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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, JANUARY 15, 2019

BE IT REMEMBERED THAT at 8:30 a.m. on
Tuesday, the 15th day of January, 2019, the above-entitled
matter came on for hearing at the Texas Workforce
Commission, TWC Building, 101 East 15th Street, Room 244,
Austin, Texas, before RUTH R. HUGHS, Chair; JULIAN ALVAREZ
and ROBERT D. THOMAS, Commissioners.

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REPORTER'S CERTIFICATE.....45

P R O C E E D I N G S

TUESDAY, JANUARY 15, 2019

(8:30 a.m.)

AGENDA ITEM NO. 1

CHAIR HUGHS: Good morning. This meeting is called to order.

AGENDA ITEM NO. 2

CHAIR HUGHS: Mr. Trobman, is anyone signed up for public comment?

MR. TROBMAN: We do.

CHAIR HUGHS: All right.

MR. TROBMAN: We have two individuals here for public comment; Mr. Warren and Mr. Lara, and they will come on up and address the Commission three minutes a piece. And please introduce yourselves and who you recommend -- and who you represent for the record.

CHAIR HUGHS: Good morning.

MR. LARA: Good morning. We have a written testimony, or, you know, a copy of our oral testimony. I don't know if you want to share that.

Thank you for this opportunity to speak to you today. At the Legislature we usually testify at the end, so this is a very pleasant -- you know -- series of how you organize this.

My name is Rene Lara of the -- I'm the

1 Legislative Director of the Texas AFL-CIO, which is a
2 federation of labor unions in both the private sector and
3 the public sector. And we're here to testify on the issue
4 of marketplace contractors. A proposal on chapter -- a
5 change to chapter 815 of the Texas Administrative Code,
6 which was approved on December 4th for placing in the Texas
7 Register.

8 We believe that allowing employers who use
9 digital networks to designate workers as marketplace
10 contractors rather than employees would result in more
11 workers in Texas losing their unemployment benefits and
12 other benefits in -- afforded to them in state and federal
13 law. And so that's a primary reason that we object to these
14 rules.

15 We also think that the commission exceeds its
16 rule-making authority in approving them, and in any event it
17 -- the change is of such magnitude, and the implications to
18 the workforce are so great, that it should be a decision
19 best left to the Texas Legislature.

20 The last legislative session the Legislature
21 passed House Bill 100 relating to transportation network
22 companies, and they operate through digital networks as
23 well. They did decide that the workers in that case were
24 independent contractors, but they also approved certain
25 protections for the public and for the workers, including

1 requiring permits and payment of fees, and confirmation that
2 the workers are at least 18 years of age. Also, criminal
3 background checks.

4 And so we believe that -- those are issues
5 that the Legislature should decide and consider. We also
6 think that the rule would, well, as it stands the proposed
7 rules would not require web-based businesses to maintain
8 proof of legal citizenship, permanent residency, or valid
9 employment authorization for its workers, and we feel that
10 that would open up a loophole that would allow business to
11 shed all liability for issues relating to immigration
12 status.

13 We are very supportive of our immigrant
14 workforce, but we think that it's a -- a population that is
15 exploited under the current system, and they compose an
16 underground economy that we don't want to expand, and these
17 loopholes would -- or this rule, proposed as it reads, would
18 expand that loophole.

19 Also, and finally, we -- we think that small
20 businesses would be at a serious disadvantage if they
21 maintain their current business models and don't transfer
22 them over to a web-based model. So those business would be
23 at a competitive disadvantage if they -- they have to pay
24 unemployment insurance and other benefits while the web-
25 based businesses would not.

1 So for all these reasons we urge you to
2 reconsider and completely drop the proposal that -- that is
3 up before consideration in the Texas Register.

4 CHAIR HUGHS: Thank you, Mr. Lara, for your
5 testimony.

6 COMM. THOMAS: Les, as a -- a point of order,
7 if the testimony is related to a policy shouldn't that be
8 brought up at the second part, before the policy section? My
9 concern about that is if we're not broadcasting the
10 comments, because we're not broadcasting the first part, and
11 the communication is related specifically to a policy level,
12 it's my preference that that communication be taken at the
13 appropriate time, and I think that's before the policy
14 section.

15 LES TROBMAN: We can certainly bring the
16 public comment session up during the policy session and --

17 COMM. THOMAS: Okay. It's not -- this is not
18 to slow the gentlemen down. I know they probably would like
19 to get out of here. I just want to get into the -- to the
20 work that we need to do on the cases so that I can think
21 about the policy section second.

22 LES TROBMAN: Absolutely.

23 CHAIR HUGHS: So Mr. Lara provided written --
24 his written statement as well, so I'm glad that we have a
25 copy of that. I'm pretty sure that with the offices we'll

1 have his written testimony. Does Mr. Warren also have
2 written testimony, or would you prefer to wait until we're
3 broadcasting?

4 MR. TROBMAN: And I -- sorry.

5 CHAIR HUGHS: Yeah. You go ahead and address
6 that. Let us know.

7 MR. TROBMAN: I -- I was -- and I can also
8 just let you know, I do believe that we were recording, not
9 necessarily broadcasting, but certainly we can bring this up
10 as a public comment session in the later part of our meeting
11 today.

12 COMM. THOMAS: That's -- that's my
13 preference. I think I have some confusion now that we're
14 having -- we're on camera -- what's when and what should
15 happen, how and why. So I guess we're going to need some
16 guidance on that from you, Les. Because we're still taking
17 the position that we're not broadcasting the docket. Is
18 that correct?

19 MR. TROBMAN: One more time, sir.

20 COMM. THOMAS: I'm sorry. Are -- are we
21 still not broadcasting our docket? Is that correct?

22 MR. TROBMAN: Correct. We're currently not
23 broadcasting this, correct.

24 COMM. THOMAS: Okay, so we're going to need,
25 since this is all new, I think, to us, we're going to need

1 some guidance about what's happening when, and then some
2 clarification on, you know, the purpose of public -- I
3 understood the purpose of the public testimony was the --
4 the section to make sure that we are allowed to communicate.
5 So I just, I want to make sure that we know from the
6 meetings perspective that we're kind of complying with best
7 practices. Is, I guess, really what I'm saying.

8 MR. TROBMAN: Absolutely.

9 COMM. THOMAS: Okay, all right.

10 CHAIR HUGHS: So with that, it sounds like is
11 your request for Mr. Warren to present his testimony during
12 our policy portion of the agenda? Does that work with your
13 schedule, Mr. Warren?

14 MR. WARREN: At the Chair's pleasure.

15 CHAIR HUGHS: Wonderful. All right, then
16 let's proceed for now. We'll bring that back up. And, at
17 this time, I'll turn the meeting over to Commissioner Thomas
18 to preside over Agenda Items 3 through 7.

19 AGENDA ITEM NO. 3

20 Discussion, Consideration and Possible Action
21 Regarding Whether to Assume Continuing Jurisdiction on
22 Unemployment Compensation Cases, Wage Claim Cases, and/or
23 Tax Liability Cases and Reconsideration of Unemployment
24 Compensation Cases, Wage Claim Cases, and/or Tax Liability
25 Cases, if Any

1 No Discussion.

2 AGENDA ITEM NO. 4

3 Discussion, Consideration and Possible Action
4 Regarding Tax Liability Cases Listed on the Texas Workforce
5 Commission Docket 3

6 The Commission considered and took action on
7 all tax liability cases listed on Docket 3.

8 AGENDA ITEM NO. 5

9 Discussion, Consideration and Possible Action
10 Regarding Fair Housing Cases listed on the Texas Workforce
11 Commission Docket 3

12 No Discussion.

13 AGENDA ITEM NO. 6

14 Discussion, Consideration and Possible Action
15 Regarding Higher Level Appeals in Wage Claim Cases Listed on
16 the Texas Workforce Commission Docket 3

17 The Commission considered and took action on
18 all wage claim cases listed on Docket 3.

19 AGENDA ITEM NO. 7

20 Discussion, Consideration and Possible Action
21 Regarding Higher Level Appeals in Unemployment Compensation
22 Cases Listed on the Texas Workforce Commission Docket 3

23 The Commission considered and took
24 action on all unemployment compensation cases listed on
25 Docket 3.

1 AGENDA ITEM NO. 8

2 CHAIR HUGHS: Good morning. We are now back
3 in session. There's nothing on Item 8. I understand we do
4 have an update on Item 9.

5 AGENDA ITEM NO. 9

6 CHAIR HUGHS: Discussion, Consideration and
7 Possible Action Regarding the Texas Workforce Commission
8 Appropriations Request (Including Exceptional Items and
9 Riders) for the Fiscal Years 2020-2021 Biennium. Randy
10 Townsend. Good morning.

11 MR. TOWNSEND: Good morning, commissioners.
12 For the record, Randy Townsend, Chief Financial Officer.

13 I apologize for the confusion over this item.
14 We received late yesterday afternoon access to the
15 introduced version of the House Bill 1, which is the General
16 Appropriations Act for the agency. Of course, we haven't
17 seen the introduced version of Senate Bill 1.

18 CHAIR HUGHS: I apologize, go on.

19 MR. TOWNSEND: Okay -- the introduced version
20 of Senate Bill 1, we'll wait for that to see.

21 So what I have put together late yesterday
22 afternoon, or evening, actually, is a side-by-side
23 comparison. I handed that out just before the -- the
24 commission meeting started.

25 I just want to give you a quick update on the

1 -- the funding that we had requested in our base
2 appropriation request back in the August time period, and
3 then what the House Bill 1 reflects in terms of funding. We
4 have not yet met with the staff at LBB, so there's some
5 questions I still have about what was the thinking and --
6 and that sort of thing, but I want to give you at least that
7 information.

8 Also, we have been asked by LBB staff to go
9 back through the exceptional items that were previously
10 approved as part of our appropriation request and make sure,
11 in relation to the introduced bill, things were excluded
12 from that, then you can continue the exceptional items most
13 likely if they were included, of course, you would adjust
14 accordingly. We didn't quite get that -- that part of our
15 request included.

16 But let me go over that spreadsheet real
17 briefly with you. On page 1 of the document you've got two
18 looks at the same information, which is a comparison of the
19 method of finance.

20 In 2020 it's very similar to our request.
21 They actually added a total funding amount of 289,000.
22 However, the -- most of that, it was a -- a net change
23 between funding for the Department of Family Protective
24 Services Child Care, which if you'll flip to page 2, it
25 would be a little easier to see that -- that switch in

1 funding.

2 The DFPS Child Care was increased by 27.6-
3 million. I believe that agency had an exceptional item
4 request in funding their childcare increase with general
5 revenue funds. The introduced bill proposes to fund that
6 increase, or funds that increase, with our Child Care Block
7 Grant funds. That's a corresponding reduction in that case
8 to the child care for TWC of 27-million.

9 If you go down to the bottom of page 2 you'll
10 see the reduction would be 5300 less children in care in our
11 at-risk program if that stays at that level of funding.

12 In 2021 the Department of Family Protective
13 Services Child Care is increased by 29-million in the
14 introduced House Bill 1. The at-risk child care for TWC,
15 though, is reduced by 64-million.

16 Again, I have not had a chance to talk with
17 LBB staff about that. That's an overall reduction of 35-
18 million in funding as compared to our base request. More
19 important, I think, or just as important, is that that's
20 almost a 12,000 reduction in children in care than what we
21 had in -- included in our base request.

22 I'm not sure exactly where that 35-million
23 resides right at the moment as far as if it's just available
24 for us to ask for as an exceptional item to get that funding
25 back in federal funds, or if it's been assigned to another

1 agency, for example. Those are questions I'll try to get
2 the answers to here, hopefully, later this -- this morning
3 if -- if not by today.

4 But what I -- I guess -- and the only other
5 change is -- is just really a swap, if you go back to the
6 first page, it's really just a swap between our general
7 revenue method of finance between our Voc Rehab program that
8 LBB or the introduced bill, is proposing to move the -- out
9 of the general revenue to the general revenue match for Voc
10 Rehab, the 700,000 a year. That's -- that's fine. That's -
11 - that's just a classification. There's really no change in
12 funding, per se, on that.

13 So the real issue in terms of introduced
14 bills as far as just the funding goes is with respect to the
15 child care, and the main thing this morning I wanted to --
16 want to just make sure you were aware of that.

17 And then, two, is since we have this deadline
18 to get back with LBB by close of business tomorrow, is if
19 there's any direction you would like to provide -- of course
20 I've still got to get some information -- in terms of the
21 child care funding. If -- if the funding is available to be
22 requested back into our -- into our base, or to add to the
23 base that would be an acceptable item request of federal
24 funds currently, I would think if that's available we
25 probably would want to -- would want to make that request to

1 get the number of children back to the requested level.

2 But I just want to make sure that was in fact
3 the direction of the -- of the Commission and that staff is,
4 you know, responding accordingly. So -- and If you have
5 questions, please, let's -- want to make sure you understand
6 the -- what's before you here. Because this is, I know,
7 very last minute.

8 COMM. THOMAS: I do have a question. The Voc
9 Rehab, were you referring to line 1.2.1, or strategy 1.2.1?

10 MR. TOWNSEND: Actually, commissioner, so, I
11 was back on page 1 of 2, at the very top of that page.

12 COMM. THOMAS: I'm sorry, that's -- what line
13 was that?

14 MR. TOWNSEND: It's the very first line, the
15 M001, and then the M8007. I have --

16 COMM. THOMAS: I got it, there. There's the
17 700,000.

18 MR. TOWNSEND: Yes.

19 COMM. THOMAS: I was looking the wrong spot.

20 MR. TWONSEND: Sorry.

21 COMM. THOMAS: Thank you, that clarifies
22 that.

23 CHAIR HUGHS: Commissioner Alvarez, do you
24 have any comments or questions?

25 COMM. ALVAREZ: NO. Thank you, Randy, for the

1 work, and thank you for the update.

2 CHAIR HUGHS: And, Randy, you're seeking
3 directions on this today?

4 MR. TOWNSEND: I am, just to make sure that
5 staff is proceeding to respond to the LBB request that if we
6 determine that it would be appropriate to, and I think it
7 probably will be, to ask for the child care federal funds
8 back, to have them included in our budget, that that would
9 be, in fact, the -- the direction the commissioners would
10 like us to proceed with, and -- and essentially, to -- to
11 try to increase the number of children that can be served
12 closer to the 130 -- what we -- the 130,000, as previously
13 requested. Because 27-million has been taken out of our
14 budget and moved over to DFPS. I presume that part would
15 just be part of the assumption we've -- we would make going
16 forward.

17 So normally what we would do is we'd just go
18 back and re-calculate based on the funds available, that 35-
19 million, probably would propose to spread that over evenly,
20 more evenly, across the two years, the biennium, as opposed
21 to showing the reduction in the second year of the biennium.
22 Just programmatically make it a little easier for the boards
23 to administer the child care program. Especially given the
24 one-year time period that, you know, we have a child in care
25 before you'd have a re -- a recertification process.

1 So I think programmatically, and if we need
2 Courtney to -- to weigh in on -- on that part of it,
3 certainly that would make some sense. But I just -- it just
4 seemed like it'd make more -- it would be more logical to
5 keep that, the number of children, a little bit more
6 balanced across the years, as opposed to having two years of
7 reductions. But that's -- that's the -- the other part of
8 the consideration, I think. But, um --

9 CHAIR HUGHS: All right. Any other comments
10 or questions, Commissioner Thomas?

11 COMM. THOMAS: NO. I'd give you that my -- my
12 guidance and instruction is to seek the 35-million back for
13 the exact reasons he stated. I think that's our mandate.

14 CHAIR HUGHS: Commissioner Alvarez?

15 COMM. ALVAREZ: No questions.

16 CHAIR HUGHS: Do you agree?

17 COMM. ALVAREZ: I agree.

18 CHAIR HUGHS: All right, then you have that
19 guidance, and I agree as well. And thank you for looking at
20 this to stay on top of it and making sure we do what we can
21 do to support these children in care while we have those
22 numbers reduced, so thank you.

23 MR. THOMAS: Okay, you're welcome.

24 AGENDA ITEM NO. 2

25 CHAIR HUGHS: All right. Before we move on

1 to Item 10, back to Item 2, public comment portion. I
2 believe we had a continuation of the public comment, request
3 so that we could have the presentation during the policy
4 portion, so if we could please address that now, and then
5 we'll get back to the agenda item. We'll be back on 10.

6 MR. TROBMAN: Mr. Lara, your comments are
7 contained in the written record. Mr. Warren.

8 CHAIR HUGHS: Good morning.

9 MR. WARREN: Good morning.

10 CHAIR HUGHS: Thank you for your patience. I
11 know you've been waiting to testify about the --

12 MR. WARREN: Okay, thank you. Can you hear
13 me?

14 CHAIR HUGHS: Yes.

15 MR. WARREN: Okay. Good morning. My name is
16 Gary Warren. Thank each of you commissioners for allowing
17 me to be here this morning. I represent the Central South
18 Carpenter's Regional Council. That's a fancy term for the
19 carpenters union.

20 The Central South Regional Council is in
21 opposition to proposed Marketplace Platform Rule 815-134.
22 The proposed rule carves out an exception to employment
23 under Texas Employment Compensation Act for marketplace
24 platforms.

25 If ever there was a rule designed to increase

1 taxes, shift the burdens of work-related injuries and
2 unemployment to hard-working Texans and their families this
3 is it. That is especially true in the construction industry
4 where unlawful business practices harm workers and law-
5 abiding employers.

6 Regrettably the construction industry in
7 Texas is well known for its violations of labor and
8 employment tax laws, and for wage theft. Our
9 representatives regularly visit construction sites
10 throughout the state. It is routine for the construction
11 companies to hire crooked sub-contractors or labor brokers
12 that pay workers off the books. As a result, unemployment
13 contributions, federal employment taxes, wages and overtime
14 are not paid, and if there is workers -- if there is a
15 workers' compensation policy, full premiums are not paid.

16 The proposed rule will exacerbate and already
17 difficult business climate where workers are exploited, and
18 the honest construction businesses face the double indemnity
19 -- excuse me -- of losing work to shirkers while seeking --
20 while seeing their unemployment contribution costs rise.

21 The growing trend in the construction
22 industry in Texas and other states is the use of sub-
23 contractor labor brokers. It is a useful device to lower
24 labor cost by up to 50 percent, because labor brokers,
25 basically and typically, do not report their worker's

1 earnings to state or federal authorities, or to workers'
2 compensation insurers. Nor do they carry other employment
3 benefits like healthcare.

4 Those practices effectively shift the
5 employment tax burden to workers and their families, because
6 they end up paying the employment taxes and -- that their
7 employees should pay. That their employers should pay.
8 Meanwhile the illegal savings in labor broker costs gives
9 contractors a competitive edge, thus allowing them to steal
10 work away from law-abiding employers and their employees.

11 The rule creates a road map for contractors
12 and their crooked sub-contractors and labor brokers seeking
13 to evade their legal responsibilities. Construction is a
14 fiercely competitive industry that excels in creating
15 schemes that violate state employment and tax laws. The
16 rule will further pressure contractors to join in those
17 schemes and shed employees in order to stay in business.
18 The TWC will see its revenues drop. Moreover, hard-working
19 Texan -- moreover, hard-working Texan construction workers
20 will see the net income decrease through an increase in
21 employment tax obligations as more contractors get their
22 labor from brokers that pay low wages and operate through
23 marketplace platforms.

24 This is not a future that will grow and
25 support a middle class in Texas. For the reasons stated

1 above we respectfully request that the TWC to reject the
2 proposed rule. Thank you. That concludes my comment.

3 CHAIR HUGHS: Thank you, Mr. Warren.

4 AGENDA ITEM NO. 10

5 CHAIR HUGHS: Item 10, Discussion,
6 Consideration and Possible Action Regarding Jobs and
7 Education for Texans (JET) Advisory Board Recommendations
8 Concerning Fiscal Year 2019 Applicants for Community,
9 Technical and State Colleges and Independent School
10 Districts. Emily Clodfelter.

11 MS. CLODFELTER: Thank you. Good morning
12 commissioners, good morning, Mr. Serna. For the record, my
13 name is Emily Clodfelter, with the Office of Employer
14 Initiatives.

15 On December 18th of last year the JET
16 Advisory Board met to discuss the FY '19 JET RFA, Request
17 for Applications. And the advisory board reviewed and
18 approved the mass list for the ISDs and IHEs and directed
19 staff to move forward with awarding grants with the ability
20 through -- down that list of applications for this --
21 applications scored 60 percent and above as recaptured funds
22 become available.

23 We informed the advisory board of TWC's
24 legislative appropriations request, requesting an additional
25 \$6-million for the program, \$3-million per fiscal year, and

1 the Labor Market Grant Information Team presented trends and
2 information as the advisory board had requested regarding
3 the FY '16 through '18 JET applications.

4 And, for your information, I have included
5 the application summary behind to show the FY '16 through
6 '19 numbers of applications received.

7 So at this time I'll take any questions.

8 CHAIR HUGHS: Any questions, Commissioner
9 Thomas? Any questions or comments, Commissioner Alvarez?

10 COMM. ALVAREZ: NO. Great work, Emily, to you
11 and your team. Well done.

12 MS. CLODFELTER: Thank you.

13 CHAIR HUGHS: Thank you, Emily, we're excited
14 to see how this program continues to grow.

15 MS. CLODFELTER: Thank you, Chair.

16 AGENDA ITEM NO. 11

17 CHAIR HUGHS: Okay, Item 11, Discussion,
18 Consideration and Possible Action on the Submission of the
19 2018 Texas Workforce Commission Annual Report to the
20 Governor and the Legislature, Pursuant to Texas Labor code
21 Section 301.065. Lisa Givens and Tom McCarty. Good
22 morning.

23 MS. GIVENS: Good morning Chair Hughs,
24 Commissioner Alvarez, Commissioner Thomas. How are you this
25 morning? We have before you the 2018 TWC Annual Report for

1 your review and consideration and for adoption.

2 The -- the report highlights our successes in
3 the workforce system for the fiscal year 2018, and reflects
4 the workforce solutions provided to employers and job
5 seekers across Texas by our agency, our workforce boards,
6 and other critical workforce partners.

7 I'd like to thank you and members of your
8 staff as well as other team members from across the agency
9 for contributing to the report.

10 Because I know we have some potential edits
11 and some staff's recommendations we'd like to, at this time,
12 know if there are any changes to the Commissioner's letter,
13 and then we can go line by line with regard to the staff
14 edits and then any other Commission edits that we -- we have
15 received.

16 CHAIR HUGHS: Okay. I had some concern about
17 the Commissioner's Message. I got copies of a red line it
18 just seemed to turn into two pages, and it became a page
19 turner, so in an effort to simplify the message and have it
20 fit within the introductory part I did just cut to try to
21 create high-level, and I would like to share that with my
22 fellow commissioners.

23 But before we even take that should we just
24 take the report do you have any comments or questions on the
25 actual report before we get to our message? Commissioner

1 Alvarez, do you have any questions on the report itself?

2 COMM. ALVAREZ: I'll share those during my
3 time allowed for some edits.

4 CHAIR HUGHS: Okay, well then should we go
5 commissioner by commissioner then go ahead and get it
6 started. And then here's a copy of just a proposal. We can
7 look at that later, or whenever you want to bring it up in
8 your review.

9 COMM. ALVAREZ: So first of all, Lisa, I want
10 to tell you and Tom and your team great report. And I
11 agree, there is a lot of information, and there was a lot of
12 exciting things that took place in 2018. A lot of exciting
13 things. I have some just revisions -- revision and I will
14 provide these if you don't have them, Lisa, and to some in
15 the audience. Very minor edits to start off.

16 The first revision is on page 18, line 31.
17 We can get to that if you'd like. It's basically just
18 replace the word Spotlight to Texas Two-Step. It wasn't a
19 boot tour. It was, Listening Tour to Six Rural Texas Areas
20 Builds Workforce Connections With Spotlight. Texas Two-step
21 Boot Tour is a Listening Tour to Rural Texas Areas, Builds
22 Workforce Connections. Which is the official title of the
23 tour.

24 CHAIR HUGHS: We must have different copies.

25 MS. GIVENS: We may.

1 CHAIR HUGHS: Page 19?

2 COMM. ALVAREZ: Eighteen.

3 MS. GIVENS: Ms. -- Commissioner Alvarez, I -
4 - I see this edit you're referring to on page 19 of the
5 Commission...

6 COMM. ALVAREZ: Line 31.

7 MS. GIVENS: Yes, sir.

8 CHAIR HUGHS: I do have that.

9 COMM. ALVAREZ: So it's in the body of the
10 report.

11 COMM. THOMAS: I have no objection to that
12 request.

13 COMM. ALVAREZ: Because that was the official
14 name of the event, so we apologize if --

15 MS. GIVENS: Okay.

16 COMM. ALVAREZ: Revision two, is on page 35
17 --

18 CHAIR HUGHS: I'm sorry, before you move on
19 to that we're unanimous on that change that's proposed.

20 MS. GIVENS: Yes. Thank you for your hard
21 copy. I'll make sure we get that in the report. Thank you,
22 sir.

23 COMM. ALVAREZ: Okay. On page 35, line 17.
24 I'll wait till you get there. Line 17, replace skills to
25 transitioning program with skills for transition.

1 COMM. THOMAS: I have no objection to that
2 request either.

3 CHAIR HUGHS: Whatever the formal word is, is
4 fine.

5 MS. GIVENS: Okay, thank you all. I will
6 make sure that change gets made.

7 COMM. ALVAREZ: Those are my edits for right
8 now.

9 MS. GIVENS: Thank you, Commissioner Alvarez.

10 CHAIR HUGHS: Commissioner Thomas, do you
11 have any provisions on the actual report?

12 COMM. THOMAS: I -- I want to go through,
13 since this is my first one, I'd like to go through the whole
14 thing, so -- and just take them as they come up. I'm -- did
15 I understand you say staff have additional revisions, or
16 they documented it in the redline all ready?

17 MS. GIVENS: The staff edits are documented
18 in the redline as was summarized. Let me -- I do have
19 copies of those edits if you'd like.

20 COMM. THOMAS: Okay. I've already reviewed
21 those. Thank you.

22 Again, my -- my edits reflect the body of the
23 report, not the -- the Commissioner's Summary. Proceed.

24 CHAIR HUGHS: Speaking to what I saw in the
25 report -- I have reviewed the report. I've gone over it

1 with my staff, and seeing the staff changes, I believe I
2 have the most recent copy, and I don't have any changes to
3 the report itself, only to the Commissioner's Message, which
4 I think we'll take up next. I think I hear Commissioner
5 Thomas saying you might want to have a little bit more of an
6 overview, or a review of the report, or shall we move on?

7 CHAIR HUGHS: No I just -- no, no, NO. I
8 don't need an overview of the report. I just -- I was
9 trying to be responsive to Lisa in discussing that she
10 wanted to go through the specifics.

11 MS. GIVENS: I wanted to make sure that
12 everyone was in agreement with regard to the staff edits.
13 There were newer staff edits outlined in the -- even that
14 was set regarding this latest version that was redlined. We
15 can take those as a whole, or we can take them line by line,
16 if you'd like. Whichever you'd like to do.

17 CHAIR HUGHS: Commissioners, do you have a
18 preference? Would you like to go line by line, or accept the
19 staff changes as a whole in this point?

20 COMM. ALVAREZ: We could do it as a whole.

21 MS. GIVENS: Okay.

22 COMM. THOMAS: I concur. I have no comments.

23 MS. GIVENS: Okay.

24 COMM. THOMAS: I accept the staff changes.

25 MS. GIVENS: Okay.

1 COMM. THOMAS: I'm good.

2 MS. GIVENS: Thank you. So I guess that
3 leaves any other commission edits to the report. Just
4 confirming there wasn't any to the report itself. And then
5 we're -- then we're just talking about the Commissioner's
6 Letter and edits to that?

7 CHAIR HUGHS: Correct.

8 MS. GIVENS: Okay.

9 CHAIR HUGHS: So on the Commissioner's
10 Message, Commissioner Alvarez, do you have any comments or
11 questions on what was presented? I mean, maybe I'll start,
12 since I seem to be the one that has changes, if that's okay
13 with you all.

14 I think what happened is it just
15 unintentionally was longer than it needed to be. Our annual
16 report last year and this year, hopefully, will first start
17 with the growth of jobs in our state and the lower
18 unemployment rate, which is truly historic.

19 And so it seems that as a big-picture message
20 we would want to start with that. I agree that Harvey had a
21 tremendous impact on our state. It did happen in '17, and
22 it is mentioned in the report, and I do think it's worth
23 mentioning it in our message, but I don't know that it needs
24 to take as much detail or whatever pages that it took.
25 Really puts our message into a turn -- a page-turner that I

1 don't think any of us want.

2 Similarly, we have so many tremendous
3 programs to highlight, and I agree that they're all
4 important and amazing. Many of them are in the report
5 itself, and so I just took a stab at trying to identify the
6 high-level items that -- and also putting order in our
7 priorities; meaning our job growth, our response to Harvey,
8 then our tri-agency charge, which many of our initiatives
9 follow. After that's to highlight some programs, not the
10 least of which, and that's why in my revised version I put
11 it first, after talking about tri-agency, talking to other
12 kind of shifts. We know we want to seek more money and
13 support that program.

14 But then, also, talk about our other work-
15 based learning that we value, and mention internships, you -
16 - you know, we always mention our veterans, as we did last
17 year. And we've ended with including VR and child care.

18 So the proposal that -- that I've, you know,
19 drafted here I believe would take the two pages in the
20 intro. It would be high-level, and it would leave out many
21 details that put us into otherwise having to turn the page
22 to finish reading the Commissioner's Message.

23 So I appreciate that I was just handed -- I
24 just handed out to my fellow commissioners, and so if we
25 want to take five minutes, or --

1 COMM. THOMAS: I -- I'm actually -- I -- I'd
2 like to, procedural question, Chair Hughs. This -- this
3 ended up being -- taking too much of our collective time. I
4 think that the Chair makes some really, really good points,
5 both about the structural concept that I didn't have the
6 benefit of thinking through, but I really appreciate the
7 opportunity to hear Chair -- Chair Hughs's discussion of
8 that, and I agree that that's the way from a commissioner's
9 perspective we should be -- our message.

10 I'm trying to, because of the redlines, I'm
11 trying to assess how much time you've actually dedicated.
12 It looks like it's more like four pages versus Chair Hughs's
13 three pages, if I'm just eyeballing it.

14 My thoughts are three pages is still too long
15 for a message. What I'd really like to do, is I'd like to
16 have the opportunity to look at this, particularly in line
17 of Chair Hughs's really good, strong rationale. In fact,
18 what I'd really like to see addressed is that you really
19 listen to guidance, because I concur 100 percent with her.
20 And I think as I go, and I look at it in this context, from
21 my perspective, not only Chair Hughs, that I think we were
22 still a little bit too wordy.

23 So I think particularly to be -- to really
24 get a good punch here, to really punctuate what Chair Hughs
25 said, that I think we do -- I'd like to personally see Chair

1 Hughs, then take your suggestions, take it back. I don't
2 think we're under any particular time pressure at this
3 particular moment, to focus now just on this and let's go
4 through our process, but let's make sure we have a process
5 that honors you all as staff, gives you a deadline, but also
6 ensures that you get confirmation from all the commission
7 offices that you've got what you need from us, so that we
8 don't have to do this all the time. That's my preference.

9 COMM. ALVAREZ: So if I may see, we've --
10 I've looked at multiple summaries from commissioners, and I
11 agree, three pages, four pages is a lot. There are a couple
12 of recommendations that I would make, and one of them you
13 may list here. If you look at the report that we have here,
14 I was looking at from line 1 up to line 18, and pretty much
15 a lot of this is talking about what we referenced earlier
16 with the mission and vision as far as statement is. I mean,
17 if our agency is.

18 MS. GIVENS: In the message, Commissioner
19 Alvarez?

20 COMM. ALVAREZ: Yes, in the message. So the
21 existing message that was originally proposed to us in the
22 draft 2018 Annual Report. To make it a one-pager is really
23 what I would like to see.

24 MS. GIVENS: Okay.

25 COMM. ALVAREZ: but what I would also

1 recommend are some of the references that Chair Hughs and
2 Commissioner Thomas said, and that is that there should be
3 some other things in the body of the report, like
4 apprenticeship and childcare services and Hurricane Harvey
5 recovery efforts.

6 So I would be willing to negotiate, or even
7 look at, so that we can make it just quick and to the point
8 of including, you know, and I -- again, I -- I agree with
9 Commissioner Thomas, giving us an opportunity to revisit
10 this. But I -- the way I have mine is I've x-ed out on my
11 first page, just so that you can see it, just so you can get
12 a -- on page 1 I've x-ed out line 19 through 25. I've just
13 x-ed it out, just what you have there that you've omitted,
14 the line that you -- you see where you guys have gone
15 through?

16 MS. GIVENS: Yes, sir.

17 COMM. ALVAREZ: I've let that go. And then
18 line 33 to 34, like you all did. I took your
19 recommendation, took that out as well. And then on the
20 second page what I did was I took out line 1 through 17 just
21 like you requested to do, and I kept 18 through 30, and
22 that's just -- that should be one-page report. So it
23 doesn't include of the child care. It doesn't include the,
24 you know, the -- the apprenticeship. You know, we want to
25 get into detail.

1 That's -- that's one idea. The other concept
2 I have is allowing us to have a summary, just what I
3 explained, but why not allow the report to include something
4 from each commissioner's office? Some of the successes we've
5 had. Commissioner Thomas working on some ideas being new to
6 the commission, talking about him being new, talking about
7 some initiatives that he may bring forth. Commissioner -- I
8 mean, Chair Hughs bringing up -- up some ideas or some
9 initiatives that she's done.

10 This gives us an opportunity to talk about
11 the boot tour, or some of the success, even though it is in
12 the body of the report. That's just recommendation number
13 two. Again, small summary, and then the other one would be
14 to include maybe a one-pager of what each commissioner's
15 office has done. That's just an option.

16 CHAIR HUGHS: Commissioner Alvarez, I take
17 great pride in the fact that when we are all up here and we
18 vote on a initiative we all support it. And so I believe
19 that this legislative report is a required report to the
20 Legislature that tells the Legislature what our Commission
21 does. And so it's actually a unified voice, so I appreciate
22 your comment on the opportunity to spotlight things, and I
23 think that's why we have the Solutions articles. I -- I
24 wouldn't, personally, prefer to have it in an annual report
25 that's required to be submitted to the Legislature that

1 shows what TWC does.

2 It's really a simple message that I hope
3 doesn't get off the rails with what we more detail than is
4 needed to get it done.

5 COMM. ALVAREZ: Again, Chair Hughs, it was a
6 recommendation.

7 COMM. THOMAS: I just wanted to -- just
8 wanted to --

9 CHAIR HUGHS: I understand, I'm just -- this
10 is our chance to talk about it, so I'm just openly
11 discussing it.

12 COMM. THOMAS: Yeah. Yeah. I think that's a
13 good point. I understand -- actually I share both of your
14 thoughts, commissioners. I think that Commissioner Hughs
15 makes a good point. One of the things that I think the
16 three of us have been committed to is enhancing even our
17 efforts, our unified efforts. I think we're more powerful
18 together, and I think our staff have -- have seen that. I
19 also think that it's an opportunity, because we're
20 independently appointed, we have independent fiduciary,
21 legislative and constitutional duties; that it also makes
22 sense to give an opportunity either in the document, et
23 cetera, a place that highlights some of the things that we,
24 collectively, are working on for ourselves, even if
25 someone's championing that.

1 That having been said, commissioners, I think
2 that this is the last place that we should really be having
3 that particular kind of discussion. I think from a process
4 perspective, to be respectful of our staff and your staffs,
5 I know I've reviewed three -- we've reviewed this report
6 three specific detailed times, and it's my first time, you
7 know, Chair Hughs, to do it, so I acknowledge that I'm the
8 slow person in the -- in our group on this process.

9 But having the benefit of this discussion
10 from the dais I'd say, Commissioner Alvarez, I'd look
11 forward to seeing some of those kind of initiatives brought
12 up sooner in a process so that staff can evaluate that
13 timely for all of us. And then, secondarily, Commissioner
14 Hughs, I'd love the opportunity to see if there are places
15 where that makes sense in our annual reports, and it is an
16 official report.

17 CHAIR HUGHS: Certainly agree we can look at
18 that opportunity going forward. Do you have -- first of
19 all, what is the deadline to submit this report to the
20 legislature? Can we move this item for next week and allow
21 maybe opportunity then shorten the message and share it with
22 offices for a vote next week?

23 MR. McCARTY: The deadline is just to have
24 this -- this practical after the first of the year, so but
25 we are still within a window we can -- we could provide it

1 to the Legislature.

2 CHAIR HUGHS: I think there is some
3 consensus, then, to move this item until next week's docket.
4 Continue it until next week. Is that all right with you
5 all?

6 MS. GIVENS: Yes.

7 CHAIR HUGHS: Unless --

8 MS. GIVENS: Yes, Chair Hughs. So I am happy
9 to work with each of you and understanding and coming to a
10 consensus on what we need to finalize with the letter and
11 bringing that back up at a later date.

12 CHAIR HUGHS: Okay.

13 COMM. ALVAREZ: Any again, like stated
14 earlier, if we could get it to a one-page summary it would
15 be great. You know, we -- we talked about shortening it up,
16 you know, whether it's -- I prefer it stated earlier, one
17 page would be probably the appropriate thing.

18 MR. McCARTY: Commissioners, if I may ask,
19 would it be possible for you all to consider letting us --
20 we'll shorten the letter and those programmatic items.
21 Limiting those into spotlights within the body of report,
22 and highlighting where those would be, in order to try to
23 capture, one, which you all currently have kind of given us
24 guidance on what you'd like to have in the letter, so we
25 still can encompass that into the report and to where it

1 makes sense, but that also gives you a one-page letter?

2 COMM. ALVAREZ: I'd be okay with that.

3 COMM. THOMAS: I would as well, but I'd like
4 to -- I think what Chair Hughs said still is important in
5 our message. I think that while, as Chair Hughs says, that
6 the opportunity to expand on that in the report is fine. I
7 think a lot of the Legislature is going to, given their
8 volume of work, is going to read our letter to see kind of
9 where we're highlighting and directing them. So I would
10 open to make sure we capture Chair Hughs' recommendations
11 and thoughts that you figure out a tighter way, whether it's
12 bullet point of highlights, you know, things that just make
13 that clearly and it takes it out of text so that it get --
14 doesn't get lost in text, but it allows us to highlight. I
15 mean, I will suggest whatever you want to suggest, but I
16 don't want to lose Chair Hughs' suggestion on that.

17 MR. McCARTY: Certainly.

18 CHAIR HUGHS: And you can guide us on what
19 one page really means, because I know that the document I
20 had has large font that takes up three, but I understand
21 that that would not take up more than the smaller font, when
22 it was done right. So whatever that is I think we have
23 consensus on the message, the larger picture, and then the
24 information being in the document and all of us supporting
25 the actual report. So thank you all for the time you're

1 putting into this, and I know all of our offices look
2 forward to looking at it as soon as there are edits
3 available so that we can be ready to vote next week.

4 MR. McCARTY: Certainly.

5 MS. GIVENS: Okay. We're going to have them
6 shorten and not lose the points that you made in terms of
7 keeping those in the letter and format so that we know
8 exactly what the size we're looking at and we'll bring this
9 back for adoption next week. Thank you, Chair Hughs.

10 MR. McCarty: Okay, thank you.

11 COMM. THOMAS: Thank you.

12 MS. GIVENS: Thank you, Commissioners, thank
13 you, Mr. Serna.

14 CHAIR HUGHS: Okay. I understand there's
15 nothing for Items 12, 13 and 14.

16 AGENDA ITEM NO. 15

17 CHAIR HUGHS: Item 15, are there any updates
18 regarding enacted, proposed or considered federal or state
19 legislation?

20 MR. McCarty: I'll stay right here. Tom
21 McCarty, External Relations. Good morning Chair Hughs,
22 Commissioner Alvarez, Commissioner Thomas.

23 Congressional leaders are still in
24 negotiations to end the partial government shutdown that
25 began on the 21st of December. To address the compensation

1 of government employees the House and Senate did pass Senate
2 Measure 24, the Government Employment Fair Treatment Act of
3 2019. This is to provide pay for those government workers
4 affected by the shutdown right now.

5 Yesterday the House -- the U. S. House
6 passed HR 430, the TANF Extension Act of 2019. The bill
7 would extend the TANF Families program through June of 2019.
8 This measure will now go to the Senate.

9 Also, as Randy mentioned, LAB did release the
10 House recommendation recommendations for the appropriations
11 bill, so we are monitoring when the House will file that so
12 that we'll have the official document for review.

13 And then today at 11:00 is inauguration of
14 Governor Abbot and Lieutenant Governor Patrick, so there'll
15 be a lot of festivities and barbeque going on today.

16 That concludes my remarks, and I'm available
17 if you have any questions.

18 CHAIR HUGHS: Any questions, commissioners?
19 All right. Thank you, Tom.

20 MR. McCARTY: Thank you.

21 AGENDA ITEM NO. 16

22 CHAIR HUGHS: And on Item 16, Ed, do we have
23 any updates?

24 MR. SERNA: No, ma'am. I don't have anything
25 to report.

1 CHAIR HUGHS: Commissioners, do you have any
2 updates that you want to share at this time?

3 COMM. THOMAS: I do.

4 COMM. ALVAREZ: So do I. Go ahead.

5 CHAIR HUGHS: As do I. Go right ahead.

6 COMM. ALVAREZ: All right, so in back in July
7 I've been working with staff and I think we've even
8 discussed this from the dais. We took positions on various
9 child care services. We've been hearing from staff and
10 stakeholders about the growing need for child care owners to
11 have support in running their businesses.

12 Because of the many hat center's owners and
13 directors wear, they sometimes find it challenging to spend
14 as much time in the classroom and on teacher development as
15 they'd like. We have been hearing about opportunities for
16 shared services in back office help as ways to streamline
17 administrative duties and free up time for -- and resources,
18 for what we believe to be more meaningful activities.

19 In response to what we have been hearing I'd
20 like staff to bring forward a recommendation for use of some
21 of the quality funds for shared services. I'd like them to
22 focus the recommendation on supporting TRS three and four-
23 star centers. This funding could be coupled with the 60,000
24 in funding we expect to receive through the Preschool
25 Development Grant from TEA.

1 MR. SERNA: Yes, sir. I'll get staff to work
2 on some -- on some proposals in them.

3 COMM. THOMAS: That's an outstanding idea.
4 That's a really good idea.

5 COMM. ALVAREZ: Thank you.

6 CHAIR HUGHS: Anything else, Commissioner
7 Alvarez?

8 COMM. ALVAREZ: That's it, and I appreciate
9 staff's work on this.

10 MR. SERNA: Yes sir, we will.

11 COMM. THOMAS: Thank you, Chair Hughs. I
12 just have to let you know, publicly, how unbelievably
13 impressed I was and am with our general council. You may
14 have noticed that I no longer bring stacks and stacks of
15 paper up here. I really have been impressed with the
16 thoughtfulness and the kindness and the strategic thinking
17 that your -- your General Counsel -- our general counsel's
18 office has brought to making my docket that I bring up here
19 not -- my book, paperless, and it has been seamless and I
20 just wanted to publicly recognize the great work of the
21 General Counsel on this and in particular on making that
22 happen.

23 MR. SERNA: Thank you, sir. I appreciate it.

24 COMM. THOMAS: And then, secondarily, Chair
25 Hughs, I also would like to bring forth a proposal for you

1 all to ask for the staff to work on for us.

2 Working with Courtney, we got clarification
3 of the proper process that is to try to utilize the staff's
4 form, to fill out the staff's form, and then all initiatives
5 are to be brought and originate from the dais as -- as has
6 been happening. Therefore, we have handed out a document,
7 the proposed initiative, is strategic warp force, and it is
8 Hiring Texas Signing Day; a signing day to celebrate high
9 school seniors entering jobs and careers directly from high
10 school. This is a request for staff assistants to develop -
11 - develop initiative, or at least strategies, very quickly,
12 high level; to promote the success of high school students
13 choosing to enter careers and the job market directly from
14 high school. Hiring Texas Signing Day events would be held
15 in communities across Texas and showcased to celebrate
16 students making a choice to jump into the job market and
17 careers directly after high school, and employers who are
18 arming the students for these talents.

19 We believe that this initiative and this
20 effort would be consistent with all of the work associated
21 with the tri-agency initiatives, and also support the
22 initiatives of the 60x30 from our sister agency.

23 We believe this would support the governor's
24 focus on encouraging full employment, as well as looking at
25 alternative ways of getting young people into the workforce.

1 With that we'd appreciate your
2 (indiscernible). We'd appreciate your help and your
3 guidance in flushing this out.

4 MR. SERNA: Yes, sir. We will.

5 COMM. THOMAS: Thank you.

6 CHAIR HUGHS: Thank you, Commissioner Thomas.
7 We look forward to getting (indiscernible) staff is in
8 together.

9 So my updates were simply that I want to
10 recognize that TRACER has been updated and is going live on
11 Wednesday, tomorrow, or by the end of -- by the end of the
12 week. I know that's been a tremendous amount of work, over
13 a year in the making, and it's very exciting. And that's why
14 I wanted to recognize staff for that. I don't know if
15 anyone in that group is here today, but I know that was a
16 big undertaking, so thank you.

17 And, second, I want to take the opportunity
18 to let you all know that Blake Todd has joined my team, and
19 I'm so excited to have him as a policy advisor. My
20 condolences to government relations, but we're excited to
21 still have him working in our agency, and I'm very happy
22 that he's joined us. So please welcome him when you get an
23 opportunity, and if you're wondering why you're seeing Mr.
24 Blake, that's why. So... all right.

25 AGENDAY ITEM NO. 17

1 CHAIR HUGHS: Well, with that there are no
2 further updates. Is there a motion to adjourn?

3 COMM. THOMAS: So moved.

4 COMM. ALVAREZ: I'll second that.

5 CHAIR HUGHS: Okay.

6

7 (Proceedings concluded at 9:47:46 a.m.)

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C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

I, Kimberly C. McCright, Certified Vendor and Notary in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February, 2019.

/s/ Kimberly C. McCright
Kimberly C. McCright
Certified Vendor and Notary Public

Verbatim Reporting & Transcription, LLC
1322 Space Park Drive, Suite C165
Houston, Texas 77058
281.724.8600