

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

PUBLIC MEETING )  
FOR THE TEXAS )  
WORKFORCE COMMISSION )

COMMISSION MEETING

TUESDAY, JANUARY 2, 2007

BE IT REMEMBERED THAT at approximately  
1:00 p.m., Tuesday, the 2nd day of January 2007, the  
above-entitled matters came on for hearing at the  
Texas Workforce Commission, TWC Building, 101 East  
15th Street, Room 244, Austin, Texas before  
DIANE RATH, RON LEHMAN and RONALD G. CONGLETON,  
COMMISSIONERS, and LARRY TEMPLE, EXECUTIVE DIRECTOR,  
of the Texas Workforce Commission; and the following  
proceedings were reported by Patricia Gonzalez, a  
Certified Shorthand Reporter, in the State of Texas.

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

2 TUESDAY, JANUARY 2, 2007

3 (1:00 p.m.)

## 4 AGENDA ITEM NO. 1

13:00:38 5 CHAIR RATH: Okay. I think we'll go

6 ahead and come to order. Happy New Year.

7 And we will start with tax cases.

## 8 AGENDA ITEM NO. 2

9 Discussion, Consideration and Possible

13:00:43 10 Action Regarding Whether to Assume Continuing

11 Jurisdiction on Unemployment Compensation Cases, Wage

12 Claim Cases, and/or Tax Liability Cases and

13 Reconsideration of Unemployment Compensation Cases,

14 Wage Claim Cases, and/or Tax Liability Cases, if Any.

13:00:43 15 No discussion.

## 16 AGENDA ITEM NO. 3

17 Discussion, Consideration and Possible

18 Action Regarding Tax Liability Cases Listed on the

19 Texas Workforce Commission Dockets 52 and 1.

13:00:43 20 The Commission considered and took

21 action on all tax liability cases listed on Docket 52.

## 22 AGENDA ITEM NO. 4

23 Discussion, Consideration and Possible

24 Action Regarding Higher Level Appeals in Wage Claim

13:00:43 25 Cases Listed on the Texas Workforce Commission Dockets

13:00:43 1 52 and 1.

2 The Commission considered and took  
3 action on all wage claim cases listed on Dockets 52  
4 and 1.

13:00:43 5 AGENDA ITEM NO. 5

6 Discussion, Consideration and Possible  
7 Action Regarding Higher Level Appeals in Unemployment  
8 Compensation Cases Listed on the Texas Workforce  
9 Commission Dockets 52 and 1.

13:00:43 10 The Commission considered and took

11 action on all unemployment compensation cases listed  
12 on Dockets 52 and 1.

13 (Wage Claim and UI cases were heard from  
14 1:01 p.m. to 1:35 p.m.)

13:35:06 15 CHAIR RATH: It's 1:35. We will stand  
16 in recess until 1:45; then we will continue with the  
17 remainder of our agenda.

18 (Recess: 1:35 p.m. to 1:45 p.m.)

19 CHAIR RATH: Okay. We'll go ahead and  
13:45:10 20 come to order and want to thank everyone that is here  
21 with us today and apologize for your being here with  
22 us. And if we can take a moment -- since it is a day  
23 of national mourning, if we could take a moment of  
24 remembrance for President Ford and remember what he  
13:45:27 25 did for this country and also remember both him and

13:45:28 1 his family in our prayers.  
2 (Moment of Silence)  
3 CHAIR RATH: Thank you. And before we  
4 continue with our agenda, we'll take a moment and wish  
13:45:47 5 everyone a Happy New Year. And as we take steps and  
6 begin to get organized for the legislative session, we  
7 appreciate the work everyone has been doing and will  
8 do in this upcoming year. And with that, we'll  
9 continue with our agenda.

13:46:04 10 AGENDA ITEM NO. 6  
11 CHAIR RATH: Mr. Ballard, do we have any  
12 public comment?  
13 MR. BALLARD: No.  
14 AGENDA ITEM NO. 7  
13:46:10 15 CHAIR RATH: Hearing none, in Fiscal  
16 Year '07 Child Care Matching Funds, we have  
17 contributions -- or -- I'm sorry. We have  
18 certifications for '07 pledges totaling \$3,539,670  
19 from Alamo, Concho, Gulf Coast, North Central, North  
13:46:25 20 East and Tarrant.  
21 Are there any questions or is there a  
22 motion?  
23 COMM. LEHMAN: I have no questions.  
24 I'll enter a motion to accept the 2007 pledges.  
13:46:32 25 COMM. CONGLETON: And I'll second that.

13:46:34 1 CHAIR RATH: And I agree.  
2 AGENDA ITEM NO. 8  
3 CHAIR RATH: Next we have a request for  
4 waiver for Child Care.  
13:46:42 5 Ms. Verver.  
6 MS. VERVER: Good afternoon, Chair Rath,  
7 Commissioners. Nicole Verver, Workforce Development.  
8 Today for your considerations are three waiver  
9 requests submitted by Child Care applicants requesting  
13:46:51 10 the Commission waive its definition of a parent,  
11 Section 809.2(6) of the Commission rules.  
12 Case No. 41 is from a Child Care  
13 applicant caring for her niece. The applicant  
14 attempted to obtain a child support order from the  
13:47:08 15 OAG's office; however, it was denied because the  
16 arrears for child support were less than \$500. Staff  
17 also received an affidavit from the mother giving the  
18 aunt temporary custody of the child.  
19 Staff recommends not approving the  
13:47:19 20 waiver unless the Commission feels the letter from the  
21 OAG demonstrating the applicant's attempt to open a  
22 child support case is sufficient.  
23 COMM. LEHMAN: I find this case to be --  
24 I have empathy for both parties, but I agree with  
13:47:32 25 staff recommendation at this time.

13:47:36 1                   COMM. CONGLETON: Yeah. I guess I would  
2 have to go along with that.

3                   CHAIR RATH: I was very torn on this one  
4 also, and I finally decided to not approve the waiver  
13:47:45 5 at the this time unless we can get any additional  
6 documentation.

7                   MS. VERVER: Okay. Thank you.  
8                   Case No. 44 is a former CPS case.  
9 Background documentation has been provided and staff  
13:47:58 10 recommends approval.

11                  COMM. LEHMAN: I agree.

12                  COMM. CONGLETON: And I agree.

13                  CHAIR RATH: And I do, also.

14                  MS. VERVER: The final case, Case No.  
13:48:06 15 45, is from a Child Care applicant caring for a  
16 grandson. CPS has not opened a case; however, CPS has  
17 provided a letter of support for the placement of the  
18 child with the grandmother. Staff recommends  
19 approval.

13:48:19 20                  COMM. LEHMAN: I would agree.

21                  COMM. CONGLETON: Agree.

22                  CHAIR RATH: And I also agree.

23                  Thank you.

24                  MS. VERVER: Thanks.

13:48:21 25

13:48:25 1 AGENDA ITEM NO. 9  
2 CHAIR RATH: Next we have a policy  
3 concept regarding health and safety standards for  
4 Child Care funded services.

13:48:32 5 Ms. Miller.  
6 MS. MILLER: Reagan Miller, Workforce  
7 Development. Good afternoon, Chair Rath,  
8 Commissioners. Today for your consideration is a  
9 policy concept establishing some health and safety  
13:48:40 10 standards that would be applicable to relative  
11 providers of Child Care which would include background  
12 checks.  
13 Under the Federal Child Care  
14 regulations, relative providers are not subject to the  
13:48:49 15 same health and safety standards as are other licensed  
16 or registered child care providers; however, the  
17 federal regulations do give states the authority to  
18 impose more stringent standards and licensing  
19 regulatory requirements on child care providers.

13:49:10 20 As we began considering some possible  
21 avenues for pursuing background checks for relative  
22 providers, we looked to one of our sister state  
23 agencies who actually already has this kind of  
24 mechanism set up. The Texas Department of Family and  
13:49:23 25 Protective Services currently oversees health and

13:49:27 1 safety standards for child care centers, and under  
2 their purview, there is a classification of child care  
3 provider called a listed family home which includes  
4 family homes caring for fewer than four children.

13:49:40 5 These listed family homes are subject to DFPS's  
6 background check review, and that includes a review of  
7 the Department of Public Safety's criminal history  
8 record information as well as a review of the Child  
9 Protective Services Central Registry.

13:49:58 10 A child care operation that goes through  
11 this kind of background check will typically receive  
12 the results of its request within two working days of  
13 submission if there are no criminal offenses. If  
14 there are any that need to be investigated, they do  
13:50:13 15 have a process to look into those, and it takes about  
16 eight weeks for DFPS to then complete the full  
17 background check. In addition to the background  
18 checks, a listed family home is also subject to  
19 inspection or investigation if DFPS receives a  
13:50:28 20 complaint regarding the abuse or neglect of a child.

21 So, again, we tried to look at the  
22 existing processes and procedures that our state --  
23 that our sister state agency already has established.  
24 Now, right now relative providers are not required to  
13:50:42 25 be listed with DFPS. That's according to the

13:50:45 1 Commission rules as well as to the DFPS rules, because  
2 under the DFPS rules child care providers are exempt  
3 from being listed if they exclusively care for  
4 relatives in their home. So although somebody  
13:51:04 5 exclusively caring for relatives are exempted, there's  
6 another DFPS rule which does state that if another  
7 state agency requires them to be listed, then they  
8 could go on to that listed home and they would be  
9 subject to all of those background checks that DFPS  
13:51:17 10 does. So, therefore, if the Commission chooses, you  
11 may require a relative provider to be listed with DFPS  
12 as a prerequisite to receiving CCDF funds.

13 We wanted to bring this to your  
14 attention today to seek your guidance and determine if  
13:51:36 15 this was a concept that you'd like us to pursue  
16 further and if you supported this. If you do, we  
17 could certainly begin to do some additional research  
18 with DFPS on staffing issues, costs and those sorts of  
19 things that would impact them should you require all  
13:51:51 20 the relative providers to be listed. And I'd be happy  
21 to answer any questions you have about this.

22 CHAIR RATH: I really appreciate all the  
23 work that you and your staff have done in a very short  
24 period of time responding to information that was  
13:52:08 25 brought to our attention the end of November and first

13:52:12 1 of December. I think, clearly, what you-all are  
2 bringing forward for our discussion and consideration  
3 today goes a very long way to preserving and  
4 maintaining full parental choice so parents will be  
13:52:23 5 able to continue to use the relatives and the provider  
6 with whom they feel most comfortable, but at the same  
7 time, it does provide some basic safety net if some  
8 parents are making unwise choices. And if there were  
9 not federal funds involved -- I totally respect  
13:52:43 10 parent's choice to do anything, but I personally feel  
11 a level of accountability when we are charged with the  
12 stewardship of public funds and making sure that when  
13 those public dollars are being spent they are at least  
14 ensuring a basic level of safety for those children.

13:53:06 15 I think -- I wanted to clarify that if  
16 we do allow or if we require the relatives to be  
17 listed homes, that, at the same time, the relatives  
18 would continue as a listed home to be eligible because  
19 one of our current rules allows Boards the discretion  
13:53:23 20 on if they're going to fund listed homes. And so that  
21 is true for anyone but a relative.

22 MS. MILLER: Correct.

23 CHAIR RATH: It's kind of like a  
24 relative has to be a listed home to be considered, but  
13:53:34 25 once they fulfill that requirement, then it is up to

13:53:38 1 the parent's discretion and there's not other hurdles  
2 to go through.

3 MS. MILLER: Yes. That would be  
4 correct.

13:53:45 5 CHAIR RATH: Well, I appreciate it. I  
6 do think that only 18 percent of the children that we  
7 fund are cared for in relative provider. I think it  
8 is important to keep in mind that the average spell of  
9 care is about three months; so they don't spend a long  
13:54:02 10 time there. And I think when we look at the potential  
11 risk for some of these children, many of whom come  
12 from an at-risk environment to start with, it's  
13 another level of safety.

14 So I appreciate the work and I think  
13:54:15 15 you-all just did an extraordinary amount of work in a  
16 very short period of time. Thank you.

17 COMM. LEHMAN: Yeah. I would echo that.  
18 In fact, I'm somewhat frustrated that we hadn't done  
19 this before, but I -- those are the facts and I think  
13:54:32 20 when you think about the integrity of the  
21 relationship, the responsibility to take whatever  
22 actions we can to make sure that we're not placing  
23 kids in harm's way or contributing to the placement of  
24 kids in harm's way, this makes complete sense to me,  
13:54:45 25 particularly in view of the fact that public money is

13:54:49 1 involved, as the Chair relayed to. I think we should  
2 go full speed ahead.

3 COMM. CONGLETON: Child safety is number  
4 one; so I would agree.

13:55:00 5 CHAIR RATH: Okay. And if I don't hear  
6 disagreement, I think you have a consensus to continue  
7 and to bring back the rule as soon as it would be  
8 feasible.

9 MS. MILLER: We will do that. Thank  
13:55:12 10 you.

11 CHAIR RATH: Thank you.

12 And just to -- if I can just clarify for  
13 our audience that's listening, our current rule that's  
14 out for comment is scheduled to be brought back to us  
13:55:19 15 next week.

16 MS. MILLER: Yes, ma'am.

17 CHAIR RATH: And we will deal with final  
18 action on that rule and then this concept paper will  
19 be a separate action after the current rule that's  
13:55:34 20 open for comment is closed and disposed of. So I just  
21 wanted to make sure people aren't confused that are  
22 listening.

23 MS. MILLER: Thank you.

24 CHAIR RATH: Thank you very much.

13:55:43 25

13:55:43 1 AGENDA ITEM NO. 10  
2 CHAIR RATH: Okay. If there's nothing  
3 else on that, we will move to the MOU regarding  
4 Project RIO.

13:55:49 5 Ms. Verver.  
6 MS. VERVER: Good afternoon, Chair Rath,  
7 Commissioners. Nicole Verver, Workforce Development.  
8 Today for your consideration and  
9 discussion and possible action is a Memorandum of  
13:56:02 10 Understanding outlining the responsibility of state  
11 agencies in providing information to employers,  
12 ex-offenders and adjudicated youth.

13 Texas Labor Code 306.007 requires the  
14 Texas Workforce Commission to adopt an MOU with the  
13:56:17 15 following agencies: Texas Department of State Health  
16 Services, Texas Department of Housing and Community  
17 Affairs, Texas Veterans Commission and the Texas  
18 Economic Development and Tourism Office. Under this  
19 MOU, each agency agrees to inform and educate  
13:56:28 20 ex-offenders and adjudicated youth on the employment  
21 referral and job training services available through  
22 the Texas Workforce Centers. In addition, each agency  
23 agrees to communicate to the Boards the services  
24 available through the state agencies and the  
13:56:42 25 application eligibility requirements for such

13:56:43 1 services.

2 We need to make one change to the  
3 notebook material. The effective date should be  
4 February 1st, 2007. It currently says 2006.

13:56:51 5 At this time, I'll be glad to answer any  
6 questions.

7 CHAIR RATH: Thank you. I have none.  
8 Commissioner?

9 COMM. LEHMAN: No. I have none either.

13:57:02 10 COMM. CONGLETON: No questions.

11 CHAIR RATH: And is there a motion?

12 COMM. CONGLETON: I move that we proceed  
13 with entering the MOU with other state agencies for  
14 cooperation relating to Project RIO as discussed.

13:57:10 15 COMM. LEHMAN: Second.

16 CHAIR RATH: And I agree.

17 MS. VERVER: Thank you.

18 CHAIR RATH: Thank you.

19 AGENDA ITEM NO. 11

13:57:15 20 CHAIR RATH: Next we have Workforce  
21 nominees from South Texas, North East and Golden  
22 Crescent.

23 MR. JONES: Yes. I'm Larry Jones with  
24 Workforce Development. And good afternoon,

13:57:25 25 Commissioners.

13:57:27 1                   We are withdrawing one name on there,  
2 Kellie Davis from North East Texas, pending further  
3 information, and that will be brought back to you for  
4 a vote at a future date.

13:57:36 5                   CHAIR RATH: Very good. Okay. So that  
6 leaves us with South Texas, North East Texas with the  
7 one that is not to be considered today and Golden  
8 Crescent.

9                   Are there any questions or there a  
13:57:49 10 motion?

11                   COMM. CONGLETON: Move we approve the  
12 nominees of South Texas, North East Texas, Golden  
13 Crescent Workforce Boards as presented by staff.

14                   COMM. LEHMAN: And I'll second it.

13:58:00 15                   CHAIR RATH: Okay. I will agree.  
16 However, on North East Texas, I'm abstaining on Scott  
17 Niven. Their demographics have been woefully  
18 inadequate for many, many months now, and I have full  
19 professional respect for Mr. Niven. It's nothing  
13:58:17 20 about Mr. Niven, but I'm abstaining because I can't  
21 believe there's not somebody that can help the  
22 demographics of this Board area more.

23                   I also am voting "no" on Winston  
24 Sullivan because I do not believe that his group meets  
13:58:30 25 the definition of a CBO. They absolutely have nothing

13:58:34 1 to do with workforce development and I fail to see  
2 what expertise he will lend to the Board. So I'm very  
3 disappointed that this Board is not having the benefit  
4 of that expertise as envisioned. And then I'll vote  
13:58:49 5 "yes" on Mr. Harris.

6 I would also, I think, urge all the  
7 Boards that they are to really be cognizant of the  
8 executive level skills and expertise and vision that  
9 the statute requires, because some of the them are  
13:59:10 10 really kind of borderline.

11 So with that, they'll stand approved.

12 COMM. LEHMAN: May I make a --

13 CHAIR RATH: Excuse me.

14 COMM. LEHMAN: May I ask a question?

13:59:19 15 Recognizing this as a delicate moment,  
16 your observation about the community-based  
17 organization, do we actually review that in-depth in  
18 the prescreening of these organizations?

19 MR. JONES: I don't know the answer to  
13:59:34 20 that regarding this CBO, but I assure you we will in  
21 the future. I don't know the particulars of this CBO.

22 CHAIR RATH: That one is --

23 COMM. LEHMAN: I guess I feel like it  
24 might be -- maybe this is out of order, Madam Chair,  
13:59:58 25 or stop me if it is. I would not object to holding --

14:00:04 1 I would not object to holding three of these  
2 candidates, the one that you mentioned specifically  
3 and the two that you abstained on, while we ask the  
4 question of the Board what is their plan regarding the  
14:00:17 5 diversity issue and clarify for ourselves the CBO  
6 appropriateness of this. If that's appropriate at  
7 this time, I would be willing to withhold my second.

8 CHAIR RATH: Well, then, if I could, I  
9 believe you had a second; so I think, procedurally, if  
14:00:36 10 you would withdraw your second --

11 COMM. LEHMAN: I think I'll withdraw my  
12 second.

13 CHAIR RATH: I'll ask the general  
14 counsel if that would be correct.

14:00:43 15 (No verbal response)

16 CHAIR RATH: Okay. If you withdraw your  
17 second, and then we would have a motion on the floor  
18 that would die for lack of a second. And then we now  
19 would be back to consideration of a motion.

14:00:58 20 COMM. LEHMAN: Let me -- if I may --  
21 okay. Let me add a clarifier, if I may, just for the  
22 edification of the Board. My issue is not with the  
23 candidates themselves. My issue is with the  
24 diversity. And I want to give the Board the maximum  
14:01:13 25 options necessary to address the challenges they have

14:01:15 1 as a Board. So --  
2 MR. JONES: We'll pass that on.  
3 COMM. LEHMAN: -- by holding these  
4 three, that leaves them a little bit more of an open  
14:01:25 5 door to address their total structure rather than  
6 constraining them --  
7 MR. JONES: Yes, sir.  
8 COMM. LEHMAN: -- more specifically.  
9 CHAIR RATH: That's well said.  
14:01:32 10 COMM. LEHMAN: So with that, I would  
11 enter, then, a motion to approve the nominees from  
12 South Texas Workforce Development Board, Golden  
13 Crescent Workforce Development Board and Mr. Harris on  
14 the North East Texas Workforce Development Board.  
14:01:49 15 CHAIR RATH: I would second that.  
16 Very good.  
17 Commissioner?  
18 COMM. CONGLETON: Whatever.  
19 (Laughter)  
14:02:02 20 CHAIR RATH: Okay. You have at least --  
21 MR. JONES: Okay.  
22 CHAIR RATH: -- two votes to approve  
23 them.  
24 And if I could just clarify -- and I  
14:02:04 25 appreciate your responsiveness to CBO, because,

14:02:08 1 clearly, a builders association could have workforce  
2 expertise but it certainly -- I didn't see it  
3 demonstrated in the documentation before us. So,  
4 clearly, if they have training programs, if they have  
14:02:21 5 apprenticeship programs -- I mean, they clearly could,  
6 but I didn't see it any place in the information that  
7 was submitted.

8 MR. JONES: And we'll clarify that,  
9 Chair.

14:02:32 10 CHAIR RATH: Very good.

11 COMM. LEHMAN: Thank you --

12 MR. JONES: Yes, sir.

13 COMM. LEHMAN: -- Mr. Jones.

14 The other observation I would make --  
14:02:36 15 and it struck me as we were reviewing this, is, three  
16 of those four candidates are directly tied to the real  
17 estate industry. Assuming they're legitimate and  
18 sincere nominees -- and I believe they probably will  
19 show up to be that way, but, all of a sudden, we've  
14:03:00 20 got a concentration of real estate focus that I'm not  
21 sure is evident as we looked at this. At least --

22 MR. JONES: I understand.

23 COMM. LEHMAN: -- it wasn't to me.

24 MR. JONES: Yes, sir.

14:03:02 25 COMM. LEHMAN: So thank you very much

14:03:08 1 for --

2 MR. JONES: Okay.

3 COMM. LEHMAN: -- your responsiveness.

4 CHAIR RATH: Thank you. So -- and just

14:03:12 5 to summarize, South Texas, Golden Crescent nominees  
6 and Mr. Harris from North East are all approved. And  
7 the other three will be -- have further research and  
8 discussions with the Board. Thank you.

9 AGENDA ITEM NO. 12

14:03:25 10 CHAIR RATH: Then that brings us to the  
11 report to the Governor, Legislature and LBB on EEO  
12 minority hiring practices.

13 Mr. Robertson.

14 MR. ROBERTSON: Good afternoon, Chair  
14:04:00 15 Rath, Commissioners. Back at you, Happy New Year as  
16 well. For the record, my name is Tony Robertson and  
17 I'm with the Civil Rights Division of the Texas  
18 Workforce Commission.

19 Before you, I just passed out a final  
14:04:13 20 and, hopefully, typographical-free draft of our  
21 minority hiring -- EEO Minority Hiring Practices  
22 Report, our biennium report that we're required to do  
23 every two years by statute. I'd just like to take a  
24 few minutes and go over the purpose and the  
14:04:28 25 methodology as well and then render any questions or

14:04:30 1 actions that you may have of me from that point in  
2 time.

3 CHAIR RATH: Okay. Could I ask you one  
4 question to clarify?

14:04:36 5 The report that you just gave us, which  
6 is a substitute for the one in the notebook --

7 MR. ROBERTSON: Yes, ma'am.

8 CHAIR RATH: Correct? Okay. Is that --  
9 can you either summarize the changes from the notebook  
14:04:47 10 or is that the one that was forwarded to us like on  
11 December 28th?

12 MR. ROBERTSON: Yes, ma'am. I can  
13 summarize it for you.

14 CHAIR RATH: Okay. So -- or just for my  
14:05:02 15 own mind, the one you just handed out is the same one  
16 that was forwarded on December 28th?

17 MR. ROBERTSON: Yes, ma'am. And the  
18 only change, ma'am, is Page 3.

19 CHAIR RATH: That was the typo I had, I  
14:05:15 20 bet. The grammar error.

21 MR. ROBERTSON: I hope so.

22 CHAIR RATH: Okay.

23 MR. ROBERTSON: I hope I caught that for  
24 you.

14:05:21 25 CHAIR RATH: Thank you. Now at least we

14:05:21 1 know what document is before us.  
2 MR. ROBERTSON: Yes, ma'am.  
3 CHAIR RATH: Thank you very much.  
4 MR. ROBERTSON: You're welcome.  
14:05:27 5 CHAIR RATH: Now, is -- do you-all have  
6 a question? Can he --  
7 COMM. LEHMAN: I'm okay.  
8 CHAIR RATH: -- continue?  
9 COMM. CONGLETON: I'm okay with it.  
14:05:27 10 CHAIR RATH: Okay. Go ahead and  
11 continue then.  
12 MR. ROBERTSON: And this is going to be  
13 a quick summary, real quick.  
14 Once again, the purpose of the EEO  
14:05:30 15 Minority Hiring Practices Report is to provide a  
16 demographic -- to provide demographic information --  
17 excuse me -- to the Governor, the Legislature and the  
18 LBB, the Legislative Budget Board, in compliance with  
19 Texas Labor Code 21.0035, 21.504 and 21.553.  
14:05:49 20 This report combines the following  
21 statutory reporting requirements: It requires a  
22 biennium report to the Governor, as mentioned earlier,  
23 regarding the percentage of statewide civilian  
24 workforce composed of Caucasian Americans, African  
14:06:08 25 Americans, Hispanic Americans, females and males in

14:06:12 1 the job categories of state agency administration,  
2 professional, technical, protective services,  
3 para-professionals, administrative support, skill  
4 craft and service and maintenance.

14:06:23 5 Texas Labor Code 21.504 requires an  
6 annual report to the Governor and Legislative Budget  
7 Board regarding the total number of African Americans,  
8 Hispanic Americans, females and other persons hired  
9 for each job category listed above by state agencies  
14:06:38 10 during the preceding fiscal year -- or that state's  
11 preceding fiscal year.

12 And, finally, Texas Labor Code 21.553  
13 requires a biennium report to the Legislature  
14 requiring or containing an analysis of EEO information  
14:06:57 15 for the preceding two fiscal years obtained pursuant  
16 to Texas Labor Code 21.552 regarding new hires and the  
17 workforce composition of state agencies and  
18 institutions of higher education.

19 At this point in time, I will now take  
14:07:12 20 any questions that you may have and go from that  
21 point.

22 CHAIR RATH: Thank you. I wanted to  
23 thank you for including the paragraph about  
24 disabilities, because it was my concern that -- and I  
14:07:21 25 very much understand the reason for having poor

14:07:27 1 reliability of the data and I think including that  
2 paragraph at least recognizes the requirements but  
3 also how difficult the situation is. So thank you for  
4 doing that. And --

14:07:36 5 MR. ROBERTSON: Yes, ma'am.

6 CHAIR RATH: -- thank you for the  
7 responsiveness to our questions and concerns that  
8 we've had. I appreciate it very much.

9 MR. ROBERTSON: Yes, ma'am.

14:07:43 10 CHAIR RATH: Any questions?

11 COMM. LEHMAN: I have none.

12 CHAIR RATH: Questions?

13 COMM. CONGLETON: I have no questions.

14 CHAIR RATH: Very good. Then is there a  
14:07:47 15 motion?

16 COMM. CONGLETON: I move that we submit  
17 the report to the Governor, the Legislature and the  
18 LBB.

19 COMM. LEHMAN: Agreed.

14:07:58 20 CHAIR RATH: And I agree.

21 MR. ROBERTSON: What I would like to do,  
22 then, Chair Rath and Commissioners, if I may, I have  
23 an original that would require your signatures. And I  
24 also would just like to show you what the new cover is  
14:08:10 25 going to look like as well, however you would have me

14:08:12 1 do that. I can either submit it to you now for  
2 signatures or come back later to pick that up.

3 CHAIR RATH: Well, at the end of the  
4 meeting is usually --

14:08:17 5 MR. ROBERTSON: Yes, ma'am.

6 CHAIR RATH: -- when we circulate them.  
7 So if you --

8 MR. ROBERTSON: Okay.

9 CHAIR RATH: -- could hang on to the end  
14:08:21 10 of the meeting, that would be great.

11 MR. ROBERTSON: Thank you.

12 CHAIR RATH: Can I just -- just clarify  
13 that even though it appears to be totally ready,  
14 that -- if there's no disagreement, if there's any  
14:08:28 15 technical changes that you-all become aware of, that  
16 you do have permission to make those changes.

17 MR. ROBERTSON: Thank you very much.

18 COMM. LEHMAN: I agree.

19 COMM. CONGLETON: I agree.

14:08:36 20 CHAIR RATH: Thank you.

21 MR. ROBERTSON: Thank you.

22 AGENDA ITEM NO. 13

23 CHAIR RATH: Next, the use of WIA  
24 Statewide Funds for an initiative.

14:08:42 25 Ms. Verver.

14:08:43 1 MS. VERVER: Good afternoon, Chair Rath,  
2 Commissioners. Nicole Verver, Workforce Development.  
3 Today for your consideration is a WIA  
4 earmarked to support Project Azteca, which is Texas  
14:08:51 5 Youth Commission collaborative. TYC operates the  
6 Prison Industry Enhancement, PIE, Program under its  
7 workforce development division for TYC youth. PIE  
8 creates partnerships between private sector employers  
9 and juvenile detention facilities to help troubled  
14:09:08 10 youth receive job training and employment experience  
11 that will aid them in their transition back into  
12 society.  
13 Project Azteca, which is initiative  
14 under the PIE program, allows incarcerated youth the  
14:09:15 15 opportunity to gain valuable work experience, earn  
16 stipends and work toward construction industry  
17 certifications by building homes for eligible  
18 families.  
19 TYC and the Lower Rio Workforce Board  
14:09:28 20 have supported Project Azteca since 2003 and seen  
21 great success. In fiscal year 2006, 24 incarcerated  
22 youth participated in Project Azteca. Of those, 11  
23 have been released and have found employment related  
24 to their field of training.  
14:09:42 25 Staff recommends the use of \$77,000 in

14:09:43 1 WIA Statewide Activity Funds to support Project  
2 Azteca. These funds will support minimum wage  
3 stipends, purchase tools and training for 25 youth  
4 that are incarcerated within TYC.

14:10:00 5 At this time, I'll be glad to answer any  
6 of your questions.

7 CHAIR RATH: Thank you. I appreciate  
8 the work you did. I know this is a program that  
9 certainly has demonstrated efficacy within some areas  
14:10:10 10 and I think it's a fair funding mechanism for it.

11 Any questions?

12 COMM. LEHMAN: I have none.

13 CHAIR RATH: Is there a motion?

14 COMM. CONGLETON: I approve the use of  
14:10:17 15 \$77,000 in WIA Statewide Activity Funds to support  
16 this project and move that we proceed with it as  
17 discussed.

18 COMM. LEHMAN: Second.

19 CHAIR RATH: And I agree.

14:10:27 20 MS. VERVER: Okay. Thank you.

21 CHAIR RATH: Thank you.

22 AGENDA ITEM NO. 14

23 CHAIR RATH: Next, we have legislative  
24 proposals.

14:10:47 25 Mr. McCARTY: Good afternoon, Madam

14:10:47 1 Chair, Commissioners. For the record, my name is Tom  
2 McCarty, Governmental Relations.

3 Before you is a proposed legislative  
4 recommendation to create an incentive for employers to  
14:11:00 5 respond timely and completely to claim information  
6 requests. I believe this was an item that was  
7 scheduled for discussion in September.

8 Chair Rath, would you like to explain  
9 the recommendation in further detail?

14:11:12 10 CHAIR RATH: Yeah. I'd be happy to.  
11 And thank you very much.

12 This was an area I've been working on,  
13 and I think the draft was distributed, originally, in  
14 September and then was not ready to be brought  
14:11:19 15 forward -- or I wasn't ready to bring it forward until  
16 today. And I have some additional information to  
17 share with my colleagues.

18 There you go.

19 And also for -- if you could, give that  
14:11:36 20 to her. Thank you.

21 Okay. This is really responding to  
22 information that we received from the SAO in their  
23 report last year and as we track what's happening at  
24 the federal level with different legislation that has  
14:11:57 25 been introduced.

14:11:57 1                   It is creating an incentive for  
2 employers to respond timely and completely to claim  
3 information. About a third of our reversals where the  
4 employer has somehow contributed to the lack of the  
14:12:10 5 information, while the dollar amount has been changing  
6 through the years, reflecting the changing caseload we  
7 have, the percentage stays about the same. So this  
8 would modify our act to include language to hold  
9 employers liable for the overpayments which are  
14:12:27 10 created by their failing to respond adequately to  
11 requests by the Commission for information relating to  
12 the complaint. And, of course, it does have a  
13 provision for good cause, because I think that is very  
14 important.

14:12:40 15                   And it was really modeled in large  
16 measure by the federal legislation, Unemployment  
17 Compensation Program Integrity Act of 2006. And while  
18 the federal legislation, I think, is too onerous, I  
19 think it has made changes and I have drafted suggested  
14:13:04 20 bill language that leaves the chargeback in place --  
21 I'm sorry. So all the employers would be responsible  
22 for it that are affected.

23                   I think having the good cause is very,  
24 very important because there can be legitimate  
14:13:25 25 opportunities when there's a reason the employer is

14:13:27 1 not able to respond. I think it's also important that  
2 we have the criteria to determine if the employer has  
3 failed to respond.

4 I think by providing incentive right now  
14:13:40 5 where it's averaging -- it's not a large amount, but  
6 it is averaging 6 million. It was up to nearly  
7 10 million a couple of years ago. And I think  
8 anything we can do to close loopholes for every  
9 participant in our system behooves the system a great  
10 deal. And so I think this is one opportunity when

11 I've become extremely frustrated when appeals get all  
12 the way to our level, and then if we -- we see  
13 information that if it only had been available at the  
14 time of the initial termination, it would have  
14:14:12 15 certainly saved a lot of trouble, work, administrative  
16 cost, inappropriate payments and grief to everybody  
17 having to correct what would have been an easy  
18 decision at the onset.

19 So, Commissioners, I submit this to you  
14:14:28 20 for your consideration and look forward to working  
21 with both of you and our constituent groups as we move  
22 through the legislative process.

23 Are there any questions?

24 COMM. LEHMAN: I have -- right this  
14:14:45 25 minute, I don't -- I have a series of questions, but I

14:14:47 1 think I was expecting them to be placed before staff.

2 I think what I would do is I would tell  
3 you that I share the concern about the socialization  
4 of the costs and -- and, on the surface, the idea has  
14:15:06 5 a lot of merit, in that anything we can do, I think,  
6 to put the integrity in the system and do it right the  
7 first time is worth pursuing.

8 My concern, however, is -- I guess I'm  
9 thinking that there are some unintended consequences  
14:15:23 10 that clearly will make employers very nervous about  
11 this. I think there's some hidden cost that we  
12 probably don't understand and I'm sort of of the  
13 opinion that what I see is employers typically don't  
14 respond for three general reasons: One is, either  
14:15:40 15 they're getting legal advice that says "Don't be in a  
16 rush to respond to us" -- maybe there's four reasons.  
17 Legal advice logistics; that is, between the multiple  
18 locations they have in the state or their pay  
19 structure that they've set up through payrolling or  
14:15:57 20 staff leasing or other agency, there's a delay in  
21 time.

22 A lot of them just don't understand the  
23 process, and I believe that a lot of times the  
24 communication that we send out is not as clear as it  
14:16:10 25 needs to be. We don't actually even tell them they're

14:16:13 1 required to respond. We ask them for information and  
2 we give them four lines, and I think there's some work  
3 we could do there to enhance that.

4                   So my observations are that I share the  
14:16:25 5 concern, but I think the unintended consequences and  
6 the costs that we might incur, either in the Agency  
7 itself or the employers, may not serve us well and  
8 probably need to be understood a little bit better  
9 before we go forward too fast.

14:16:42 10                   The other thing I think is, you know,  
11 we've written articles about this. We've outreached  
12 to employers. I have personally written letters to  
13 considerable numbers of frequent violators. And I  
14 recall when the numbers were 17 million or greater,  
14:17:02 15 and so now they're 6 million or so.

16                   And if I look at it, I've got 511  
17 employers on the -- what I would call "the repeat  
18 occurrence list," and I guess I'm of the opinion that  
19 this problem can be managed downward with an  
14:17:23 20 improvement in communication from the Agency about  
21 what we're looking for from employers about adequacy  
22 and timeliness. And I think that a little bit more  
23 education to the employer community -- in fact, a lot  
24 of our phone calls to my office revolve around "I've  
14:17:36 25 just gotten this information now. What am I supposed

14:17:38 1 to do with it? What is it they're looking for and  
2 will the Agency accept additional information if I  
3 provide it?" And that tells me that we have a  
4 communication and understanding problem that I don't

14:17:49 5 know that a punitive measure on the violators --  
6 quote, "violators" is going to address that.

7 So right this minute, I'm having  
8 trouble -- I'm finding the merit in doing it, but I'm  
9 having trouble in the details and the procedures and  
14:18:08 10 the unintended consequences that I think might trouble  
11 us. So I guess when you said "I'm willing to" -- "I  
12 look forward to working with you as we proceed through  
13 the legislative session," I guess if I had my druthers  
14 today, I'd like to see more work done.

14:18:23 15 CHAIR RATH: Well, I think -- and I  
16 appreciate it. I think it was important that we have  
17 this discussion, since this isn't a staff  
18 recommendation, but, rather, my proposal, and it has  
19 been in our possession, although not discussed here,  
14:18:32 20 since about September. So I think, clearly, there's  
21 been adequate time to pursue emphasis. And  
22 particularly when you look at the federal legislation,  
23 which is far more onerous than this legislation, it  
24 does seem to be a best practices that we've been  
14:18:45 25 instructed to model, and I think it is important that

14:18:47 1 we move forward.

2                   Clearly, if there's difficulty with the  
3 form the Agency sends out -- I know the Agency has  
4 been aggressively seeking input and modification and  
14:19:02 5 new language. So whenever that is available, I'm sure  
6 they will respond quickly to that request, and I think  
7 it's important that it's good that the numbers are  
8 going down; clearly, more response to the economy and  
9 further -- fewer claims being filed than real  
14:19:19 10 modification. And what I hear is that the primary  
11 offenders are either the third-party entities that  
12 simply blow it off and don't do anything to do it, not  
13 staff leasing, because they have their incumbent  
14 responsibility to pursue it, but it's really the third  
14:19:36 15 parties that handle the appeals that simply don't  
16 bother doing anything until it's time for a hearing.  
17 And if we can affect their behavior, then we will go a  
18 long way for us to have accurate and timely  
19 information for our adjudication procession.

14:19:47 20                   So I think as information becomes  
21 available, it can certainly be incorporated, and we  
22 can clearly respond when folks have legitimate  
23 concerns about how this is a burden, because if --  
24 again, we can modify language. We can do it. But  
14:20:08 25 when you look at what's happened nationally, this just

14:20:12 1 seems to be in keeping with that.

2                   COMM. LEHMAN: Well, the business  
3 community has spoken out vehemently at the national  
4 level in opposition to the federal proposal. So I  
14:20:21 5 guess where I am at this point is I think there is  
6 some merit in looking at repeat violators, but what  
7 I'm mostly concerned about is: When I look at the  
8 list of 236 that had an occasion like this last year,  
9 the vast, vast, vast majority of these are one-time  
14:20:40 10 occurrences, and so what I think that is more about is  
11 a lack of understanding or a lack of experience with  
12 the process. And I guess I'm of the opinion that  
13 punishing them with additional costs or -- well, an  
14 approach of this type just isn't going to address the  
14:21:06 15 problem nearly as effectively.

16                   So if I looked at -- for example, we've  
17 had meetings -- my office has had meetings. I think  
18 the Agency, perhaps, has, too, with several of the  
19 agencies that tend to deal with this in huge volumes,  
14:21:17 20 and we -- I believe we have some things we can do with  
21 them and I believe some understanding has been gained  
22 by them that would put them in a better position to  
23 minimize this problem.

24                   So the other thing I think about is:  
14:21:30 25 With 3,000 new employers a month joining the rolls of

14:21:34 1 Texas employers, we're chasing a never-ending target,  
2 and I just sort of wonder about the very small  
3 employers who might incur a substantial penalty from  
4 this process. Are we driving them to more payrolling  
14:21:51 5 agencies, more temp agencies, more staff leasing  
6 services as opposed to driving up their ownership for  
7 timely data? So -- and that may be one of the  
8 unintended consequences.

9 So at this time point in time, I have  
14:22:08 10 trouble supporting the proposal as a legislative  
11 recommendation, although I don't have trouble  
12 continuing to work toward one that would work.

13 CHAIR RATH: Thank you.

14 Do you have any questions?

14:22:21 15 COMM. CONGLETON: I agree with both of  
16 you.

17 (Laughter)

18 COMM. CONGLETON: Well, the fact is that  
19 if you want to get their attention, there's nothing  
14:22:25 20 like money to make them look up, but -- and I would  
21 vote "yes" for this, but not as a mandatory but  
22 discretionary situation.

23 CHAIR RATH: Could you elaborate on that  
24 a little bit?

14:22:38 25 COMM. CONGLETON: Well, you know, I want

14:22:40 1 us to have the ability to make responsible  
2 chargebacks, but I'm not sure that we should do it in  
3 every case. So I would make it discretionary rather  
4 than mandatory.

14:22:51 5 CHAIR RATH: So like either subject to  
6 Commission rule or --

7 COMM. CONGLETON: Subject to --

8 CHAIR RATH: -- subject to --

9 COMM. CONGLETON: -- Commission rule,

14:22:58 10 most likely, or --

11 CHAIR RATH: -- repeat offenders.

12 COMM. CONGLETON: Yeah. You know,

13 repeat offenders or somebody that's just blatantly

14 ignored us and we know that for a fact. I would make

14:23:08 15 it discretionary rather than mandatory.

16 CHAIR RATH: I'd be very comfortable

17 with doing that, making it either subject to rule or

18 where it's possible for us to do it where we can

19 elaborate in rule when it would apply or make it for

14:23:21 20 repeat offenders. I'm very comfortable doing that. I

21 think it's important, since we had the SAO report, to

22 at least respond to that and demonstrate some

23 responsiveness to it, and I think that would go a long

24 way to doing it.

14:23:34 25 So I'd be glad to work with both of

14:23:38 1 you-all in coming up with language that would be --  
2 that you-all would both be more comfortable with.

3                   COMM. CONGLETON: I'd be glad to do  
4 that, Chair. And I think, probably, Commissioner  
14:23:45 5 Lehman would, too. Would you feel better about that  
6 result if --

7                   COMM. LEHMAN: I'm very much -- I'm very  
8 much in favor of working -- or looking -- looking for  
9 a way to address the problem such that, one, we retain  
14:24:02 10 the flexibility we need to not appear anti-employer  
11 and still get rid of the problem. And I -- like I  
12 say, I think a combination of improved communications,  
13 some additional education and --

14                   COMM. CONGLETON: I think you'd be  
14:24:15 15 hard-pressed to call us anti-employer on this  
16 Commission.

17                   (Laughter)

18                   CHAIR RATH: And I think we can  
19 certainly work on the form that employers are sent  
14:24:25 20 immediately. So I know that they have been asking for  
21 that input for many months now. So if you have input  
22 for them, I know they would respond to that.

23                   COMM. LEHMAN: Well, it might be -- it  
24 might be appropriate to ask staff at this point.  
14:24:36 25                   Has this -- the employer communications

14:24:38 1 request that we posted in September of -- well, two  
2 and a half years ago, do you know if this issue is  
3 being -- has been considered, is being considered,  
4 was -- I mean, is that in there anywhere, Mr. Steve  
14:24:51 5 Riley, or anybody in the audience, that could speak to  
6 that?

7 CHAIR RATH: Well, I would say -- I  
8 would say it doesn't matter if it is or if it isn't.  
9 If the form needs changing, we can change it.

14:25:02 10 MR. TEMPLE: We'll see what the status  
11 is and get back to you and let you know what's been  
12 worked on. If it's not, we'll certainly work on it.

13 COMM. LEHMAN: All right.

14 MR. TEMPLE: I know we -- we've been  
14:25:10 15 trying to clarify all of those forms as much as  
16 possible --

17 COMM. LEHMAN: Yeah.

18 MR. TEMPLE: -- such things as the  
19 tutorial that we put several years ago on the website  
14:25:17 20 for both claimants and employers. So we've been  
21 working toward that end, I think; so -- we'll work  
22 with you on that.

23 COMM. LEHMAN: All right. Good.

24 CHAIR RATH: Very good. So I think  
14:25:27 25 there is support for moving forward to looking at

14:25:30 1 language that would make it, perhaps, allowed and  
2 governed by or implemented by our rules or targeting  
3 those that are repeat offenders, but at least our  
4 having the ability to consider this for those that are  
14:25:43 5 blatantly impacting the system.

6 Did I phrase that correctly?

7 COMM. CONGLETON: I think you did.

8 CHAIR RATH: Very good. Then we'll move  
9 forward.

14:25:49 10 COMM. LEHMAN: Well, and it's  
11 important -- I'm still not in agreement that this is a  
12 legislative recommendation without some additional  
13 work underway. So --

14 CHAIR RATH: I believe there's two  
14:26:02 15 votes --

16 COMM. LEHMAN: I understand. That's --

17 CHAIR RATH: -- to move forward with  
18 this as part of a legislative recommendation, but we  
19 will be continuing to work on the format it takes.

14:26:08 20 COMM. LEHMAN: Okay.

21 CHAIR RATH: So it will be part of our  
22 legislative package, as I understand it, with the  
23 flexibility so that it can be applied when  
24 appropriate.

14:26:19 25 COMM. CONGLETON: I agree.

14:26:19 1                   COMM. LEHMAN: That's what I understand.  
2 Thank you.

3                   CHAIR RATH: Okay. Very good.  
4 Anything else on legislative issues?

14:26:25 5                   MR. LEWIS: No, ma'am.

6                   CHAIR RATH: Thank you.

7                   AGENDA ITEM NO. 15

8                   CHAIR RATH: And I understand there's  
9 nothing on federal or state today.

14:26:30 10                  MR. LEWIS: That's correct.

11                  CHAIR RATH: Very good.

12                  AGENDA ITEM NO. 16

13                  CHAIR RATH: That brings us to Katrina  
14 and Rita. And nothing there.

14:26:36 15                  AGENDA ITEM NO. 17

16                  CHAIR RATH: And then staff reports.

17                  Mr. Temple.

18                  MR. TEMPLE: Yeah. Randy Townsend is

19 going to give a report on a new report that we're

14:26:38 20 required to -- report on a new report. How's that?

21                  (Laughter)

22                  MR. TOWNSEND: Good afternoon,

23 Commissioners. My name is Randy Townsend, Chief

24 Financial Officer. Let me just bring around a summary

14:26:51 25 of my bullet points and the report itself.

14:27:17 1 (Brief Pause)

2 MR. TOWNSEND: The General

3 Appropriations Act, in Article IX, Section 7.07,

4 contains a new requirement to disclose federal funds

14:27:27 5 before the beginning of each regular session of the

6 Legislature, and that is new for this particular

7 session. It requires each state agency that's been

8 awarded federal funds that are designated to be

9 expended for specific geographical area or designated

14:27:38 10 to be expended for specific purposes, of which we

11 receive federal grant funds that generally meet one or

12 both of those requirements. As you know, in this past

13 year, fairly extensive amount, actually, specifically

14 relate to hurricane activity.

14:27:51 15 There was very little guidance -- there

16 was very little -- there was no additional guidance

17 provided outside this requirement as to the specific

18 format that was required or as far as the specific

19 timing in terms of what period of time to include

14:28:08 20 other than just for the Fiscal Year 2006 and '07

21 biennium, and so TWC staff -- finance staff put

22 together information as of November 30th. We waited

23 for the first three months of this fiscal year to

24 compile information relating to the federal grant

14:28:23 25 awards that have been received, most of which you had

14:28:25 1 already considered in separate discussions, and we  
2 presented that information over to the Legislature and  
3 to the Governor's Office under our Rider 22  
4 requirements.

14:28:36 5 We provided information as it related to  
6 the federal -- catalogue of federal domestic  
7 assistance number, provided a description about the  
8 project name, project description, and on the backside  
9 of the page I handed out, also provided information  
14:28:47 10 relating to the amounts that had been expended and  
11 encumbered as of November 30th.

12 Just in summary, the total for TWC for  
13 this time period was about 144 and a half million, all  
14 of '06 and through November for 2007, and expended  
14:29:08 15 amounts -- expended and encumbered amounts totaled  
16 almost 137 million, which represented about 95 percent  
17 of that total grant amount.

18 So with this information, I just wanted  
19 to have a chance to present it to you. Unless you  
14:29:19 20 have questions or some suggestions, I was prepared to  
21 put the information together for Mr. Temple's  
22 signature. And we'll get that out before the session  
23 begins.

24 So questions or comments?

14:29:28 25 CHAIR RATH: I appreciate it. I think

14:29:28 1 it almost takes your breath away to see almost  
2 145 million of additional funds, and, clearly, it  
3 does, I think, indicate the level of services we've  
4 been delivering, primarily associated with the  
14:29:43 5 hurricane. So it's -- wish they could see the results  
6 in addition to just the dollar amount, but I think it  
7 speaks very much of this system that 95 percent is  
8 incumbent, and you answered -- or encumbered. And you  
9 answered my question about why it was November. So  
14:29:58 10 thank you very much.

11 Any questions?

12 COMM. LEHMAN: I have none.

13 COMM. CONGLETON: No questions.

14 CHAIR RATH: Okay. Then if there's no  
14:30:02 15 disagreement, Mr. Temple will sign and forward the  
16 report.

17 MR. TEMPLE: Will do.

18 Commissioners, I would like to note and  
19 compliment the system, our state staff, our boards,  
14:30:13 20 their contractors and your leadership. There was a  
21 time when a lot less money than this just threw us  
22 into a tailspin in trying to get it out the door, much  
23 less spent and spent in a way that was in accordance  
24 with all of the strings that come with federal  
14:30:32 25 dollars. And I think nearly \$150 million,

14:30:36 1 particularly when it's related mainly to a disaster  
2 and our ability to get the money out and the Boards'  
3 ability to contract it out and get the type of results  
4 that they were able to get is really a testament to  
14:30:49 5 how mature this system is and how efficient is it is,  
6 and I do want to note that.

7 CHAIR RATH: It's very --

8 COMM. LEHMAN: And how hungry it is.

9 CHAIR RATH: -- exciting.

14:31:00 10 MR. TEMPLE: And how hungry it -- I just  
11 remember when we would put a lot less than this out in  
12 a hurry and a year or year and a half later we still  
13 hadn't -- sometimes we hadn't gotten it out the door  
14 and then we hadn't gotten it spent or even encumbered  
14:31:10 15 at the local level; so -- and it's been a team effort  
16 from the dais all the way to the -- to where the  
17 rubber meets the road, and I just wanted to note that.

18 CHAIR RATH: I think that's very  
19 important, and I appreciate your mentioning it,  
14:31:23 20 particularly when we look at the results that have  
21 gone with it. Because even though it didn't have the  
22 LBB measures, clearly the federal performance that was  
23 associated with this has been outstanding and we have  
24 not had the newspaper stories that other states have  
14:31:38 25 with the management of those funds; so I really

14:31:40 1 commend you.

2 MR. TEMPLE: We have had OIG, GAO and  
3 every other alphabet agency that you can think of  
4 before we got the wrapper off; some -- most of these  
14:31:49 5 grants, looking at us and seeing how we spend it, and  
6 with rare exception, they found really no issues that  
7 were of note. So --

8 CHAIR RATH: Very well.

9 MR. TEMPLE: -- thank you.

14:32:04 10 CHAIR RATH: Any questions?

11 COMM. LEHMAN: No. I would comment, to  
12 me, it's a tribute to the whole system, your  
13 leadership and that of your team as well, that we are  
14 so poised and ready to do what needs to be done to  
14:32:17 15 accomplish the goals of the workforce system. Even  
16 with the rapid pace that the money comes out, we were  
17 on the ground, running and doing the right things, and  
18 the money just naturally followed to where it needed  
19 to go to get the right results. And so my observation  
14:32:32 20 about being hungry, it was not hungry for money, it's  
21 hungry to do the right thing.

22 MR. TEMPLE: Right.

23 COMM. LEHMAN: And that's what I think  
24 the whole system deserved to be commended about.

14:32:38 25 So I agree with your point about the

14:32:40 1 results. A further report to show all the results  
2 would be even more impressive; so I compliment all of  
3 you.

4 CHAIR RATH: Anything else?

14:32:51 5 MR. TEMPLE: One other thing. Many  
6 people in the Agency have a day-to-day business  
7 relationship with a credit union, and I just wanted to  
8 make those that weren't aware, Patty Lujan's, who  
9 works the credit union, parents were killed in a house  
14:33:10 10 fire right around the holiday period. And so I don't  
11 know at this point in time if there's any type of fund  
12 set up or whatnot, but I know many of you would want  
13 to extend your sympathy to her and her family.

14 CHAIR RATH: Thank you.

14:33:25 15 Commissioner, do you have anything?

16 COMM. LEHMAN: No, I do not.

17 CHAIR RATH: Commissioner?

18 COMM. CONGLETON: No. Thank you.

19 AGENDA ITEM NOS. 19 AND 20

14:33:28 20 CHAIR RATH: Very good. Then if there's  
21 nothing further to come before us, we will adjourn.  
22 And our next meeting is Tuesday, the 9th. And it's  
23 2:34.

24 (Proceedings concluded at 2:34 p.m.)

25

14:33:40 1 C E R T I F I C A T E

2

3 STATE OF TEXAS )

4 COUNTY OF TRAVIS )

14:33:40 5

6 I, Patricia Gonzalez, a Certified  
7 Shorthand Reporter in and for the State of Texas, do  
8 hereby certify that the above-mentioned matter  
9 occurred as hereinbefore set out.

14:33:40 10

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

14:33:40 15

16 IN WITNESS WHEREOF, I have hereunto set  
17 my hand and seal this 9th day of January 2007.

18

19

14:33:40 20

21 \_\_\_\_\_  
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