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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

WORK SESSION
THURSDAY, APRIL 18, 2019

BE IT REMEMBERED THAT at 9:32 a.m. on
Thursday, the 18th day of April, 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 HUGHS, Chair and JULIAN ALVAREZ,
Commissioner.

P R O C E E D I N G S

THURSDAY, APRIL 18, 2019

(9:32 A.M.)

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4 CHAIRMAN HUGHS: Good morning. The quarterly
5 work session is now called to order. We're going to start
6 with a performance briefing. Ed, who do we have first? I
7 apologize. The time's getting away from us.

8 MR. SERNA: That's okay. We, of course, have
9 Mariana up -- we have Mariana up first, so --

10 MS. VEGA: Hello, Chair, Commissioners. How
11 are you today?

12 COMM. ALVAREZ: Morning.

13 MS. VEGA: My name is Mariana Vega, Director
14 for Labor Market, for your information. And I am here to
15 provide some highlights of the Texas economy. I do want to
16 mention that all of the information I'm presenting today is
17 based on the February jobs report. The March data is set to
18 be released tomorrow at 9:00 a.m. So, you have the slide
19 show in front of you. As you can see in February, we did
20 see continued growth with the addition of 17,700 non-farm
21 jobs.

22 Texas did add over 268,000 jobs over the
23 year, for an annual growth rate of 2.2 percent. Most of the
24 growth was in Service Providing Sector, accounting for 72
25 percent of the annual growth. Leisure and Hospitality added

1 5500 jobs over the month, which was the most among all major
2 industries. Accommodation and Food Services added 4,300
3 jobs, while the Arts, Entertainment, Recreation added 1200
4 jobs. So, this major industry has been at or above 2
5 percent annual growth since October 2017.

6 Every sector in the Professional and Business
7 Services grew over the month. We did see a Professional
8 Scientific and Technical Services leading with a gain of
9 21,000 jobs. Annual growth for this sector has remained
10 positive for 107 consecutive months, instead of 4.3 percent
11 in February.

12 After a revised increase of 3600 positions
13 for January, Financial Activities added another 3,800 jobs
14 in February, mainly due to Finance and Insurance. The
15 Information Industry did contract by 700 jobs over the month
16 and was the only major industry showing annual decline in
17 jobs.

18 As far as goods producing, the Goods
19 Producing Sector, all industries showed a strong annual
20 growth, even though not all of them showed over-the-month
21 growth. So, manufacturing did a rebound from a revised
22 decrease of 1000 jobs per January to an increase of 1400
23 jobs in February. This was attributable to employment gains
24 in Non-Durable Goods Manufacturing. Manufacturing has seen
25 a strong annual growth at 3.3 percent and above.

1 Construction added 500 jobs over the month,
2 and it also has remained at or above a 3 percent annual
3 growth since February 2018. And while Mining and Logging
4 did see an employment increase over the month. Annual
5 growth was very strong at 8.4 percent.

6 So, the next chart you'll see does graph
7 annual growth, both for the U.S. and Texas. Texas total
8 long-form annual growth has been positive for 106
9 consecutive months, outpacing the U.S. for 24 consecutive
10 months. And Texas did lead the nation for jobs added over
11 the year, with 268,800 jobs. And this was followed by
12 California and Florida.

13 And the next chart, it is a fairly different
14 type of chart than we usually have, it shows the employment
15 momentum for the Texas -- For Texas' largest metro areas.
16 So, it depicts the size for each of the metro areas, and it
17 gages annual growth versus annualized year-to-date growth.
18 As we can see, at the beginning of 2019, employment growth
19 in the Dallas, you know, or I mean, area continued to be
20 strong, adding 18,200 jobs. This can be seen in the upper
21 right section of the chart. And even though a Fort Worth-
22 Arlington Metropolitan Division did grow by 1.7 percent over
23 the over the year, it did lose 3500 jobs at the beginning of
24 the year. Therefore, it's towards the bottom area.

25 COMM. ALVAREZ: Mariana, this is a very good

1 chart.

2 MS. VEGA: Oh, thank you.

3 COMM. ALVAREZ: It's very informative.

4 MS. VEGA: Thank you.

5 COMM. ALVAREZ: Thank you. Very informative.

6 MS. VEGA: Thank you. I'll let my staff
7 know. Thank you.

8 So, the next two charts on the next pages
9 will show all of the metro areas; their employment growth,
10 as well as their unemployment rates. Over the month all of
11 the 25 MSAs experienced a decrease in their unemployment
12 rates. Over the year 18 Texas MSAs saw a decrease in their
13 unemployment rates.

14 The Beaumont-Port Arthur MSA experienced the
15 larger over-the-year change, dropping 8/10ths of a
16 percentage point.

17 The McAllen-Edinburg-Mission MSA experienced
18 the highest unemployment rate at 6.6 percent, but we also
19 have to note that over the month it did decrease the most by
20 a whole percentage point.

21 The Midland MSA had the lowest unemployment
22 rate at 2.2 percent, ranking fourth for the lowest
23 unemployment rate nationwide.

24 The Dallas-Fort Worth, Arlington, and the
25 Houston-Woodlands-Sugar Land MSAs have the largest over-the-

1 year employment increases, not just in Texas, but also
2 nationwide, ranking second and third respectively just
3 behind New York.

4 The largest over-the-year percentage gain
5 occurred in Midland, with an annual growth rate of 6.1
6 percent.

7 CHAIR HUGHS: No surprise there. Right?

8 MS. VEGA: No surprise. No. That's to be
9 expected. So, the next chart shows unemployment rates for
10 Texas and the U.S. So, the unemployment rate in February
11 did hold steady at 3.8 percent, which is just above the
12 historic low at 3.7 percent that we held for 5 months last
13 year in 2018.

14 The Texas unemployment rate has been below 4
15 percent for the last 10 months. The national employment
16 rate was 3.8 percent in February.

17 So just to summarize what happened to the
18 Texas unemployment rates. Over the month unemployment rates
19 decreased in 227 of the 254 counties. 14 counties did
20 remain unchanged and 13 counties increased. Unemployment
21 rates did vary from a very low 1.9 percent in Hartley and
22 McMullen counties, to a high of 10.4 percent in Star County.

23 Over the month, as I mentioned before, all 25
24 MSAs experienced a decrease in their unemployment rates, and
25 the not seasonably adjusted unemployment rate in Texas

1 decreased 2/10ths of a percentage point to 3.9 percent in
2 February.

3 So, as we move on to other indicators,
4 looking at the Texas Unemployment Insurance, initial and
5 continued claims: In February there was 13.5 percent over-
6 the-month decrease in initial claims, as well as a 4.9
7 percent decrease in continued UI claims for the State of
8 Texas. We're seeing the same situation within the U.S.,
9 which declined 29.4 percent over the month for initial
10 claims. It did, however, remain unchanged as far as
11 continued claims.

12 So, this type of data does point to a
13 continued strong labor market.

14 CHAIR HUGHS: So, the report shows -- is the
15 lowest we've seen in five years, in terms of UI claimants?

16 MS. VEGA: I don't -- I don't believe it's
17 the lowest. That's something we would have to go back and
18 actually look at the actual numbers. Because sometimes it's
19 hard to tell with looking at the charts.

20 CHAIR HUGHS: Okay.

21 MS. VEGA: We will get back with you, though,
22 on that.

23 CHAIR HUGHS: Great. Okay.

24 MS. VEGA: Moving on to other indicators;
25 both average hourly earnings were up over the year for both

1 the U.S. and Texas. The Consumer Price Index was also up
2 over the month. For the U.S. there was an increase in all
3 items; shelter, food, and as well as the gasoline index.

4 For Texas, the consumer price increased just
5 1/10th of a percentage point from the previous month, and
6 this is based on the Houston Area. Area prices did change
7 very little, both in January and February. In March we were
8 starting to -- we did see -- I forget we're in April. In
9 March where we were starting to see an increase in motor
10 fuel prices. So, inflation overall has been relatively
11 modest, even though we have a very strong job market.

12 So, on the next chart, we take a closer look
13 at average hourly earnings for both the U.S. and Texas. The
14 Texas hourly wage increased 2.8 percent, 73 cents over the
15 year, and nationally it's up 90 cents over the year.

16 The Dallas, Austin and Houston areas all had
17 average hourly wages above both the Texas and the U.S.
18 average hourly wage.

19 And taking a look at West Texas intermediate
20 crude oil, and as well as the rig counts. The active rigs
21 did decrease 2.9 percent over the month to 511. This number
22 represents 49 percent of all active rigs in the U.S. The
23 U.S. count remained pretty much stable.

24 Crude oil did -- the price of crude oil did
25 increase 6.9 percent from the previous month to \$54.95.

1 Over the year it's down 11.7 percent. Drilling permits are
2 up over the year. And Midland, of course, is -- has most of
3 those new drilling permits, followed by the San Antonio and
4 the San Angelo area.

5 And taking a look at labor force
6 participation rates. So, Texas -- the Texas labor force was
7 the second largest in the nation in February of 2019. Both
8 actual and adjusted labor force participation rates
9 increased over the month. There was a rise in participation
10 rates for both blacks and Hispanics, both increasing 8/10ths
11 of a percentage point. The women's participation rate also
12 increased 4/10ths of a percentage point. So, overall
13 though, we're seeing more people in the workforce here in
14 Texas.

15 And just to summarize the jobs report: the
16 nation did add 20,000 jobs in February, which is the
17 smallest gain since September 2017, and it's a big contrast
18 to the previous 3 months, which averaged a gain of 245,000
19 jobs per month. Texas added the most jobs over the year
20 among all states, with 268,800 jobs, and all 26 metro areas
21 showed positive annual growth for February. Obviously with
22 the high in Midland of 6.6 percent to a very low of 0.1
23 percent in Brownsville-Harlingen.

24 And that's all of the information I have for
25 you today. Just a reminder, we will have a March data

1 release tomorrow, so if you have any questions, though, on
2 this data, I'll be more than happy to answer the questions.

3 CHAIR HUGHS: All right. Commissioner
4 Alvarez, do you have any questions or comments?

5 COMM. ALVAREZ: No. Great report.

6 MS. VEGA: Thank you.

7 CHAIR HUGHS: Commissioner Thomas.

8 COMM. ALVAREZ: Outstanding report, as
9 always.

10 MS. VEGA: Thank you.

11 CHAIR HUGHS: Thank you.

12 COMM. ALVAREZ: Good news is good to report,
13 too, right?

14 MS. VEGA: I'm sorry?

15 COMM. ALVAREZ: Good news is good to report.

16 MS. VEGA: Good news is always great. Thank
17 you.

18 MR. SERNA: Randy's up.

19 CHAIR HUGHS: All right. Now we'll hear from
20 Randy Townsend.

21 MR. TOWNSEND: Good morning, Commissioners.

22 For the record, Randy Townsend, Chief Financial Officer.

23 Presenting you a quick update this morning on
24 our financial status. As of the six-month mark of our
25 fiscal year this is information reported to you as of

1 February 28, 2019. This is under tab 2, if you're looking
2 at the materials, you have the monthly legislative report,
3 as well as we've provided explanations of variants. In many
4 cases the timing of our expenditures will play a role in
5 where we stand at this point in time of the year, so unless
6 you have questions about that I will probably just skip over
7 that portion. But I want to give you a high-level overview.

8 In terms of our overall budget we're looking
9 at for Fiscal '19, about 1.9 billion. Just a comparison, I
10 thought it was interesting to look back a couple of years.
11 2018 the overall budget was about 1.7 billion, in -- that
12 was 2018. In 2017 the overall budget for the agency was
13 about 1.6 billion. So, 1.6, 1.7 and now 1.9.

14 A couple things going on over that timeframe.
15 From '16 we saw increase in our WIOA, Workforce Innovation
16 Opportunity Act Funding, available to the agency. And then,
17 in the most recent year, we've seen childcare funding
18 increase by almost \$200 million, and so that accounts for
19 that growth in the budget, primarily attributed to those two
20 program areas.

21 With respect to where we stand in terms of
22 spending; we had spent about 800 million for the first six
23 months of the fiscal year. If you compare that to the prior
24 couple of years, we had spent about 760-or-so million last
25 year at the same point in time, and then the year before

1 that, about 700 million.

2 And, again, some of that is attributed to the
3 timing of our expenditures relating to mostly the child
4 cares we're ramping up to increase the number of children in
5 care for the additional dollars that the State of Texas
6 received.

7 About 42 percent was the expenditure rate at
8 the 6-month mark. That was about 45 percent a year ago, and
9 44 percent two years ago, so pretty consistent on the
10 expenditure at the same point in time for the last three
11 years, actually.

12 In terms of full-time equivalents, FTEs; for
13 the 6-month average for the last 3 months, actually, for
14 this current fiscal year was about 4450 FTEs, full-time
15 equivalents. Our cap is just under 40 -- 4,869, and so
16 we're about 4 -- 10 percent under the cap.

17 Those FTE comparisons, though, for the last
18 couple years, to give you some frame of reference, that 4450
19 for the current year compares to the same point in time last
20 year of 4300 or so, and the 2 years before that about 4500.
21 So probably in the same general neighborhood as far as the
22 full-time equivalents on the staffing.

23 In terms of a couple of the programs. I
24 thought I would just highlight while I'm here. In terms of
25 the expenditure rates for the strategy 1.1.6, that's our

1 trade-affected workers, we have a budget of about 19
2 million. Year-to-date expenditures is about 4 million. Now
3 that will depend on the number of petitions that are
4 approved by Department of Labor. This is a program, though,
5 if you look last year was about 6 million expended, and then
6 the two previous years before that we were closer to 8
7 million expended for this program. And so, it's really just
8 dependent on how many folks are eligible for the program to
9 receive training. And so those expenditures are reflecting
10 that -- those trends in terms of the expenditure rate.

11 And unless you have other questions. I know
12 there's a few, I mean, several things we could probably talk
13 about in here, but nothing from my review, I mean, other
14 than the normal timing of expenditures that we see and that
15 sort of thing. All-in-all everything looked pretty
16 consistent and in line and reasonable for this time period.
17 So that concludes my remarks this morning.

18 CHAIR HUGHS: Okay. Any questions for Randy?

19 COMM. ALVAREZ: No.

20 CHAIR HUGHS: And as far as childcare we feel
21 like we're on track in terms of the strategy there and in
22 at-risk transitional childcare, that's on track in terms of
23 spending?

24 MR. TOWNSEND: Okay. And I know Paul will be
25 able to talk a little bit more specifically about the

1 current trends.

2 CHAIR HUGHS: Okay.

3 MR. TOWNSEND: When I look at the number of
4 children in care, and I'm sure he'll be talking about this
5 some more, is that you certainly are seeing the number of
6 children increase month over month. In terms of where
7 that's going to put us with the balance at the end of this
8 contract year, I think there's still going to be a balance,
9 honestly, when you look at that.

10 And so as we look at next year's allocation
11 of childcare funds, I think one of the things want to get
12 taken into account, is where the -- the starting balances
13 for the childcare program, and then the current trends, and
14 then that balancing act between ramping up enough not to get
15 yourself in trouble that you're over-expending, you know,
16 your available funds. And so, that's going to be one areas
17 that -- and, of course, each board's got a little different
18 story in terms of their situation.

19 But, overall, it looks like we certainly are,
20 at the speed we're ramping up, I mean, we have the funding
21 available to cover that, for sure, and then we'll just have
22 to see where that -- allow us to end the year in terms of
23 the remaining balance. I think this last year, that balance
24 was fairly significant. Not unexpectedly, though.

25 CHAIR HUGHS: Right.

1 MR. TOWNSEND: I mean, closer probably to 90
2 million. But, with that increased funding that we put in
3 late in the year, that really was no surprise, honestly.
4 So, but that is one of -- there are -- there are several
5 factors that we're trying to take into account when we look
6 at that expenditure level. And, again, I'm sure Adam -- and
7 I'll stay here either case -- that some of the questions
8 along this line, but Adam can talk more specifically about
9 the number of children in care.

10 CHAIR HUGHS: And anything also for Self
11 Sufficiency? I think that's 1.3.2.

12 MR. TOWNSEND: That's right.

13 CHAIR HUGHS: Is that 6.1 -- is that low for
14 this time of year, or that typically where we are --?

15 MR. TOWNSEND: Self Sufficiency is always
16 that one program that's fairly difficult to really assess in
17 terms of where you stand, because it is a little -- it is
18 comparable to the same period of time a year ago, the
19 550,000 expended, we've expended 800,000 last year. What
20 I'm looking at is where we stand in terms of that column
21 labeling cumbrance balance. So current year, all
22 encumbrances is around \$2 million. And so if --
23 essentially, what that means is those are contracts in
24 place.

25 CHAIR HUGHS: Uh-huh.

1 MR. TOWNSEND: And so, those will then spend
2 out over the succeeding months. And so, I'll need to look
3 and just see where we stand as far as the exact balance goes
4 on this program. But that spending level isn't in itself
5 just alarming to look at. And, I mean, it's always
6 typically low at this point in time when you look at the
7 current -- the state appropriation year. But, again, you
8 have to look at those contracted balances.

9 And then what will happen, is if we aren't
10 able to fully expend all -- or commit all of the Self
11 Sufficiency funds, we have the ability to transfer out of
12 that strategy up to 20 percent into our account of choice of
13 strategy. Which we will do if that, I mean, to the extent
14 that's possible to avoid returning those funds. But, we'll
15 keep an eye on that a little bit closer to that. But, I'm
16 not sure what the proposals look like right now for that
17 programing.

18 CHAIR HUGHS: Okay. At the risk -- and I'm
19 not trying to put you on the spot at all, but I have some
20 questions about also BET the 1.2.3.

21 MR. TOWNSEND: Oh.

22 CHAIR HUGHS: I know IT's going to be
23 updating us on, you know, BET stuff, so it's kind of on my
24 mind. But is that 3 percent expended?

25 MR. TOWNSEND: Okay, sure.

1 CHAIR HUGHS: Can you explain a little bit
2 more to us about that program?

3 MR. TOWNSEND: Yeah. That's a -- that truly
4 a timing situation, and this is where 400,000 is provided to
5 our managers. There's about 110 or so managers in the
6 program, in Business Enterprises of Texas Program, it is,
7 essentially, a look at the number that are at their
8 seniority level. The 10-year program in the program. And
9 they receive what's called a share. And so, if you're less
10 than 10 years of service you get 1 share, 10 to 20 you get 2
11 shares, and then regular then the 20 years you get 3 shares.
12 And we calculate all that, and then we will -- we actually
13 just made this payment in April, I believe, and so this is
14 the time of year we pretty much missed this -- the timing of
15 February.

16 And so, the payment's either in March or
17 April of each year, and it's about that same 400,000. I
18 think this last year it was about 390,000 that was paid out
19 in total to the 110 managers.

20 And it's referred to as the covering part of
21 retirement, health insurance, vacation, sick leave. It was
22 something the managers voted to -- as allowable wage and
23 distribute available funds from the collections on the
24 vending receipts to those managers. And so, it's really, in
25 this case, it is -- it's just a -- we missed this report by

1 about, I don't know, 45 days or so actually.

2 CHAIR HUGHS: So, we'll see very different
3 numbers next time, or --

4 MR. TOWNSEND: In the -- in the third-quarter
5 report you'll see this. That's correct.

6 CHAIR HUGHS: Right. Okay. That's fine.
7 Thanks for that clarification. Appreciate it.

8 MR. TOWSNED: Yeah. Sure. That's all I
9 have. But I will stay here in case there's more questions
10 on the -- some of the performance related.

11 MR. SERNA: Sure. Okay. If there are no
12 other questions, then it's Adam.

13 MR. LEONARD: Good morning, Commissioners.
14 Before the briefing started, I put in front of you a handout
15 that's kind of a narrative describing some of the
16 observations of the material that's in tabs 3 and 4 of the
17 notebook. So, tab 3, of course, is our state-wide data, and
18 tab 4 is our board-level data.

19 Generally speaking, right now in -- at the
20 top level, the percent of measures that we are meeting or
21 exceeding at this point in the year is down a little bit
22 from where we finished for the prior year, but there are a
23 number of measures that typically, during the course of the
24 year, kind of either start slow and then finish strong, or
25 that are just awkward to calculate during the year. So

1 right now, I don't have any real strong belief that we'll
2 end up significantly, you know, worse than we did last year.
3 We'll know more when we get to the third quarter. So, I'm
4 looking at the top of my narrative there. We can kind of
5 compare the FY '19 quarter 2 with FY '18 numbers. And so,
6 you see the percent of measures that we're meeting or
7 exceeding in each instance.

8 Then, breaking that down by division, same
9 kind of thing going on there. Then since these are subs of
10 the other you kind of tend to expect to see that. But,
11 there're also a couple instances where, in a way, a perverse
12 way, if you will, the numbers being a little low is not
13 necessarily the worst thing in the world. I mean, some of
14 its kind of an indicator of what's going on in the overall
15 economy. So, for instance, our top line number of career
16 and training customer service, or the people who are served
17 in programs traditionally operated by the boards. Those are
18 well below target, we're about 80 percent of target, but the
19 chart at the bottom of page 1 shows you really why. There
20 the blue line is showing us the numbers served by year in
21 the career and training programs. The red line is showing
22 you the average unemployment rates.

23 So as the unemployment rate gets better and
24 better and we have fewer and fewer layoffs, fewer people are
25 coming to us. And some of that now you would think, well,

1 if the economy is getting really good wouldn't people be
2 looking for new jobs? Yes, that's true, but there're also
3 more options available to them today than there were in the
4 past. And while we're working on our new Work in Texas
5 replacement system that that we hope is going to really make
6 a big different for people in finding work. The reality is,
7 is that for some industries if you can fog a mirror, you can
8 get a job.

9 And so, those folks may not have to come to
10 us as much as they would have in the past. So, looking on
11 page 2, we get into some of the other specific program
12 numbers. Wanted to point out for our adult Dislocated
13 Worker Numbers, that performance is up almost 32 percent
14 over the year in terms of our enrollment levels, so that's a
15 strong increase there. And some of that, of course, has to
16 do with the fact that there's -- we've seen this change in
17 funding over the last couple years.

18 In the TANF and NCP Choices numbers we are
19 down, but again, we based our targets on this on the TANF
20 caseloads, so once again, kind of a good news story. TANF
21 caseloads in the state are down, that means there are fewer
22 people to serve in the program. And so, we're unlikely
23 going to, you know, to hit this number, but at the end of
24 the day it's not because we're not reaching out or serving
25 people, it's because there's just fewer to work with. And a

1 greater percentage of those people are subject to, or not
2 subject to, mandatory participation, so an even smaller
3 portion of the universe to -- outreach to, you know, we kind
4 of are required to engage.

5 In Skills and Self Sufficiency, we are
6 starting the year down a little bit compared to last year,
7 but a number of projects were already approved that hadn't
8 quite gotten into the deadline. They're not effective in
9 February, they're effective in the third and fourth
10 quarters, so we expect to see these numbers pick up. Self
11 Sufficiency first, this has got -- already got projects
12 approved that would involve 420 more people on top of the
13 numbers that we're already reporting here.

14 Adult education is one of the other ones that
15 is really tricky to evaluate in the middle of the year.
16 Because you've got a program that is somewhat more based on
17 kind of the semesterly cycle than many of our other
18 programs, where people are walking in and out. Yes, we do
19 have people starting Adult Ed at all points during the year,
20 but there are spikes at certain points in the year there.
21 So that produces kind of weird numbers.

22 But what I did, was I looked at where we were
23 at this point last year and where we finished the year, and
24 then used that ratio to project out, Well, what happens if
25 we make a similar adjustment this year? And it puts us in

1 line that we would need that. So not terribly worried.

2 Credential rate is something we've been
3 talking about for a little while that we're below the mark
4 on that, but we appear to have isolated it as being related
5 to a data-matching issue with the TEA data. They're the
6 ones who've sent us the information about HHS -- I'm sorry,
7 the HSE test results. And so, ideally, by the end of this
8 year I think we've got a fix that's going in, in the next
9 couple months, that we'll see those numbers turn around. So
10 right now, we may be at more of a technical reporting
11 problem than we are a performance problem.

12 COMM. ALVAREZ: Adam, so you regularly were
13 working with TEA on this issue?

14 MR. LEONARD: It's the -- it has to do with -
15 - it's IT and the Adult Ed team and also -- and Workforce
16 and my staff have kind of been isolating this, and there's
17 been some communication to try to figure out what's been
18 going on there. There's also looking at additional ways to
19 kind of enhance the process, so I don't think it's just a
20 question of fixing what's there. I think they're also
21 looking at ways to try to make it a little bit better. So,
22 hopefully we'll see some, you know, even greater
23 improvement. But right now, it's still a little early to
24 say for sure.

25 COMM. ALVAREZ: Great.

1 COMM. ALVAREZ: Can you give us just a head's
2 up, not today, but what some of that work is that you're
3 doing to get that process, as well as the data typed up, so
4 we can kind of understand what the issue is there?

5 MR. LEONARD: Sure.

6 COMM. ALVAREZ: That'd be great. Thank you.

7 MR. LEONARD: Okay. So, then we get down to
8 another Choices related measure, the bottom of page 2, and
9 what this chart is showing you is the percent of federal
10 mandatories that are state exempt. So, these are people who
11 are included in federal performance accountability, but due
12 to state regulation or statute they are considered exempt.

13 We call these kind of the conflict cases;
14 that they're being told two different things about whether
15 they do or don't have to participate. And, as you can see
16 on these lines, we are up, essentially. Every month this
17 year the percentage of people who are in this kind of
18 conflicted status are up 1 to 2 percentage points over the
19 year before. So, again, maybe the point I was saying
20 earlier, just showing that that's kind of an impact on our
21 overall performance there.

22 There are a couple others that I wanted to
23 highlight within Workforce. For instance, our claimant re-
24 employment within 10 weeks is up slightly, about a point-
25 and-a-half, a little over a point-and-a-half, compared to

1 last year. And our wage replacement for those who were re-
2 employed within 10 weeks, meaning the amount of money that
3 they're making in their new job relative to what they were
4 making before their layoff is up as well. So, the wage
5 replacement level of what they're going back to work at is
6 stronger than last year. So that's the story for that.

7 Our employer served numbers are up about 9
8 percent from last year, and the best part of that is, is
9 that most of the growth seemed to have come from increased
10 postings by employers. Because, of course, you know, that's
11 -- that is where you get kind of into the virtuous cycle.
12 Right? If we have more good job postings out there, we'll
13 get more applicants, which will get more employers wanting
14 to post with us, and to use our system. So best results for
15 both sets of customers.

16 CHAIR HUGHS: Uh-huh --

17 MR. LEONARD: Sorry.

18 CHAIR HUGHS: Well, I don't mean to cut you
19 off.

20 MR. LEONARD: No, no.

21 CHAIR HUGHS: On the re-employment within 10
22 weeks would you mind just sharing with us to refresh
23 everybody's memory how we incentivized boards to really work
24 towards that 10-week goal?

25 MR. LEONARD: Sure. So, in addition to

1 having specific contracted targets for that, which we've had
2 now for about 15 years, so each board is held accountable to
3 meeting certain performance levels, we also have our
4 incentive awards where we give money out at the annual
5 conference associated with performance in this area. And we
6 are looking at, I believe, both the performance itself.
7 Meaning they present a target for the measure, and then also
8 to make sure that there isn't kind of an incentive to just
9 get people any kind of job, but to try to find them jobs
10 that are commensurate with the type of job they had before,
11 and ideally that pay, that wage replacement we're talking
12 about, that's part of the factor as well. So, both of those
13 are considered in the process.

14 CHAIR HUGHS: Thanks for sharing that.
15 That's just something I think that Texas does really well.
16 I'm very proud of that, that we have that in place. I think
17 on average we're at 13 weeks before re-employment. And I
18 believe that's pretty competitive with the rest of the
19 country. So, thanks for sharing that.

20 MR. LEONARD: Sure. The other one I just
21 wanted to point out is that we are seeing improvements in
22 our median earnings in the Adult and Dislocated Worker
23 Program. So, if you look at the median earnings in quarter
24 2 after exit, both of them are up -- dislocated worker is up
25 considerably over the last year. So strong results for

1 those -- for those programs and the earnings of those we
2 serve.

3 Shifting to other divisions now. We've got
4 VR is meeting, or possibly exceeding, all five of their key
5 measures, which is great. In addition, on four of their
6 five WIOA-based measures, they are up over the year. So,
7 we're certainly pleased to see, you know, kind of that
8 general trend. In Business Enterprises of Texas we are 3
9 out of 4 doing well out of the 1 measure that's off, is only
10 off by 2 businesses, so it's not off by, like, 5, 7, 8 where
11 you have to really be worried about trying to fill in a gap
12 there. This is pretty close, so some strength there.

13
14 In the Unemployment Insurance Division all 6
15 measures are looking good and the best part of all is that,
16 again, a number of initial claims is down about 20 percent
17 over the year, so that solid. Wait time also down about 20
18 percent over the year. So those who do need our assistance
19 are able to get through that much faster than they were a
20 year earlier.

21 In regulatory integrity we've got 3 out of 5
22 measures in -- currently in a good status. However, there's
23 a couple points on that. One has to do with our monitoring
24 and -- City monitoring group. They don't -- they work on a
25 non-proportion schedule, if you will, so it's not 1/12,

1 1/12, 1/12. They have a schedule that they work through.
2 They anticipate meeting their numbers by the end of the year
3 as they have done many years running.

4 Similarly, in the BAM units, or statistical
5 sampling. Sorry, I've kind of been here long enough to
6 remember when it was called BAM unit. But the measure
7 associated with doing these benefit accuracy sampling and
8 looking at the results; we are down right now, and that's 91
9 percent of target. But lot of that has to do with turnover
10 earlier in the year, and the reality is, is that while we
11 have a state measure, the more important measure is the
12 federal measurement. That's what we were contracted, we're
13 given money specifically to achieve a task and to do a
14 certain number of those, and right now have no reason to
15 believe we're not going to be able to hit that. So that's
16 one month later, essentially, that we should be able to
17 bring that in.

18 And there have been instances in the past
19 where like a state number comes in. We don't quite hit the
20 state number by there, but we do hit the federal number,
21 again, and many years running now have managed to hit that.

22 COMM. ALVAREZ: Did I see Paul is in?
23 There's Paul. Paul, is there any indication, I mean, you're
24 feeling comfortable that -- for Adam's --?

25 MR. LEONARD: I contact the -- before I put

1 together comments, or after I'm putting together and getting
2 observations, if I don't know about something, I definitely
3 contact the managers in those areas and ask them for their
4 assessment. And so that is something that I took into
5 conversation with Jefferey Hooks.

6 COMM. ALVAREZ: All right.

7 MR. CARMONA: Yes, sir. To answer that
8 question, yes. We work closely with Adam and in the email
9 traffic between Adam, Jeff Hooks, Chuck Ross, and myself.
10 We've confirmed with him, and we're confident in those
11 forecasts.

12 COMM. ALVAREZ: Good. Now I just really
13 appreciated the briefing when I toured your division.

14 MR. CARMONA: Yes, sir.

15 COMM. ALVAREZ: And kind of kind of your team
16 gave me that high-level -- a real appreciation for the work
17 you guys do, and so I was just keying in on this particular
18 report, and given that recent -- so, thank you, appreciate
19 it.

20 MR. CARMONA: Sir, yes sir.

21 COMM. ALVAREZ: Thank you, Adam.

22 MR. LEONARD: Sure. Okay, lastly, in the
23 Civil Rights currently meeting four out of five measures,
24 and we really saw a substantial increase in the number of
25 employment and housing complaints resolved, so we're up

1 about 15 percent over the same period from last year, which
2 is strong there.

3 COMM. ALVAREZ: Good job, all.

4 MR. LEONARD: That then leads us into talking
5 a little bit about what the boards are doing. And that's on
6 the last page of my handout. And it has to do with the data
7 in tab 4 of the notebook where we put all the results for
8 our board. So out of 476 instances where boards are being
9 measured against target at this time, they were able to hit
10 459 of those, and 96 and almost 1/2 percent of the measures
11 are meeting with just 17 instances where boards are failing.
12 If you think about this from a board perspective, we have 16
13 of the 28 that are meeting all their measures, and another 8
14 that are only missing 1. So that kind of -- that's a strong
15 indication there that on the whole we seem to be looking
16 pretty good there.

17 On a measure perspective, we've got 9
18 measures were met by all 28 boards, 3 were met by 27 of 28
19 boards, and then 3 were met by 26 of 28. And so, again, we
20 only have the 19 total measures of 17 right now that have
21 targets on them for the boards, so we're not really seeing
22 widespread failures in anywhere.

23 One thing I did want to point out is that the
24 measure that's missed most by board does have to do with
25 childcare. We kind of led into this. The hand-off from

1 Mandy to me was on childcare. And we do have four, or five
2 boards rather, that are currently missing, but if you
3 compare to where we were a quarter ago when we're talking
4 about their ramp-ups, 10 boards were missing a quarter ago.
5 So, we're really seeing a lot of improvement there.

6 At the state level as a whole, we're right
7 about where we wanted to be at this point, so we've got --
8 even though five are missing we have a few others that are
9 ahead of schedule, and we're at about 131,000 kids a day in
10 February. And that, again, that's up from 120,000 in
11 November. So, it really kind of shows where we are.

12 We're expecting that as a result of --

13 CHAIR HUGHS: What was it, 180,000 last
14 summer?

15 MS. LEONARD: Yes. I think the low point
16 last summer was about 106, perhaps, in May or June, and so,
17 yeah, we're -- they've really gone to town trying to make
18 sure that we were able to use that new federal money to help
19 low-income families in Texas. So, seeing good numbers
20 there.

21 COMM. ALVAREZ: And our target -- and our
22 target, I thought, was 130,000 is what I --

23 MR. LEONARD: We had expected -- yeah. We
24 wanted to be at about 130,000 at this time. Meaning through
25 February, so we're a little ahead of that. We're trying to

1 get to ballpark 137,000. We think that that looks like with
2 carryforward number, that if we had about 137 at the end of
3 this year, that that would provide kind of a stable platform
4 in year '20, and then there would be room after that, that
5 hopefully we would be spending down what carryforward we're
6 generating from this year next year, and then the year
7 after, year '21, that number might come down some. But
8 again, we have enough churn in the system even with the new
9 law, that we should be able to do that without anything as
10 drastic as what we saw, you know, taking actions a few years
11 ago, where we're worried about freezing enrollments, or the
12 possibility that we, fortunately, didn't have to do of
13 cutting, you know, families out of care.

14 COMM. ALVAREZ: So this goes back to your
15 briefing you gave that kind of the way I envisioned it is in
16 order to absorb those additional funds, we'll kind of prove
17 this process, the strategy, expand into that kind of
18 organically in a way, and allow the natural utilization,
19 kind of to --

20 MR. LEONARD: Right. We want to spread this
21 out over a reasonably long period of time, so that there's
22 the smoothest transition, both for families who are
23 depending on us, and also for the boards to administer. If
24 we go up and down really sharply, that doesn't help anybody,
25 and it kind of, in many ways, is a lot harder for the

1 boards, right, because you need a lot more staff to manage
2 that many kids in the short run, and then you don't need
3 that many staff to -- if you come down really fast. So that
4 doesn't really help them, either.

5 MR. TOWNSEND: Let me just add one point to
6 this. And it's all absolutely accurate. The other thing
7 we're keeping our eye on, is we don't know what congress
8 might do at the federal level in terms of continued funding.

9 MR. LEONARD: Yep.

10 MR. TOWNSEND: We knew this infusion of
11 additional -- which was significant for all states, and
12 certainly for Texas, and so we must -- we think it's there
13 for a couple of year -- two years, at this point, so we'll
14 just have to keep our eye on if that continues, or if
15 there's even additional increases to childcare. There's all
16 -- there's always that topic as well.

17 So, this right now is making the assumption
18 that we're -- at this increased funding level that just will
19 continue at that level from now until in the -- into the
20 future. And so, we're -- we'll just have to wait and see if
21 we need to adjust from that point forward, but right now
22 what happens he's describing is just based on that
23 assumption. So, I just want to make that point so we all
24 keep that in mind.

25 MR. LEONARD: Yeah. Thank you. You're

1 absolutely right. And that is something we kind of have
2 also been looking at in terms of what would happen if we
3 returned more quickly to a traditional level. And, in a
4 way, that means that the carryforward that we've been
5 carrying, and that we'll have again until next year, because
6 we were ramping up early in this year, which means there was
7 units of care that weren't purchased in the early part of
8 the year that create new ramp up. That that would help,
9 hopefully, smooth the transition if there was what we'll
10 call a reduction of the -- something closer to the old
11 levels of funding. But that's definitely something we have
12 to keep track of.

13 CHAIR HUGHS: That's an important caveat.
14 Thanks for sharing.

15 MR. LEONARD: Yep. Nope. That was great.

16 COMM. ALVAREZ: Adam, are you all assessing
17 specifically the rural impact? I mean, I know we're looking
18 at workforce boards, but are we then breaking down where
19 those -- I know we are, so kind of rhetorical question, but
20 breaking down to the extent that the rule areas of our
21 boards are having trouble ramping up, or trying to ramp up
22 and what that might look like for them assuming stability or
23 instability in the funding source?

24 MR. LEONARD: I don't have -- I'm sorry, let
25 me look. In terms of the boards that are not -- so of the

1 five boards that weren't at the ramp up in February, one was
2 Dallas, one was North Central, one was Tarrant. You know
3 North Central clearly has some rural counties in the area.
4 Dallas and Tarrant not so much. Another one's Texoma, which
5 is kind of a little bit more suburban in many ways, because
6 they actually have kind of some cross-traffic into the other
7 state, I believe. And then Deep East, Texas, which was,
8 like, really close. They were about as close as you can get
9 without quite meeting their number.

10 But otherwise, if I just kind of look at the
11 other areas that we traditionally think of as more rural,
12 like Panhandle, like South Plains, et cetera, they're --
13 they seem to be right on the mark right now in terms of
14 their ramp up.

15 COMM. ALVAREZ: And I'm kind of thinking in
16 the context of some of our workforce boards that have a
17 heavy mix of both rural and urban. And kind of, I know,
18 like, Gulf Coast I know is huge, and I know their rural
19 populations are -- they're working hard to get those numbers
20 up there.

21 I'm just kind of thinking in the context of
22 those boards that have that healthy mix of the two, and how
23 they're being able to manage that in the context of funding
24 stability.

25 MR. LEONARD: Sure. So we don't have, like

1 targets for, you know, different part, like, different
2 counties or whatnot to compare them to, per say, and we
3 don't traditionally -- although the data's available, if you
4 get down to the granular level, we don't traditionally
5 aggregate it up by, you know, 254 counties, to kind of see
6 what those trends look like. That might be something that
7 we'll be able to do more easily through some things we're
8 trying to build into the data warehouse product around
9 childcare. Some tools we've been working on with the
10 Workforce conceptually to try to help us understand, like,
11 where the kids are in care through GIS type mapping, and
12 then looking at that overtime, how that changes.

13 So, right now, not a lot going on there, but
14 the future we're definitely looking at some interesting ways
15 to make those tools available to the boards, to Workforce,
16 and anybody else who's interested in this.

17 COMM. ALVAREZ: I think it's going to be
18 important now. I was in Texoma yesterday, and the point is
19 several of the workforce boards that I've been visiting and
20 always bring up the childcare conversation and increasing
21 the conversation about the rural portions of their services
22 and the challenges. Particularly those that are what I'll
23 call urban and rural, those discussions, so just I'm not
24 sure other, Adam, other than say I would support getting
25 some more information out in that area to understand how

1 we're delivering services to all Texans.

2 MR. TOWNSEND: Commissioner Thomas, if I
3 might add, I think you might have missed this part of the
4 decision when the Commissioners approved additional funding,
5 and it started at as a rural, smaller area initiative. I
6 think we had a difficult time trying to define what rural
7 actually meant. And so we what we ended up -- what I ended
8 up suggesting, I think was, at the time, was considered as
9 the basis, as looking at those counties that fell bellow a
10 certain percent in terms of the numbers in the civilian
11 labor force.

12 I think we aggregated the smallest counties
13 that made up, and I think at the time, three percent. You
14 can pick any number; four percent, five percent. And I
15 believe, at the time, if you had a -- if you had a county
16 that was less than 8000 civilian labor force and the
17 definition of civilian labor force is number employed and
18 number unemployed as well, because it's combined. And so
19 that was the starting point. Because you could -- you could
20 go any number of ways in terms of defining what's rural,
21 what's not rural, what's small, what's not small, and that
22 sort of thing.

23 And so that was the defining moment at the
24 time. That doesn't mean can't go back and revisit that.
25 But I did want to just add that clarity, but I did want to

1 just add that clarity, because I at least identified those
2 counties, and I forget exactly how many counties, so a few
3 dozen, that fell into that.

4 And, of course, as you've mentioned, that
5 falls within the -- there's definitely smaller counties in
6 terms of that definition, in several of our workforce areas
7 and that sort of thing. So that might be helpful if, you
8 know, getting into this if we get kind of clear around how
9 we're going to define either rural or smaller counties
10 within the workforce area, so that we're not having any
11 inconsistencies in our -- in our definitions maybe. So,
12 I'll just offer that as a --

13 COMM. ALVAREZ: That's helpful. Thank you.

14 CHAIR HUGHS: Yes. And that was last July,
15 so that might be something if you haven't had a copy of it
16 maybe we could share in terms of how that was defined. I
17 remember there were challenges, because you went to that
18 with rural areas that it means Gulf Coast gets funding, and
19 we're trying to reach Texoma, or one of these other smaller
20 boards, depending on what the needs were that were specific
21 to them. And so, we did end up with that 8,000 population
22 in terms of where we were investing that targeted funding,
23 and we'll keep looking at ways to do that. So good idea to
24 really keep focusing on what we can do for our rural
25 communities.

1 MR. TOWNSEND: Thank you.

2 MR. LEONARD: And, in closing out, Chair
3 Hughs, earlier on you asked the question about where we are
4 in terms of number of claims. Whether at the lowest level
5 than we've been. I had staff pull some numbers while we
6 were in here and, fortunately they were able to get back to
7 me.

8 So I got data for the last 5 complete fiscal
9 years and the last 12 months. And if we look at the number
10 of initial claims filed, whether you look at prior year end,
11 or the last 12 months, they are -- that we are at the lowest
12 level in the last 5 years.

13 If you look at the number of claims paid, so
14 obviously not all claims are paid that are filed, because
15 not are all determined monetary eligible stuff. If you look
16 at it based on number of claims actually paid, also at the
17 lowest level in the last 5 years, whether you're looking at
18 the prior year end, or the last rolling 12 months. So --

19 CHAIR HUGHS: Thank you for that. And that's
20 not surprising given the low unemployment rate, but it is
21 historic, so thanks for that.

22 MR. LEONARD: Sure.

23 CHAIR HUGHS: Does that bring us to the IT
24 Workshop portion of our work session?

25 MR. SERNA: Yes, ma'am. It does.

1 CHAIR HUGHS: Calling it a workshop. Because
2 I learn so much but -- work session, workshop --

3 MR. SERNA: We have a little bit of a
4 different format. Instead of just the CIO coming up I've
5 asked Jeff, our Deputy CIO, to join Heather. Specifically,
6 because we want to present a new item to you that we
7 highlighted by Heather.

8 We want to point out to the commission the
9 activities that we're doing with regard to the information
10 security in securing the data in our systems. Which I think
11 is pretty important, because there's a lot of news in the
12 press about phishing attacks and data breaches, et cetera,
13 et cetera, et cetera, and I wanted our Commissioners to know
14 specifically what we were doing with regard to protecting
15 our own data and preventing all that. And we'll do that on
16 a regular basis, because I think we're doing an outstanding
17 job. So, with that, I'm going to hand it over to Heather.

18 MS. HALL: Thank you, Mr. Serna. Good
19 morning, Chair, Commissioners, Mr. Serna. For the record,
20 I'm Heather Hall, IT Division Director.

21 I'm pleased to be here this morning along
22 with my program colleagues to provide you with updates on
23 the agency's IT projects and other enhancements. The
24 reports in your -- in your books for this quarter show
25 project status through March 31, 2019. So, if you'll turn

1 to tab 1, this -- you'll see several IT initiatives that
2 we've been working on. These items don't rise to the level
3 of having their own page in the status report, but they are
4 other important efforts that IT has underway that we wanted
5 to share.

6 So, I highlight -- that highlights on a few.
7 The first one, is the transfer of Telecom to IT. Effective
8 March the 1st, the telephone support team was transferred
9 from Business Operations Division to the Information
10 Technology Division. The transition went very smoothly, and
11 the Tele-Com team has joined the IT Data-Comp team. This
12 makes perfect sense, because we are largely users of voice-
13 over IP phones, so those phones are as much computers as
14 they are phones these days.

15 Item number two, is the unemployment
16 insurance UI system enhancements. Last quarter the UI IT
17 team worked very hard to complete 26 enhancements for the UI
18 systems. In particular, the five that are listed here were
19 completed in March, and there were significant customer
20 experience improvements for the people that use our IT -- or
21 our UI systems. So, our UI Division was very happy to have
22 those enhancements finished.

23 And then, if you move on to the key
24 initiatives in progress, I was going to touch on a few of
25 those as well. Item number 3, on page 2, is the Rehab Works

1 for HHSC. TWC inherited Rehab Works application from DARS
2 during the transition in 2016. Because of the way the DARS
3 Programs were split, between TWC and HHSC, HHSC had an
4 ongoing need to continue to use Rehab Works as well. So,
5 we've been working very hard with the, and we're in the
6 final stages of helping HHSC set up their own instance of
7 Rehab Works on their own network, so that it is a separate
8 instance from the TWC version, and that work will be
9 completed in May.

10 Item number 5, is electronic signatures for
11 power of attorney forms. We're implementing electronic
12 signatures for the power of attorney, the POA form, and the
13 POA revocation forms within our mainframe system. The UI
14 team distributes about 25 of those every year. And this
15 will actually allow entities to change their power of
16 attorney within our mainframe system, so they will go into
17 the system, the form will pre-populate from the mainframe,
18 they will sign it, and the form will actually go to FileNet
19 for retention without staff having to actually file it. And
20 then it will pull the data that is needed and put it up on a
21 mainframe screen for the worker to work their assignment.

22 So, huge improvements in the way that the UI
23 staff will be able to do that work. So, this was kind of a
24 little innovative idea that we had to try to use. Digital
25 signatures are relatively new technology with our older

1 mainframe technology.

2 Item number 7 is single sign-on
3 implementation. We were planning to implement single sign-
4 on software called Okta, it's for identity management,
5 authentication, and authorization access across TWC's
6 systems. This is a new offering from DIR, and through their
7 data center services vendor.

8 We have had some challenges. Those
9 challenges are contractual, not technical. We've been
10 working through those with DIR in partnership, but we are
11 looking at maybe completing this in August, or I mean, in
12 October instead of in August, when we initially planned to
13 implement it.

14 And then the last ones I was just going to
15 kind of group numbers 8 through 11 together. These are some
16 large, IT related RFOs that we have upcoming. So, item
17 number 8 is the Unemployment Insurance System replacement
18 RFO, and item number 11 is the Workforce Case Management
19 System RFO. Both of those are pending legislative approval
20 of the projects in the budgets, but if those are approved,
21 we will be ready to release those as soon as we get the
22 green light.

23 And then, item number 9, the childcare
24 automated attendance. We are working with the Workforce
25 Division. The CCAA provides tracking and independent

1 verification that a child actually attended declared
2 provider's facility. That system needs to be re-procured,
3 so we are working with Workforce to re-procure that. I
4 believe our current contract expires February 2020. So,
5 we're looking to release that RFO in June.

6 And then the last one is item number 10, our
7 enterprise printer contract RFO. The large multi-function
8 printers that we have throughout the agency; the contract
9 for those expires this December, so we're currently working
10 on an RFO to replace those agency wide. So, that's what I
11 have for the first page. Any questions?

12 CHAIR HUGHS: Any questions?

13 COMM. ALVAREZ: I'm just curious. What do we
14 do with the 500 computers, I mean, copiers that we're
15 replacing? Where do they go?

16 MS. HALL: Do you want to take that one?

17 MR. PEDEN: Sure.

18 COMM. ALVAREZ: I'm curious. Are they
19 auctioned off at a state auction, or they donated? Ed?

20 MR. PEDEN: So, we send some -- the Xerox
21 printers are actually leased, and they'll return back to
22 Xerox.

23 COMM. ALVAREZ: Okay.

24 MR. PEDEN: The ones that we actually own as
25 an agency, will end up going to surplus when they're

1 obsolete, no longer in use. And we do retain some as spares
2 just for anything that breaks.

3 CHAIR HUGHS: Any questions? Okay. Thank
4 you for that. I'm very excited about items 8 through 11 and
5 what's to come. I don't want to get ahead of ourselves in
6 terms of whether the legislature will allow us to spend
7 that, but so far all signs are positive, and looking forward
8 to those improvements if we can get there. So, thanks for
9 that.

10 MR. HALL: Thank you.

11 COMM. ALVAREZ: Just confirm with us; those
12 were the federal dollars?

13 CHAIR HUGHS: Right. But we need the Capital
14 Budget Authority to spend it --

15 COMM. ALVAREZ: Oh yeah. No, no, no, no.
16 Right. I was just verifying that those were the federal
17 dollars.

18 CHAIR HUGHS: Yeah.

19 COMM. ALVAREZ: Because I think the finance
20 committee was fairly comfortable --

21 CHAIR HUGHS: Right.

22 COMM. ALVAREZ: We'll see what they do, but
23 they were comfortable, if I remember correctly. Right?

24 MS. HALL: Yes, sir.

25 CHAIR HUGHS: Right. We're very optimistic.

1 COMM. ALVAREZ: Okay.

2 MS. HALL: Yes. All right. Thank you. I
3 will turn it over to Jeff to cover IT security.

4 MR. PEDEN: Good morning Chair Hughs,
5 Commissioners, Mr. Serna. For the record, I'm Jeff Peden,
6 WIT Division Director.

7 It's my pleasure to provide and update to you
8 on continued efforts we have to improve the TWC
9 cybersecurity program.

10 If you'll turn to the next page in your
11 workbook, we'll see the security initiatives. And I'd like
12 to just touch a few that are in the -- that we completed
13 this last quarter.

14 So, the first one is Work Station Patching.
15 So, we have implemented an automated patching process that
16 approved patches are deployed, automatically installed,
17 within a 30-day window making TWC's workstations safer for
18 our end-users. We have tracked results and have seen a
19 significant improvement throughout our enterprise.

20 In March of 2018 we measured the
21 vulnerabilities. There was 137 high vulnerabilities per
22 device in March of 2018. This March we measured again, and
23 that is now down to 6 high vulnerabilities per device. So,
24 we're continuing to work on that and improve that.

25 Another item is item number 2, the mobile

1 device clinic. So, we have been working with the security
2 team to be -- raise awareness for all our staff. And so,
3 we've opened these quarterly -- we try to do one or two each
4 quarter, we've done some in the main campus, some at
5 Trinity, and we're just inviting staff throughout the agency
6 to come in, bring their personal devices, and we talk to
7 them about cybersecurity practices that they can put in
8 place to ensure that their devices are secured, and prevent
9 identity theft or malicious attacks.

10 We've had over 46 participants this year, and
11 this represents about 25 different departments from within
12 the agency. And we'll continue to offer these throughout
13 the quarter, so this will also be an ongoing effort that we
14 have as well.

15 If you look in the key initiatives in
16 progress, there's a couple there I'd like to highlight as
17 well. Item number 2, the white hacking efforts -- white hat
18 hacking efforts, sorry.

19 CHAIR HUGHS: You could say that five times.

20 MR. PEDEN: Right. Yes, ma'am. I've tried.
21 I never get through five. The cybersecurity team that we
22 have at TWC is very technical. We have quite a few that
23 have certifications in different parts of cybersecurity, but
24 we do have several that are certified to do proactive
25 testing of our information resources. They're attempting to

1 connect to anything that's public facing; web pages or
2 applications, and they're going through the motions of an
3 attack that someone might do as a hacking attack, but
4 they're doing it on our behalf.

5 What they find, if they find anything that's
6 out there that's misconfigured or unsecured, they're able to
7 then work with the teams that own those sites and correct
8 it. And we've been very successful in doing that
9 proactively, and we'll continue to do that throughout the
10 year. So that will be an ongoing effort that we do all the
11 time.

12 The other one is one that Mr. Serna mentioned
13 earlier. Phishing has become a very big problem within the
14 agency. Most of those are through our email system, and we
15 have worked to get a tool that allows TWC to actually
16 generate its own phishing attacks. We're not trying to get
17 anybody in trouble or exploit anything, but it identifies
18 people who could use some additional training or guidance on
19 how to use their email and detect these attacks as they come
20 in.

21 So, we've been proactively working with
22 folks. We've collected some data on that. And the data
23 shows that only 3 percent of TWC employees are opening these
24 emails and clicking the links. Industry wide that's
25 actually 4 percent, so we're actually doing better than

1 industry standards.

2 COMM. ALVAREZ: Did you send me the red,
3 phrase in red, Did that help?

4 MR. PEDEN: Yes, sir. That was an initiative
5 we did about two years ago, but that was the first thing
6 that we did so we could identify things that were externally
7 coming in.

8 So that concludes my remarks. Any questions
9 for me?

10 CHAIR HUGHS: Any questions?

11 COMM. ALVAREZ: No.

12 CHAIR HUGHS: All right. No. I just want to
13 make a comment that I really appreciate how proactive we
14 are. I have not been the victim of one of your phishing
15 expeditions, but I've heard some fun stories of other
16 individuals that have been, and it's just great that we're
17 doing that, so that it happens internally in a test, and not
18 externally where the stakes are higher. So, really
19 appreciate all the great work you all do to keep us secure.
20 Thank you.

21 MR. PEDEN: Yes, ma'am.

22 MR. SERNA: One of the things that we
23 started, that I started, and it's more of a lighthearted
24 thing, is once a month I get a briefing from IT on the
25 security, and I get what's called a phishing list. And

1 that's my list of shame and the following Monday at
2 Executive Staff Meeting I point out to the division
3 directors which divisions have had the most clicks. And
4 that list went from about a page to about a half a page, to
5 about a quarter page. It's a very small list now, and I
6 think it's become a little bit of a competition to make sure
7 that you're not on that list, because it's not a good list.
8 And it's mostly just lighthearted ribbing about it. But
9 that -- I think that's maybe brought some awareness as well.

10 CHAIR HUGHS: Okay.

11 COMM. ALVAREZ: Good job. Thank you.

12 COMM. ALVAREZ: Thank you.

13 MS. HALL: Thank you, Jeff. Next, Karen
14 Lotta will provide an update on the WIT Replacement Project
15 under tab 2.

16 MS. LOTTA: Good Morning, Commissioners. My
17 name is Karen Lotta, and I will talk a little bit about the
18 Work in Texas Replacement Project. That's better. Okay.

19 Okay, as you'll see on your handout in your
20 notebook, we are green for the budget and scope of this
21 project, but we're showing yellow for the timeline, and
22 that's related to our user acceptance testing, excuse me,
23 process that we're in right now.

24 We are currently conducting three user
25 acceptance testing phases that includes interfaces, data

1 conversion, and external stakeholder testing. So, we've
2 been experiencing challenges with the data conversion and
3 interfaces testing phases. The process of testing and
4 fixing defects is taking longer than anticipated, because of
5 the complexity of how the data is managed in the old system
6 and the new system, and how the interfaces work.

7 As a result, the mid-July go-live date may be
8 at risk, so we're looking at options that may include moving
9 the go-live date or delaying some of the functions until
10 after go live. But the team is still working very hard to
11 go live with the new system in July.

12 On a positive note, our external stakeholder
13 testing is going very well. We have participants from 10
14 workforce boards, and also from some private employers and
15 state agencies, and they have reported few problems, and
16 have -- we've actually heard very positive reviews from
17 several of the testing participants.

18 Also, in terms of training, we are planning
19 right now for -- we're going to have nine train the trainer
20 sessions that will be provided by our vendor. The first one
21 will start at the end of April, and those will go through to
22 the end of July. And those train the trainer sessions the
23 target audience for those is trainers from each of the
24 boards, and so the -- we've registered trainers from the
25 boards to come to Austin to participate in those train the

1 trainer sessions. And then those trainers will go back to
2 their board areas and train staff in the board areas.

3 We also have certain TWC staff in those train
4 the trainer sessions, and then we also have some staff from
5 the Texas Veterans Commission, who will participate in train
6 the trainer sessions.

7 As for communications on this project; at the
8 end of March we finalized a contract with an outreach
9 vendor, that's Sherry Matthews Group. And so they are --
10 they've gotten off and running very quickly, and they're
11 helping us develop an outreach strategy, and they'll be
12 developing a new logo for the system and messaging and
13 branding for the system, and they'll also be conducting
14 focus groups to test that messaging and developing outreach
15 toolkits for the boards to use in their local areas.

16 And then one last item I want to mention is
17 that for the Workforce Forum next week, on Tuesday, we have
18 three sessions planned for the day, that -- it's just one
19 session repeated three times, so that everybody can
20 participate. But that session will include a live demo of
21 the system, of our test system, by our vendor, and then we
22 will also give a project update and information about the
23 company training sessions for the attendees.

24 So that concludes my remarks. If you have
25 any questions, I would be happy to answer them.

1 CHAIR HUGHS: Commissioners, any questions?

2 COMM. ALVAREZ: No, ma'am.

3 CHAIR HUGHS: Kind of curious about next week
4 with the Workforce Forum. And I know we're still trying to
5 figure out the dates on what's going to make sense. I, for
6 one, think it'd be great to roll out slowly and create some
7 anticipation, if that makes sense, and I support that. But
8 I'm kind of wondering what we're going to be telling
9 individuals they can expect on the roll out day, so that we
10 can manage expectations. Do we have a sense of what's going
11 to be different on the day that we launch, specifically?

12 MS. LOTTA: I think that we've been telling
13 people mid-July, and that's still what we're aiming for.
14 But I think we need to manage that expectation a little bit
15 and say summer. Definitely we're aiming to go live in
16 summer.

17 CHAIR HUGHS: Okay. And at that point, then,
18 they'll just notice the increased functionality, they'll
19 notice the demo that you're sharing with them. They'll
20 start to see some of that?

21 MS. LOTTA: Right. Yeah. They'll definitely
22 see a lot of the new system that our vendor will be demoing
23 the actual test system that we have up and running right
24 now. And it'll be very similar to what we provided at the
25 annual conference last fall, which a lot of people were

1 really excited when they were able to see that -- the
2 functionality of this new system will be much expanded from
3 the current Work in Texas.

4 CHAIR HUGHS: And I'm still hoping somewhere
5 down the road we'll be able to integrate our Texas
6 Internship Challenge with our Work in Texas, but I can
7 appreciate that we need to move slowly on that and make sure
8 we get Work in Texas right. So, thank you for that update.

9 MS. LOTTA: Yes. Thank you.

10 COMM. ALVAREZ: I have a question, Ms. Lotta.
11 When you mentioned you had 10 workforce boards that
12 volunteered to do this. Was that 10 that you identified, or
13 were there just 10 that said, We want to be a part of this.?

14 MS. LOTTA: I think it's a combination of the
15 two. We had identified -- early on we identified a
16 workgroup of, I think, eight boards, and we tried to --
17 we've tried to get a selection of more urban boards and
18 rural boards and large and small in different parts of the
19 state, just to bring them in as kind of a work group that we
20 could, you know, talk with about ideas and get involved in
21 the process. But then, I think, some word got out about
22 that workgroup, and so a couple other boards volunteered.

23 COMM. ALVAREZ: Awesome.

24 MS. LOTTA: They came and said, We really
25 want to see the new system, and we want to be more involved.

1 And so, they've been very helpful.

2 COMM. ALVAREZ: Good.

3 MS. LOTTA: In testing the system, but then
4 also just talking about the system and what configurations
5 and functions will be in the new system.

6 COMM. ALVAREZ: Great. Thank you.

7 MS. LOTTA: Thank you.

8 COMM. ALVAREZ: Good report.

9 MS. HALL: Thank you, Karen. Next Clay Cole
10 will provide an update on the two UI projects under tab 3.

11 MR. COLE: Good morning, Commissioners. For
12 the record, Clay Cole, Unemployment Insurance.

13 I'm here to give you an update on the two
14 Unemployment Insurance projects under tab 3 in your packet.

15 The first one, a short-time compensation
16 portal, which we refer to this program as our Shared Work
17 Program. And this is -- will allow us to eliminate the
18 paper shuffling that we do today to service our employers
19 and it will provide an electronic means for employers to
20 communicate with us in terms of application. And then,
21 also, the ongoing continued claims associated to the
22 employees that still work for them.

23 And so, it also will allow us to really
24 enhance our Mass Claims Program, to where we can also allow
25 employers to sign into the portal and communicate directly,

1 instead of us sending and receiving spreadsheets with, you
2 know, this day and age of confidentiality, it really makes
3 the process secure and easier on employers. So really
4 excited about this project. On time, on budget, and I'm
5 looking at an August 2019 rolling out.

6 Any questions on that project?

7 CHAIR HUGHS: Questions? No. When we see
8 all green, we have very few questions.

9 MR. COLE: The next -- the next item's
10 Electronic Hearing Officer packets. This will allow our
11 hearing officers to receive their packets electronically
12 versus the -- us printing and then mailing the packets to
13 the hearing officers.

14 Again, really big improvement that we've been
15 looking towards for a while. Also has significant annual
16 savings, roughly \$300,000 that, you know, again, I think
17 supports what a great project it is.

18 And, again; on time, on budget, and looking
19 at a summer rollout. And right now, it looks like we're
20 going to have a controlled release, where we do a small
21 pilot, and then we'll push it out to everybody once, you
22 know, we ensure everything's working as we expect it will.

23 CHAIR HUGHS: All right.

24 MR. COLE: Any questions?

25 CHAIR HUGHS: Thank you.

1 MR. COLE: Thank you.

2 CHAIR HUGHS: I appreciate it.

3 COMM. ALVAREZ: Thank you, Clay

4 MS. HALL: Thank you, Clay. Next, Carline
5 Geiger will provide an update on the two VR projects under
6 tab 4.

7 MS. GEIGER: Good morn --

8 CHAIR HUGHS: Morning.

9 MS. GEIGER: Good morning, Chair Hughs --
10 good morning, Chair Hughs, Commissioner Thomas and
11 Commissioner Alvarez. For the record, Carline Geiger, for
12 Vocational Rehabilitation, filling in for Ms. Fuller who's
13 in travel status.

14 I'm going to provide an update on two
15 projects. The first is the Business Enterprises of Texas
16 manager monthly reporting, and BET Facility equipment
17 systems replacement. This will be a new system, which will
18 allow for submissions and updates to the monthly profit and
19 loss statements, produce physical inventory reports, and
20 improve data accuracy for federal reporting. It will also
21 interface with the Texas State Comptroller, to deposit
22 collected fees, and disburse payments to BET managers.

23 Current status: Completed the ABEST
24 performance measures, initial inventory payment, and
25 advanced inventory payment development. Continue testing,

1 and data conversion is occurring as well as developing
2 testing materials. The project is on target for a May 2019
3 deployment.

4 Do you have any questions?

5 CHAIR HUGHS: Any questions? No. I am very
6 pleased to see that now that the program is at TWC it will
7 be accessible, so good job.

8 MS. GEIGER: Thank you. And the other
9 project I'll discuss is the Criss Cole Rehab Center consumer
10 tracking and CCRC scheduling and attendance systems
11 replacement.

12 With the new system the CCR staff will be
13 able to provide quality training to consumers for
14 functionality to better manager consumer progress reports
15 and class management. The system will interface with the
16 case management system to capture consumer profile
17 information and increase data accuracy for federal required
18 reporting.

19 Current status: Deployed CCRC case manager to
20 production on March 31, 2019. Completed the development of
21 the CCRC scheduler and attendance. There is continued
22 testing and data conversion activities for CCRC's scheduler
23 and attendance. This project is on target for a May 2019
24 implementation of the scheduler and attendance.

25 Do you have any questions?

1 CHAIR HUGHS: Any questions?

2 COMM. ALVAREZ: No, ma'am.

3 CHAIR HUGHS: No. Thank you, Carline.

4 COMM. ALVAREZ: Thank you. Good report.

5 MS. GEIGER: Thank you. Thank you.

6 MS. HALL: Thank you, Carline. Next Paul

7 Carmona will provide an update on the TOP Tax project. It's

8 under tab 5.

9 COMM. ALVAREZ: He's back.

10 MR. CARMONA: Good morning again

11 Commissioners. Paul Carmona from Regulatory Integrity

12 Division with just a quick update on the TOP Tax Project.

13 This was -- this project was created to
14 create this interface between TWC and the Federal Treasury
15 Offset Program Database to collect debts from employers who
16 were delinquent in payment of unemployment insurance taxes
17 or reimbursements, penalties and interest.

18 The status was: The last I updated you I let
19 you know that in November we had sent out 84 -- 83,400
20 letters, and in March we sent out additional letters,
21 because this -- the way this project works, it's a rolling
22 throughout the year project.

23 An additional 491 letters was sent out in
24 March. The accounts that were submitted to the IRS for the
25 actual debt referral and capture was 9,221 accounts in

1 January and March representing a debt of about \$62.4
2 million.

3 TWC has received so far \$523,000 in voluntary
4 employer payments and as Mr. Serna let you know, we very
5 recently had our first actual capture of somewhere south of
6 \$100. Actually, less than 30 -- actually less than \$30, but
7 it was our first capture.

8 CHAIR HUGHS: I was sure you were going to
9 say south of \$20.

10 MR. CARMONA: No, it was north of \$20.

11 CHAIR HUGHS: Or north of 20.

12 MR. CARMONA: It was north of 20.

13 COMM. ALVAREZ: Oh, I thought it was 18.

14 MR. CARMONA: Bigger than a breadbox.

15 COMM. ALVAREZ: Bigger than a breadbox.

16 MR. CARMONA: Myers and Stauffer, which is a
17 vendor, will be doing the follow-up security assessment at
18 the end of this month. And week from Monday, on April the
19 29th for what is known as the Independent Verification and
20 Validation. And that deliverable is to be provided to TWC
21 in June of this year.

22 The -- overall, the target was complete to --
23 is on target to complete April the 29th, 20 -- 2019. That's
24 it.

25 I'm here to answer any questions.

1 CHAIR HUGHS: Any questions? I will say that
2 I appreciated John's update on this. I know that in all
3 seriousness, while we may have collected very little from
4 the IRS, voluntarily there were about half a million dollars
5 from employers that have recognized that liability and come
6 forward and paid. And so, I do think that that shows the
7 value of the program.

8 I also appreciate that we're careful about
9 reaching out to employers and making sure we're going after
10 the right ones for the right amounts.

11 MR. CARMONA: Yes.

12 CHAIR HUGHS: I understand there are
13 partnerships that dissolve, people go different ways, and we
14 don't have any intention of capturing any funds from anyone
15 that does not owe the funds. So really appreciate all the
16 work that you're doing to ensure that we're managing this
17 very carefully and correctly. Thank you.

18 MR. CARMONA: Thank you.

19 MS. HALL: Thank you, Paul. Next, Adam
20 Leonard will provide and update on the Enterprise Data
21 Warehouse Project under tab 6.

22 MR. LEONARD: Good morning again. In the
23 last quarter the Enterprise Data Warehouse, one of the key
24 accomplishments there, was that we think we finally have
25 resolved some of the infrastructure issues that were

1 basically preventing the design from working.

2 So, what I mean by that, is that we're kind
3 of doing this hybrid cloud model and it involves several
4 systems that have to talk and communicate data with one
5 another, and they were not successfully doing so in a way
6 that would allow us to, you know, populate the data on a
7 daily basis the way it's supposed to. Everything was taking
8 way too long.

9 And so it took quite a few months, quite
10 frankly, of back into the fall going back and forth with
11 technical staff at DIR, and also working with the vendors
12 and really IT staff having to spend an awful lot more time
13 on this part of the problem than, you know, working on
14 helping to design, develop and get the product more useable.

15 But, again, we think we finally, pretty much,
16 licked that, where we're starting to see data loaded on a
17 daily basis the way that it's supposed to be, and that puts
18 us in a position that we can start actually build things
19 that people will be able to use. So, we've had to -- been
20 having conversations with some of the business areas around
21 some of the initial things that we'll be looking at building
22 for them.

23 So, for instance, there's a report we're
24 looking at for adult education that they don't really have
25 right now. Neither the grantees, nor workforce, really has

1 it. So rather than kind of automating things that we
2 already have, we're trying to build something brand new to
3 deliver new value and functionality that we haven't had in
4 the past. That's something we're working on right now.

5 Another thing to talk about is that the
6 tableau environment has been set up. So, we kind of worked
7 out our structure and the way that we're going to make that
8 system actually work, and how people are going to be able to
9 interact with it. And we're -- developed this model around
10 the idea of having a private, a partner, and a publish
11 space. Where the private space is the most secure, with the
12 most secure, with the most PII, the most limited access.
13 The partner is where there would be some information
14 available to, like adult ed grantees and boards.

15 So, some PII, but again, secure behind the
16 firewalls access. And then the published would be
17 information that would be out there for anybody to use, so
18 it would be de-identified, available to the public or
19 anybody else who's interested in learning.

20 So, we'd be kind of building around some of
21 those ideas there to try to balance security and privacy
22 with transparency in making information available. So,
23 we're pretty excited about some of the work we've been doing
24 there.

25 And, otherwise, work is continuing in

1 iteration 3, which is looking at a lot of the UI data to
2 help set up an early warning system to identify employers
3 who might be -- benefit from outreach around short-term
4 compensation options, as well as to support other things.
5 So, for instance, there's some wage data and things that'll
6 be coming in through that that we're using in other
7 programs. So, it's very foundational.

8 Happy to answer any questions you may have.

9 CHAIR HUGHS: Commissioners, any questions?

10 COMM. ALVAREZ: Not at this time.

11 CHAIR HUGHS: Okay. Thank you, Adam.

12 MR. LEONARD: Thank you.

13 MS. HALL: Thank you, Adam. I just wanted to
14 add to Adam's comments about our partnership with DIR. They
15 have been very helpful in trying to work out this technical
16 issues that we've had. We are the first to try this kind of
17 data warehouse in the cloud for a state agency, so they
18 realized that, you know, there may be some additional help
19 that they can provide us. So, they've actually crated a
20 Cloud Tiger Team, and reached out and offered to partner
21 with us on that. So, we are actively working and engaged
22 with them, and I think that's why we've made some of the
23 progress that we've made. So --

24 CHAIR HUGHS: That's great. Thank you.

25 MS. HALL: And that concludes our IT updates

1 for this quarter. Any questions?

2 COMM. ALVAREZ: I just have some comments.

3 If I may.

4 MS. HALL: Okay. Yes, sir.

5 COMM. ALVAREZ: Madam Chair, I just wanted to
6 actually acknowledge Heather and her team. You know,
7 Heather, you came by earlier and gave me a briefing on this,
8 as you did the other Commissioners, and I appreciate that.
9 But, you know, the fact that you're securing
10 confidentiality, expediting the process, saving the agency
11 money, eliminating paper and going more online. That's
12 certainly a compliment to you and your team and thank you
13 for doing that. We all like to hear those good little
14 stories of success, so thank you for that.

15 And then the only other comment I'd like to
16 make, is the information that was shared with us here in the
17 performance materials by Mariana and many of you that are in
18 this room; that is so valuable, the information that you
19 share. It just -- it boggles me that we can't share this
20 information with our boards.

21 A recommendation that I would have, Ed, and
22 this is just speaking, you know, just as a recommendation,
23 but to encourage our boards to listen in to the information
24 that we just covered. I mean, this is valuable information,
25 and it shouldn't be just limited to forums and twice a year

1 and end of the year conferences. But for any of those
2 members, I know we have conference calls with our workforce
3 boards. But I've never been on one of those, but are those
4 5-minute calls, are those 10-minute calls? But the
5 information that was just shared with this -- the
6 Commissioners today, is -- today, this morning, is so
7 valuable.

8 And I've learned so much in just the
9 briefings that you all provide us, the information that
10 Mariana gave us. I mean, that's the kind of stuff we share
11 when we go and speak and we present checks. And we talk
12 about the unemployment rate. And when we're in this -- in a
13 city like Laredo, and we're able to convey to them that the
14 unemployment is 3 point, you know, 8 in their town, or 4.2
15 in, you know, in other parts. They love that.

16 So, the information that you provide us is so
17 valuable. I would encourage our workforce boards to somehow
18 participate in everything that takes place. And I don't
19 know if that's possible and with the -- you know, the chair
20 brought up some really good questions and asked us -- you
21 all to come back to us with some, maybe, some additional
22 data. There's just so much stuff that was just -- that took
23 place this morning.

24 I'm just overwhelmed with how happy I am,
25 Heather, with you and your team; John, and Karen Lotta, and

1 Jeff, and Paul, and Adam, and Clay, and Ms. Geiger.
2 Everybody just did such a great job. My hat's to you -- out
3 to you -- and continue doing the great work.

4 MS. HALL: Thank you, sir.

5 COMM. ALVAREZ: That's all I have to say.

6 CHAIR HUGHS: Thanks for that.

7 MR. SERNA: Commissioner, I will say that we
8 will -- we will look to see how we can -- how we can improve
9 how we share that information with the -- with the boards.
10 One of the advantages of us now broadcasting, or webcasting,
11 these meetings is that we can -- there'll be an archive that
12 we can suggest to the boards that they go view in the future
13 and get the same -- the same interactions - hear the same
14 interactions, though not live, hear the same interactions
15 and go back and kind of rehear that.

16 So, we'll work on that, as well as just
17 different mechanisms for getting this information to them.
18 Because it is very valuable. Beyond just their
19 measurements.

20 COMM. ALVAREZ: So, if I may add. You know,
21 the comments that the chair made regarding how this benefits
22 employers and our UI cases have gone down. That's important
23 information, and I wrote down a lot of this stuff that was
24 said from the dais, as well as those comments that were made
25 from you all.

1 I just think that this is information that
2 needs to be disseminated to our Workforce Board Directors,
3 and, I mean, it should be almost, like, mandatory that they
4 hear this. So that they don't say, Well we didn't know
5 about it. Or, I mean, the information that Adam shared with
6 us, you know, you know, I mean, that's just so valuable. We
7 need to know that we're on target. Or we do need to know
8 that we're deficient in areas. You know. And so, rather
9 than get 20 calls a week, Adam could take care of it in one
10 meeting. You know. Right, Adam?

11 MR. LEONARD: I actually do send notice of my
12 comments out to the boards in advance, and let them know
13 about the hearing, so they can listen in live and hear any
14 interaction, you know, questions you all have. Because we
15 want them to know how the programs they operate are being
16 seen and presented to you all.

17 COMM. ALVAREZ: I mean, I just see a room
18 full of knowledge in here. You know, I see Debbie here,
19 and, of course, I see our, you know, I see everybody. I
20 mean, you guys are just so valuable. I just am overwhelmed.
21 So, thank you for the information you shared with us.

22 MR. SERNA: Appreciate it, sir.

23 COMM. ALVAREZ: That's all, Madam Chair.

24 COMM. ALVAREZ: Ed, thank you. I was going
25 to suggest that -- I echo what Commissioner Alvarez is

1 saying. And it's been an interesting journey. I was going
2 to suggest, and you obviously are thinking about it, of
3 making sure that we get these meetings to our boards, and to
4 ensure that one of the things I've started, in our
5 governance and oversight capacity, the chair and I were
6 visiting before the meeting just high level about just --
7 about those roles.

8 And remembering to the -- how that flows
9 through to our -- to our workforce boards. And one of the
10 things that I have noticed is that some of our boards, to
11 Commissioner Alvarez's point, do a very good job of showing
12 up at these community events, and some maybe not as much.

13 And again, everybody's very, very busy. But
14 I think enhancing the communication expectation and
15 tightening, Chair Hughs, our global state-wide working
16 relationships, our networks, through our boards, through our
17 partners, will enhance and allow our staff to deliver these
18 programs in a tighter, more effective way, and will allow us
19 to then hopefully then continue to see improvements in the
20 members. Is my -- the only thing I'd like to piggy-back on
21 what Commissioner Alvarez said.

22 MR. SERNA: Yes, sir. And we appreciate
23 that, and we will.

24 CHAIR HUGHS: Okay. Thank you. If there
25 aren't any comments or questions, is there a motion to

1 adjourn?

2 COMM. ALVAREZ: So moved.

3 COMM. ALVAREZ: I'll second that.

4 CHAIR HUGHS: All right. We're adjourned.

5 Thank you.

6 (Proceedings concluded at 10:53 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 May, 2019.

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

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