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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, JUNE 18, 2019

BE IT REMEMBERED THAT at 9:00 a.m. on
Tuesday, the 18th day of June, 2019, the above-entitled
matter came on for hearing at the Texas Workforce
Commission, TWC Building, 101 East 15th Street, Room 244,
Austin, Texas, before RUTH R. HUGHS, Chair and JULIAN
ALVAREZ Commissioner.

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

3 No cases were heard.

4 AGENDA ITEM NO. 6

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

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

10 AGENDA ITEM NO. 7

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

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

16 AGENDA ITEM NO. 8

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

20 MR. SERNA: Yes, ma'am.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 CHAIR HUGHS: Thank you. Commissioner
18 Alvarez?

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

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

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

3 AGENDA ITEM NO. 9

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

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

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

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

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

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

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

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

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

25 The new policy standards and rates will

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

7 CHAIR HUGHS: Commissioner Alvarez?

8 COMM. ALVAREZ: No questions.

9 CHAIR HUGHS: Is there a motion?

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

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

20 AGENDA ITEM NO. 14

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

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

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

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

12 CHAIR HUGHS: Congratulations, Glen.

13 (Applause)

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

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

24 AGENDA ITEM NO. 15

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

1 adjourn.

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

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

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C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF HARRIS)

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 21st day of June, 2019.

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

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