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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, MARCH 19, 2019

BE IT REMEMBERED THAT at 8:30 a.m. on
Tuesday, the 19th day of March, 2019, the above-entitled
matter came on for hearing at the Texas Workforce
Commission, TWC Building, 101 East 15th Street, Room 244,
Austin, Texas, before RUTH R. HUGHS, Chair; JULIAN ALVAREZ
and ROBERT D. THOMAS, Commissioners.

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P R O C E E D I N G S

TUESDAY, MARCH 19, 2019

(8:30 a.m.)

AGENDA ITEM NO. 1

CHAIR HUGHS: Good morning. This meeting is called to order.

AGENDA ITEM NO. 2

CHAIR HUGHS: Mr. Trobman, has anyone signed up for public comment?

MR. TROBMAN: Yes, good morning. We have Ms. Barrins (ph) here.

CHAIR HUGHS: Good morning. If you could please state your name for the record and you can limit your comments to three minutes. Thank you for joining us this morning.

MS. BARRINS: Yes, thank you for having me, Annie Barrins. I would like to state what kind of company Homeland Staffing is. I've worked for them since 2014, and Zina Hunter's been my manager, and there's been receptionists, you know, decent people.

But the IRS is not very happy with them, because they -- their paychecks aren't like, labeled with their company name, or numbers, or anything like that. So, it makes it very difficult when I go to get my taxes done at Foundation Communities. And we've asked them to correct it,

1 but they won't.

2 And also, they're very disorganized with
3 their direct deposits and stuff, and with their --
4 distinguishing between event staff and day laborers, because
5 they mostly do day laborers, but they also do special
6 events, and I'm on the special event staff.

7 And I asked to speak to corporate and
8 corporate's in Houston, so I called the field office in
9 Houston and they were very rude and they're very mean and
10 they refused to give me the corporate number, so I asked
11 Zina in Austin and she said: Yeah, it's a company policy, we
12 can't give out the corporate number. That just goes to show
13 the kind of company they are.

14 And they're not very invested in their
15 workers at all. We're only paid like, \$10 an hour to work
16 the UT games, or Trail of Lights (ph), or COTA Racetrack or
17 whatever, so no everyone is not even adequate for what we're
18 asked to do. Because we do like, what was formerly called
19 security, but now we can't call ourselves security, because
20 legislation passed, and now we're guest services, but we
21 still do the job description of security.

22 So basically, I was denied because they don't
23 distinguish between special events and day laborers. So,
24 day laborers, they have to report in every day, they have to
25 sign in, they can't call in, but I do special events and

1 they email us with the special events. It's seasonal and
2 it's part-time, so basically our season is the UT football
3 games. Well, UT football season's over, so now we just have
4 a couple things, like in about a week there's going to be
5 COTA Racetrack, but I'm -- I was going to go, but now I'm
6 not going to go, because of all this.

7 So, my claim was wrongly denied, because they
8 said that I was a day laborer and that I didn't report the
9 next day. But I finally -- I got through, I got channeled
10 to the corporate office, and I said to them: Look, you
11 really need to restructure your program. I've been with the
12 company since 2014 when you were doing paper applications,
13 you didn't even do online applications. And so, they said
14 that I could go in and -- well I -- since then I have done
15 an online application, so they could see my file from
16 Houston. So, we went in and we kind of fixed the problem,
17 because they said that what I could do is redetermine what
18 my skillset was and what kind of jobs I was willing to do.
19 And so, I'm not willing to do any of their jobs except the
20 last one, other, because they don't even get their paperwork
21 together. They don't even list special events. I mean,
22 that's what kind of company this is. So, I had to write in
23 special events.

24 So, basically, I asked them I said: Look, my
25 unemployment claim is being denied, and I'm appealing it and

1 everything, and I think they appealed it and I missed that.
2 But anyway, I'm here today. So, it's really the company's
3 fault for not distinguishing and not communicating well with
4 who is day labor staff and who is special event staff.
5 Because it's not even football season, so there's no reason
6 for me to call in the next day, because they email us when
7 there are events and we correspond via email. That's all.

8 CHAIR HUGHS: Thank you, ma'am. All right,
9 thank you. I now turn the meeting over to Commissioner
10 Thomas to preside over agenda items 3 through 7.

11 AGENDA ITEM NO. 3

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

18 No Discussion.

19 AGENDA ITEM NO. 4

20 Discussion, Consideration and Possible Action
21 Regarding Tax Liability Cases Listed on the Texas Workforce
22 Commission Docket 12.

23 The Commission considered and took action on
24 all tax liability cases listed on Docket 12.

25 AGENDA ITEM NO. 5

1 Discussion, Consideration and Possible Action
2 Regarding Fair Housing Cases listed on the Texas Workforce
3 Commission Docket 12.

4 No Discussion.

5 AGENDA ITEM NO. 6

6 Discussion, Consideration and Possible Action
7 Regarding Higher Level Appeals in Wage Claim Cases Listed on
8 the Texas Workforce Commission Docket 12.

9 The Commission considered and took action on
10 all wage claim cases listed on Docket 12.

11 AGENDA ITEM NO. 7

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

15 The Commission considered and took action on
16 all unemployment compensation cases listed on Docket 12.

17 AGENDA ITEM NO. 8

18 CHAIR HUGHS: All right, good morning,
19 everyone. We're going to call this meeting back to order
20 and start with Agenda Item 8. We are back in session.

21 Discussion, Consideration and Possible Action
22 Regarding the Report to the Governor and Legislative
23 Leadership Offices Concerning the Estimated Unemployment
24 Trust Fund Balance Pursuant to Texas Labor Code Section
25 204.061 and the Estimated Employment and Training Investment

1 Holding Fund Balance Available for Transfer Pursuant to
2 Texas Labor Code Section 204.123. Good morning.

3 MR. TOWNSEND: Good morning Chair Hughs,
4 commissioners. For the record, Randy Townsend, Chief
5 Financial Officer.

6 Commissioners, this morning I'm presenting to
7 you the latest update we have the for the Unemployment Trust
8 Fund Balance. So we're estimating for this coming October.
9 I'll just run through the estimates here with you this
10 morning. The beginning balance, of course, we started the
11 year with -- this past October was just under 1.7-billion.
12 We expect to add about 2.9-billion to that balance due to
13 collections from employers for their share of the employer
14 remittances for the trust fund.

15 We'll expect to collect about \$43-44-million
16 of interest on the balance in the trust fund and then when
17 you deduct the amount we're expecting to pay out, which is
18 just over 1.9-billion, that would leave a 2.1-billion
19 balance in the trust fund this coming October 1st. That
20 2.1-billion would be almost 980-million over the floor
21 amount, so we're exceeding the floor easily at this point
22 come -- this coming October. The expected low point on the
23 trust fund balance is 1.3-billion and that would be about 35
24 weeks of benefits at the current rate of benefit payouts.

25 Just to also cover with you the Employment

1 and Training Investment Assessment, the ETI Holding Fund
2 balance, I know we started the year in that fund with 172-
3 million, expecting to collect about 116-million and then
4 when you take into account the expected covering the skills
5 appropriation for this next year, or next biennium,
6 actually, 44-million, there would expect -- we expect a
7 balance from anything of 244-million in the ETI Holding Fund
8 as -- at this point.

9 Let me share with you some of the recent
10 trends for the Unemployment Trust Fund, back on that.
11 Starting with the weekly total benefits paid. This is going
12 to be a six-week average as of March 2nd, 36-million. That
13 compares to 39-million a year ago, about a 7½ percent
14 reduction. The unemployment initial claims we're averaging
15 the last six weeks about \$12,126, that's 4 percent below the
16 one-year-ago average for claims. And finally, the
17 unemployment continued claims we're averaging about 110,400,
18 that's almost 11 percent below the one-year-ago average. So
19 all in all the trends are still very positive for the trust
20 fund.

21 And that concludes my presentation this
22 morning. If you have questions or comments.

23 CHAIR HUGHS: Commissioners, do you have any
24 questions or comments? Thank you for that update. It's
25 good to see we're above the floor, or below the floor.

1 MR. TOWNSEND: You're welcome.

2 CHAIR HUGHS: Thanks.

3 CHAIR HUGHS: Thanks.

4 AGENDA ITEM NO. 9

5 CHAIR HUGHS: All right. There's nothing on
6 Item 9.

7 AGENDA ITEM NO. 10

8 CHAIR HUGHS: Item 10, Discussion,
9 Consideration and Possible Action Regarding the Use of Child
10 Care Development Funds for Child Care Collaborative Matching
11 Grants.

12 MS. WILSON: Good morning chair and
13 commissioners. For the record, Alison Wilson, Workforce
14 Division.

15 On June 14, 2018, the commission directed
16 that \$8-million be made available for collaborative matching
17 grants with 2-million of the overall funding specifically
18 dedicated to improving quality for infant and toddler care.

19 Based on input from stakeholders and further
20 research surrounding potential infant-toddler models,
21 additional funding is needed to improve the quality and
22 availability of infant and toddler care.

23 Staff recommends that 3-million be directed
24 to develop a state-wide infant and toddler specialist
25 network. TWC anticipates making one award for an infant and

1 toddler specialist network with a match requirement of 20
2 percent.

3 In addition, staff recommends that the
4 remaining 5-million in previously approved CCDF funding for
5 collaborative matching grants be directed to support at
6 least one project for each of the following strategies: One,
7 child care staff retention strategies, two, addressing
8 challenging behaviors and reducing suspensions and
9 expulsions, and three, family child care networks. Each
10 project would include a 20 percent match requirement.

11 I'd be glad to answer any questions you have.

12 MS. BERMAN: Commissioners, do
13 you have any questions or comments?

14 COMM. ALVAREZ: No questions.

15 CHAIR HUGHS: All right. Is there a motion
16 on this matter?

17 COMM. ALVAREZ: I move that we use 3-million
18 of the previously approved funds to develop and implement a
19 state-wide infant and toddler specialist network, and use
20 the remaining 5-million for collaborative matching grants
21 with a 20 percent match requirement to support at least one
22 project in each of the following categories: child care
23 staff retention strategies, addressing challenging behaviors
24 and reducing suspensions and expulsions, and family child
25 care networks as recommended by staff.

1 COMM. THOMAS: Second.

2 CHAIR HUGHS: We are unanimous. Thank you,
3 Alison, and thank you to you and your team for the work you
4 all are constantly doing to evaluate where we need to invest
5 these funds in child care. Thanks.

6 AGENDA ITEM NO. 11

7 CHAIR HUGHS: All right, next we have item
8 11, Discussion, Consideration and Possible Action Regarding
9 Approval to Changes of the Fiscal Year 2019 Internal Audit
10 Plan.

11 MS. SAGEBIEL: Good morning chair,
12 commissioners. For the record, Ashley Sagebiel, Internal
13 Audit.

14 The Internal Audit Plan is based on the
15 Annual Risk Assessment, and as agency risks change there's
16 sometimes a need to revise that plan. Today I am here to
17 present the revised Fiscal Year 2019 Audit Plan as discussed
18 with your offices for your consideration and approval.

19 CHAIR HUGHS: Thank you. Commissioners, do
20 either of you have any questions or comments about the plan?

21 COMM. THOMAS: Comment.

22 CHAIR HUGHS: Yes.

23 COMM. THOMAS: I just wanted to thank you,
24 Ashley, for working so closely with all of us, but
25 particularly my office in answering lot of the questions I

1 had as I'm going through and learning our processes and
2 working with you. I really appreciate the responsiveness of
3 both you and your staff to my questions. Thank you.

4 MS. SAGEBIEL: Sure.

5 COMM. ALVAREZ: Yes, thank you.

6 CHAIR HUGHS: Thank you, are there any
7 motions on this matter?

8 COMM. ALVAREZ: I move that the recommended
9 changes to the Fiscal Year 2019 Audit Plan be approved.

10 COMM. THOMAS: Second.

11 CHAIR HUGHS: We are unanimous, thank you.

12 AGENDA ITEM NO. 12

13 CHAIR HUGHS: Next we have discussion item --
14 Item -- excuse me. Agenda Item 12, Discussion,
15 Consideration and Possible Action Regarding Approval of the
16 Internal Audit Charter.

17 MS. SAGEBIEL: Again for the record, Ashley
18 Sagebiel, Internal Audit.

19 The Internal Audit Charter is a formal
20 document that defines the Internal Audit activities,
21 purpose, authority, and responsibility. This document
22 should be reviewed and revised periodically to ensure all
23 information is up-to-date and accurate. Today I'm here to
24 present the Internal Audit Charter as discussed with your
25 offices for your consideration and approval.

1 CHAIR HUGHS: Commissioners, you have any
2 comments or questions on the charter? All right, thank you.
3 Ashley, you know I had some concerns about the word
4 consulting versus advising, and I know that the U.S.
5 Government Accountability Office is hesitant to have you
6 engage in consulting, and I know that you're very aware of
7 those limitations and the accountability and also
8 maintaining your independence in anything relating to
9 consulting. But I appreciate it that to the extent there is
10 any part of your work that may involve that we've gone ahead
11 and included it in this charter, and I will support that
12 effort unless my fellow commissioners or staff recommend
13 changing the word consulting to advisory.

14 Is there any thought or discussion about that
15 with any of the other offices, or does anyone want to chime
16 in on that?

17 COMM. THOMAS: I'll be happy to. So, then
18 that came from my recommendation based upon fairly extensive
19 background in dealing with auditors and auditing and audit
20 standards, including the, is it AIA, or AII, or IIA, I
21 always get that --

22 MS. SAGEBIEL: IIA.

23 COMM. THOMAS: Yeah, thank you. And, of
24 course, you were very clear -- that's what I was referring
25 to before, there is a very clear distinction between

1 consulting in the context in which I think the chair is
2 references versus the maintaining your independence and
3 providing guidance. Particularly since the -- you have --
4 get expertise associated with being able to conduct your
5 audits, and that is to the extent that you are able to
6 maintain your independence.

7 Obviously, the audit standards provide that
8 it is helpful in the audit profession, as we discussed, is
9 moving towards enhancing its relationship for the oversight
10 board as well as management by providing consulting so long
11 as you can fully and completely maintain your independence.
12 I think that that is what you clarified to me and exactly
13 where I feel comfortable. Anything that would compromise in
14 any way, shape or form your independence or your office's
15 independence and your ability to provide your function --
16 statutorily created in -- by our Texas statute to the
17 commissioners would not be appropriate.

18 So I think we're comfortable that that's a
19 fundamental place that we start from.

20 MS. SAGEBIEL: Yes.

21 COMM. ALVAREZ: Yeah.

22 CHAIR HUGHS: Sounds like we're in agreement
23 as far as what the word means and how we intend for it to be
24 used in the charter and in our actions, so that's great. Is
25 there a motion?

1 COMM. ALVAREZ: I move that we approve the
2 Internal Audit Charter as recommended.

3 COMM. THOMAS: Second.

4 CHAIR HUGHS: All right, we are unanimous.
5 Thank you.

6 AGENDA ITEM NO. 13

7 CHAIR HUGHS: Next Item 19, Discussion,
8 Consideration and Possible Action Regarding Approval of
9 Local Workforce Development Board Nominees.

10 MR. BELL: Good morning Madam Chair,
11 commissioners, Mr. Demerson. Cameron Bell, Workforce
12 Development Division.

13 Before you for consideration and approval are
14 Workforce Development Board Nominations for Workforce
15 Solutions Capital Area, Deep East Texas, Gulf Coast, Lower
16 Rio Grande Valley, Northeast Texas, and Capital Area.

17 CHAIR HUGHS: Thank you. Commissioners, are
18 there any comments or questions for Mr. Bell? Is there a
19 motion?

20 COMM. ALVAREZ: I move that we approve the
21 board nominees for Capital Area, Deep East Texas, Gulf
22 Coast, Lower Rio Grande Valley, Northeast Texas, and Rural
23 Capital Area.

24 COMM. THOMAS: Second.

25 CHAIR HUGHS: We are unanimous. Thank you.

1 MR. BELL: Thank you.

2 AGENDA ITEM NO. 15

3 CHAIR HUGHS: All right, Agenda Item 15, is
4 there anything to report? No? Okay.

5 AGENDA ITEM NO. 16

6 CHAIR HUGHS: And on 16 are there any Updates
7 Regarding Enacted, Proposed or Considered Federal or State
8 Legislation?

9 MR. McCARTY: Good morning. Nothing on the
10 items for today.

11 CHAIR HUGHS: Thank you, Tom McCarty.

12 AGENDA ITEM NO. 17

13 CHAIR HUGHS: All right, Item 17, Aaron
14 Demerson I believe is standing in for Mr. Serna. Do we have
15 any updates?

16 CHAIR HUGHS: My numbers, I apologize, are
17 off from the monitor here. Okay. Item 17, Discussion,
18 Consideration and Possible Action Regarding Enacted,
19 Proposed or Considered Federal Regulations, Executive
20 Orders, or Federal or State Enacted or Proposed Legislation.

21 MR. McCARTY: Good morning Chair Hughs,
22 Commissioner Thomas, Commissioner Alvarez. Tom McCarty with
23 External Relations.

24 The U.S. House and Senate are in recess this
25 week, but at the state legislature we've got quite a bit of

1 activity going on.

2 Just yesterday the House Appropriations
3 Committee voted out HB 1, and SB 500. HB 1 does contain all
4 of our exceptional items and capital budget items that were
5 requested by the agency. And then SB 500 does contain the
6 8.9-million for match for VR funding post Harvey, so we do
7 have those items. We expect the -- that HB 1 will be up
8 before the House on March the 27th.

9 This morning Courtney Arbour is testifying
10 before the senate Health and Human Services Committee on SB
11 705 by Senator Watson. The bill relates to investigation
12 and evaluation information regarding certain child care
13 facilities. Tomorrow before the Senate Committee on Natural
14 Resources and Economic Development Mr. Serna will serve as a
15 resource witness on SB 753 by Senator Huffman, which relates
16 to the sub-minimum wage and the Purchasing from People with
17 Disabilities Program.

18 And then I'll be available as a resource
19 witness on SB 1413, which is the TWC's Consolidation Report
20 bill -- legislative proposal. As you recall this is going
21 to -- we're expecting a committee substitute that will
22 maintain the annual report as a single report, but combine
23 five reports into one, which will be the Federal Trade
24 Adjustment Assistance Annual Report, the Career Opportunity
25 Grant Program Annual Report, the College Credit for Heroes,

1 the Skills Development Fund, and the Purchasing from People
2 with Disability Annual Report.

3 That concludes my remarks. I'm available if
4 you have any questions.

5 CHAIR HUGHS: Any questions?

6 COMM. ALVAREZ: No questions.

7 CHAIR HUGHS: No, thank you.

8 MR. McCARTY: Thank you.

9 AGENDA ITEM NO. 18

10 CHAIR HUGHS: All right, and now Item 18, is
11 the report from the executive director.

12 MR. DEMERSON: Thank you Madam Chair. Yeah,
13 let me -- Heather Hall --

14 CHAIR HUGHS: Please state your name for the
15 record.

16 MR. DEMERSON: My name, Aaron Demerson,
17 Workforce Division. Heather Hall actually has received a
18 promotion to the CIO position, so join me in congratulating
19 Heather. I'm not sure if she's in the audience, but --
20 Heather's out there?

21 MS. HALL: Hi.

22 MR. DEMERSON: All right, Mic's on. I'm
23 Aaron Demerson. Please join me in congratulating Heather
24 Hall for her recent promotion to the CIO position. I'm not
25 sure if Heather's in the audience. Heather back there?

1 CHAIR HUGHS: Heather, could you please
2 stand? Thank you for -- (applause)

3 MR. DEMERSON: Okay. That's the only item we
4 have.

5 CHAIR HUGHS: Thank you.

6 AGENDA ITEM NO. 19

7 CHAIR HUGHS: Commissioners, you have
8 anything under Item 18? All right, do we have a motion to
9 adjourn?

10 COMM. THOMAS: So moved.

11 COMM. ALVAREZ: I'll second that.

12 CHAIR HUGHS: All right, we are adjourned,
13 thank you.

14 (Proceedings concluded at 9:20:30 a.m.)

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C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

I, Kimberly C. McCright, Certified Vendor and Notary in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 15th day of April, 2019.

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

Verbatim Reporting & Transcription, LLC
1322 Space Park Drive, Suite C165
Houston, Texas 77058
281.724.8600