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3	TRANSCRIPT OF PROCEEDINGS
4	BEFORE THE
5	TEXAS WORKFORCE COMMISSION
6	AUSTIN, TEXAS
7	
8	PUBLIC MEETING) FOR THE TEXAS)
9	WORKFORCE COMMISSION)
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14	COMMISSION MEETING
15	TUESDAY, JANUARY 15, 2019
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20	BE IT REMEMBERED THAT at 8:30 a.m. on
21	Tuesday, the 15th day of January, 2019, the above-entitled
22	matter came on for hearing at the Texas Workforce
23	Commission, TWC Building, 101 East 15th Street, Room 244,
24	Austin, Texas, before RUTH R. HUGHS, Chair; JULIAN ALVAREZ
25	and ROBERT D. THOMAS, Commissioners.
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1 PROCEEDINGS 2 TUESDAY, JANUARY 15, 2019 (8:30 a.m.)3 4 AGENDA ITEM NO. 1 5 CHAIR HUGHS: Good morning. This meeting is 6 called to order. 7 AGENDA ITEM NO. 2 8 CHAIR HUGHS: Mr. Trobman, is anyone signed up for public comment? 9 10 MR. TROBMAN: We do. 11 CHAIR HUGHS: All right. 12 MR. TROBMAN: We have two individuals here 13 for public comment; Mr. Warren and Mr. Lara, and they will 14 come on up and address the Commission three minutes a piece. 15 And please introduce yourselves and who you recommend -- and who you represent for the record. 16 17 CHAIR HUGHS: Good morning. 18 MR. LARA: Good morning. We have a written testimony, or, you know, a copy of our oral testimony. I 19 20 don't know if you want to share that. 21 Thank you for this opportunity to speak to 22 you today. At the Legislature we usually testify at the 23 end, so this is a very pleasant -- you know -- series of how 24 you organize this. 25 My name is Rene Lara of the -- I'm the

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

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

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

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

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

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

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

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

So for all these reasons we urge you to 1 2 reconsider and completely drop the proposal that -- that is 3 up before consideration in the Texas Register. 4 CHAIR HUGHS: Thank you, Mr. Lara, for your 5 testimony. 6 COMM. THOMAS: Les, as a -- a point of order, 7 if the testimony is related to a policy shouldn't that be 8 brought up at the second part, before the policy section? My concern about that is if we're not broadcasting the 9 10 comments, because we're not broadcasting the first part, and 11 the communication is related specifically to a policy level, 12 it's my preference that that communication be taken at the 13 appropriate time, and I think that's before the policy section. 14 15 LES TROBMAN: We can certainly bring the 16 public comment session up during the policy session and --17 COMM. THOMAS: Okay. It's not -- this is not 18 to slow the gentlemen down. I know they probably would like 19 to get out of here. I just want to get into the -- to the 20 work that we need to do on the cases so that I can think 21 about the policy section second. 22 LES TROBMAN: Absolutely. 23 CHAIR HUGHS: So Mr. Lara provided written --

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I'm pretty sure that with the offices we'll

his written statement as well, so I'm glad that we have a

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copy of that.

have his written testimony. Does Mr. Warren also have 1 2 written testimony, or would you prefer to wait until we're 3 broadcasting? 4 MR. TROBMAN: And I -- sorry. 5 CHAIR HUGHS: Yeah. You go ahead and address 6 that. Let us know. 7 MR. TROBMAN: I -- I was -- and I can also 8 just let you know, I do believe that we were recording, not 9 necessarily broadcasting, but certainly we can bring this up 10 as a public comment session in the later part of our meeting 11 today. 12 COMM. THOMAS: That's -- that's my 13 preference. I think I have some confusion now that we're 14 having -- we're on camera -- what's when and what should happen, how and why. So I guess we're going to need some 15 16 guidance on that from you, Les. Because we're still taking 17 the position that we're not broadcasting the docket. 18 that correct? 19 MR. TROBMAN: One more time, sir. 20 COMM. THOMAS: I'm sorry. Are -- are we 21 still not broadcasting our docket? Is that correct? 22 MR. TROBMAN: Correct. We're currently not 23 broadcasting this, correct. 24 COMM. THOMAS: Okay, so we're going to need, 25 since this is all new, I think, to us, we're going to need

some guidance about what's happening when, and then some 1 2 clarification on, you know, the purpose of public -- I 3 understood the purpose of the public testimony was the --4 the section to make sure that we are allowed to communicate. 5 So I just, I want to make sure that we know from the 6 meetings perspective that we're kind of complying with best 7 practices. Is, I guess, really what I'm saying. 8 MR. TROBMAN: Absolutely. 9 COMM. THOMAS: Okay, all right. CHAIR HUGHS: So with that, it sounds like is 10 11 your request for Mr. Warren to present his testimony during 12 our policy portion of the agenda? Does that work with your 13 schedule, Mr. Warren? 14 MR. WARREN: At the Chair's pleasure. 15 CHAIR HUGHS: Wonderful. All right, then 16 let's proceed for now. We'll bring that back up. And, at 17 this time, I'll turn the meeting over to Commissioner Thomas 18 to preside over Agenda Items 3 through 7.

AGENDA ITEM NO. 3

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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. 1 2 AGENDA ITEM NO. 4 Discussion, Consideration and Possible Action 3 4 Regarding Tax Liability Cases Listed on the Texas Workforce 5 Commission Docket 3 6 The Commission considered and took action on 7 all tax liability cases listed on Docket 3. 8 AGENDA ITEM NO. 5 9 Discussion, Consideration and Possible Action 10 Regarding Fair Housing Cases listed on the Texas Workforce Commission Docket 3 11 12 No Discussion. 13 AGENDA ITEM NO. 6 14 Discussion, Consideration and Possible Action 15 Regarding Higher Level Appeals in Wage Claim Cases Listed on the Texas Workforce Commission Docket 3 16 17 The Commission considered and took action on 18 all wage claim cases listed on Docket 3. 19 AGENDA ITEM NO. 7 20 Discussion, Consideration and Possible Action 21 Regarding Higher Level Appeals in Unemployment Compensation 22 Cases Listed on the Texas Workforce Commission Docket 3 23 The Commission considered and took 24 action on all unemployment compensation cases listed on 25 Docket 3.

1 AGENDA ITEM NO. 8 2 CHAIR HUGHS: Good morning. We are now back 3 in session. There's nothing on Item 8. I understand we do 4 have an update on Item 9. 5 AGENDA ITEM NO. 9 6 CHAIR HUGHS: Discussion, Consideration and 7 Possible Action Regarding the Texas Workforce Commission 8 Appropriations Request (Including Exceptional Items and 9 Riders) for the Fiscal Years 2020-2021 Biennium. 10 Townsend. Good morning. MR. TOWNSEND: Good morning, commissioners. 11 12 For the record, Randy Townsend, Chief Financial Officer. 13 I apologize for the confusion over this item. 14 We received late yesterday afternoon access to the 15 introduced version of the House Bill 1, which is the General 16 Appropriations Act for the agency. Of course, we haven't 17 seen the introduced version of Senate Bill 1. 18 CHAIR HUGHS: I apologize, go on. 19 MR. TOWNSEND: Okay -- the introduced version 20 of Senate Bill 1, we'll wait for that to see. 21 So what I have put together late yesterday 22 afternoon, or evening, actually, is a side-by-side comparison. I handed that out just before the -- the 23 24 commission meeting started.

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I just want to give you a quick update on the

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

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

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

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

funding.

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

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

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

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

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

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

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

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

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

1	get the number of children back to the requested level.
2	But I just want to make sure that was in fact
3	the direction of the of the Commission and that staff is,
4	you know, responding accordingly. So and If you have
5	questions, please, let's want to make sure you understand
6	the what's before you here. Because this is, I know,
7	very last minute.
8	COMM. THOMAS: I do have a question. The Voc
9	Rehab, were you referring to line 1.2.1, or strategy 1.2.1?
10	MR. TOWNSEND: Actually, commissioner, so, I
11	was back on page 1 of 2, at the very top of that page.
12	COMM. THOMAS: I'm sorry, that's what line
13	was that?
14	MR. TOWNSEND: It's the very first line, the
15	M001, and then the M8007. I have
16	COMM. THOMAS: I got it, there. There's the
17	700,000.
18	MR. TOWNSEND: Yes.
19	COMM. THOMAS: I was looking the wrong spot.
20	MR. TWONSEND: Sorry.
21	COMM. THOMAS: Thank you, that clarifies
22	that.
23	CHAIR HUGHS: Commissioner Alvarez, do you
24	have any comments or questions?
25	COMM. ALVAREZ: NO. Thank you, Randy, for the

work, and thank you for the update.

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

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

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

1	So I think programmatically, and if we need
2	Courtney to to weigh in on on that part of it,
3	certainly that would make some sense. But I just it just
4	seemed like it'd make more it would be more logical to
5	keep that, the number of children, a little bit more
6	balanced across the years, as opposed to having two years of
7	reductions. But that's that's the the other part of
8	the consideration, I think. But, um
9	CHAIR HUGHS: All right. Any other comments
.0	or questions, Commissioner Thomas?
.1	COMM. THOMAS: NO. I'd give you that my my
.2	guidance and instruction is to seek the 35-million back for
.3	the exact reasons he stated. I think that's our mandate.
.4	CHAIR HUGHS: Commissioner Alvarez?
.5	COMM. ALVAREZ: No questions.
.6	CHAIR HUGHS: Do you agree?
.7	COMM. ALVAREZ: I agree.
.8	CHAIR HUGHS: All right, then you have that
.9	guidance, and I agree as well. And thank you for looking at
20	this to stay on top of it and making sure we do what we can
21	do to support these children in care while we have those
22	numbers reduced, so thank you.
23	MR. THOMAS: Okay, you're welcome.
24	AGENDA ITEM NO. 2
25	CHAIR HUGHS: All right. Before we move on

1	to Item 10, back to Item 2, public comment portion. I
2	believe we had a continuation of the public comment, request
3	so that we could have the presentation during the policy
4	portion, so if we could please address that now, and then
5	we'll get back to the agenda item. We'll be back on 10.
6	MR. TROBMAN: Mr. Lara, your comments are
7	contained in the written record. Mr. Warren.
8	CHAIR HUGHS: Good morning.
9	MR. WARREN: Good morning.
10	CHAIR HUGHS: Thank you for your patience. I
11	know you've been waiting to testify about the
12	MR. WARREN: Okay, thank you. Can you hear
13	me?
14	CHAIR HUGHS: Yes.
15	MR. WARREN: Okay. Good morning. My name is
16	Gary Warren. Thank each of you commissioners for allowing
17	me to be here this morning. I represent the Central South
18	Carpenter's Regional Council. That's a fancy term for the
19	carpenters union.
20	The Central South Regional Council is in
21	opposition to proposed Marketplace Platform Rule 815-134.
22	The proposed rule carves out an exception to employment
23	under Texas Employment Compensation Act for marketplace
24	platforms.
25	If ever there was a rule designed to increase

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

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

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

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

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

Those practices effectively shift the employment tax burden to workers and their families, because they end up paying the employment taxes and -- that their employees should pay. That their employers should pay.

Meanwhile the illegal savings in labor broker costs gives contractors a competitive edge, thus allowing them to steal work away from law-abiding employers and their employees.

The rule creates a road map for contractors and their crooked sub-contractors and labor brokers seeking to evade their legal responsibilities. Construction is a fiercely competitive industry that excels in creating schemes that violate state employment and tax laws. The rule will further pressure contractors to join in those schemes and shed employees in order to stay in business.

The TWC will see its revenues drop. Moreover, hard-working Texan -- moreover, hard-working Texan construction workers will see the net income decrease through an increase in employment tax obligations as more contractors get their labor from brokers that pay low wages and operate through marketplace platforms.

This is not a future that will grow and support a middle class in Texas. For the reasons stated Verbatim Reporting & Transcription, LLC 281.724.8600

above we respectfully request that the TWC to reject the 1 2 proposed rule. Thank you. That concludes my comment. 3 CHAIR HUGHS: Thank you, Mr. Warren. 4 AGENDA ITEM NO. 10 5 CHAIR HUGHS: Item 10, Discussion, 6 Consideration and Possible Action Regarding Jobs and 7 Education for Texans (JET) Advisory Board Recommendations 8 Concerning Fiscal Year 2019 Applicants for Community, 9 Technical and State Colleges and Independent School 10 Districts. Emily Clodfelter. 11 MS. CLODFELTER: Thank you. Good morning 12 commissioners, good morning, Mr. Serna. For the record, my 13 name is Emily Clodfelter, with the Office of Employer Initiatives. 14 15 On December 18th of last year the JET Advisory Board met to discuss the FY '19 JET RFA, Request 16 17 for Applications. And the advisory board reviewed and 18 approved the mass list for the ISDs and IHEs and directed 19 staff to move forward with awarding grants with the ability 20 through -- down that list of applications for this --21 applications scored 60 percent and above as recaptured funds 2.2 become available. 23 We informed the advisory board of TWC's 24 legislative appropriations request, requesting an additional 25 \$6-million for the program, \$3-million per fiscal year, and

1	the Labor Market Grant Information Team presented trends and
2	information as the advisory board had requested regarding
3	the FY '16 through '18 JET applications.
4	And, for your information, I have included
5	the application summary behind to show the FY '16 through
6	'19 numbers of applications received.
7	So at this time I'll take any questions.
8	CHAIR HUGHS: Any questions, Commissioner
9	Thomas? Any questions or comments, Commissioner Alvarez?
10	COMM. ALVAREZ: NO. Great work, Emily, to you
11	and your team. Well done.
12	MS. CLODFELTER: Thank you.
13	CHAIR HUGHS: Thank you, Emily, we're excited
14	to see how this program continues to grow.
15	MS. CLODFELTER: Thank you, Chair.
16	AGENDA ITEM NO. 11
17	CHAIR HUGHS: Okay, Item 11, Discussion,
18	Consideration and Possible Action on the Submission of the
19	2018 Texas Workforce Commission Annual Report to the
20	Governor and the Legislature, Pursuant to Texas Labor code
21	Section 301.065. Lisa Givens and Tom McCarty. Good
22	morning.
23	MS. GIVENS: Good morning Chair Hughs,
24	Commissioner Alvarez, Commissioner Thomas. How are you this
25	morning? We have before you the 2018 TWC Annual Report for

your review and consideration and for adoption.

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

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

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

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

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

1 Alvarez, do you have any questions on the report itself? 2 COMM. ALVAREZ: I'll share those during my time allowed for some edits. 3 4 CHAIR HUGHS: Okay, well then should we go 5 commissioner by commissioner then go ahead and get it 6 started. And then here's a copy of just a proposal. We can 7 look at that later, or whenever you want to bring it up in 8 your review. 9 COMM. ALVAREZ: So first of all, Lisa, I want 10 to tell you and Tom and your team great report. And I agree, there is a lot of information, and there was a lot of 11 12 exciting things that took place in 2018. A lot of exciting 13 things. I have some just revisions -- revision and I will 14 provide these if you don't have them, Lisa, and to some in 15 the audience. Very minor edits to start off. The first revision is on page 18, line 31. 16 17 We can get to that if you'd like. It's basically just 18 replace the word Spotlight to Texas Two-Step. It wasn't a 19 boot tour. It was, Listening Tour to Six Rural Texas Areas 20 Builds Workforce Connections With Spotlight. Texas Two-step 21 Boot Tour is a Listening Tour to Rural Texas Areas, Builds 2.2 Workforce Connections. Which is the official title of the

CHAIR HUGHS: We must have different copies.

MS. GIVENS: We may.

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tour.

1	CHAIR HUGHS: Page 19?
2	COMM. ALVAREZ: Eighteen.
3	MS. GIVENS: Ms Commissioner Alvarez, I -
4	- I see this edit you're referring to on page 19 of the
5	Commission
6	COMM. ALVAREZ: Line 31.
7	MS. GIVENS: Yes, sir.
8	CHAIR HUGHS: I do have that.
9	COMM. ALVAREZ: So it's in the body of the
10	report.
11	COMM. THOMAS: I have no objection to that
12	request.
13	COMM. ALVAREZ: Because that was the official
14	name of the event, so we apologize if
15	MS. GIVENS: Okay.
16	COMM. ALVAREZ: Revision two, is on page 35
17	
18	CHAIR HUGHS: I'm sorry, before you move on
19	to that we're unanimous on that change that's proposed.
20	MS. GIVENS: Yes. Thank you for your hard
21	copy. I'll make sure we get that in the report. Thank you,
22	sir.
23	COMM. ALVAREZ: Okay. On page 35, line 17.
24	I'll wait till you get there. Line 17, replace skills to
25	transitioning program with skills for transition.

1	COMM. THOMAS: I have no objection to that
2	request either.
3	CHAIR HUGHS: Whatever the formal word is, is
4	fine.
5	MS. GIVENS: Okay, thank you all. I will
6	make sure that change gets made.
7	COMM. ALVAREZ: Those are my edits for right
8	now.
9	MS. GIVENS: Thank you, Commissioner Alvarez.
10	CHAIR HUGHS: Commissioner Thomas, do you
11	have any provisions on the actual report?
12	COMM. THOMAS: I I want to go through,
13	since this is my first one, I'd like to go through the whole
14	thing, so and just take them as they come up. I'm did
15	I understand you say staff have additional revisions, or
16	they documented it in the redline all ready?
17	MS. GIVENS: The staff edits are documented
18	in the redline as was summarized. Let me I do have
19	copies of those edits if you'd like.
20	COMM. THOMAS: Okay. I've already reviewed
21	those. Thank you.
22	Again, my my edits reflect the body of the
23	report, not the the Commissioner's Summary. Proceed.
24	CHAIR HUGHS: Speaking to what I saw in the
25	report I have reviewed the report. I've gone over it
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1	with my staff, and seeing the staff changes, I believe I
2	have the most recent copy, and I don't have any changes to
3	the report itself, only to the Commissioner's Message, which
4	I think we'll take up next. I think I hear Commissioner
5	Thomas saying you might want to have a little bit more of an
6	overview, or a review of the report, or shall we move on?
7	CHAIR HUGHS: No I just no, no, NO. I
8	don't need an overview of the report. I just I was
9	trying to be responsive to Lisa in discussing that she
10	wanted to go through the specifics.
11	MS. GIVENS: I wanted to make sure that
12	everyone was in agreement with regard to the staff edits.
13	There were newer staff edits outlined in the even that
14	was set regarding this latest version that was redlined. We
15	can take those as a whole, or we can take them line by line,
16	if you'd like. Whichever you'd like to do.
17	CHAIR HUGHS: Commissioners, do you have a
18	preference? Would you like to go line by line, or accept the
19	staff changes as a whole in this point?
20	COMM. ALVAREZ: We could do it as a whole.
21	MS. GIVENS: Okay.
22	COMM. THOMAS: I concur. I have no comments.
23	MS. GIVENS: Okay.
24	COMM. THOMAS: I accept the staff changes.
25	MS. GIVENS: Okay.

1 COMM. THOMAS: I'm good. 2 MS. GIVENS: Thank you. So I guess that 3 leaves any other commission edits to the report. 4 confirming there wasn't any to the report itself. And then 5 we're -- then we're just talking about the Commissioner's 6 Letter and edits to that? 7 CHAIR HUGHS: Correct. 8 MS. GIVENS: Okay. 9 CHAIR HUGHS: So on the Commissioner's 10 Message, Commissioner Alvarez, do you have any comments or 11 questions on what was presented? I mean, maybe I'll start, 12 since I seem to be the one that has changes, if that's okay 13 with you all. 14 I think what happened is it just 15 unintentionally was longer than it needed to be. 16 report last year and this year, hopefully, will first start 17 with the growth of jobs in our state and the lower 18 unemployment rate, which is truly historic. 19 And so it seems that as a big-picture message 20 we would want to start with that. I agree that Harvey had a 21 tremendous impact on our state. It did happen in '17, and 22 it is mentioned in the report, and I do think it's worth mentioning it in our message, but I don't know that it needs 23 24 to take as much detail or whatever pages that it took.

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Really puts our message into a turn -- a page-turner that I

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don't think any of us want.

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

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

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

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

COMM. THOMAS: I -- I'm actually -- I -- I'd like to, procedural question, Chair Hughs. This -- this ended up being -- taking too much of our collective time. think that the Chair makes some really, really good points, both about the structural concept that I didn't have the benefit of thinking through, but I really appreciate the opportunity to hear Chair -- Chair Hughs's discussion of that, and I agree that that's the way from a commissioner's perspective we should be -- our message. I'm trying to, because of the redlines, I'm trying to assess how much time you've actually dedicated.

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It looks like it's more like four pages versus Chair Hughs's three pages, if I'm just eyeballing it.

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

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

1	Hughs, them take your suggestions, take it back. I don't
2	think we're under any particular time pressure at this
3	particular moment, to focus now just on this and let's go
4	through our process, but let's make sure we have a process
5	that honors you all as staff, gives you a deadline, but also
6	ensures that you get confirmation from all the commission
7	offices that you've got what you need from us, so that we
8	don't have to do this all the time. That's my preference.
9	COMM. ALVAREZ: So if I may see, we've
10	I've looked at multiple summaries from commissioners, and I
11	agree, three pages, four pages is a lot. There are a couple
12	of recommendations that I would make, and one of them you
13	may list here. If you look at the report that we have here,
14	I was looking at from line 1 up to line 18, and pretty much
15	a lot of this is talking about what we referenced earlier
16	with the mission and vision as far as statement is. I mean,
17	if our agency is.
18	MS. GIVENS: In the message, Commissioner
19	Alvarez?
20	COMM. ALVAREZ: Yes, in the message. So the
21	existing message that was originally proposed to us in the
22	draft 2018 Annual Report. To make it a one-pager is really

MS. GIVENS: Okay.

what I would like to see.

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COMM. ALVAREZ: but what I would also

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

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

MS. GIVENS: Yes, sir.

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

That's -- that's one idea. The other concept

I have is allowing us to have a summary, just what I

explained, but why not allow the report to include something

from each commissioner's office? Some of the successes we've

had. Commissioner Thomas working on some ideas being new to

the commission, talking about him being new, talking about

some initiatives that he may bring forth. Commissioner -- I

mean, Chair Hughs bringing up -- up some ideas or some

initiatives that she's done.

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

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

shows what TWC does.

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

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

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

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

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

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

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

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

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

to the Legislature.

CHAIR HUGHS: I think there is some consensus, then, to move this item until next week's docket.

Continue it until next week. Is that all right with you all?

MS. GIVENS: Yes.

CHAIR HUGHS: Unless --

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

CHAIR HUGHS: Okay.

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

MR. McCARTY: Commissioners, if I may ask, would it be possible for you all to consider letting us -- we'll shorten the letter and those programmatic items.

Limiting those into spotlights within the body of report, and highlighting where those would be, in order to try to capture, one, which you all currently have kind of given us guidance on what you'd like to have in the letter, so we still can encompass that into the report and to where it

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

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

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

MR. McCARTY: Certainly.

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

1	putting into this, and I know all of our offices look
2	forward to looking at it as soon as there are edits
3	available so that we can be ready to vote next week.
4	MR. McCARTY: Certainly.
5	MS. GIVENS: Okay. We're going to have them
6	shorten and not lose the points that you made in terms of
7	keeping those in the letter and format so that we know
8	exactly what the size we're looking at and we'll bring this
9	back for adoption next week. Thank you, Chair Hughs.
LO	MR. McCarty: Okay, thank you.
L1	COMM. THOMAS: Thank you.
L2	MS. GIVENS: Thank you, Commissioners, thank
L3	you, Mr. Serna.
L4	CHAIR HUGHS: Okay. I understand there's
L5	nothing for Items 12, 13 and 14.
L6	AGENDA ITEM NO. 15
L7	CHAIR HUGHS: Item 15, are there any updates
L8	regarding enacted, proposed or considered federal or state
L9	legislation?
20	MR. McCarty: I'll stay right here. Tom
21	McCarty, External Relations. Good morning Chair Hughs,
22	Commissioner Alvarez, Commissioner Thomas.
23	Congressional leaders are still in
24	negotiations to end the partial government shutdown that
25	began on the 21st of December. To address the compensation

1	of government employees the House and Senate did pass Senate
2	Measure 24, the Government Employment Fair Treatment Act of
3	2019. This is to provide pay for those government workers
4	affected by the shutdown right now.
5	Yesterday the House the U. S. House
б	passed HR 430, the TANF Extension Act of 2019. The bill
7	would extend the TANF Families program through June of 2019.
8	This measure will now go to the Senate.
9	Also, as Randy mentioned, LAB did release the
10	House recommendation recommendations for the appropriations
11	bill, so we are monitoring when the House will file that so
12	that we'll have the official document for review.
13	And then today at 11:00 is inauguration of
14	Governor Abbot and Lieutenant Governor Patrick, so there'll
15	be a lot of festivities and barbeque going on today.
16	That concludes my remarks, and I'm available
17	if you have any questions.
18	CHAIR HUGHS: Any questions, commissioners?
19	All right. Thank you, Tom.
20	MR. McCARTY: Thank you.
21	AGENDA ITEM NO. 16
22	CHAIR HUGHS: And on Item 16, Ed, do we have
23	any updates?
24	MR. SERNA: No, ma'am. I don't have anything
25	to report

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

COMM. THOMAS: I do.

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COMM. ALVAREZ: So do I. Go ahead.

CHAIR HUGHS: As do I. Go right ahead.

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

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

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

MR. SERNA: Yes, sir. I'll get staff to work 1 2 on some -- on some proposals in them. 3 COMM. THOMAS: That's an outstanding idea. 4 That's a really good idea. 5 COMM. ALVAREZ: Thank you. 6 CHAIR HUGHS: Anything else, Commissioner 7 Alvarez? 8 COMM. ALVAREZ: That's it, and I appreciate 9 staff's work on this. 10 MR. SERNA: Yes sir, we will. 11 Thank you, Chair Hughs. COMM. THOMAS: Ι 12 just have to let you know, publicly, how unbelievably 13 impressed I was and am with our general council. You may have noticed that I no longer bring stacks and stacks of 14 15 paper up here. I really have been impressed with the 16 thoughtfulness and the kindness and the strategic thinking 17 that your -- your General Counsel -- our general counsel's 18 office has brought to making my docket that I bring up here 19 not -- my book, paperless, and it has been seamless and I 20 just wanted to publicly recognize the great work of the 21 General Counsel on this and in particular on making that 22 happen. 23 Thank you, sir. I appreciate it. MR. SERNA: 24 COMM. THOMAS: And then, secondarily, Chair 25 Hughs, I also would like to bring forth a proposal for you

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

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

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

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

With that we'd appreciate your 1 2 (indiscernible). We'd appreciate your help and your 3 guidance in flushing this out. MR. SERNA: Yes, sir. We will. 4 5 COMM. THOMAS: Thank you. 6 Thank you, Commissioner Thomas. CHAIR HUGHS: 7 We look forward to getting (indiscernible) staff is in 8 together. 9 So my updates were simply that I want to 10 recognize that TRACER has been updated and is going live on 11 Wednesday, tomorrow, or by the end of -- by the end of the 12 week. I know that's been a tremendous amount of work, over 13 a year in the making, and it's very exciting. And that's why 14 I wanted to recognize staff for that. I don't know if 15 anyone in that group is here today, but I know that was a 16 big undertaking, so thank you. 17 And, second, I want to take the opportunity 18 to let you all know that Blake Todd has joined my team, and 19 I'm so excited to have him as a policy advisor. My 20 condolences to government relations, but we're excited to 21 still have him working in our agency, and I'm very happy 22 that he's joined us. So please welcome him when you get an 23 opportunity, and if you're wondering why you're seeing Mr. 24 Blake, that's why. So... all right.

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AGENDAY ITEM NO. 17

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1	CHAIR HUGHS: Well, with that there are no
2	further updates. Is there a motion to adjourn?
3	COMM. THOMAS: So moved.
4	COMM. ALVAREZ: I'll second that.
5	CHAIR HUGHS: Okay.
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7	(Proceedings concluded at 9:47:46 a.m.)
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