

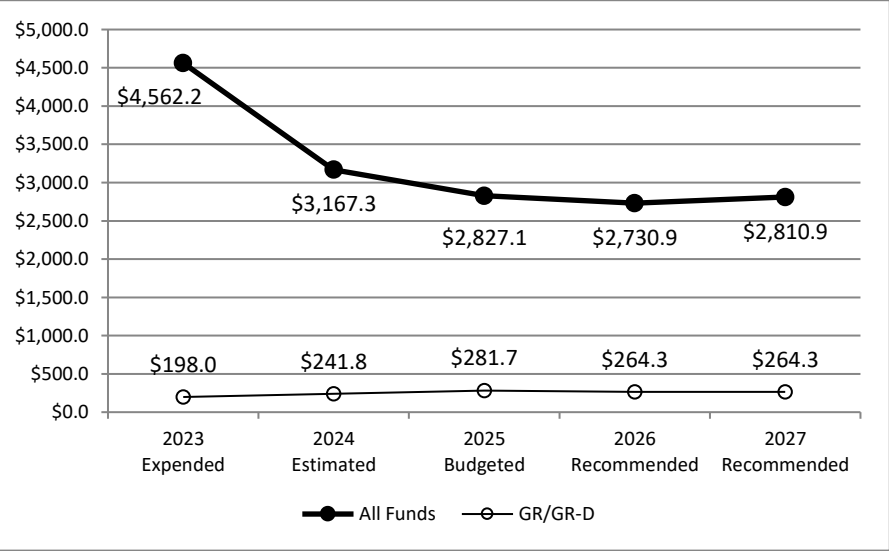
**Texas Workforce Commission
Summary of Budget Recommendations - House**

Page VII-38
Ed Serna, Executive Director
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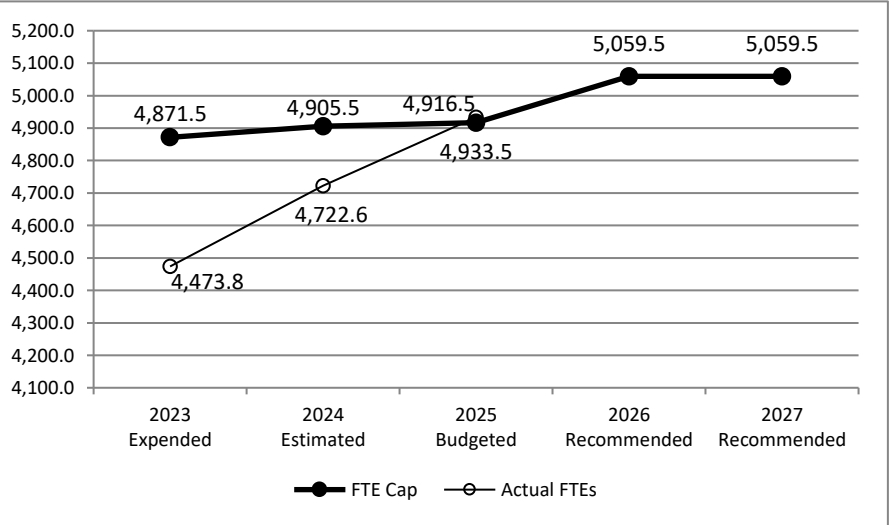
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$503,032,838	\$510,454,743	\$7,421,905	1.5%
GR Dedicated Funds	\$20,468,116	\$18,114,633	(\$2,353,483)	(11.5%)
<i>Total GR-Related Funds</i>	<i>\$523,500,954</i>	<i>\$528,569,376</i>	<i>\$5,068,422</i>	<i>1.0%</i>
Federal Funds	\$5,326,969,936	\$4,892,862,333	(\$434,107,603)	(8.1%)
Other	\$143,978,277	\$120,417,941	(\$23,560,336)	(16.4%)
All Funds	\$5,994,449,167	\$5,541,849,650	(\$452,599,517)	(7.6%)

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	4,933.5	5,059.5	126.0	2.6%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 99.8% of the agency's estimated total available funds for the 2026-27 biennium.

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

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 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 in Federal Funding of \$701.7 million in Child Care and Development Fund and \$6.8 million in Temporary Assistance for Needy Families Funds.	\$0.0	\$0.0	\$708.5	\$0.0	\$708.5	Several Strategies
B)	Increase in Federal Funds to develop a Vocational Rehabilitation (VR) Service Guide.	\$0.0	\$0.0	\$1.0	\$0.0	\$1.0	B.2.1
C)	Increase in Federal Funds to enhance the Business Enterprises of Texas application.	\$0.0	\$0.0	\$0.5	\$0.0	\$0.5	B.2.2
D)	Increase in Appropriated Receipts to enhance features of the Texas Reality Check online application.	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5	B.3.1
E)	Reduction of Coronavirus Relief Fund (CRF) Federal Fund grants anticipated to be fully expended by the end of the 2024-25 biennium.	\$0.0	\$0.0	(\$858.4)	\$0.0	(\$858.4)	Several Strategies
F)	Decrease in Federal Funds across various grants (See Also, Appendix B).	\$0.0	\$0.0	(\$285.7)	\$0.0	(\$285.7)	A.1.1, A.1.2, B.1.4, B.2.1, B.3.1, B.3.8, B.4.1, B.5.1
G)	Removal of one-time funding in the 2024-25 biennium provided for purchases of vehicles, legacy upgrades to the Labor Law case management system and the Cash Draw and Expenditure Reporting system, and to address the backlog of Civil Rights EEO Complaint cases	(\$1.1)	(\$2.1)	\$0.0	\$0.0	(\$3.2)	B.1.1, B.1.2, B.3.1, B.3.2, B.3.5, B.4.1, B.5.1

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

H)	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations.	\$8.5	\$0.2	\$0.0	\$0.0	\$8.7	Several Strategies
I)	Decrease in Interagency Contract (IAC) to align with the Department of Family and Protective Services bill pattern for child care services.	\$0.0	\$0.0	\$0.0	(\$20.5)	(\$20.5)	A.3.3
J)	Net decrease in Appropriated Receipts amounts for one-time donations not anticipated in the 2026-27 biennium and alignment with 2024-25 spending levels.	\$0.0	\$0.0	\$0.0	(\$3.1)	(\$3.1)	B.1.2, B.3.1, B.3.2, C.1.1
K)	Decrease of Interagency Contract (IAC) due to Supplemental Nutrition Assistance Program (SNAP) allocation estimates for the next biennium and reallocations consistent with the federally-approved cost allocation plan.	\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	A.1.1, B.3.4

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

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
M)	Decrease of General Revenue - Dedicated - Business Enterprise Program Trust Fund to align with the 2024-25 appropriation levels.	\$0.0	(\$0.4)	\$0.0	\$0.0	(\$0.4)	B.2.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$7.4	(\$2.3)	(\$434.1)	(\$23.6)	(\$452.6)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$8.5	\$0.2	\$710.0	\$0.5	\$719.2	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$1.1)	(\$2.5)	(\$1,144.1)	(\$24.1)	(\$1,171.8)	As Listed

NOTE: Totals may not sum due to rounding.

Agency Name
Selected Fiscal and Policy Issues - House

1. **Federal Funds.** Recommendations include \$4.9 billion in Federal Funds for the 2026–27 biennium. This is a net decrease of \$434.1 million in Federal Funds due primarily to the following:

COVID-19 Federal Funds

Recommendations do not include any COVID-19 related Federal Funds for the 2026-27 Biennium; a decrease of \$858.4 million from the 2024–25 spending level. The agency will expend all COVID-19 related Federal Funds by the end of the 2024-25 biennium with Federal Funding levels returning to their pre-COVID-19 spending levels in future biennia.

Non-COVID-19 Federal Funds

Recommendations include \$4.9 billion in non-COVID-19 related Federal Funds for the 2026-27 Biennium, a net increase of 424.3 million from the 2024–25 spending level. The most notable changes from the 2024-25 spending level include

A) Child Care and Development Fund (CCDF). Recommendations include \$3,010.7 million in Child Care Development Block Grant (CCDBG) and Child Care Mandatory and Matching Funds (CCM&M) for the 2026-27 biennium, an increase of \$701.7 million from the 2024-25 spending level. The agency provides two childcare programs within CCDBG, including 1) Choices childcare for Temporary Assistance for Needy Families (TANF) participants and applicants, and child care for children receiving state protective care; and 2) At-Risk child care for low-income families. Choices childcare participants receive fully subsidized care with eligible children allowed to retain Choices services for 12 months after eligibility before transitioning to the At-Risk Child Care program. Once in the At-Risk Child Care program, benefits provide childcare services with a parental or guardian co-payment requirement.

B) Workforce Investment Act (WIOA) Grants. Recommendations include \$526.8 million in Federal Funds from WIOA Grants primarily located in Strategies A.1.1, Local Workforce Connection Services, A.1.2, Local Youth Workforce Services, and B.3.1, State Workforce Services. This is a net decrease of \$3.2 million from the 2024-25 spending level. The WIOA program provides workforce development activities designed to enhance the employability, occupational attainment, retention, and earnings of adults, dislocated workers, and youth.

C) Unemployment Insurance (UI) Grants. Recommendations include \$321.5 million in Federal Funds in Strategies A.1.1, Local Workforce Connection Services, B.4.1, Unemployment Services, and C.1.1, Central Administration, from UI Grants in the 2026-27 biennium; this is a decrease of \$13.0 million from the 2024-25 spending level. The UI program provides temporary, partial income replacement to eligible individuals who have lost jobs through no fault of their own. As the unemployment rate in Texas reduces, UI services reduce as fewer Texans access and utilize UI services and benefits. The agency anticipates an equal service reduction as employment levels return to pre-pandemic levels.

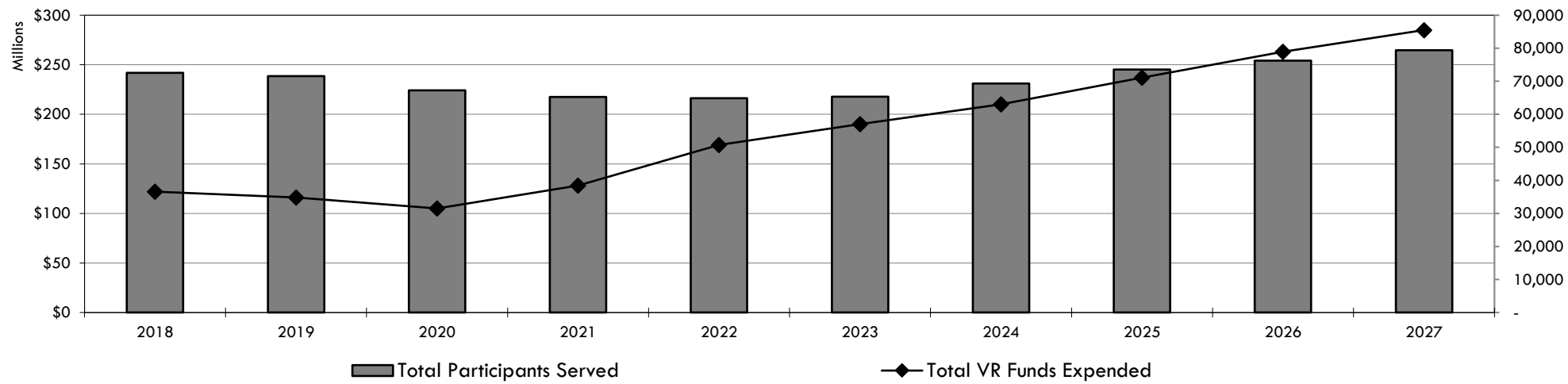
D) Apprenticeship USA Grants. Recommendations include \$9.9 million in Federal Funds in Strategy B.1.2, Apprenticeship, from Apprenticeship USA Grants in the 2026-27 biennium. This is a \$3.3 million decrease from the 2024-25 spending level. The agency awards grants to local providers that conduct classroom instruction, on-the-job training, and supervision of apprentices in collaboration with local employers. The agency goes through an application process with the US Department of Labor, and awards are not guaranteed. Therefore, the agency did not include the grant in the 2026-27 biennium request. Texas has received grant funding every year since 2016 when the USA Apprenticeship Grant became available. The agency anticipates receiving funding; however, the awarded amount varies each award period and cannot be estimated.

2. **Vocational Rehabilitation (VR).** Recommendations include \$519.4 million in Federal Funds, \$114.9 million in General Revenue Match for VR, and \$1.0 million in Appropriated Receipts for VR in Strategy B.2.1, Vocational Rehabilitation, B.2.2, Business Enterprises of Texas (BET), and C.1.1, Central Administration, in the 2026-27 biennium; this is a \$202.4 million decrease from the 2024-25 spending level. VR services provide 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. Recommendations also include \$1.0 million in Federal Funds for the agency to implement a Vocational Rehabilitation (VR) Service Guide data resource to assist both VR counselors and customers to assess and plan VR services needed to achieve their employment goal.

Senate Bill 208, Eighty-fourth Legislative Session, 2015, transferred the Vocational Rehabilitation program from the Department of Assistive and Rehabilitative Services (DARS) to TWC, including the Criss Cole Rehabilitation Center and independent living services for older individuals who are blind. The program has provided services to over 64,000 individuals over the past six years with demand increasingly growing. Over this same period, the amount TWC has expended on VR has increased as well. In fiscal year 2024, the agency reports \$210.0 million in VR Funds expended, which is a \$20.0 million increase from fiscal year 2023 and an \$88.0 million increase from fiscal year 2018 (see table below). The Federal VR grant has grown from \$245.0 million in fiscal year 2018 to \$320.0 million in fiscal year 2024. TWC has been able to utilize accumulated VR grant balances to meet the needs for the growing number of participants without having to request more General Revenue to match Federal Funds to draw down, however due to increased participant demand the agency is requesting additional General Revenue to meet the Federal match requirement of 21.3% to draw down an additional \$260.2 million in Federal Funds that is anticipated to help serve 157,512 participants over the next biennium.

TWC projects demand to grow with the number of participants they serve in the VR program which will create a need for additional funding. The agency projects by fiscal year 2026 that the number of individuals served in the program will surpass the funding needed to adequately support participants. Growth in participants served is estimated to grow from 69,343 in fiscal year 2024 to 79,417 in fiscal year 2027, an increase of 10,074 over the next three fiscal years. While funding needed to support participants is estimated to grow from \$210.0 million in fiscal year 2024 to \$285.0 million in fiscal year 2027, an increase of \$75.0 million. Recommendations do not include the agency’s exceptional item for \$70.4 million in additional General Revenue funding to draw down \$260.2 million in Federal VR Funds for the 2026-27 biennium.

Total VR Participants Served & Total VR Funds Expended



Source: Texas Workforce Commission
 Note: Fiscal years 2025-2027 are estimates.

3. **Maintenance of Effort (MOE).** In February 2024, the Texas Workforce Commission provided notification to the Legislative Budget Board (LBB) and Office of the Governor, pursuant to the Texas Workforce Commission Rider 33, Notification of Vocational Rehabilitation (VR) Federal Funds Distribution, of the agency's intent to transfer \$25.0 million out of the appropriated \$35.0 million in Child Care Development Block Grant (CCDBG) match from Strategy A.3.1, Local Child Care Solutions to Strategy B.2.1, Vocational Rehabilitation, primarily to provide a General Revenue match for the VR program. This transfer of General Revenue to the VR program caused an increase in the General Revenue match requirement for the state's maintenance of effort (MOE) to \$95.0 million from \$67.8 million, an increase of \$27.2 million. Recommendations modify Rider 33, Notification of Vocational Rehabilitation Federal Funds Distribution, to require the agency to seek approval from the LBB and Office of the Governor if they intend to increase the MOE by more than \$5.0 million (See Also, Rider Highlights).

TWC has submitted a supplemental request for Fiscal year 2025 for \$30.8 million in General Revenue to allow the agency to draw down \$113.8 million in VR Federal Funds by the end of the federal fiscal year. If the Legislature were not to appropriate additional GR to the VR program, the federal rules for the program reduce the amount of funding Texas received for VR by \$25.0 million.

4. **Legacy Software Enhancements.** Recommendations include funding the following agency's legacy software enhancements:
- a) Business Enterprises of Texas (BET) Application Enhancements – \$0.5 million in Federal Funds funding to enhance the BET Application to improve functionality, eliminate the need for duplicate reporting processes, and to improve program reporting and oversight.
 - b) Texas Reality Check - \$0.5 million in Appropriated Receipts funding to enhance features of the Texas Reality Check online application by adding error handling, user input of expenses, and a Spanish language option. Texas Reality Check is a career exploration tool used by students, teachers, counselors, parents and those investigating a career transition. This item is a one-time expense.
5. **Rider Reports.** The 88th Texas Legislature included two riders: Rider 51, Cross Agency Coordination on Apprenticeship and Work-Based Learning Funding, and Rider 52, Additional Workforce Data Report in the General Appropriations Act, that required the agency to submit individual reports by September 1, 2024. Recommendations include deleting Rider 52, as the report has been issued. Below are highlights from both reports:

Cross Agency Coordination on Apprenticeship and Work-Based Learning Funding

- The Tri-Agency partners (Texas Workforce Commission, Texas Education Agency, and Texas Higher Education Coordinating Board) determined the work-based learning (WBL) Continuum established in the Tri-Agency WBL Strategic Framework should act as a touchstone for identifying programs and their funding sources.
- Work-based Learning can be defined as “practical, hands-on activities or experiences through which a learner interacts with industry professionals in a workplace, in an in-person, virtual, or simulated setting. Learners prepare for employment or advancement along a career pathway by completing purposeful tasks that develop academic, technical, and employability skills.”
- Identified 14 available funding sources that support apprenticeships and WBL programs.

Additional Workforce Data Report

- Upgrades to Unemployment Insurance Data System – The systems that undergird the state unemployment insurance compensation system are legacy technology that TWC previously identified as requiring modernization to create a more streamlined, customer-centric experience that enhances system integrity. The agency entered into a contract with a vendor to replace these systems, but that project is on hold currently due to unforeseen externalities.
- Technology & Staffing Costs – TWC staff developed the cost estimates to make these modifications, but the agency noted they are difficult to ascertain given that it would depend on how and where the agency would make these changes. The agency identified 2 sets of needs: 1. IT staff to do the system modifications and 2. Program staff to help develop the elements and format for the new report, and to support employers having to implement the new system (see table below).

	Category	Year 1	Year 2	Year 3	Year 4	Year 5
IT	FTE	12.0	5.9	2.0	2.0	2.0
	Cost	\$1,228,151	\$1,228,151	\$0	\$0	\$0
Program	FTE	11.8	11.8	0.0	0.0	0.0
	Cost	\$1,053,512	\$518,816	\$158,798	\$158,798	\$158,798
Total	FTE	23.8	17.7	2.0	2.0	2.0
	Cost	\$2,281,662	\$1,745,967	\$158,798	\$158,798	\$158,798

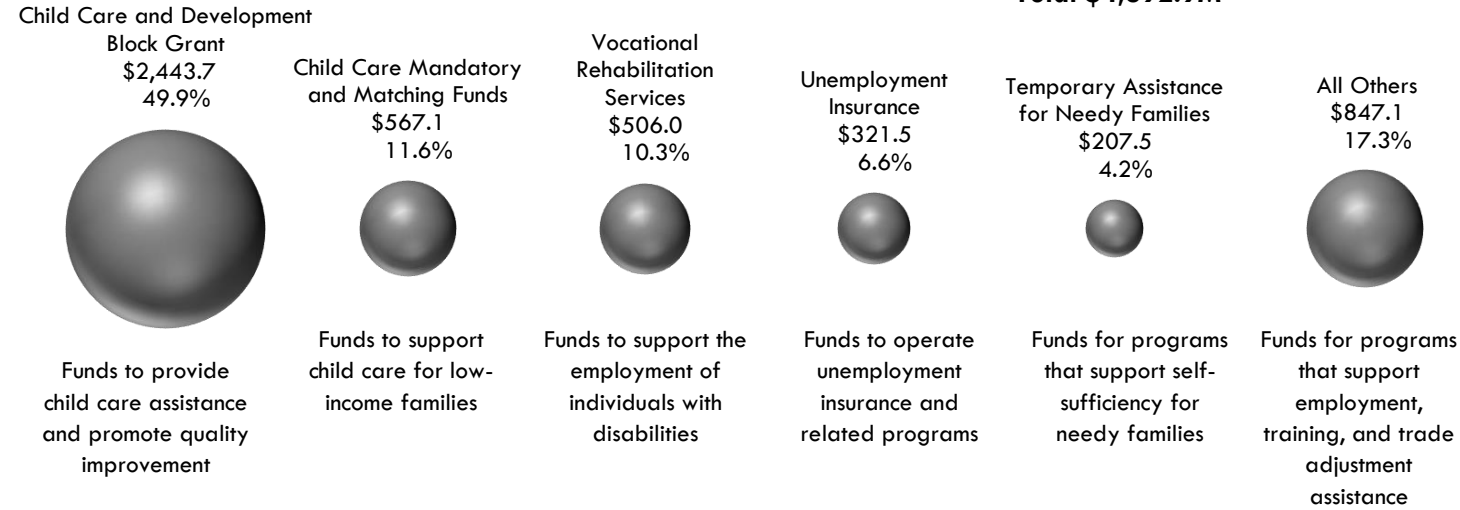
Source: Texas Workforce Commission

- Statutory Changes – Contents of wage records are not specified in statute but instead within TWC’s existing authority. As such, no statutes require amendment to allow TWC to modify the required contents of routine wage filing.

Texas Workforce Commission

Summary of Federal Funds (2026-27) - House

Total \$4,892.9M

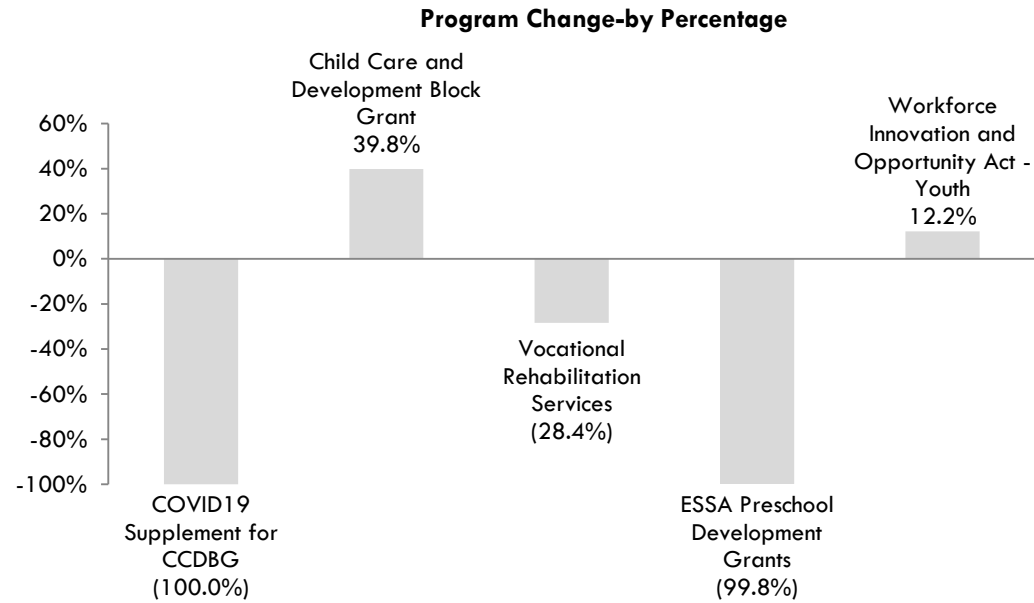
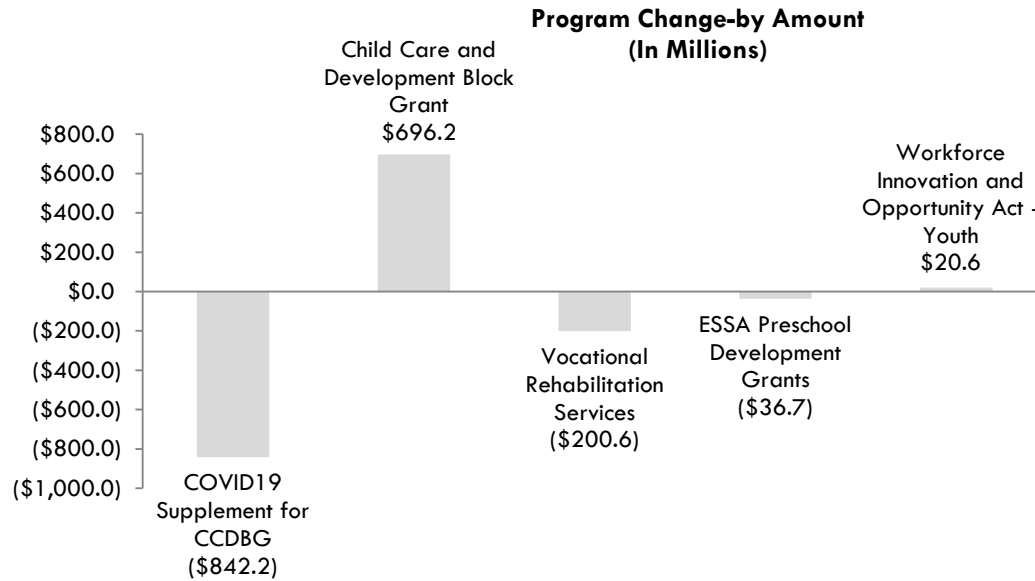


Selected Federal Fiscal and Policy Issues

Federal funds would decrease 8.1 percent from the 2024-25 base. This includes significant decreases in COVID-19 grants that have expired, as well as reductions in programs such as Vocational Rehabilitation Services.

The decreases are partially offset by increases in grants such as the Child Care and Development Block Grant (CCDBG).

Programs with Significant Federal Funding Changes from 2024-25



**Texas Workforce Commission
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations align capital budget authority with the 2026–27 funding recommendations for Repair or Rehabilitation of Building and Facilities, Acquisition of Information Resources Technologies, Centralized Accounting and Payroll/Personnel System (CAPPs), Cybersecurity and Data Center/Shared Technology Services.

32. **Notification of Vocational Rehabilitation Federal Funds Distribution.** Recommendations modify the rider to require the agency to seek approval from the LBB and Office of the Governor to increase the state’s maintenance of effort for vocational rehabilitation by more than \$5.0 million. (See Also, Selected Fiscal and Policy Issues #3)

Deleted Riders

22. **Temporary Assistance for Needy Families (TANF) Maintenance of Effort Appropriated in Child Care Strategies.** Recommendations delete this as the agency's General Revenue maintenance of effort (MOE) for TANF Family Account No. 759 was split into two separate methods of finance (MOF): General Revenue MOE for TANF and General Revenue MOE for Child Care and Development Fund distinguishing the appropriation amount for each MOF and making the rider unnecessary.

52. **Additional Workforce Data Report.** Recommendations delete this rider as the agency has issued the report.

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

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Request General Revenue appropriations to fully match an available \$260.2 million in federal grants for Vocational Rehabilitation to meet current participant needs and to address projected participant growth.	\$70,413,360	\$330,579,152	0.0	No	No	\$73,413,712
2)	Request General Revenue appropriations to fund increased demand and participation in the Chapter 133 Apprenticeship Training Program.	\$13,034,430	\$13,034,430	0.0	No	Yes	\$15,534,430
3)	Request General Revenue appropriations to fund 22.1 existing FTEs who would provide services to 5,650 veterans statewide each year. Federal Funds traditionally used to fund this program through Wagner Peyser Employment Services funds; however, with the passing of new federal rules, funding is to be reallocated to be used on statewide outreach to Migrant Seasonal Farmworkers.	\$3,391,148	\$3,391,148	0.0	No	No	\$3,395,124
4)	Request General Revenue appropriations to fund the Texas Veterans Network instead of Workforce Innovation & Opportunity Act (WIOA) Federal Funds. Proposed changes to federal regulations are anticipated to impact the availability of WIOA statewide discretionary funds to fund this program in the future.	\$2,000,000	\$2,000,000	0.0	No	Yes	\$2,000,000

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

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
5)	<p>Request General Revenue appropriations to expand a program to support a suite of initiatives for youth career readiness statewide outreach services and work experiences to improve skill development opportunities. This request includes:</p> <p>a) authority and funding for an additional 41.0 Program Specialist IV FTEs.</p> <p>b) funding to cover 7.5 existing FTEs that are currently funded through a federal grant.</p> <p>48.5 FTEs include</p> <p>41.0 Program Specialist IV (\$66,255 per year)</p> <p>3.0 Manager I (\$75,376 per year)</p> <p>1.0 Director (\$102,980 per year)</p> <p>1.0 Administrative Assistant III (\$43,914 per year)</p> <p>1.0 Program Specialist III (\$62,136 per year)</p> <p>0.9 Grant Specialist IV (\$72,379 per year)</p> <p>0.4 Grant Specialist III (\$28,265 per year)</p> <p>0.1 Manager IV (\$9,184 per year)</p> <p>0.1 Program Specialist V (\$7,067 per year)</p>	\$20,596,281	\$20,596,281	41.0	No	Yes	\$20,578,446
6)	<p>Request General Revenue appropriations for increased demand of the Older Individuals Who Are Blind (OIB) program. Social Security Administration under the Vocational Rehabilitation (VR) Reimbursement Program (SSAVR) traditionally funds this program however, due to the growth in VR throughout the state, SSAVR funds are being focused on increased VR needs for customers.</p>	\$9,434,759	\$9,434,759	0.0	No	Yes	\$10,873,158
7)	<p>Request General Revenue appropriations and authority for an additional Program Specialist IV (\$66,255 per year) to address increased workloads due to a growth in the licensed school population from 416 to 706 schools.</p>	\$359,696	\$359,696	1.0	No	No	\$392,094

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

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
8)	Request General Revenue appropriations and authority for 3.0 additional FTEs in the Labor Market Information Department to meet the increased demand for economic data from the public and Department of Labor. 3.0 FTEs include 2.0 Economist IV (\$91,836 per year) 1.0 Data Analyst VI (\$124,606 per year)	\$687,136	\$687,136	3.0	No	No	\$687,136
9)	Request General Revenue - Dedicated Fund 165 funding to increase salaries for existing staff to address retention rate within the Wage and Hour Department and work by other TWC staff charged to the wage claims program.	\$1,187,197	\$1,187,197	0.0	No	No	\$1,334,842
10)	Request General Revenue appropriations to maintain 4.0 of the additional 6.0 FTE's received in the 2024-25 biennium to reduce the backlog of Equal Employment Opportunity complaints from 1,500 to 350 cases of EEO complaints by the end of FY 2025. Funding for these positions was removed from the 2026-27 base due to the agency indicating these positions would only be needed for the 2024-25 biennium in their 2024-25 Legislative Appropriations Request. 4.0 FTEs include 4.0 Investigator IV (\$58,288 per year)	\$549,554	\$549,554	4.0	No	No	\$549,554
11)	Request General Revenue - Dedicated Fund 165 funding with capital budget authority to implement a UI Fraud Detection and Deterrence system.	\$3,264,540	\$3,264,540	0.0	Yes	Yes	\$3,264,540
12)	Request General Revenue - Dedicated Fund 165 funding with capital budget authority to implement items identified in the Texas Cybersecurity Framework Assessment to improve TWC's cybersecurity.	\$3,162,408	\$3,162,408	0.0	Yes	Yes	\$4,500,000
13)	Request General Revenue - Dedicated Fund 165 with capital budget authority funding to continue TWC's Unemployment Insurance (UI) Data Center Services Mainframe.	\$11,843,221	\$11,843,221	0.0	Yes	Yes	\$11,935,740

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

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
14)	Request General Revenue - Dedicated Fund 165 funding with capital budget authority to implement the SIDES Monetary & Potential Charging Module, Determination & Decisions Module, Benefit Charges Chargeback Module, Single Sign-on using Okta, and additional Fact-finding Module.	\$2,613,576	\$2,613,576	0.0	Yes	Yes	\$0
15)	Request General Revenue and General Revenue -Dedicated Fund 165 funding and Federal Funds with capital budget authority to address TWC network deficiencies identified in a AT&T Network Assessment which pose a risk to the TWC cybersecurity posture.	\$1,528,474	\$4,234,000	0.0	Yes	Yes	\$0
16)	Request General Revenue - Dedicated Fund 165 funding with capital budget authority to begin a project to replace the agency's legacy Labor Law/Wage Claims and the Child Labor Investigation case management system.	\$1,296,000	\$1,296,000	0.0	Yes	Yes	\$0

Agency Rider Requests Not Included

A)	Amend Rider 8, Unexpended Balances Appropriation: Skills Development and Jobs and Education for Texans (JET), to expand UB authority to include funds from the new General Revenue-Dedicated Lone Star Workforce of the Future Account No. 5198.	\$0	\$0	0.0	No	No	\$0.0
B)	Amend Rider 28, Professional Development for Early Childhood Education, to grant authority to make the full \$1.5 million available in the the beginning of the first fiscal year for flexibility to spend the funds each fiscal year instead of evenly split between the two years.	\$0	\$0	0.0	No	No	\$0.0
C)	Amend Rider 32, Notification of Vocational Rehabilitation Federal Funds Distribution, to utilize \$30,793,540 in General Revenue Funds in fiscal year 2026 to match the federal fiscal year 2025 award through this rider change. This would allow the agency to draw an additional \$113,777,069 in Federal Funds from the 2025 federal award.	\$0	\$0	0.0	No	No	\$0.0
D)	Amend Rider 40, Health and Human Services Commission Partnership, to narrow the allowable use of funds transferred from the Vocational Rehabilitation program to HHSC.	\$0	\$0	0.0	No	No	\$0.0

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

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
E)	Amend Rider 45, Unexpended Balances Appropriation: Acquisition of Information Resource Technology, to align projects with the Capital Budget rider titles listed in the TWC's bill pattern.	\$0	\$0	0.0	No	No	\$0.0
F)	New Rider, Appropriation: GR-Dedicated Business Enterprise Program Account No. 492, to provide estimated appropriation authority from Business Enterprise Program Account No. 492 to purchase and replace outdated food service equipment within the Business Enterprise of Texas program.	\$696,000	\$696,000	0.0	No	No	\$0.0
G)	New Rider, Cash Flow Contingency for Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T), would provide authority to temporarily utilize General Revenue from the Comptroller of Public Accounts to cover the federal funds for Supplemental Nutrition Assistance Program Employment & Training until reimbursed from Health and Human Services Commission.	\$1,500,000	\$1,500,000	0.0	No	No	\$1,500,000
TOTAL Items Not Included in Recommendations		\$147,557,780	\$410,429,098	49.0			\$149,958,776

**Texas Workforce Commission
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	16
B	Summary of Federal Funds	21
C	FTE Highlights	22

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

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
LOCAL WORKFORCE CONNECTION SERVICES A.1.1	\$554,861,743	\$552,713,151	(\$2,148,592)	(0.4%)	
LOCAL YOUTH WORKFORCE SERVICES A.1.2	\$144,303,384	\$163,852,342	\$19,548,958	13.5%	Increase in Workforce Innovation and Opportunity Act (WIOA) Federal Funds used to serve WIOA youth participants in the 2026-27 biennium.
ADULT EDUCATION AND FAMILY LITERACY A.2.1	\$164,575,345	\$161,050,796	(\$3,524,549)	(2.1%)	Decrease in Adult Education and Family Literacy federal funds used to serve participants in the 2026-27 biennium.
TRADE AFFECTED WORKER SERVICES A.2.2	\$2,311,018	\$0	(\$2,311,018)	(100.0%)	Decrease in Trade Adjustment Assistance (TAA) Federal Funds as part of the phase out process for the 2026-27 biennium.
SENIOR EMPLOYMENT SERVICES A.2.3	\$8,893,334	\$8,605,776	(\$287,558)	(3.2%)	Decrease in federal funds for the Senior Community Service Employment Program.
LOCAL CHILD CARE SOLUTIONS A.3.1	\$2,580,273,557	\$2,884,772,467	\$304,498,910	11.8%	All Funds net increase due to the following: a) Increase of \$279,498,910 in Federal Funds used to serve Child Care participants in the 2026-27 biennium. b) Increase of \$25,000,000 for a one-time transfer amount in prior biennium for Vocational Rehabilitation General Revenue match that is not anticipated to continue into the subsequent biennium.
CHILD CARE QUALITY ACTIVITIES A.3.2	\$678,028,446	\$254,373,765	(\$423,654,681)	(62.5%)	Decrease in Federal Funds for one-time COVID-19 disaster related and statewide initiatives funding not anticipated to continue in the 2024-25 biennium.
CHILD CARE FOR DFPS FAMILIES A.3.3	\$102,085,675	\$81,525,436	(\$20,560,239)	(20.1%)	Decrease in Interagency Contract (IAC) to align with the Department of Family and Protective Services prior biennium bill pattern for child care services.
Total, Goal A, LOCAL WORKFORCE SOLUTIONS	\$4,235,332,502	\$4,106,893,733	(\$128,438,769)	(3.0%)	
SKILLS DEVELOPMENT B.1.1	\$64,922,682	\$64,891,852	(\$30,830)	(0.0%)	
APPRENTICESHIP B.1.2	\$50,053,184	\$46,467,487	(\$3,585,697)	(7.2%)	All Funds net decrease due to the following: a) Decrease of \$3,915,253 in Federal Funds for one-time apprenticeship initiatives funding not anticipated to continue in the 2026-27 biennium. b) Increase of \$330,773 in General Revenue for salary increase c) Decrease of \$1,217 in one-time Appropriated Receipts amount for donations not anticipated in the 2026-27 biennium.

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

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
JOBS EDUCATION FOR TEXAS (JET) B.1.3	\$30,303,487	\$31,045,289	\$741,802	2.4%	All Funds net increase due to the following: a) Increase of \$923,287 in General Revenue for staff salary. b) Decrease of \$181,485 in Interagency Contracts that is not anticipated to continue in the 2026-27 biennium.
SELF SUFFICIENCY B.1.4	\$4,926,562	\$4,917,976	(\$8,586)	(0.2%)	
VOCATIONAL REHABILITATION B.2.1	\$813,593,858	\$585,221,788	(\$228,372,070)	(28.1%)	All Funds net decrease due to the following: a) Decrease of \$205,810,404 in Federal Funds to align with current available matching funds b) Decrease of \$25,000,000 for a one-time transfer amount in prior biennium for Vocational Rehabilitation General Revenue match that is not anticipated to continue into the subsequent biennium. c) Increase of \$1,047,170 in General Revenue for Vocational Rehabilitation match. d) Increase of \$1,011,164 in Federal Funds for the development of a Vocational Rehabilitation Service Guide e) Increase of \$380,000 in Appropriated Receipts to align with current trends
BUSINESS ENTERPRISES OF TEXAS (BET) B.2.2	\$14,985,960	\$15,965,098	\$979,138	6.5%	All Funds net increase due to the following: a) Increase of \$881,290 in Federal Funds for equipment purchases. b) Increase of \$500,000 in Federal Funds to enhance the Business Enterprises of Texas (BET) Application. c) Decrease of \$400,000 General Revenue - Dedicated - Business Enterprise Program Trust Fund to align with the original appropriation. d) Decrease of \$2,152 in General Revenue due to reallocations consistent with the federally approved cost allocation plan in the 2026-27 biennium.

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

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
STATE WORKFORCE SERVICES B.3.1	\$280,368,228	\$242,437,132	(\$37,931,096)	(13.5%)	All Funds net decrease due to the following: a) Net decrease of \$32,404,958 in Federal Funds for one-time statewide initiatives offset by increases for Employment Services and Unemployment Insurance. b) Decrease of \$3,103,786 in General Revenue due to salary and FTE decrease. c) Decrease of \$2,938,256 in one-time Appropriated Receipts amount for donations not anticipated in the 2026-27 biennium. d) Increase of \$500,000 in one-time Appropriated Receipts amount to provide enhancements to Texas Reality Check tool. e) Increase of \$15,904 in General Revenue - Dedicated - Identification Fee Exemption Fund No. 5177 due to reallocations consistent with the federally approved cost allocation plan in the 2026-27 biennium.
CHILD CARE ADMINISTRATION B.3.2	\$74,351,355	\$45,262,490	(\$29,088,865)	(39.1%)	All Funds net decrease due to the following: a) Decrease of \$29,113,865 in Federal Funds for one-time, COVID-19 disaster related funding not anticipated to continue in the 2026-27 biennium. b) Increase of \$25,000 in Appropriated Receipts to align with current trends
LABOR MARKET AND CAREER INFORMATION B.3.3	\$15,509,951	\$9,317,002	(\$6,192,949)	(39.9%)	All Funds net decrease due to the following: a) Decrease of \$7,365,039 in Federal Fund for one-time capital budget projects offset by an increase of \$1,252,330 in WIOA Youth Federal Funds. b) Decrease of \$80,240 in General Revenue for staff salaries.
SUBRECIPIENT MONITORING B.3.4	\$8,948,292	\$8,021,378	(\$926,914)	(10.4%)	All Funds net decrease due to the following: a) Increase of \$332,191 in Federal Funds for salary increase and new FTE. b) Decrease of \$1,156,251 in General Revenue for capital budget projects. c) Decrease of \$102,854 in Interagency Contract (IAC) due to reallocations consistent with the federally approved cost allocation plan in the 2026-27 biennium.

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

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
LABOR LAW ENFORCEMENT B.3.5	\$10,946,887	\$8,942,177	(\$2,004,710)	(18.3%)	Decrease in capital budget project costs due to anticipated cost decreases for the Labor Law Enhancement capital project.
CAREER SCHOOLS AND COLLEGES B.3.6	\$2,284,906	\$2,343,078	\$58,172	2.5%	Increase in facility capital projects cost.
WORK OPPORTUNITY TAX CREDIT B.3.7	\$1,973,851	\$1,578,437	(\$395,414)	(20.0%)	All Funds net decrease due to the following: a) Decrease of \$357,364 in Federal Funds for daily operations. b) Decrease of \$38,050 in General Revenue for staff salaries.
FOREIGN LABOR CERTIFICATION B.3.8	\$2,105,474	\$1,912,658	(\$192,816)	(9.2%)	All Funds net decrease due to the following: a) Decrease of \$212,180 in Federal Funds for daily operations. b) Increase of \$19,364 in General Revenue for staff salaries.
UNEMPLOYMENT SERVICES B.4.1	\$287,154,372	\$268,487,226	(\$18,667,146)	(6.5%)	All Funds net decrease due to the following: a) Decrease of \$26,372,829 in Federal Funds due to a decrease in DCS and facility capital projects. b) Decrease of \$45,140 in General Revenue-Dedicated funds due to reallocations consistent with the federally approved cost allocation plan in the 2026-27 biennium. c) Increase of \$7,750,823 in General Revenue for staff salary.
CIVIL RIGHTS B.5.1	\$8,587,504	\$7,852,716	(\$734,788)	(8.6%)	All Funds net decrease due to the following: a) Decrease of \$1,029,986 in General Revenue for one-time exceptional item funded the prior biennium b) Increase of \$287,619 in Federal Funds for capital budget projects. c) Increase of \$7,579 in Interagency Contract (IAC) to align with current trends.
Total, Goal B, STATE WORKFORCE DEVELOPMENT	\$1,671,016,553	\$1,344,663,784	(\$326,352,769)	(19.5%)	
CENTRAL ADMINISTRATION C.1.1	\$57,599,862	\$59,627,108	\$2,027,246	3.5%	All Funds net increase due to the following: a) Increase of \$1,366,459 in General Revenue for staff salaries. b) Increase of \$872,461 in Federal Funds for salary increase and federal funded daily operations costs from prior biennium. c) Increase of \$64,919 in General Revenue Dedicated for staff salary. d) Decrease of \$276,593 in Other Funds to align with current trends.

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

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
INFORMATION RESOURCES C.1.2	\$9,981,471	\$10,331,336	\$349,865	3.5%	All Funds net increase due to the following: a) Increase of \$370,452 in General Revenue for staff salary. b) Increase of \$8,114 in General Revenue Dedicated for staff salary. c) Decrease of \$27,416 in Federal Funds due to reallocations consistent with the federally approved cost allocation plan in the 2026-27 biennium. d) Decrease of \$1,285 in Other Funds due to reallocations consistent with the federally approved cost allocation plan in the 2026-27 biennium.
OTHER SUPPORT SERVICES C.1.3	\$20,518,779	\$20,333,689	(\$185,090)	(0.9%)	
Total, Goal C, INDIRECT ADMINISTRATION	\$88,100,112	\$90,292,133	\$2,192,021	2.5%	
Grand Total, All Strategies	\$5,994,449,167	\$5,541,849,650	(\$452,599,517)	(7.6%)	

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

Appendix B

Program	Est 2024	Bud 2025	Rec 2026	Rec 2027	2024-25 Base	2026-27 Rec	2026-27 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child Care and Development Block Grant	\$661.3	\$1,086.3	\$1,192.6	\$1,251.1	\$1,747.5	\$2,443.7	49.9%	\$696.2	39.8%
Child Care Mandatory and Matching Funds	\$280.8	\$280.8	\$283.5	\$283.5	\$561.5	\$567.1	11.6%	\$5.5	1.0%
Vocational Rehabilitation Services	\$316.5	\$390.1	\$237.1	\$268.9	\$706.6	\$506.0	10.3%	(\$200.6)	(28.4%)
Unemployment Insurance	\$162.6	\$171.8	\$162.7	\$158.8	\$334.4	\$321.5	6.6%	(\$13.0)	(3.9%)
Temporary Assistance for Needy Families (TANF)	\$102.2	\$98.5	\$103.9	\$103.6	\$200.7	\$207.5	4.2%	\$6.8	3.4%
Workforce Innovation and Opportunity Act (WIOA) - Adult	\$103.1	\$97.0	\$94.1	\$96.4	\$200.1	\$190.5	3.9%	(\$9.6)	(4.8%)
Workforce Innovation and Opportunity Act - Youth	\$75.4	\$94.2	\$95.2	\$95.1	\$169.6	\$190.3	3.9%	\$20.6	12.2%
Adult Education State Grant Program	\$83.8	\$78.2	\$78.8	\$78.9	\$162.0	\$157.7	3.2%	(\$4.3)	(2.7%)
WIOA Dislocated Worker Formula Grants	\$89.5	\$70.8	\$74.1	\$71.9	\$160.3	\$146.0	3.0%	(\$14.2)	(8.9%)
Employment Services	\$56.4	\$55.0	\$55.2	\$54.0	\$111.4	\$109.2	2.2%	(\$2.2)	(2.0%)
Rehabilitation Services Independent Living	\$7.3	\$9.1	\$6.7	\$6.7	\$16.5	\$13.4	0.3%	(\$3.1)	(18.7%)
Apprenticeship USA Grants	\$6.5	\$6.7	\$7.2	\$2.7	\$13.1	\$9.9	0.2%	(\$3.3)	(24.9%)
Senior Community Service Employment Program	\$4.5	\$4.6	\$4.4	\$4.4	\$9.1	\$8.8	0.2%	(\$0.3)	(3.3%)
Labor Force Statistics	\$3.6	\$3.3	\$2.8	\$2.8	\$6.9	\$5.6	0.1%	(\$1.3)	(19.0%)
Social Services Block Grant	\$2.0	\$2.0	\$2.0	\$2.0	\$4.0	\$4.0	0.1%	\$0.0	0.0%
Fair Housing Assistance Program	\$1.4	\$1.7	\$1.6	\$1.6	\$3.1	\$3.2	0.1%	\$0.2	5.4%
Supported Employment Services for Individuals with Severe Disabilities	\$1.5	\$1.5	\$1.6	\$1.6	\$3.0	\$3.1	0.1%	\$0.1	2.9%
Temporary Labor Certification for Foreign Workers	\$1.1	\$1.1	\$1.0	\$1.0	\$2.2	\$2.0	0.0%	(\$0.2)	(10.6%)
COVID-19 Grants ¹	\$848.1	\$10.2	\$0.0	\$0.0	\$858.4	\$0.0	0.0%	(\$858.4)	(100.0%)
All Other Grants ²	\$34.8	\$21.7	\$1.8	\$1.7	\$56.5	\$3.5	0.1%	(\$53.0)	(93.8%)
TOTAL:	\$2,842.4	\$2,484.5	\$2,406.2	\$2,486.6	\$5,326.9	\$4,892.9	100.0%	(\$434.1)	(8.1%)

¹ COVID-19 grants include the CCDBG supplement which has expired, as well as Unemployment Insurance and WIOA grants.

² All Other Grants include the ESSA Preschool Development Grant and programs related to employment, training, and trade adjustment assistance.

**Texas Workforce Commission
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	4,871.5	4,905.5	4,916.5	5,059.5	5,059.5
Actual/Budgeted	4,473.8	4,722.6	4,933.5	NA	NA

Schedule of Exempt Positions (Cap)					
Commissioner (Chair), Group 6	\$189,500	\$201,000	\$201,000	\$201,000	\$201,000
Commissioner, Group 5 (2)	\$189,500	\$201,000	\$201,000	\$201,000	\$201,000
Executive Director, Group 7	\$212,989	\$223,755	\$234,520	\$234,520	\$234,520

Notes:

- a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024), indicates a market average salary of \$248,287 for the Executive Director position at the Texas Workforce Commission.
- b) The agency's fiscal year 2025 budgeted number of full-time equivalent (FTE) positions is higher than the cap due to 17.0 FTEs that are 100% federally funded, as authorized by Article IX, Sec. 6.10, General Appropriations Act 2024-25.