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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, APRIL 23, 2019

BE IT REMEMBERED THAT at 8:30 a.m. on
Tuesday, the 23rd day of April, 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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P R O C E E D I N G S

TUESDAY, APRIL 23, 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, has anyone signed up for public comment?

MR. TROBMAN: No.

CHAIR HUGHS: All right, thank you. I will turn the meeting over to Commissioner Thomas to preside over agenda items 3 through 7.

AGENDA ITEM NO. 3

Discussion, Consideration and Possible Action Regarding Whether to Assume Continuing Jurisdiction on Unemployment Compensation Cases, Wage Claim Cases, and/or Tax Liability Cases and Reconsideration of Unemployment Compensation Cases, Wage Claim Cases, and/or Tax Liability Cases, if Any.

No Discussion.

AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action Regarding Tax Liability Cases Listed on the Texas Workforce Commission Docket 17.

1 The Commission considered and took action on
2 all tax liability cases listed on Docket 17.

3 AGENDA ITEM NO. 5

4 Discussion, Consideration and Possible Action
5 Regarding Fair Housing Cases listed on the Texas Workforce
6 Commission Docket 17.

7 No Discussion.

8 AGENDA ITEM NO. 6

9 Discussion, Consideration and Possible Action
10 Regarding Higher Level Appeals in Wage Claim Cases Listed on
11 the Texas Workforce Commission Docket 17.

12 The Commission considered and took action on
13 all wage claim cases listed on Docket 17.

14 AGENDA ITEM NO. 7

15 Discussion, Consideration and Possible Action
16 Regarding Higher Level Appeals in Unemployment Compensation
17 Cases Listed on the Texas Workforce Commission Docket 17.

18 The Commission considered and took action on
19 all unemployment compensation cases listed on Docket 17.

20 AGENDA ITEM NO. 8

21 CHAIR HUGHS: All right, well good morning
22 again. We are back in session.

23 Item 8, Discussion, Consideration and
24 Possible Action Regarding Adoption of Rules Relating to the
25 Vocational Rehabilitation Services Administrative Rules and

1 Procedures Previously Published for Public Comment in the
2 Texas Register on January 4, 2019. And it's regarding 40
3 TA, Chapter 850. Good morning.

4 MS. GEIGER: Good morning. Good morning
5 Chair Hughs, commissioners and -- good morning Chair Hughs,
6 commissioners, and Mr. Serna. I'm Carline Geiger with
7 Vocational Rehabilitation Division.

8 During the December 18, 2018 commission
9 meeting the proposed amendments to the existing VR
10 administrative rules in Chapter 850 were approved by the
11 commission for publication for comment. Following the 30-
12 day comment period no comments were received.

13 Since the transfer of the administration of
14 VR services from DARS to Texas Workforce Commission, TWC was
15 directed to integrate the VR programs into a single program,
16 including consolidating policies and recommending the
17 adoption of any necessary rules. Consistent with this
18 legislative mandate, TWC is proposing to repeal some
19 administrative provisions that overlap with existing TWC
20 rules, proposing an integration of the appeal and hearing
21 procedures that were separate under VR Blind and VR General
22 into a single, consolidated set of rules for VR customer
23 appeal and hearing procedures. And updating terminology,
24 citations, references to ensure consistency with the
25 Workforce Innovation and Opportunity Act and references to

1 programs that did not transfer to TWC were removed.

2 Other than the updates I've just mentioned,
3 the existing rules were combined and reordered, but were not
4 substantively changed, except for items in subchapter E,
5 relating to the VR customer appeals and hearing procedures.

6 Staff seeks commission approval of the
7 adoption of the rules in Chapter 850. Do you have any
8 questions?

9 CHAIR HUGHS: Any questions?

10 COMM. ALVAREZ: No, ma'am.

11 CHAIR HUGHS: Can I have a motion?

12 COMM. THOMAS: I move to adopt the repealed,
13 new, and amended sections to 40 Texas Administrative Code
14 Chapter 850, Vocational Rehabilitation Services
15 Administrative Rules and procedures as presented by staff.

16 COMM. ALVAREZ: I'll second that.

17 CHAIR HUGHS: We are unanimous, and thank
18 you, to you and your staff, for the tremendous work that
19 went into putting this together.

20 MS. GEIGER: Thank you.

21 AGENDA ITEM NO. 9

22 CHAIR HUGHS: All right. Item 9,
23 Discussion, Consideration and Possible Action Regarding the
24 Report to the Governor and Legislative Leadership Offices
25 Concerning the Estimated Unemployment Trust Fund Balance

1 Pursuant to Texas Labor Code Section 204.061, and the
2 Estimated Employment and Training Investment Holding Fund
3 Balance Available for Transfer Pursuant to Texas Labor Code
4 Section 204.123.

5 MR. TOWNSEND: Good morning Chair Hughs,
6 commissioners. For the record, Randy Townsend, Chief
7 Financial Officer. Presenting the latest trust fund
8 projection to you this morning, and we'll also share some
9 recent trends for the unemployment trust fund.

10 We're going to begin with the balance we
11 started the year with. This where we've been last October
12 1st, just under 1.7-billion in the trust fund. We're now
13 estimating we'll collect about 2.3-billion in employer
14 remittances, adding interest on top of that of almost 45-
15 million for the year, and then our current estimate for the
16 year, unemployment benefit payments, is just over 1.9-
17 billion at this point.

18 That would leave a balance in the trust fund,
19 we're estimating, of 2-billion, 153-million, almost.
20 Comparing that to the trust fund floor, which is slightly
21 above 1.1-billion for the floor, that would leave a balance
22 in the trust fund of just under \$1-billion on October 1st of
23 this year. So, the low point we're estimating for the trust
24 fund is around 1.3-billion for coming this spring, and that
25 would fund about 35 weeks of benefits at the current payout

1 rate.

2 Let me move, briefly, to the Employment and
3 Training Investment Assessment, the holding fund we call it,
4 5128, the balance in that fund, holding fund was about 172-
5 million when we started the year. We expect to add about
6 116 for the 1/10th of 1 percent collection from employers.
7 After you account for the reimbursement costs that are
8 required from the -- by Department of Labor on that, that
9 would leave a balance in the holding fund of 288-million.
10 Taking into account for the expected transfer of the skills
11 program at almost 44-million, that would leave a balance of
12 about 244-million in the -- in the holding fund. So, again,
13 pretty good shape for both those funds at this point.

14 I will share with you the benefit payment
15 trends. This is for a six-week average ending April 6th.
16 That was 36.3-million, 4 percent below one-year-ago average
17 for benefit payments. Initial claims were averaging just
18 over 12,000 for the 6 weeks ending April 6th, and that was
19 about 3 percent below the one-year-ago average for initial
20 claims.

21 And, finally, the continued claims were
22 averaging just over 100 -- just under, excuse me, 107,000,
23 and that was almost 8 1/2 percent below the one-year-ago
24 average. So, again, the trends are all very positive in
25 terms of where we are in terms of claims and that -- and

1 then the payments. And that concludes my remarks this
2 morning, if you have any questions or comments.

3 CHAIR HUGHS: Thank you, Randy.

4 Commissioners, any questions or comments?

5 COMM. ALVAREZ: No.

6 CHAIR HUGHS: Thank you for that update. All
7 good news.

8 AGENDA ITEM NO. 14

9 CHAIR HUGHS: Item 10, we are back -- there's
10 nothing for Items for 10, 11, 12 or 13. That brings us to
11 Item 14. Are there any items regarding enacted, proposed or
12 considered federal or state legislation? Mr. McCarty. I
13 see him shaking his head no, right?

14 MR. McCARTY: Good morning. Yes ma'am. For
15 Item 15, though, I do have an update.

16 CHAIR HUGHS: Item 15, Okay. So, Item 15,
17 report and update by the --

18 MR. McCARTY: Oh, I'm sorry.

19 CHAIR HUGHS: Yeah. Item 14.

20 MR. McCARTY: I was mis-numbered. So, yes,
21 14.

22 CHAIR HUGHS: All right. Do you have an
23 update for us under Item 14?

24 MR. McCARTY: Yes ma'am.

25 CHAIR HUGHS: Okay. Or are you replacing Ed

1 under Item 15 today?

2 MR. McCARTY: I am not doing that.

3 CHAIR HUGHS: Okay.

4 MR. McCARTY: Good morning. Tom McCarty,
5 External Relations.

6 At 8:00 a.m. this morning, the House
7 Committee on Judiciary and Civil Juris Prudence held a
8 hearing, and they brought up HB 1975, Chuck Ross was there
9 to test -- as a resource witness. This is TWC's legislative
10 proposal related to removing unconstitutional provision of
11 the Texas Payday Law.

12 We also have three other TWC proposals that
13 are up today. They will be up in House Committee of
14 Business and Industry. HB 1976 by Vo, related to improper
15 overpayment recovery. HB 2242 by Vo related to
16 misclassification in HB 4307 by Vo related to Fair Housing
17 Act amendments.

18 And then, also this morning at 8:00 a.m.
19 there were three bills that Courtney Arbour is serving as a
20 resource witness in the House Committee on International
21 Relations and Economic Development. That hearing also began
22 at 8:00 this morning.

23 HB 3379, by Representative Coleman, which
24 would create a pilot program to expand GRS to non-TWC
25 childcare providers.

1 HB 3876 by Representative Deshotel, which
2 would create a group to advise TWC regarding the TROs
3 program.

4 And HB 4286 by Representative Yvonne Davis
5 which related to the regulation of childcare providers by
6 TWC.

7 Cheryl Fuller is also serving as a resource
8 witness, and the same committee on HB 3916 by Representative
9 Deshotel, which related to the competitive and integrative
10 employment for certain Medicaid recipients.

11 And then, this afternoon, in House Defense --
12 Defense of Veterans Affairs, Bob Gear will serve as a
13 resource witness on HB 4047 by Representative Dominguez,
14 related to the facilitation of awarding post-secondary
15 course credit leading workforce credentialing based on
16 military experience, education and training.

17 Last but not least, at 10:00 this morning the
18 House HB 1 Conference Committee will begin meeting with both
19 the House and the Senate members, so we'll keep you updated
20 on what they decided to do with HB 1.

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

23 CHAIR HUGHS: That's a lot. There's a lot
24 going on.

25 MR. McCARTY: Thank you for updating us on

1 that. Does anyone have any comments or questions?

2 COMM. ALVAREZ: So yesterday, Tom, I had
3 dinner last night, and some of the folks I had dinner with
4 were under the impression that JET and apprenticeship were
5 not going to be funded. But that's not true.

6 MR. McCARTY: No --

7 COMM. ALVAREZ: So, I think they
8 misinterpreted, or what you were saying yesterday. And I
9 made it clear what they meant.

10 MR. McCARTY: Yes, sir. Yes, sir. Just to
11 be clear, the House has gone with what the TWC requested in
12 the LAR. There is a difference between the House and the
13 Senate versions. That'll be worked out in Conference
14 Committee. There is a baseline amount that is being funded
15 for those two programs, it's the additional amount. It's
16 the additional amount is what's in question there.

17 COMM. ALVAREZ: Great. Well, thanks for all
18 you do.

19 MR. McCARTY: Yes, sir. Thank you.

20 AGENDA ITEM NO. 15

21 CHAIR HUGHS: All right. That brings us to
22 Item 15, Report and Update by the Executive Director.

23 MR. SERNA: Neither I, nor Tom, have any
24 additional comments.

25 CHAIR HUGHS: All right. Well, does anyone

1 up here have any comments they'd like to make at this time?

2 COMM. ALVAREZ: Madam Chair, I'd like to say
3 a few words. For those that don't know, I have an attorney
4 who will be retiring at the end of the month, Yuri Campbell,
5 and I wanted to take this opportunity to jut acknowledge the
6 great work that he's one for the office.

7 Yuri is not one to be recognized for
8 anything, and I know I'm probably embarrassing him, because
9 it's kind of out of character for us to even reference him,
10 but I wanted to take this opportunity to acknowledge the
11 great work that he's done, the asset he's been to the
12 office. And I just want to congratulate you on your
13 retirement, Yuri. And, for the 27 years that you've -- that
14 you committed to working for the state government, you've
15 done a great job, you're certainly going to be missed, and
16 we look forward to hearing from you on what you're doing on
17 your retirement days. So, thanks. And I wanted to just
18 recognize Yuri Campbell.

19 CHAIR HUGHS: Congratulations.

20 (Applause)

21 COMM. ALVAREZ: Thank you, Madam Chairman.

22 CHAIR HUGHS: Thank you. And congratulations
23 and thank you for all your years of service.

24 COMM. THOMAS: Yuri, thank you so much for
25 the graciousness and the kindness that you've shown me in

1 the short time I've been here. You have a gentleman, and
2 you've been thoughtful. All of your staff, of course, but
3 you have particularly reached out, and I really appreciate
4 it. I'm going to miss you.

5 COMM. ALVAREZ: Thank you.

6 CHAIR HUGHS: All right. Well, thank you,
7 and thank you, Ed. Now we are going into executive session
8 pursuant to government code 551.074(a)(1), the appointment,
9 employment, evaluation, reassignment, duties, discipline or
10 dismissal of the Executive Director, Internal Auditor,
11 Executive Staff, and other personnel may be subject to
12 discussion. Thank you.

13 AGENDA ITEM NO. 16

14 CHAIR HUGHS: The time is now 9:59, we're
15 back from executive session, is there a motion to adjourn?

16 COMM. THOMAS: So moved.

17 COMM. ALVAREZ: Second that.

18 CHAIR HUGHS: We are adjourned. Thank you.

19 (Proceedings concluded at 9:23:08 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 15th day of May, 2019.

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

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