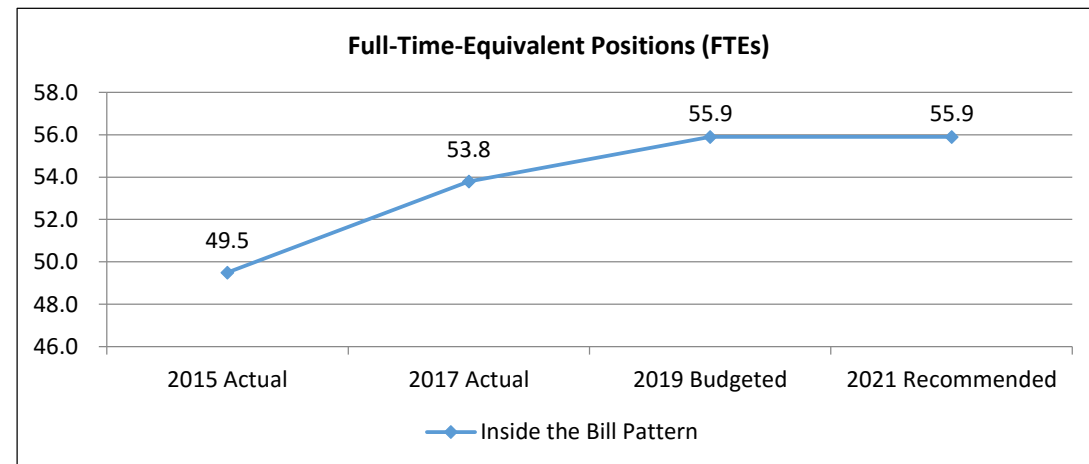
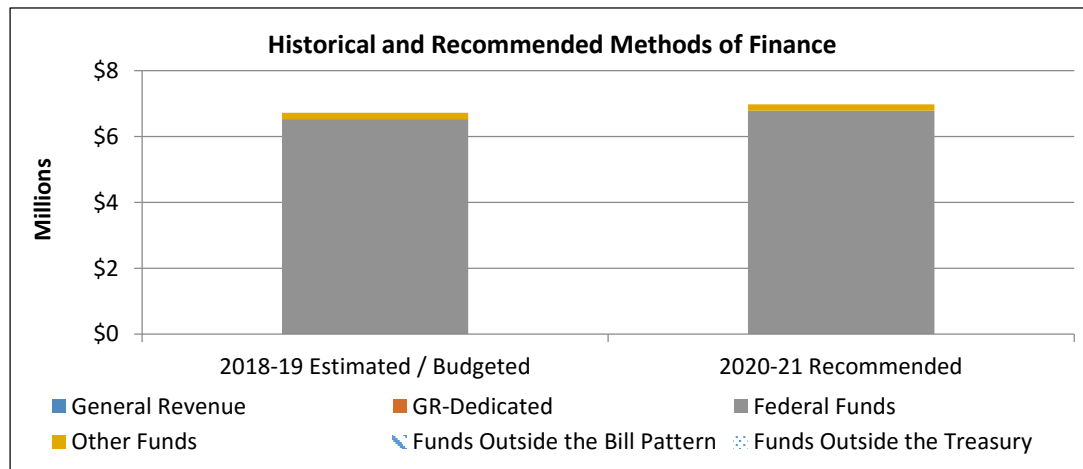
Provides economic data about the labor force, industry and occupational employment and wages, labor market trends, and economic conditions to job seekers, employers, economic development entities, and local workforce development boards.

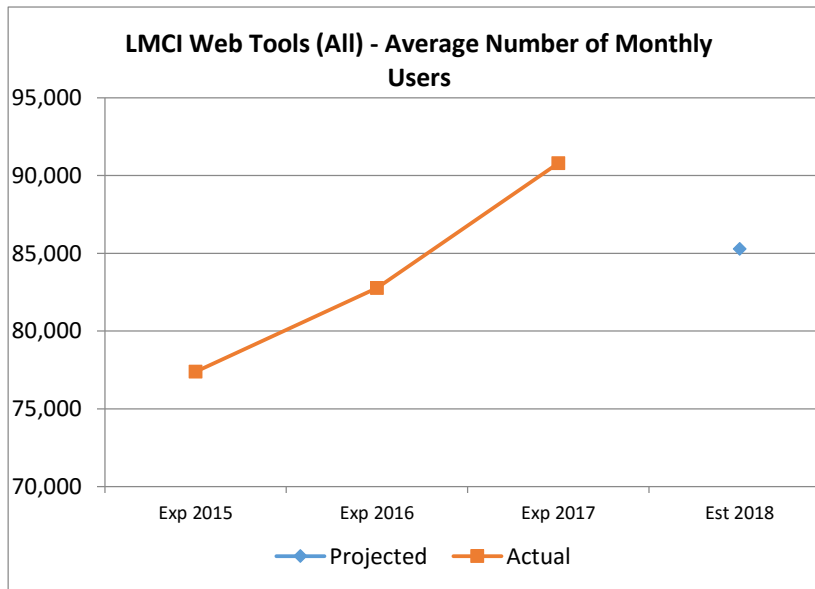
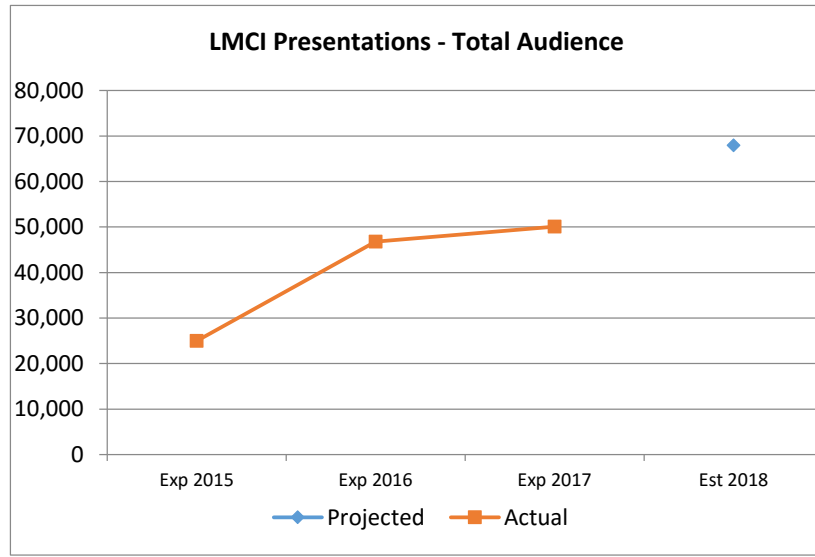
Legal Authority: Labor Code, Sec. 302.002, 40 Administrative Code, Sec. 843.1; 29 U.S. Code, Sec. 49 et seq., 29 U.S. Code, Sec. 1, 2, 2b, 5, & 8, 20 Code of Federal Regulations Part 652

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 5,105,776	\$ 5,420,130	77.7%
Operating Costs	\$ 1,598,724	\$ 1,555,083	22.3%
Capital Costs	\$ 14,380	\$ -	0.0%
Total	\$ 6,718,880	\$ 6,975,213	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 6,975,213	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 6,975,213	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations increase the program funding to \$7.0 million for the 2020-21 biennium due to additional available federal dollars to support program operations. There is no state match or maintenance of effort requirement for this program.

Challenges and Enhancement Opportunities

- 1 Agency states employer response rates for the employment and wage survey conducted by the Occupational Employment Statistics department semiannually is a challenge for the program.
- 2 Agency states it could make resources available to a larger audience in Texas by translating all materials into Spanish. According to a 2011 U.S. Census Bureau Report, 34.7 percent of the Texas population speaks a language other than English at home, and of that amount, 23.7 percent self-report as speaking English "not well" or "not at all".

Alternative Funding Options

1 As part of the SFR analysis, the agency was asked to estimate the funding required to translate all Labor Market and Career Information (LMCI) materials, including books, manuals, brochures, and web applications, into Spanish. The agency states it would require an additional \$2.5 million in General Revenue in the 2020-21 biennium to provide this service. This assumes that the cost to translate is \$78 per page, print costs are comparable to current materials, and programming costs total \$225,000 per application for each of the ten LMCI applications.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5r: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality		
			X
Authority			

Program: Work Opportunity Tax Credit

Agency Ranking

18 out of 26

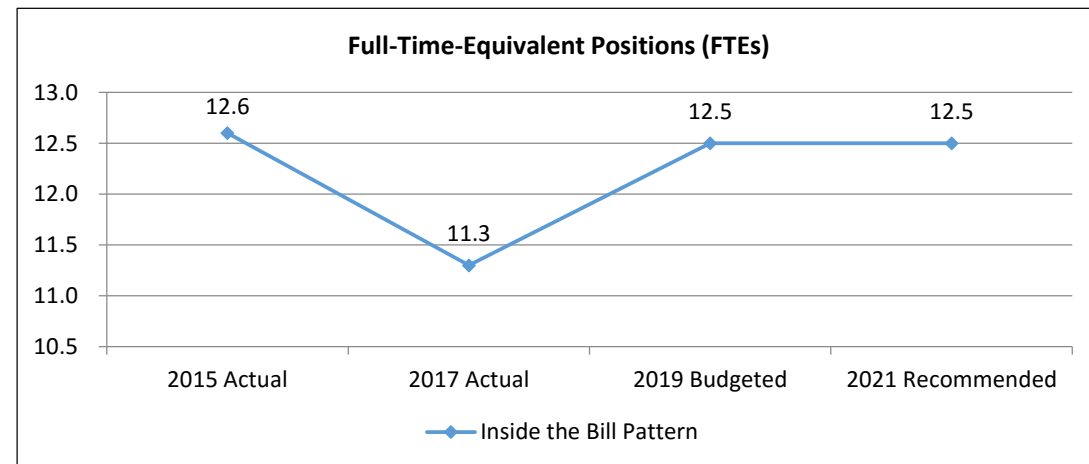
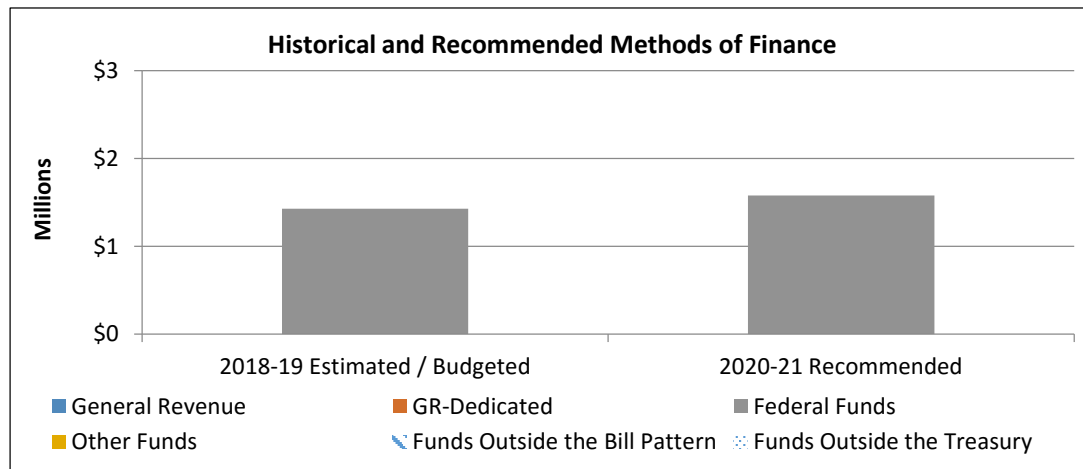
Provides a federal tax credit to employers who hire individuals from specified target populations who face barriers to employment. Reduces the federal tax liability for business, serving as an incentive to select job candidates who may be disadvantaged in their efforts to find employment.

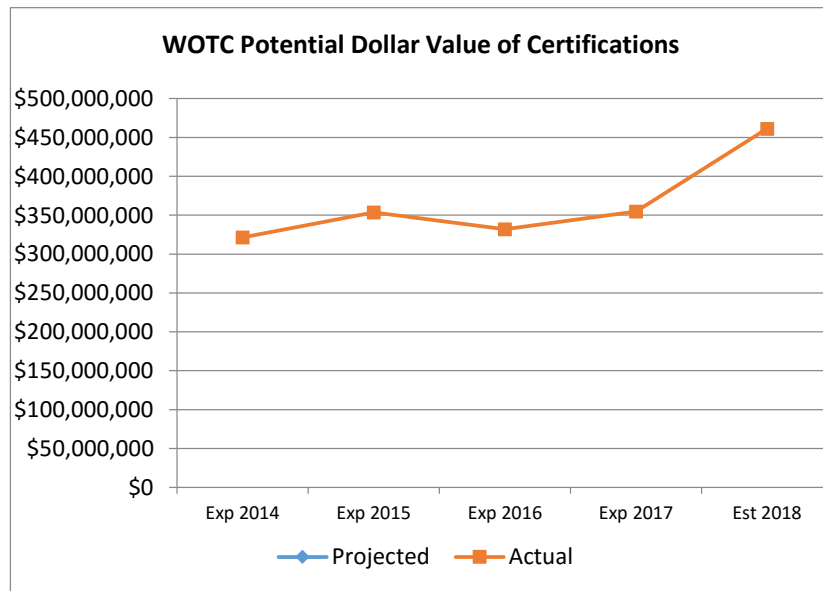
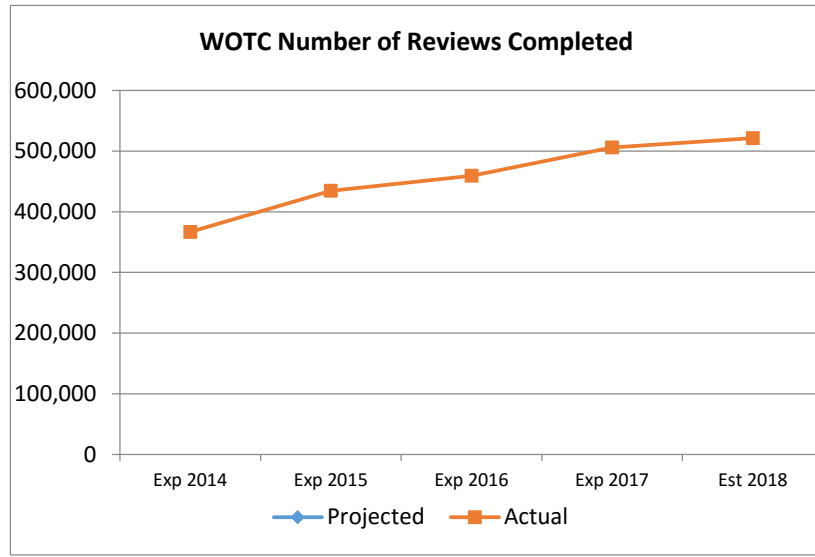
Legal Authority: Labor Code, Sec. 301.0671 & 301.101-108; 26 U.S. Code, Sec. 51 et seq.

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 1,106,407	\$ 1,143,158	72.5%
Operating Costs	\$ 317,420	\$ 434,046	27.5%
Capital Costs	\$ 3,213	\$ -	0.0%
Total	\$ 1,427,040	\$ 1,577,204	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,577,204	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,577,204	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations increase the program funding to \$1.6 million for the 2020-21 biennium due to additional available federal dollars to support program operations. There is no state match or maintenance of effort requirement for this program.
- 2 The program provides tax credits to employers who hire individuals from specified target populations, including veterans, long-term family assistance recipients, TANF recipients, ex-felons, designated community residents, vocational rehabilitation referrals, SNAP recipients, SSI recipients, long-term unemployment recipients, and summer youth program participants.
- 3 The program has experienced changes since its initial implementation, including 1) the addition of new target groups; and 2) increases in the number of employers participating in the program. These changes have resulted in increases in the number of certification applications. In addition, employers have the ability to retroactively submit applications for previous tax years when there are new target groups.

Challenges and Enhancement Opportunities

- 1 Agency states that the program experiences its greatest challenges when target groups are added, deleted, or re-authorized.
- 2 Agency states it could update the program's 20 year old application system. The current system, which includes processing of both hard copy and electronic applications, does not operate with the ease and speed of modern automated systems. A fully automated system could benefit employers in application submission and notification of application results.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5s: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: Trade Adjustment Assistance

Agency Ranking 19 out of 26

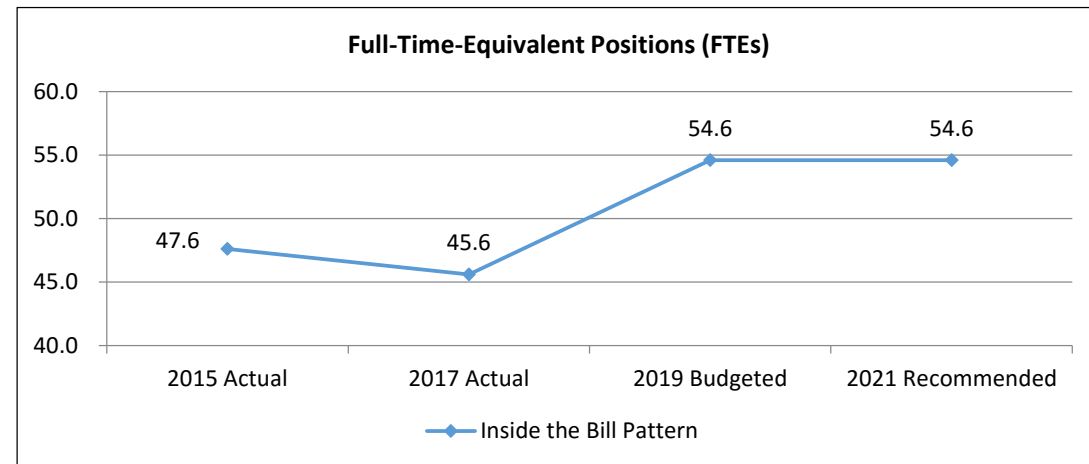
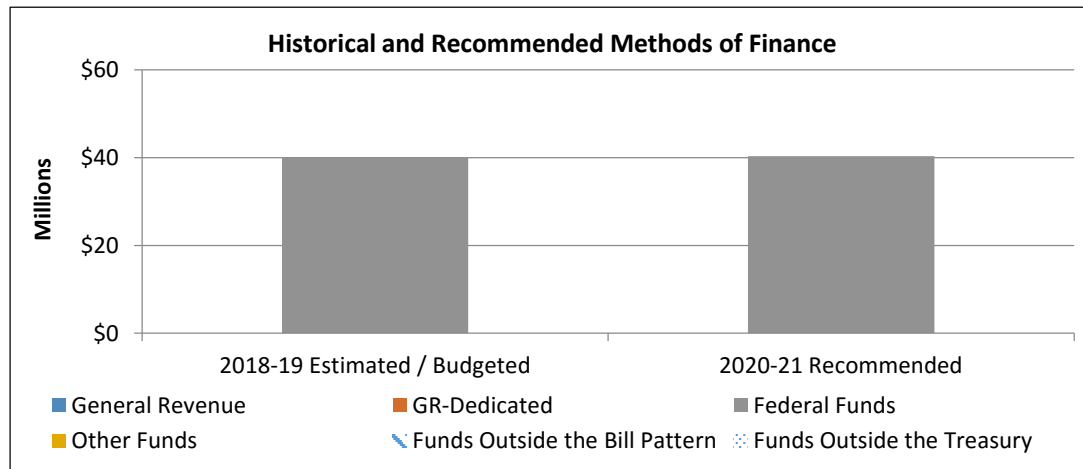
Provides benefits and employment services to workers who lose their manufacturing or service job, or whose hours of work and wages are reduced as a result of increased imports or a shift in production to foreign countries.

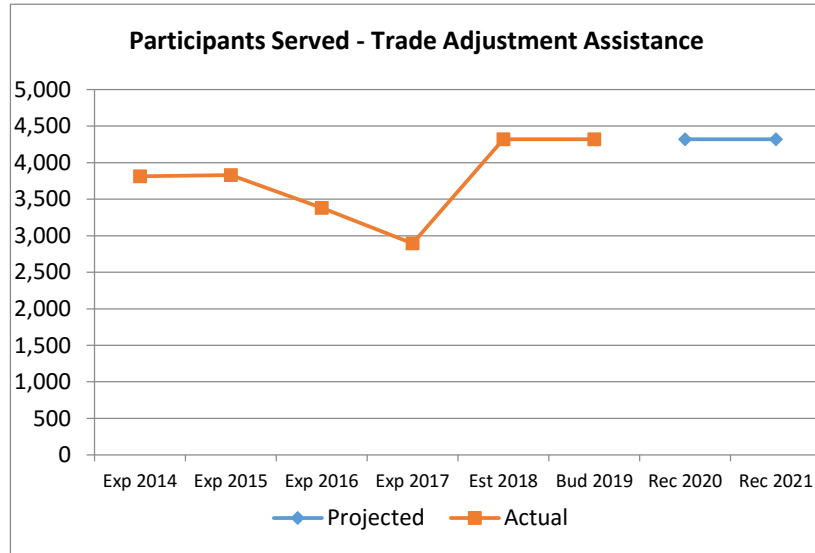
Legal Authority: Labor Code, Sec. 302.021, 40 Administrative Code, Ch. 849; Trade Act of 1974, P.L. 93-618, 19 U.S. Code, Sec. 2271 et seq., Trade Adjustment Assistance Reform Act of 2002, P.L. 107-210, 19 U.S. Code, Sec. 3801, Trade and Globalization Adjustment Assistance Act of 2009, P.L. 112-40, 19 U.S. Code, Sec. 2465

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 34,542,460	\$ 34,551,010	85.7%
Personnel Costs	\$ 4,143,167	\$ 4,438,432	11.0%
Operating Costs	\$ 1,293,942	\$ 1,302,459	3.2%
Capital Costs	\$ 13,739	\$ 7,524	0.0%
Total	\$ 39,993,308	\$ 40,299,425	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 40,299,425	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 40,299,425	100.0%





Summary of Recommendations and Fiscal and Policy Issues

1 Recommendations increase the program funding to \$40.3 million for the 2020-21 biennium due to additional available federal dollars to support increase case management services. There is no state match or maintenance of effort requirement for this program.

Alternative Funding Options

1 TWC requests to replace stand-alone systems from multiple programs into an integrated system for workforce services and case management activities performed by agency staff and Local Workforce Development Boards. The request is for capital budget funding and authority of \$18.9 million from Federal Funds. (See Items Not Included in Recommendations #5)

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5t: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Supplemental Nutrition Assistance Program (SNAP) Employment & Training

Agency Ranking 20 out of 26

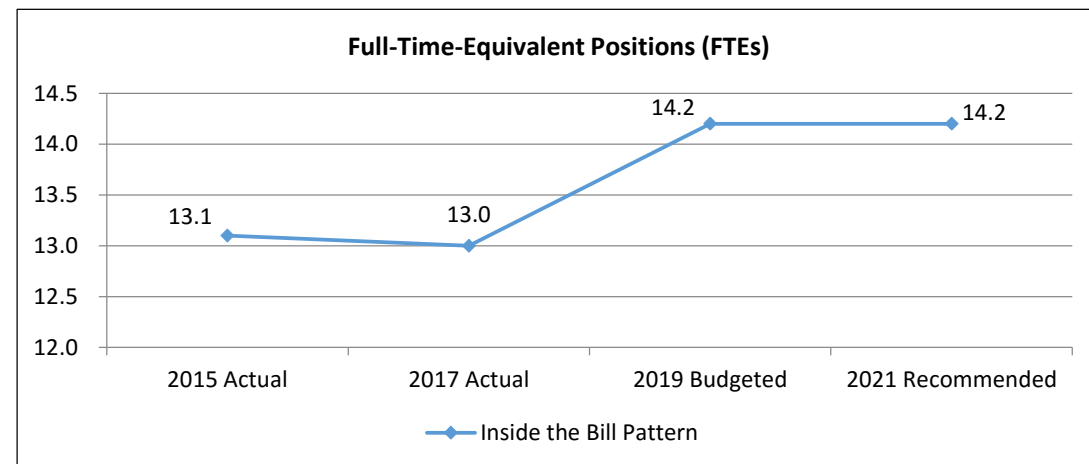
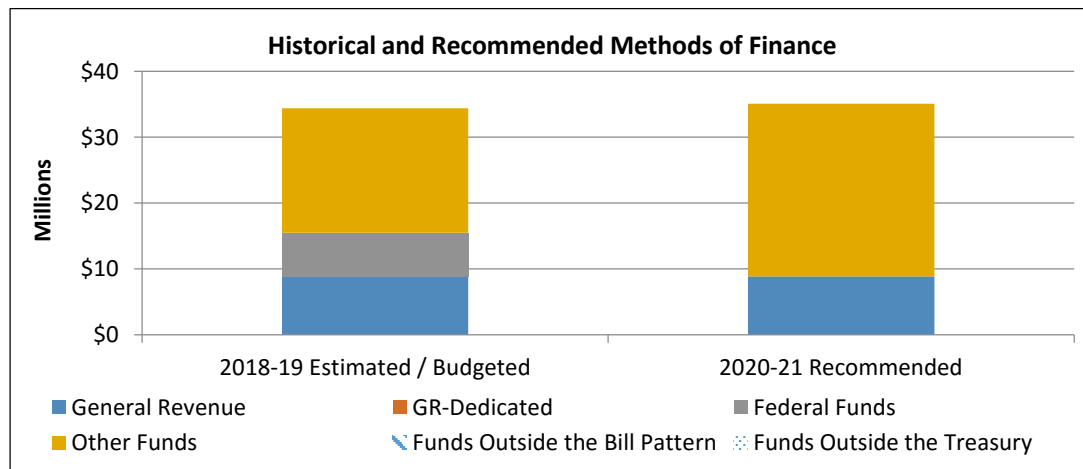
Provides assistance to SNAP recipients in obtaining a job, or education and training to enhance recipients' opportunities for entering the workplace.

Legal Authority: Labor Code, Sec. 302.021, 40 Administrative Code, Ch. 813; 7 U.S. Code, Sec. 2011 et seq., 7 Code of Federal Regulations Parts 271-283

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 32,333,424	\$ 32,656,825	93.2%
Personnel Costs	\$ 1,398,977	\$ 1,725,628	4.9%
Operating Costs	\$ 647,741	\$ 667,189	1.9%
Capital Costs	\$ 3,440	\$ 5,267	0.0%
Total	\$ 34,383,582	\$ 35,054,909	100.0%

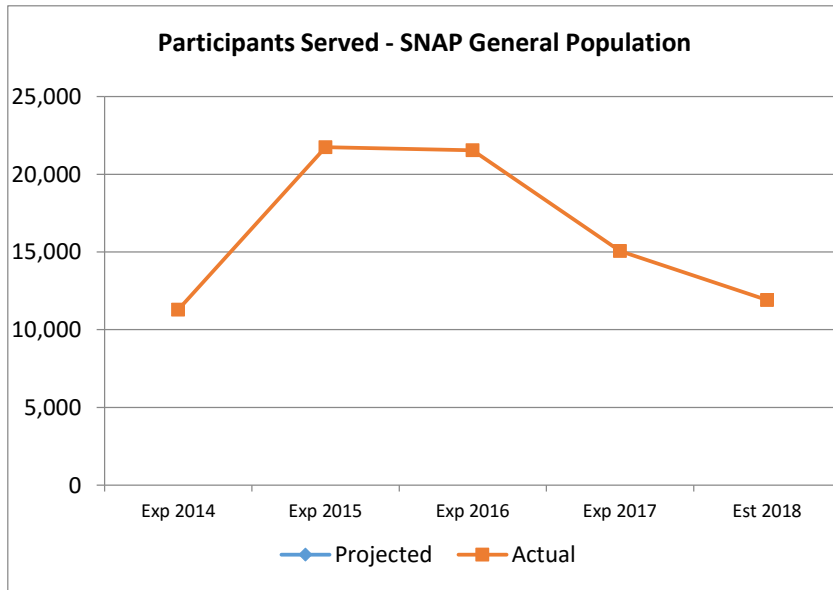
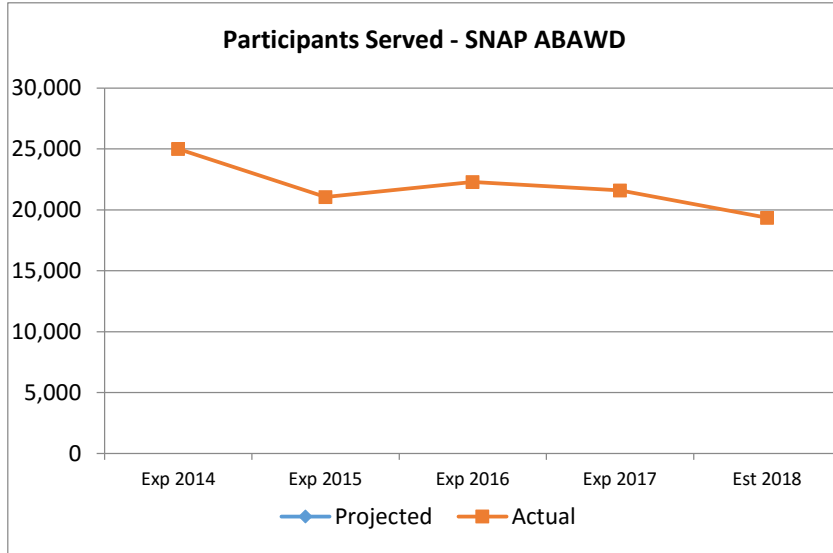
	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 35,054,909	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 35,054,909	100.0%



Program: Supplemental Nutrition Assistance Program (SNAP) Employment & Training

Agency Ranking

20 out of 26



Summary of Recommendations and Fiscal and Policy Issues

- 1 Each state receives a designated allotment based on a formula that considers the number of potential E&T participants. For the base amount of federal funds, no match is required. States may access additional federal funds with a 50 percent state match to provide additional E&T services and provide reimbursement for participants' transportation costs.
- 2 SNAP recipients ages 16 to 59 who are not employed or are employed fewer than 30 hours per week are considered SNAP E&T General Population mandatory work registrants, and are required to participate in SNAP E&T. Able Bodied Adults Without Dependents (ABAWD), who are SNAP recipients who are at least 18 but less than 50 years of age, have no dependents, and are not employed or are employed less than 20 hours per week, are considered mandatory work registrants and are required to participate in SNAP E&T.
- 3 Historically, TWC was appropriated a portion of the federal SNAP grant to fund the Employment & Training (E&T) program for SNAP participants. The federal waiver that granted administrative and fiscal authority of the program to TWC expired. As of fiscal year 2018, the U.S. Department of Agriculture requires the lead agency, HHSC, to assume administrative and fiscal responsibility of the program, and requires the SNAP E&T federal funding to be appropriated directly to HHSC. Since this change went into effect in April 2018, recommendations include a MOF swap of approximately \$6.7 million in Workforce Commission Federal Account No. 5026 to \$7.4 million in IACs to biennialize funding for the 2020-21 biennium and provide an increase of \$0.7 million in IACs to serve additional participants.

Alternative Funding Options

- 1 There is availability of additional federal draw down dollars for this program with a 50 percent state match in the event that additional GR appropriations are made to provide additional E&T services and reimbursement for participants' transportation costs.
- 2 As part of the SFR analysis, the agency was asked to estimate the impact of serving an additional 10 percent of SNAP E&T participants. With a projected average cost of \$500 per participant served, an increase of 3,252 participants, or 10 percent, would require an additional \$0.8 million in General Revenue and \$0.8 million in Federal Funds each fiscal year, assuming the federal match rate remains at 50 percent.
- 3 TWC requests to replace stand-alone systems from multiple programs into an integrated system for workforce services and case management activities performed by agency staff and Local Workforce Development Boards. The request is for capital budget funding and authority of \$18.9 million from Federal Funds. (See Items Not Included in Recommendations #5)

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5u: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Senior Community Services Employment

Agency Ranking

21 out of 26

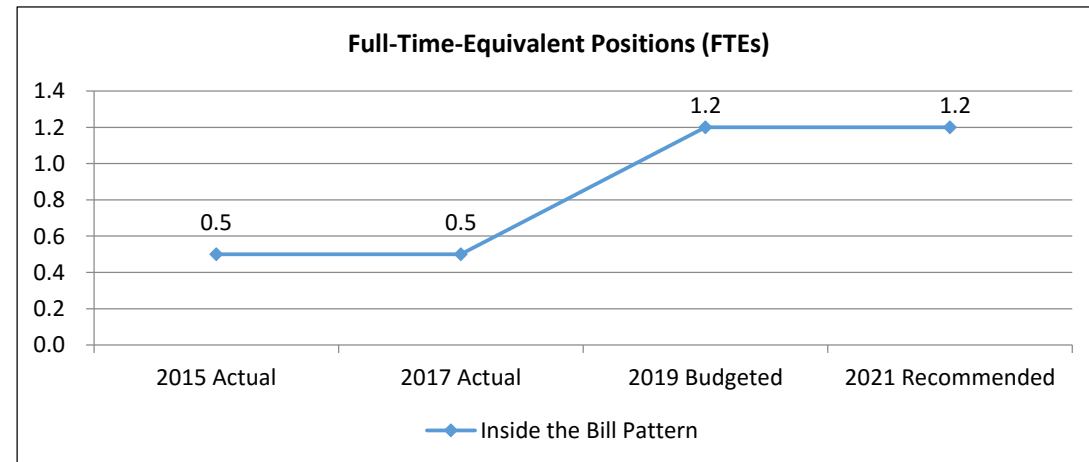
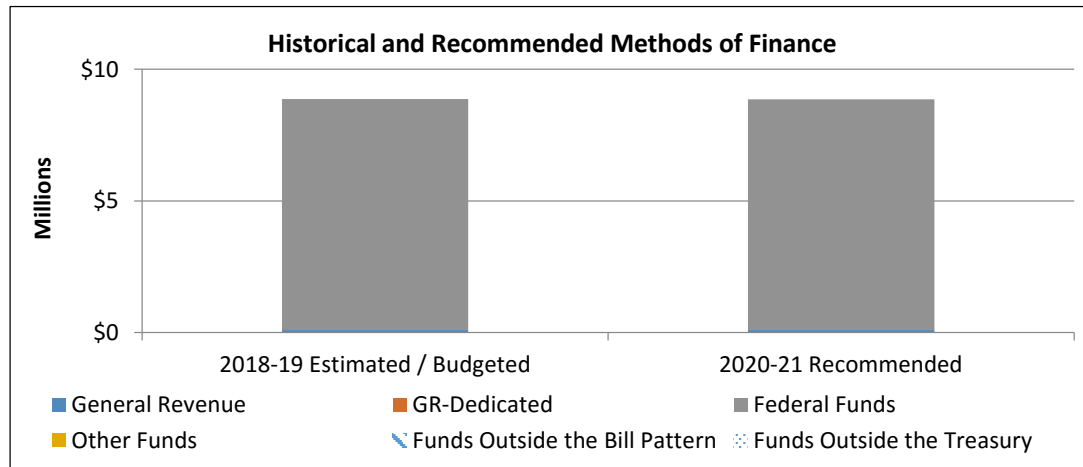
Provides skills training and employment services to low income job seekers age 55 and older to obtain unsubsidized jobs.

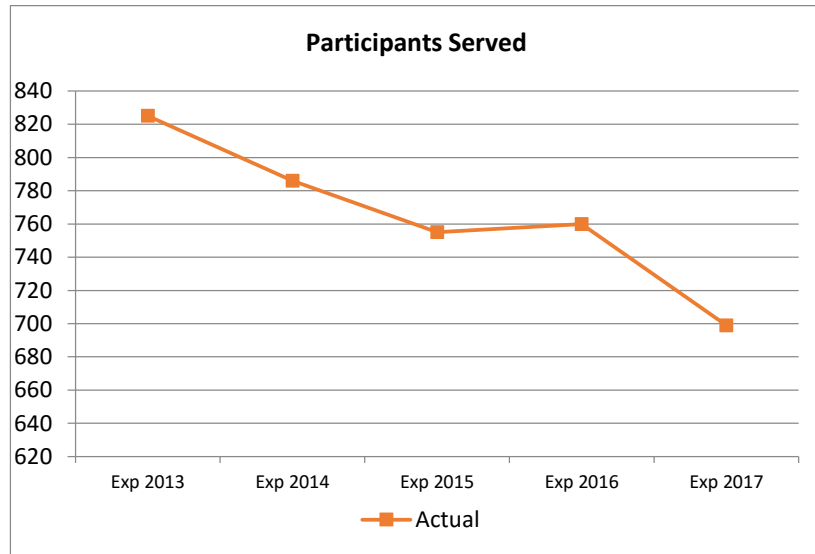
Legal Authority: Labor Code, Sec. 302.021, Human Resources Code, Sec. 101.023; Older Americans Act of 1965, 42 U.S. Code, Sec. 3056 et seq., 20 Code of Federal Regulations Part 641

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 8,706,904	\$ 8,685,686	98.1%
Personnel Costs	\$ 138,832	\$ 150,868	1.7%
Operating Costs	\$ 17,247	\$ 21,559	0.2%
Capital Costs	\$ 295	\$ -	0.0%
Total	\$ 8,863,278	\$ 8,858,113	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 8,858,113	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 8,858,113	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 The federal Senior Community Service Employment grant requires a 10 percent state match. The match consists of state funds and local funds outside the agency's bill pattern from the grantee that administers the program providing certified in-kind donations.

Challenges and Enhancement Opportunities

- 1 Agency states that Texas' size and amount of rural communities create challenges with the limited budget for travel. In addition, as a result of changes to federal requirements, the program is required to pay its share of the Workforce Innovation and Opportunity Act (WIOA) one-stop workforce center infrastructure costs. According to the agency, this has created an additional strain on the program budget and, in some cases, the program subgrantee providing services is unable to pay the costs and can no longer co-house with the Local Workforce Development Boards. The subgrantee's staff are home-based and must travel to different locations, such as senior community centers or libraries, to meet with participants.
- 2 Agency states that, if the program received additional resources to support the WIOA one-stop workforce center infrastructure costs, additional participants could be served across the state through the existing network of one-stop centers.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5v: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
			X
Authority			

Program: Temporary Assistance for Needy Families (TANF) Self-Sufficiency

Agency Ranking

22 out of 26

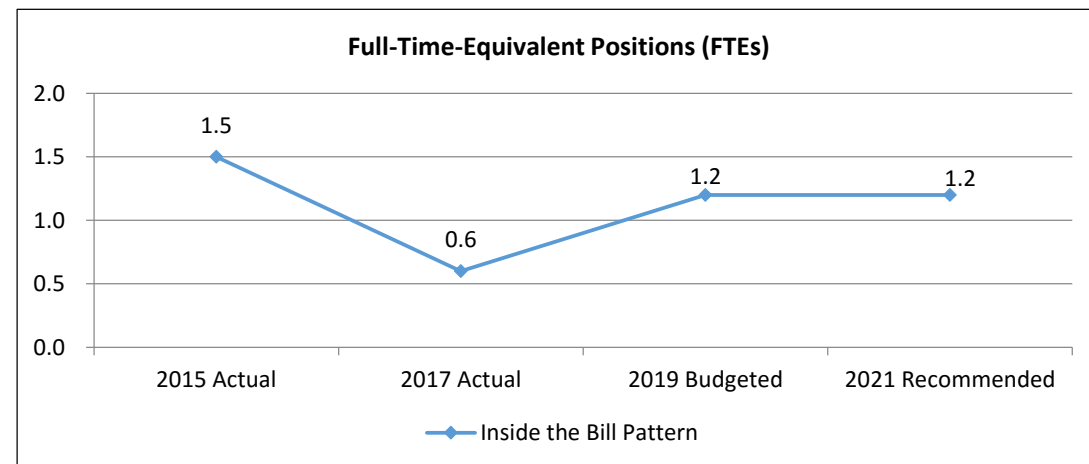
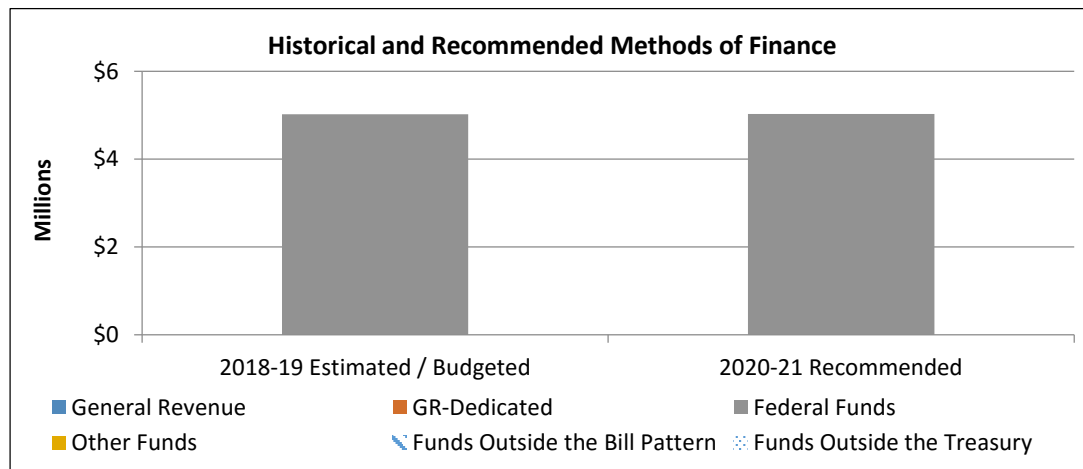
Provides self-sufficiency grants to public community and technical colleges and community-based organizations to implement customized job training programs in cooperation with employers to assist low income individuals in obtaining certificates and credentials that lead to employment.

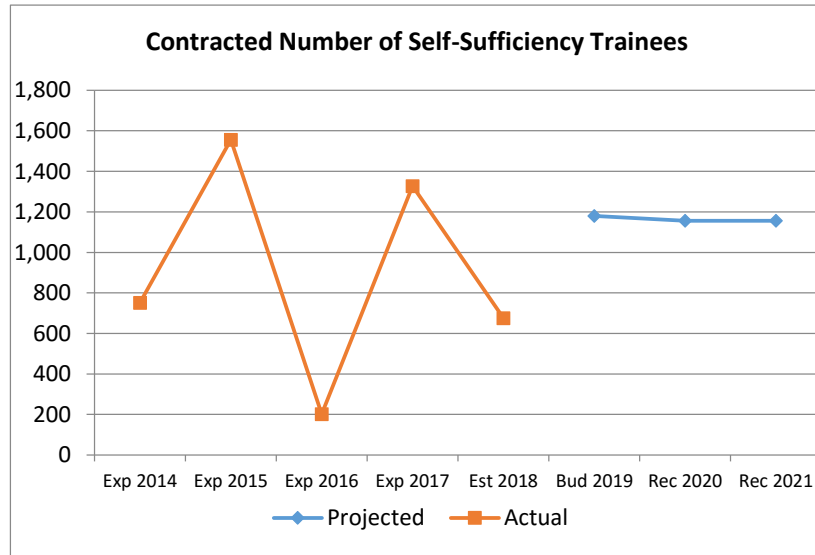
Legal Authority: Labor Code, Ch. 309; 42 U.S. Code, Sec. 601 et seq., 45 Code of Federal Regulations Part 260

Year Implemented	2000	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 4,883,318	\$ 4,856,690	96.6%
Personnel Costs	\$ 125,346	\$ 167,478	3.3%
Operating Costs	\$ 15,263	\$ 4,860	0.1%
Capital Costs	\$ 382	\$ -	0.0%
Total	\$ 5,024,309	\$ 5,029,028	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 5,029,028	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 5,029,028	100.0%



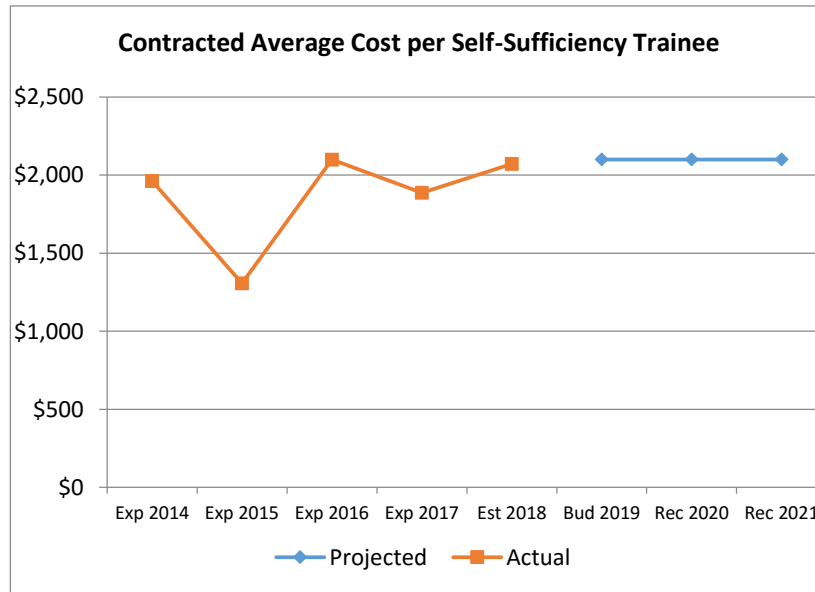


Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations continue funding for the TANF Self-Sufficiency program, which is federally funded through the TANF grant.
- 2 Fiscal year 2016 experienced a lower than average contracted number of self-sufficiency trainees primarily due to a change in the program parameters to focus on training that prepares individuals for employment within the state's target industry clusters. In addition, the agency states that the decrease in fiscal year 2018 is a reflection of a stronger economy and lower unemployment.

Challenges and Enhancement Opportunities

- 1 Agency states participants are challenged in completing training due to external factors, such as transportation or child care needs. As a result, grantees are challenged with meeting performance measures and deliverables, such as the contracted number of self-sufficiency participants completing training.



Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5w: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: Business Enterprises of Texas (BET) Trust Fund

Agency
Ranking

23 out of 26

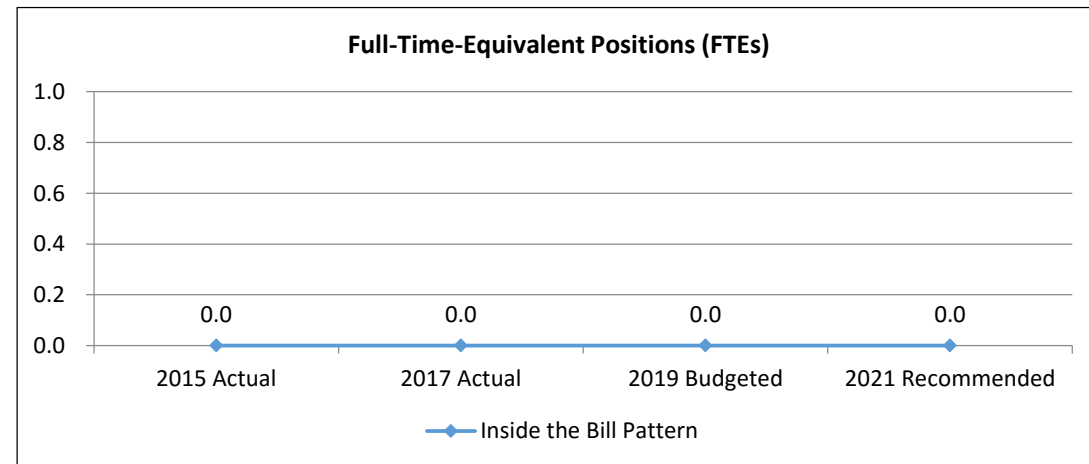
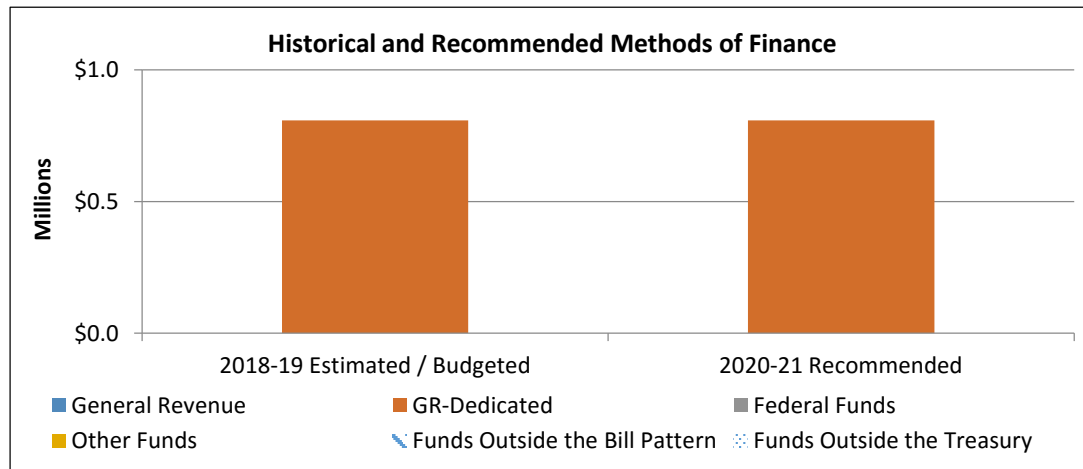
Maintains a retirement and benefit plan for legally blind licensed managers in the BET program, as defined in the federal Randolph-Sheppard Act.

Legal Authority: Labor Code, Ch. 355; Randolph Sheppard Act, 20 U.S. Code, Sec. 107

Year Implemented	2017	Performance and/or		Revenue Supported	Yes
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Health Care - Rehabilitation, Disability & Long Term Care		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Operating Costs	\$ 808,424	\$ 808,424	100.0%
Total	\$ 808,424	\$ 808,424	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 808,424	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 808,424	100.0%



Summary of Recommendations and Fiscal and Policy Issues

- 1 The GR-D BET Trust Fund 5043 collects receipts from vending machine sales on federal property and funds a retirement program for individuals licensed to operate vending facilities under the BET program. Recommendations continue funding to administer the retirement program.
- 2 Since its inception, there has only been one major change to the program. In August 2015, BET licensed managers voted to terminate the BET retirement plan that existed at that time. The BET retirement plan was phased out as of December 2011, and the trust fund now pays out an annual distribution, referred to as the Retirement, Health Insurance, Vacation Pay, and Sick Leave (RHIVS) payments. These payments are made annually to eligible BET licensed managers based on the length of time each manager has been in the program and in accordance with federal law.

Challenges and Enhancement Opportunities

- 1 Agency states a challenge for the program is that revenues for the trust fund are dependent on employees and customers purchasing products on federal properties.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5x: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: Foreign Labor Certification

Agency Ranking

24 out of 26

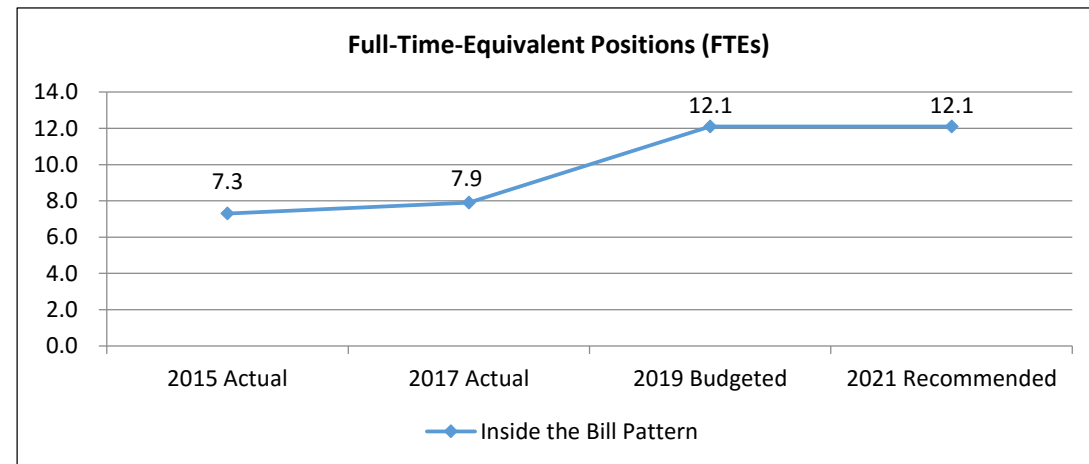
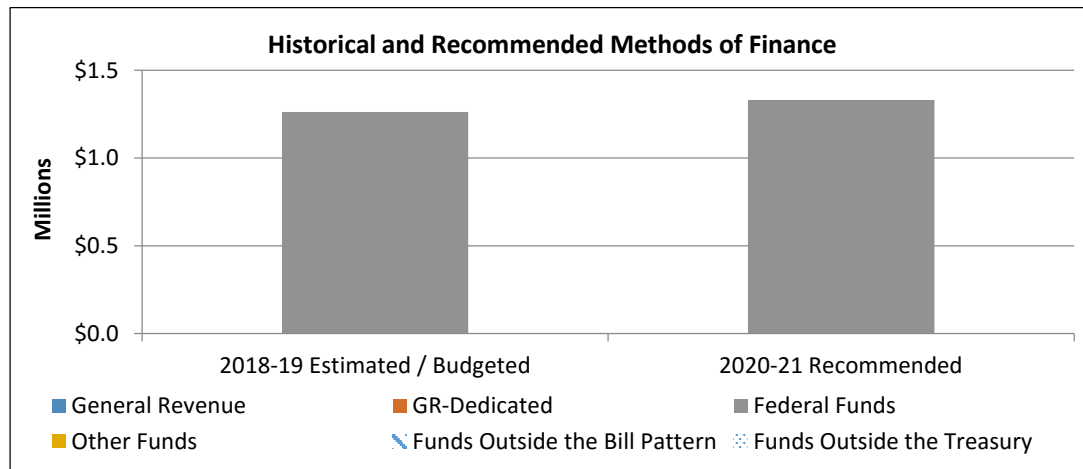
Assists employers who anticipate a shortage of domestic workers with information to bring nonimmigrant foreign workers to the U.S. on a temporary or seasonal basis. Temporary employment certification forms are reviewed and processed according to U.S. Dept. of Labor regulations.

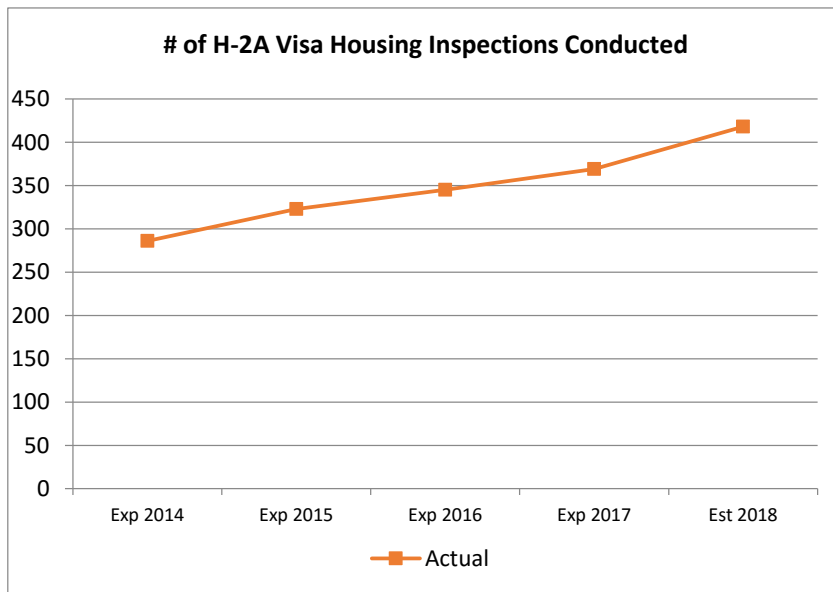
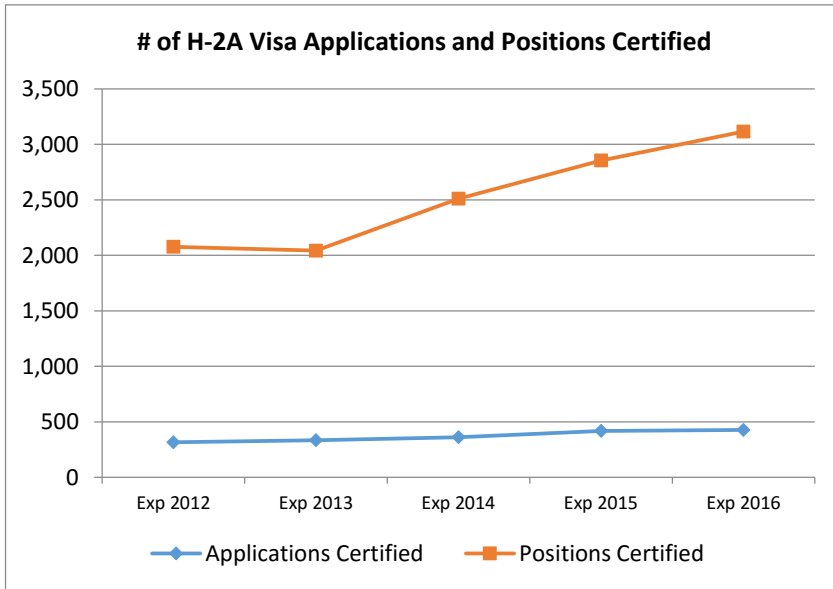
Legal Authority: 8 U.S. Code, Ch. 1101 et seq., Immigration and Nationality Act, 29 U.S. Code, Sec. 49 et seq.

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	N/A	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Business & Workforce Development & Regulation		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 988,214	\$ 1,075,158	80.8%
Operating Costs	\$ 258,181	\$ 241,458	18.2%
Grants	\$ 13,592	\$ 13,592	1.0%
Capital Costs	\$ 3,196	\$ -	0.0%
Total	\$ 1,263,183	\$ 1,330,208	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 1,330,208	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 1,330,208	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 TWC is required by federal law to conduct compliance visits to ensure that migrant labor housing meets safety and health standards, on behalf of the Department of Labor (DOL). The agency reviews applications from employers looking to apply to DOL's federal H-2A Temporary Agricultural Program, which provides visas for nonimmigrant foreign workers to perform agricultural labor or temporary services. If a worker is not reasonably able to return to his/her residence within the same day, housing must be provided at no cost and meet a number of federal standards. TWC staff housed throughout the state conduct physical inspections for those applying for visas and providing housing.
- 2 After TWC has conducted an inspection, the agency shares the Employee Training and Administration form submitted by the employer, which certifies the location and condition of the employer provided housing with the Texas Department of Housing and Community Affairs (TDHCA). TDHCA is responsible for the state level licensing and inspection of migrant housing facilities that have the capacity for three or more persons or two or more families. This can include H-2A visa holders who are living in employer provided housing. As a result, when TWC certifies the location, TDHCA will review the applications and send a letter to facilities that fall under state criteria and inform them of how to obtain a license. According to TDHCA, TWC does not inspect housing that is in a place of accommodation, such as a hotel or motel, but under Texas law and regulations such places must also be licensed.
- 3 TWC also reviews applications from employers for H-2B Temporary Non-Agricultural Workers. H-2B visas do not have the same housing requirements. Currently, there is a cap on the number of visas released for H-2B visas, which is met each year. Due to the seasonality of both the H-2A and H-2B programs, the program experiences peak demand from November to February each year.

Recommended Statutory Changes for Program Improvement

- 1 According to TDHCA, the federal requirements for housing inspections does not align with the state requirements regarding housing licensing. Further research could be conducted to determine if redundancies exist and if there are any needed statutory changes to improve efficiencies between the two agencies.

Challenges and Enhancement Opportunities

- 1 Further research could be conducted on the relationship between the TWC and TDHCA inspections to ensure no duplication of state resources exist.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5y: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	←————→	
		X	
Authority			

Program: Child Care - DFPS and Former DFPS

Agency Ranking

25 out of 26

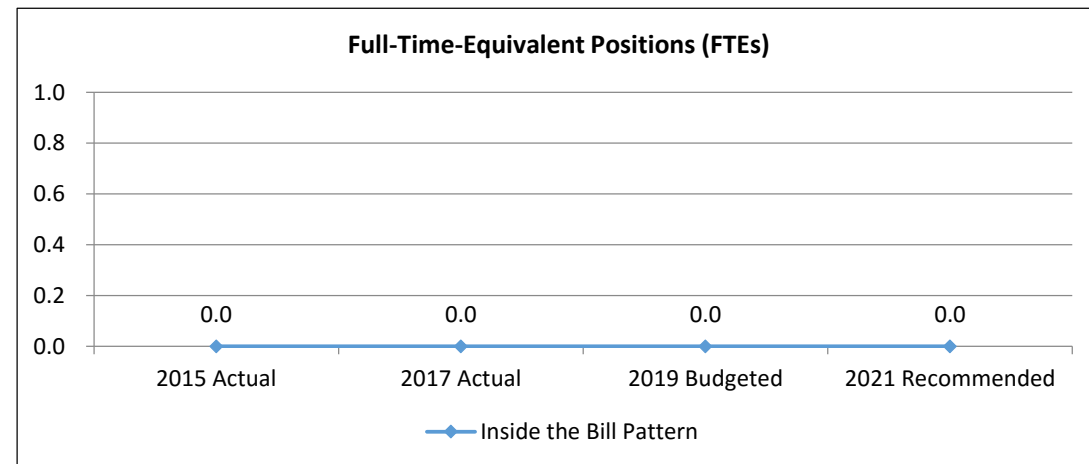
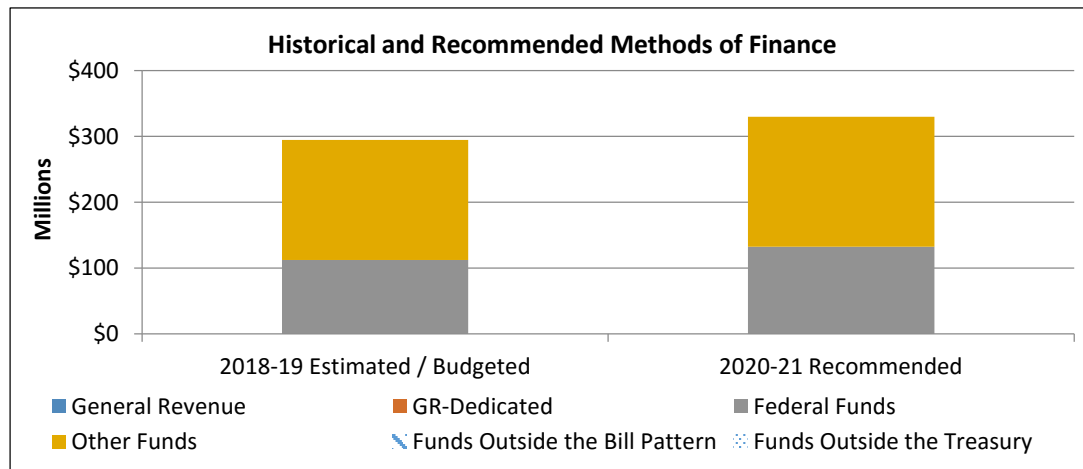
Contract with the Department of Family and Protective Services (DFPS) to provide subsidized child care for children receiving protective services. Program also includes children formerly receiving protective care who are still within the 12 month eligibility period and are funded through TWC.

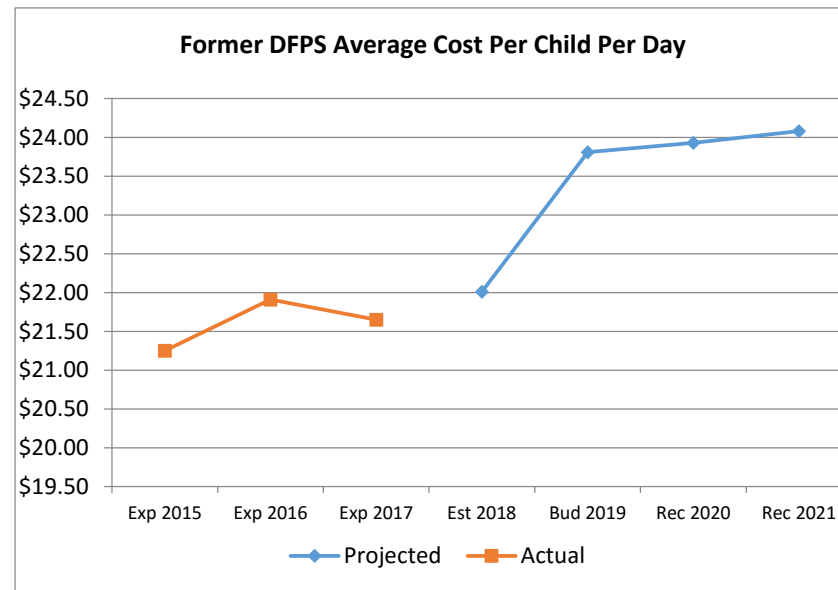
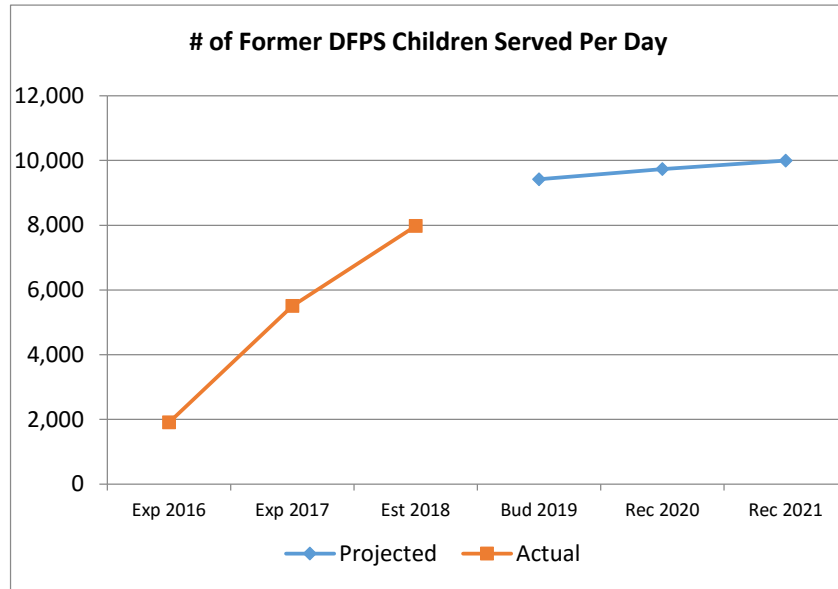
Legal Authority: 40 Administrative Code, Ch. 809; 42 U.S. Code, Sec. 601 et seq. & Sec. 9858 et seq., 45 Code of Federal Regulations Part 98

Year Implemented	1998	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	N/A	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	No	General Revenue-Dedicated Funds	N/A
Service Area	Statewide	State Service(s)	Family & Nutrition Services		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Grants	\$ 294,466,466	\$ 329,849,386	100.0%
Total	\$ 294,466,466	\$ 329,849,386	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 329,849,386	100.0%
Funds Outside the State Treasury	-	0.0%
Total	\$ 329,849,386	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 This program provides fully subsidized child care to 1) children receiving protective services at the Department of Family and Protective Services (DFPS), funded through Interagency Contracts (IAC); and 2) children transitioning out of DFPS protective services, funded through the federal Child Care and Development Block Grant (CCDBG) within TWC's budget.
- 2 TWC has an IAC with DFPS to provide child care services for children in foster care and protective services. Children under protective care are funded through an appropriation in the DFPS budget. The IAC amounts reflected in TWC's budget are updated for fiscal years 2017 to 2021 to align funding with LBB staff forecasts. Historically, DFPS appropriations and expenditures have grown each fiscal year due to caseload growth and have been funded through supplemental GR appropriations. As a result of the new increased federal appropriation, the DFPS supplemental need for fiscal year 2018 was funded through federal CCDBG funds. LBB staff projections assume the fiscal year 2019 supplemental need and the fiscal years 2020 and 2021 caseload and cost growth will be addressed through CCDBG as well. Recommendations include \$182.2 million in IACs in the 2018-19 biennium within TWC's budget for DFPS child care, an increase of \$42.9 million from 2018-19 appropriated levels. Recommendations include \$197.5 million in IACs in the 2020-21 biennium, an increase of \$15.3 million from the 2018-19 adjusted base.
- 3 See Selected Fiscal and Policy Issues #2 and #3 and Supplemental Schedules in Section 3 for more information on child care recommendations, program funding, and performance measures.

Challenges and Enhancement Opportunities

- 1 Agency states the increasing caseload totals for DFPS child care impacts baseline funding for the At-Risk & Transitional Child Care program. As children leave DFPS protective care, TWC is required to fund the child care services for the remainder of the federally required 12 month service period. The increase in CCDBG funding at DFPS in 2020-21 would serve approximately 2,650 children in the TWC At-Risk & Transitional Child Care program.
- 2 Agency states the program could be enhanced by automating the process to authorize DFPS child care and improve service delivery.

Alternative Funding Options

- 1 As a part of SFR analysis, the agency was asked to estimate the funding required to automate the process to authorize DFPS children in the child care systems. According to the agency, TWC and DFPS both have automated child care management system, however, the systems run independently with no established interface between them. The agency states it would require \$200,000 to procure contracted services to build this interface to transmit information automatically and expedite the transfer and receipt of information. This analysis assumes that there could be additional resources needed by DFPS to prepare the DFPS system, but it is unknown at this time what the cost DFPS would incur.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 5z: Program Summary
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission Centrality/Authority			
	Centrality	→	
			X
Authority			

Program: Indirect Administration

Agency Ranking

26 out of 26

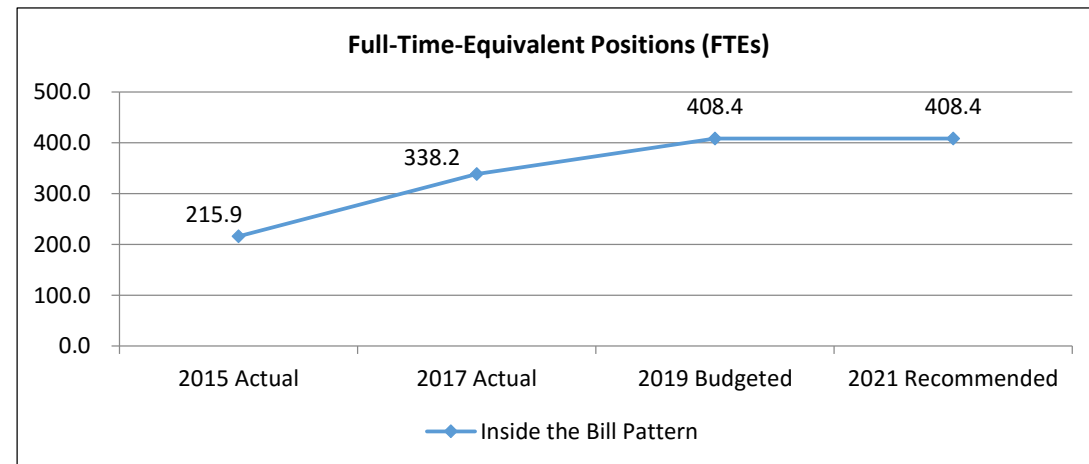
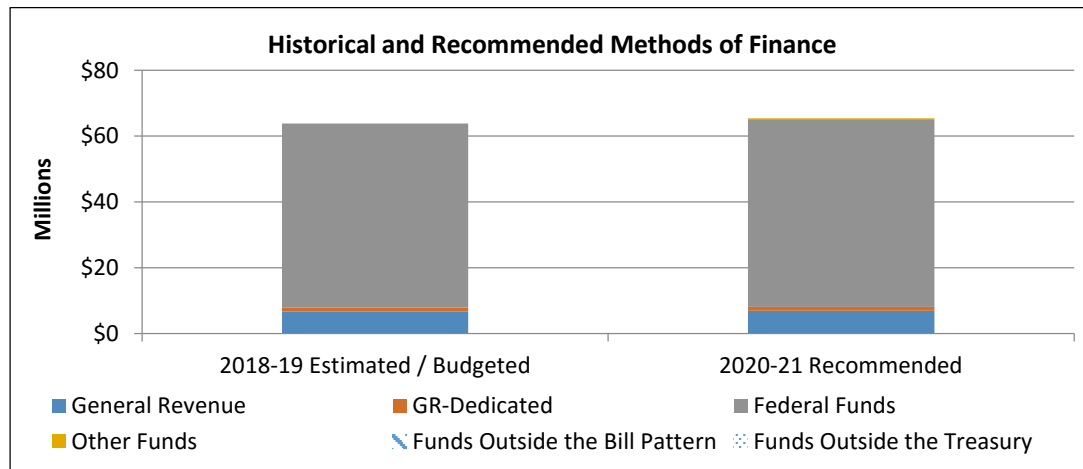
Consists of central administration, information technology, and support service functions. Includes functions such as executive staff, general counsel, legal, accounting, internal audit, programmers, personal computer support, purchasing, building support, maintenance, and general operating costs.

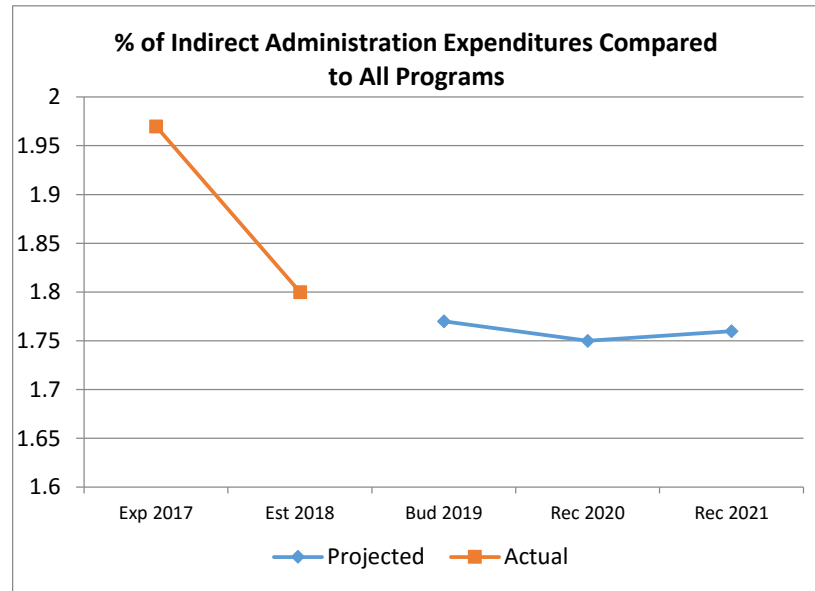
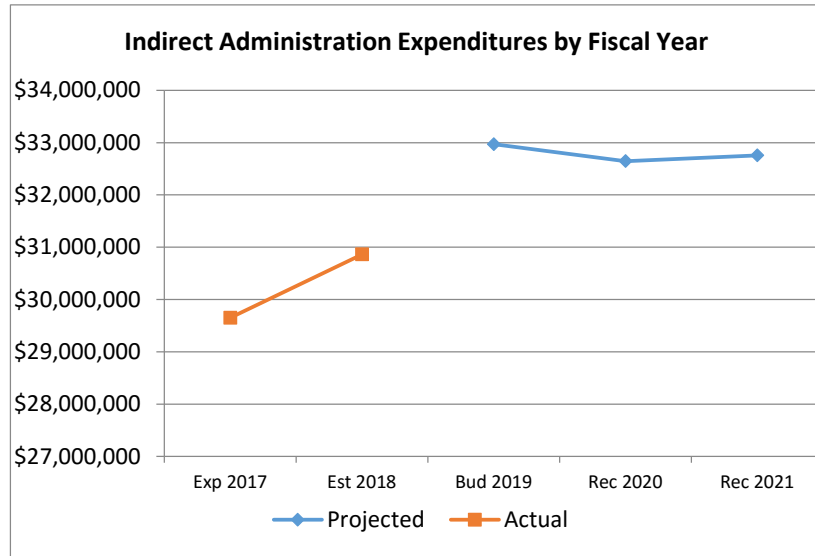
Legal Authority: Labor Code, Ch. 301

Year Implemented	1996	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	Qualified	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Partial	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	State Government Administration & Support		

Objects of Expense	2018-19 Estimated / Budgeted	2020-21 Recommended	% of Total Rec. Funding
Personnel Costs	\$ 54,199,720	\$ 53,897,625	82.4%
Operating Costs	\$ 9,632,326	\$ 11,503,354	17.6%
Total	\$ 63,832,046	\$ 65,400,979	100.0%

	2020-21 Recommended	% of Total
Funds Inside the State Treasury	\$ 65,400,979	100.0%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 65,400,979	100.0%





Summary of Recommendations and Fiscal and Policy Issues

- 1 This program supports the direct delivery staff identified in the remaining 25 programs. The needs supported by this program include executive staff, general counsel, legal services, accounting, budget, travel management, financial reporting, human resource management, staff development, public information, external liaison/affairs, internal audit, information technology programmers, analysts, personal computer support, data/voice telecommunications that are not directly supporting a specific program activity, purchasing, warehouse, building support, maintenance, security, printing services, and general operating costs.
- 2 The increase in FTEs attributable to the Indirect Administration program is related to new programs transferred to the agency over time, including the Adult Education program in fiscal year 2014 and the Vocational Rehabilitation program in fiscal year 2017.

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 6: Program and Strategies Crosswalk

Agency Ranking	Program	Strategy
1	Workforce Innovation and Opportunity Act (WIOA)	1.1.1 Workforce Innovation & Opportunity Act 1.1.2 WIOA - Youth 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
2	Temporary Assistance for Needy Families (TANF) Choices	1.1.3 TANF Choices 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
3	Employment Services	1.1.4 Employment and Community Services 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
4	Skills Development	1.3.1 Skills Development 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
5	Apprenticeship	1.1.8 Apprenticeship 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
6	Jobs and Education for Texans (JET)	1.3.1 Skills Development
7	Vocational Rehabilitation	1.2.1 Vocational Rehabilitation 2.1.2 Pgm Supp, Tech Asst & Training Svcs
8	Adult Education and Literacy	1.1.9 Adult Education and Family Literacy 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
9	Child Care - Choices	1.4.1 TANF Choices & Mandatory Child Care
10	Unemployment Insurance	1.5.1 Unemployment Claims 1.5.2 Unemployment Appeals 1.5.3 Unemployment Tax Collection 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
11	Child Care - At-Risk & Transitional	1.4.2 At-Risk & Transitional Child Care
12	Child Care - Admin & Quality	1.4.2 At-Risk & Transitional Child Care 1.4.3 Child Care Administration 2.1.1 Subrecipient Monitoring 2.1.2 Pgm Supp, Tech Asst & Training Svcs
13	Civil Rights	2.2.1 Civil Rights

Texas Workforce Commission
Strategic Fiscal Review - House: Appendix 6: Program and Strategies Crosswalk

Agency Ranking	Program	Strategy
14	Career Schools and Colleges	2.1.4 Career Schools & Colleges
15	Labor Law	2.1.3 Labor Law Enforcement
16	Business Enterprises of Texas (BET)	1.2.2 Business Enterprises of Texas
17	Labor Market and Career Information	1.3.3 Labor Market And Career Information
18	Work Opportunity Tax Credit	1.3.4 Work Opportunity Tax Credit
19	Trade Adjustment Assistance	1.1.6 Trade Affected Workers
		2.1.1 Subrecipient Monitoring
		2.1.2 Pgm Supp, Tech Asst & Training Svcs
20	Supplemental Nutrition Assistance Program (SNAP) Employment & Training	1.1.5 SNAP E & T
		2.1.1 Subrecipient Monitoring
21	Senior Community Services Employment	2.1.2 Pgm Supp, Tech Asst & Training Svcs
		1.1.7 Senior Employment Services
		2.1.1 Subrecipient Monitoring
22	Temporary Assistance for Needy Families (TANF) Self-Sufficiency	1.3.2 Self-Sufficiency
23	Business Enterprises of Texas (BET) Trust Fund	1.2.3 Business Enterprises of Texas Trust Fund
24	Foreign Labor Certification	1.3.5 Foreign Labor Certification
25	Child Care - DFPS and Former DFPS	1.4.1 TANF Choices & Mandatory Child Care
		1.4.4 Child Care - DFPS Families
26	<i>Indirect Administration</i>	3.1.1 Central Administration
		3.1.2 Information Resources
		3.1.3 Other Support Services

Note: Indirect administration program names are italicized.

**Texas Workforce Commission
Appendices - House**

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B	Summary of Federal Funds	97
C	FTE Highlights	*
D	Performance Measure Highlights	**
E	Summary of Ten Percent Biennial Base Reduction Options	98
F	Quality Assurance Team Highlights	99

* Appendix is not included - no significant information to report

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

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
WORKFORCE INNOVATION & OPPORTUNITY A.1.1	\$292,532,069	\$275,179,298	(\$17,352,771)	(5.9%)	Federal Funds decrease due to the following: -Decrease of \$30.6 million for the Workforce Innovation & Opportunity Act (WIOA) National Emergency grant provided for Hurricane Harvey that is not anticipated in the 2020-21 biennium; and -Increase of \$13.2 million in other WIOA grants to serve additional participants in the next biennium.
WKFORCE INNOVATN & OPP ACT - YOUTH A.1.2	\$129,130,806	\$129,130,806	\$0	0.0%	
TANF CHOICES A.1.3	\$183,599,199	\$183,341,598	(\$257,601)	(0.1%)	
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	\$108,206,101	\$102,396,598	(\$5,809,503)	(5.4%)	Decrease in All Funds primarily due to the completion of the Work-In-Texas job matching system replacement project.
SNAP E & T A.1.5	\$33,563,336	\$34,006,607	\$443,271	1.3%	
TRADE AFFECTED WORKERS A.1.6	\$39,503,675	\$39,816,642	\$312,967	0.8%	
SENIOR EMPLOYMENT SERVICES A.1.7	\$8,840,884	\$8,834,853	(\$6,031)	(0.1%)	
APPRENTICESHIP A.1.8	\$11,322,350	\$11,232,914	(\$89,436)	(0.8%)	
ADULT EDUCATION AND FAMILY LITERACY A.1.9	\$161,857,259	\$158,038,665	(\$3,818,594)	(2.4%)	Decrease in the Adult Education grant primarily from carryforward funds expended in the prior biennium that are not anticipated in the next biennium.
VOCATIONAL REHABILITATION A.2.1	\$581,641,985	\$618,784,030	\$37,142,045	6.4%	All Funds increase primarily due to the following: -Decrease of \$1.3 million in the Employment and Training Administration Pilot Projects grant related to Hurricane Harvey not anticipated in the next biennium; -Decrease of \$2.2 million in All Funds related to the completion of capital budget projects not anticipated in the next biennium; and -Increase of \$40.6 million in the Rehabilitation Services grant primarily related to federal carryforward funds to service additional participants in the next biennium.
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	\$4,286,439	\$4,459,723	\$173,284	4.0%	
BUSN ENTERPRISES OF TEX TRUST FUND A.2.3	\$808,424	\$808,424	\$0	0.0%	
SKILLS DEVELOPMENT A.3.1	\$54,213,519	\$54,199,745	(\$13,774)	(0.0%)	
SELF SUFFICIENCY A.3.2	\$5,024,309	\$5,029,028	\$4,719	0.1%	
LABOR MARKET AND CAREER INFORMATION A.3.3	\$6,718,203	\$6,975,213	\$257,010	3.8%	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
WORK OPPORTUNITY TAX CREDIT A.3.4	\$1,426,893	\$1,577,204	\$150,311	10.5%	
FOREIGN LABOR CERTIFICATION A.3.5	\$1,263,059	\$1,330,208	\$67,149	5.3%	
TANF CHOICES & MANDATORY CHILD CARE A.4.1	\$259,948,212	\$284,229,837	\$24,281,625	9.3%	Increase in the Child Care and Development Block Grant in Strategies A.4.1 and A.4.2 related to the federal Consolidated Appropriations Act of 2018 appropriation to serve additional children, increase provider reimbursement rates, and invest additional dollars towards quality activities.
AT-RISK & TRANSITIONAL CHILD CARE A.4.2	\$1,205,964,004	\$1,230,916,449	\$24,952,445	2.1%	
CHILD CARE ADMINISTRATION A.4.3	\$12,503,045	\$12,699,899	\$196,854	1.6%	
CHILD CARE - DFPS FAMILIES A.4.4	\$182,241,960	\$197,539,038	\$15,297,078	8.4%	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	\$141,108,436	\$143,922,998	\$2,814,562	2.0%	Federal Funds increase due to the following: -Decrease of \$1.2 million in the Disaster Unemployment Assistance grant used to process Hurricane Harvey disaster-related unemployment claims not anticipated in the next biennium; and -Increase of \$4.0 million in the Unemployment Insurance grant to process claims and address retention efforts.
UNEMPLOYMENT APPEALS A.5.2	\$35,768,570	\$37,339,673	\$1,571,103	4.4%	Federal Funds increase due to the following: -Decrease of \$0.1 million in the Disaster Unemployment Assistance grant used to process Hurricane Harvey disaster-related unemployment claims not anticipated in the next biennium; and -Increase of \$1.7 million primarily related to ongoing capital budget projects.
UNEMPLOYMENT TAX COLLECTION A.5.3	\$47,373,803	\$52,925,722	\$5,551,919	11.7%	Increase in the Unemployment Insurance grant to process claims and address retention efforts.
Total, Goal A, WORKFORCE DEVELOPMENT	\$3,508,846,540	\$3,594,715,172	\$85,868,632	2.4%	
SUBRECIPIENT MONITORING B.1.1	\$6,008,071	\$6,062,818	\$54,747	0.9%	
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	\$9,259,301	\$10,263,381	\$1,004,080	10.8%	
LABOR LAW ENFORCEMENT B.1.3	\$7,721,861	\$7,957,527	\$235,666	3.1%	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
CAREER SCHOOLS & COLLEGES B.1.4	\$2,042,997	\$2,169,335	\$126,338	6.2%	
CIVIL RIGHTS B.2.1	\$4,837,859	\$5,070,430	\$232,571	4.8%	
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	\$29,870,089	\$31,523,491	\$1,653,402	5.5%	
CENTRAL ADMINISTRATION C.1.1	\$40,082,037	\$41,374,862	\$1,292,825	3.2%	
INFORMATION RESOURCES C.1.2	\$8,208,013	\$7,221,646	(\$986,367)	(12.0%)	
OTHER SUPPORT SERVICES C.1.3	\$15,541,996	\$16,804,471	\$1,262,475	8.1%	
Total, Goal C, INDIRECT ADMINISTRATION	\$63,832,046	\$65,400,979	\$1,568,933	2.5%	
Grand Total, All Strategies	\$3,602,548,675	\$3,691,639,642	\$89,090,967	2.5%	All Funds net increase due to the following: -Increase of \$49.5 million in Federal Funds to biennialize the federal appropriation increase for the Child Care and Development Block Grant; -Increase of \$23.9 million in Federal Funds for the receipt of additional traditional federal dollars; -Increase of \$15.3 million in Interagency Contracts for the child care provided to the foster care and protective services populations from the Department of Family and Protective Services; -Increase of \$0.7 million in Interagency Contracts related to a Method of Finance swap for the Supplemental Nutrition Assistance Program - Employment & Training program and to serve additional participants; and -Decrease of \$0.3 in Interagency Contracts primarily related to the Office of Attorney General Non-Custodial Parents project and Appropriated Receipts from child care donations not anticipated in the next biennium.

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
WORKFORCE INNOVATION & OPPORTUNITY A.1.1	\$292,532,069	\$275,179,298	(\$17,352,771)	(5.9%)	Federal Funds decrease due to the following: -Decrease of \$30.6 million for the Workforce Innovation & Opportunity Act (WIOA) National Emergency grant provided for Hurricane Harvey that is not anticipated in the 2020-21 biennium; and -Increase of \$13.2 million in other WIOA grants to serve additional participants in the next biennium.
WKFORCE INNOVATN & OPP ACT - YOUTH A.1.2	\$129,130,806	\$129,130,806	\$0	0.0%	
TANF CHOICES A.1.3	\$160,790,495	\$160,682,894	(\$107,601)	(0.1%)	
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	\$95,737,620	\$90,180,160	(\$5,557,460)	(5.8%)	Decrease in Federal Funds primarily due to the completion of the Work-In-Texas job matching system replacement project.
SNAP E & T A.1.5	\$6,579,008	\$0	(\$6,579,008)	(100.0%)	Decrease in Federal Funds related to the Method of Finance swap from the federal Supplemental Nutrition Assistance Program (SNAP) grant to Interagency Contracts (IAC) related to the federal guidance stating the Health and Human Services Commission is required to be directly appropriated all SNAP dollars and distributed through IACs.
TRADE AFFECTED WORKERS A.1.6	\$39,503,675	\$39,816,642	\$312,967	0.8%	
SENIOR EMPLOYMENT SERVICES A.1.7	\$8,750,778	\$8,737,415	(\$13,363)	(0.2%)	
APPRENTICESHIP A.1.8	\$5,062,095	\$4,974,692	(\$87,403)	(1.7%)	
ADULT EDUCATION AND FAMILY LITERACY A.1.9	\$138,085,859	\$134,267,265	(\$3,818,594)	(2.8%)	Decrease in the Adult Education grant primarily from carryforward funds expended in the prior biennium that are not anticipated in the next biennium.
VOCATIONAL REHABILITATION A.2.1	\$472,577,752	\$509,883,094	\$37,305,342	7.9%	Increase in the Rehabilitation Services grant primarily related to federal carryforward funds to serve additional participants in the next biennium.
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	\$1,853,561	\$2,080,421	\$226,860	12.2%	
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	\$5,024,309	\$5,029,028	\$4,719	0.1%	
LABOR MARKET AND CAREER INFORMATION A.3.3	\$6,525,671	\$6,785,664	\$259,993	4.0%	
WORK OPPORTUNITY TAX CREDIT A.3.4	\$1,426,893	\$1,577,204	\$150,311	10.5%	
FOREIGN LABOR CERTIFICATION A.3.5	\$1,263,059	\$1,330,208	\$67,149	5.3%	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
TANF CHOICES & MANDATORY CHILD CARE A.4.1	\$259,948,212	\$284,229,837	\$24,281,625	9.3%	Increase in the Child Care and Development Block Grant in Strategies A.4.1 and A.4.2 related to the federal Consolidated Appropriations Act of 2018 appropriation to serve additional children, increase provider reimbursement rates, and invest additional dollars towards quality activities.
AT-RISK & TRANSITIONAL CHILD CARE A.4.2	\$1,065,192,088	\$1,090,298,533	\$25,106,445	2.4%	
CHILD CARE ADMINISTRATION A.4.3	\$12,503,045	\$12,699,899	\$196,854	1.6%	
CHILD CARE - DFPS FAMILIES A.4.4	\$0	\$0	\$0	0.0%	
UNEMPLOYMENT CLAIMS A.5.1	\$140,858,436	\$143,672,998	\$2,814,562	2.0%	Federal Funds increase due to the following: -Decrease of \$1.2 million in the Disaster Unemployment Assistance grant used to process Hurricane Harvey disaster-related unemployment claims not anticipated in the next biennium; and -Increase of \$4.0 million in the Unemployment Insurance grant to process claims and address retention efforts.
UNEMPLOYMENT APPEALS A.5.2	\$35,768,570	\$37,339,673	\$1,571,103	4.4%	Federal Funds increase due to the following: -Decrease of \$0.1 million in the Disaster Unemployment Assistance grant used to process Hurricane Harvey disaster-related unemployment claims not anticipated in the next biennium; and -Increase of \$1.7 million primarily related to ongoing capital budget projects.
UNEMPLOYMENT TAX COLLECTION A.5.3	\$46,482,905	\$52,035,625	\$5,552,720	11.9%	Increase in the Unemployment Insurance grant to process claims and address retention efforts.
Total, Goal A, WORKFORCE DEVELOPMENT	\$2,925,596,906	\$2,989,931,356	\$64,334,450	2.2%	
SUBRECIPIENT MONITORING B.1.1	\$5,163,898	\$5,194,030	\$30,132	0.6%	
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	\$8,089,162	\$8,885,822	\$796,660	9.8%	
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	\$2,945,124	\$3,206,564	\$261,440	8.9%	
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	\$16,198,184	\$17,286,416	\$1,088,232	6.7%	
CENTRAL ADMINISTRATION C.1.1	\$34,897,818	\$35,974,858	\$1,077,040	3.1%	
INFORMATION RESOURCES C.1.2	\$7,189,933	\$6,383,360	(\$806,573)	(11.2%)	
OTHER SUPPORT SERVICES C.1.3	\$13,592,273	\$14,617,695	\$1,025,422	7.5%	
Total, Goal C, INDIRECT ADMINISTRATION	\$55,680,024	\$56,975,913	\$1,295,889	2.3%	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$2,997,475,114	\$3,064,193,685	\$66,718,571	2.2%	<p>Increase in Federal Funds primarily due to the increase of \$49,452,360 to biennialize funding for the Child Care program as a result of the federal appropriation increase for the Child Care and Development Block Grant. The remaining changes in federal receipts are due to the following.</p> <p>Increase of \$70.6 million in traditional federal funds:</p> <ul style="list-style-type: none"> - \$42,141,022 Vocational Rehabilitation - \$11,947,630 Unemployment Insurance - \$7,348,904 WIOA Dislocated Worker Formula Grants - \$7,158,366 WIOA - Adult - \$656,383 Child Care Mandatory & Matching Funds of the CCDF - \$421,719 Rehabilitation Services Independent Living - \$368,173 Trade Adjustment Assistance Workers - \$257,066 Fair Housing Assistance Program - \$152,280 Work Opportunity Tax Credit - \$89,768 Temporary Labor Certification for Foreign Workers - \$51,188 Labor Force Statistics <p>Decrease of \$53.3 million in traditional federal funds that are no longer anticipated to be available:</p> <ul style="list-style-type: none"> - \$30,637,404 WIOA National Emergency Grants - \$6,671,463 State Admin Matching Grant for SNAP - \$5,090,317 Employment Services - \$3,788,221 Adult Education State Grant Program - \$3,308,568 Social Security Vocational Rehabilitation Reimbursement - \$1,567,813 Employment & Training Administration Pilots - \$1,505,268 Disaster Unemployment Assistance - \$3,241,638 Apprenticeship USA Grants - \$82,893 WIOA - Youth - \$19,085 Employment Discrimination - \$6,203 Employment Services for Individuals with Severe Disabilities - \$806 Senior Community Service Employment Program

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

Strategy/Goal	2018-19 Base	2020-21 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	\$5,150,000	\$5,000,000	(\$150,000)	(2.9%)	Decrease in Interagency Contracts (IAC) for funding from the Office of the Attorney General for Non-Custodial Parents participating in the TANF program.
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	\$444,744	\$442,544	(\$2,200)	(0.5%)	
SNAP E & T A.1.5	\$18,436,111	\$25,364,594	\$6,928,483	37.6%	Increase in IACs related to the Method of Finance (MOF) swap from the federal Supplemental Nutrition Assistance Program (SNAP) grant to Interagency Contracts (IAC) related to the federal guidance stating the Health and Human Services Commission (HHSC) is required to be directly appropriated all SNAP dollars and distributed through IACs.
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	\$12,000	\$24,000	\$12,000	100.0%	
ADULT EDUCATION AND FAMILY LITERACY A.1.9	\$0	\$0	\$0	0.0%	
VOCATIONAL REHABILITATION A.2.1	\$1,293,596	\$1,284,820	(\$8,776)	(0.7%)	
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	\$1,060,450	\$1,006,874	(\$53,576)	(5.1%)	
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	\$192,532	\$189,549	(\$2,983)	(1.5%)	
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	\$154,000	\$0	(\$154,000)	(100.0%)	Decrease in Appropriated Receipts for donations for the At-Risk & Transitional Child Care program not anticipated in the next biennium.
CHILD CARE ADMINISTRATION A.4.3	\$0	\$0	\$0	0.0%	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
CHILD CARE - DFPS FAMILIES A.4.4	\$182,241,960	\$197,539,038	\$15,297,078	8.4%	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	\$250,000	\$250,000	\$0	0.0%	
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	\$209,235,393	\$231,101,419	\$21,866,026	10.5%	
SUBRECIPIENT MONITORING B.1.1	\$44,582	\$81,192	\$36,610	82.1%	
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	\$770,271	\$1,161,973	\$391,702	50.9%	Increase in IACs related to the MOF swap from the federal SNAP grant to IACs related to the federal guidance stating HHSC is required to be directly appropriated all SNAP dollars and distributed through IACs.
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	\$165,114	\$155,638	(\$9,476)	(5.7%)	
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	\$979,967	\$1,398,803	\$418,836	42.7%	
CENTRAL ADMINISTRATION C.1.1	\$133,146	\$191,732	\$58,586	44.0%	
INFORMATION RESOURCES C.1.2	\$16,562	\$19,306	\$2,744	16.6%	
OTHER SUPPORT SERVICES C.1.3	\$53,417	\$79,621	\$26,204	49.1%	
Total, Goal C, INDIRECT ADMINISTRATION	\$203,125	\$290,659	\$87,534	43.1%	
Grand Total, All Strategies	\$210,418,485	\$232,790,881	\$22,372,396	10.6%	

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

Appendix B

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child Care and Development Block Grant	\$372.7	\$514.8	\$487.5	\$449.3	\$887.4	\$936.9	30.6%	\$49.5	5.6%
Vocational Rehabilitation Services	\$193.1	\$237.7	\$238.6	\$234.3	\$430.8	\$472.9	15.4%	\$42.1	9.8%
Child Care Mandatory & Matching Funds	\$226.5	\$227.2	\$227.2	\$227.2	\$453.6	\$454.3	14.8%	\$0.7	0.1%
Unemployment Insurance	\$119.7	\$126.8	\$133.1	\$125.3	\$246.5	\$258.4	8.4%	\$11.9	4.8%
Temporary Assistance for Needy Families	\$94.6	\$92.6	\$93.6	\$93.6	\$187.2	\$187.2	6.1%	\$0.0	0.0%
Workforce Innovation and Opportunity Act - Adult	\$60.1	\$81.5	\$74.3	\$74.5	\$141.6	\$148.8	4.9%	\$7.2	5.1%
Workforce Innovation and Opportunity Act - Youth	\$71.1	\$72.2	\$71.9	\$71.4	\$143.4	\$143.3	4.7%	(\$0.1)	(0.1%)
Adult Education State Grant Program	\$63.9	\$63.6	\$61.9	\$61.8	\$127.4	\$123.6	4.0%	(\$3.8)	(3.0%)
Workforce Innovation and Opportunity Act - Dislocated Worker	\$51.4	\$61.1	\$59.9	\$59.9	\$112.5	\$119.9	3.9%	\$7.3	6.5%
Employment Services	\$48.7	\$44.7	\$44.5	\$43.8	\$93.4	\$88.3	2.9%	(\$5.1)	(5.5%)
Social Security Vocational Rehabilitation Reimbursement	\$31.0	\$26.8	\$27.4	\$27.1	\$57.8	\$54.5	1.8%	(\$3.3)	(5.7%)
Trade Adjustment Assistance Workers	\$20.2	\$20.6	\$20.7	\$20.5	\$40.8	\$41.2	1.3%	\$0.4	0.9%
All Other Grants ¹	\$57.0	\$18.0	\$17.1	\$17.9	\$75.0	\$35.0	1.1%	(\$40.1)	(53.4%)
TOTAL:	\$1,409.9	\$1,587.5	\$1,557.5	\$1,506.7	\$2,997.5	\$3,064.2	100.0%	\$66.7	2.2%

1. All Other Grants include \$30.6 million for WIOA National Emergency. This grant was primarily awarded after Hurricane Harvey and will not be anticipated in the 2020-21 biennium.

**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	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Employment and Community Services, Apprenticeship, and Skills Development	Reduction of \$8.0 million in Employment and Community Services would eliminate the program funded through Rider 28, Employer and Community Based Organization Partnerships, and would result in an estimated 5,200 fewer homeless and unemployed clients being served in the biennium. Reduction of \$0.2 million in Apprenticeship would reduce the contact hour rate from \$3.89 to \$3.81 per hour. Reduction of \$1.6 million in Skills Development would result in an estimated 924 fewer Skills Development trainees served in the biennium.	\$9,846,168	\$9,846,168	0.0	\$0	6%	\$166,518,505	N
2)	Apprenticeship and Skills Development	Reduction of \$1.0 million in Apprenticeship would reduce the contact hour rate from \$3.81 to \$3.39 per hour. The contact hour rate is paid to trainers and a reduction would result in less participation in the program. Reduction of \$8.8 million in Skills Development would result in an estimated 4,922 fewer Skills Development trainees served in the biennium.	\$9,846,166	\$9,846,166	0.0	\$0	15%	\$63,957,855	N
3)	Apprenticeship and Skills Development	Reduction of \$1.0 million in Apprenticeship would reduce the estimated number of apprentices by 665 along with the contact hour rate reducing to \$3.30 per hour. Reduction of \$8.8 million in Skills Development would result in an estimated 4,922 fewer Skills Development trainees served in the biennium.	\$9,846,166	\$9,846,166	0.0	\$0	15%	\$63,957,855	N
4)	Apprenticeship and Skills Development	Reduction of \$1.0 million in Apprenticeship would reduce the estimated number of apprentices by 599 along with the contact hour rate reducing to \$3.15 per hour. Reduction of \$8.8 million in Skills Development would result in an estimated 4,922 fewer Skills Development trainees served in the biennium.	\$9,846,165	\$9,846,165	0.0	\$0	15%	\$63,957,855	N
TOTAL, 10% Reduction Options			\$39,384,665	\$39,384,665	0.0	\$0			

**Texas Workforce Commission
Quality Assurance Team (QAT) Highlights - House**

TWC has four projects subject to QAT oversight. The two projects below are within budget and on schedule as reported to the Quality Assurance Team.*

Project Name	Project Cost (In Millions)	Expenditures to Date	% Complete	Timeline in Months	Project Status
Enterprise Data Warehouse (EDW) Project	\$4.6	\$1.4	57.0%	21	<p>TWC initiated the project using a staff augmentation contract to evaluate and document the automation systems used within the agency. The EDW will include tools capable of providing reporting and analyzing large amounts of diverse data from multiple sources including The Workforce Information System of Texas (TWIST), WorkInTexas.com (WIT), the Unemployment Insurance (UI) Benefits, and the agency's Tax systems. The aggregated data will allow TWC to provide accurate information with internal management, stakeholders, and state leadership.</p> <p>The initial project start and finish dates were December 1, 2017, and November 30, 2019, respectively. The project is within budget and schedule.</p>
WorkInTexas (WIT) Project	\$10.0	\$1.7	58.0%	23	<p>The new system will be a Software as a Service (SaaS) implementation by the vendor (Geographic Solutions, Inc.). The software is in use in more than 25 states and will be customized for TWC's requirements. The customization will include job matching criteria that will allow job seekers to upload various documents such as résumés, work history, and application references. TWC awarded the contract in January 2018 for the project.</p> <p>The initial project start and finish dates were September 1, 2017, and August 31, 2019, respectively. The project is within budget and schedule.</p>

*Note: These figures reflect all project costs (Capital and Informational) and timelines from self-reported monitoring reports that are sent to the Quality Assurance Team (QAT) for review. QAT includes representatives from the Comptroller of Public Accounts, Department of Information Resources, Legislative Budget Board, and the State Auditor's Office (Advisory Only).