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TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

PUBLIC MEETING )  
FOR THE TEXAS )  
WORKFORCE COMMISSION )

COMMISSION MEETING  
TUESDAY, JUNE 18, 2019

BE IT REMEMBERED THAT at 9:00 a.m. on  
Tuesday, the 18th day of June, 2019, 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 RUTH R. HUGHS, Chair and JULIAN  
ALVAREZ Commissioner.

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19  
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21  
22  
23  
24  
25

TABLE OF CONTENTS

PAGE

PROCEEDINGS, TUESDAY, JUNE 18, 2019

AGENDA ITEM NO. 1 ..... 3  
Chair Hughs

AGENDA ITEM NO. 2 ..... 3  
Les Trobman

AGENDA ITEM NO. 3 ..... 3  
Sherri Miller

AGENDA ITEM NO. 4 ..... 3  
Jennifer Turner

AGENDA ITEM NO. 5 ..... 3  
Jennifer Turner

AGENDA ITEM NO. 6 ..... 4  
Sherri Miller

AGENDA ITEM NO. 7 ..... 4  
Sherri Miller

AGENDA ITEM NO. 8 ..... 4  
Randy Townsend

AGENDA ITEM NO. 9 ..... 9  
Carline Geiger & Cheryl Fuller

AGENDA ITEM NO. 14.....11  
Ed Serna

AGENDA ITEM NO. 15.....13  
ADJOURNMENT

REPORTER'S CERTIFICATE.....14

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
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P R O C E E D I N G S

TUESDAY, JUNE 18, 2019

(9:00 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? All right, thank you. No public comment. Good morning.

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.

No cases were heard.

AGENDA ITEM NO. 5

Discussion, Consideration and Possible Action

1 Regarding Fair Housing Cases listed on the Texas Workforce  
2 Commission Docket.

3 No cases were heard.

4 AGENDA ITEM NO. 6

5 Discussion, Consideration and Possible Action  
6 Regarding Higher Level Appeals in Wage Claim Cases Listed on  
7 the Texas Workforce Commission Docket 25.

8 The Commission considered and took action on  
9 all wage claim cases listed on Docket 25.

10 AGENDA ITEM NO. 7

11 Discussion, Consideration and Possible Action  
12 Regarding Higher Level Appeals in Unemployment Compensation  
13 Cases Listed on the Texas Workforce Commission Docket 25.

14 The Commission considered and took action on  
15 all unemployment compensation cases listed on Docket 25.

16 AGENDA ITEM NO. 8

17 CHAIR HUGHS: It looks like staff is here,  
18 we're ready to proceed without pausing. Is that correct,  
19 MR. Serna? Great.

20 MR. SERNA: Yes, ma'am.

21 CHAIR HUGHS: All right. So, Item 8,  
22 Discussion, Consideration and Possible Action Regarding the  
23 Report to the Governor and Legislative Leadership Offices  
24 Concerning the Estimated Unemployment Trust Fund Balance  
25 Pursuant to Texas Labor Code Section 204.061, and the

1 Estimated Employment and Training Investment Holding Fund  
2 Balance Available for Transfer Pursuant to Texas Labor Code  
3 Section 204.123. Good morning.

4 MR. TOWNSEND: Good morning Chair Hughs,  
5 Commissioner Alvarez. For the record, Randy Townsend, Chief  
6 Financial Officer.

7 This morning, commissioners, I'm presenting  
8 the latest update we have for our Unemployment Trust Fund  
9 balance, and we we'll also be presenting our balance for the  
10 Employment and Training Investment Assessment Holding Fund  
11 as well.

12 Beginning with the Unemployment Trust Fund,  
13 just again by way of reminder to start these out, we began  
14 the year with 1-billion, 682-million in our Unemployment  
15 Trust Fund. We estimate we'll now add to that through  
16 collections from employers for their, from the -- for their  
17 assessment of almost 2.4-billion. We also estimate that  
18 we'll collect about 45-million in interest on the balances  
19 in our Unemployment Trust Fund. I had mentioned to you some  
20 adjustments we had made last time previously that reduced it  
21 by 18-million.

22 And then, finally, the benefit payments we're  
23 currently estimating will be 1-billion, 861-million. As  
24 you've probably noticed that is trending downward as we --  
25 as we add actual amounts to our projects, and so that's the

1 trend in a -- in a good direction as far as the payouts go.  
2 That would leave a balance in the Unemployment Trust Fund on  
3 October 1st of 2-billion, 244-million.

4           When you compare that amount, that balance,  
5 to the floor amount, which represents 1 percent of taxable  
6 wages, the floor amount is 1-billion, 157-million. On  
7 October 1st our balance in the trust fund will be -- will  
8 exceed the balance, the floor amount, by 1-billion, 86-  
9 milion. So, It's a fairly significant amount over the floor  
10 at this point. Still within the 2 percent ceiling of  
11 growth, though.

12           So, finally, let me -- or let me now move to  
13 the Employment Training Investment Assessment, ETIA Holding  
14 Fund balance, to give you a status update on that fund as  
15 well.

16           We began the -- began the year with that fund  
17 being 172-million balance. We expect to collect about 113-  
18 million for the year after you account for the required  
19 collection expense that we have to provide for that fund of  
20 about 390,000, we would have a balance in August of 285-  
21 million. What we do with that, then, when we're above the  
22 floor, as I mentioned previously, we are then authorized to  
23 transfer to fund our skills appropriation.

24           And, as you might recall, the way that works  
25 is we are, we traditionally for the last few years, had

1 appropriated general revenue from the skills appropriation.  
2 And then to the extent when you're above the floor, then  
3 essentially what we did is we trade out that general revenue  
4 appropriation with this ETIA funding balance to fund the  
5 skills appropriation.

6           So, this 44-million that is for the Skills  
7 Development program would be transferred, really, in two  
8 increments, about 22-million each year; one this coming  
9 September, and then the remaining amount next September to  
10 fund the skills appropriation.

11           And just so there's no confusion, that skills  
12 appropriation appears to be higher because of the Jobs and  
13 Education for Texans Program, which is pure general revenue,  
14 and has no relationship to the ETIA transfer we made. And I  
15 think there might have been some late rider language  
16 proposed that would have changed some of this and done away  
17 with the floor test, essentially. That discussion on that  
18 rider never went anywhere, as it turns out, and so what  
19 we've been doing for the last few years is continuing in  
20 place for the ETIA transfer and funding the skills  
21 appropriation.

22           So, I did just want to kind of clarify.  
23 Because I know there's some kind of late-breaking language  
24 that was shared around. But as far as I understand that,  
25 that didn't end up in anything in our appropriation bill

1 pattern. So that is the balances in the Unemployment Trust  
2 Fund and the ETIA.

3 And now let me just conclude with just  
4 sharing some of the recent trends with the commissioners on  
5 the weekly benefit payments. This will be the last six  
6 weeks ending June 1st of '19; about 33.6-million was paid  
7 out. That compares to 35-million the year before. On that  
8 same period of time, a 5 percent reduction.

9 The initial claims were pretty much flat.  
10 They were averaging 12,623. Very little difference from a  
11 year ago. The power of the continued claims were averaging  
12 105,214, and that number was about 5.3 percent below the  
13 one-year-ago average. So, again, the trends are still  
14 positive in the right direction as far as the trust fund  
15 goes. And that concludes my presentation this morning. If  
16 you have any questions or comments you'd like to offer?

17 CHAIR HUGHS: Thank you. Commissioner  
18 Alvarez?

19 COMM. ALVAREZ: No. Thank you. Thank you,  
20 Randy.

21 CHAIR HUGHS: Thank you, Randy. And we'll  
22 certainly be following the balance and I appreciate you  
23 summarizing that. I do remember when we were below the  
24 floor and how important it was to be able to draw from that  
25 in terms of softening that blow, so thankfully we're in more



1 prosperous times now and we'll just keep following it to see  
2 what that looks like. Thanks for the update.

3 AGENDA ITEM NO. 9

4 CHAIR HUGHS: All right, Item 9. Discussion,  
5 Consideration and Possible Action Regarding the Proposed  
6 Employment Supports for Brain Injury Services Model and  
7 Applicable Changes to the Vocational Rehabilitation Services  
8 Manual C-700 and Standards for Providers Manual Chapter 20  
9 and Chapter 21. Good morning.

10 MS. GEIGER: Good morning Chair Hughs,  
11 Commissioner Alvarez and Mr. Serna. For the record, I'm  
12 Carline Geiger for Vocational Rehabilitation.

13 Early last year we identified that customers  
14 with the most significant brain injuries achieved lower  
15 positive outcomes than other VR customers. One of the  
16 primary reasons is because VR had been using the post-acute  
17 brain injury model, which was the same model used for  
18 customers of the comprehensive rehabilitation services  
19 program, which transferred from legacy DARS to HHSC, and  
20 which does not include strategies leading to an employment  
21 outcome.

22 To inform development of a new model, public  
23 meetings were held in early 2018. Following these meetings  
24 staff evaluated current services, researched delivery models  
25 of other states, and obtained input from stakeholders. The

1 proposed new model is called Employment Supports for Brain  
2 Injury Services, ESBI, and includes an enhanced focus on  
3 employment outcomes.

4           The ESBI model integrates the therapies of  
5 occupational therapy, physical therapy, cognitive  
6 rehabilitation therapy, et cetera, with the necessary pre-  
7 employment skills strategies that can be applied in  
8 employment settings and in the community.

9           The ESBI model will include revised fees and  
10 new VRSM policy and new standards for providers.

11           VR proposes to adopt the ESBI model for VR  
12 customers with the most significant brain injuries to adopt  
13 the rates used by HHSC CRS Program and detailed in the  
14 discussion paper, and add new policy to the VRSM in C-700  
15 and new standards to the Standards for Providers Manual in  
16 chapters 20 and 21 as detailed in the discussion paper.

17           If approved, staff will proceed with two open  
18 enrollments. One open enrollment will be for contracting  
19 with vendors to provide brain injury services under the new  
20 model. The other open enrollment will be for two  
21 specialists in brain injuries; a neuropsychologist, or a  
22 PMR; Physical, Medical and Rehabilitation Specialist as new  
23 policy will mandate that counselors consult with these  
24 specialists prior to making an eligibility determination.

25           The new policy standards and rates will

1 become effective on October 1, 2019 to allow for the open  
2 enrollment period and execution of contracts with providers.  
3 Until then VR will continue with the current exception  
4 process of approving Pappy (09:10:38) services to ensure  
5 customers requiring brain injury services may obtain them.  
6 Do you have any questions?

7 CHAIR HUGHS: Commissioner Alvarez?

8 COMM. ALVAREZ: No questions.

9 CHAIR HUGHS: Is there a motion?

10 COMM. ALVAREZ: Yes. I move that we adopt  
11 the proposed Employment Supports for Brain Injury Services  
12 Model and revise the Vocational Rehabilitation Services  
13 Manual C-700 and Standards for Providers Manual chapters 20  
14 and 21 as recommended by staff.

15 CHAIR HUGHS: And I second that motion.  
16 We're unanimous. And thank you for all your hard work on  
17 this. All right. There is nothing for Items 10 and 11.  
18 Item 12 is being deferred to a future commission meeting  
19 date. There is nothing for Item 13.

20 AGENDA ITEM NO. 14

21 CHAIR HUGHS: That brings us to Item 14. Are  
22 there any updates from the Executive Director?

23 MR. SERNA: Good morning, commissioners.  
24 One quick update, which is mixed news. I am both pleased  
25 and sad to report that Glen Neal has announced he will be

1 retiring effective the end of July. You've done an  
2 outstanding job for us both, starting with the transition to  
3 DARS, now VR, into TWC. And then after that because he does  
4 such a good job there, we gave him more assignments. We  
5 gave him business operations and a previous director had  
6 left that all messed up. Which was me, by the way. But  
7 Business Operations and Human Resources, and he's done an  
8 outstanding job in proving that operation given the larger  
9 division that we have. The larger operation that we have.

10 So, with that, we'll recognize his pending  
11 retirement. So, Glen.

12 CHAIR HUGHS: Congratulations, Glen.

13 (Applause)

14 CHAIR HUGHS: We're definitely more sad than  
15 pleased. But thank you for letting us know. Okay, thank  
16 you. Do I have a motion to adjourn? There any further  
17 comments?

18 COMM. ALVAREZ: NO. I just wanted to also  
19 take this opportunity to thank Glen for all the great work  
20 you've done, Glen. You were one of the first folks that we  
21 met, or I met, and I appreciate your work in working so  
22 closely with the office, so we're going -- you're certainly  
23 going to be missed, buddy. But we wish you the best.

24 AGENDA ITEM NO. 15

25 COMM. ALVAREZ: With that, I move that we

1 adjourn.

2 CHAIR HUGHS: And I second. We are  
3 adjourned. Thank you. Have a good day.

4

5 (Proceedings concluded at 9:12:52 a.m.)

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C E R T I F I C A T E

STATE OF TEXAS       )  
COUNTY OF HARRIS    )

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 21<sup>st</sup> day of June, 2019.

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

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