

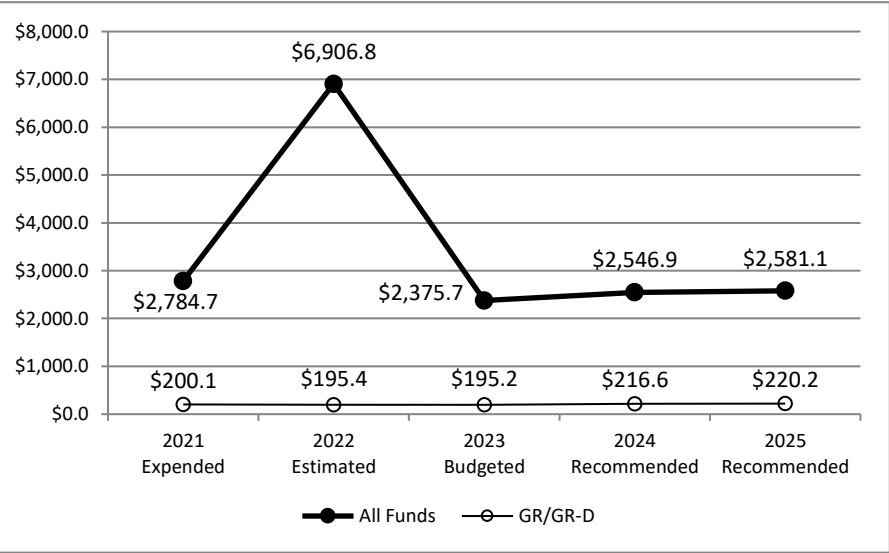
Texas Workforce Commission
Summary of Budget Recommendations - Senate

Page VII-34
Ed Serna, Executive Director
Lyle Blanco, LBB Analyst

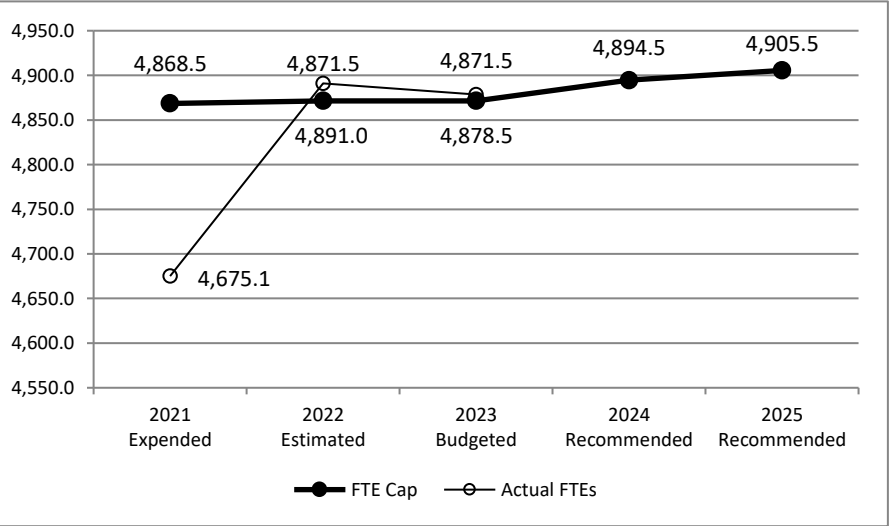
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$378,895,278	\$424,860,420	\$45,965,142	12.1%
GR Dedicated Funds	\$11,740,319	\$11,961,548	\$221,229	1.9%
Total GR-Related Funds	\$390,635,597	\$436,821,968	\$46,186,371	11.8%
Federal Funds	\$8,717,099,623	\$4,527,884,335	(\$4,189,215,288)	(48.1%)
Other	\$174,819,366	\$163,276,153	(\$11,543,213)	(6.6%)
All Funds	\$9,282,554,586	\$5,127,982,456	(\$4,154,572,130)	(44.8%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	4,878.5	4,905.5	27.0	0.6%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 99.8% of the agency's estimated total available funds for the 2024-25 biennium.

Texas Workforce Commission
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
1)	Reduction of one-time Federal Funds from Coronavirus Relief Fund (CRF) not anticipated in the 2024-25 biennium related to Child Care programs.	\$0.0	\$0.0	(\$4,175.8)	\$0.0	(\$4,175.8)	A.3.1, A.3.2, B.3.2
2)	Reduction of one-time Federal Funds from CRF not anticipated in the 2024-25 biennium related to non-Child Care programs.	\$0.0	\$0.0	(\$61.7)	\$0.0	(\$61.7)	B.3.1, B.4.1
3)	Net increase in Federal Funding primarily related to increases of 1) \$83.0 million in Child Care Development Fund Block Grants, 2) \$36.0 million in Vocational Rehabilitation grants, 3) \$4.1 million in Workforce Investment Act Grants, and 4) \$4.6 million in Adult Education and Literacy state grants; offset by decreases of 1) \$88.3 million in Unemployment Insurance Grant, and 2) \$16.6 million in Apprenticeship USA Grants.	\$0.0	\$0.0	\$22.8	\$0.0	\$22.8	A.1.1, A.1.2, B.1.4, B.2.1, B.3.1, B.3.8, B.4.1, B.5.1
4)	Increase in General Revenue for Jobs Education for Texas (JET) program and Industry-Recognized Apprenticeship Program (IRAP).	\$35.0	\$0.0	\$0.0	\$0.0	\$35.0	B.1.2, B.1.3
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
A)	Increase for the general state employee salary increase.	\$11.0	\$0.2	\$33.6	\$0.0	\$44.8	C.1.1, D.1.1
B)	Net reduction in compliance with the federally approved cost-allocation plan and other adjustments, including removal of one-time funding for the agency's vehicle replacement.	\$0.0	\$0.0	(\$8.2)	\$0.0	(\$8.2)	B.1.2, B.2.2, B.3.1, B.3.2, B.5.1
C)	Decrease in Other Funds primarily due to Interagency Contract amendments and to one-time Appropriated Receipts for donations and third-party reimbursements not anticipated in the 2024-25 biennium.	\$0.0	\$0.0	\$0.0	(\$11.6)	(\$11.6)	A.1.1, B.1.2, B.3.1, B.5.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$46.0	\$0.2	(\$4,189.2)	(\$11.6)	(\$4,154.6)	As Listed
SIGNIFICANT & OTHER Funding Increases		\$46.0	\$0.2	\$56.4	\$0.0	\$102.7	As Listed
SIGNIFICANT & OTHER Funding Decreases		\$0.0	\$0.0	(\$4,245.6)	(\$11.6)	(\$4,257.2)	As Listed

NOTE: Totals may not sum due to rounding.

Texas Workforce Commission
Selected Fiscal and Policy Issues - Senate

1. **Federal Funds.** Funding recommendations include \$4,527.9 million for the 2024-25 biennium; this is a net decrease of \$4,189.2 million in Federal Funds. The decrease represents \$4,237.5 million in COVID-19 Federal Funds (Coronavirus Relief Funds) being fully expended by the end of the 2022-23 biennium and non-COVID-19 related Federal Funds have a net increase of \$48.3 million in the 2024-25 biennium. The breakout is detailed below.

COVID-19 Federal Funds

Funding recommendations include \$399.6 million in COVID-19 related Federal Funds for the 2024-25 Biennium. This is a decrease of \$4,237.5 million from the 2022-23 spending level. The agency anticipates all COVID-19 related Federal Funds will be spent down by the end of the 2024-25 biennium and that all Federal Funding levels will return to their pre-COVID-19 spending levels in future biennia.

Federal Funding Source *	Description	Initial Award (In millions)	22-23 Biennium (In millions)	24-25 Biennium (In millions)	Recommended Over/(Under) 2022/2023 Base (In millions)
COVID-19 Unemployment Insurance (17.225.119)	Funding recommendations do not include COVID-19 UI funding as the agency anticipates the grant award will be spent down by the end of the 2022-23 biennium.	\$254.6	\$46.6	\$0.0	(\$46.6)
COVID-19 Workforce Investment and Opportunity Act National Emergency Grant (17.277.119)	Funding recommendations do not include COVID-19 WIOA funding as the agency anticipates the grant award will be spent down by the end of the 2022-23 biennium.	\$39.7	\$15.1	\$0.0	(\$15.1)
COVID-19 Child Care & Development Block Grant (CCDBG) (93.575.119)	Funding recommendations provide \$399.6 million primarily in Strategies A.3.1, Local Child Care Solutions, A.3.2, Child Care Quality Activities, B.3.2, Child Care Administration, to subsidize child care for qualifying families to provide the opportunity to participate in work-related activities and obtain employment in fiscal year 2024. The agency anticipates the grant award will be spent down by the end of fiscal year 2024. Of the \$5,935.2 million in awarded Federal Funds to the agency during the 2022–23 biennium, approximately 72 percent is allocated as child care provider grants to keep child care businesses operating, despite complex and challenging circumstances of COVID-19. The agency communicated and instructed to grantees that COVID-19 CCDBG funding should be treated and expended as a one-time, non-continuous grant. The agency recommended various uses of awarded grants such as wage supplements, hiring bonuses, and retention bonuses. Despite these efforts, the agency anticipates some child care providers will likely close when TWC is no longer able to provide grant funding. The agency is unable to predict how widespread this issue will be as the child care industry is facing a workforce shortage due to the low wages of child care workers among other workforce issues.	\$5,935.2	\$4,575.3	\$399.6	(\$4,175.8)

* The COVID-19 Federal Funds breakout does not include Presidential Declared Disaster Assistance to Individuals and Household funding as this funding is outside the treasury.

Non-COVID-19 Federal Funds. Funding recommendations include \$4,094.7 million in non-COVID-19 related Federal Funds for the 2024-25 Biennium, a net increase of \$48.3 million from the 2022–23 spending level. The most notable changes from the 2022-23 spending level include:

- A) Workforce Investment Act (WIOA) Grants.** Funding recommendations include \$450.0 million in Federal Funds 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, from WIOA Grants in the 2024-25 biennium. This is a net increase of \$4.1 million from the 2022-23 spending level. The WIOA grants provides for workforce development activities designed to enhance the employability, occupational attainment, retention, and earnings of adults, dislocated workers, and youth.
 - B) Apprenticeship USA Grants.** Funding recommendations include \$1.2 million in Federal Funds in Strategy B.1.2, Apprenticeship, from Apprenticeship USA Grants in the 2024-25 biennium. This is a \$16.6 million decrease from the 2022-23 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 2024-25 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.
 - C) Vocational Rehabilitation (VR) Grants.** Funding recommendations include \$609.9 million in Federal Funds in Strategy B.2.1, Vocational Rehabilitation, and C.1.1, Central Administration, from VR Grants in the 2024-25 biennium; this is a \$36.0 million increase from the 2022-23 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. The increased Federal Funds provide for the Independent Living Services for Older Individuals Who Are Blind Program (OIB) to serve more customers and offer additional services to this population. Funding recommendations include an additional fully federally funded 5.0 full-time equivalents (FTE) in fiscal year 2024 and 21.0 fully federally funded FTEs in fiscal year 2025 for program administration.
 - D) Unemployment Insurance (UI) Grants.** Funding recommendations include \$329.6 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 2024-25 biennium; this is a decrease of \$88.3 million from the 2022-23 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.
2. **Child Care Federal Funding.** Funding recommendations include \$1,618.4 million in non-COVID-19 Child Care Development Block Grant (CCDBG) and \$560.4 million in Child Care Mandatory & Matching Funds (Mandatory & Match), totaling \$2,178.8 million for the 2024-25 biennium. Fiscal year 2024 comprises \$585.5 million in CCDBG funding and \$280.2 million in Mandatory & Match and Fiscal year 2025 comprises \$1,028.5 million in CCDBG funding and \$280.2 million in Mandatory & Match. This is an increase of \$83.0 million from the 2022-23 spending level and is primarily accounted for in the CCDBG. The increase is due to the need for additional support functions within the agency and the Child Care and Early Learning Division to meet the increased demand for grants and contracting services. Funding recommendations include additional federally funded 9.0 FTEs each fiscal year of the 2024-25 biennium in Strategy B.2.3, Child Care Administration.

The agency provides two child care programs, including 1) Choices Child Care 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 Child Care participants received fully subsidized care with eligible children allowed to retain Choices services for up to 12 months after eligibility before transitioning to the At-Risk Child Care program. Once in the At-Risk Child Care program, child care benefits are accessible with a parental or guardian co-payment.

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 2021 through 2025 for reference.

Non-COVID 19 CCDBG Direct Appropriations by Agency (in millions)					
	2021	2022	2023	2024	2025
TWC Child Care Program	\$461.3	\$789.3	\$746.5	\$589.9	\$1,028.5
DFPS Child Care Program	\$28.8	\$31.8	\$36.3	\$38.7	\$40.8
HHSC Child Care Provider Regulation	\$15.6	\$17.4	\$17.6	\$20.2	\$20.1
Total Direct Appropriations	\$505.6	\$838.5	\$800.4	\$648.8	\$1,089.4

- CCDBG Unexpended Balance Transfer to 2024–25 Biennium.** The agency anticipates utilizing Article IX, Section 13.09, Temporary Assistance for Needy Families, Social Services Block Grant, or Child Care and Development Block Grant, unexpended balance authority allowing for the transfer of unobligated and unexpended balances for CCDBG funds to move \$255.1 million in unused CCDBG funds from the 2022–23 to the 2024–25 biennium. The agency would use these funds for a method of finance swap with COVID-19 CCDBG funding to continue services for these providers despite the COVID-19 funding source being fully expended by fiscal year 2023. This action is due primarily to the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding expiring at the end of fiscal year 2023.
- Federal Mandatory Match Increase.** Funding recommendations do not include an agency exceptional item request for \$35.0 million in General Revenue to meet the increase in the CCDBG mandatory match. Pursuant to the enactment of the America Rescue Plan Act (ARPA) of 2021, a requirement went into effect raising the mandatory and matching funding for CCDBG, which is a permanent increase. The increase is the first in CCDBG mandatory and matching appropriations since 2006. Because of this change, the agency's required match is increasing to \$150.0 million in each fiscal year of the 2024-25 biennium. The increased mandatory and matching funding will provide an additional \$52.0 million of federal matching funds per fiscal year. The agency anticipates having the necessary funds to draw down the federal match through fiscal year 2024. However, to draw down the federal match in fiscal year 2025, the agency requests an exceptional item of \$35.0 million in General Revenue in fiscal year 2025 to meet the matching requirement. This exceptional item funding would allow local workforce boards to serve an additional 13,000 children in fiscal year 2025. See also, Items Not Included in Recommendations #1.
- Strategic Plan to Support Child Care Workforce.** Enactment of House Bill (HB) 619, Eighty-seventh Legislature, Regular Session, 2021, directed TWC to prepare a strategic plan for improving the quality of the child care workforce in Texas. The agency provided copies of the report to the Office of the Speaker of the Texas House of Representatives, the Office of the Lieutenant Governor, and the Office of the Governor as required by HB619. Additionally, the agency published the Strategic Plan to Support Child Care Workforce to TWC's Child Care & Early Learning Services webpage, laying out substantial child care initiatives to address the needs of the Texas workforce.

3. **Jobs and Education for Texans (JET) Program and Industry-Recognized Apprenticeships Programs (IRAP).** Funding recommendations include \$30.0 million in General Revenue for the JET program for the 2024-25 biennium. This is an additional \$15.0 million in General Revenue for the JET program from the 2022-23 biennium. Funding recommendations also includes \$20.0 million in General Revenue, and an additional 2.0 FTEs for the IRAP grant programs in the 2024-25 biennium.

The JET program primarily partners with public junior colleges, public technical institutes, public state colleges, school districts, and open-enrollment charter schools. The program awards grants to the listed public institutions for purchasing and installing the equipment necessary for developing career and technical education (CTE) courses and programs. Pursuant to the enactment of House Bill 1525, Eighty-seventh Legislature, Regular Session, 2021, the agency partnered with Texas Education Agency (TEA) to award \$56.0 million in the 2022-23 biennium. The \$15.0 million included in funding recommendations will allow the agency to award an estimated 66 grants throughout the 2024-25 biennium, benefiting an estimated 6,000 students.

The IRAP grant programs were established by the Eighty-sixth Legislature, Regular Session, 2019 through enactment of House Bill 2784. The \$20.0 million included in funding recommendations will allow the agency to implement the IRAP grant programs, which are designed to address any immediate workforce needs resulting from hurricanes or other natural disasters and overall workforce shortages. The IRAP grant programs function under a reimbursement payment methodology wherein grantees will be reimbursed for costs incurred while training participants. Recommendations provide an additional 2.0 FTEs for program support to the IRAP grant programs.

4. **Budget Structure Changes.** Recommendations include the following changes to the agency's budget structure approved by the Legislative Budget Board and Governor's Office staff for the agency's bill pattern structure for the 2024–25 biennium at the request of the agency which aligns the agency's budget structure with program and service delivery methods and provides greater budgeting transparency.

2024-25 Biennium Strategy	2024-25 Biennium Strategy Name	2022-23 Biennium Strategy	2022-23 Biennium Strategy Name
1.1.1	Local Workforce Connection Services	1.1.1	Workforce Innovation & Opportunity
		1.1.3	TANF Choices
		1.1.4	Employment and Community Services
		1.1.5	SNAP E&T
		1.5.1	Unemployment Claims
1.3.1	Local Child Care Solutions	1.4.1	TANF Choices Mandatory Child Care
		1.4.2	At Risk & Transitional Child Care
2.2.2	Business Enterprises of Texas	1.2.2	Business Enterprises of Texas
		1.2.3	Business Enterprise Texas Trust Fund
2.3.1	State Workforce Services	1.1.1	Workforce Innovation & Opportunity
		1.1.3	TANF Choices
		1.1.4	Employment and Community Services
		1.1.5	SNAP E&T
		1.1.6	Trade Affected Workers
		1.1.7	Senior Employment Services
		1.1.9	Adult Education and Family Literacy
2.3.2	Child Care Administration	2.1.2	PGM Supp, Tech Asst & Training Services
		1.4.2	At Risk & Transitional Child Care
2.4.1	Unemployment Services	1.4.3	Child Care Administration
		1.5.1	Unemployment Claims
		1.5.2	Unemployment Appeals
		1.5.3	Unemployment Tax Collection

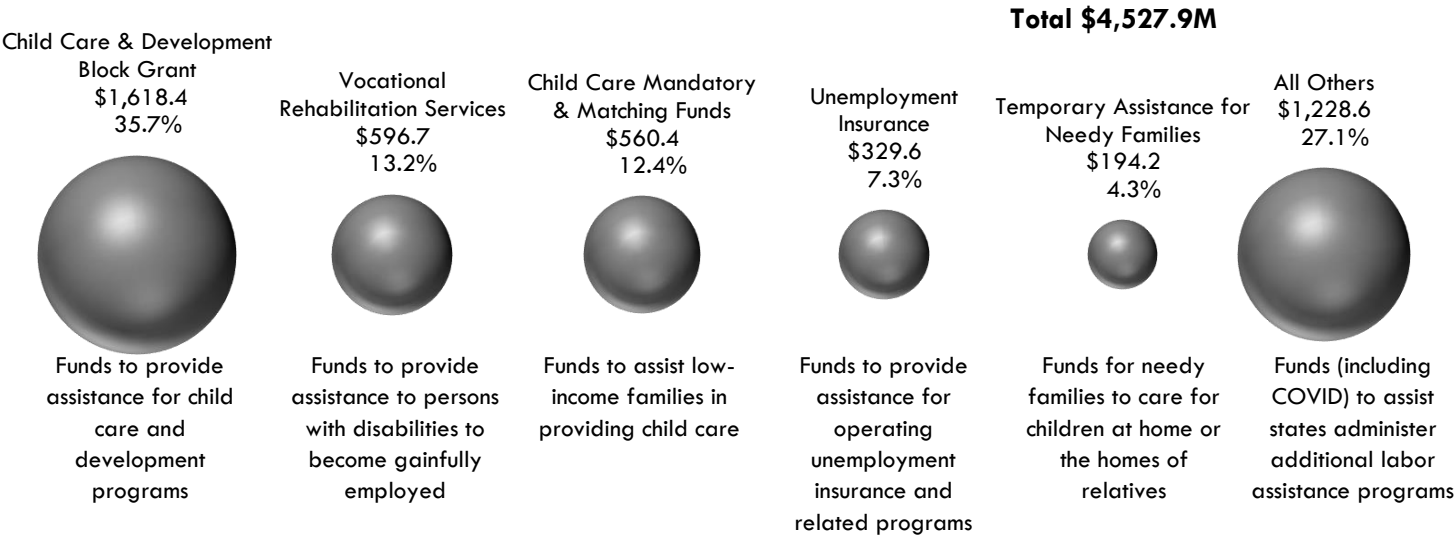
5. **Capital Budget Requests.** The funding recommendations and capital budget authority include the following five federally funded projects:

- A) Customer Care Portal Improvement.** \$3.2 million in Federal Funds to enhance the agency Customer Care Portal by implementing a "Main Door" approach by utilizing a suite of solutions to provide seamless customer support and to provide customers with the main point of initial contact to access agency information and services. The enhancements include an agency-wide Customer Relationship Management (CRM) solution that aggregates and summarizes customer interactions across division programs.
- B) Child Care Single Information Portal Development.** \$4.3 million in Federal Funds to develop a single childcare information hub for all stakeholders in TWC's Child Care programs by providing constituents with access to a wide array of resources supporting employers, families, individuals, and the community.
- C) Unemployment Insurance (UI) Tele-Center Telecommunications Improvement.** \$2.0 million in Federal Funds to upgrade two elements of the agency's Tele-Centers across the state. 1) Upgrade the agency-wide telephone system used in the UI Tele-Centers and oversight divisions to ensure continued service support and security enhancements and expand the reporting system to capture and report on the new system capabilities. 2) Upgrade the quality improvement and performance system used across the UI Tele-Centers and oversight divisions to ensure continued service support and security enhancements and introduce two additional assessment capabilities allowing the agency to more efficiently and effectively trends and opportunities impacting customer interactions and outcomes.
- D) Supply & Demand Tool Improvement.** \$3.0 million in Federal Funds to improve the Texas Labor Market Analysis application on the agency's public-facing website that will improve access to more reliable data regarding the Texas economy relating to the labor market, supply and demand data, and education and career opportunities in Texas.
- E) Adult Education and Literacy (AEL) Case Management System Replacement.** \$3.4 million in Federal Funds to replace AEL case management system, Teams, allowing for greater administrative efficiencies and effectiveness in the AEL program and improve data retention and enhance reporting functionality for local, state, and federal reporting requirements.

The funding recommendations and capital budget authority do not include the following two projects:

- A) Labor Law System Replacement.** Request for \$2.2 million in General Revenue-Dedicated funds to replace the agency's legacy Labor Law System used to track and process labor law & wage claims and child labor law violations and investigations. See also Items Not Included in Recommendations #5.
- B) Cash Draw & Expenditure System Replacement.** Request for \$0.5 million in General Revenue funds and \$2.7 million in Federal Funds to replace the agency's legacy the Cash Draw and Expenditure Reporting (CDER) system used as a grant drawdown and expenditure reporting system for TWC's various grantee's interfacing with TWC's accounting system. Approximately \$1.2 billion in grantee payment requests are processed through this system annually. See also Items Not Included in Recommendations #6.
- C) Preschool Development Grant Eligibility Screener.** Request for \$5.0 million in Federal Funds to develop and implement a common eligibility screening tool across multiple early childhood programs to allow families to more easily determine service eligibility. See also Items Not Included in Recommendations #7.

Texas Workforce Commission
Summary of Federal Funds (2024-25) - Senate

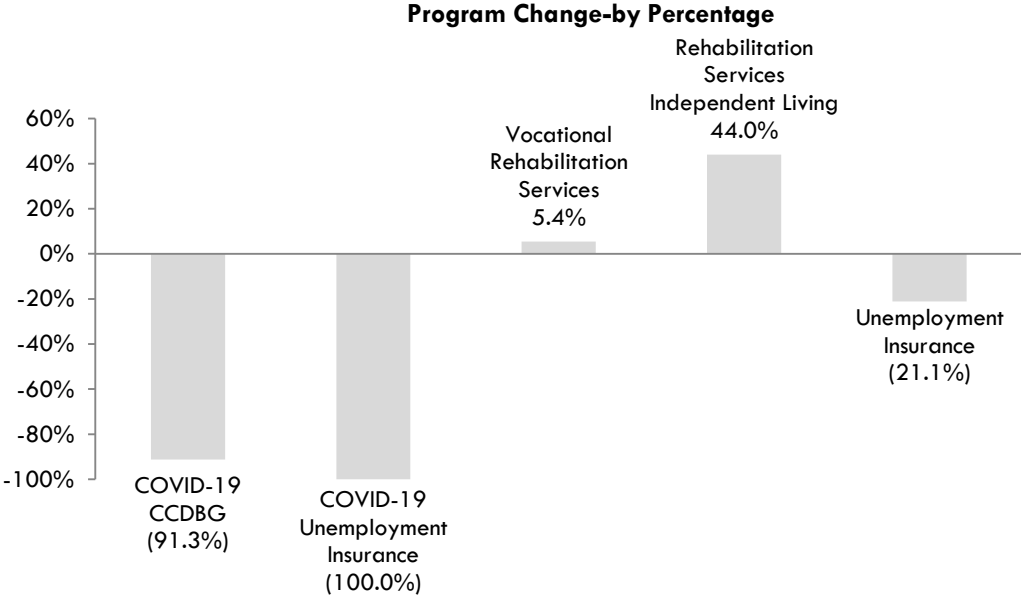
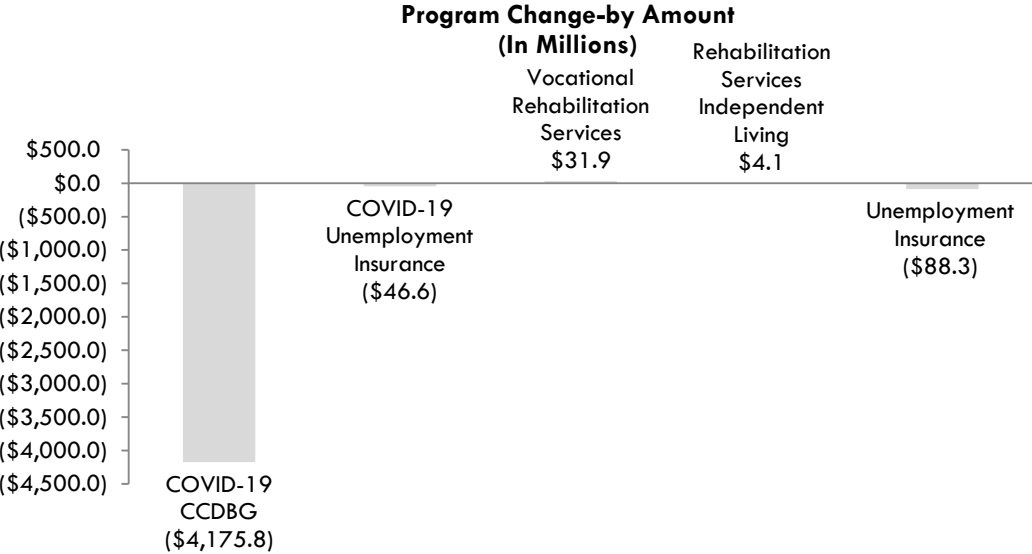


Selected Federal Fiscal and Policy Issues

Federal Funds estimates include a decrease of \$4,175.8 million for the Child Care and Development Block Grant and \$134.9 million for Unemployment Insurance in the 2024-2025 biennium.

COVID-19 federal awards are one-time awards to help respond to, and mitigate, the COVID-19 pandemic.

Programs with Significant Federal Funding Changes from 2022-23



**Texas Workforce Commission
Rider Highlights - Senate**

Modification of Existing Riders

- 31. **Reimbursement of Advisory Committee Members.** Recommendations modify the rider to add the Industry-Based Certification Advisory Council to the list of advisory committees eligible for travel reimbursement. Additionally, the rider provides amounts eligible reimbursements for actual and necessary travel expenses for the Industry-Based Certification Advisory Council, pursuant to the enactment of House Bill 3938, Eighty-seventh Legislature, Regular Session, 2021.
- 42. **Child Care Transferability.** Recommendations modify the rider to reflect the new budget structure and remove transferability as it is no longer necessary. See also Selected Fiscal and Policy Issue #4.
- 46. **Unexpended Balances Appropriation: Acquisition of Information Resource Technology.** Recommendations modify the rider to add two additional ongoing projects: the Child Care Application and Vocational Rehabilitation system replacement.

New Riders

- 8. **Unexpended Balances Appropriation: Skills Development and Jobs and Education for Texans (JET).** Recommendations include a rider providing unexpended balances (UB) authority within the biennium for any unobligated and unexpended General Revenues appropriations made to the Texas Workforce Commission (TWC) in Strategies B.1.1, Skills Development, and B.1.3, Jobs and Education for Texans (JET). The rider includes language requiring the agency to provide quarterly reports to the Legislative Budget Board and Governor's Office on all transfers between the two strategies.

Texas Workforce Commission
Items Not Included in Recommendations - Senate

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	General Revenue funding for the Child Care and Development Block Grant (CCDBG) to meet increased federal fund match requirements for drawing down an additional \$52 million in federal funds.	\$35,000,000	\$35,000,000	0.0	No	No	\$35,000,000
2)	One-time General Revenue funding to increase funding for the Civil Rights Division with authority for an additional 6.0 FTEs each fiscal year to clear an Equal Employment Opportunities complaint backlog. 6.0 FTEs include: 4.0 Investigator IV (\$52,000 per position per year) 1.0 Program Specialist III (Mediator) (\$57,000 per year) 1.0 Manager 1 (Mediator Supervisor) (\$60,000 per year)	\$650,000	\$650,000	6.0	No	No	\$0
3)	One-time General Revenue funding to increase funding for a pilot Pre-apprenticeship Career Pathways program and with authority for an additional 1.0 FTE each fiscal year to develop preparatory instruction for high school students and adults, accommodating the rising demand for apprenticeship training across Texas industries. 1.0 FTE include: 1.0 Program Specialist IV (\$59,473 per year)	\$7,500,000	\$7,500,000	1.0	No	No	\$0

Texas Workforce Commission
Items Not Included in Recommendations - Senate

Section 5

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
4)	Skills Development a) \$24,626,594 in General Revenue funding to accommodate the increased demands of the agency's various skills development and training programs funded through the Skills Development Fund. b) Request \$373,406 in General Revenue funding and authority for an additional 3.0 FTEs each fiscal year to accommodate the increased demands of the agency's various skills development and training programs funded through the Skills Development Fund. 3.0 FTEs include: 2.0 Contract Specialist IV (\$63,615 per position per year) 1.0 Program Specialist IV (\$59,473 per year)	\$25,000,000	\$25,000,000	3.0	No	No	\$25,000,000
5)	General Revenue-Dedicated 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.	\$2,200,000	\$2,200,000	0.0	Yes	Yes	\$60,000
6)	General Revenue funding and federal funds with capital budget authority to begin a project to replace the agency's legacy the Cash Draw and Expenditure Reporting (CDER) system.	\$455,630	\$3,120,752	0.0	Yes	Yes	\$100,000
7)	Federal Funds with capital budget authority to begin a project to develop and implement a common eligibility screening tool across multiple early childhood programs to allow families to more easily determine service eligibility.	\$0	\$5,000,000	0.0	Yes	Yes	\$360,000
8)	Authority for 1.0 additional FTE to administer and perform the duties required by the Foster Youth Driver's Education Reimbursements program established by the Eighty-seventh Legislature, Regular Session, 2021. In the bill as introduced, program funding is appropriated to the Texas Department of Public Safety (DPS). TWC will enter into an interagency contract with DPS to receive the necessary funding.	\$0	\$0	1.0	No	No	\$0

Texas Workforce Commission
Items Not Included in Recommendations - Senate

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Rider Requests Not Included

A)	Amend Rider 31, Reimbursement of Advisory Committee Members. Amend the rider to add the Texas Early Learning Council (TELC) to the list of advisory committees eligible for travel reimbursement.	\$0	\$0	0.0	No	No	\$0
B)	Delete Rider 3, Appropriation: Federal Funds, that specifies reporting requirements for Unemployment Insurance Federal Funds beyond Article IX, Sec. 13.02, Report of Additional Federal Funding.	\$0	\$0	0.0	No	No	\$0
C)	Delete Rider 42, Child Care Transferability, that provides transferability between two local child care solutions strategies and requires quarterly reporting on transfers made. Recommendations amended the rider to remove the transferability and report requirements were amended to become an expenditure report. See also Rider Highlights #4.	\$0	\$0	0.0	No	No	\$0
D)	Delete Rider 49, Employer and Community Based Organization Partnerships, that requires the agency to produce a report on individuals with special needs in apprenticeship programs by October 1, 2022.	\$0	\$0	0.0	No	No	\$0
E)	New Rider, Unexpended Balances Appropriation: Industry Recognized Apprenticeship Programs and Pre-Apprenticeship Career Pathways, to add unexpended balance authority within the biennium for the new Strategy B.1.2, Apprenticeship.	\$0	\$0	0.0	No	No	\$0

TOTAL Items Not Included in Recommendations	\$70,805,630	\$78,470,752	10.0			\$60,520,000
--	---------------------	---------------------	-------------	--	--	---------------------

**Texas Workforce Commission
Appendices - Senate**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	14
B	Summary of Federal Funds	19
C	FTE Highlights	20

* Appendix is not included - no significant information to report

Texas Workforce Commission					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LOCAL WORKFORCE CONNECTION SVCS A.1.1	\$503,696,018	\$520,053,378	\$16,357,360	3.2%	All Funds net increase due to the following: a) Increase of \$22,659,344 in Federal Funds, primarily in the Workforce Investment and Opportunity Act (WIOA) program, anticipated in the 2024-25 biennium. b) Decrease of \$6,043,096 in Interagency Contract (IAC) for Supplemental Nutrition Assistance Program (SNAP) Able-Bodied Adults Without Dependents (ABAWD) as a one-time cost not anticipated in the 2024-25 biennium.
LOCAL YOUTH WORKFORCE SERVICES A.1.2	\$119,352,533	\$124,840,858	\$5,488,325	4.6%	Increase in Federal Funds for the Workforce Investment and Opportunity Act (WIOA) program anticipated in the 2024-25 biennium.
ADULT EDUCATION AND FAMILY LITERACY A.2.1	\$162,239,240	\$164,498,990	\$2,259,750	1.4%	
TRADE AFFECTED WORKER SERVICES A.2.2	\$34,701,010	\$34,701,010	\$0	0.0%	
SENIOR EMPLOYMENT SERVICES A.2.3	\$8,806,942	\$8,806,942	\$0	0.0%	
LOCAL CHILD CARE SOLUTIONS A.3.1	\$2,709,164,499	\$2,378,837,835	(\$330,326,664)	(12.2%)	All Funds net decrease due to the following: a) Decrease of \$399,369,554 in Federal Funds for one-time, COVID-19 disaster-related funding not anticipated to continue in the 2024-25 biennium. b) Increase of \$69,042,890 in Federal Funds for the Child Care Development Block Grant (CCDBG) anticipated in the 2024-25 biennium.
CHILD CARE QUALITY ACTIVITIES A.3.2	\$3,959,012,280	\$299,119,966	(\$3,659,892,314)	(92.4%)	All Funds net decrease due to the following: a) Decrease of \$3,669,528,953 in Federal Funds for one-time, COVID-19 disaster-related funding not anticipated to continue in the 2024-25 biennium. b) Increase of \$9,636,639 in Federal Funds for the Child Care Development Block Grant (CCDBG) anticipated in the 2024-25 biennium.
CHILD CARE - DFPS FAMILIES A.3.3	\$121,779,203	\$122,645,914	\$866,711	0.7%	
Total, Goal A, LOCAL WORKFORCE SOLUTIONS	\$7,618,751,725	\$3,653,504,893	(\$3,965,246,832)	(52.0%)	
SKILLS DEVELOPMENT B.1.1	\$38,360,563	\$37,799,554	(\$561,009)	(1.5%)	

Texas Workforce Commission					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
APPRENTICESHIP B.1.2	\$33,355,896	\$33,003,809	(\$352,087)	(1.1%)	All Funds net decrease due to the following: a) Decrease of \$18,432,087 in Federal Funds due to reallocations consistent with the federally approved cost allocation plan in the 2024-25 biennium. b) Decrease of \$1,920,000 in one-time Appropriated Receipts amount for donations not anticipated in the 2024-25 biennium. c) Increase of \$20,000,000 in General Revenue for the Industry-Recognized Apprenticeship Program (IRAP).
JOB EDUCATION FOR TEXAS (JET) B.1.3	\$15,455,393	\$30,747,505	\$15,292,112	98.9%	Increase of \$15,000,000 in General Revenue for the Jobs and Education for Texans program.
SELF SUFFICIENCY B.1.4	\$4,695,249	\$4,935,568	\$240,319	5.1%	Increase in Federal Funds for Temporary Assistance for Needy Families (TANF) Self Sufficiency grant anticipated in the 2024-25 biennium.
VOCATIONAL REHABILITATION B.2.1	\$648,956,803	\$684,366,166	\$35,409,363	5.5%	Increase in Federal Funds for Vocational Rehabilitation (VR) client services grant anticipated in the 2024-25 biennium.
BUSINESS ENTERPRISES OF TEXAS (BET) B.2.2	\$6,603,284	\$6,080,815	(\$522,469)	(7.9%)	Decrease of \$522,469 in Federal Funds due to reallocations consistent with the federally approved cost allocation plan.

Texas Workforce Commission					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
STATE WORKFORCE SERVICES B.3.1	\$254,282,420	\$210,994,111	(\$43,288,309)	(17.0%)	All Funds net decrease due to the following: a) Decrease of \$27,760,918 in Federal Funds due to reallocations consistent with the federally approved cost allocation plan in the 2024-25 biennium. b) Decrease of \$4,566,881 in Other Funds due to with Texas Veteran's Commission to operate programs to enhance the employment opportunities of veterans of the U.S. armed services, including the Disabled Veterans' Outreach Program and Local Veterans' Employment Program in the 2024-25 biennium. c) Decrease of \$15,071,584 in Federal Funds for one-time, COVID-19 disaster-related funding not anticipated to continue in the 2024-25 biennium. d) Decrease of \$44,337 for vehicle replacement as follows: - \$687 in General Revenue - \$1,890 in GR Match for SNAP Administration Account No. 8014 - \$41,760 in Federal Funds e) Increase of \$726,701 in Federal Funds and \$19,040 in Other Funds for the development of a Customer Care Portal and an increase of \$3,409,670 in Federal Funds for the replacement of the Adult Education and Literacy program's case management system.
CHILD CARE ADMINISTRATION B.3.2	\$137,849,157	\$35,998,436	(\$101,850,721)	(73.9%)	All Funds net decrease due to the following: a) Decrease of \$105,982,337 in Federal Funds for one-time, COVID-19 disaster-related funding not anticipated to continue in the 2024-25 biennium. b) Decrease of \$393,884 in Federal Funds for the Child Care Development Block Grant (CCDBG) anticipated in the 2024-25 biennium. c) Increase of \$231,655 in Federal Funds for the development of a Customer Care Portal and an increase of \$4,293,845 in Federal Funds for the development of a single Child Care information portal.
LABOR MARKET AND CAREER INFORMATION B.3.3	\$9,529,955	\$12,691,266	\$3,161,311	33.2%	Increase of \$3,000,000 in Federal Funds for enhancements to the Texas Labor Market Analysis application.

Texas Workforce Commission					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
SUBRECIPIENT MONITORING B.3.4	\$7,404,646	\$7,254,654	(\$149,992)	(2.0%)	
LABOR LAW ENFORCEMENT B.3.5	\$8,282,004	\$8,247,598	(\$34,406)	(0.4%)	
CAREER SCHOOLS & COLLEGES B.3.6	\$2,170,402	\$2,131,270	(\$39,132)	(1.8%)	
WORK OPPORTUNITY TAX CREDIT B.3.7	\$1,799,172	\$1,797,448	(\$1,724)	(0.1%)	
FOREIGN LABOR CERTIFICATION B.3.8	\$1,903,960	\$1,664,759	(\$239,201)	(12.6%)	Decrease of Federal Funds in the Labor Certification for Foreign Workers program not anticipated in the 2024-25 biennium.
UNEMPLOYMENT SERVICES B.4.1	\$409,018,546	\$267,323,124	(\$141,695,422)	(34.6%)	All Funds net decrease due to the following: a) Decrease of \$46,575,679 in Federal Funds for one-time, COVID-19 disaster-related funding not anticipated to continue in the 2024-25 biennium. b) Decrease of \$98,667,709 in Federal Funds for professional costs as the agency returns to pre-COVID-19 service levels in the 2024-25 biennium. c) Increase of \$1,548,602 in Federal Funds for the development of a Customer Care Portal and an increase of \$1,999,364 in Federal Funds for upgrades the Unemployment Insurance (UI) program's tele-communications system and the quality improvement and customer service performance monitoring systems used across the UI Tele-Centers.
CIVIL RIGHTS B.5.1	\$6,851,488	\$6,506,814	(\$344,674)	(5.0%)	All Funds net decrease due to the following: a) Decrease of \$120,022 in Interagency Contract (IAC) related to the projected reduction to the Policy Review contract where the agency reviews personnel policies and procedures for Texas state agencies and public higher education institutions anticipated in the 2024-25 biennium. b) Decrease of \$224,651 in Federal Funds due to facility related cost and allocated capital projects; offset by General Revenue savings related to administrative efficiencies realized through work-from-home initiative.
Total, Goal B, STATE WORKFORCE DEVELOPMENT	\$1,586,518,938	\$1,351,542,897	(\$234,976,041)	(14.8%)	
CENTRAL ADMINISTRATION C.1.1	\$51,978,644	\$52,746,129	\$767,485	1.5%	
INFORMATION RESOURCES C.1.2	\$7,625,494	\$7,737,530	\$112,036	1.5%	
OTHER SUPPORT SERVICES C.1.3	\$17,679,785	\$17,655,302	(\$24,483)	(0.1%)	

Texas Workforce Commission					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
Total, Goal C, INDIRECT ADMINISTRATION	\$77,283,923	\$78,138,961	\$855,038	1.1%	
SALARY ADJUSTMENTS D.1.1	\$0	\$44,795,705	\$44,795,705	100.0%	All Funds net increase as follows due to general state employee salary increases: a) \$10,974,949 in General Revenue; b) \$223,979 in General Revenue-Dedicated No. 165; and c) \$33,596,777 in Federal Funds.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$44,795,705	\$44,795,705	100.0%	
Grand Total, All Strategies	\$9,282,554,586	\$5,127,982,456	(\$4,154,572,130)	(44.8%)	

**Texas Workforce Commission
Summary of Federal Funds - Senate
(In Millions)**

Program	Est 2022	Bud 2023	Rec 2024	Rec 2025	2022-23 Base	2024-25 Rec	2024-25 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child Care and Development Block Grant (CCDBG)	\$789.3	\$746.5	\$589.9	\$1,028.5	\$1,535.8	\$1,618.4	35.7%	\$82.6	5.4%
Vocational Rehabilitation Grants to States	\$284.7	\$280.0	\$296.2	\$300.5	\$564.7	\$596.7	13.2%	\$32.0	5.7%
Child Care Mandatory & Matching Funds of the CCDBG	\$279.8	\$280.2	\$280.2	\$280.2	\$560.0	\$560.4	12.4%	\$0.4	0.1%
Unemployment Insurance	\$237.7	\$180.1	\$172.1	\$157.5	\$417.8	\$329.6	7.3%	(\$88.3)	(21.1%)
Temporary Assistance for Needy Families	\$104.5	\$95.9	\$97.8	\$96.4	\$200.4	\$194.2	4.3%	(\$6.2)	(3.1%)
Adult Education Basic Grants to States	\$76.7	\$77.5	\$81.1	\$77.8	\$154.2	\$158.9	3.5%	\$4.6	3.0%
WIOA Dislocated Worker Formula Grants ¹	\$68.1	\$77.3	\$76.1	\$77.5	\$145.5	\$153.7	3.4%	\$8.2	5.6%
WIOA Adult	\$79.1	\$75.1	\$76.3	\$74.8	\$154.3	\$151.2	3.3%	(\$3.1)	(2.0%)
WIOA Youth Programs	\$74.2	\$70.9	\$72.6	\$72.2	\$145.2	\$144.8	3.2%	(\$0.4)	(0.3%)
Employment Service	\$51.2	\$49.1	\$53.5	\$49.2	\$100.3	\$102.7	2.3%	\$2.4	2.3%
Trade Adjustment Assistance	\$21.4	\$19.5	\$19.8	\$19.7	\$41.0	\$39.5	0.9%	(\$1.4)	(3.5%)
Rehabilitation Services Independent Living	\$3.0	\$6.2	\$6.5	\$6.8	\$9.2	\$13.3	0.3%	\$4.1	44.0%
Senior Community Service Employment Program	\$4.5	\$4.5	\$4.5	\$4.5	\$8.9	\$8.9	0.2%	(\$0.0)	(0.0%)
Labor Force Statistics	\$2.9	\$2.8	\$2.9	\$2.9	\$5.7	\$5.9	0.1%	\$0.2	3.7%
Social Services Block Grant	\$2.0	\$2.0	\$2.0	\$2.0	\$4.0	\$4.0	0.1%	\$0.0	0.0%
Supported Employment Svcs. for Individuals w/ Most Significant Dis.	\$2.1	\$1.6	\$1.6	\$1.6	\$3.7	\$3.2	0.1%	(\$0.5)	(12.3%)
Fair Housing Assistance Program	\$1.8	\$1.3	\$1.2	\$1.2	\$3.1	\$2.4	0.1%	(\$0.7)	(21.5%)
Work Opportunity Tax Credit (WOTC) Program	\$1.1	\$0.9	\$1.0	\$1.0	\$2.0	\$2.0	0.0%	(\$0.0)	(0.1%)
COVID-19 Grants ²	\$4,512.9	\$124.1	\$399.6	\$0.0	\$4,637.1	\$399.6	8.8%	(\$4,237.5)	(91.4%)
All Other Grants ³	\$21.4	\$2.8	\$13.6	\$25.0	\$24.2	\$38.6	0.9%	\$14.4	59.4%
TOTAL:	\$6,618.4	\$2,098.7	\$2,248.4	\$2,279.5	\$8,717.1	\$4,527.9	100.0%	(\$4,189.2)	(48.1%)

¹ Workforce Innovation Opportunity Act (WIOA).

² COVID-19 Grants include one-time supplemental federal funding to existing programs to help respond to and mitigate the COVID-19 pandemic.

³ All Other Grants include funding for additional labor assistance programs and salary adjustments.

**Texas Workforce Commission
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	4,868.50	4,871.5	4,871.5	4,894.5	4,905.5
Actual/Budgeted	4,675.1	4,891.0	4,878.5	NA	NA

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

Notes:

- a) The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 22-706, August 2022), indicates a market average salary of \$234,520 for the Executive Director position at the Texas Workforce Commission.
- b) The agency's fiscal year 2023 budgeted number of full-time equivalent (FTE) positions is higher than the cap due to 7.0 FTEs that are 100% federally funded, as authorized by Article IX, Sec. 6.10, General Appropriations Act 2022-23.
- c) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.