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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, JULY 17, 2018

BE IT REMEMBERED THAT at 8:30 a.m. on
Tuesday, the 17th day of July, 2018, the above-entitled
matter came on for hearing at the Texas Workforce
Commission, TWC Building, 101 East 15th 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, JULY 17, 2018

(8:30 a.m.)

AGENDA ITEM NO. 1

CHAIRMAN ALCANTAR: Good morning, everyone.

This meeting is called to order.

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 29.

The Commission considered and took action on
all tax liability cases listed on Docket 29.

AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action
Regarding Fair Housing Cases listed on the Texas Workforce
Commission Docket 29.

No Discussion.

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AGENDA ITEM NO. 5

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Wage Claim Cases Listed on
the Texas Workforce Commission Docket 29.

The Commission considered and took action on
all wage claim cases listed on Docket 29.

AGENDA ITEM NO. 6

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Unemployment Compensation
Cases Listed on the Texas Workforce Commission Docket 29

The Commission considered and took action on
all unemployment compensation cases listed on Docket 29.

AGENDA ITEM NO. 7

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

MR. TROBMAN: No, sir.

CHAIRMAN ALCANTAR: We have no public
comment.

AGENDA ITEM NO. 8

CHAIRMAN ALCANTAR: Item 8, Discussion,
Consideration and Possible Action Regarding the Report to
the Governor and Legislative Offices concerning the Trust
Fund Balance. Randy Townsend. Good morning, Randy.

MR. TOWNSEND: Good morning, Chairman and

1 Commissioners. For the record, Randy Townsend, Chief
2 Financial Officer. Commissioners, for your consideration
3 this morning, I'm just updating you on our expected
4 Unemployment Trust Fund balance for this coming October 1st.
5 The balance continues to hold pretty steady from what I've
6 been reporting to you for the past several months now.

7 Just by way of review, the beginning balance
8 for this year started out at 1.1-billion. We expect now to
9 add just under 2.5-billion in collections from employers
10 paying into the Trust Fund. We will also add some
11 depository interest earned on the balance of almost \$30-
12 million.

13 We've got the bond transfers from the
14 residual of paying off those bonds, so we got about 60-
15 million going to the Trust Fund as a result of that. And
16 now we're expecting that the payout will be just barely over
17 \$2-billion. Now, 2-billion is a lot of money I realize, but
18 compared to last year at 2 and a half billion, quite an
19 improvement.

20 So that would leave our Trust Fund Balance at
21 just over 1.6-billion, 1.65-billion almost, which would put
22 the Trust Fund Balance on October 1st about 550-million over
23 the floor on that date; about halfway between the floor and
24 the ceiling, actually. So that's the status of our Trust
25 Fund.

1 And then let me give you an update on our
2 Employment and Training Assessment ETIA Holding Fund.
3 Again, the beginning balance, we started with about 60-
4 million this year. We will add collections of almost 110-
5 million, and then we have already covered the transfer for
6 the skills that will happen this coming September.

7 Of course, we're above the floor, and that
8 will leave a balance remaining of almost 170-million in our
9 ETIA Holding Fund, so pretty solid there as well. Let me
10 wrap up by just sharing some recent trends for our --
11 relating to our Unemployment Program.

12 We had weekly benefit payments that totaled,
13 for the last six weeks ending in June, about 37-million.
14 That was down almost 22 percent from the one year ago
15 average for benefits paid. The unemployment initial claims
16 averaged just over 13,000 for the six-week average.

17 That was a 10 percent reduction from the one
18 year ago initial claims number. And then, finally, the
19 unemployment continued claims was right around 115,000;
20 almost 17 percent reduction from the one year ago average.

21 So, all-in-all, looking real good as far as
22 the Unemployment Trust Fund and what we're seeing for the
23 trends for the Unemployment Program. That concludes my
24 report this morning; do you have any questions or comments?

25 CHAIRMAN ALCANTAR: Commissioners, any

1 questions or comments?

2 COMM. HUGHS: No, thank you for the update.

3 COMM. ALVAREZ: Thank you, Randy.

4 COMM. HUGHS: Thank you for the update,
5 Randy.

6 MR. TOWNSEND: You're welcome.

7 AGENDA ITEM NO. 9

8 CHAIRMAN ALCANTAR: Item 9, Discussion,
9 Consideration and Possible Action Regarding our 2020-2021
10 LAR. Randy?

11 MR. TOWNSEND: Good morning again, Chairman
12 and Commissioners. Again, for the record, Randy Townsend,
13 Chief Financial Officer.

14 Commissioners, let me walk you through a few
15 items this morning. And I know we have a pending item for
16 exceptional items to go over here in just a moment, but let
17 me just kind of give you a status of where we stand and a
18 couple of changes that have occurred as we work with our LBB
19 on some of the numbers and instructions I can have for us.

20 In the tab where we've got the agenda
21 materials for you, there's a 22-page document. I just want
22 to highlight on -- on Schedule 1, which is page 2 of that
23 document, following the Table of Contents.

24 There has been a change -- and this is
25 consistent with the instructions we received just recently

1 from the LBB -- of how they want agencies to handle their
2 base 2018-2019 General Revenue amounts for supplemental
3 request.

4 And so, previously -- I've got it highlighted
5 there in orange, on row 4, the 64.9-million amount for the
6 '18 estimate and then the '19 budget has been reduced by the
7 8.9-million, to be consistent with the instructions from LBB
8 on 70 and 47-million. And I have also adjusted the footnote
9 at the very bottom.

10 So what that means is, they want our base to
11 stay within the 2018-2019 biennial total, and then we would
12 include -- probably include something in the administrator's
13 statement as well on this, that we would be asking to be
14 included in the supplemental appropriations, to increase the
15 general revenue for '19 during the session by the 8.9-
16 million.

17 That was the amount, if you'll recall, that
18 was needed to draw down the 33-million in the Voc. Rehab
19 Funds, as related to Hurricane Harvey. So that's just
20 consistent with the way that all agencies are being asked to
21 handle any supplemental appropriation requests.

22 We thought we could go above the base and
23 reflect it that way, and they have since discussed that and
24 decided that wasn't the way that they prefer to have it
25 handled. So that just is consistent with that approach.

1 So what we're looking at now for 2021 is
2 about a 3.7-billion all funds request for the biennium, with
3 about 3.2-billion of that being federal funds, and then
4 almost 390-million being general revenue -- general revenue
5 dedicated.

6 So that's page 2. Let's see if you have any
7 questions about any of that part.

8 CHAIRMAN ALCANTAR: Commissioner Hughs.

9 COMM. HUGHS: No.

10 COMM. ALVAREZ: No.

11 CHAIRMAN ALCANTAR: Thank you. Proceed.

12 MR. TOWNSEND: On page 3, I wanted to
13 highlight on row 8; and we're still working this out with
14 the Department of Family and Protective Services. It's
15 strategy 1.4.4, the Childcare DFPS Families. And if you
16 look at the 18 column, there's an 86.1 -- almost 8.62-
17 million number there. That has been increased by almost 15-
18 million.

19 And I think I maybe mentioned this, and it
20 includes previous presentations, that the DFPS has -- this
21 is their childcare funding for the eligible children in
22 their program. They have an interesting contract with us,
23 in which we then provide funding to each of our 28 Workforce
24 Boards to pay for children deemed eligible by DFPS. So this
25 is interesting contract receipts for us.

1 We are in the process of working with -- and
2 I've been in contact with my fellow CFO at DFPS, and then we
3 need to have a conversation with the Comptroller's office --
4 as to how to actually handle this.

5 To move this amount -- in fact, I just talked
6 with our LBB analyst this morning prior to coming downstairs
7 here -- and we have to be in agreement between the two
8 agencies on this amount. And we're close, but we're off
9 just a little bit, so we're still fine tuning that number,
10 and it has to get worked out with how the Comptroller will
11 also set that appropriation up for this.

12 So I'm just pointing that out to you, as far
13 as that amount. Now the letter that denied the initial
14 request for DFPS funding the increased childcare base out of
15 their general revenue, out of state funds, and asked the two
16 agencies to work together to use the increased Childcare
17 Block Grant Funds -- which we're doing, of course -- but
18 then making it clear that DFPS doesn't have the term was
19 tacit approval to continue at that same level without
20 looking at some changes in the need for the childcare going
21 forward in '19.

22 And I have had that conversation again with
23 the CFO at DFPS, and I know they are planning to work on
24 that. I think we may need some changes to how they review
25 caseloads and that sort of thing, starting September 1st.

1 But there's still some work to be done in this regard with
2 where we're at.

3 I did just want to point that out to you.
4 You'll see that number in a couple different places in the
5 document, and so as that number is finalized, we will, of
6 course, modify that as well. But I just want to give you a
7 quick highlight on that. If you have any questions, let me
8 know, please.

9 CHAIRMAN ALCANTAR: We have no questions,
10 keep going.

11 MR. TOWNSEND: Okay. So then let me move to
12 page 7, unless you have a question about something before
13 then. I'll just went past the FTEs into the departmental
14 schedule.

15 On page 7, on row 77, for 2020-2021, this is
16 the Elected Committee Managers, or Advisory Committee, and
17 we work with the program folks there, and they have not
18 increased the Advisory Committee -- there's a rider for
19 this, by the way -- this reimburses the elected Committee
20 Manager's traveling for the Business Enterprise of Texas,
21 the BET Program.

22 They have four quarterly meetings -- I
23 believe this is required by the federal requirements -- and
24 then it reimburses their travel costs for this. And so the
25 members that have been traveling from the Committee members

1 have been down for the past couple years or so, and this is
2 reflected in an estimate of increased travel cost, but also
3 more managers attending these quarterly meetings and making
4 a request to increase that from the 16,000 to the 22,000 in
5 authority, so.

6 So I did just want to point that out, that
7 that is included as part of our base request, at this point.
8 And if you need more information on that, we can certainly
9 get it for you, but that's the -- I want you to be aware of
10 that change, because you will see the rider as well.

11 CHAIRMAN ALCANTAR: All right. Let's keep
12 going.

13 MR. TOWNSEND: Okay? And then, I'm going to
14 move to Schedule 9, which starts on page 16. This is the
15 Childcare State-Run Initiative, and the item I just talked
16 about earlier on DFPS, the Department of Family Protective
17 Services, I wanted to show you on row 2 there for '18,
18 you've seen previously a 15-million dollar amount reflected
19 there. That was where we were -- and we're still, again,
20 working this out with the Comptroller on how we need to
21 reflect it exactly, and so this could change again, but we
22 the way we provisionally do this is that we don't have the
23 expenditures show up for the appropriation that we fund with
24 DFPS.

25 And so we had taken that out of the '18

1 column, thinking that's maybe how it's going to be handled.
2 But, again, we're working that out with the Comptroller, so
3 more to come on that as we finalize that exact way of
4 handling that particular transfer.

5 Let me move to page 17. I don't have
6 anything for WIAO on that. I believe we have reflected all
7 your requests previously on it, and have moved any remaining
8 balance from '18 into '19. And so those are showing your
9 balances for '19 through '21 on page 17 for the WIAO
10 Commission Reserve Balance.

11 But on page 18, this is the TANF Commission
12 Reserve. I want to point out a couple of items to you this
13 morning. On row 2 -- I'm sorry, excuse me -- on row 3, this
14 is the -- previously had been presented as a exceptional
15 item request for the Workforce and Career Technical
16 Specialist, and the Commissioners voted last week to include
17 that as part of the TANF funded initiative for 2-million
18 dollars, and we have that reflected in 2020.

19 I might point that out that begins September,
20 2019, the fiscal '20 year. So it's possible, if there's
21 some need to, you know, start that a little bit early, we
22 might have to look at whether that year needs to be moved
23 around just a little bit, but we do have 4-million for the
24 2020-2021 currently in TANF.

25 And then we do have a Commission Reserve

1 Balance, and I know there was a lot of discussion last week
2 and I didn't have the numbers in front of me, and I
3 apologize for that. But on row 8, you'll see the Commission
4 Reserve Balance reflecting 4-million dollars being added.

5 There's still about 5-million in commission
6 reserve. And so I point that out, and then I will see if
7 you have any questions about where we stand on TANF, at this
8 point.

9 CHAIRMAN ALCANTAR: Commissioner Hughs?

10 COMM. HUGHS: Thank you. Based on staff's
11 input, which I greatly appreciate, I think that there's a
12 way that we don't need to seek an exceptional item on the
13 internship program that we discussed. At this time, I move
14 that we amend an action that was taken last week on the
15 exceptional item, and change the method of finance for the
16 Texas Internship Program for a two-year period at the same
17 levels.

18 But I understand that, that would be a way
19 that we could fund the initiative without needing to seek
20 GR; is that correct?

21 CHAIRMAN ALCANTAR: That is correct, yes.

22 COMM. HUGHS: And it seems to align with our
23 other efforts with respect to the specialist and continuing
24 to support the efforts under the internship program. So I
25 would move that we amend last weeks' action to change the

1 method of finance for the internship program that was
2 approved last week.

3 CHAIRMAN ALCANTAR: Commissioner Alvarez?

4 COMM. ALVAREZ: I think the initiative is a
5 good one; I just have some questions on it. And I think
6 it's appropriate to put it under the TANF funding.

7 I had some questions regarding the testing.
8 So I'm assuming that we've talked to folks regarding the
9 importance of this initiative. Commissioner Hughs, just for
10 clarification, the test would be paid for by the TANF
11 funding -- the test for the credentials -- the
12 certifications?

13 COMM. HUGHS: Not necessarily. Well, I will
14 let Courtney speak to what the RFP would look like, but it
15 would basically put forward a program that would allow
16 partnerships. And based on those partnerships it would
17 provide a stipend to students, so that we can further
18 encourage employers to engage and schools to give credit
19 while they have this work-based experience.

20 So, you know, we can look at if there's a
21 better method of finance with respect to testing that is not
22 part of what is contemplated here.

23 CHAIRMAN ALCANTAR: This is paying for the
24 internships, correct?

25 COMM. HUGHS: Right.

1 CHAIRMAN ALCANTAR: Yeah, okay. And the
2 internships might involve students in programs where they
3 might be earning a credential, a certification, but it's not
4 certainly required 100 percent of the time. It varies by
5 the employer and the different spectra that we are talking
6 about.

7 COMM. HUGHS: Right.

8 CHAIRMAN ALCANTAR: Okay. I have no
9 questions.

10 MS. ARBOUR: Before the vote, I just wanted
11 to clarify. Commissioner Hughs, if the change is that it
12 would be TANF funded, would you be looking to limit that to
13 students who are in a high school dual credit program --

14 COMM. HUGHS: Yes.

15 MS. ARBOUR: -- or also community college
16 level?

17 COMM. HUGHS: Right. I understand that we
18 have that limitation, and we want to make sure that we use
19 the funds as appropriately intended and for the right
20 population. So I think it would be a great effort to
21 support our students in high school, and then revisit other
22 opportunity in the future, based on how this goes.

23 COMM. ALVAREZ: I would agree with that,
24 since it's under purpose number 3. So with the 18 and
25 younger, I'm fine with that.

1 CHAIRMAN ALCANTAR: I agree, but I actually
2 have a suggestion. Why not start it immediately; why wait
3 to move forward with this if funds are currently available?

4 COMM. HUGHS: Right. They are, but the idea
5 is to get the program under way. We're just specifying that
6 the population is high school.

7 CHAIRMAN ALCANTAR: Yeah, I know, but the
8 exceptional item -- I just want to clarify -- the
9 exceptional item that we had funded would start this in
10 2020. I'm saying that you could start this right now.

11 COMM. HUGHS: Agreed.

12 MR. TOWNSEND: Rather than waiting.

13 COMM. HUGHS: Right.

14 MR. TOWNSEND: So, let me make sure I'm
15 clear. So we would take -- there's a 4-1/2-million balance
16 in '19 -- we take 2-million dollars and include a new
17 initiative on our TANF list of initiatives for this
18 particular internship program.

19 And, of course, that would bring the balance
20 down to 2-1/2-million or so, where that leaves it. And then
21 we can decide everything, to roll that out over a couple
22 years, or however you decide to do that. Obviously, we can
23 work with you on that.

24 CHAIRMAN ALCANTAR: I was suggesting that,
25 since you have a balance, and you have a reserve, and it

1 should probably be spent in the year that it's available,
2 just to make it easier, that you go ahead and initiate it
3 immediately at a million dollars per year, which is -- we
4 get a million a year or two -- a million a year, that way
5 the staff can go to work and start spending these dollars
6 immediately.

7 MR. TOWNSEND: The only concern I have, too -
8 - I think this is, like I said, a great initiative -- is the
9 disability component of this. You know, I know we also have
10 other money available. I like the population that's
11 included in this, so I appreciate the fact that you included
12 the disability with that, so.

13 MR. TEMPLE: Mr. Chairman, can we get a
14 clarification, so on the initiative for the --

15 CHAIRMAN ALCANTAR: Workforce Fellowship
16 Internships.

17 MR. TEMPLE: Yes, but for the initiative last
18 week that we voted to fund with TANF under Commissioner
19 Alvarez, we're going to do that in '19 as well and --

20 CHAIRMAN ALCANTAR: That's correct.

21 MR. TEMPLE: -- not wait until '20? So I
22 want to be clear. But there's plenty there --

23 MR. TEMPLE: -- to do that, but -- because it
24 was presented as an exceptional item as well --

25 CHAIRMAN ALCANTAR: Right.

1 MR. TEMPLE: -- and we'll move that up to
2 starting it right now.

3 CHAIRMAN ALCANTAR: Right. I would like it -
4 - we're talking about this right now --

5 MR. TEMPLE: Yes.

6 CHAIRMAN ALCANTAR: We can always move back
7 to that later.

8 MR. TEMPLE: Well, I just put forward we
9 spent all that, and I wanted to make sure we had the money.

10 CHAIRMAN ALCANTAR: Yeah.

11 MR. TEMPLE: You know, there was enough
12 money, whatever the idea was.

13 CHAIRMAN ALCANTAR: Right. Yes, we can
14 clarify that one after we finish this one; that is correct.

15 MS. ARBOUR: And I think, Larry, the
16 difference I just heard is that this would be a million
17 dollars, an RFP or an RFA, for 1-million dollars as soon as
18 possible, and then a second million dollar initiative when
19 those contracts have closed.

20 COMM. HUGHS: That's correct. So with that,
21 I move that we amend the action taken last week on the
22 exceptional item and change the method of finance for the
23 Texas Internship Program, as discussed.

24 COMM. ALVAREZ: I would agree to that.

25 CHAIRMAN ALCANTAR: And I would, and we are

1 unanimous. And now we go back to the previous item, which
2 would be item on the list --

3 COMM. ALVAREZ: Ch-ch- --

4 CHAIRMAN ALCANTAR: -- Item number 3, the
5 Workforce Career and Technical Education Specialist to
6 address the Executive Director's request for clarification.
7 As you can see by looking at that, Mr. Alvarez, that is
8 scheduled to begin in 2020. The question is, would you
9 propose that it still start in 2020, or do you propose an
10 earlier start date, by 2019?

11 COMM. ALVAREZ: I would say 2019; we have
12 interest in that already from EDCs and other groups.

13 CHAIRMAN ALCANTAR: Commissioner Hughs?

14 COMM. HUGHS: Is that something staff is
15 prepared to move forward on?

16 COMM. ALVAREZ: We can definitely make that
17 work, as far as the 2-million, starting in '19, continuing
18 to '20, and then the 1-million we just talked about
19 previously in '19 or '20 as well. We have the ability to
20 make that work.

21 COMM. HUGHS: It sounds like we're all in
22 agreement?

23 CHAIRMAN ALCANTAR: Now, we just -- you're
24 going to have to reassess this for 2020-2021 after two
25 years, based on your balances and so forth, but you've at

1 least got two years in like you would.

2 COMM. HUGHS: Right.

3 CHAIRMAN ALCANTAR: You'd just do it a little
4 bit earlier.

5 COMM. ALVAREZ: Yup, 2019.

6 CHAIRMAN ALCANTAR: You're welcome.

7 COMM. ALVAREZ: Thank you.

8 MR. TOWNSEND: Staff will make sure that
9 Schedule 9 on the TANF list reflects the decision made this
10 morning. Commissioners, now I believe the only other --

11 COMM. ALVAREZ: Do you need clarification?

12 COMM. HUGHS: No, it's fine. Randy's
13 confident that will work --

14 MR. TOWNSEND: I am.

15 COMM. HUGHS: Okay.

16 MR. TOWNSEND: I am.

17 COMM. HUGHS: I understand previously that
18 the internship kicking in, in '19, while the specialist
19 funds will take a year to reinvoke, that we were spacing out
20 the costs; but it sounds like he can adjust the balance, and
21 if staff is confident that they can move forward, then we
22 can do it. I want it confirmed.

23 COMM. ALVAREZ: Yes, I can confirm that. We
24 can make that currently.

25 CHAIRMAN ALCANTAR: That should leave you

1 with 1.5-million at the end of 2019.

2 MR. TOWNSEND: I'll do all the math and make
3 sure rather than try and figure it out up here. That didn't
4 work so well for me last time.

5 CHAIRMAN ALCANTAR: Yes, you're staying
6 figures -- you're shifting -- you're moving it up, so that's
7 3-million per year. Leaves you with three -- with a million
8 five.

9 COMM. ALVAREZ: Yes.

10 COMM. HUGHS: It just takes a year to get
11 under contract. I think that's the challenge.

12 CHAIRMAN ALCANTAR: Yeah, I think that's the
13 benefit of starting earlier, you can demonstrate how
14 successful these things are going to be. All right.

15 COMM. ALVAREZ: Thank you, Chairman.

16 CHAIRMAN ALCANTAR: Do we need anything else
17 on the exceptional items? We need to prioritize the
18 exceptional items, right?

19 MR. TOWNSEND: And that was the next step, I
20 believe. Well, we also -- yes.

21 COMM. ALVAREZ: We still have one pending.

22 MR. TOWNSEND: Right. Let me do one other
23 thing. I handed out to you, just a moment ago, a one --
24 well, it's a two-page -- one single page; it's two pages
25 total -- it lists what we have as of last week, which you

1 just made a change, so -- on the exceptional items.

2 On page 1 of that, he had listed the Jobs and
3 Education for Texas, the JET Program expansion, the 6-
4 million request. So that was listed there. And then we
5 also had that Workforce Fellowship program. That will come
6 off now based on the action the Commission has taken.

7 And then we do have a -- I believe, there
8 might be a pending item for apprenticeship.

9 The back page of this would be the Capital
10 Budget Exceptional Item Request that summarizes, and also, I
11 will fix number 3, the Eligible Training Provider. That's
12 listing 1.2-million in all funds; there's about 700,000 of
13 general revenue needed for that, so I will get that to
14 reflect that as well.

15 And we will continue to work to refine --
16 we're trying to get a pretty concise document to use during
17 the session, upcoming session; that, hopefully, is as few
18 words as possible, but kind of conveys the importance of the
19 exceptional items and is useful, you know, for briefings and
20 that sort of thing.

21 So we know we still have some fine-tuning to
22 do with this, but this gives you at least the summary of the
23 list. And then I'll just see where you are on the pending
24 items, at this point.

25 CHAIRMAN ALCANTAR: Thanks for clarifying

1 that for the Commissioners, Randy. Item 3 does -- of the
2 total, 700,000 of that will be general revenue, and that's
3 something that we need to remember when we prioritize these
4 items.

5 MR. TOWNSEND: Yes.

6 CHAIRMAN ALCANTAR: All right. Commissioner
7 Alvarez?

8 COMM. ALVAREZ: Chairman, if I may pass these
9 out? These are the homework assignment you gave me last
10 week. Jeanette, if you could pass this to Larry?

11 MR. TEMPLE: I've got one.

12 COMM. ALVAREZ: You got one? Great. Thank
13 you.

14 So you asked me last week to come up with
15 some numbers. I think the offices had been briefed by
16 Courtney. I asked Courtney, and also Desi to be here --
17 sorry, Desi, I forgot your name -- but Desi to be here for
18 any questions that you may have. As you can see, we broke
19 it down into what we needed.

20 You asked me to get together with the staff.
21 The first page of response that I received from the
22 financial office indicates the numbers. The numbers and the
23 projected numbers of folks that we anticipate for the
24 upcoming '20 and '21 year.

25 And as you can see, it's a 7.5 increase from

1 what we have been -- consistently with what we've been
2 experiencing since 2012, and it's the colored sheet on the
3 very back.

4 You'll see that we have decreased the amount
5 that we have requested, from the 2-million -- or the 3-
6 million -- to be less, at -- let me see what I have here --
7 to be less -- for 2020 and 2021. The numbers that I reflect
8 on the -- just to make it basically really easy for you to
9 understand -- for everyone to understand -- is that we are
10 just anticipating, just like we have been since 2012, an
11 increase of 500 apprentices for '20 and 500 for 2021.

12 You asked me to come up with some numbers. I
13 gave you a projection of what we have experienced since
14 2012. Then I went back and listened to and read some of the
15 documentations that we are all on record for, whether its
16 from our annual report message from the Commissioners, to
17 the other examples of some strategic plans that are going
18 around the state about increasing the number of apprentices.

19 I think, by far, we will certainly, or at
20 least at minimum, we will reach the number that we are
21 requesting of an additional 500, to play it safe. We do
22 have interest from employers and from others about starting
23 up a registered apprenticeship program.

24 And again, I'm referring to all plans that we
25 have either all been on record for indicating that we would

1 expand the apprenticeship outreach campaign to help increase
2 the number of apprenticeships in Texas. Austin Capital
3 Strategic Plan indicates that they're expanding the program.

4 As I indicated last week, Dallas Community
5 District College has indicated that they wanted to increase
6 the number of apprentices to 50,000 in the next five years.

7 COMM. HUGHS: Commissioner Alvarez, what is
8 the amount per year that you're seeking then; is it
9 1.345-million, or 1.5-million?

10 COMM. ALVAREZ: So I've -- the total will be,
11 for 2020, 480,000, and for 2021 865,000, for a total of
12 1.345, from last week's request of 3-million.

13 COMM. HUGHS: Right. Well, let me share that
14 I appreciate the work that was done in identifying the need
15 and showing the growth. I think we all support your
16 efforts, and I would be happy to support this exceptional
17 item going forward at these rates.

18 CHAIRMAN ALCANTAR: And I'm in agreement.
19 Good job, Commissioner, and your team -- I'm really proud of
20 the work that you did in this area. And when combined with
21 the dollars that we had previously authorized two weeks ago,
22 I think that this is a big boost for your efforts, for our
23 efforts, in terms of supporting these opportunities; I
24 really appreciate it.

25 And I want to thank the staff for working so

1 diligently with your team to come up with something that I
2 think we can really advance during the session. So do you
3 want to do an official motion?

4 COMM. ALVAREZ: I motion that the exceptional
5 item, or the -- yes, the exceptional item for apprenticeship
6 that was pending from your office, be increased to 1.345-
7 million; 480,000 to be designated for 2020, and 2021
8 865,000.

9 COMM. HUGHS: I second the motion.

10 CHAIRMAN ALCANTAR: We are unanimous, thank
11 you.

12 COMM. ALVAREZ: Thank you both.

13 CHAIRMAN ALCANTAR: Thank you,
14 congratulations.

15 COMM. ALVAREZ: No, thank you.

16 MR. TOWNSEND: Well, now comes the fun part.

17 CHAIRMAN ALCANTAR: Congratulations. Now we
18 prioritize these.

19 COMM. HUGHS: Right.

20 COMM. ALVAREZ: I think you said this one was
21 number one.

22 (Laughter)

23 COMM. HUGHS: I think we'll be unanimous that
24 JET should be number one, considering it benefits all the
25 constituents represented up here on the dais. We keep

1 hearing equivocally its value and the increased demand, so
2 that would be my vote before being asked.

3 CHAIRMAN ALCANTAR: Commissioner Alvarez?

4 COMM. ALVAREZ: I would second that.

5 CHAIRMAN ALCANTAR: We are unanimous.

6 Next we have two -- we have two more items we
7 need to prioritize, Randy. Do we need -- I guess we need to
8 do the capital budget one, too.

9 MR. TOWNSEND: We need to do the capital, so
10 the --

11 CHAIRMAN ALCANTAR: If we can move forward
12 with it.

13 MR. TOWNSEND: Yes, so we have two
14 exceptional items, the JET and apprenticeship one and two,
15 and then the capital budget I guess would start 3 through 4,
16 5. So I just need to see if you're -- at this point, I've
17 got them listed basically at high dollar to low dollar,
18 honestly.

19 CHAIRMAN ALCANTAR: Okay. Before we do that,
20 I'd move that we make apprenticeship exceptional item number
21 2.

22 COMM. ALVAREZ: Okay. I second that.

23 COMM. HUGHS: We're unanimous.

24 CHAIRMAN ALCANTAR: All right.

25 COMM. HUGHS: Although, we've got that

1 unemployment insurance system replacement, that is an
2 incredibly high priority, so --

3 CHAIRMAN ALCANTAR: All right.

4 COMM. HUGHS: -- that would have been my vote
5 for second, but it sounds like I would have been outvoted.

6 CHAIRMAN ALCANTAR: I just want to move us
7 down the road. All right. Capital budget items?

8 COMM. HUGHS: Well, there's no question we
9 need to support the unemployment insurance system
10 replacement.

11 CHAIRMAN ALCANTAR: I would agree. I would
12 -- do you agree, Commissioner?

13 COMM. ALVAREZ: I'll second that.

14 CHAIRMAN ALCANTAR: We have a second, we are
15 unanimous.

16 MR. TOWNSEND: So that'll be number three.
17 And then between workforce case management and the eligible
18 training provider career school system; it's what we're
19 remaining.

20 CHAIRMAN ALCANTAR: I would move that we do
21 workforce case management. It's all federal funds. We just
22 need the authority to move forward. It's critically
23 important to the work that we're doing out there in the
24 field. Do we have a second?

25 COMM. HUGHS: I agree; I second that.

1 COMM. ALVAREZ: Unanimous.

2 CHAIRMAN ALCANTAR: Unanimous. All right.

3 MR. TOWNSEND: Okay.

4 COMM. HUGHS: We're so agreeable today.

5 CHAIRMAN ALCANTAR: We are. We're a great
6 team. Yes, I would move that we are a great team, do we
7 have a second?

8 COMM. HUGHS: I'll second.

9 (Laughter)

10 COMM. ALVAREZ: I'll third it.

11 (Laughter)

12 CHAIRMAN ALCANTAR: I'll third it. Larry,
13 you're part of that.

14 MR. TEMPLE: What?

15 CHAIRMAN ALCANTAR: You're part of that.
16 You're part of that motion in terms of the we're all a great
17 team.

18 MR. TEMPLE: Long form.

19 CHAIRMAN ALCANTAR: By the way, you look
20 younger today.

21 COMM. HUGHS: Hold that thought. Hold that
22 thought until the work that's at hand is complete. Hold
23 that thought. Hold it.

24 CHAIRMAN ALCANTAR: All right. We're going
25 to get back in --

1 COMM. HUGHS: Are we done then, Randy, with
2 the order of the priorities, should I move to accept all of
3 them, or have we just done it piecemeal? I have one broad
4 vote, just to be safe.

5 MR. TOWNSEND: Okay.

6 COMM. HUGHS: I move that we approve the
7 exceptional items for the fiscal year of 2020-2021
8 Legislative Appropriations Request, as discussed and
9 recommended.

10 COMM. ALVAREZ: I'll second that.

11 CHAIRMAN ALCANTAR: We are unanimous.

12 MR. TOWNSEND: Commissioners, that -- I
13 appreciate all the work on that, and we'll definitely
14 reflect, obviously, what you've decided this morning.

15 As far as what's next, in terms of the LAR,
16 we have pretty much all the building blocks, at this point,
17 but we'll put it all together. There's a possibility we'll
18 have still some, you know, additional requirements that
19 we'll need to comply with. And so, what I'm anticipating at
20 this point, near the end of the month, I think there's one
21 more Commission Meeting at the end of this month, is that we
22 -- we'll fine tune anything we've already -- the
23 Commissioners have already decided. There's two more.

24 I don't know that I have it, unless you'd
25 want to consider something next Tuesday. I don't know that

1 I have anything ready for next Tuesday or the next
2 Commission Meeting.

3 CHAIRMAN ALCANTAR: Your call.

4 MR. TOWNSEND: Okay.

5 CHAIRMAN ALCANTAR: We'll be here.

6 COMM. ALVAREZ: Randy, I'd say -- I'd say you
7 take some time off, Randy.

8 MR. TOWNSEND: Thank you, I might do that.
9 We'll plan for the 31st, at this point; if that's okay?
10 That way we can make sure we have everything reflected in
11 here; the latest numbers and that sort of thing.

12 And I know we still are probably waiting for
13 the final general revenue control total, and not to go back
14 through that 10 percent reduction exercise, but just to show
15 you what the final amounts worked out to be. I know I need
16 to show you them as well, so.

17 CHAIRMAN ALCANTAR: Great. Thank you, Randy.

18 MR. TOWNSEND: I believe that does it for me
19 this morning, thank you very much.

20 CHAIRMAN ALCANTAR: We appreciate it.
21 Appreciate all the good work.

22 AGENDA ITEM NO. 10

23 CHAIRMAN ALCANTAR: There is no update on
24 Item 10.

25 AGENDA ITEM NO. 11

1 CHAIRMAN ALCANTAR: Discussion, Consideration
2 and Possible Action Regarding the Recommended Changes to the
3 Standards for Providers Manual. Carline, good morning.

4 MS. GEIGER: Good morning, Mr. Chairman,
5 Commissioners, Mr. Temple. For the record, Carline Geiger
6 for Vocational Rehabilitation.

7 This morning, we are bringing for your
8 consideration and approval proposed changes to the Standards
9 for Providers Manual, Chapter 20, concerning mileage and
10 travel premiums.

11 During the January 30th, 2018 Commission
12 Meeting, the Commission approved changes to the Standards
13 for Providers Manual to reflect the travel for highly-
14 specialized training premium, for providers of orientation
15 and mobility, independent living services, diabetes
16 education, assistive technology, and comprehensive
17 vocational evaluation services, as well as a mileage
18 reimbursement for employment services providers under the
19 Travel Premium.

20 At the state rate, when there is not a vendor
21 to provide the services within a few miles, subsequent to
22 the Commission approval of these revisions, several
23 providers have stated that the current mileage in highly-
24 specialized training premiums provide insufficient cost
25 coverage for them to travel and provide services to VR

1 customers.

2 Based on input from providers and staff, the
3 following revisions to the Standards for Providers Manual
4 Chapter 20 are recommended; have two state premiums, a
5 mileage premium for all contracted employment services
6 providers, and a travel premium, which will include mileage,
7 lodging, per diem, and transportation costs for those five
8 groups of contracted providers serving customers with
9 blindness and other visual impairments. Those would be
10 assistive technology, diabetes education, orientation, and
11 mobility, independent living, and comprehensive vocational
12 evaluation services providers.

13 For the mileage and travel premiums, revise
14 to reimburse for round-trip mileage in excess of 50 miles.
15 For the mileage premium, allow reimbursement for the change
16 travel total mileage for all customers served. Revise
17 requirement of providing at least two hours of services to
18 provision of a billable service, for both the mileage and
19 travel premiums. For the travel premium, include mileage
20 information on one form, the DARS 3434 Provider Travel Plan
21 and Report, to alleviate the need for the providers to
22 complete two different forms. And finally, providers will
23 only be eligible to receive either the mileage premium or
24 the travel premium, not both premiums simultaneously.

25 The two premiums will be contained in two

1 different sections of Chapter 20. I would be happy to
2 answer any questions.

3 CHAIRMAN ALCANTAR: Commissioner Hughs.

4 COMM. HUGHS: I move that we approve the
5 discussed recommended changes to the Vocational
6 Rehabilitation Standards for Providers Manual Chapter 20,
7 Mileage and Travel Premiums, as recommended by staff.

8 COMM. ALVAREZ: I'll second that.

9 CHAIRMAN ALCANTAR: We are unanimous, thank
10 you, Carline.

11 MS. GEIGER: Thank you.

12 MR. TEMPLE: Commissioners, I want to commend
13 Carline and all the staff. Way back, remember when we were
14 reviewing blind services, in general, we had different
15 reimbursement rates. We had different policies. We were
16 all over the board, and they've taken not only a lot of time
17 in looking at the discrepancies, but also talking with
18 vendors and talking with people in the field about what
19 works and what didn't work. So there's been a lot of work
20 in this, and there's a lot more than reflected in the couple
21 pages you see here, and I really appreciate y'all's hard
22 work.

23 MS. GEIGER: Thank you.

24 COMM. HUGHS: Great job.

25 CHAIRMAN ALCANTAR: I agree, thank you.

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AGENDA ITEM NO. 12

CHAIRMAN ALCANTAR: Discussion, Consideration and Possible Action Regarding the Approval of Local Workforce Board Nominees. Cam, good morning, sir.

MR. BELL: Good morning, Mr. Chairman, Commissioners and Mr. Temple. Cameron Bell, Workforce Development Division. Before you for consideration and approval are Workforce Development Board Nominations for the following Boards; Workforce Solutions Cameron County, Poncho Valley, Heart of Texas, Middle Rio Grande, Central Texas, and West Central Texas.

CHAIRMAN ALCANTAR: Commissioner Hughs?

COMM. HUGHS: I move that we approve Board Nominees for Cameron County, Poncho Valley, Heart of Texas, Middle Rio Grande, Central Texas, and West Central Texas.

COMM. ALVAREZ: I'll second that.

CHAIRMAN ALCANTAR: We are unanimous. Thank you, Cam.

AGENDA ITEM NO. 13

CHAIRMAN ALCANTAR: There are no updates on Item 13.

AGENDA ITEM NO. 14

CHAIRMAN ALCANTAR: Item 14?

COMM. ALVAREZ: We have no updates.

AGENDA ITEM NO. 15

1 CHAIRMAN ALCANTAR: Item 15, report an update
2 by the Executive Director, Larry.

3 MR. TEMPLE: Just one bit of news; a bit
4 earth-shattering. Reagan, child employee, apparently has
5 somehow or another amassed 30 years of employment, and has
6 decided to announce her retirement.

7 I'll be sending something out to the Board
8 EDs. I think the word is kind of already out there, but she
9 ruined her kids' summer by telling them she would be home
10 most of the summer. But I want to thank her for her great
11 work --

12 COMM. ALVAREZ: Yes.

13 MR. TEMPLE: -- and she and I have worked
14 together for about 17 years, so.

15 COMM. HUGHS: That in and of itself is an
16 amazing accomplishment.

17 CHAIRMAN ALCANTAR: Reagan, is there anything
18 you'd like to share with the people in the room? Could I
19 put you on the spot?

20 MS. MILLER: No, but it's been quite a ride,
21 and I appreciate --

22 CHAIRMAN ALCANTAR: Why don't you come up, so
23 people can hear if they're listening in from around the
24 state?

25 MS. MILLER: It's been quite a ride. It's

1 been an amazing experience. I've learned a lot here, and
2 I've grown a lot here. I started off when Larry started as
3 a Supervisor of Welfare Reform, and have really had so many
4 opportunities here to really grow, and to learn so much more
5 about Workforce Development.

6 And I'm just really proud to be a part of
7 such a great team. It's been a fantastic career with this
8 agency.

9 CHAIRMAN ALCANTAR: Well, and you've had a
10 distinguished career. I first met you, I think it was
11 around 1995, and there was an agency that you were working
12 with that was under some transition issues. And you were
13 part of the leadership team that made it steady, and made it
14 head in the right direction. I think that was 1995 --

15 MS. MILLER: It was.

16 CHAIRMAN ALCANTAR: -- when we first met. And
17 then I met you anew over when -- after we brought somebody
18 from Mississippi to join us in '97 or so and --

19 MR. TEMPLE: You spoiled her.

20 CHAIRMAN ALCANTAR: -- I went over to Trinity
21 and I guess around that time, '97-'98, and sat down with you
22 and the wonderful team that you had built there, Larry.
23 Since that time, you've provided great leadership to our
24 agency. Not only (indiscernible), but as we've grown the
25 Workforce System. You're highly-respected by our Executive

1 Directors and their teams out there. Your staff really
2 enjoy working for you.

3 I've had great -- it's been a great privilege
4 for me to have worked with you on these important issues
5 facing our state in the advance of our mission, you've been
6 a steady leader. You've been very creative and open to the
7 innovations that were necessary for us to take the requisite
8 steps forward, to transform our agency from regulatory to
9 oversight partner.

10 And that is a significant change. I really
11 want to commend you for your wonderful contributions, not
12 only to Voc. Rehab., to the Workforce Division, but in the
13 areas of childcare in particular.

14 You and I share some of the same passions
15 there, and I am really proud to have worked with you and I
16 congratulate you on your retirement. Commissioners?

17 MS. MILLER: Thank you.

18 COMM. ALVAREZ: Reagan, so you said something
19 that really stands out when you referenced multiple times
20 that you work for a great team, and I appreciate that. And
21 you're right; you do work for a great team. And again, as I
22 referenced last week, or two weeks ago, regarding our
23 Chairman's remarks or, you know, his retirement as well, we
24 have a great -- we have great leadership here in Texas.

25 I will tell you that regardless of where we

1 go, whether we're in North Texas, the Panhandle, or in the
2 Chairman's backyard, or in South Texas, people always talk
3 really highly of, not only you, but the work that you've
4 done, the leadership that you've displayed, and the team
5 that you've built.

6 And so you're highly-respected, not just
7 here, Reagan, as you know. We can go to NASWA, and everyone
8 knows who Reagan is. And I think, again, I commend Larry
9 for identifying a great team. The addition of Carrie to
10 your team, and, obviously, Courtney has done a great job
11 working with you, and Glenn, and everybody else here.

12 The Directors we have are the best, and I
13 think a lot of that is attributed to your leadership. So
14 with that, I thank you, and I wish you good luck.

15 CHAIRMAN ALCANTAR: Commissioner Hughs.

16 COMM. HUGHS: I know you still have a couple
17 more weeks before you go. I'll be brief in my comments, but
18 we certainly have also grown, and learned, and continue to
19 do so every day, thanks to your expertise and your
20 professionalism.

21 And everywhere we go across the state, when
22 we are commended for the great work that our team does for
23 the outreach, for the communication, for the explanations,
24 we know so much of it goes directly to you and your team.
25 And, really, you've set a very high bar, and we really

1 appreciate that everyone does feel listened to, heard, that
2 we're very responsive, and we just get accolades all across
3 the state and across the country. And so we're all humbled
4 that you worked here for us, and very sad to see you go.
5 And hopefully, one day our paths will cross again.

6 MS. MILLER: Well, I appreciate all that
7 you've done to support me. I couldn't have done it without
8 Larry over the years. You guys have really allowed us to
9 build a great team, to work with the Boards and to really
10 create a world class system.

11 CHAIRMAN ALCANTAR: Thank you, Reagan,
12 congrat -- let's give Reagan a big congratulations.

13 (Applause)

14 CHAIRMAN ALCANTAR: Reagan, we have one more
15 thing for you to do.

16 COMM. HUGHS: How's your singing voice?

17 CHAIRMAN ALCANTAR: We need you to lead us in
18 something, please. Sit over here, Reagan.

19 MR. TEMPLE: Clay has a --

20 CHAIRMAN ALCANTAR: Yeah, we're going divert
21 Clay's until next week.

22 MR. TEMPLE: Okay, we'll do that.

23 CHAIRMAN ALCANTAR: We didn't defer you,
24 because Commissioner Hughs is going to do a presentation.
25 But before we do that, Reagan, can you take the mic? Last

1 week, I had another milestone on Friday. Some people have a
2 way of getting younger as they age, and on Friday we had a
3 special occasion that Reagan is going to lead us on in terms
4 of her great singing voice.

5 MS. MILLER: Can I invite Courtney up,
6 because I know that she's --

7 CHAIRMAN ALCANTAR: Yeah, Courtney, if you
8 can join us? You've been instructed by --

9 COMM. ALVAREZ: And Debbie?

10 CHAIRMAN ALCANTAR: No, where's Kimberly?
11 Kimberly stepped out. Okay.

12 COMM. HUGHS: She's back there hiding in the
13 corner.

14 CHAIRMAN ALCANTAR: Okay, Kimberly. All
15 right. Let's get going because Commissioner Hughs does need
16 to get on the road.

17 Reagan, take the lead.

18 (Singing Happy Birthday song)

19 MR. TEMPLE: Thank you, all.

20 CHAIRMAN ALCANTAR: Happy Birthday, Larry.

21 AGENDA ITEM NO. 19

22 CHAIRMAN ALCANTAR: And do we have a motion
23 to adjourn this meeting?

24 COMM. HUGHS: I move that we adjourn.

25 COMM. ALVAREZ: I'll second that.

1 CHAIRMAN ALCANTAR: We're adjourned. Thank
2 you.

3 MR. TEMPLE: I'm halfway to my 132nd
4 birthday.

5 (Proceedings concluded at 9:57 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 30th day of August, 2018.

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

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