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TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

PUBLIC MEETING )  
FOR THE TEXAS )  
WORKFORCE COMMISSION )

COMMISSION MEETING  
TUESDAY, SEPTEMBER 28, 2015

BE IT REMEMBERED THAT at 10:00 a.m. on  
Monday, the 28th 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,

1 Certified Court Reporter

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

MONDAY, SEPTEMBER 28, 2015

(10:00 a.m.)

## AGENDA ITEM NO. 1

CHAIRMAN ALCANTAR: Good morning, 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 39.

The Commission considered and took action on all tax liability cases listed on Docket 39.

## AGENDA ITEM NO. 4

Discussion, Consideration and Possible Action Regarding Higher Level Appeals in Wage Claim Cases Listed on the Texas Workforce Commission Docket 39.

The Commission considered and took action on all

1 wage claim cases listed on Docket 39.

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 39.

6 The Commission considered and took action on all  
7 unemployment compensation cases listed on Docket 39.

8 AGENDA ITEM NO. 6

9 CHAIRMAN ALCANTAR: Mr. Jones, has anyone signed  
10 up for public comment?

11 MR. JONES: Mr. Chairman, Commissioners, we do  
12 have two individuals signed up for -- for public comment,  
13 Mr. Kyle Piccola and Steven Aleman. So, Mr. Piccola.

14 CHAIRMAN ALCANTAR: Good morning, Kyle.

15 MR. PICCOLA: Good morning.

16 CHAIRMAN ALCANTAR: State your name and who you  
17 represent for the record, please.

18 MR. PICCOLA: My name is Kyle Piccola, and I'm  
19 here to represent the Arc of Texas.

20 CHAIRMAN ALCANTAR: Good morning.

21 MR. PICCOLA: Good morning. So the Arc of Texas  
22 is the statewide organization that advocates for people with  
23 intellectual and developmental disabilities. I'm here to  
24 make comment on the state -- the Texas State Use Program  
25 Advisory Committee Appointments. We feel that this

1 Committee has a profound opportunity to not only approve the  
2 program but improve the quality of life for people with  
3 intellectual and developmental disabilities.

4           Currently about 85 percent of adults who have a  
5 disability are unemployed. The intent of Senate Bill 212  
6 was to really assist with the establishment of the  
7 performance goals for the program and bringing it under the  
8 Texas Workforce Commission. The Arc of Texas, through that  
9 process, advocated for a balance of providers and self-  
10 advocates. We're here today to oppose the appointments,  
11 particularly for the two people with disabilities employed  
12 by CRP.

13           Here you've appointed the CEO of Goodwill, as well  
14 as Eviar Trainer (ph). We feel that the clear intent of the  
15 legislation was to put two beneficiaries of the program, not  
16 two people placed in management of the program. Appointing  
17 these two individuals in those slots now only leaves two  
18 slots for people with intellectual and developmental  
19 disabilities who are advocates for themselves.

20           The Arc of Texas asks that the TWC Staff go back  
21 and appoint workers with disabilities, not management staff.  
22 If they do not have anyone from the applications received,  
23 we can do outreach. We encourage the TWC to also do further  
24 outreach. I'm available for questions if you have any.

25           CHAIRMAN ALCANTAR: Commissioners? Thank you,

1 Kyle.

2 MR. PICCOLA: Sure.

3 CHAIRMAN ALCANTAR: Steve Aleman, or Steven  
4 Aleman. Good morning, Steven.

5 MR. ALEMAN: Good morning, Commissioners. My name  
6 is Steven Aleman. I'm an attorney with Disability Rights  
7 Texas. Disability Rights Texas is the protection and  
8 advocacy agency for people with disabilities in our great  
9 state. Today I'm also here to address agenda Item No. 8  
10 with regard to the appointments to the Advisory Commission.

11 As you all know there were several Senate Bills  
12 affecting TWC, including Senate Bill 212, which deals with  
13 this purchasing commission and transfers that authority to  
14 you all. And under the amendment to the Human Resources  
15 Code, Section 122.0057, as amended by Senate Bill 212, there  
16 is authority for you all to make 12 appointments in three  
17 different categories.

18 As was mentioned one of those categories is  
19 individuals with disabilities. We are here not to support  
20 or oppose the appointments today, but we would point out to  
21 you that the language in the amended Section 122.0057 of the  
22 Human Resources Code with regard to people with disabilities  
23 refers to persons with disabilities that participate in the  
24 program. We would question and ask you to question whether  
25 or not the individuals that are named as, quote, employed by

1 these programs really are participating. We think, again,  
2 that the spirit of the legislation was to involve and  
3 empower consumers with disabilities, not staff and -- or  
4 management of these programs who happen to also be dis --  
5 persons with disabilities.

6 We don't question at all the quality or the  
7 character of these individuals. We point out, however, that  
8 they are not participants in the program as persons with  
9 disabilities. Thank you so much for your attention.

10 CHAIRMAN ALCANTAR: Thank you, Steven.

11 AGENDA ITEM NO. 7

12 CHAIRMAN ALCANTAR: Item 7. Discussion,  
13 Consideration and Possible Action Regarding the Request to  
14 Exceed the Transfer Limitations on the Capital Budget  
15 Expenditures in FY2016-17 for the Transition of Human  
16 Resources/Financial Systems from DARS to TWC, Kim Emmerich.  
17 Good morning, Kim.

18 MS. EMMERICH: Good morning, Chairman and  
19 Commissioners, Mr. Temple, for the record, Kim Emmerich,  
20 Director of Budget Management. Commissioners, I'm  
21 presenting for your consideration an additional capital  
22 budget request for the 2016/17 Biennium that is necessary  
23 for the timely and successful transition of data and  
24 information technology systems associated with the transfer  
25 of the administration of vocational rehabilitation services

1 and programs from the Department of Assistive and  
2 Rehabilitative Services to the Texas Workforce Commission as  
3 required by Senate Bill 208, 84th Legislature, Regular  
4 Session.

5           In your materials you have a summary of the  
6 amounts needed for integrate and information technology  
7 systems and infrastructure that support vocational  
8 rehabilitation services and programs. We are requesting  
9 approximately 2.5 million to integrate Human Resources  
10 Financial Systems vocational rehabilitation information and  
11 other applications and interfaces with TWC systems, and just  
12 over 1.7 million for infrastructure costs to accommodate and  
13 support transfer in the Department of Assistive and  
14 Rehabilitative Services staff. The majority of these costs  
15 will occur in FY2016 with an additional two months for  
16 contractors for post-implementation in FY2017.

17           Section 14.03(b), Article IX, of the General  
18 Appropriations Act, requires prior approval from the  
19 Governor and Legislative Budget Board to exceed the transfer  
20 limitation on capital budget expenditures that are  
21 appropriated to the Texas Workforce Commission. Therefore  
22 we are requested in the order before you your approval to  
23 request necessary approval of the Governor and Legislative  
24 Budge Board to exceed the transfer limitation on capita  
25 budget expenditures by an increase to the FY2016 capital

1 budget authority of \$3,883,352 to be funded from available  
2 federal vocational rehabilitation grant funds executed  
3 through an interagency contract with the Department of  
4 Assistive and Rehabilitative Services and an increase in  
5 FY2017 capital budget authority of \$423,444 to be funded  
6 from available federal vocational rehabilitation funds  
7 appropriated to the Texas Workforce Commission.

8 And, secondly, upon approval of the Governor and  
9 Legislative Budget Board we ask approval and coordinate and  
10 execute an interagency agreement between the Texas Workforce  
11 Commission and the Department of Assistive and  
12 Rehabilitative Services to fund the approved capital budget  
13 authority for fiscal year 2016. This concludes my  
14 presentation, I'll be happy to answer any questions you may  
15 have.

16 CHAIRMAN ALCANTAR: Commissioners, any questions?

17 COMM. CONGLETON: No questions.

18 COMM. HUGHS: No.

19 CHAIRMAN ALCANTAR: Commissioner Congleton.

20 COMM. CONGLETON: Move that we request approval  
21 from the LBB and the Governor for an increase of 3,883,352  
22 in capital budget authority in FY2016 and 423,444 in 2017,  
23 as discussed and that we execute an interagency agreement  
24 with DARS to secure the necessary funds.

25 COMM. HUGHS: And I want to second that, and also

1 indicate or comment on how I appreciate the efforts of the  
2 office to look at available funding resources and coming to  
3 the determination that this is necessary. And I second the  
4 vote.

5 CHARIMAN ALCANTAR: Thank you. I would agree.  
6 Appreciate it. Good job, Kim.

7 AGENDA ITEM NO. 8

8 CHAIRMAN ALCANTAR: Item 8. Discussion,  
9 Consideration and Possible Action Regarding the Appointment  
10 of Members to the Texas Advisory Committee for Purchasing  
11 from People with Disabilities, Ed Serna. Good morning, Ed.

12 MR. SERNA: Good morning, Mr. Chairman,  
13 Commissioner Congleton, Commissioner Hughs, Mr. Temple, for  
14 the record my name is Ed Serna and I'm the Deputy Executive  
15 Director of the Texas Workforce Commission.

16 The agenda item that we have before you today is  
17 the appointment of the 13 members to the Advisory Committee  
18 for the Purchasing from People with Disabilities Program,  
19 which was transferred to TWC from the Council, which was  
20 abolished during the last legislative session. Staff is --  
21 staff received 35 applications in addition to the designee  
22 of the Executive Commissioner from the Health and Human  
23 Services Commission that's listed here. These individuals,  
24 we've examined their applications, these individuals were  
25 selected because of their backgrounds, as well as their

1 commitments to both the program and to supporting the  
2 disabled community.

3 In addition to the selection of the advis -- or  
4 the nomination of the advisory members, we're also proposing  
5 that we pro -- we use for the first time that we set the  
6 committee up we use the Senate's model for determining  
7 terms. The committee members is -- the legislation  
8 determined that the committee members would serve four year  
9 staggered terms, so for our first -- first round of -- of  
10 nominees, the first six -- not the first six, but six of  
11 that first group would serve two-year terms, the other six  
12 would serve four-year terms, and then after that will be on  
13 a four-year cycle on a regular basis, and that would be a --  
14 a one-time drawing straws if you will to determine who will  
15 serve two and -- and four years for their first term.

16 Members can't serve more than two terms. And  
17 it's the choice of the agency to determine whether to re-  
18 nominate a member at the end of their term. And with that  
19 I'll answer any questions that you may have about the  
20 nominations.

21 CHAIRMAN ALCANTAR: Commissioners, questions?

22 COMM. CONGLETON: No questions.

23 COMM. HUGHS: Well, I have some questions based on  
24 the comments that were made today.

25 MR. SERNA: Yes, ma'am.

1           COMM. HUGHS:  And it just makes me wonder if this  
2 is something that we can maybe address today or --

3           MR. SERNA:  Sure.

4           COMM. HUGHS:  -- table for next week.  I'm not  
5 sure if that would hurt timelines.

6           MR. SERNA:  I don't know if we can -- we'll have  
7 to rely on the General Counsel if we can -- if it's on next  
8 week's agenda already.  Staff is certainly willing to take  
9 whatever action the Commission would prefer for us to take.  
10 When we looked at the individuals, we selected individuals  
11 that had themselves submitted applications and indicated the  
12 areas that they were interested in, so it wasn't staff  
13 saying we want this individual even though they are at --  
14 we'll use the individual who's the CEO of Goodwill  
15 Industries.  He didn't submit an application as the head of  
16 a CRP or as an individual with disabilities who does not  
17 work at a CRP or as an advocate, though I'm sure he is, he  
18 specifically identified himself as an individual who works  
19 at a CRP.

20           The other individual, as well, the second  
21 individual, Mr. Shavers, has worked on a production line at  
22 a CRP before.  Of course, Mr. Owens has been working in --  
23 with CRPs for at least 35 years, but staff can certainly  
24 take -- take the time to go back and look at the  
25 applications that we have again.  We can -- we can

1 reconsider a brief collection of additional applications.

2 CHAIRMAN ALCANTAR: Yeah. And given the -- the  
3 duration of the term, and need to have appropriate  
4 representation for the different groups specified --

5 MR. SERNA: Uh-huh.

6 CHAIRMAN ALCANTAR: -- I think it's a good idea in  
7 light of Commissioner Hughs' -- or consistent with your  
8 point, Commissioner, that we get it right and in terms of  
9 the different categories. Does that work -- were those your  
10 thoughts?

11 COMM. HUGHS: Right. I know we all want to get it  
12 right and --

13 MR. SERNA: Right.

14 COMM. HUGHS: -- certainly I appreciate all the  
15 effort and thorough consideration that went into this, but  
16 just in light of today's comments, I just think we maybe  
17 want to get a little bit more consideration and just confirm  
18 that we're comfortable with the recommendations.

19 MR. SERNA: Sure.

20 COMM. HUGHS: -- you know, before we vote on them.

21 MR. SERNA: Staff can certainly do that.

22 COMM. HUGHS: Thank you.

23 MR. SERNA: And then it's just up to General  
24 Counsel whether we can bring it back to the -- if it's  
25 already -- if there's already an agenda item.

1 MR. JONES: (Indiscernible).

2 MR. SERNA: Okay.

3 COMM. CONGLETON: One issue, if we look at those  
4 -- we have a deadline for submission, and if we look at  
5 those and we feel like we don't have based on the comment  
6 we've heard and what not that we need to have the -- go to  
7 back out with another request --

8 MR. SERNA: For that category --

9 COMM. CONGLETON: -- for that category.

10 MR. SERNA: -- we can certainly do that.

11 COMM. CONGLETON: Not entirely, but for that  
12 particular category.

13 CHAIRMAN ALCANTAR: Well, let's make sure that  
14 the --

15 COMM. CONGLETON: If we don't have it.

16 CHAIRMAN ALCANTAR: Let's make sure that the  
17 individuals nominated are -- appropriately represent the  
18 different categories and if not begin -- initiate the steps  
19 to open it up again for a -- in whatever way is consistent  
20 with the General Counsel's cons -- counsel.

21 MR. SERNA: We'll be glad to.

22 CHAIRMAN ALCANTAR: All right, thank you.

23 MR. SERNA: All right.

24 AGENDA ITEM NO. 9

25 CHAIRMAN ALCANTAR: Item 9. Discussion,

1 Consideration and Possible Action Regarding the Transition  
2 Plan for Vocational Rehab services, the Business Enterprise  
3 Program, Independent Living Services for Older Individuals  
4 who are Blind and Criss Cole Rehabilitation Center from DARS  
5 to TWC as required by SB 208, Karen. Good morning, Karen.

6 MS. LATTA: Good morning. My name is Karen Latta,  
7 and I'm here to talk to you about the plan for the transfer  
8 of the Vocational Rehabilitation and other programs and  
9 services from DARS to TWC.

10 SB 208 was passed by the legislature this past  
11 session and signed by the Governor, and it transfers the  
12 programs that you just mentioned from DARS to TWC effective  
13 September 1, 2016. This transfer will involve more than  
14 1,800 employees and \$309 million in state and federal funds.  
15 SB 208 requires TWC, DARS and HHSC to develop a transition  
16 plan to ensure the transfer is accomplished in a careful and  
17 deliberative manner.

18 So we have developed this plan in coordination  
19 with HHSC and DARS and bring it to you today for your  
20 approval. If you approve, we will submit the plan to the  
21 Legislative Oversight Committee and the Governor's office as  
22 required by SB 208. I'll give you a brief overview of the  
23 plan. That -- at the beginning you'll see an executive  
24 summary, which discusses the requirements of SB 208, and how  
25 the plan complies with those requirements.

1           Then the next section is an overall approach to  
2 the transfer, which discusses -- discusses our vision for  
3 the transformation and how the three agencies will manage  
4 the process over the next year. Then that's followed by 10  
5 individual sections that lay out the major tasks and  
6 timelines for the transfer to be successful. Those sections  
7 address focus areas such as communications, human resources,  
8 information technology and facilities, among others.

9           There's also three attachments. One includes an  
10 organizational chart for how TWC's organization would look  
11 on September 1, 2016. Also the data use agreement that the  
12 three agencies have entered into to allow them to share data  
13 on the programs. And then also the last attachment contains  
14 written comments that both DARS and TWC have received on  
15 this transfer.

16           So in asking for your approval of this plan today,  
17 we're also asking -- requesting the ability to make any non-  
18 substantive changes necessary before we formally submit the  
19 plan to the Legislative Oversight Committee and the  
20 Governor. That concludes my presentation and I'd be happy  
21 to answer any questions.

22           CHAIRMAN ALCANTAR: Commissioner Hughs, any  
23 questions?

24           COMM. HUGHS: No, thank you.

25           CHAIRMAN ALCANTAR: Commissioner Congleton?

1           COMM. CONGLETON: Well, our highest priority is  
2 maintaining and improving consumer services, that, in turn,  
3 requires our support of vocational rehabilitation staff, and  
4 I think this plan makes it clear that we stand 100 percent  
5 behind them. And I move that we approve the transition plan  
6 for the transfer of the vocational rehabilitation services  
7 and other DARS programs to DW -- TWC and that we submit that  
8 plan to the Legislative Oversight Committee.

9           COMM. HUGH: I'll second the motion.

10           CHARIMAN ALCANTAR: It's unanimous. Thank you,  
11 Karen, to you, Glenn, Courtney and the rest of the people  
12 working so hard on this with that DARS and if possible, I  
13 want to thank the people at DARS for their help.

14                           AGENDA ITEM NO. 10

15           CHAIRMAN ALCANTAR: Item 10. Discussion,  
16 Consideration and Possible Action Regarding Fiscal Year 2016  
17 Internal Audit Plan, Ashley. Good morning.

18           MS. SAGEBIEL: Good morning, Commiss -- Chairman,  
19 Commissioners, for the record, Ashley Sagebiel, with  
20 Internal Audit. I'm here today to present the proposed  
21 internal audit plan for Fiscal Year 2016 for your  
22 consideration and approval. Under tab 10 of your materials  
23 you'll find an outline of the proposed audio projects as  
24 briefed with your officers. If you have any questions I'll  
25 be happy to answer them.

1 CHAIRMAN ALCANTAR: Commissioner Hughes?

2 COMM. HUGHS: I don't, thank you.

3 CHAIRMAN ALCANTAR: Commissioner Congleton?

4 COMM. CONGLETON: No questions. I move that we  
5 approve the FY two six -- 2016 audit plan as presented.

6 COMM. HUGHS: I second.

7 CHAIRMAN ALCANTAR: It's unanimous.

8 AGENDA ITEM NO. 11

9 CHAIRMAN ALCANTAR: Item 11. Discussion,  
10 Consideration and Possible Action Regarding the Internal  
11 Audit Charter. Ashley, again.

12 MS. SAGEBIEL: Again, for the record, Ashley  
13 Sagebiel, Internal Audit. Per auditing standards an  
14 internal audit charter is required to formally define the  
15 purpose, authority and responsibility of internal audit. I  
16 am here today to present the proposed internal audit charter  
17 for your consideration and approval. Under tab 11 of your  
18 materials you will find a copy as briefed with your  
19 officers. If you have any questions, I'll be happy to  
20 answer them.

21 CHAIRMAN ALCANTAR: Any questions?

22 COMM. HUGHS: No questions.

23 CHAIRMAN ALCANTAT: Commissioner Congleton?

24 COMM. CONGLETON: Move that we approve the  
25 internal audit charter.

1           COMM. HUGHS: I second the motion.

2           CHAIRMAN ALCANTAR: It's unanimous. Thank you,  
3 Ashley.

4                           AGENDA ITEM NO. 12

5           CHAIRMAN ALCANTAR: Item 12. Discussion,  
6 Consideration and Possible Action Regarding Local Board  
7 Targets. We have no update from Adam.

8                           AGENDA ITEM NO. 13

9           CHAIRMAN ALCANTAR: Item 13. There is no update  
10 on Board Contract Year Performance for 2016.

11                           AGENDA ITEM NO. 14

12           CHAIRMAN ALCANTAR: Item 14. There is no WIOA  
13 update from Debbie.

14                           AGENDA ITEM NO. 15

15           CHAIRMAN ALCANTAR: And Item 15. There is  
16 Discussion, Consideration and Possible Action Regarding the  
17 WIA Annual Report to -- or WOIA -- or WIA for Program Year  
18 2014 for Submission to the U.S. Department of Labor, Debbie  
19 Carlson. Good morning, Debbie.

20           MS. CARLSON: Good morning, Debbie Carlson with  
21 the Workforce Division. As you all know states are required  
22 to submit an annual report to the Department of Labor on the  
23 Workforce Investment Act by October 1st of each year. This  
24 will be our final WIA Annual Report. As in years past the  
25 report is structured in three parts. Part I is a narrative

1 description and we provide examples of statewide initiatives  
2 and local projects. Parts II and III are a series of charts  
3 and tables with the expenditures and performance data.

4 This morning we are recommending approval of the Program  
5 Year 2014 WIA Annual Report for Submission to the Department  
6 of Labor. I'll be happy to answer any questions.

7 CHAIRMAN ALCANTAR: Commissioner Congleton.

8 COMM. CONGLETON: I move we approve Program Year  
9 2014 WIA Annual Report.

10 COMM. HUGHS: I second that.

11 CHAIRMAN ALCANTAR: It's unanimous.

12 AGENDA ITEM NO. 16

13 CHAIRMAN ALCANTAR: Item 16. Discussion --

14 MR. TEMPLE: Mr. Chairman?

15 CHAIRMAN ALCANNTAR: Yes?

16 MR. TEMPLE: While we've got her here, I'm not  
17 sure what her timeline is, but Debbie's agreed to go to D.C.  
18 on a Special Project for the WIOA Plans and I want to thank  
19 you. It will be definitely beneficial to us, although we  
20 look a lot like WIOA already, hopefully we look even more  
21 like it when it gets through, but, anyway, they wanted  
22 people up there that -- that understand an integrative  
23 system in Texas, the first state that came to mind, and so,  
24 Debbie, thank you for agreeing to do that. How long are you  
25 going to be up there? Forever, huh?

1 MS. CARLSON: Three months-ish.

2 MR. TEMPLE: Three months. Okay.

3 CHAIRMAN ALCANTAR: Until the job gets done,  
4 right?

5 MS. CARLSON: That's right.

6 CHAIRMAN ALCANTAR: There you go.

7 MR. TEMPLE: You'll make it just in time for the  
8 blizzard.

9 MS. CARLSON: Thank you.

10 CHAIRMAN ALCANTAR: Item 16. Discussion,  
11 Consideration and Possible Action Regarding Policy Concept  
12 on Community Development Initiative Rules, Debbie Carlson.

13 MS. CARLSON: Again, for the record, Debbie  
14 Carlson, Workforce Division. The 77th Legislature passed  
15 House Bill 2593 in 2001. HB 2593 established a pilot  
16 program to provide adult technology training. In addition,  
17 the Bill required TWC to adopt rules for the pilot program.  
18 The bill expired September 1st of 2005. This morning staff  
19 are recommending approval of the policy concept on repeal of  
20 Chapter 833 Community Development Initiatives. And I'll be  
21 happy to answer any questions.

22 CHAIRMAN ALCANTAR: Commissioner Congleton.

23 COMM. CONGLETON: Move that we repeal our Chapter  
24 833 rules on Community Development Initiatives.

25 COMM. HUGHS: I second that motion.

1                   CHAIRMAN ALCANTAR: It is unanimous.

2                                   AGENDA ITEM NO. 17

3                   CHAIRMAN ALCANTAR: Item 17. Discussion,  
4 Consideration and Possible Action Regarding Policy Concepts  
5 on Unemployment Insurance Rules. Good morning, Leigh.

6                   MS. PURSELL: Good morning. Morning, Chairman and  
7 Commissioners, for the record, I'm Leigh Pursell, UI  
8 Division. Today for your consideration staff is bringing  
9 forward one proposed rule amendment to the Commission rules  
10 located in Chapter 815.

11                   House Bill 1251, effective September 1, 2015,  
12 clarified the definition of substantially common ownership  
13 in §204.081 of the Texas Unemployment Compensation Act. It  
14 also added new subsections to §204.085 that detail how  
15 predecessor and successor employers may submit information  
16 for the Commission to transfer compensation experience when  
17 a partial acquisition of a business occurs.

18                   House Bill 1251 provides a joint application with  
19 a two-year deadline for submission of the information.  
20 Commission Rule 815.111 addresses a joint application under  
21 §204.085 by stipulating that the application be filed with  
22 the Commission within one year from the date of the partial  
23 acquisition.

24                   Staff is requesting your approvals to develop  
25 proposed amendments to Rule 815.111 in order to clarify that

1 the joint submission is permissive and to retain the  
2 requirement that the submission is due within one year of  
3 the partial acquisition for those acquisitions that occurred  
4 prior to September 1st, 2015. And I'll be happy to answer  
5 any questions you may have.

6 CHAIRMAN ALCANTAR: Commissioner Hughs.

7 COMM. HUGHS: No questions.

8 CHAIRMAN ALCANTAR: Commissioner Congleton.

9 COMM. CONGLETON: No questions. As discussed, I  
10 move that we approve the policy concept for amending our  
11 Chapter 815 UI Rules to clarify the procedures for partial  
12 transfers of compensation experience.

13 COMM. HUGHS: I second.

14 CHAIRMAN ALCANTAR: It's unanimous.

15 MS. PURSELL: Thank you.

16 CHAIRMAN ALCANTAR: Thank you.

17 AGENDA ITEM NO. 18

18 CHAIRMAN ALCANTAR: Item 18. Discussion,  
19 Consideration and Possible Action Regarding the Civil Rights  
20 Division's Quarterly Report Concerning its Housing and  
21 Employment Investigations, Training and Monitoring  
22 Activities, Lowell. Wherever you're comfortable, sir. Good  
23 morning, how are you?

24 MR. KEIG: Good morning. Lowell Keig, Director of  
25 the Civil Rights Division. And since this is our first

1 time, we are all ears about any suggestions on what you  
2 would like to see in these quarterly reports, but this is  
3 our first attempt. So I'm going to turn over the floor to  
4 Michelle Goodwine to start off with the Housing and  
5 Employment Report.

6 MS. GOODWINE : Good morning, Commissioners, for  
7 the record, Michelle Goodwine, Employment Manager and  
8 Interim Housing Manager of Civil Rights Division. In  
9 regards to the quarterly report for the Housing  
10 Investigations section of the Civil Rights Division, it is  
11 as follows.

12 For the fourth quarter of the fiscal year we had a  
13 total of 106 closures, the RPI goal is 40 closures per  
14 month. In regards to the -- the budgeted number of 402  
15 closures, therefore we were right on track with 106  
16 closures. In regards to the case -- the cause cases, we had  
17 a total of nine cause cases during this quarter.

18 You also will note in terms of looking at the  
19 breakdown of the types of closures, the majority of the  
20 closures within this quarter were cause, excuse me, no cause  
21 findings, of which there were 66 no cause findings, 32  
22 withdrawals with settlements, six withdrawals by the  
23 complainant and two administrative dismissals. In regards  
24 to the actual fiscal year 2015 number of closures for  
25 housing it is 382.

1           In regards to the timeliness measures, the average  
2 closure time for all the closures during that quarter was  
3 157 days. Also note that in regards to the HUD goals of  
4 which the goal is to have half or 50 percent of the cases  
5 close within 100 days or less, and the CRD goal to have  
6 approximately 52 percent of cases close within 100 days of  
7 less -- or less, our actual performance for the fourth  
8 quarter was at 53 percent of closing the case within 100  
9 days or less.

10           MS. KEIG: And I'd add that the other performance  
11 measures, for those cases that were aged and rolled over to  
12 the next year, HUD expects 95 percent of them to be closed  
13 during that contract year. This had not happened for CRD  
14 for years. And we hit both of those measures this year,  
15 which is in -- due in large part to the RPI activities that  
16 we've been doing. HUD was very pleased. They gave me a  
17 special phone call to let me know that we're now -- they're  
18 considering us more like the leader on how to do this sort  
19 of thing.

20           We would -- you might want to know that the LBB  
21 measure is 365 days and we met that measure, as well. Thank  
22 you.

23           CHAIRMAN ALCANTAR: Well, let's include that on  
24 here also.

25           MS. GOODWINE: Do you have any questions?

1           COMM. CONGLETON: No questions.

2           MS. GOODWINE: In regards to employment for the  
3 fourth quarter, there were a total of 285 closures, of which  
4 the RPI goal is 80 closures per month, therefore we've  
5 exceeded that number significantly. And there were actually  
6 two cause cases in that quar -- within that quarter.

7           In regards to the breakdown in terms of the types  
8 of closures, know that there were 201 no cause findings,  
9 there were also 32 withdrawals with settlements, 35  
10 settlements and 17 administrative dismissals. In regards to  
11 the fiscal year 2015 budget of 888 closures, note that 963  
12 closures were completed for the EEOC contract. And,  
13 actually, the number of closures that happened during fiscal  
14 year 2015 was higher than the 963, but the fiscal year for  
15 EEOC contract is from October 1st to September 30th, and so  
16 that's why we knew it, this 963, which is actually is an  
17 upward modification because the original contract was for  
18 863 cases, and since our performance was -- was so  
19 extraordinary we requested and received an upward  
20 modification of additional cases to close, of which we have  
21 done.

22           CHAIRMAN ALCANTAR: All right. Any questions,  
23 Commissioners?

24           COMM. HUGHS: No.

25           CHAIRMAN ALCANTAR: Thank you.

1 MR. KEIG: One -- one last thing to add there is  
2 -- and we will include it in a future report -- is the LBD  
3 measure. There's no EEOC measure on timeliness, but it's  
4 two years, and so we're -- we -- you know, I think we have  
5 one case that --

6 MS. GOODWINE: Yes.

7 MR. KEIG: -- a missing complainant that was over  
8 two years, we hit that measure.

9 MS. GOODWINE: And the Gray Wolfe was that case.  
10 In terms of the timelies -- timeliness measures for the  
11 employment cases, note that 80 percent of the cases were  
12 closed within 180 days or less, which is based on the  
13 statute requirements. In terms of the actual average  
14 closure time for the fourth quarter it was 137 days.  
15 Internally if we set the goal of 60 to 120 days actual  
16 closure time. And I believe this is the shortest amount of  
17 time that we've ever been able to close cases.

18 CHAIRMAN ALCANTAR: Okay.

19 MR. KEIG: All right. Moving on to finance and I  
20 believe Kim is still here, hopefully back there, in case you  
21 have any detailed questions, but --

22 CHAIRMAN ALCANTAR: She's back there smiling.  
23 She's here.

24 MR. KEIG: So the good news is is we had a good --  
25 a good year. And Randy Townsend is pleased with our

1 performance this year. We're now financially stable. In  
2 looking at the graph with the employment cases at the top,  
3 you'll see the 1,004 number, which is the state fiscal year  
4 number, and if you -- I want to point you to the general  
5 revenue for employment cases, just under 600,000 is what was  
6 apportioned, and then we were able to return to the reserve.  
7 It looks like it will be somewhere in the neighborhood of  
8 \$148,000, so we'll have a reserve of \$422,000, which is  
9 better than what we wanted to be at 384. SO that's --  
10 that's good news. In -- in case we have a down month or  
11 down year, we'll have the money to carry us over until we  
12 get back on track.

13 On the housing side, the -- the 350 apparently did  
14 not include the August closures, so that's actually 382,  
15 which will make those numbers even look better. You see  
16 that we have to apportion 25 percent under our contract with  
17 HUD of the CRD funds, so that's \$297,000, and the reserve we  
18 are right there with that reserve where we want to be, so  
19 that's good news.

20 Now, the next page is the case closures for the  
21 month, and you can see that if you look about in the middle  
22 of the chart with employment it gets much better after July  
23 of -- of last year, it's much more straight instead of the  
24 ups and downs. And on the monthly housing case closures, as  
25 Chairman Alcantar said, so you want to try to even that out

1 instead of these highs and lows, and that is what we want to  
2 do, and we're starting RPI at 2.0 We did our kickoff  
3 presentation last week.

4 CHAIRMAN ALCANTAR: Okay.

5 MR. KEIG: Any questions on those charts?

6 CHAIRMAN ALCANTAR: There's no questions.

7 MR. KEIG: All right. Outreach and training and  
8 monitoring. So the last page you may recall that we  
9 released the EEO sexual harassment CBT, computer based  
10 training, online training, that we all take, we released it  
11 to the other state agencies a little over a year ago. And  
12 you can see that it's made quite a bit of difference in that  
13 in fiscal year '14 that was 58 percent of the noncompliance  
14 areas, and for fiscal year '15, it's gone down to 15  
15 percent, so that's -- that's really helped out. And you can  
16 see down there in the -- the bottom chart, you can see the  
17 -- the amount of people trained, state employees, going from  
18 3,942 to 7,393 for this past year.

19 Also of note is that we had a grant from HUD for  
20 Fair Housing Outreach, which has been very helpful, and we  
21 went from 34 trainees in FY 14 to 774 in FY 15. Any  
22 questions on training and monitoring?

23 CHAIRMAN ALCANTAR: You know, I just want to  
24 congratulate you on really enhancing the reach of -- of your  
25 services in such a dramatic way.

1 MR. KEIG: Thank you.

2 CHAIRMAN ALCANTAR: Appreciate the hard work.

3 Good job.

4 MR. KEIG: All right.

5 MR. TEMPLE: Commissioners, if it's okay with you,  
6 we will include this in our regular corporate performance  
7 measures report?

8 CHAIRMAN ALCANTAR: That would be fine. And I'm  
9 still going to have them as a part of the regular docket,  
10 too.

11 MR. TEMPLE: Oh, okay, all right.

12 AGENDA ITEM NO. 19

13 CHAIRMAN ALCANTAR: Item 18. No, Item 19,  
14 Discussion, Consideration and Possible Action Regarding  
15 Approval of Local Board Nominees, John Fuller. Morning,  
16 John.

17 MR. FULLER: Good morning, Mr. Chairman,  
18 Commissioners, Mr. Temple, for the record, John Fuller,  
19 Workforce Development. Commissioners, before you today you  
20 have nominations from Cameron County, Capital Area, Dallas  
21 County, North Central, Southeast Texas and West Central for  
22 your consideration.

23 CHAIRMAN ALCANTAR: I think you said Northeast,  
24 too?

25 MR. FULLER: Yes, I did.

1           CHAIRMAN ALCANTAR: Okay. All right, thank you.  
2 Commissioner Congleton.

3           MR. FULLER: Yes, Northeast.

4           COMM. CONGLETON: I move that we approve the Board  
5 Nominees from Cameron County, Capital Area, Dallas, North  
6 Central, Northeast, Southeast and West Central, Texas.

7           COMM. HUGHS: I second that motion.

8           CHAIRMAN ALCANTAR: It's unanimous. Thank you,  
9 John.

10          MR. FULLER: Thank you.

11   AGENDA ITEM NO. 20

12          CHAIRMAN ALCANTAR: Item 20. Discussion, Consideration  
13 and Possible Action regarding Enacted or Proposed Federal  
14 and State Legislation. Tom McCarty. Good morning, Tom.

15          MR. McCARTY: Good morning, Chairman Alcantar,  
16 Commissioner Congleton, Commissioner Hughs, Tom McCarty,  
17 External Relations. Quick update for you on the government  
18 shutdown, continuing resolution debate going on in D.C., the  
19 -- on the House side with the resignation of the Speaker,  
20 both the -- both caucuses are meeting today to kind of  
21 determine their strategy going forward. Last week on Friday  
22 the Senate voted on a CR that defunded Planned Parenthood,  
23 that fell, so they took the measures to bring up the CR that  
24 would fund Planned Parenthood, included the funding. That  
25 is scheduled for a vote this afternoon. They do need to

1 complete all this by October 1. I think two scenarios could  
2 play out to prevent the shutdown. One scenario would be,  
3 obviously, if they pass the CR that it would fund the  
4 government until about December 11th is what the reports  
5 are. The other scenario would be a short-term CR for a few  
6 days while they work out the details of the larger CR, that  
7 would then go until December 11th. That concludes my  
8 remarks and I'm available for any questions you may have.

9 CHAIRMAN ALCANTAR: Any questions?

10 COMM. HUGHS: No questions.

11 CHAIRMAN ALCANTAR: Thank you for the update, Tom.

12 MR. McCARTY: Thank you.

13 AGENDA ITEM NO. 21

14 CHAIRMAN ALCANTAR: Item 21. Report and Update  
15 from the Executive Director. Larry, what do you have for us  
16 this morning?

17 MR. TEMPLE: We are monitoring this, obviously, to  
18 let our Boards know in the event this happens and then we  
19 have a couple of staff, as you know, on federal grants that  
20 we believe that -- as last -- last time this happened we had  
21 a -- a good tran -- we had a good transition and I think  
22 that this time we'll have the same, if not -- not easier,  
23 but I'm assuming it's a short-term situation.

24 CHAIRMAN ALCANTAR: Thank you, Larry.

25 COMM. HUGHS: Thank you.

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AGENDA ITEM NO. 22

CHAIRMAN ALCANTAR: Item 22. We'll now be going into Executive Session pursuant to Government Code §551.074(a)(1) to discuss the employment, evaluation and duties of the internal auditor. Thank you.

(Off the record: 11:17:28 to 11:41:02 a.m.)

AGENDA ITEM NO. 24

CHAIRMAN ALCANTAR: We're back in session at 11:40. Do we have a motion to adjourn?

COMM. CONGLETON: So made.

COMM. HUGHS: Second.

CHAIRMAN ALCANTAR: We are adjourned. Have a good day.

(Proceedings concluded at 11:41 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 5th day of October, 2015.

\_\_\_\_\_  
Kimberly C. McCright  
Certified Vendor and Notary Public

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