

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING

TUESDAY, MARCH 20, 2007

BE IT REMEMBERED THAT at approximately
10:00 a.m., Tuesday, the 20th day of March 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 Janis Simon, a Certified
Shorthand Reporter of:

	TABLE OF CONTENTS	PAGE
1		
2	AGENDA ITEM NO. 1	3
3	Chair Rath	
4	AGENDA ITEM NOS. 2, 3 & 4	3
5	AGENDA ITEM NO. 5	4
6	AGENDA ITEM NO. 6	No Action
7	AGENDA ITEM NO. 7	5
8	Chair Rath	
9	AGENDA ITEM NO. 8	5
10	Reagan Miller	
11	AGENDA ITEM NOS. 9 & 10	No Action
12	AGENDA ITEM NO. 11	10
13	Chair Rath	
14	AGENDA ITEM NOS. 12 & 13	10
15	Jesse Lewis	
16	AGENDA ITEM NOS. 14 & 15	No Action
17	AGENDA ITEM NO. 16	12
18	Gene Crump	
19	AGENDA ITEM NO. 17	17
20	Larry Temple and Commissioners	
21	AGENDA ITEM NOS. 18 & 19	No Action
22	AGENDA ITEM NO. 20	24
23	Chair Rath	
24	REPORTER'S CERTIFICATE	25
25		

1 P R O C E E D I N G S
2 TUESDAY, MARCH 20, 2007
3 (10:00 a.m.)

4 AGENDA ITEM NO. 1

5 CHAIR RATH: Okay. We'll go ahead and
6 come to order. And I think we will start. Do -- we
7 don't have any continuing jurisdiction this morning,
8 so we can start with Tax.

9 AGENDA ITEM NO. 2

10 Discussion, Consideration and Possible
11 Action Regarding Whether to Assume Continuing
12 Jurisdiction on Unemployment Compensation Cases, Wage
13 Claim Cases, and/or Tax Liability Cases and
14 Reconsideration of Unemployment Compensation Cases,
15 Wage Claim Cases, and/or Tax Liability Cases, if Any
16 No discussion.

17 AGENDA ITEM NO. 3

18 Discussion, Consideration and Possible
19 Action Regarding Tax Liability Cases Listed on the
20 Texas Workforce Commission Docket 12
21 The Commission discussed and took action
22 on all Tax Liability Cases listed on Docket 12.

23 AGENDA ITEM NO. 4

24 Discussion, Consideration and Possible
25 Action Regarding Higher Level Appeals in Wage Claim

1 Cases Listed on the Texas Workforce Commission

2 Docket 12

3 The Commission considered and took action on
4 all Wage Claim Cases listed on Docket 12.

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 Docket 12

10 The Commission considered and took
11 action on all Unemployment Compensation Cases listed
12 on Docket 12.

13 CHAIR RATH: Okay. It's 10:23. We're
14 going to bring us up live, so we're going to pause and
15 then we'll resume with the rest of our agenda as soon
16 as we're broadcasting.

17 (The Commission paused and continued
18 with the remainder of the agenda.)

19 CHAIR RATH: Okay. We're going to go
20 ahead and continue with the remaining agenda now that
21 we are broadcasting.

22 AGENDA ITEM NO. 6

23 CHAIR RATH: Is there anyone signed up
24 for public comment?

25 MR. BALLARD: No, there isn't.

1 CHAIR RATH: Thank you.

2 AGENDA ITEM NO. 7

3 CHAIR RATH: And the next item is the
4 acceptance of pledges for FY '07 Child Care Matching
5 Funds, and we have before us pledges for FY '07
6 totaling \$21,801 from Lower Rio. Are there any
7 questions, or is there a motion?

8 COMM. LEHMAN: No questions -- oops. I
9 have no questions. I'll enter a motion to accept the
10 Child Care pledges.

11 COMM. CONGLETON: And I'll second that
12 motion.

13 CHAIR RATH: Thank you. That brings our
14 amount pledged to date up to a little bit over 27.6
15 million with a little bit over 219,000 remaining.

16 AGENDA ITEM NO. 8

17 CHAIR RATH: Next, I think we have some
18 initiatives funded with different sources for
19 consideration today, Ms. Miller.

20 MS. MILLER: Good morning, Chair Rath,
21 Commissioners; Reagan Miller with Workforce
22 Development.

23 This morning for your consideration are
24 three proposed WIA initiatives and two proposed TANF
25 initiatives. I do want to note that we are continuing

1 support TWC's transition to a common brand. These
2 funds would be provided to each board to assist them
3 with costs associated with the implementation of a
4 common brand.

5 We also have two TANF initiatives for
6 your consideration. The first is a request for
7 \$500,000 to support the Noncustodial Parent Employment
8 Demonstration Project. The Office of the Attorney
9 General administers this initiative working with the
10 local courts and the boards to provide Employment
11 Services for NCPs who are at least 90 days behind on
12 their child support.

13 You may recall that Nicole provided you
14 with an update on this project at last week's
15 Commission Meeting. With these funds we are
16 recommending that these projects be continued in
17 Alamo, Gulf Coast, Lower Rio, Tarrant and Upper Rio.

18 And the second project we're bringing
19 forward is a \$2.25 million request to support a
20 one-stop comprehensive resource center for NCPs, also
21 administered by the OAG. The OAG is interested in
22 piloting the CRC, and its intention is to increase
23 long-term self-sufficiency and improve family
24 relationships for noncustodial parents. A portion of
25 these funds would be provided to the Gulf Coast Board

1 to provide workforce services, and the remaining funds
2 will support the CRC's operation.

3 The pilot will target approximately 800
4 NCPs recently released from incarceration who have
5 child support obligations. The project will be a
6 collaborative effort between the OAG, TWC, as well as
7 TDCJ and Amachi Texas. And you may recall that Amachi
8 provides services to the youth of incarcerated
9 individuals.

10 These are the five proposed initiatives
11 for your consideration today, and I'd be happy to
12 answer any questions that you have.

13 CHAIR RATH: I -- I don't have any -- I
14 have one slight question, and it's on the
15 Comprehensive Resource Center and the services of
16 Amachi. As the -- and I know it's very early in the
17 process. But as the center is up and running, are we
18 going to attempt to ensure that the children are being
19 served by Amachi while they're incarcerated so we have
20 that seamless connection upon release, or is it to do
21 a better job of ensuring they're receiving the
22 services once they are released?

23 MR. TEMPLE: Well, the -- the -- when
24 I -- when I met with Jim Underwood and -- and Casey
25 Hoffman, the idea was for those that already in

1 Amachi -- matching those up and any that aren't that
2 come out, match them up at that time. So, it will
3 take both approaches. So, it would be -- it would be
4 seamless either -- either approach.

5 But since they have a -- if you will, a
6 head start on the Amachi-already children, trying to
7 match those up, because that would be a -- a much -- a
8 much better head start, if you will, for that group.
9 So, it will be -- be both approaches.

10 CHAIR RATH: Thank you.

11 Any other questions?

12 COMM. LEHMAN: I've had my questions
13 answered. Thank you.

14 COMM. CONGLETON: I'm fine.

15 CHAIR RATH: Very good. Is there a
16 motion to approve the initiatives before us for
17 consideration today?

18 COMM. CONGLETON: I move to approve the
19 use of WIA and TANF funds as discussed.

20 COMM. LEHMAN: Second.

21 CHAIR RATH: And I agree.

22 MS. MILLER: Thank you.

23 CHAIR RATH: Thank you very much.

24 AGENDA ITEM NOS. 9 & 10

25 CHAIR RATH: I understand that Items 9

1 and 10 will be coming back to us later.

2 AGENDA ITEM NO. 11

3 CHAIR RATH: And that brings us to the
4 approval of Workforce members, and we have before us
5 for consideration today nominees from Alamo, Middle
6 Rio, North Texas and Brazos. Are there any questions,
7 or is there a motion?

8 COMM. LEHMAN: I have no questions. I
9 would enter a motion to approve the nominees for
10 Middle Rio, North Texas and Brazos Valley. I do not
11 offer approval for Alamo.

12 COMM. CONGLETON: And I would approve
13 them all.

14 CHAIR RATH: And I also agree with
15 approving all of them. So, Alamo, Middle Rio, North
16 Texas and Brazos are approved. And I would just
17 observe that Middle Rio needs to continue working on
18 its diversity representation.

19 AGENDA ITEM NOS. 12 & 13

20 CHAIR RATH: That brings us to
21 legislative and federal or state issues, Mr. Lewis.

22 MR. LEWIS: Good morning, Commissioners;
23 Jesse Lewis, External Relations.

24 In Congress the Appropriations and
25 Budget hearings continue to dominate the agenda. The

1 full Senate Appropriations panel is marking up Fiscal
2 '07 supplemental appropriations. The House Labor HHS
3 Subcommittee is going to be hearing from the Secretary
4 of Labor this Friday, and that will begin the
5 Appropriations process for the Labor HHS issues.

6 Here on the state side, the House and
7 Senate continue to hammer out their respective version
8 of the Appropriations bills. Last week, the House
9 Economic Development Committee held a formal meeting
10 to vote out several bills. Among those was the State
11 Auditor's recommendation that we brought forward, as
12 well as the repayment of bonds with -- with Trust Fund
13 surplus.

14 Also up for consideration was House Bill
15 2029, the ES staff bill. Chairman Desotelle did --
16 did not take that up, and has said that he's going to
17 be bringing back a committee substitute. And we'll be
18 getting that shortly.

19 Also up tomorrow is the Improper Benefit
20 and Collection Agency Bills, two of the issues that
21 came before the Commission last fall. And on Thursday
22 the House and Human Services Committee is going to be
23 taking up legislation dealing with eligibility for
24 Food Stamps and also transportation for individuals
25 who are receiving state assistance. And the House and

1 Senate continue to refer bills to the respective
2 committees, among those being the UI Confidentiality
3 bill.

4 So, with that, I'll be glad to answer
5 any questions.

6 CHAIR RATH: Thank you. Any questions
7 for Mr. Lewis?

8 COMM. CONGLETON: No questions.

9 COMM. LEHMAN: (Shaking head)

10 CHAIR RATH: Very good.

11 MR. LEWIS: Thank you.

12 CHAIR RATH: Thank you.

13 AGENDA ITEM NOS. 14 & 15

14 CHAIR RATH: Anything on our
15 Appropriations Request or Katrina or Rita?

16 (No response)

17 AGENDA ITEM NO. 16

18 CHAIR RATH: State Data Center,

19 Mr. Crump.

20 MR. CRUMP: Good morning, Commissioners.

21 For the record, Gene Crump, Deputy Executive Director.

22 I do have just a small update on the
23 Data Center Services transition. In regards to the
24 transition of the Data Center, since Dee updated you
25 at our last IT Work Session on Tuesday, DIR has hosted

1 a second all-agency meeting last Friday. And there
2 was concurrence that the IBM team for Texas is behind
3 in meeting their schedule for an effective transition
4 on March 31st.

5 All agencies have provided to DIR in
6 writing at their request the list of events that we
7 consider to be off track to effect the transition on
8 March 31st. That list basically expands most of the
9 items that Dee had mentioned last Tuesday to y'all,
10 basically involving things like job shadowing, roles
11 and responsibilities, and lack of knowledge transfer.

12 However, there has been some movement in
13 past 10 days, things like critical staffing gaps are
14 being closed. So, there is a sense of urgency. With
15 regard to the funding of the contract, several
16 initiatives have been discussed at House
17 Appropriations and Senate Finance, but today those
18 initiatives are still just under discussion.

19 Later today, Executive Director Temple
20 is meeting with the Executive Director of DIR, Brian
21 Rawson, and IBM's Project Lead for the transition,
22 Ms. Tedi Wells. And so I'm sure we'll be discussing
23 both the transition and funding with them later today.

24 That's just my quick update. Are there
25 any specific questions you have on the update or just

1 the transition in general?

2 CHAIR RATH: I guess my question would
3 be, in light of IBM's response, are you-all more
4 comfortable that it is proceeding, or do you think the
5 transition will be postponed? Or is there any
6 possibility of that, or what's y'all's sense at this
7 time?

8 MR. CRUMP: Our sense is that the
9 transition will not be postponed. However, we do
10 believe that we will have a much greater role in the
11 first month of the transition in ensuring services to
12 our clients and customers. DIR has mentioned the
13 fact -- and we will be tracking in our time tracking
14 system the amount of time we spend and we have -- and
15 we have identified to DIR we will bill for those
16 services.

17 CHAIR RATH: That was going to be my
18 question.

19 MR. CRUMP: So, we believe that the
20 transition will occur, but we will be heavily involved
21 in still providing services. It won't be the -- the
22 straight cut-off that was initially anticipated.

23 CHAIR RATH: Okay. And -- and there
24 probably will be a likelihood that the transition
25 would be more gradual after that where we continue to

1 have an increased role.

2 MR. CRUMP: Yes, ma'am. Right. Our
3 role would decrease, we would expect, over the next 30
4 days.

5 CHAIR RATH: Okay. Thank you.

6 MR. CRUMP: After March 31st.

7 CHAIR RATH: Thank you.

8 MR. TEMPLE: And that will be the gist
9 of the beginning of our meeting, is -- is expressing
10 our concern that -- that our critical mission is
11 accomplished. And with them not being quite where
12 they were on the job shadowing, that -- that we will
13 have a -- more of a role in doing that, and -- and we
14 want to make sure that our mission is accomplished and
15 the process is secondary to how they're wanting to
16 troubleshoot things.

17 But we want to make sure that it's
18 primary on their mind that, you know, our checks go
19 out on time, our -- our appeals are done, everything,
20 and all the data that our folks have to access on a
21 daily basis happen. So --

22 CHAIR RATH: Thank you.

23 COMM. LEHMAN: Just a clarification: I
24 think I understood that -- that the delay is generally
25 caused, not by a shortage of qualified staff, but the

1 transition plan of -- of moving staff from one role to
2 another.

3 MR. CRUMP: Yes, sir. It's kind of a
4 combinatorial. There's certainly a -- a nice
5 transition checklist, but we're not moving through it
6 as quickly as we anticipated so that there would be a
7 complete turnover on March 31st.

8 COMM. LEHMAN: So, I guess -- what I'm
9 fishing for is, do we have an actual shortage of
10 critical skills in -- in the form of head count?

11 MR. CRUMP: No, sir. I think we're -- I
12 think we're closing that gap. That -- that was
13 definitely a gap, I'll say, 10 days ago, but that gap
14 is being closed very quickly. The -- the problem then
15 falls into job shadowing and -- and some of those
16 type -- knowing exactly how the process is run.

17 COMM. LEHMAN: Okay. Thank you.

18 MR. CRUMP: Yes, sir.

19 COMM. CONGLETON: Well, I think that's
20 probably a better transition for our customers, but I
21 do have -- feel strange about paying somebody or
22 funding somebody while we do their job for them. But
23 other than that, it sounds good.

24 (Laughter)

25 MR. CRUMP: Yes, sir.

1 CHAIR RATH: That's a good observation.
2 Very good.

3 I -- I guess you've heard our interest
4 in keeping very accurate records of the time involved,
5 the services that we're continuing to provide.

6 MR. CRUMP: Yes, ma'am.

7 CHAIR RATH: Thank you. Very good.

8 AGENDA ITEM NO. 17

9 CHAIR RATH: Mr. Temple, I think you
10 have a report.

11 MR. TEMPLE: Well, I just wanted to give
12 a little update. As -- as I know Commissioner Lehman
13 and Chair Rath attended NASWA last week in -- in D.C.
14 and -- and we missed you, Commissioner Congleton --

15 COMM. CONGLETON: Thank you, and I
16 missed y'all.

17 (Laughter)

18 MR. TEMPLE: A couple updates -- and I
19 know that Chair Rath had -- had a good week, and
20 Commissioner Lehman, I know had -- had some good
21 discussions. But one of the things -- a couple of
22 things.

23 Number one was I participated in a panel
24 that included the N -- NGA, as well as the National
25 Council on State Legislatures giving their

1 perspectives on WIA Reauthorization. And while
2 they're pretty much in line on a lot of the issues,
3 they do, obviously, have some -- some points of -- of
4 disagreement, like NGA would prefer that the federal
5 law not require legislators to appropriate WIA funds.
6 And, of course, the -- the Council, they want to
7 maintain that authority.

8 But, generally, they were -- they were
9 on the same page on most issues. And the good news is
10 that they are letting the NASWA staff go with them to
11 some of the briefings as resource and -- and to state
12 the positions of NASWA on -- on funding. And the
13 biggest issue that they've agreed to -- that NASWA had
14 agreed to is -- is to hold the line on trying to keep
15 the funding at a minimum at the 2005 level, and so
16 that -- that's the main issue that -- that everyone is
17 trying to advance.

18 The other thing that we're going to get
19 the information out to -- to the boards and maybe --
20 and some of our state staff as well through Greg
21 Newton's organization. He's doing several trainings.
22 I know we had -- he had a -- a session at NASWA, but
23 he has a Business Service -- Business Services
24 workshop that he will be conducting in mid June, I
25 think, in Atlanta. So, it sounds like something that

1 our -- our boards' Business Service Units could really
2 take advantage of and -- and benefit from.

3 So, we'll be getting that information
4 out. I think the tuition -- I forgot what the tuition
5 is, like \$500, I think. So, it was big -- not -- not
6 really that pricey, but at the same time I think it
7 would be a good train-the-trainer. So, we'll get that
8 information out to the boards.

9 CHAIR RATH: Or maybe we should
10 investigate having him do it in conjunction with the
11 Fall Conference.

12 MR. TEMPLE: That would be great, yes.

13 CHAIR RATH: If it needs to be a full
14 day or something, maybe a day ahead of time or -- if
15 that would sure be --

16 MR. TEMPLE: Good idea.

17 CHAIR RATH: -- more assessable and
18 cheaper maybe.

19 MR. TEMPLE: Good idea. Good idea, and
20 that's -- that's all I have.

21 CHAIR RATH: Commissioner, do you have
22 anything?

23 COMM. LEHMAN: I have nothing. Thank
24 you.

25 CHAIR RATH: Commissioner?

1 COMM. CONGLETON: No, nothing. Thank
2 you.

3 CHAIR RATH: You're right. I think it
4 was good.

5 And I'll share with our -- both the
6 Agency and the boards what was good. And it was that
7 Deputy Assistant Secretary Mason Bishop admitted
8 publicly in his remarks that they had been advised
9 that they were not in full compliance, I believe was
10 his words, with the statutory requirements for funding
11 the administrative functions of UI and that they will
12 be publishing a notice of proposed rulemaking.

13 I've asked the question why that was
14 necessary, since RJM is not currently in rule. And if
15 they are going to be working on coming into compliance
16 with the statute and what they're doing now isn't in a
17 rule, why do you need a rule to change it? And I
18 think the bottom line was their attorneys advised
19 them, but it was very, I think, reassuring to have him
20 publicly state what he privately said a year ago. So,
21 maybe in the next five years funding will change, but
22 at least that's the first step.

23 I would say that we did raise the issue
24 the last morning about the BRAC process and that the
25 DOL BRAC procedures make sense if a base is being

1 closed but doesn't make sense if you're gaining,
2 especially if it's a very large influx of troops and
3 families. And no one was there that was dealing with
4 BRAC, but at least I felt better for saying it.

5 The other thing was advising the
6 legislative panel that was there from both
7 representatives of different -- both different House
8 and Senate Committees of the need for flexibility,
9 because while certainly some states are having
10 declining jobs, plant closures, huge challenges with
11 their economy, in our state, at least, we're seeing
12 explosion, huge job creation, employers desperate for
13 trained staff and that what we hear, from both
14 employers and job seekers, is the need to have
15 incumbent worker training where appropriate. And it's
16 very difficult in the current framework. So, I -- I
17 think I'm not going to kid anybody and say they
18 listened, but at least they heard the message.

19 And I do think the one thing that was
20 very, very clear is that we all have to do a much
21 better job of communicating with Congress about our
22 system and our needs, because I -- I think it's
23 important that in this state at least there's a great
24 commonality between the state and the local workforce
25 boards and a partnership and how we move forward the

1 reason you have advisory committees is for the
2 governing body to receive that input, that wisdom,
3 that observation, that information. And then, as we
4 move forward with the implementation of policies, to
5 see how that valuable perspective is reflected or
6 incorporated. And I think our actions clearly are
7 demonstrating that. And in addition to just the
8 formal, I think the informal has been invaluable.

9 And I would say that today is an example
10 when we took action on funding the branding strategy,
11 I would submit that's in direct response to the
12 discussion that the chairs had at the last Fall
13 Conference when we brought up the branding and the --
14 there was just very good support among all the chairs
15 last fall of -- and some -- some really compelling
16 conversation that occurred from the chairs or with
17 their own personal business stories of the importance
18 of branding, and they said they would do it if they
19 had the funding. So, I think we have responded to
20 that informal input, and I think that's the value of
21 the partnership we have with frequent dialogue, with
22 the opportunities to observe both around the state and
23 to listen when -- when folks take advantage of the
24 opportunity to communicate to us, both formally and
25 informally. And I think you're seeing in the last few

1 months many responses to the input that we are
2 receiving.

3 AGENDA ITEM NO. 20

4 CHAIR RATH: So, with that, if there's
5 nothing else to come before us, it's 10:45, and we
6 will stand adjourned.

7 (Meeting adjourned: 10:45 a.m.)

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

I, JANIS SIMON, a Certified Shorthand Reporter 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 day of 2007.

JANIS SIMON
Certified Shorthand Reporter
CSR No. 7076 - Expires 12/31/07
Firm No. 276
Kennedy Reporting Service, Inc.
1801 Lavaca Street, Suite 115
Austin, Texas 78701