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TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

PUBLIC MEETING )  
FOR THE TEXAS )  
WORKFORCE COMMISSION )

COMMISSION MEETING  
TUESDAY, MAY 22, 2018

BE IT REMEMBERED THAT at 9:00 a.m. on  
Tuesday, the 22nd day of May, 2018, the above-entitled  
matter came on for hearing at the Texas Workforce  
Commission, TWC Building, 101 East 15<sup>th</sup> Street, Room 244,  
Austin, Texas, before ANDRES ALCANTAR, Chairman; JULIAN  
ALVAREZ and RUTH R. HUGHS, Commissioners

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P R O C E E D I N G S

TUESDAY, MAY 22, 2018

(9:00 a.m.)

AGENDA ITEM NO. 1

CHAIRMAN ALCANTAR: Good morning, everyone.

This meeting is now called to order. Good morning, Ms. Miller.

MS. MILLER: Good morning.

AGENDA ITEM NO. 2

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. 3

Discussion, Consideration and Possible Action Regarding Tax Liability Cases Listed on the Texas Workforce Commission Docket 21.

The Commission considered and took action on all tax liability cases listed on Docket 21.

AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action Regarding Fair Housing Cases listed on the Texas Workforce

1 Commission Docket 21.

2 No Discussion.

3 AGENDA ITEM NO. 5

4 Discussion, Consideration and Possible Action  
5 Regarding Higher Level Appeals in Wage Claim Cases Listed on  
6 the Texas Workforce Commission Docket 21.

7 The Commission considered and took action on  
8 all wage claim cases listed on Docket 21.

9 AGENDA ITEM NO. 6

10 Discussion, Consideration and Possible Action  
11 Regarding Higher Level Appeals in Unemployment Compensation  
12 Cases Listed on the Texas Workforce Commission Docket 21.

13 The Commission considered and took action on  
14 all unemployment compensation cases listed on Docket 21.

15 AGENDA ITEM NO. 7

16 CHAIRMAN ALCANTAR: Good morning, everyone.  
17 We are back in session. Les, has anyone signed up for  
18 public comment?

19 MR. TROBMAN: No, sir.

20 CHAIRMAN ALCANTAR: We have no public  
21 comment.

22 AGENDA ITEM NO. 8

23 CHAIRMAN ALCANTAR: Discussion, Consideration  
24 and Possible Action Regarding the Report to the Governor and  
25 Legislative Budget Board on the Unemployment Trust Fund

1 Balance Pursuant to Labor Code Section 204.061. Randy  
2 Townsend. Good morning, Randy.

3 MR. TOWNSEND: Good morning, Chairman,  
4 Commissioners. For the record, Randy Townsend, Chief  
5 Financial Officer.

6 This morning, Commissioners, I'm presenting  
7 the latest update to our Unemployment Trust Fund balance.  
8 Let me begin with the beginning balance we started the year  
9 with last October of just over 1.1-billion. We expect to  
10 add just over 2.4-billion in collections from our employers  
11 to the Trust Fund. We'll collect about 30-plus million in  
12 interest or so, and then our expected payout has dropped to  
13 about 2.1-billion is our estimate currently. So that, we  
14 believe, will leave a balance in the Trust Fund on October  
15 1st of about \$1.56-billion.

16 Based on that balance, I would put the Trust  
17 Fund approximately 438-million above the floor on that date.  
18 Our low point this spring was a good number, about 650-  
19 million or so, which would have funded 16-weeks of benefits  
20 at that -- at that number.

21 Let me give you a little recap of where we  
22 stand on the Employment Training Investment Assessment  
23 Holding fund. We started the year with a balance in that  
24 fund 5128 of 60-million. We expect to add about 112-million  
25 to the fund, and that will bring the balance at the year end

1 of just over 170-million.

2 Finally, share with you the recent  
3 statistics, trends for the Trust Fund. Our weekly benefit  
4 payouts averaged about 36 and a half million. This was a  
5 six week average for -- as of the first part of May. That  
6 was a 20 percent reduction from the one year ago payout for  
7 weekly benefits.

8 The initial claims were about 9 percent  
9 lower. They were just over 12,000 for the last six weeks,  
10 the first part of May. And the continued claims were 16  
11 percent below the one-year-ago average at 112, almost  
12 113,000 continued claims. So all in all, the Trust Fund's  
13 looking in good shape at this point and that concludes my  
14 presentation this morning.

15 CHAIRMAN ALCANTAR: Commissioners?

16 COMM. ALVAREZ: No questions. Thank you,  
17 Randy.

18 COMM. HUGHS: COMM. HUGHS: Thank you for the  
19 update.

20 CHAIRMAN ALCANTAR: Thank you, Randy.  
21 Appreciate the updates.

22 AGENDA ITEM NO. 9

23 CHAIRMAN ALCANTAR: Item 9, Discussion,  
24 Consideration and Possible Action Regarding local board  
25 allocations.

1 We have no update.

2 AGENDA ITEM NO. 10

3 CHAIRMAN ALCANTAR: Item 10, Discussion,  
4 Consideration and Possible Action Regarding Recommended  
5 Changes to the 2018 Maximum Affordable Payment Schedule for  
6 Medical and Medical-Related Services. Good morning,  
7 Carline.

8 MS. GEIGER: Good morning, Mr. Chairman,  
9 Commissioners. For the record, I am Carline Geiger for  
10 Vocational Rehabilitation.

11 This morning I am bringing for your  
12 consideration and approval proposed changes to the Maximum  
13 Affordable Payment Schedule (MAPS), for medical and medical-  
14 related services.

15 On January 30th, 2018 the Commission approved  
16 proposed rate schedules and methodologies for medical  
17 services to be posted for public comment. Notice of the  
18 proposed rates was then posted in the Texas Register for  
19 public comment. The 30-day comment period began on March  
20 30th, 2018 and ended on April 30th, 2018. No comments were  
21 received.

22 Staff recommends final adoption of the  
23 following MAPS rate schedules and methodologies:

24 Adopt the 2017 Medicare fee schedule and  
25 continue to use Region 18, Harris County, physician fee



1 schedule for procedures listed in the 2017 AMA-CPT for the  
2 entire state;

3 Adopt the Medicare 2017 durable medical  
4 equipment Texas fee schedule for eye-related medical  
5 equipment, orthotics and prosthetics, and other medical  
6 equipment;

7 Continue to implement the Medicare Part B fee  
8 schedule for injectable drugs and equipment;

9 Continue to use the Medicare clinical  
10 laboratory pathology rates for Texas at 120 percent of the  
11 listed rate to ensure adequate provider availability;

12 Continue existing rates in rate setting  
13 methodologies for all unspecified procedures and services  
14 not listed in the Medicare or Medicaid rate schedules.  
15 Examples of these services include procedural codes unique  
16 to TWC customers, new codes for which a rate has not yet  
17 been established, established codes that do not have a  
18 published rate, and miscellaneous AMA-CPT codes.

19 Do you have any questions?

20 CHAIRMAN ALCANTAR: Commissioners, do we have  
21 any questions? Do we have a motion?

22 COMM. HUGHS: I move that we approve the  
23 discussed changes to the 2018 Maximum Affordable Payment  
24 Schedule for Medical and Medical-Related Services as  
25 recommended by Staff.

1                   COMM. ALVAREZ: I'll second that.

2                   CHAIRMAN ALCANTAR: We are unanimous. Thank  
3 you, Carline.

4                   MS. GEIGER: Thank you.

5                                   AGENDA ITEM NO. 11

6                   CHAIRMAN ALCANTAR: Item 11, we have no  
7 updates I don't believe.

8                                   AGENDA ITEM NO. 12

9                   CHAIRMAN ALCANTAR: Item 12, Discussion,  
10 Consideration and Possible Action Regarding the WIOA  
11 Combined State Plan for Program Years 2016-2019. Joel  
12 Mullins. Good morning, Joel.

13                   MR. MULLINS: Good morning, Chairman,  
14 Commissioners. For the record, I'm Joel Mullins with  
15 Workforce Development.

16                                   The Workforce Innovation and Opportunity Act  
17 requires states to submit modifications to their state plans  
18 at the conclusion of the first two-year period of any four-  
19 year plan. The modifications were required to reflect  
20 changes in labor market and economic conditions or other  
21 factors that affect the implementation of the plan.

22                                   TWC's first two-year plan modification covers  
23 the WIOA core programs, as well as two optional programs;  
24 the senior community service employment program and Wagner-  
25 Peyser Agricultural Outreach.

1                   On March 6th of this year, the Commission  
2 approved the plan modifications to be posted for a 30-day  
3 public comment period and no comments were received.  
4 Additionally, three public stakeholder meetings were held  
5 across the state and no public comments were submitted  
6 during those meetings.

7                   Of note, the Department of Education as of  
8 this date has not provided guidance on the negotiation of  
9 Adult Education and Literacy performance targets, which are  
10 a key component of the two-year modification.

11                   This morning, Staff seeks direction on the  
12 proposed WIOA state plan modification for submission to the  
13 Texas Workforce Investment Council. We also ask that Staff  
14 be permitted to make technical corrections, including  
15 changes to AEL performance targets once the Department of  
16 Education provides guidance.

17                   I'll be happy to answer any questions you  
18 might have.

19                   CHAIRMAN ALCANTAR: Any questions?

20                   COMM. ALVAREZ: No questions, Chair.

21                   CHAIRMAN ALCANTAR: Commissioner Hughs?

22                   COMM. HUGHS: I move that we approve the WIOA  
23 combined state plan for program years 2016 to 2019 two-year  
24 modification and for Staff to make any technical corrections  
25 before submitting it to the Texas Workforce Investment

1 Council.

2 COMM. ALVAREZ: I'll second that.

3 CHAIRMAN ALCANTAR: We are unanimous. Thank  
4 you, Joel.

5 MR. MULLINS: Thank you.

6 AGENDA ITEM NO. 13

7 CHAIRMAN ALCANTAR: Item 13, Discussion,  
8 Consideration and Possible Action Regarding Apprenticeship  
9 Training Program Funding for Fiscal Year 2019. Kerry.

10 MS. BALLAST: Good morning. Good morning,  
11 Commissioners, Ms. Miller. For the record, Kerry Ballast,  
12 Workforce Development Division.

13 For your consideration today is the fiscal  
14 year 2019 planning estimates for apprenticeship training  
15 programs. Each year, the Texas Workforce Investment Council  
16 makes recommendations regarding Chapter 133 Apprenticeship  
17 Training Program. These recommendations for FY19 are:

18 A contact hour rate not to exceed \$4.25;

19 A 5 percent reserve fund for new programs or  
20 established programs not currently receiving funds; and

21 A \$33,000 reserve fund for apprenticeship  
22 instructor training.

23 Commission decision points on the following  
24 for the FY19 funding are:

25 A planning estimate of \$2,856,744 in

1 apprenticeship funds;

2 \$33,000 reserve for apprenticeship instructor  
3 training, both contingent on adoption of TWC's operating  
4 budget;

5 A contact hour rate not to exceed \$4.25; and

6 A 5 percent reserve of planning estimate  
7 funds for new or established apprenticeship programs that  
8 did not receive Texas Education Code Chapter 133 funds in  
9 FY18.

10 As required by Texas Administrative Code Rule  
11 837.21, with the Commission's approval we will provide  
12 public notice of the amount of funds available to support  
13 apprenticeship training program for FY19.

14 That concludes my remarks. I will be happy  
15 to answer any questions.

16 CHAIRMAN ALCANTAR: Commissioners, any  
17 questions?

18 COMM. ALVAREZ: No questions.

19 CHAIRMAN ALCANTAR: Commissioner Hughs?

20 COMM. HUGHS: I move that we approve the  
21 discussed apprenticeship training program funding for fiscal  
22 year 2019 as recommended by Staff.

23 COMM. ALVAREZ: Based on the information if  
24 our contact hour rate is supported, registered apprentices  
25 is not or near the \$4 or 4.25, no funding should be set

1 aside for journey workers. The focus for FY19 funding  
2 should be on apprentices. It is my hope that my fellow  
3 Commissioners support the very important model of customized  
4 training for employers by supporting additional funding  
5 efforts should be contact hourly declining for FY19.

6 With that, I'll second the vote.

7 CHAIRMAN ALCANTAR: We are unanimous.

8 AGENDA ITEM NO. 14

9 CHAIRMAN ALCANTAR: Item 14, Discussion,  
10 Consideration and Possible Action Regarding Policy Concept  
11 on 40 TAC Chapter 800 related to definition of Adult  
12 Education and Literacy Rules and Section 800.78 Midyear  
13 Deobligation of AEL Funds. Carrie, good morning.

14 MS. TUPA: Good morning, Chairman,  
15 Commissioners, Ms. Miller. For the record, Carrie Tupa,  
16 Adult Education and Literacy.

17 Today we seek direction regarding a policy  
18 concept for Chapter 800, Section 800.2 and Section 800.78 of  
19 the Texas Administrative Code. Since the transfer of the  
20 Adult Education and Literacy Program from TEA in 2013, TWC  
21 Staff has recognized the need to reevaluate the rules by  
22 which AEL funds are deobligated based on the expenditure  
23 trends of AEL Grant recipients.

24 The enrollment trends and related  
25 expenditures of grantees demonstrate high enrollments in the

1 fall and lesser enrollments in -- later in the year.  
2 Deobligation periods currently in rule come too late to  
3 maximize the use of funds in areas demonstrating need after  
4 reallocation. Modifications proposed in this policy concept  
5 would move the deobligation period up one month to allow for  
6 an earlier and longer period for expenditure through the  
7 program year. Additionally, Staff has identified the need  
8 to align the current definition of adult education found in  
9 this chapter to the definition found in the Workforce  
10 Innovation and Opportunity Act.

11 Today we seek direction on this policy  
12 concept for Chapter 800 in order to align references, terms  
13 and definitions with those described in the Workforce  
14 Innovation and Opportunity Act and to change the months  
15 during which expenditure thresholds are evaluated.

16 This concludes my prepared remarks and I'll  
17 be happy to answer any questions.

18 CHAIRMAN ALCANTAR: Commissioner Hughs?

19 COMM. HUGHS: I move that we approve the  
20 discussed policy concept regarding Chapter 800 related to  
21 definition of Adult Education and Literacy and Midyear  
22 Deobligation of AEL Funds as recommended by Staff.

23 COMM. ALVAREZ: I'll second that.

24 CHAIRMAN ALCANTAR: We are unanimous. Thank  
25 you, Carrie.

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AGENDA ITEM NO. 15

CHAIRMAN ALCANTAR: Item 15, Discussion,  
Consideration and Possible Action Regarding Policy Concept  
on AEL Rules. Carrie.

MS. TUPA: Again, Carrie Tupa, Adult  
Education and Literacy.

Today I bring before you a policy concept for  
AEL Rules Chapter 800 of the Texas Administrative Code. The  
Workforce Innovation and Opportunity Act provided  
substantial changes to definitions relating to Adult  
Education and Literacy, participant eligibility, eligible  
providers, as well as changes to the overall intent of the  
law. Additionally, in the four years since the transfer of  
the Adult Education and Literacy Program to TWC, Staff has  
identified the need to amend certain parts of Chapter 800  
based on the management of the program, as well as the  
addition of new rules in the Texas Education Code.

Today we seek direction on a policy concept  
to amend Chapter 805 Rules to align to WIOA, including the  
need to align definitions, essential program components and  
eligible providers to those described in WIOA and remove  
program evaluation requirements for the use of AEL state  
leadership funds as required.

Additionally, we seek direction on amending  
Chapter 805 to better address program implementation needs,



1 including the need to increase TWC Commissioner discretion  
2 in the development of performance benchmarks, the removal of  
3 high school diploma requirements for adults that are now  
4 addressed in the Texas Education Code, and to clarify Staff  
5 requirements for instructional staff.

6           Additionally, these -- this policy concept  
7 would seek to modify other non-WIOA terms in related --  
8 terms related to grant solicitations, increase advisory  
9 committee member participation periods, and align the  
10 requirement for use of funds collected from tuition and  
11 fees, to those required under the Workforce Innovation  
12 Opportunity Act.

13           This concludes my prepared remarks and I'm  
14 happy to answer any questions.

15           CHAIRMAN ALCANTAR: Commissioner Hughs?

16           COMM. HUGHS: I do have a question on seven.  
17 When we changed the RFP to grant solicitation, is that  
18 really semantics in language or does it have a specific  
19 impact on the way that solicitations will go or, you know,  
20 work going forward?

21           MS. TUPA: So it is my understanding that the  
22 current process has been and is very similar, but I believe  
23 Ms. Miller might be able to weigh in a little bit more.

24           MS. MILLER: We've certainly been doing some  
25 work to try to ensure that we classify grants versus

1 contracts. More specifically, grants have a subrecipient  
2 relation and contracts have a vendor relationship. Per AEL,  
3 this would be a grant and have a subrecipient. So it's  
4 semantics, but it's us trying to be a little bit more  
5 precise in the type of procurement and the type of  
6 contracting tool that we'll use.

7 COMM. HUGHS: Okay. And that aligns with  
8 WIOA?

9 MS. MILLER: Yes.

10 COMM. HUGHS: Is that the idea? Okay. With  
11 that explanation, I move that we approve the discussed  
12 policy concept regarding Chapter 805, Adult Education and  
13 Literacy Rules as recommended by Staff.

14 COMM. ALVAREZ: And I'll second that.

15 CHAIRMAN ALCANTAR: We are unanimous.

16 MS. TUPA: Thank you.

17 CHAIRMAN ALCANTAR: Thank you, Carrie.

18 AGENDA ITEM NO. 16

19 CHAIRMAN ALCANTAR: We have no Hurricane  
20 Harvey updates, correct?

21 MS. MILLER: Correct.

22 AGENDA ITEM NO. 17

23 CHAIRMAN ALCANTAR: Item 17, Discussion,  
24 Consideration and Possible Action Regarding TWC Strategic  
25 Plan for fiscal years 2019 to 13 (sic). Lisa Givens. Thank

1 you, Lisa.

2 MS. GIVENS: Good morning, Chairman,  
3 Commissioners, Reagan Miller. For the record, I'm Lisa  
4 Givens, Director of Communications.

5 You have before you the Fiscal Year 2019  
6 through '23 TWC Strategic Plan and for your consideration  
7 and approval. Thank you and your members of your staff and  
8 other team members from across the Agency for contributing  
9 to the report. I am requesting approval for the plan with  
10 your permission to make technical corrections as necessary  
11 prior to final submission. And I'm happy to answer any  
12 questions.

13 CHAIRMAN ALCANTAR: Commissioners, any  
14 guidance or comments?

15 COMM. HUGHS: I appreciate Staff's efforts on  
16 making adjustments based on our previous discussions and I  
17 would move that we approve the Texas Workforce Commission  
18 Agency --

19 CHAIRMAN ALCANTAR: I -- I'm sorry. I  
20 actually do have some --

21 COMM. HUGHS: Nope, sorry. I'm voting. Go  
22 ahead.

23 (Laughter)

24 CHAIRMAN ALCANTAR: I actually do have some  
25 edits. I was hoping that as we get into these examples,

1 Lisa, on -- I forgot what page they're on -- on the body of  
2 the documents.

3 MS. GIVENS: So in the letter?

4 CHAIRMAN ALCANTAR: Let's see. Let's start  
5 with the message and then --

6 MS. GIVENS: Uh-huh.

7 CHAIRMAN ALCANTAR: -- and then one of the  
8 things -- I do have some suggested edits, Commissioners.  
9 I'm not sure -- I just worked on this, we just got this at  
10 the end of the day yesterday, so. And Lisa, I have a copy  
11 for you. I'm not sure that we want to take the time to  
12 wordsmith this, but I'm happy to if that's what the  
13 Commissioners would prefer, but I'd like to give the  
14 Commissioners a minute or two to read over this while I look  
15 for my other relevant portion of the plan that I'm looking -  
16 - I'm looking to propose an amendment to.

17 And it's -- let's see. And what we're  
18 looking to do there -- what I'm looking to do with the edits  
19 is just to update some of the things that we've been doing  
20 and reflect more of the current actions. It's pretty  
21 significant changes I'm proposing, so I'm going to give you  
22 a written copy of those.

23 I know it's last minute, we just got it.

24 COMM. HUGHS: These look more than technical,  
25 but I mean, actually they look like they're different words

1 in the same message, but if they're --

2 CHAIRMAN ALCANTAR: Uh-huh.

3 COMM. HUGHS: -- words you feel strongly  
4 about, I'm willing to consider them, but do you want to read  
5 them in to the record now or how do we do it to vote today?

6 CHAIRMAN ALCANTAR: Well, that's a good  
7 question. I can read the whole thing I guess.

8 COMM. HUGHS: I don't know. Open to  
9 suggestions. It's a lot of changes.

10 CHAIRMAN ALCANTAR: Here you go.

11 COMM. HUGHS: When is it due?

12 MS. GIVENS: It's due June 8th.

13 CHAIRMAN ALCANTAR: June 8th, and we have our  
14 next meeting next week?

15 COMM. HUGHS: Nest Tuesday at 10:00 a.m., I  
16 believe, but it's a policy only meeting.

17 (Pause)

18 CHAIRMAN ALCANTAR: I would move that we  
19 defer action on this item until next week, Commissioners,  
20 give you time to examine these changes and offer any edits  
21 or changes, whether you accept or reject any of these. That  
22 would be fine. And so with that point, the other part of  
23 the -- of the edits, Lisa, is for the part where you -- on  
24 pages -- where you're talking about some of the examples,  
25 right after the -- let me just add it up.

1                   COMM. HUGHS: And let me just ask.

2                   CHAIRMAN ALCANTAR: Please.

3                   COMM. HUGHS: Are the changes in this version  
4 off of the last version that we received last evening after  
5 8:00 or off of the previous version to that?

6                   CHAIRMAN ALCANTAR: Last evening after 8:00.

7                   COMM. HUGHS: Okay. Good. So we've got one  
8 working document to --

9                   CHAIRMAN ALCANTAR: Yes.

10                  COMM. HUGHS: -- consider. Perfect.

11                  CHAIRMAN ALCANTAR: And that's -- that's  
12 correct.

13                  COMM. HUGHS: Okay.

14                  CHAIRMAN ALCANTAR: I apologize for the late  
15 --

16                  COMM. HUGHS: That's okay.

17                  CHAIRMAN ALCANTAR: -- submission, but --

18                  COMM. HUGHS: Just the smaller the font, the  
19 longer it takes me to read it, so --

20                  CHAIRMAN ALCANTAR: I can't even read it.

21                  COMM. HUGHS: -- I'm glad we're waiting a  
22 week.

23                  CHAIRMAN ALCANTAR: So that's why I didn't  
24 want to read it into the record right now.

25                  COMM. ALVAREZ: I agree.

1 (Laughter)

2 COMM. ALVAREZ: I agree with you.

3 CHAIRMAN ALCANTAR: The other part, Lisa, is  
4 on the goals where it gives some examples.

5 MS. GIVENS: Yes, sir.

6 CHAIRMAN ALCANTAR: Update those to reflect  
7 some of the things that have happened in the past year,  
8 including the dates, that would be good. All right?

9 And so that's the only thing that I would ask  
10 you to do is when you look at some of these goals, there --  
11 there's some specific action items and some of those need to  
12 be updated to reflect what's actually current.

13 COMM. ALVAREZ: Yeah, I see that.

14 CHAIRMAN ALCANTAR: All right. So with that,  
15 is there anything else you need to brief us on, Lisa?

16 MS. GIVENS: No. We bring this up at the  
17 next Commission meeting for final adoption then?

18 CHAIRMAN ALCANTAR: That's correct.

19 MS. GIVENS: Okay. I'll work with your --

20 CHAIRMAN ALCANTAR: That'll be brought back  
21 next Tuesday.

22 MS. GIVENS: I'll work with your offices to  
23 make the final document. Thank you very much.

24 CHAIRMAN ALCANTAR: All right. Thank you.

25 AGENDA ITEM NO. 18

1                   CHAIRMAN ALCANTAR: Item 18, Discussion,  
2 Consideration and Possible Action Regarding Enacted,  
3 Proposed or Considered Federal Regulations, Executive  
4 Orders, or State or Federal Legislation. Tom McCarty.  
5 Thank you, Les. Appreciate the guidance.

6                   MR. MCCARTY: Good morning, Commissioners.  
7 Tom McCarty, External Relations.

8                   Last week we had a couple of actions. The US  
9 House brought up the Farm Bill for a vote. It did not pass,  
10 so the earliest they could bring it up this week for  
11 reconsideration and we'll keep your offices posted on that  
12 if they do bring that up.

13                   The other bill that was dropped last week was  
14 HR 5861, the Jobs and Opportunity with Benefits and Services  
15 for Success Act. It extends the TANF program for five years  
16 and aims to shift the focus of the program to a work-first,  
17 outcome measured assistance program. We expect that the  
18 House Ways and Means Committee will do a markup of the bill  
19 tomorrow at 2:00. So we'll be following up with your  
20 offices on that.

21                   Government Relations will also be monitoring  
22 several State Legislative Hearings this week. Today at 10  
23 a.m. the Senate Committee on Veterans Affairs and Border  
24 Security will hold a hearing to consider State delivered  
25 Federal services.



1                   On Thursday at 9 a.m. the House  
2 Appropriations Committee will hold a hearing to consider the  
3 use of federal funds in response to Hurricane Harvey.

4                   Thursday, the Health and Human Services  
5 Transition Oversight Committee will meet at 10 a.m. to hear  
6 invited testimony. We have not been invited for that  
7 hearing, but we will closely monitor it.

8                   And then finally, on Thursday, the Public  
9 Education Committee will meet at 10 a.m. to examine programs  
10 in public schools that have proven results in improving  
11 achievement for students with disabilities.

12                   That concludes my remarks and I'm available  
13 if you have any questions.

14                   CHAIRMAN ALCANTAR: Commissioners, any  
15 questions?

16                   COMM. HUGHS: No. Thank you for the update.

17                   COMM. ALVAREZ: No questions. Thanks, Tom.

18                   CHAIRMAN ALCANTAR: Thank you, Tom.

19                   MR. MCCARTY: Thank you.

20                   AGENDA ITEM NO. 19

21                   CHAIRMAN ALCANTAR: Item 19, Report and  
22 Update by the Executive Director. Good morning, Reagan.  
23 Before we start, Reagan, I know that we -- under the work  
24 that we've done as a Tri-Agency and certainly as a -- as a  
25 Agency leading this area, we have a big focus on applying

1 learning opportunities for our students and very proud of  
2 the work that we're doing in partnership to advance the  
3 number of internships available to our students.

4 Commissioner Hughs, I know you have some comments?

5           COMM. HUGHS: We just wanted to welcome the  
6 interns that we have at this Agency and ask you all to  
7 stand. Great.

8           I know Megan Brasso (ph) is in my office and  
9 I haven't met the other two, but thank -- welcome. And if  
10 you all will just make sure to make them feel welcome as you  
11 see them walking around the halls and share all of your  
12 wisdom and expertise with them. Thank you.

13           CHAIRMAN ALCANTAR: Thank you and welcome.  
14 Look forward to your contributions to our Agency.

15           (Applause)

16           CHAIRMAN ALCANTAR: Thank you, Commissioner  
17 Hughs. Reagan, good morning. What do you have for us?

18           MS. MILLER: Good morning. So in addition to  
19 welcoming our interns, we -- we also have I think 28-interns  
20 all across the State, so we're happy to have several in  
21 different divisions and we're looking forward to working  
22 with them over the next few weeks.

23           We also have Star awards today.

24           CHAIRMAN ALCANTAR: Perfect.

25           MS. MILLER: So we would like to -- you know,

1 I --

2 MS. LENZY: Good morning, Chairman.

3 CHAIRMAN ALCANTAR: Good morning. Please  
4 join us up here.

5 MS. MILLER: Why don't you come on -- please  
6 come up to the --

7 MS. LENZY: No.

8 MS. MILLER: Come on up to the microphone.

9 CHAIRMAN ALCANTAR: Reagan, if you can have a  
10 couple more sit up here, the next two. Whoever's next.

11 MS. MILLER: Good morning. This morning we  
12 have three individual Star awards, as well as two group Star  
13 awards we will be presenting and I will ask that Ms. Heather  
14 Hall begin with her presentation and followed by Ms. Lisa  
15 Richardson, Ms. LaSha Lenzy and Mr. Paul Carman in that  
16 order, please.

17 CHAIRMAN ALCANTAR: Thank you. And good  
18 morning. Good morning, if you could identify yourself for  
19 everybody listening in.

20 MS. HALL: Yes, sir. Good morning, Chairman,  
21 Commissioners, Ms. Miller. I'm pleased to present the Star  
22 award today to Ms. Justine Parcher. Justine was assigned on  
23 the HR digital signature pilot that we recently did and she  
24 automated the process by which TWC now sends 12 new hire  
25 forms to our employees as they get their offer and they're

1 able to complete those forms quickly and easily. The staff  
2 in HR can create the offer and send the requirement forms to  
3 the candidates online for completion.

4           The new process eliminates the candidate  
5 needing to print, fill out, scan, and email their completed  
6 forms using the digital signature software, they can now do  
7 this securely online. The experience for the HR staff has  
8 been that the new process is much easier to use and HR has  
9 completed hundreds of new hire packets since we implemented  
10 this process.

11           On average, it now takes a little less than n  
12 hour for a new hire packet to come back when it used to take  
13 24 to 48 hours on average to receive those. It's a huge  
14 improvement and because of this process, HR has streamlined  
15 the NEO process as well, allowing -- saving two hours of --  
16 of time during NEO where we would sign documents to now  
17 focus on new TWC stuff.

18           It's a -- enabled HR staff to review other  
19 important topics during that new hire process. It's been an  
20 absolute joy to work with Justine on this process  
21 improvement. She's embraced the new software and the pilot,  
22 learned it quickly, and did an outstanding job. She's  
23 helped the Agency be more efficient in processing our new  
24 hires and helped to enhance our professional image to new  
25 hires with this streamlined process.

1 I sincerely hope to have the opportunity to  
2 work with Justine again. She's an asset to our Agency and  
3 very worthy of our Star award.

4 (Applause)

5 CHAIRMAN ALCANTAR: Thank you, Heather, and  
6 congratulations, Justine. Please Justine, if you could stay  
7 up there for now.

8 MS. MILLER: Yeah, if you guys want to come  
9 stand up over here, we'll do a few more presentations, and  
10 then we'll take pictures.

11 CHAIRMAN ALCANTAR: Thank you, Reagan. Next?  
12 Who's going to be next? Lisa?

13 MS. MILLER: Lisa.

14 CHAIRMAN ALCANTAR: Lisa's next.

15 MS. RICHARDSON: Good morning, Chairman,  
16 Commissioners and Ms. Reagan Miller. Lisa Richardson for  
17 the record. D -- CIO. Here with me this morning I'd like  
18 to introduce Laurie Richard. She is with our ITIS area in  
19 IT. Laurie has been working with several processes for many  
20 years now and she identified this very heavily manual  
21 process for paying our IRS warrants. And so she dedicated -  
22 - exhibited a dedication and perseverance in automating this  
23 currently manual process for the IRS warrants.

24 She spent countless hours researching,  
25 working with the IRS, coordinating with the comptroller's

1 office, our own revenue trust management, and then our AD&M  
2 area and she took the initiative to seek a more effective  
3 way to conduct our business rather than printing a warrant  
4 over at the Austin Data Center, having people have to  
5 manually insert that into a mailing pouch, physically  
6 bringing it over to our offices, physically having to check  
7 it in, and then doing several other by hand processes to get  
8 it over to the CPA.

9                   So in doing this, what she did is she just  
10 worked with all of the teams and came up with an automated  
11 process, and they created an automated clearinghouse payment  
12 that goes directly to the IRS. So Laurie has maximized the  
13 power of innovation and partnership to boost superior  
14 business outcomes which is perfectly aligned with TWC's  
15 vision. And so I'd just like to thank her for all of her  
16 work and efforts and the initiative that she took to  
17 simplify this process that's been going on for like over 10  
18 years and just say we can do this better. So, thank you  
19 very much.

20                   COMM. ALVAREZ: Awesome. Awesome.

21                   CHAIRMAN ALCANTAR: Please join me in  
22 congratulating Laurie.

23                   (Applause)

24                   MS. LENZY: Good morning, Chairman Alcantar,  
25 Commissioner Hughs, Commissioner Alvarez, Ms. Miller, for

1 the record, LaSha Lenzy, Unemployment Insurance.

2 I am honored to present the group Star award  
3 to the appeals rapid process improvement team. It's several  
4 individuals, so I'll just ask that they stand and then when  
5 it's time for pictures, then come up, but for now, you can  
6 just stand where you are, please.

7 This elite team consisted of the following  
8 individuals: Melissa Butler, Hugh Daniel, Regina Hajek,  
9 Jennie Rohrbough, Scott Melton, Ronald Jackell Jr., Adam  
10 Wyma, Donald Scott Thomas III, Charles Sutherland, and  
11 Sheila Baines. This team -- this appeals team was nominated  
12 for their dedication and teamwork by Mr. Clay Cole, our UI  
13 Deputy Director. Yes, you have to stand up, too.

14 This team began a rapid process improvement  
15 project that was aimed to reduce the average time to issue a  
16 decision without additional resources, which meant that the  
17 team needed to be more efficient and find more capacity to  
18 perform at the desired level. The team continued to improve  
19 -- to identify improvements by finetuning processes and  
20 continues to do so today.

21 The resulting changes thus far has increased  
22 the percentage of appeals processed within 30 days by 30  
23 percent and has increased the percent processed within 45  
24 days by an additional 17 percent, exceeding all federal  
25 performance levels.

1                   In dollars, our appeals operating expenses  
2 were reduced by roughly \$1.3-million annually and our trust  
3 fund savings equated to an estimated \$400,000 annually.  
4 These process changes focused mainly on reducing the amount  
5 of rescheduled hearings, streamlining document intake and  
6 processing, and issuing and reducing hearing translation  
7 services turnaround times. By avoiding thousands of  
8 rescheduled appeals hearings, we improved the customer's  
9 service experience greatly. Hearing parties have set aside  
10 a lot of time to participate in our hearings, so when you  
11 get to a hearing and something happens that you have to  
12 reschedule that hearing, it's an inconvenience to both  
13 parties, the claimants as well as our employers and then we  
14 have to start completely over with that process all over  
15 again. We mail everything, so resetting or rescheduling a  
16 hearing is a big deal.

17                   So we're very proud of this team and if you  
18 would please join me in welcoming and congratulating this  
19 phenomenal team. Thank you.

20                   (Applause)

21                   CHAIRMAN ALCANTAR: Thank you, LaSha.

22                   MS. LENZY: Oh no, one more.

23                   CHAIRMAN ALCANTAR: Okay. One more.

24                   MS. LENZY: I'm also excited to recognize  
25 Jorge Gonzalez. Jorge is a CSR, Customer Service



1 Representative IV, and he's a member of our South Texas  
2 Intake Help Desk at our McAllen Telecenter.

3 We recognize Jorge for his extraordinary and  
4 effective leadership and the organizational qualities he  
5 exhibited in supporting the recent disaster unemployment  
6 insurance program for the Hurricane Harvey tragedy.

7 He worked in unison with Terry Warning --  
8 Warren and her team, Carlos Herrera, and the local  
9 telecenter staff, to coordinate all efforts and facilitate  
10 work processes to best meet the needs of our customers in a  
11 timely and efficient manner during the hurricane.

12 Jorge led an effort to expedite and resolve  
13 over 400 case backlog of DUA cases that had been assigned to  
14 the telecenter. He trained, monitored and assisted TWC  
15 employees from other departments to work special wage and  
16 last employer assignments, which would normally only  
17 completed by the intake help desk. This allowed the other  
18 CSRs to work on the increased number of help calls that we  
19 were receiving from disaster applicants.

20 Jorge trained and mentored temporary hires in  
21 addressing special assignments received from the state  
22 office, he served as our subject matter expert for the  
23 disaster on Hurricane Harvey, handling and assigning cases  
24 to come in for processing. He assisted the state office  
25 technology experts in efficiently handling and processing

1 multiple emails that required additional claims action and  
2 decisions. His expertise in the UI and the DUA programs,  
3 his multitasking, resourcefulness and exemplary work  
4 qualities assisted the South Texas Telecenter in  
5 contributing to the network's successful mission as we got  
6 through one of the most challenging times of our State's  
7 history.

8                   Jorge was nominated by one of our key UI  
9 specialists Nicole Lopez. So thank you, Jorge, and thank  
10 Ms. Lopez for nominating you.

11                   (Applause)

12                   MR. CARMONA: Good morning, Mr. Chair,  
13 Commissioners, Ms. Miller. My name is Paul Carmona,  
14 Regulatory Integrity Division and I'm here presenting a  
15 group award star award, a group Star award, to the Treasury  
16 Offset Program Team, and same as we've just done, I'm going  
17 to read the names of the members on the team and then  
18 describe to you their accomplishments. If you all could  
19 stand, please, in place and when we're done, come on up here  
20 for the photographs.

21                   Starting with Angelo Ferrazzano, Bea Flores,  
22 Daniel Ortiz, Michael Weaver -- not here -- Abel Gutierrez,  
23 Debbie Tilbury, Debbie Smith, Jewell Patricio who's here,  
24 Denise Williams, Patsy Koopman, Joe Vermillion, Randell  
25 Miller, Lisa Lyons, Mary Alice Jaimez, Gabriel Wood, Tony

1 Linkinhoker, Daniel Davis, Veronica Navarro, Patricia  
2 Espinoza, and Chuck Ross. Mr. Ross is here today.

3           The -- the team -- I nominated this team for  
4 this award and I'm pleased that they were received --  
5 selected to receive the award. The Treasury Offset Program  
6 as the Commissioners know, was led by this cross-functional  
7 team, including employees from Finance, Unemployment  
8 Insurance, the Office of General Counsel, Information  
9 Technology and the Regulatory Integrity Commission. In  
10 December of 2013, President Obama signed into law the  
11 Bipartisan Budget Act of 2013 and the Act required the  
12 states -- require the states to use the Federal Treasury  
13 Offset Program to recover unemployment compensation debt  
14 from claimants and employers.

15           Once the enabling statute in Texas was  
16 passed, the TWC team began compiling the data and the  
17 security requirements necessary to meet the IRS's fairly  
18 rigorous standards. Since the project was implemented in  
19 October of 2016, TWC has referred more than \$106-million to  
20 -- in unemployment compensation fraud and earnings  
21 overpayment debt to the Treasury Offset Program and has  
22 recouped more than \$32-million. And that \$32-million was at  
23 the time this nomination was made. That amount now at this  
24 time in May of 2018 is well over \$40-million.

25           The extraordinary efforts of the top team

1 guaranteed the smooth, efficient and timely execution of  
2 major -- the major IT project dedicated to recovery of debt  
3 owed to TWC, which helps sustain a strong Unemployment Trust  
4 Fund for Texas employers and workers. And so with that, I'm  
5 pleased to present to you the group Star award winners of  
6 the Treasury Offset Program team. Thank you.

7 CHAIRMAN ALCANTAR: Thank you, Paul.

8 (Applause)

9 CHAIRMAN ALCANTAR: Commissioners.

10 COMM. HUGHS: Congratulations to all the  
11 winners.

12 COMM. ALVAREZ: I want to say that I want to  
13 thank you for your commitment to this Agency for all those  
14 that are winning, that won and those that are present today.  
15 I also want to congratulate you on the outstanding work that  
16 you have shown here. It's for you all is the reason why  
17 we're the envy around the country. And so, I thank you, I  
18 congratulate you, and I especially want to thank you for  
19 your commitment to this great agency that we serve. Thank  
20 you.

21 CHAIRMAN ALCANTAR: Thank you. And I, too,  
22 salute you. I thank you for your excellent work and for  
23 your commitment to making us work better and to work so  
24 effectively as a team. We'd like to do some pictures right  
25 now. We'd like to go in order. Justine, you will go first,

1 followed by Laurie, then we'll have the Appeals RPI team,  
2 Jorge, and then the Treasury Offset team join us. Thank  
3 you.

4 (Pause for photographs)

5 CHAIRMAN ALCANTAR: Okay. If everyone could  
6 take a seat, we need to continue on. Tom, we're not quite  
7 ready yet. We're not finished with the docket yet. Okay.  
8 Reagan, do we have other updates? I have a couple of items  
9 I know we do up here.

10 MS. MILLER: No other updates.

11 CHAIRMAN ALCANTAR: Okay. Commissioner  
12 Hughs, I know you had an item.

13 COMM. HUGHS: I want to briefly recognize  
14 Brian Owens for his 15 years of service.

15 (Applause)

16 CHAIRMAN ALCANTAR: Commissioners, as you're  
17 aware, we've been asked to work with TEA and the Co-Board on  
18 what we can do to improve graduation rates for minority  
19 males. And as we're moving forward, we're certainly proud  
20 of highlighting a number of things that we do that advance  
21 the goals for -- for this targeted group, as well as the  
22 other impacted parties that need to be addressed in terms of  
23 meeting the goals under 60x30TX. But one of the things that  
24 we've been working on as -- if there's a way for us to work  
25 to target some specific resources to some of these board

1 areas with very high concentrations. And one of the things  
2 that -- with your -- I'd like for staff to do is to brief  
3 you and to bring forward an initiative that would provide  
4 for some resources to demonstrate how we can work  
5 effectively with our -- through our boards, bringing  
6 together other stakeholders and really do all that we can to  
7 provide effective services through our different  
8 capabilities in support of this effort.

9 So Reagan, is there anything else that I need  
10 to direct or address?

11 MS. MILLER: No, with that direction we can  
12 begin working on some ideas.

13 CHAIRMAN ALCANTAR: All right. Thank you.  
14 And Commissioners, is there anything else you'd like for us  
15 to focus on? I think Staff have been briefing you on some  
16 of these things. All right.

17 Reagan, anything else?

18 MS. MILLER: That's it.

19 AGENDA ITEM NO. 22

20 CHAIRMAN ALCANTAR: Do we have a motion to  
21 adjourn this meeting?

22 COMM. HUGHS: I move that we adjourn.

23 COMM. ALVAREZ: I'll second that.

24 CHAIRMAN ALCANTAR: We are -- let me make  
25 sure we weren't supposed to go into Executive Session before

1 I adjourn. We were not. We are adjourned. Thank you.

2 (Proceedings concluded at 10:38:38 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 June, 2018.

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

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