

Texas Workforce Commission

A Member of Texas Workforce Solutions

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Employers

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the Public

Steve Pier
Executive Director

July 1, 2026

Mr. Eric Beverly, Executive Director
Texas Sunset Advisory Commission
PO Box 13066
Austin, Texas 78711

RE: TWC Response to the Staff Report

Dear Executive Director Beverly:

On behalf of the Texas Workforce Commissioners, the leadership team, and the dedicated men and women of the Texas Workforce Commission (TWC), I want to express our deep appreciation for the time, professionalism, and dedication the Sunset staff demonstrated throughout this process to thoroughly review and understand the complexities of our agency. Your team went above and beyond in working with TWC to ensure this report is as thorough and impactful as possible. Thank you for the opportunity to respond to the Sunset Advisory Commission Staff Report.

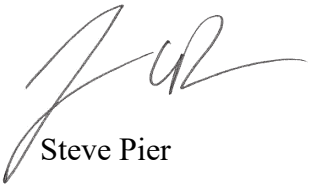
As detailed in the attached responses, TWC agrees with the many recommendations presented in the Staff Report. We recognize that some of these recommendations will require significant time and resources to implement fully, and we have already begun to develop plans that will enhance the delivery of vital services to the people of Texas.

We are committed to continuous improvement as we support Texas employers, workers, families, and communities. We pledge to do this efficiently, energetically, and empathetically. By working together, we will build a stronger and ultimately more impactful workforce system that will benefit our staff and the Texans we serve.

We look forward to continuing our collaborative work with your team as we move forward in implementing the management recommendations and working through the legislative process. The Texas Workforce Commission understands how vital this process is to improving the agency and, as a result, Texas.

Thank you for your consideration of our attached comments and for your commitment to the success of our state's workforce system.

Sincerely,



Steve Pier

Executive Director

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**Response to the Texas Sunset Advisory
Commission Staff Report
July 1, 2026**

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Issue 1: Enhancing TWC’s coordination with and oversight of LWDBs would better ensure effective workforce program delivery for Texans.

Change in Statute

Recommendation 1.1 Transfer certain council authority and responsibility for LWDB oversight to TWC.

[Response: Agree, but defer to the Legislature](#)

TWC understands the benefit of streamlining TWC’s authority and responsibility for oversight of the Local Workforce Development Boards (LWDBs) but recognizes that it is the role of the Legislature to determine authority and oversight. TWC defers to the Legislature on the appropriate enhancements and will amend agency rules and guidance for LWDBs to implement this recommendation in accordance with state and federal law.

Recommendation 1.2 Abolish TWC’s expired advisory committee and require TWC to establish a new LWDB Advisory Committee in rule.

[Response: Agree, but defer to the Legislature](#)

TWC agrees that better communication and coordination between TWC, LWDBs, and direct-service providers are important to the success of the Texas workforce system. The agency has long-standing formal feedback channels in place to solicit feedback from LWDBs on programs, policies, and rules that affect LWDB operations. TWC’s Executive Director has committed to attending WIN meetings, with TWC leadership scheduled to attend the WIN Q3 meeting in September. This effort is at the request of Board Executive Directors and is intended to improve TWC’s understanding of LWDB issues.

If approved by the Legislature, TWC will amend agency rules to establish a standing LWDB Advisory Committee. The committee will serve as a more formal mechanism for further collaboration on various policy and implementation issues to improve communication between TWC and LWDBs.

Recommendation 1.3 Prohibit a LWDB fiscal agent from simultaneously serving as the LWDB’s direct-service contractor.

[Response: Agree, but defer to the Legislature](#)

This recommendation stands to reduce possible conflicts of interest and improve service delivery.

Recommendation 1.4 Update the requirement for TWC to publish LWDB performance data.

Response: Agree, but defer to the Legislature

TWC will compile and publish existing performance measure data on each LWDB on TWC's website to ensure transparency and accountability.

Management Action

Recommendation 1.5 Direct TWC to reevaluate adverse action rules and policies to address repeat or long-term poor performance.

Response: Agree

TWC will reevaluate its adverse action rules, policies and procedures to better track and address LWDB performance issues. TWC will ensure that adverse action procedures are clear and actions are documented consistently. Additionally, TWC will develop an adverse action tracking system and further incorporate adverse action history into its decision-making processes.

Recommendation 1.6 Direct TWC to create a minimum standard for contractor staff training.

Response: Agree

TWC agrees with the recommendation to create a minimum standard for contractor staff training with LWDB input. TWC will provide a baseline curriculum that address statewide expectations and policies while ensuring LWDBs and contractors retain the flexibility to customize additional training components to fit local policies and initiatives.

Recommendation 1.7 Direct TWC to clearly define the roles and responsibilities of ES merit staff.

Response: Agree

Boards use ES staff inconsistently and while the plan has been to move these positions to local staff, through attrition, TWC has rethought that strategy. TWC recently began efforts to better define the roles and responsibilities of Employment Services (ES) merit staff in LWDB contracts and agency guidance. TWC will ensure that there are clear procedures for LWDBs, contractors, and merit staff, and that ES services are delivered consistently across the state. Further, TWC is developing a program to train ES staff to assist customers with UI issues

ensuring that, at each office where ES staff is assigned, customers have access to qualified assistance should they be unable to get that online or over the phone.

Recommendation 1.8 Direct TWC to standardize guidance and procedures for TPPs.

[Response: Agree](#)

TWC agrees that more focus should be placed on leveraging Third-Party Partnerships (TPPs) in the SNAP E&T program. TWC has already created a large collection of standardized procedures and forms related to the TPP initiative, including a budget template, case management guidance, participant tracking sheet, contracting checklist, and certification of expenditures form. The agency has made great strides towards providing LWDBs and their contractors with a wealth of financial and technical assistance and standardized procedures related to TPP, but we will continue to improve these templates and materials and develop additional guidance to assist LWDBs and TPPs with implementing and expanding this initiative.

Recommendation 1.9 Direct TWC, in consultation with HHSC, to update SNAP E&T systems and procedures.

[Response: Agree](#)

TWC agrees with this recommendation and is prepared to work in collaboration with the Texas Health and Human Services Commission (HHSC) to review all SNAP E&T rules, policies, systems, and procedures to identify changes that would remove administrative inefficiencies and improve the SNAP E&T program and customer service in Texas.

Recommendation 1.10 Direct TWC to analyze the most effective use of FTEs to serve UI customers.

[Response: Agree](#)

TWC agrees with the need to improve the customer service experience within the Unemployment Insurance (UI) program. Customers often have their first engagement with LWDB offices when seeking UI assistance. Boards and ES merit staff need to be positioned to provide the best UI assistance possible and then transition the customer to signing up for and receiving our workforce services. This is complicated by federal regulation, but with a varied strategy, not difficult. The agency recently initiated a review of data and collaborated with the LWDBs to produce a set of actionable solutions to improve UI claimant experiences and support assisting claimants with reemployment. The first deliverable being developed by TWC and the LWDBs is a UI claimant desk aid as a comprehensive guide for front-line Workforce Center staff to provide immediate, accurate assistance to UI claimants. In addition, the agency will

analyze available data and further collaborate with the LWDBs to determine the most effective use of FTEs to serve UI customers more efficiently where ES staff is not available.

Change in Appropriation

Recommendation 1.11 The House Appropriations and Senate Finance committees should consider adding a performance measure for Unemployment Services.

Response: [Defer to the Legislature](#)

TWC defers to the Legislature and to the US Department of Labor on performance measures. Prior to the start of the next legislative session, TWC will explore potential performance measure options to assist the Legislature in identifying a meaningful performance measure for unemployment services. TWC is ready to work with the Legislature to identify other measures that will improve visibility into customers' experiences with UI call centers.

Issue 2: The Texas Department of Licensing and Regulation could more effectively regulate Career Schools and Colleges than TWC.

Change in Statute

Recommendation 2.1 Transfer the regulation of career schools and colleges to TDLR.

Response: [Agree, but defer to the Legislature](#)

TWC recognizes the potential efficiencies and economies of scale that could be achieved by transferring its only licensing function to Texas Department of Licensing and Regulation (TDLR), which has a robust regulatory apparatus that already regulates career schools in several occupational fields. Upon the direction of the Legislature, TWC will provide TDLR with access to all necessary systems and information to ensure an effective transition of the program by no later than September 1, 2028. TWC is ready to assist with bill drafting and appropriations considerations including the Tuition Trust Account.

To further facilitate a smooth transition, TWC recommends an ongoing, coordinated approach between TDLR's career schools and colleges regulation and the Eligible Training Provider (ETP) program administered by TWC. The agencies should work together to minimize duplicative processes for training providers, many of which are licensed career schools, and to provide a simple means for ETP applicants to obtain the required evidence of licensure or exemption from career schools and colleges regulation. TWC is working with TDLR in coordination of an exceptional item for new licensing software.

Recommendation 2.2 Remove barriers that limit the agency’s ability to ensure students receive refunds when career schools and colleges close.

[Response: Agree, but defer to the Legislature](#)

TWC agrees that the recommended changes would enhance consumer protection for students and the long-term sustainability of the Tuition Trust Account.

Recommendation 2.3 Remove a subjective qualification for licensure from statute.

[Response: Agree, but defer to the Legislature](#)

TWC agrees that this recommendation would provide more objective eligibility criteria.

Recommendation 2.4 Authorize the agency to provide biennial renewal for career school or college certification.

[Response: Agree, but defer to the Legislature](#)

TWC agrees that allowing, but not requiring, two-year certification would provide flexibility to utilize limited state resources most efficiently and could lighten the regulatory burden without compromising consumer protection.

Recommendation 2.5 Require the agency to establish a risk-based approach to inspections

[Response: Agree, but defer to the Legislature](#)

TWC agrees that a risk-based approach to inspections would optimize the allocation of state resources, which will be increasingly necessary as the need for career and technical credentials grows, and with it, the number of licensed career schools in Texas.

Recommendation 2.6 Remove restrictive fee authority from statute.

[Response: Agree, but defer to the Legislature](#)

TWC agrees that establishing fees by rule would provide transparency while allowing for greater flexibility to cover the administrative costs of the program.

Change in Appropriation

Recommendation 2.7 The House Appropriations and Senate Finance committees should consider adjusting performance measures for the regulation of career schools and colleges.

Response: [Defer to the Legislature](#)

Issue 3: TWC's Vocational Rehabilitation program struggles with integration, administration, and training, hindering its ability to efficiently, consistently, and fairly serve customers.

Change in Statute

Recommendation 3.1 Require TWC to define TWC-VR integration and its objectives in rule.

Response: [Agree, but defer to the Legislature](#)

TWC recognizes the importance of defining Vocational Rehabilitation (VR) and Workforce Solutions (WFS) integration formally in rule to support seamless service delivery. While the agency must work carefully within the parameters of the existing systems to fully execute these changes, TWC has already begun taking actionable steps to implement the required elements, including co-enrollment processes, data-sharing policies, and joint cross-training.

If adopted by the Legislature, TWC will initiate rulemaking to define all required elements of TWC-VR integration; create a memorandum of understanding (MOU) model that incorporates elements of service integration and meets federal requirements; develop a comprehensive co-location framework; and amend LWDB contracts to require TWC approval prior to any de-integration of offices.

Recommendation 3.2 Modify statute regarding the case review system from a 10 percent minimum requirement to a statistical sampling methodology.

Response: [Agree, but defer to the Legislature](#)

TWC agrees that this recommendation would allow VR staff to better focus their efforts on quality of case reviews, rather than quantity.

Management Action

Recommendation 3.3 Direct the VR program to abolish its regional structure and redistribute regional personnel and resources.

Response: Agree

TWC has been planning and collecting feedback on organizational restructuring. The agency will now integrate Sunset recommendations to dissolve the regional framework and reallocate resources to better support field staff and customers. As part of that effort, the San Antonio Regional Office closed on May 31, 2026, and staff have relocated to alternative San Antonio office locations. Further changes to the structure will be announced in the coming weeks.

Recommendation 3.4 Direct the VR program to align MUs with the 28 LWDB areas.

Response: Agree

TWC has redrawn its VR Management Units to align with LWDB boundaries. The agency has evaluated the necessary system updates and is now establishing a timeline for implementation. This is expected to be fully executed in early fiscal year 2027.

Recommendation 3.5 Direct the VR program to update training for new VRCs to improve curriculum and better prepare staff.

Response: Agree

TWC is currently redesigning the VRC training and mentoring program to improve curriculum standards, staff preparedness, and ongoing support.

As part of this effort the ReHabWorks (RHW) 101 Case Management training has been updated and is in the process of transitioning to a dedicated Training and Development platform. This move will allow for improved tracking, automated reminders, and documented compliance. The RHW 101 training will be a prerequisite for new counselor training.

In addition, as part of a formal mentoring plan, TWC incorporated a Community of Practice for new counselors to provide ongoing support and foster engagement.

TWC will integrate the Sunset Commission's specific findings into the ongoing training redesign.

Recommendation 3.6 The VR program should accept alternative certification for job skills, job coaching, and supported employment services.

Response: Agree

TWC will explore alternative certifications that meet federal requirements, maintain quality standards, and allow for more affordability for providers.

Throughout this process, TWC will remain committed to preserving high-standard, state-specific training to ensure vendors deliver effective job coaching and supported employment services to VR customers.

Issue 4: TWC's poorly executed IT modernization efforts compromise the effective delivery of workforce and child care services to Texans.

Management Action

Recommendation 4.1 Direct TWC to develop a two-year strategic modernization plan that aligns with the state budget timeline and requires formal commission approval.

Response: Agree

TWC will develop a formal biennial IT Modernization Strategic Plan designed to align with the agency strategic plan and Legislative Appropriations Request timelines. This plan will create a holistic approach to how TWC's IT systems can and should interact to ensure data quality and increase efficiency. The plan will give TWC a target so that each IT system upgrade can be built with the final goal in mind. TWC division leadership will be included in the planning phase and will consolidate high-level insights from TWC's existing detailed technical roadmaps, budgetary and project governance processes, and mandated reporting to DIR on modernization efforts to ensure a unified modernization strategy that reflects TWC's highest priorities. The final plan will be submitted to the Commission and Executive Director for formal review and approval each biennium.

TWC will also establish a modernization work group as recommended to develop an accountability and remediation plan for systems already launched with critical and high-impact defects and will include system replacements as well as a workgroup to address remediating backlogged requests for existing systems.

Recommendation 4.2 Direct TWC to implement a scope-to-value alignment policy for all MIRPs.

Response: Agree

TWC will implement a new market feasibility and budget verification report for Major Information Resources Projects (MIRPs) in addition to leveraging the Quantitative Benefit Analysis from the DIR Business Case Workbook as recommended.

Recommendation 4.3 Direct TWC to assign a single, cross-divisional project owner for every MIRP who is responsible for documenting all technical decisions and reporting project status updates to the BEST committee for formal approval.

Response: Agree

While TWC currently utilizes project managers as the cross-divisional owners for MIRPs, we will update our project roles and responsibilities to explicitly be responsible for maintaining a comprehensive record of all technical decisions and actions and serving as the central point of contact across divisions. We will include the requirements for documenting technical decisions on their Risks, Assumptions, Issues, and Decisions (RAID) logs and reporting to the Business and Executive Strategy for Technology (BEST) committee, TWC's primary IT governance body, for formal approval. We will also consider moving project managers out of the IT division to ensure they have an agency-wide perspective and balanced priorities between IT and the agency's business functions.

Recommendation 4.4 Direct TWC to implement a pre-procurement feasibility assessment to formally determine whether an off-the-shelf solution or in-house development provides more long-term value and effectiveness for the agency.

Response: Agree

TWC will formalize a pre-procurement feasibility process by mandating the use of our Build vs. Buy analysis framework template for all potential MIRPs. This initial assessment will establish feasibility based on market research and high-level requirements, and a secondary technical validation will occur during the solicitation evaluation phase to ensure vendor solutions specifically meet complex statutory reporting and data integration requirements. An important component of this approach will also be to conduct a business processes analysis and identify which processes can be modernized when adopting a new IT system rather than build to current practice.

Recommendation 4.5 Direct TWC to formally revise its IT procurement framework to include necessary staff.

Response: Agree

TWC will formally revise its IT procurement framework to ensure all affected divisions are involved in the new system's creation. We will explicitly include Information Innovation and Insight (I|3) and Fraud Detection and Compliance Monitoring (FDCM) division staff as distinct groups, separate from the general "program area" category due to their whole-of-agency responsibilities. In the spirit of continuous improvement, TWC will look for additional

opportunities to include subject matter experts earlier in, and throughout the procurement process to ensure technical requirements align with statutory mandates and business needs.

Recommendation 4.6 Direct TWC to mandate that all IT contracts include a technical deliverables clause requiring vendors to provide updated data dictionaries and direct technical access for TWC data analysts.

[Response: Agree](#)

TWC will update its IT procurement templates to include a mandatory clause requiring vendors to provide regularly updated data dictionaries as a formal deliverable. To ensure contractual integrity and technical coordination, all communications directing IT vendor activities will be managed through the established IT Single Point of Contact role. This governance model ensures that technical access is provided while maintaining the agency's centralized vendor management and IT protocols.

Recommendation 4.7 Direct TWC to implement mandatory, program-led Go/No-Go criteria for all major system launches.

[Response: Agree](#)

TWC understands the need to focus on system readiness instead of arbitrary deadlines and will update its launch protocols to mandate that Go/No-Go criteria for all major systems are established and determined by the respective program divisions, ensuring UAT is satisfactorily complete and a functional data map is received. TWC will also integrate a formal reporting step to the BEST committee to provide a final layer of executive oversight and approval for these decisions.

Recommendation 4.8 Direct TWC to implement a standardized, agencywide post-implementation review process for all major IT initiatives, including MIRPs and non-MIRP projects.

[Response: Agree](#)

TWC will implement a new and more thorough project closeout process for all MIRP and non-MIRP projects to include mandatory reporting on vendor performance, technical debt impact, and defects/enhancements not addressed prior to go-live. The closeout document will also account for changes in budget, scope and timeliness throughout the project. These findings will be formally integrated into the IT project briefing packets for review by agency leadership and the Commission offices, ensuring transparency and continuous improvement in project delivery. TWC will include lessons learned to ensure post-project insights are applied across the agency to pending and future projects.

Recommendation 4.9 Direct TWC to prioritize the completion of a unified data model and ensure agencywide alignment with enterprise data governance policies.

[Response: Agree](#)

TWC understands the critical importance of having a single source of consistent, comparable data across programs. As a result, TWC will seek funding through the Legislative Appropriations Request (LAR) process to develop a unified data model based on Master Data Management architecture. This project will include a mandatory alignment phase to ensure all agency data activities comply with enterprise data governance policies.

[Issue 5: Better processes and tools would improve TWC’s ability to deter and penalize fraud.](#)

Change in Statute

Recommendation 5.1 Require TWC to establish UI fraud administrative penalties in rule.

[Response: Agree, but defer to the Legislature](#)

TWC will work with the Legislature to assist in the implementation of this recommendation.

Recommendation 5.2 Require full fraud and penalty repayment as part of UI eligibility.

[Response: Agree, but defer to the Legislature](#)

The proposed statutory change would close a significant loophole in the UI program.

Recommendation 5.3 Clearly authorize TWC to require identification verification for UI claimants.

[Response: Agree, but defer to the Legislature](#)

TWC fully supports additional legislation allowing Texas Department of Public Safety to share social security information with TWC to further augment our verification processes. This information would provide TWC with a valuable data element in our fraud fighting efforts.

TWC’s current legal interpretation of state and federal law permits identification on unemployment claims, and TWC has been proactive in requiring identity verification

in administrative rule. A statutory codification of the identification requirement is the strongest way to address this issue.

Recommendation 5.4 Authorize TWC to use bank levies to recover fraudulent overpayments.

[Response: Agree, but defer to the Legislature](#)

Like the Treasury Offset Program authority under Labor Code Section 214.009, recouping unemployment benefit overpayments by bank levy would be an additional, valuable tool that would also serve as a fraud deterrent. TWC fully recognizes the power of this enforcement/recoupment mechanism and supports the implementation of adequate safeguards to ensure an individual is not unduly harmed.

Management Action

Recommendation 5.5 Direct TWC to develop clear, detailed procedures for agency staff to supervise child care fraud investigations.

[Response: Agree](#)

TWC agrees further oversight should be exercised over LWDB fraud investigations to ensure they are conducted consistently and effectively. Consistent application of the law is crucial to ensuring an investigation is conducted properly.

TWC also agrees that stronger enforcement actions will be necessary in some situations to ensure LWDB compliance. When non-compliance is found, it is important that we work with these LWDBs to identify the cause and provide additional quality training as necessary.

TWC has also provided increased investigation guidance to LWDBs this year, including field guides, and will continue to augment and supplement this guidance. Current revisions are already underway.

Additionally, current collection activities are being reviewed to ensure improper payments are recovered as required.

Finally, TWC's Prosecutions Unit stands ready to provide full assistance to all LWDBs with child care fraud prosecution. We have now created a specific child care prosecutions investigator position to provide this support.

Concerning fiscal impact, TWC agrees with Sunset's assessment that there are many ways of changing our policies and procedures to detect and further reduce fraud. However, we do not agree that making the significant, substantive, and meaningful changes recommended here as to how we conduct investigations will be cost neutral. This report makes clear that TWC's current level of oversight and review requires enhancement. TWC believes that, to provide

proper oversight and enhanced investigations/reviews, additional staff will be necessary to facilitate this important work.

Recommendation 5.6 Direct TWC to enhance its existing fraud data management processes to include requirements for tracking, analyzing, and reporting child care fraud data.

Response: Agree

As directed by the Governor, TWC has worked tirelessly to enhance data collection efforts and modernize our child care fraud detection protocols. Part of this process has been enhancing our data systems and updating our reporting methods. Program Integrity Reporting Tracking System (PIRTS) data is now being loaded into TWC's Enterprise Data Warehouse to assist with developing metrics and compliance reporting. We will be loading all data to the extent possible, including pre-2022 data. TWC will continue to update our processes and improve our data quality in line with this recommendation.

Issue 6: TWC should improve coordination with DFPS and update its internal processes to more effectively administer the Child Care Subsidy program.

Management Actions

Recommendation 6.1 Direct TWC to require DFPS to provide a breakdown of the amount and source of funds spent for TWC-contracted day care.

Response: Agree

In February 2026, it became clear to TWC and Texas Department of Family and Protective Services (DFPS) leadership that there was miscommunication between agencies in child care program utilization. Adding to that, due to since resolved issues with the child care IT system, TWC was not able to fully analyze data from DFPS to understand the issue. This has since been rectified with top level agency staff at both agencies communicating directly to understand the issue and working closely to resolve it. The existing interagency contract between DFPS and TWC requires that DFPS provide expenditure reports to TWC on the Child Care Development Fund (CCDF). TWC will amend the current interagency contract, no later than October 1, 2027, to require that DFPS provide additional financial expenditure information in order to ensure that TWC can confirm which DFPS children are funded with CCDF and confirm that the federal CCDF requirement is being implemented regarding 12

months of eligibility. TWC will work in partnership with DFPS to ensure the means of communicating this information are streamlined, to the extent possible, for both agencies.

TWC will conduct periodic assessments of the data provided by DFPS, as required in the amended interagency contract, with the data that is recorded in the Texas Child Care Connection (TX3C) through the automated interface to ensure there are no discrepancies. TWC will also conduct periodic assessments of the DFPS children funded with CCDF to ensure that federal CCDF requirements are being met.

Recommendation 6.2 Direct TWC to conduct periodic training on CCDF federal requirements and the child care subsidy program for key DFPS staff and contractors.

Response: Agree

TWC conducted the first interagency training on May 6-7, 2026, for DFPS staff, LWDB staff, and LWDB child care contractor staff. A total of 183 attended on May 6, and 170 attended on May 7. While the program was designed for staff to attend one of the two days, 55 staff attended on both days. TWC will continue to host training at least annually and will add more as needed. In addition, TWC will develop a new CCS Guide for DFPS Day Care Services. This new comprehensive guide can assist DFPS in developing a resource outlining all relevant program requirements.

Recommendation 6.3 Direct TWC to issue a new request for proposal for the market rate survey contract, including a requirement that any bid includes hybrid, up-to-date methods for conducting the survey.

Response: Agree

TWC will develop a new request for proposals, conduct competitive procurement and initiate a new contract for the Market Rate Survey (MRS).

TWC includes the Cost of Quality (CoQ) report in the contract with the entity conducting the MRS. This is a federally-required report, which is completed on a two-year cycle, with the CoQ report for Centers completed in the first year, and the CoQ report for Homes the second year.

TWC's current two-year contract period for MRS and CoQ began on July 1, 2026, and concludes on June 31, 2028. TWC will competitively procure an entity to conduct the MRS and CoQ with an effective date of July 1, 2028.

Recommendation 6.4 Direct TWC to require the market rate survey contractor to provide a preliminary report on the anticipated rate change for child care in January of odd-numbered years.

Response: Agree

TWC has already amended the existing MRS contract to require that a preliminary estimate of the statewide average rate be provided to TWC in January of every odd-numbered year. TWC will include in the new contract the requirement that this information be provided to TWC in January of odd-numbered years for all future years. TWC will use this information to help update cost estimates that the Texas Legislature may use as it considers the Child Care Services budget and the estimated number of children it will serve for the next biennium.

Issue 7: Texas has a continuing need for the Texas Workforce Commission.

Change in Statute

Recommendation 7.1 Continue Texas Workforce Commission for 12 years.

Response: Agree

Recommendation 7.2 Remove the Sunset date from the Purchasing from People with Disabilities statute.

Response: Agree

Issue 8: The Texas Workforce Commission's statute and processes do not reflect some standard elements of Sunset reviews.

Change in Statute

Recommendation 8.1 Apply the standard across-the-board requirement regarding the governor's appointment of the presiding officer to TWC.

Response: Agree

Recommendation 8.2 Update the standard across-the-board requirement related to commission member training.

Response: Agree

Recommendation 8.3 Apply the standard across-the-board requirement regarding public testimony to TWC.

Response: Agree

Recommendation 8.4 Update the standard across-the-board requirement related to developing and maintaining a complaints system.

Response: Agree

TWC agrees that updating this statutory language will streamline the agency's complaint tracking and reporting processes. Replacing the requirement to maintain individual, written files and shifting from mandated quarterly updates to more practical periodic notifications will alleviate unnecessary administrative burdens, allowing staff to focus resources on actual complaint resolution rather than quarterly reporting deadlines.

Recommendation 8.5 Abolish three of TWC's reporting requirements and include in the overall annual report information currently published in five other reports.

Response: Agree

Recommendation 8.6 Update TWC's statute to reflect the requirements of the person-first respectful language initiative.

Response: Agree

Recommendation 8.7 Update TWC's statute to remove 10 inactive programs.

Response: Agree

TWC agrees with the list of inactive programs identified to be removed from statute. In addition, TWC recommends removing Project Rio (Reintegration of Offenders) detailed under Labor Code, Chapter 306. Funding for this program was discontinued in September 2011.

Management Actions

Recommendation 8.8 Direct TWC to update policy guiding its rule review process.

Response: Agree

TWC is committed to increasing public access and participation in the rulemaking process. To achieve this, TWC has significantly enhanced the agency website's rules section by reorganizing existing content and adding dedicated pages for rule reviews and public participation in rulemaking. In addition, TWC will begin conducting its rule reviews as standalone rulemakings.

Recommendation 8.9 Direct TWC to track and evaluate metrics on its use of AI systems.

Response: Agree

TWC is a leader in the adoption of AI to increase our efficiency. TWC will formalize a comprehensive framework to track and evaluate metrics across our AI portfolio. Recognizing that AI applications vary in function, TWC will categorize metrics based on specific use cases. For example, for Public-Facing AI (e.g., chatbots), TWC will continue to build and refine customer experience metrics, such as user satisfaction ratings and response accuracy. For Internal Operational AI tools designed to improve staff processes, TWC will develop operational efficiency indicators to measure the quality and speed of internal tasks, while acknowledging that internal efficiency gains do not always translate directly to public response times. For broad-use generative AI and productivity tools (e.g., ChatTWC), TWC will focus on value-based assessments rather than individual transaction tracking, prioritizing high-level organizational utility and qualitative feedback. This metrics framework will be developed in alignment with evolving standards from the Texas Department of Information Resources, the Texas Public Sector AI Systems Advisory Board, and other state and federal guidance.

Issue 9: The State has a continuing need for the Texas Workforce Investment Council.

Change in Statute

Recommendation 9.1 Continue the Texas Workforce Investment Council for 12 years.

Response: Agree

Recommendation 9.2 Abolish the Texas Skill Standards program.

Response: Agree

Recommendation 9.3 Modify statute to modernize workforce data evaluation.

Response: Agree

Recommendation 9.4 Modify statute to remove the council's responsibility to serve as fiscal intermediary for the Automated Follow-up and Evaluation System.

Response: Agree

Recommendation 9.5 Update the standard across-the-board requirement related to board member training.

Response: No comment.

Recommendation 9.6 Update the standard across-the-board requirement related to complaint information.

Response: No comment.