

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

PUBLIC MEETING )  
FOR THE TEXAS )  
WORKFORCE COMMISSION )

COMMISSION MEETING  
TUESDAY, SEPTEMBER 8, 2015

BE IT REMEMBERED THAT at 1:00 p.m. on  
Tuesday, the 8th day of September, 2015, the above-entitled  
matter came on for hearing at the Texas Workforce  
Commission, TWC Building, 101 East 15<sup>th</sup> Street, Room 244,  
Austin, Texas, before ANDRES ALCANTAR, Chairman, RONALD G.  
CONGLETON and RUTH R. HUGHS, Commissioners; and the  
following proceedings were reported by Alejandro Herrera,  
Certified Court Reporter

TABLE OF CONTENTS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

PAGE

PROCEEDINGS, TUESDAY, SEPTEMBER 8, 2015

AGENDA ITEM NO. 1 ..... 4  
CHAIRMAN ALCANTAR

AGENDA ITEM NO. 2 ..... 4  
SHERRI MILLER and DOUG CARNES

AGENDA ITEM NO. 3 ..... 4  
DOUG CARNES

AGENDA ITEM NO. 4 ..... 4  
SHERRI MILLER

AGENDA ITEM NO. 5 ..... 5  
SHERRI MILLER

AGENDA ITEM NO. 6 ..... 5  
PAUL N. JONES

AGENDA ITEM NO. 7 ..... 18  
RANDY TOWNSEND

AGENDA ITEM NO. 8 ..... 20  
ADAM LEONARD and DAVID JOHNSON

AGENDA ITEM NO. 9 ..... 21  
ADAM LEONARD and DAVID JOHNSON

AGENDA ITEM NO. 10 ..... 22  
ADAM LEONARD

AGENDA ITEM NO. 11 ..... 23  
DEBBIE CARLSON

AGENDA ITEM NO. 12 ..... 23  
JASON VADEN

AGENDA ITEM NO. 13 ..... 27  
CARRIE TUPA

AGENDA ITEM NO. 14 ..... 29  
LOWELL KEIG

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

TABLE OF CONTENTS (Cont.)

PAGE

AGENDA ITEM NO. 15 ..... 30  
 JASON VADEN

AGENDA ITEM NO. 16 ..... 32  
 JOHN FULLER

AGENDA ITEM NO. 17 ..... 33  
 TOM McCARTY

AGENDA ITEM NO. 18 ..... 33  
 LARRY TEMPLE

AGENDA ITEM NO. 19 ..... 34  
 EXECUTIVE SESSION

AGENDA ITEM NO. 21 ..... 34  
 ADJOURNMENT

REPORTER'S CERTIFICATE ..... 36

## P R O C E E D I N G S

TUESDAY, SEPTEMBER 8, 2015

(1:00 p.m.)

## AGENDA ITEM NO. 1

CHAIRMAN ALCANTAR: Good afternoon, everyone.

This meeting will now be called to order.

## AGENDA ITEM NO. 2

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

No Discussion.

## AGENDA ITEM NO. 3

Discussion, Consideration and Possible Action  
Regarding Tax Liability Cases Listed on the Texas Workforce  
Commission Docket 36.

The Commission considered and took action on all  
tax liability cases listed on Docket 36.

## AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action  
Regarding Higher Level Appeals in Wage Claim Cases Listed on  
the Texas Workforce Commission Docket 36.

The Commission considered and took action on all

1 wage claim cases listed on Docket 36.

2 AGENDA ITEM NO. 5

3 Discussion, Consideration and Possible Action  
4 Regarding Higher Level Appeals in Unemployment Compensation  
5 Cases Listed on the Texas Workforce Commission Docket 36.

6 The Commission considered and took action on all  
7 unemployment compensation cases listed on Docket 36.

8 (Pause)

9 AGENDA ITEM NO. 6

10 CHAIRMAN ALCANTAR: Good afternoon, everyone, back  
11 in session. Mr. Jones, I understand we have some people  
12 that have signed up for public comment?

13 MR. JONES: Yes, sir, we have three individuals  
14 signed up for public comment today regarding the Texas  
15 Rising Star certification. If I can call Nelda Frasier.

16 CHAIRMAN ALCANTAR: Good afternoon, Nelda.

17 MS. FRASIER: Good afternoon. Thank you for  
18 making the time to hear us out.

19 CHAIRMAN ALCANTAR: All right. If you could  
20 identify yourself and who you represent, that would be  
21 great, for the record.

22 MS. FRASIER: Okay. So my name is Nelda Sponanas  
23 (ph) Frasier. I'm the Director and Owner of Little Folks  
24 Bilingual Child Development Center here in Austin. And  
25 Little Folks has been a part of the Austin community since

1 1963. We provide quality childcare services to families in  
2 the north Austin -- northeast Austin community, which is  
3 predominantly low income. And currently we serve  
4 approximately 90 percent subsidized through Worksource Child  
5 Care Solution children. We have a licensed capacity of 120  
6 children.

7 We serve newborns to age 11 years. That would  
8 include infants, toddlers, pre-school and after-school  
9 programs. We're a bilingual program. We are a Texas Star  
10 -- Texas Rising Star provider. We're four stars for about  
11 20 years or so. We've always had a four star.

12 We're Texas School Ready certified and we're  
13 accredited through NAEYC. So we're always striving for  
14 quality. And we are a small business. We employ about 27  
15 staff to run operations. And we're always striving for  
16 quality. And we embrace the whole Tex -- new Texas Rising  
17 Star certification standards, we embrace it.

18 But I wanted to come today to kind of, I guess,  
19 voice my concerns as far as the impact that this is going to  
20 have. Again, I -- we're always wanting to improve, so  
21 that's not a question here. We all want what's best for  
22 children. But the new standards are going to result in us  
23 actually providing services to fewer workforce children just  
24 because of the financial end of it.

25 We can't meet all of the standards and continue a

1 four star. And I know this is going to sound a little off  
2 here, but we want four star and nothing else. We strive for  
3 quality and we are shooting for the four stars because we've  
4 always had that. But based -- some of the issues that we're  
5 struggling with is staff qualifications, which are -- we  
6 have long-time -- we've had zero percent turnover in 2013,  
7 '14 and year to date 2015. So we have qualified,  
8 experienced staff.

9 But to really meet the criteria in Texas Rising  
10 Star I have to have a degreed teacher. One, financially,  
11 it's going to really impact us. And, you know, I have  
12 trained people, I have people that are providing quality  
13 service, so it kind of impacts us in that, you know, we're  
14 going to let go a whole group of people to bring in degreed  
15 teachers when, you know, the quality is there.

16 Another issue is that ratios, while licensing has  
17 a set of child to staff ratios, we're better than that, but  
18 we can't meet the four star ratio standards specifically in  
19 the toddler area. So what that means to us is we'll be  
20 providing fewer toddler childcare services.

21 Another area is the curriculum standards are very  
22 rigorous. We do use research based curriculum, but what we  
23 have found is there's really a lack of training in this  
24 particular area. You know, we want to do the four star, we  
25 want to be the best, but there's very limited training and

1 the implementation of this has been very, very short. So,  
2 you know, given all of this, if we score low in any  
3 particular area, then our score will be low. And I think  
4 that's a bit punitive in that we're all striving to do  
5 better.

6 And, you know, and the bottom line it's going to  
7 result in fewer Workforce children at our center. And it  
8 really worries me because I feel that some of the children  
9 that we're not going to be caring for might go to other  
10 centers that are not striving for quality that might be  
11 providers but not Texas Rising Star providers. And so  
12 that's one of the struggles that we're trying to, I guess,  
13 grasp and get our hands on.

14 The standards in Texas Rising Star are actually  
15 more rigorous than the NAEYC accredited standards. One area  
16 that also concerns me is that the uniqueness of each  
17 program, for example, ours that we do a high volume of  
18 Workforce children, you know, we're a little bit unique in  
19 that we don't have that many private pay clients. And I  
20 really don't want to change our model because we're  
21 providing that service to these children, to the families  
22 and our community. But I feel like we're being forced in a  
23 way to change the model.

24 And is that the intention? You know, that's  
25 something that we're struggling with. And I guess that's it

1 in a nutshell. Let me make sure I touched on everything  
2 because -- in conclusion, we would greatly appreciate your  
3 consideration in revisiting, possibly revising the Texas  
4 Rising Star certification standards to truly encourage and  
5 promote quality childcare programs striving for quality  
6 care. And that's all I have.

7 CHARIMAN ALCANTAR: Well, Nelda, I want to thank  
8 you and for taking the time to come share your sentiments.  
9 Certainly we're trying to implement a program that makes  
10 sense for everyone and I appreciate your comments.

11 MS. FRASIER: Okay. Thank you.

12 CHAIRMAN ALCANTAR: Thank you.

13 MS. FRASIER: Thank you for your time.

14 CHAIRMAN ALCANTAR: Next up, Cynthia Pearson.

15 And, Paul, you mentioned that there was --

16 COMM. HUGHS: There were three?

17 CHAIRMAN ALCANTAR: Was there a third one? I only  
18 have two here.

19 MR. JONES: Yeah. I have -- haven't been able to  
20 locate them, but --

21 CHAIRMAN ALCANTAR: Okay.

22 MR. JONES: -- you know, if I do, I'll let you  
23 know.

24 CHAIRMAN ALCANTAR: Good afternoon, Cynthia.

25 MS. PEARSON: Good afternoon.

1           CHAIRMAN ALCANTAR: And if you could identify  
2 yourself and who you represent?

3           MS. PEARSON: Yes, I certainly will. Thank you so  
4 much for the opportunity to be here. I'm Cynthia Pearson,  
5 and I'm with the Day Nursery of Abilene, which is the city's  
6 largest, most comprehensive childcare program in Abilene.  
7 We have three childcare centers. We care for 550 children  
8 every day, 70 percent of those are low income, and we also  
9 provide care for 20 percent of the subsidized children in  
10 our 19 county west central Texas region.

11           Children starting at birth can attend our centers,  
12 as well as children as old as 10 years old, similar to  
13 Nelda's. Five to 10 percent of our children are in CPS  
14 custody. Day Nursery is also a non-profit childcare  
15 provider and we are former Title 20 childcare provider and  
16 have been -- when we were established in the early 1970's.

17           Day Nursery proudly employs 90 staff. We are --  
18 up until just a few weeks ago all of our centers were four  
19 star under the prior standards. We are Texas School Ready.  
20 And we also have a school readiness integration program with  
21 our local Abilene ISD School District.

22           As you know the Texas Rising Star quality  
23 childcare certification program was totally revised as a  
24 result of House Bill 376, and was passed in 2013 during the  
25 Texas legislative session. The result that -- this resulted

1 in the TRS program and assessment rules being rewritten and  
2 the assessment tool revamped. The new TRS program affects  
3 all 28 Workforce support areas.

4 Unlike other changes to the CCS system, there was  
5 not a pilot program to determine the functionality of this  
6 new program, which was really big, and put into place prior  
7 to the roll-out to allow the program effects -- because the  
8 program affects thousands of at-risk children and hundreds  
9 of providers in our state. In addition, there was very  
10 little training to the current TRS providers about  
11 implementing these new standards.

12 Concerns expressed last month during a meeting  
13 held at the Capital provided input from providers who  
14 expressed being left in the dark without important  
15 information that should have been provided in order for them  
16 to succeed. And that's why I'm here today. We were  
17 encouraged in that meeting to come and talk to y'all.

18 Coming from Abilene, when y'all meet at 9:00 in  
19 the morning is a little bit intensive for me, but I could  
20 make 1:00 o'clock today, so. Anyway, many providers  
21 statewide were concerned that they were being set up to  
22 fail. That's the message we heard last month. Especially  
23 as the underlying comments shared seemed to be that the --  
24 two is the new four star, which is a similar statement  
25 that's being heard across the state.

1 Day Nursery of Abilene has a long-time commitment  
2 to quality. We were the first center that ever earned the  
3 status of a designated vendor in the early 1990's when that  
4 program was established under TWC -- CCMS. This commitment  
5 has never diminished in spite of the extensive requirements  
6 of the new TRS revisions. Day Nursery fully supported House  
7 Bill 376, as the legislators determined that higher  
8 reimbursement rates were needed and needed to be tied to  
9 quality, and we supported that.

10 And we support and continue to support it. We  
11 actively participated during the Rule writing, we provided  
12 written comment, as well as public comment, we came when we  
13 could, we came in person, and considering the distance from  
14 Abilene to Austin for us to do that. We made calls to  
15 providers in many areas to gain their support and we made  
16 call -- to make calls to their legislators. We served on  
17 sub-committees, advocated for positive change, including the  
18 TWC Sunset Review Process this past year.

19 Our strongest request was for additional training  
20 for the implemate -- ment -- implementation of the new TRS  
21 program. It's my understanding that each Workforce Board  
22 authorizes a number of paid holidays ranging from nine to  
23 13. We get nine in our area. Our solution was to require  
24 that each Board area provide the maximum of 13 allowed  
25 holidays and required four of the days to be dedicated

1 solely to professional development, similar to maybe what a  
2 school district does and is allowed to do if you're TEA.  
3 That would -- could be something that's consistent across  
4 the State.

5           Currently and historically in order for staff to  
6 obtain the required 30 hours of training that they have to  
7 get for professional development, they give up Saturdays and  
8 evenings for training. And then, in turn, providers pay  
9 overtime or for substitutes to cover for those staff because  
10 we can't operate our program without staff. No other  
11 industry that I'm aware of has this requirement.

12           The childcare industry deserves to be treated as  
13 professionals. Especially due to the tremendous  
14 responsibility and ever-growing regulatory requirements that  
15 we're under. We're not babysitters. We are truly early  
16 childhood educators and we deserve to be treated as such.

17           Although my own Board of Directors wasn't sure  
18 that the new TRS would be worth the investment because we  
19 were concerned with the financial burden it would impose,  
20 but we wanted to support the new program and worked  
21 diligently to comply with the new standards. We estimated  
22 the average costs of implementation to be \$60,000 annually.  
23 The increase in funding that we'll receive was projected as  
24 four star because we really knew that we could achieve it.  
25 It was under \$25,000, a continued gap in already low

1 reimbursement rates.

2 TWC has been asked to provide a cost analysis on  
3 more than one occasion for the implementation of the new  
4 standards. I don't know that we've had that -- we've  
5 received that yet. We're just puzzled about how the -- how  
6 this agency can control the purse strings to providers on  
7 one hand, and create a program that's so lofty that it's  
8 impossible for providers to meet with the other.

9 It's also concerning that TWC does not -- did not  
10 request additional State dollars in this next biennium, yet  
11 only relies on federal dollars awarded to the State for  
12 childcare. I wasn't aware of that until our meeting at the  
13 Capitol when it was shared by Texans Care for Children.

14 The question -- a question during that meeting was  
15 posed as to whether TWC could off -- could afford to pay all  
16 the TRS providers at the four star rating. So many former  
17 four star providers are now rated as two star. The answer  
18 was given as yes, but only if the number of children was  
19 reduced. I'm just wondering if additional dollars were  
20 requested then would adequate funding be awarded to all  
21 providers achieving the four star rating versus allowing the  
22 new four star to be a two star and still serve the same  
23 number of children. The question should not be quality or  
24 quantity, both are necessary and important for these  
25 children.

1           My own Board of Directors of local business men  
2 and women and early childhood advocates has pushed for  
3 better reimbursement rates consistencies -- consistently  
4 since 2012. A more equitable structure for the rates is  
5 desperately needed if Texas wants to see improvement.

6           We recently received our Center's assessment  
7 result from long-time four star designated vendors --  
8 designated centers. Two centers were reduced to two star,  
9 and one was removed from the program. These are horrific  
10 results and a real slap in the face to us. Each of our  
11 centers would have been four star under the new criteria had  
12 it not been for the curriculum, number 2, the allowance for  
13 rave -- a waiver for one of our centers who is currently  
14 under construction and just opened three new centers this  
15 last week, they had a temporary playground situation, but we  
16 could not get any waiver for that. That playground will be  
17 finished this upcoming weekend.

18           Number 3, we had inappropriate childcare licensing  
19 citations in two separate incidents, both of which were  
20 challenged at administrative reviews. One of the citations  
21 -- one of the citations was -- one of the citations the  
22 reviewing supervisor admitted was incorrect during the  
23 review, but her comment was that there was nothing that  
24 could be done about it. I recently wrote to Paul Morris,  
25 the Assistant Commissioner, about that, and we are making

1 some progress. We had a pile on of citations, five in one  
2 visit, and four of those are being reversed.

3           It appears that the new TRS program is no longer a  
4 mentoring a supporting program, but now seems punitive and  
5 regulatory. We already have a regulatory agency, Child Care  
6 Licensing, and really don't need another. It's no wonder  
7 that during the period of -- in our Texas history of  
8 exponential growth of at-risk children that the number of  
9 licensed childcare centers is at -- is actually decreasing  
10 in spite of the importance of childcare as a critical  
11 workforce program.

12           If there's ever been a time when the Day Nursery  
13 of Abilene and countless other programs like ours need  
14 mentoring, adequate funding and support, it's now. Instead,  
15 it appears that TWC has created a threatening and burdensome  
16 program. Participation of -- of current TRS providers  
17 dropped drastically across the state. It's compelled TWC to  
18 make changes proposed at the last Commissioner's meeting,  
19 which will allow TRS providers that dropped out or received  
20 zeros to continue as a two star provider, so that's a  
21 positive step. I think it's a clear indication that the new  
22 TRS is not functioning as the Bill intended.

23           The new TRS program left providers exhausted,  
24 frustrated and discouraged. Most importantly it's proved to  
25 be a disincentive for providers to participate, we think.

1 Provider support that a workforce be (indiscernible) with a  
2 high level of provider edu -- pro -- provider participation  
3 and leadership so that the current flaws in the TRS program  
4 can be quickly addressed and the integrity of the program  
5 strengthened.

6 Opportunities like the one House Bill 376 intended  
7 come along very -- only very few times in the -- in a  
8 decade. Let's learn from the past few months' experiences  
9 and work toward revising the program so it will encourage  
10 and support provider participation so the risk -- chil --  
11 risk -- children at risk in Texas can be better educated for  
12 decades to come.

13 And, finally, I mentioned the construction of our  
14 new classrooms just completed last week. As I was there the  
15 morning that those classrooms opened and I saw new parents  
16 walk in with their children, some were really happy to be  
17 there. Nothing phased them. Newness didn't faze them at  
18 all. Some were scared to death. And as I looked in the  
19 eyes of those children, it just hit me, all the emotions of  
20 how much trust there is between a child, a parent, a  
21 provider, or a foster parent, and the fact that they're  
22 giving this child to us to take care of for the day. That  
23 is a huge, huge responsibility.

24 And I hope that all of us remember that.  
25 Childcare providers have a critically important job and I

1 hope that you'll take the time to realize that and help make  
2 positive changes so then in turn we can do what's right for  
3 these children. It's because of them that I advocate, that  
4 I'm here today, not to fight, but to stand up for what's  
5 right.

6 CHAIRMAN ALCANTAR: Thank you, Ms. Pearson, we  
7 appreciate you coming here from Abilene to share your  
8 thoughts.

9 Mr. Jones, do we have anybody else signed up for  
10 public comment?

11 MR. JONES: No, I think that's it, I don't have  
12 anybody else.

13 CHAIRMAN ALCANTAR: All right. Thank you.

14 AGENDA ITEM NO. 7

15 CHAIRMAN ALCANTAR: Item 7. Discussion,  
16 Consideration and Possible Action Regarding the Estimated  
17 Unemployment Trust Fund Balance Pursuant to Texas Labor Code  
18 204.061 and the EET Investment Holding Fund Balance, Randy  
19 Townsend. Good afternoon, Randy.

20 MR. TOWNSEND: Good afternoon, Chairman,  
21 Commissioners, for the record Randy Townsend, Chief  
22 Financial Officer.

23 Commissioners, I'm presenting the unemployment  
24 trust fund projection for October 1st of this year. That  
25 (indiscernible) last month and wanted to just report that we

1 continue to project to be above the floor. The trust fund  
2 cash balance is estimated to be 1,674,000,000 on October 1st  
3 of this year. That cash balance is 630,000,000 above the  
4 floor. When we take into account the outstanding bonds that  
5 are owed at this point, the net position of the trust fund  
6 is 80,000,000 above the floor. Therefore, we would be  
7 making a transfer from the Employment and Training  
8 Investment Assessment Holding Fund this month. We'll  
9 transfer to fund the Skills Program. We have clarified with  
10 the Controller's Office that we can make the transfer for  
11 the biennium as consistent with the statutory language, so  
12 we wanted to make that in two -- a transfer this month and  
13 then a transfer a year from now, for the 48.6 million. And  
14 that will also fund the 3 million for the biennium for the  
15 appropriation we receive in my rider.

16 Let me just share with you, Commissioners, the  
17 recent trends regarding the trust fund for the last six  
18 weeks. This is as of August 22nd. The benefits paid  
19 average 56 and a half million per week. That was up 32  
20 percent over a year ago average per net benefits paid.  
21 Initial claims average 15,249 for the six weeks ending  
22 August 22nd. Claims were up 8.8 percent over the one year  
23 ago average. And, finally, the continued claims averaged  
24 174,747. That puts that number at 18 percent above the one  
25 year ago average for continued claims.

1           That concludes my remarks this afternoon. If you  
2 have questions or comments.

3           CHAIRMAN ALCANTAR: Commissioners, any questions  
4 or comments?

5           COMM. HUGHS: No.

6           CHAIRMAN ALCANTAR: Okay, thank you, Randy.

7           MR. TOWNSEND: Thanks.

8                           AGENDA ITEM NO. 8

9           CHAIRMAN ALCANTAR: Item 8. Discussion,  
10 Consideration and Possible Action Regarding Comments for  
11 Submission to the U.S. Department of Labor and Education in  
12 Response to the July 22nd WIOA Information Collection  
13 Request, Adam Leonard. Good afternoon, Adam.

14           MR. LEONARD: Good afternoon, Commissioners. I  
15 appreciate your time today and your time and that of your  
16 staff over the last several weeks working with us as we  
17 evaluated the joint Information Collection Request for WIOA.

18           As you know the material is -- has a number of  
19 important policy issues in it, which we laid out for your  
20 consideration, as well as some technical issues having to do  
21 more with the way specific coding is written or how  
22 understandable it might be. And so we divided our comments  
23 into those areas.

24           With the cover letter providing -- highlighting  
25 some of the most important policy issues, followed by a

1 policies issues document, which is in your binder, and then  
2 we're continuing to work on some of the technical issues.  
3 And so I'm here to answer any questions you might have about  
4 the recommendations or otherwise ask for your approval for  
5 the letter for the policy issue statement and permission for  
6 staff to continue developing the technical recommendations  
7 for submission by the 21st, the due date, this month.

8 CHAIRMAN ALCANTAR: Commissioners?

9 COMM. CONGLETON: No questions.

10 CHAIRMAN ALCANTAR: Commissioner Congleton?

11 COMM. CONGLETON: Move that we approve the  
12 proposed ICR cover letter, policy issues and technical  
13 changes for submission to the Department of Labor and the  
14 Department of Education as discussed. I further move that  
15 we continue to develop recommendations on the technical  
16 aspects of the ICR as recommended.

17 COMM. HUGHS: I second.

18 CHARIMAN ALCANTAR: It's unanimous.

19 MR. LEONARD: Thank you

20 CHAIRMAN ALCANTAR: Thank you, Adam.

21 AGENDA ITEM NO. 9

22 CHAIRMAN ALCANTAR: Item 9. I believe we have no  
23 updated on the Local Workforce Performance Measures and  
24 Targets.

25 //

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

AGENDA ITEM NO. 10

CHAIRMAN ALCANTAR: Item 10. Discussion, Consideration or Possible Action Regarding Board Contract Year 2016 Performance Board Measures and Targets, David Johnson. Good afternoon, David.

MR. JOHNSON: Good afternoon, Mr. Chairman, Commissioners, David Johnson, with Operational Insight. The choices, full work rate measure targets are the final set of targets for BCY 16 and this is the fourth year we've used this particular measure. The expectation is that all Boards eventually reach a 50 percent target. Targets were set between the 40 percent minimum and 50 percent maximum by using a figure 10 percent higher than their last year's performance. Four Boards: West Central, Brazos, Texsoma and Heart of Texas, have "to be determined" listed as their target because Workforce is currently working with those Boards to address case data issues.

We're asking the Commission approve the target methodology for these four Boards and to set targets for the other 24. Once the data issues are resolved, staff will complete the process and establish their BCY 16 targets. That concludes my prepared remarks, and I'm happy to answer any questions you might have.

CHAIRMAN ALCANTAR: Commissioner Congleton?

COMM. CONGLETON: I have no questions, and I move

1 we approve the methodology for setting the Board Contract  
2 Year 2016 choices, targets as discussed, apply that  
3 methodology to the four remaining Board areas once their  
4 data is available.

5 COMM. HUGHS: I second that.

6 CHAIRMAN ALCANTAR: It's unanimous. Thank you,  
7 David.

8 MR. JOHNSON: Thank you.

9 AGENDA ITEM NO. 11

10 CHAIRMAN ALCANTAR: Item 11. We have no WIOA  
11 update.

12 AGENDA ITEM NO. 12

13 CHAIRMAN ALCANTAR: Item 12, Discussion,  
14 Consideration and Possible Action Regarding the Vision and  
15 Goals of the Texas Workforce System under the WIOA, Jason,  
16 good afternoon.

17 MR. VADEN: Good afternoon, Commissioners. Jason  
18 Vaden, Workforce Division. The Workforce Innovation and  
19 Opportunity Act requires states to submit a plan to the U.S.  
20 Department of Labor in order to receive funding for the core  
21 WIOA programs. The plan provides the framework for Texas to  
22 formulate and communicate a strategic vision of and goals  
23 for how the State Workforce Development System will achieve  
24 the purposes of WIOA.

25 This afternoon staff recommends mission and vision

1 statements as set forth in the materials before you to be  
2 included in the WIOA State plan. While not identical, this  
3 language closely resembles the mission and vision that you  
4 all approved for the 2015 through 2019 strategic plan.

5 Before moving on to goals, I'll --

6 CHAIRMAN ALCANTAR: Yeah, I -- Commissioners --  
7 the Commissioners had previously adopted language for our  
8 mission and vision for this agency, and until we go through  
9 a strategic planning process, that should be the language  
10 that is in all documents until we formally change it. So  
11 let's -- I would vote that we just stick with the existing  
12 language until we complete our strategic planning process in  
13 the spring and have a discussion on that language.

14 COMM. HUGHS: Okay, I agree.

15 CHAIRMAN ALCANTAR: You got the goals?

16 MR. VADEN: Okay. As we get into goals, we have  
17 four goals here. Would you all prefer that I go through all  
18 the goals, or run through each of the goals individually?

19 CHAIRMAN ALCANTAR: Jason, are we walking through  
20 the ones that our staff laid out or through the proposed  
21 changes?

22 MR. VADEN: We are going to -- we can do it either  
23 way. I can walk through what staff have laid out or the  
24 recommendation.

25 CHAIRMAN ALCANTAR: Well, looks at the proposed

1 changes, because that modifies the staff language.

2 MR. VADEN: Okay.

3 CHAIRMAN ALCANTAR: And we don't have to go  
4 through it twice. And I guess I'll start by just sharing  
5 that, again, on this sort of -- we're -- we are in the  
6 process (indiscernible) public hearings, and I think that a  
7 schedule will be to include these goals as required. My  
8 hope is that we'll all -- we'll take another look at this  
9 language when we complete our strategic planning work in the  
10 spring, but I understood -- I agree with the recommendation  
11 to submit some language. I've offered some edits that I  
12 hope you've had a chance to review, and I'm willing to  
13 entertain your thoughts on your preference in terms of edits  
14 to either set of recommendations here. Commissioners, do  
15 you have any suggestions to the first goal? Do you want to  
16 read it out, the edited version, Jason?

17 MR. VADEN: Sure. The first one is to foster a  
18 dynamic, integrated and market driven workforce development  
19 system that gives employers and individuals ready access to  
20 a network of high-quality information and services.

21 CHAIRMAN ALCANTAR: And, Commissioners, do you  
22 have any thoughts or any preferences on that language?

23 COMM. CONGLETON: I'm fine.

24 COMM. HUGHS: It's fine.

25 CHAIRMAN ALCANTAR: Okay. And the second one?

1           MR. VADEN: The second, to provide Texans access  
2 to literacy, education, vocational rehabilitation and in-  
3 demand workplace skills necessary for self-sufficient  
4 employment and advancement.

5           CHAIRMAN ALCANTAR: Commissioners?

6           COMM. CONGLETON: Good.

7           COMM. HUGHS: Yeah.

8           CHAIRMAN ALCANTAR: Jason, number 3.

9           MR. VADEN: Okay. Empower the current and future  
10 Texas workforce with the career information, knowledge and  
11 skills necessary for employment and career advancement in  
12 high-skilled, high-way careers.

13          COMM. CONGLETON: Amen.

14          COMM. HUGHS: That's fine.

15          CHAIRMAN ALCANTAR: Okay.

16          MR. VADEN: And then fourth and finally, safeguard  
17 and maintain public trust in the Texas workforce system  
18 through sound fiscal stewardship, strong performance and  
19 accountability measures and achievement of system-wide  
20 performance outcomes.

21          COMM. CONGLETON: I agree.

22          COMM. HUGHS: Same.

23          CHAIRMAN ALCANTAR: Okay.

24          COMM. CONGLETON: Need a motion?

25          CHAIRMAN ALCANTAR: Any motion on all that? I

1 think we just agreed on it, right?

2 MR. VADEN: I think so. I --

3 CHAIRMAN ALCANTAR: Paul --

4 MR. VADEN: Motion.

5 CHAIRMAN ALCANTAR: -- are we good?

6 MR. JONES: Yes.

7 CHAIRMAN ALCANTAR: All right, thank you.

8 MR. VADEN: Okay, thank you all.

9 CHAIRMAN ALCANTAR: Thank you, Jason, appreciate  
10 all your hard work on that.

11 AGENDA ITEM NO. 13

12 CHAIRMAN ALCANTAR: Item 13. Discussion,  
13 Consideration and Possible Action Regarding Program Year  
14 2014 Adult Education Performance Funding Benchmarks  
15 Modification, Carrie, good afternoon.

16 MS. TUPA: Good afternoon, Chairman,  
17 Commissioners, Carrie Tupa, Adult Education and Literacy.  
18 The transfer of Adult Education and Literacy to TWC as well  
19 as the Workforce Innovation and Opportunity Act have brought  
20 strong expectations for the increase of college and career  
21 transitions of the Adult Education and Literacy  
22 participants. In 2014 the Commission approved performance  
23 funding benchmarks for AEL grant recipients to support these  
24 objectives.

25 One of these benchmarks, Performance Funding

1 Measure C, required grant recipients to meet 95 percent of  
2 their enrollment targets of both Transitions and Career  
3 Pathways classes. Upon review of performance for Program  
4 Year '14-'15, which ended on June 30th of this year, staff  
5 recognized performance trends that we feel warrant additions  
6 to this measure.

7 Staff recommend that programs who met this measure  
8 as originally written earn 100 percent of their performance  
9 allocation for this measure. Additionally, staff wish to  
10 recognize programs who enrolled 95 percent of either their  
11 Career Pathways or Transitions targets, as well as programs  
12 who enrolled a higher than average proportion of their total  
13 population in Career Pathways or Transitions demonstrating a  
14 positive shift in program design towards the expectations of  
15 the legislature.

16 Recognizing these additional achievements would  
17 award additional grant recipients up to 75 percent of their  
18 allocation for this measure. This item is up for action,  
19 and I'll be happy to answer any questions.

20 CHAIRMAN ALCANTAR: Commissioner Congleton?

21 COMM. CONGLETON: Move that we modify the 2014  
22 Adult Education Performance Measure C, Transitions and  
23 Career Pathways classes enrollment as discussed with staff.

24 COMM. HUGHS: Agreed, second.

25 CHAIRMAN ALCANTAR: It's unanimous. Thank you,

1 Carrie.

2 MS. TUPA: Thank you.

3 AGENDA ITEM NO. 14

4 CHAIRMAN ALCANTAR: Item 14. Discussion,  
5 Consideration and Possible Action Regarding the Policy  
6 Concept on the Civil Rights Rules Pursuant to Senate Bill  
7 208, 84th Legislature, Lowell --

8 MR. KEIG: Lowell Keig --

9 CHAIRMAN ALCANTAR: -- good afternoon, sir.

10 MR. KEIGH: Good afternoon, Lowell Keig, Civil  
11 Rights Division Director. For your consideration this  
12 afternoon we have a policy concept regarding possible  
13 amendments to the Chapter 819 rules involving TWC Civil  
14 Rights Division.

15 During the 84th Texas Legislature, Regular  
16 Session, Senate Bill 208 was passed. SB 208 abolished the  
17 Commission on Human Rights and transferred those duties to  
18 TWC. In addition, SB 208 streamlines and clarifies several  
19 functions of CRD. Also, during the 84th Texas Legislature,  
20 House Bill 2154 and Senate Bill 1267 were passed, which  
21 updated the Administrative Procedures Act, otherwise known  
22 as the APA.

23 Staff recommends amending Chapter 819 CRD Rules to  
24 reflect the changes from SB 208, such as transferring of  
25 duties to TWC, and updating the procedures for reviewing

1 other State agencies' personnel policies and procedures.  
2 Staff recommends streamlining, updating and clarifying the  
3 Rules governing administrative procedures to align with the  
4 APA. Staff also recommends changes which will align the  
5 rules with the federal and Texas Fair Housing Acts and the  
6 Texas Labor Code.

7 Staff further recommends several changes which  
8 will clarify and update wording of the rules and references.  
9 I'll be happy to answer any questions you may have. And,  
10 Doug Carnes, who has assisted in the policy concepts for the  
11 APA changes is here as well.

12 CHAIRMAN ALCANTAR: All right. Commissioner  
13 Congleton?

14 COMM. CONGLETON: Move that we approve the policy  
15 concepts regarding amendments that Chapter 819 of our Civil  
16 Rights Division rules.

17 COMM. HUGHS: I second.

18 CHAIRMAN ALCANTAR: Okay, it's unanimous. Thank  
19 you, Lowell, appreciate all the hard work.

20 AGENDA ITEM NO. 15

21 CHAIRMAN ALCANTAR: Item 15. Discussion,  
22 Consideration and Possible Action Regarding Approval of  
23 Proposed Rules Reviews Under Texas Government Code Section  
24 201.039, Child Care Services, 40 T.A.C. Chapter 809,  
25 Integrated Complaints, Hearings and Appeals and Texas Work

1 and Family Clearinghouse. Jason, good afternoon, again.

2 MR. VADEN: Good afternoon, again. For the  
3 record, Jason Vaden, Workforce Division. State agencies are  
4 required to review their rules every four years. During  
5 this review process an assessment is made as to whether the  
6 reasons for adopting or readopting rules continue to exist.  
7 Additionally, the assessment includes the determination of  
8 whether or not the rules are obsolete, whether they reflect  
9 current legal and policy considerations, and whether they  
10 reflect the Commission's current procedures.

11 In accordance with the rule review requirements, I  
12 am requesting that a notice be published in the Texas  
13 Register notifying the public that we're reviewing Chapters  
14 802, 809, 823 and 845. After a 30-day public comment  
15 period, staff will forward the results of the assessment and  
16 determine if any amendments to the rules are needed. And if  
17 so, staff will proceed with the regular rule amendment  
18 process. I'd be happy to answer any questions you have.

19 CHAIRMAN ALCANTAR: Commissioner Congleton?

20 COMM. CONGLETON: I have no questions. I move we  
21 submit the notice of intent to rule review with the Texas  
22 Register for Chapters 802, 809, 823 and 845.

23 COMM. HUGHS: I second.

24 CHAIRMAN ALCANTAR: It's unanimous. Thank you,  
25 Jason.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

AGENDA ITEM NO. 16

CHAIRMAN ALCANTAR: Item 16. Discussion,  
Consideration and Possible Action Regarding Approval of  
Local Board Nominees, John Fuller. Good afternoon, John.

MR. FULLER: Good afternoon, Mr. Chairman,  
Commissioners, Ms. Lenzy. For the record, John Fuller,  
Workforce Development.

Commissioners, before you today you have  
nominations from Brazos Valley, Cameron County, Central  
Texas, Coastal Bend, Concho Valley, Heart of Texas, Lower  
Rio Grande, Northeast Texas, Rural Capital and Texsome.

CHAIRMAN ALCANTAR: Commissioner Congleton.

COMM. CONGLETON: Move that we approve the Board  
nominees from Brazos Valley, Cameron County, Central Texas,  
Coastal Bend, Concho Valley, Heart of Texas, Lower Rio  
Grande, Northwest -- Northeast Texas and Rural Capital area  
and Texsome.

COMM. HUGHS: And I agree with the exception  
Concho Valley and the Heart of Texas, item number 1, for  
each of those. Both of those nominees do not have employer  
tax ID number or number of employees. I just don't feel I  
have enough information to recommend approval of these  
nominees.

CHAIRMAN ALCANTAR: I recommend approval of  
Brazos, Cameron County, Central Texas, Coastal, Concho,

1 Heart of Texas, Lower Rio, Northwest and Rural Capital and  
2 Teksome, as submitted by staff. Okay, thank you, John.

3 AGENDA ITEM NO. 17

4 CHAIRMAN ALCANTAR: Item 17. Discussion,  
5 Consideration Regarding Enacted, Proposed or Considered  
6 Federal or State Legislation, Tom McCarty. Good afternoon,  
7 Tom.

8 MR. McCARTY: Good afternoon, Chairman Alcantar,  
9 Commissioner Congleton, Commissioner Hughs, Tom McCarty,  
10 External Relations. Congress returned from their August  
11 recess today. They have until the end of September to pass  
12 a spending bill or a continuing resolution. We expect that  
13 the language for a continuing resolution would be made  
14 available this week and would fund the government into  
15 December.

16 The Congressional Budget Office is reporting that  
17 the federal government is likely to hit their debt ceiling  
18 in early December. It's likely that the CR will also  
19 include language addressing the debt ceiling, as well. I'm  
20 available for any questions that you may have.

21 CHAIRMAN ALCANTAR: Any questions, Commissioners?  
22 We have no questions, Tom, thank you.

23 MR. McCARTY: Thank you.

24 AGENDA ITEM NO. 18

25 CHAIRMAN ALCANTAR: Item 18. Report and Update by

1 the Executive Director.

2 MS. LENZY: Chairman, no items today.

3 CHAIRMAN ALCANTAR: LaSha, I just wanted to share  
4 that I appreciate, Cynthia, you and Nelda's comments today.  
5 And we also heard comments at a previous session of this  
6 Commission. One of the things that I've asked staff to do  
7 is to make sure that we provide further opportunities for  
8 individuals to share their thoughts on how things are going.  
9 And so we have scheduled -- or I have asked staff to work  
10 with the Gulf Coast to schedule a public meeting for October  
11 2nd where providers and other interested stake holders will  
12 have an opportunity to share their thoughts on these  
13 programs. So I just wanted to share that for the benefit of  
14 our guests today.

15 AGENDA ITEM NO. 19

16 CHAIRMAN ALCANTAR: Do we have -- well, actually,  
17 we are going into Executive Session today. And,  
18 Commissioners, we go into Executive Session pursuant to  
19 Government Code §551.071 to discuss pending litigation  
20 related to Felino A. Belostrino v. TWC. Thank you. Have a  
21 good day, staff.

22 (Off the record: 2:02:23 to 2:06:45 p.m.)

23 AGENDA ITEM NO. 21

24 CHAIRMAN ALCANTAR: Good afternoon, we're back in  
25 session. Do we have a motion to adjourn?

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMM. CONGLETON: So made.

COMM. HUGHS: Second.

CHAIRMAN ALCANTAR: We're adjourned. Thank you.

COMM. HUGHS: Thank you.

COMM. CONGLETON: See you all later on.

(Proceedings concluded at 2:06 p.m.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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 17<sup>th</sup> day of September, 2015.

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

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