Texas Workforce Commission
Summary of Budget Recommendations - House

Page VII-33
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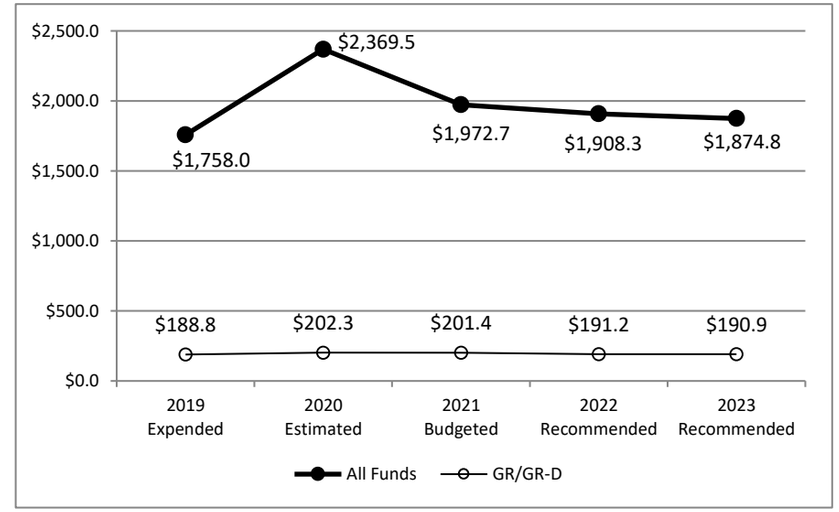
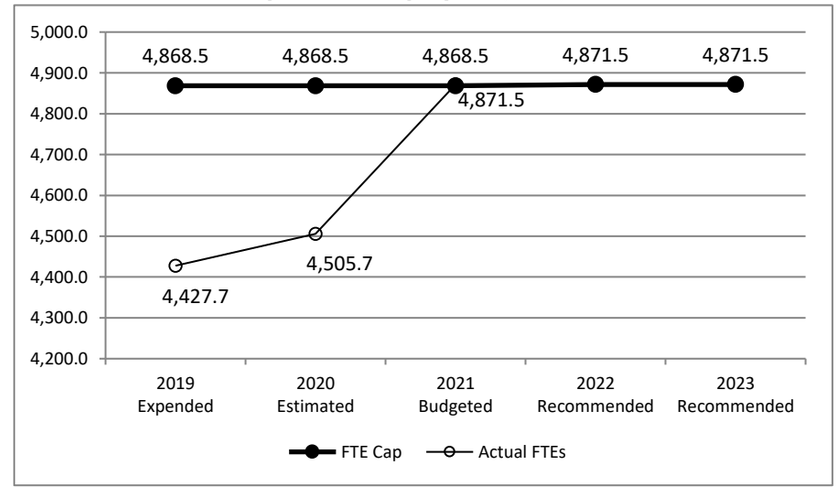
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$390,406,915	$370,376,406	($20,030,509)	(5.1%)
GR Dedicated Funds	$13,281,680	$11,740,319	($1,541,361)	(11.6%)
Total GR-Related Funds	*$403,688,595*	*$382,116,725*	*($21,571,870)*	*(5.3%)*
Federal Funds	$3,698,907,562	$3,234,815,533	($464,092,029)	(12.5%)
Other	$239,582,673	$166,127,908	($73,454,765)	(30.7%)
All Funds	**$4,342,178,830**	**$3,783,060,166**	**($559,118,664)**	**(12.9%)**

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	4,871.5	4,871.5	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Agency Budget and Policy Issues and/or Highlights

Texas Workforce Commission (TWC) was exempt from the five percent reduction in 2020-21. The five percent reduction target for 2022-23 was $20.1 million in General Revenue (GR) and General Revenue-Dedicated (GR-D) Funds. Due to the use of GR/GR-D funds as a match for federal allocations, the GR/GR-D reduction of $20.1 million will reduce total agency resources by $36.4 million in All Funds.

The bill pattern for this agency (2022-23 Recommended) represents an estimated 99.8% of the agency's estimated total available funds for the 2022-23 biennium.

Texas Workforce Commission
Summary of Funding Changes and Recommendations - House

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
A)	Reduction of one-time Federal Funds award from Coronavirus Relief Fund to be expended in the 2020-21 biennium	$0.0	$0.0	($499.6)	$0.0	($499.6)	A.5.1, A.5.2, A.5.3
B)	5% Reduction affecting the following programs: Employment and Community Based Organizations Program, Adult Education and Family Literacy Workforce Diploma Program Pilot Project, Business Enterprises of Texas, Fund 0165 Special Administration Funding, Vocational Rehabilitation Match, Jobs and Education for Texans Grants, and Skills Development Funds Grants	($19.4)	($0.7)	$0.0	$0.0	($20.1)	A.1.4, A.1.9, A.2.1, A.2.2, A.3.1, B.1.3
C)	Decrease to remove one-time funding for Eligible Training Provider & Career Schools Database capital budget project	($0.4)	($0.3)	$0.0	$0.0	($0.7)	A.3.1, B.1.4
D)	Vocational Rehabilitation System Replacement	$0.0	$0.0	$13.7	$0.0	$13.7	A.2.1
E)	Child Care System Replacement	$0.0	$0.0	$13.2	$0.0	$13.2	A.4.3
F)	Work Opportunity Tax Credit System	$0.0	$0.0	$0.2	$0.0	$0.2	A.3.4
G)	Foreign Labor Application System	$0.0	$0.0	$0.6	$0.0	$0.6	A.3.5
H)	TWC Internet Redesign	$0.0	$0.0	$0.9	$0.0	$0.9	A.1.1, A.1.3, A.1.4, A.1.6, A.1.9, A.2.1, A.3.3, A.4.3, A.5.1, B.1.1, B.1.3, B.2.1
I)	Enhanced Customer Communication (information technology project)	$0.0	$0.0	$0.4	$0.0	$0.4	A.2.1, A.5.1, A.5.2
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
J)	Decrease to align Interagency Contracts transfer with LBB projections for child care costs at Department of Family and Protective Services	$0.0	$0.0	$0.0	($75.8)	($75.8)	A.4.4
K)	Decrease due to a one-time amount for COVID-19 disaster-related Income Assistance Payments that are not anticipated to continue	$0.0	($0.8)	$0.0	$0.0	($0.8)	A.2.3

Texas Workforce Commission
Summary of Funding Changes and Recommendations - House

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
L)	Reallocations to ensure compliance with the federally approved cost-allocation plan and other adjustments	($0.2)	$0.3	$6.5	$2.3	$8.9	A.1.1, A.1.3, A.1.4, A.1.5, A.1.6, A.1.7, A.1.8, A.1.9, A.3.1, A.3.2, A.3.4, B.1.1, B.1.2, B.1.3, B.1.4
	TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	**($20.0)**	**($1.5)**	**($464.1)**	**($73.5)**	**($559.1)**	As Listed
	SIGNIFICANT & OTHER Funding Increases	$0.0	$0.3	$35.5	$2.3	$37.92	As Listed
	SIGNIFICANT & OTHER Funding Decreases	($20.0)	($1.8)	($499.6)	($75.8)	($597.0)	As Listed

NOTE: Totals may not sum due to rounding.

Texas Workforce Commission
Selected Fiscal and Policy Issues - House

1. **COVID-19 Funding and Response**

Federal Funding for TWC Programs and Agency Operations
In March 2020, Congress passed the **Families First Coronavirus Response Act (FFCRA)**, which provided additional flexibility for state unemployment insurance agencies and additional administrative funding to respond to the COVID-19 pandemic, and the **Coronavirus Aid, Relief, and Economic Security Act (CARES Act)** which expanded states' ability to provide unemployment insurance for many workers impacted by the COVID-19 pandemic, including for workers who are not ordinarily eligible for unemployment benefits. In December 2020 the **Continued Assistance Act** extended the unemployment benefits claim programs created under the CARES Act; TWC is awaiting federal guidance for implementation.

The FFCRA provided TWC with **$88.3 million in funding for Unemployment Insurance (UI)**.

Unemployment Insurance:
- In fiscal year 2020, TWC received 4,768,584 unemployment insurance claims, of which 78 percent were identified as COVID-19 related.
- TWC modified tele-center hours to be seven days per week from 7 a.m. to 7 p.m.
- A chat bot named Larry was added to the agency's website to answer 56 of the most common UI questions to divert some contacts from call centers. By late September 2020, Larry had answered over 9.0 million questions from 2.1 million customers. The chat bot also helps TWC collect information from callers to provide follow-up contacts.
- TWC contracted with four new call centers, one of them dedicated to outgoing calls. These contracts began in May 2020 and were extended through December.
- Due to the increased volume of claims mailings, TWC contracted for an additional $6.0 million in postage. A higher level of funding for postage is maintained into 2021, but it is assumed that at some point in the fiscal year the demand will begin to return to normal levels.

The CARES Act provided an initial **$12.0 million in Workforce Innovation and Opportunity Act (WIOA) National Emergency Grant** funding to provide disaster-relief employment and training services. TWC reports it received an additional **$27.7 million in WIOA National Emergency Grant** funding after LAR submission; this second award will be fully granted to local boards.

Workforce Services:
- TWC distributed $10.8 million to local board areas to begin providing the employment services.
- The agency continues to work with the Workforce Solutions offices to be available through remote services or by appointment.
- TWC has analyzed grants to determine whether deliverables can be met or if amendments or early termination of award is needed due to COVID-19.
- TWC has developed a web page that includes a bank of questions, answers and other resources and service providers.
- The Texas Center for the Advancement of Literacy and Learning (TCALL), funded by TWC, developed a resource page for Adult Education and Literacy (AEL) grantees and others, with guidance about distance learning and other topics.

The CARES Act also included a **Child Care & Development Block Grant allotment of $371.7 million** for Texas.

Child Care:
- In March 2020, TWC approved a distribution of $20.5 million to local areas to cover the parent share of cost for TWC's subsidized child care program. TWC approved another $20.0 million to provide Protective Services Child Care for COVID-19 Essential workers.

- In April 2020, TWC approved a distribution of $200.0 million to local areas to continue providing child care services for COVID-19 Essential workers and to provide an enhanced rate to those providers that remained open during COVID-19.
- In August 2020, TWC approved three additional distributions out of CARES Act funding to continue the enhanced reimbursement rates and to provide supplemental appropriations for 2020 and 2021 allocations.
- TWC received the following federal waivers to help parents: Income Eligibility for Children of Essential Workers in Need of Protective Care (March 25th to May 20th), a waiver to authorize child care for less than 12 months for Essential Workers (March 25th to May 20th), and a waiver of Parent Copays for children in subsidized care (March 25th to May 31st).
- Children of essential workers receive priority of service and access to an expedited enrollment process for child care financial assistance.
- Children enrolled in subsidized child care on March 1st were allowed to accrue additional absences without impacting ongoing eligibility for services, or provider reimbursements, from March through June.
- Parents who became unemployed were granted an extended timeline, beyond three months, to find work while continuing to receive child care. All work requirements were reinstated effective November 1, 2020.

Federal Funding for Unemployment Benefits – Outside the State Treasury

The CARES Act provided funding for unemployment benefits under expanded eligibility requirements including:

- **Pandemic Emergency Unemployment Compensation (PEUC)** – 13 weeks of benefits for individuals who have exhausted all rights to regular unemployment compensation (UC), have no rights to regular UC, are not receiving compensation under the UC laws of Canada, and are able to work, available to work, and actively seeking work (with flexibility for the "actively seeking work" requirement).
- **Pandemic Unemployment Assistance (PUA)** – up to 39 weeks of benefits for individuals who are self-employed, seeking part-time employment, or who otherwise would not qualify for regular UC or Extended Benefits (EB) or PEUC and those who have exhausted all regular UC or EB or PEUC.
- **Federal Pandemic Unemployment Compensation (FPUC)** – provides an additional $600 per week for claimants. Individuals receiving UI, PEUC, or PUA qualify for the additional $600. FPUC was paid to claimants from April 4, 2020 through July 25, 2020.
- Waiver of "**waiting week**" period – The waiting week is the first payable week of an individual's claim for Unemployment Benefits. Under normal circumstances, TWC cannot pay for the first week of a claim until an individual returns to full-time work or has exhausted their benefits and requests payment from TWC. Governor Abbott has waived this waiting week requirement during the pandemic.

A Presidential Memorandum was issued in August 2020 which directed the Federal Emergency Management Agency (FEMA) to assist in providing benefits from the federal Disaster Relief Fund to states for a **Lost Wages Assistance** which provided supplemental payments of $300 per week from August 1, 2020 through September 5, 2020.

As of December 31, 2020, TWC reports the following unemployment benefits were paid to individuals using Federal Funds (2021 amounts are projected):

Funding Source/Program	2020	2021
Pandemic Emergency Unemployment Compensation	$606,741,723	$1,971,274,256
Pandemic Unemployment Assistance	$1,795,809,891	$1,920,516,800
Federal Pandemic Unemployment Compensation	$16,083,769,620	$651,205,430
Waiting Week	$322,309,543	$171,243,647
Lost Wages Assistance	$641,296,110	$2,327,118,330
Total	$19,449,926,887	$7,041,358,463

TWC exhausted the state Unemployment Compensation Fund in the month of June 2020 and began drawing down Federal Title XII Advances to State Unemployment Funds daily as needed to cover state unemployment compensation payments. As of December 31, 2020, TWC reported expending $6,002.5 million in Title XII Advances. An additional Title XII advance was requested in January for the months of February, March, and April.

Without any congressional or legislative action, TWC would need to repay the interest on these advances on September 30, 2021. The Texas Unemployment Compensation Act (Labor Code, Sec. 203.105) authorizes TWC to either:

1. assess an Obligation Assessment Tax to cover bond proceeds that would be needed to pay off the Title XII Loans and interest due, or
2. assess an Interest Tax Rate to collect enough revenue to pay off the interest.

Either option would result in revenue collection and payment activity occurring in the Unemployment Trust Fund, outside the state treasury.

2. **Agency Operations in Response to COVID-19**

- As of January 6, 2021, approximately 80% of TWC's staff is still in telecommuting status. In order to handle the volume of teleworkers, TWC worked with the Department of Information Resources (DIR) to increase its Virtual Private Network (VPN) capacity from 800 to 10,000 allowing more staff to telecommute since March.
- TWC has also worked with DIR to increase its mainframe server capacity to allow more Unemployment Claims to be filed online, and expanded the cloud server capacity of the agency website to handle traffic better.
- The agency procured additional capacity for servers supporting UI through DIR's Data Center Services (DCS). Capacity was expanded by increasing the number of UI Benefit System web and application servers from 5 to 18 and by adding memory and servers for certain support functions.
- For the above reasons, in fiscal year 2020, TWC experienced significant COVID-19 related DCS cost increases. The table below shows how the agency's Data Center Services costs have changed since the 2020-21 GAA.

FIGURE 2. Data Center Services Current Obligations

	Appropriated	Expended/Forecasted	Recommended
2020	$24,178,534	$34,335,633	
2021	$26,161,591	$43,305,445	
2022			$42,234,733
2023			$39,418,591

3. **Five Percent Reduction.** TWC was exempt from the five percent reduction in 2020-21. TWC's five percent reduction target for 2022-23 was $20.1 million in General Revenue (GR) and General Revenue-Dedicated (GR-D) Funds. The agency made these reductions in the following programs: Employer and Community Based Organization Partnerships, Adult Education and Family Literacy Workforce Diploma Program Pilot Project, Business Enterprises of Texas, Vocational Rehabilitation (VR), Jobs and Education for Texans Grants, and the Skills Development Fund Grants.

   TWC reports over 80 percent of the agency's GR and GR-D request is intended as a match for federal allocations to the state for the Child Care Development Fund (CCDF), VR, state Adult Education and Literacy, and to satisfy the state's Maintenance of Effort for CCDF, Supplemental Nutrition Assistance Program, and Temporary Assistance for Needy Families. A GR/GR-D reduction of $20.1 million will reduce total agency resources by $36.4 million in All Funds.

4. **One-Time Expenses.** Recommendations remove $0.4 million in General Revenue Funds and $0.3 million in General Revenue-Dedicated Funds related to one-time expenses for the Eligible Training Provider & Career Schools Database.

5. **Vocational Rehabilitation System Replacement.** The new VR system would interface with the Workforce Case Management system to share a common intake, eliminating duplicate data entry across programs and facilitating cross-program referrals. The VR system would replace the separate Texas Review, Oversight, and Coaching System (TxROCS), ReHabWorks, and ReHabWorks Reports applications. This system would have ongoing maintenance, licensing, and hosting fees after the 2022-23 biennium, which would be federally-funded. Recommendations include $13.7 million in Federal Funds in fiscal year 2022 for this project.

6. **Child Care System Replacement.** This project would replace a legacy Child Care Services Program case management system and would create a statewide online web portal where public users could apply for and track their child care services applications, cases, and requests for future services such as transfers and re-determinations. Recommendations include $13.2 million in Federal Funds in fiscal year 2022 for this project.

7. **Work Opportunity Tax Credit (WOTC) System.** This project would support business continuity of the WOTC program and increase transparency for application procedures. The new application would enable employers to upload applications for multiple employees and track their applications in real time. It would allow TWC staff to provide up-to-date reports without requiring significant IT staffing resources. Recommendations include $0.2 million in Federal Funds in fiscal year 2022 for this project.

8. **Foreign Labor Application System.** This project would create a new Foreign Labor Certification (FLC) Application system to streamline the application process for Texas employers seeking temporary labor and for agency employees entering and tracking related Foreign Labor information. The application would reduce staff data entry and provide a self-service query for FLC employees. Recommendations include $0.6 million in Federal Funds in fiscal year 2022 for this project.

9. **TWC Internet Redesign.** This project would update the agency's public-facing website. The redesign would increase readability and make navigation more efficient. Recommendations include $6,512 in General Revenue Funds, $11,164 in Unemployment Compensation Special Administration Account 165 GR-D Funds, and $912,644 in Federal Funds ($930,320 in All Funds) in fiscal year 2022 for this project.

10. **Enhanced Customer Communication.** This project would provide agency programs the ability to send text messages to external customers. The project would begin with the Unemployment Insurance and Vocational Rehabilitation programs. Recommendations include $0.4 million in Federal Funds in fiscal year 2022 for this project.

11. **Rider 45, Unexpended Balances Appropriation: Acquisition of Information Resource Technology.** The Eighty-sixth Legislature, 2019, appropriated $58.9 million in Federal Funds to the agency for a new Unemployment Insurance System replacement and an integrated Workforce Case Management System project. Recommendations include a new rider to grant the agency unexpended balance authority to transfer the capital budget remaining for these projects as of August 31, 2021 to be used during the 2022-23 biennium, for the same purpose.

Texas Workforce Commission
Rider Highlights - House

Modification of Existing Riders

4. **Section 903, Social Security Act Funds.** Recommendations make minor text changes to better reflect legislative intent.
7. **Unexpended Balances for Child Care Funds.** Recommendations make minor text changes to better reflect legislative intent.
13. **Budget and Performance Report.** Recommendations decrease the frequency of this reporting requirement from monthly to quarterly.
26. **Contingent Revenue Career Schools and Colleges Regulation.** Recommendations make minor text changes to better reflect legislative intent.
31. **Reimbursement of Advisory Committee Members.** Recommendations increase the amount identified for the Purchasing From People with Disabilities Advisory Committee from $5,000 to $11,000 to allow reimbursement of all committee members. This modification does not increase funding for this purpose.
32. **Notification of Vocational Rehabilitation Federal Funds Distribution.** Recommendations make minor text changes to better reflect legislative intent.

New Riders

46. **Unexpended Balances Appropriation: Acquisition of Information Resource Technology.** Recommendations add a rider to provide unexpended balance authority for funds appropriated in 2020-21 for the Unemployment Insurance System Replacement and the Workforce Case Management System projects to be used for the same purpose in 2022-23. These projects were funded with Federal Funds by the Eighty-sixth Legislature, 2019. The agency anticipates encumbering all of the funding for these projects before the end of fiscal year 2021 but requested unexpended balance transfer authority due to the size and scope of the projects and to safeguard against any unforeseen delays.

Deleted Riders

28. **Employer and Community Based Organization Partnerships.** Recommendations delete this rider to conform to the agency's removal of associated funding as part of their five percent reduction. The agency did not request restoration of the funding for this program.
42. **Adult Education and Literacy Workforce Diploma Program Pilot Project.** Recommendations delete this rider to conform to the agency's removal of associated funding as part of their five percent reduction. The agency did not request restoration of the funding for this program. Authority for this pilot project exists in statute along with a reporting requirement. If the Eighty-seventh Legislature appropriated funding for this purpose or the agency allocates funding for this purpose, the pilot project can be implemented without this rider.
46. **Adult Education and Family Literacy Program Review.** Recommendations delete this rider that required a review of the Adult Education and Family Literacy Program due to the Legislative Budget Board and Office of the Governor by January 1, 2021.

Texas Workforce Commission
Items Not Included in Recommendations - House

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	None.						
TOTAL Items Not Included in Recommendations		**$0**	**$0**	**0.0**			**$0**

Texas Workforce Commission
Appendices - House

Table of Contents		
Appendix	**Appendix Title**	**Page**
A	Funding Changes and Recommendations by Strategy	11
B	Summary of Federal Funds	21
C	FTE Highlights	22

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
WORKFORCE INNOVATION & OPPORTUNITY A.1.1	$314,209,861	$249,664,947	($64,544,914)	(20.5%)	Decrease of $64.5 million in All Funds due to the following: - A projected decrease of $47.1 million in Federal Funds from the Workforce Innovation and Opportunity Act (WIOA) award - A decrease of $12.0 million in Federal Funds for a one-time amount for COVID-19 disaster-related funding not anticipated to continue - A decrease of $1.0 million in Federal Funds for a one-time amount for Hurricane Harvey disaster-related funding not anticipated to continue - A decrease of $4.3 million in Federal Funds for a one-time amount for the Workforce Case Management capital project - A decrease of $0.1 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - An increase of $13,995 in Federal Funds for the new TWC Internet Redesign project
WKFORCE INNOVATN & OPP ACT - YOUTH A.1.2	$122,752,686	$106,145,747	($16,606,939)	(13.5%)	A projected decrease of $16.6 million in Federal Funds from the WIOA award
TANF CHOICES A.1.3	$185,773,341	$187,231,076	$1,457,735	0.8%	Increase of $1.5 million in All Funds due to the following: - A decrease of $2.1 million in Federal Funds for a one-time amount for the Workforce Case Management capital project - An increase of $3.6 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - An increase of $6,512 in Federal Funds for the new TWC Internet Redesign project

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
EMPLOYMENT AND COMMUNITY SERVICES A.1.4	$104,115,472	$102,966,533	($1,148,939)	(1.1%)	Decrease of $1.1 million in All Funds due to the following: - A decrease of $8.0 million in General Revenue Funds as part of the 5% Reduction; reduces the Employer and Community Based Organization Partnership Program - An increase of $4.4 million in Federal Funds due largely to projected increases in the Data Center Services expenditures - An increase of $0.2 million in Appropriated Receipts due largely to increase in statewide conferences revenue - A decrease of $35,186 in Interagency Contracts related to the projected reduction to the Texas Workforce Investment Council contract - A decrease of $2.1 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - A projected increase of $4.3 million in Employment Service related Federal Funds - An increase of $0.1 million in Federal Funds for the new TWC Internet Redesign project
SNAP E & T A.1.5	$38,768,368	$40,466,696	$1,698,328	4.4%	Increase of $1.7 million in All Funds due to the following: - A decrease of $0.4 million in Federal Funds for a one-time amount for the Workforce Case Management capital project - An increase of $0.2 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - A projected increase of $1.9 million in Other Funds used to serve SNAP participants
TRADE AFFECTED WORKERS A.1.6	$40,304,684	$39,624,048	($680,636)	(1.7%)	Decrease of $0.7 million in All Funds due to the following: - A decrease of $0.5 million in Federal Funds for a one-time amount for the Workforce Case Management capital project - A decrease of $0.2 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - An increase of $7,443 in Federal Funds for the new TWC Internet Redesign project

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
SENIOR EMPLOYMENT SERVICES A.1.7	$8,832,249	$9,068,358	$236,109	2.7%	Increase of $0.2 million in All Funds due to the following: - An increase of $0.1 million in Senior Community Service Employment Program grant funding (Federal Funds) - An increase of $0.1 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan
APPRENTICESHIP A.1.8	$12,792,720	$26,088,741	$13,296,021	103.9%	An increase of $13.3 million in All Funds due to the following: - An increase of $0.2 million in General Revenue Funds due to reallocations consistent with the federally-approved cost allocation plan - An increase of $13.1million in Federal Funds for the Apprenticeship Program
ADULT EDUCATION AND FAMILY LITERACY A.1.9	$167,782,811	$165,497,735	($2,285,076)	(1.4%)	Decrease of $2.3 million in All Funds due to the following: - A decrease of $4.0 million in General Revenue Funds as part of the 5% Reduction - removes state funds set aside for the Workforce Diploma Pilot project - A decrease of $2.3 million in Federal Funds for a one-time amount for the Workforce Case Management capital project - An increase of $3.9 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - An increase of $4,652 in Federal Funds for the new TWC Internet Redesign project

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
VOCATIONAL REHABILITATION A.2.1	$539,553,205	$576,066,266	$36,513,061	6.8%	Increase of $36.5 million in All Funds due to the following: - A decrease of $4.0 million in General Revenue Funds as part of the 5% Reduction; reduces the state funds set aside for Vocational Rehabilitation (VR) federal grant match funding - A decrease of $77,063 in Interagency Contract funds related to shared servers in the Data Center Services no longer being needed - A decrease of $4.8 million in Federal Funds related to a one-time amount for the Workforce Case Management capital project, offset by increases in Data Center Services costs - A projected decrease of $18.3 million in the assumed reimbursements provided through the Social Security Administration VR program (Federal Funds) - An increase of $49.4 million in Federal Funds to align with actual post-COVID client service trends projected for VR client services - An increase of $13.7 million in Federal Funds for the new Vocational Rehabilitation system replacement project - An increase of $0.4 million in Federal Funds for the new TWC Internet Redesign project - An increase of $0.2 million in Federal Funds for the new Enhanced Customer Communication project
BUSINESS ENTERPRISES OF TEXAS (BET) A.2.2	$4,534,021	$5,992,682	$1,458,661	32.2%	Increase of $1.5 million in All Funds due to the following: - A decrease of $0.5 million in General Revenue-Dedicated Funds as part of the 5% Reduction - An increase of $2.0 million in Federal Funds to ensure successful operation of BET businesses
BUSN ENTERPRISES OF TEX TRUST FUND A.2.3	$1,588,521	$808,424	($780,097)	(49.1%)	Decrease of $0.8 million in General Revenue-Dedicated Funds due to a one-time amount in prior biennium for COVID-19 disaster-related Income Assistance Payments that are not anticipated to continue into the subsequent biennium

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
SKILLS DEVELOPMENT A.3.1	$60,426,978	$54,804,331	($5,622,647)	(9.3%)	Decrease of $5.6 million in All Funds due to the following: - A decrease of $1.0 million in General Revenue Funds as part of the 5% Reduction to decrease the amount budgeted to the Jobs and Education for Texans program - A decrease of $2.4 million in General Revenue Funds as part of the 5% Reduction to decrease the amount budgeted to the Skills Development program - A decrease of $1.8 million in General Revenue Funds due to reallocations consistent with the federally-approved cost allocation plan - A decrease of $0.2 million in General Revenue Funds related to one-time expenses for the Eligible Training Provider and Career Schools database project
SELF SUFFICIENCY A.3.2	$5,029,739	$4,942,627	($87,112)	(1.7%)	Decrease of $0.09 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan
LABOR MARKET AND CAREER INFORMATION A.3.3	$9,408,741	$8,490,512	($918,229)	(9.8%)	Decrease of $0.9 million in All Funds due to the following: - A decrease of $1.3 million in Federal Funds due to a change in capital budget project costs from prior biennium - A projected increase of $0.4 million in Federal Funds used to support program operations - An increase of $3,721 in Federal Funds for the new TWC Internet Redesign project
WORK OPPORTUNITY TAX CREDIT A.3.4	$1,720,556	$1,811,694	$91,138	5.3%	Increase of $0.09 million in All Funds due to the following: - A decrease of $0.1 million in Federal Funds related to a change in capital budget project costs from prior biennium - A decrease of $0.02 million in Reduction in regular appropriations due to reallocations consistent with the federally-approved cost allocation plan. - An increase of $0.2 million in Federal Funds for the new WOTC System Replacement project

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
FOREIGN LABOR CERTIFICATION A.3.5	$1,275,593	$1,852,861	$577,268	45.3%	Increase of $0.6 million in All Funds due to the following: - A decrease of $0.03 million in Federal Funds used to support program operations - An increase of $0.6 million in Federal Funds for the new Foreign Labor Application System project
TANF CHOICES & MANDATORY CHILD CARE A.4.1	$284,229,837	$215,000,000	($69,229,837)	(24.4%)	Decrease of $69.2 million in Federal Funds due to a difference related to the projected need of funds to serve children eligible for Choices and Mandatory Child Care and cover the increased cost of child care
AT-RISK & TRANSITIONAL CHILD CARE A.4.2	$1,760,480,296	$1,445,293,232	($315,187,064)	(17.9%)	Decrease of $315.2 million in All Funds due to the following: - A decrease of $371.7 million in Federal Funds due to a one-time amount for COVID-19 disaster-related funding that is not anticipated to continue into 2022-23 - A projected increase of $56.5 million in Federal Funds used to serve Child Care participants in the 2022-23 biennium
CHILD CARE ADMINISTRATION A.4.3	$14,873,691	$27,663,463	$12,789,772	86.0%	Increase of $12.8 million in All Funds due to the following: - An increase of $1.0 million in Federal Funds due to a change in capital budget project costs - A decrease of $1.6 million in Federal Funds due to a change in noncapital related professional fees and services, due largely to the Child Care management migration project - An increase of $0.2 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - An increase of $13.2 million in Federal Funds for the new Child Care Replacement System project - An increase of $18,606 in Federal Funds for the new TWC Internet Redesign project
CHILD CARE - DFPS FAMILIES A.4.4	$197,539,038	$121,779,203	($75,759,835)	(38.4%)	Decrease of $75.8 million in Other Funds to align the appropriation to this strategy with LBB projections for child care costs incurred at the Department of Family and Protective Services

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
UNEMPLOYMENT CLAIMS A.5.1	$258,885,045	$178,351,670	($80,533,375)	(31.1%)	Decrease of $80.5 million in All Funds due to the following: - A decrease of $87.3 million in Federal Funds due to one-time CARES Act funding - A decrease of $15.2 million in Federal Funds due to a change in capital budget project costs from prior biennium due largely to a reduction in the Unemployment Insurance Modernization capital project offset by increases in Data Center Services - A projected increase of $4.3 million in Federal Funds available for the Reemployment Services and Eligibility Assessment (RESEA) program - An increase of $17.2 million in Federal Funds to continue to address post-COVID-19 related needs - An increase of $0.3 million in Federal Funds for the new TWC Internet Redesign project - An increase of $0.09 million in Federal Funds for the new Enhanced Customer Communication project
UNEMPLOYMENT APPEALS A.5.2	$44,361,345	$45,547,441	$1,186,096	2.7%	Increase of $1.2 million in All Funds due to the following: - A decrease of $0.5 million in Federal Funds from one-time Coronavirus Relief Fund funding - A decrease of $0.2 million in Federal Funds due to a change in capital budget project costs from prior biennium due largely to a reduction in the 20-21 Unemployment Insurance Modernization capital project offset by increases in Data Center Services - An increase of $1.8 million in Federal Funds to continue to address post-COVID-19 related needs - An increase of $0.09 million in Federal Funds for the new Enhanced Customer Communication project

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
UNEMPLOYMENT TAX COLLECTION A.5.3	$63,970,109	$56,573,630	($7,396,479)	(11.6%)	Decrease of $7.4 million in All Funds due to the following: - A decrease of $0.5 million in Federal Funds from one-time Coronavirus Relief Fund funding - A decrease of $7.3 million in Federal Funds due to a change in capital budget project costs from prior biennium due largely to a reduction in the 20-21 Unemployment Insurance Modernization capital project offset by increases in Data Center Services - An increase of $0.4 in Federal Funds to continue to address post-COVID 19 related needs
Total, Goal A, WORKFORCE DEVELOPMENT	**$4,243,208,907**	**$3,671,731,917**	**($571,476,990)**	**(13.5%)**	
SUBRECIPIENT MONITORING B.1.1	$6,202,967	$6,525,570	$322,603	5.2%	Increase of $0.3 million in All Funds due to the following: - An increase of $0.1 million in Federal Funds due to a change in capital budget project costs from prior biennium related to various capital budget projects - An increase of $0.2 million in Federal Funds related to reallocations consistent with a planned reorganization in 2021 increasing the number of full-time equivalent (FTE) positions in this strategy - An increase of $6,512 in Federal Funds for the new TWC Internet Redesign project
PGM SUPP, TECH ASST & TRAINING SVCS B.1.2	$10,245,778	$11,429,048	$1,183,270	11.5%	Increase of $1.2 million in All Funds due to the following: - An increase of $0.2 million in Federal Funds due to a change in capital budget project costs from prior biennium due largely to the 22-23 Repair and Rehab capital project - An increase of $1.0 million in Federal Funds due to reallocations consistent with a planned reorganization in 2021 increasing the number of FTEs in this strategy

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
LABOR LAW ENFORCEMENT B.1.3	$8,215,594	$8,183,101	($32,493)	(0.4%)	Decrease of $0.03 million in All Funds due to the following: - A decrease of $0.2 million in General Revenue-Dedicated Funds as part of the 5% Reduction - decreases the amount of Fund 165, Special Administration Funding budgeted to TWC - An increase of $0.2 million in General Revenue-Dedicated Funds reallocated from other strategies to ensure coverage of the Pay Day Law decisions - An increase of $11,164 in Federal Funds for the new TWC Internet Redesign project
CAREER SCHOOLS & COLLEGES B.1.4	$2,568,734	$2,208,254	($360,480)	(14.0%)	Decrease of $0.4 million in All Funds due to the following: - A decrease of $0.4 million in Federal Funds due to a change in capital budget project costs from prior biennium due largely to the 20-21 Career School Database capital project - An increase of $0.3 million in Federal Funds due to reallocations consistent with the federally-approved cost allocation plan - A decrease of $0.3 million in General Revenue-Dedicated Funds related to one-time costs for the Eligible Training & Career Schools Database project
CIVIL RIGHTS B.2.1	$5,761,928	$6,763,888	$1,001,960	17.4%	Increase of $1.0 million in All Funds due to the following: - An increase of $1.0 million in General Revenue Funds to fully staff the Civil Rights program to address backlog of related cases - An increase of $5,582 in Federal Funds for the new TWC Internet Redesign project
Total, Goal B, PROGRAM ACCOUNTABILITY/ENFORCEMENT	**$32,995,001**	**$35,109,861**	**$2,114,860**	**6.4%**	
CENTRAL ADMINISTRATION C.1.1	$41,762,413	$51,167,100	$9,404,687	22.5%	Increase of $9.4 million in All Funds due to the following: - An increase of $6.0 million in Federal Funds due to expecting vacant positions to be filled to provide necessary support to program areas - An increase of $3.4 million in Federal Funds due to the reallocation of SWCAP to Central Administration
INFORMATION RESOURCES C.1.2	$7,482,778	$6,879,780	($602,998)	(8.1%)	Decrease of $0.6 million in General Revenue Funds due to reallocation of FTEs and related expenditures to other Indirect Administration strategies

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
OTHER SUPPORT SERVICES C.1.3	$16,729,731	$18,171,508	$1,441,777	8.6%	Increase of $1.4 million in Federal Funds due to expecting vacant positions to be filled to provide necessary support to program areas
Total, Goal C, INDIRECT ADMINISTRATION	**$65,974,922**	**$76,218,388**	**$10,243,466**	**15.5%**	
Grand Total, All Strategies	**$4,342,178,830**	**$3,783,060,166**	**($559,118,664)**	**(12.9%)**	

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

Program	Est 2020	Bud 2021	Rec 2022	Rec 2023	2020-21 Base	2022-23 Rec	2022-23 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child Care and Development Block Grant	$537.5	$538.0	$556.7	$542.8	$1,075.5	$1,099.5	**34.0%**	**$24.0**	**2.2%**
Vocational Rehabilitation Services	$210.5	$238.5	$252.3	$242.9	$449.0	$495.2	**15.3%**	**$46.2**	**10.3%**
Child Care Mandatory & Matching Funds	$248.0	$227.2	$226.4	$226.4	$475.1	$452.8	**14.0%**	**($22.3)**	**(4.7%)**
Unemployment Insurance	$135.4	$168.0	$159.0	$150.3	$303.5	$309.3	**9.6%**	**$5.8**	**1.9%**
Temporary Assistance for Needy Families	$93.8	$95.8	$94.6	$95.4	$189.6	$190.0	**5.9%**	**$0.4**	**0.2%**
Adult Education State Grant Program	$68.2	$63.6	$66.5	$66.4	$131.8	$133.0	**4.1%**	**$1.2**	**0.9%**
Workforce Investment Act - Adult	$68.2	$74.5	$63.3	$63.3	$142.7	$126.6	**3.9%**	**($16.1)**	**(11.3%)**
Workforce Investment Act Youth Programs	$66.6	$75.2	$61.2	$60.8	$141.9	$122.1	**3.8%**	**($19.8)**	**(14.0%)**
WIA Dislocated Worker Formula Grants	$59.4	$59.9	$57.8	$57.8	$119.3	$115.5	**3.6%**	**($3.8)**	**(3.1%)**
Employment Service	$44.5	$44.4	$49.1	$47.8	$88.9	$96.9	**3.0%**	**$8.0**	**9.0%**
Trade Adjustment Assistance Workers	$20.7	$21.0	$20.6	$20.4	$41.7	$41.0	**1.3%**	**($0.7)**	**(1.7%)**
COVID19 Unemployment Insurance	$88.3	$0.0	$0.0	$0.0	$88.3	$0.0	**0.0%**	**($88.3)**	**(100.0%)**
COVID19 WIOA National Emergency Grant	$12.0	$27.7	$0.0	$0.0	$39.7	$0.0	**0.0%**	**($39.7)**	**(100.0%)**
COVID19 Child Care & Development Block Grant	$371.7	$0.0	$0.0	$0.0	$371.7	$0.0	**0.0%**	**($371.7)**	**(100.0%)**
All Other Grants	$21.5	$18.9	$27.0	$25.9	$40.4	$52.9	$0.0	$12.5	$7.7
TOTAL:	**$2,067.7**	**$1,652.7**	**$1,634.5**	**$1,600.3**	**$3,698.9**	**$3,234.8**	**100.0%**	**($464.1)**	**(12.5%)**

Texas Workforce Commission
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Estimated 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	4,868.5	4,868.5	4,868.5	4,871.5	4,871.5
Actual/Budgeted	4,427.7	4,505.7	4,871.5	NA	NA

Schedule of Exempt Positions (Cap)					
Commissioner, Group 6 ($201,000)	$189,000	$201,000	$201,000	$201,000	$201,000
Commissioner, Group 5 ($201,000)	$189,000	$201,000	$201,000	$201,000	$201,000
Executive Director, Group 7 ($212,989)	$198,233	$212,989	$212,989	$212,989	$212,989

Notes:
a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2020), indicates a market average salary of $224,299 for the Executive Director position at the Texas Workforce Commission.

b) The agency's fiscal year 2021 budgeted number of full-time equivalent (FTE) positions is higher than the cap due to 3.0 FTEs that are 100% federally funded, as authorized by Article IX, Sec. 6.10, General Appropriations Act 2020-21.