

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING

TUESDAY, APRIL 15, 2008

BE IT REMEMBERED THAT at approximately
9:00 a.m., Tuesday, the 15th day of April, 2008, the
above-entitled matters came on for hearing at the
Texas Workforce Commission, TWC Building, 101 East
15th Street, Room 244, Austin, Texas, before TOM
PAUKEN, 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:

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P R O C E E D I N G S

TUESDAY, APRIL 15, 2008

(9:00 a.m.)

AGENDA ITEM NO. 1

CHAIRMAN PAUKEN: Good morning, ladies
and gentlemen. The meeting will 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 Dockets 12, 13 and 14

The Commission considered and took
action on all Tax Liability Cases listed on Docket 14.

AGENDA ITEM NO. 4

Discussion, Consideration and Possible
Action Regarding Higher Level Appeals in Wage Claim
Cases listed on the Texas Workforce Commission Dockets
12, 13 and 14

1 The Commission considered and took action on
2 all Wage Claim Cases listed on Dockets 12, 13 and 14.

3 AGENDA ITEM NO. 5

4 Discussion, Consideration and Possible
5 Action Regarding Higher Level Appeals in Unemployment
6 Compensation Cases Listed on the Texas Workforce
7 Commission Dockets 12, 13 and 14

8 The Commission considered and took
9 action on all Unemployment Compensation Cases listed
10 on Dockets 12, 13 and 14.

11 CHAIRMAN PAUKEN: That brings us to the
12 end of Agenda Item 5. We'll pause for a moment to
13 allow everyone to enter and let staff bring up the
14 Webcast before we take up the rest of the agenda.

15 (The Commission paused and continued
16 with the remainder of the agenda.)

17 CHAIRMAN PAUKEN: We're ready to
18 reconvene.

19 Mr. Temple or Mr. Moore, who --

20 MR. TEMPLE: Yes --

21 CHAIRMAN PAUKEN: -- gets to go first?

22 MR. TEMPLE: -- first, Commissioners, we
23 have an employee, Charles Martin, who is celebrating
24 his 40th year. He works with Larry Jones, and we'd
25 like to recognize that before we get started.

1 Larry.

2 MR. JONES: Thank you, sir.

3 Good morning. And, for the record, I'm
4 Larry Jones. I would like to take this opportunity,
5 Commissioners, to introduce to you Mr. Charles Martin.

6 Charles, would you stand up?

7 Charles Martin recently celebrated 40
8 years of state service. Charles is one of the budget
9 monitors with the Workforce Development Division. He
10 possesses a PhD degree from the University of Chicago
11 and is a former First Lieutenant with the U.S. Army
12 Reserve.

13 We had a ceremony down at the Workforce
14 Division a couple of weeks ago and recognized Charles
15 there, but we'd like to ask you to indulge us with a
16 photo opportunity, if you would.

17 So, if I could ask Charles to come
18 forward --

19 CHAIRMAN PAUKEN: Terrific.

20 COMM. LEHMAN: May we applaud?

21 (Applause)

22 (Discussion off the record)

23 (Applause)

24 AGENDA ITEM NO. 6

25 MR. MOORE: Chairman Pauken, for the

1 record, no one is registered for public comment.

2 CHAIRMAN PAUKEN: All right.

3 AGENDA ITEM NO. 7

4 CHAIRMAN PAUKEN: Mr. Temple, the --

5 MR. TEMPLE: Yes, sir. Our -- first, we
6 have pledges. Juan Garcia from Workforce will go over
7 those.

8 MR. GARCIA: Good morning, Chairman
9 Pauken, Commissioners. Juan Garcia with Contract
10 Management.

11 This morning -- this morning we are
12 bringing forth for your approval the acceptance of
13 pledges for Fiscal Year '08 Child Care local match
14 funds for the Dallas County Workforce Development
15 Board. The board has an entity that has reduced its
16 pledged amount by \$602,500. To make up this
17 shortfall, the board has negotiated pledge amounts in
18 the form of certifications of expense with the
19 following three entities: The Dallas ISD for
20 \$300,000, the Carrollton Farmers Branch ISD for
21 \$250,500 and the Irving ISD for \$52,000.

22 With your approval of these pledges, the
23 Dallas board will maintain its fully secured position
24 for FY '08. And there is no net change to the total
25 amount of local match funds secured statewide.

1 If you have no questions, staff
2 recommends your approval of these pledges.

3 CHAIRMAN PAUKEN: Any discussion?

4 COMM. CONGLETON: I have no discussion,
5 and with your permission I move that we accept the
6 pledge -- certifications for expenses from Dallas
7 County in the amount of \$602,500.

8 COMM. LEHMAN: Second.

9 CHAIRMAN PAUKEN: It's unanimous. Thank
10 you very much.

11 MR. GARCIA: Thank you.

12 AGENDA ITEM NO. 8

13 CHAIRMAN PAUKEN: All right. Now, the
14 next issue, Mr. Temple, is the --

15 MR. TEMPLE: Yes --

16 CHAIRMAN PAUKEN: -- discussion,
17 consideration and possible action regarding automated
18 attendance and validation for Child Care Services.

19 MR. TEMPLE: Yeah. Mr. Chairman, you
20 had asked that we come back and give you an update of
21 where we were on these initiatives. And the last time
22 that the Commission had action on this, we had also --
23 I promised that we would come back periodically and
24 give you an update.

25 So, we have Nicole Verver and Reagan

1 Miller that will be able to give you an update on the
2 various components of this and get your guidance
3 and --

4 COMM. CONGLETON: Are we going to take
5 this two -- in two sections?

6 MR. TEMPLE: We can break this down into
7 the biometrics piece and then into the -- the
8 attendance piece, as well --

9 COMM. CONGLETON: The electronic -- the
10 electronic attendance --

11 MR. TEMPLE: -- if that's -- if that's
12 the way you'd prefer to do it.

13 COMM. CONGLETON: I think that's --

14 COMM. LEHMAN: We prefer that.

15 CHAIRMAN PAUKEN: That will be --

16 MR. TEMPLE: All right.

17 Ladies.

18 MS. VERVER: Good -- good morning,
19 Chairman Pauken, Commissioners; Nicole Verver,
20 Workforce Development. And I have Reagan Miller
21 joining me this morning.

22 As you're aware, on June 12th the
23 Commission voted to move forward with the Child Care
24 Automated Attendance Project, which would automate
25 child care attendance and validate that child care

1 actually occurred by using biometric technology.

2 As Mr. Temple mentioned, we just wanted
3 to give you a brief update where we're at with this
4 project. We released the RFO, request for offers, on
5 February 27th. Responses are due May 16th.

6 Within the RFO, we asked the
7 respondents, the vendors, to give us two costs. We
8 asked them to give us a cost to automate child care
9 attendance, which is the swipe card. And what that
10 will do is increase efficiencies and decrease
11 administrative costs so they would be electronically
12 tracking child care attendance.

13 We also asked for a separate cost to add
14 onto the automated attendance the validation piece,
15 which is the biometric piece, which would validate
16 that child care actually occurred at a specific
17 location. So, when we receive those -- receive the
18 responses to the RFO on May 16th, we'll have both of
19 those costs on there.

20 At the March 4th Commission Meeting we
21 were also instructed to move forward with identifying
22 some biometric expert to help us score the RFO and
23 also to evaluate the proof of concept, if we chose to
24 move forward with the biometric technology. Staff is
25 currently looking at our procurement options to retain

1 this type of expertise.

2 So, because you asked us to keep you
3 updated, we just wanted to give you a little update.
4 And if you have any questions, we'll be glad to answer
5 those.

6 CHAIRMAN PAUKEN: Would you like to
7 begin, Mr. Congleton?

8 COMM. CONGLETON: Thank you, with your
9 permission.

10 How many boards do we now have using the
11 electronic billing?

12 MS. VERVER: Currently, we have several
13 boards -- I don't have the exact count for you -- that
14 are using --

15 COMM. CONGLETON: A majority of those?

16 MS. VERVER: -- a majority of boards are
17 using attendance tracking called eVision, which is
18 Internet-based.

19 COMM. CONGLETON: And -- and -- and
20 that's a part of this one part that we're talking
21 about, not --

22 MS. VERVER: Well, what --

23 COMM. CONGLETON: -- not the biometric
24 part but --

25 MS. VERVER: Correct. What -- what

1 for part-time care, if -- if part-time care is
2 actually occurring and not full-time. Some of the --
3 the research that's -- that's been done show that
4 providers sometimes will bill you for full-time care
5 when really only part-time care is occurring. But
6 with the swipe card, you're going to be able to
7 capture that as the parent comes in and out of the
8 child cares.

9 COMM. CONGLETON: And the -- the parent
10 has to swipe the card both coming in and going out --

11 MS. VERVER: Yes.

12 COMM. CONGLETON: -- is that correct?

13 MS. VERVER: Yes, sir.

14 MR. TEMPLE: What -- what we -- this was
15 in response to your charge, Commissioners, when we got
16 the reports back of the varying administrative costs
17 at the -- at the board level, some as high as 20
18 percent, I think, and some as low as 5 --

19 COMM. CONGLETON: I do remember the high
20 cost of -- of that.

21 Do we feel that this is going to be
22 relatively cheap?

23 MS. VERVER: I -- I can kind of share
24 with you what Oklahoma paid. And, granted, it was in
25 2002. They spent, for the first year, a little over 5

1 million. The cost broken down was about 3.6 million
2 for the point of service machines, which Oklahoma paid
3 for, they did not have their providers.

4 They spent a little over a million
5 dollars in training for providers and parents and
6 about 500,000 in development costs. Now, Oklahoma
7 just used swipe cards for their licensed centers.
8 They -- they don't have relative care, per se.

9 So, we also have another population that
10 we would probably not use the swipe card for. We
11 might want to do phone-based billing for that group of
12 people, which several of the boards are doing at this
13 point in time for the relative providers.

14 CHAIRMAN PAUKEN: Now, are any of -- and
15 you're saying no boards here in Texas currently use
16 a -- a swipe card?

17 MS. VERVER: Not for Child Care
18 Services, no, sir.

19 CHAIRMAN PAUKEN: Okay. Is there --
20 have you had discussions with boards in terms of
21 whether they -- or child care entities that we are
22 involved with as to their openness or willingness to
23 bear part or all of the cost of this new system?

24 MS. VERVER: When we did our CCDF State
25 Plan hearings, which we have to do every two years, we

1 did this last year, former Chair Rath spoke a little
2 bit about this initiative. And we had -- granted, the
3 hearings were not well attended. But the providers
4 that were there we did talk about this initiative and
5 that they would consume the costs for the point of
6 service machine, and we didn't really get any negative
7 feedback.

8 They were very happy that -- to automate
9 the process --

10 CHAIRMAN PAUKEN: That would help them
11 save money, as well?

12 MS. VERVER: Exactly. One of the
13 providers did say they have almost a full-time
14 employee to enter information on our subsidized
15 children, so --

16 MR. TEMPLE: I believe the commercial
17 for profits that use credit cards already for
18 payments, a lot of them already had a point of sale
19 device --

20 CHAIRMAN PAUKEN: Oh, okay. So, it
21 would be --

22 MR. TEMPLE: -- is my understanding.

23 CHAIRMAN PAUKEN: -- easily adjustable?

24 MR. TEMPLE: For -- for some it would
25 be -- be easily adjustable.

1 CHAIRMAN PAUKEN: Okay.

2 Mr. Lehman.

3 COMM. LEHMAN: Yeah, it might help me to
4 understand where -- I have no doubt that it will
5 improve efficiency, but where are we going to see the
6 cost savings? I mean, how will -- I mean, the -- the
7 child care costs are set by market rate studies. So,
8 where are we going to see the cost savings?

9 MS. MILLER: At -- Reagan Miller, for
10 the record.

11 The -- the boards track both
12 administrative and operating costs for their oversight
13 of the program. If they're able to reduce the costs
14 that they're spending on the administrative and
15 oversight, then they'll be able to put more money into
16 direct care.

17 So, when we talk about a cost savings, I
18 think we're really talking about a cost offset. You
19 can offset and reduce the oversight costs and make
20 more funding available for direct care.

21 COMM. LEHMAN: If I understand, the
22 swipe process is going to be done at the provider?

23 MS. MILLER: Yes, sir.

24 COMM. LEHMAN: By provider staff.

25 MS. MILLER: By parents.

1 COMM. LEHMAN: By parents. So, we're
2 basically expecting the provider to quote cheaper
3 rates to us in terms of cost?

4 MS. MILLER: No --

5 MR. TEMPLE: No -- no, sir. What --
6 what -- what we're saying is --

7 COMM. CONGLETON: You get more child
8 care.

9 MR. TEMPLE: -- that at this point in
10 time the child care provider and our boards are doing
11 a manual data entry on a paper process. And what this
12 would allow would be to automate the -- the in and out
13 of a child coming in and out of care to where the --
14 the attendance reports for billing purposes and
15 attendance purposes would be automated, and we would
16 negate the need for a person to take the stack of
17 attendance sheets and enter it on a daily or weekly
18 basis, as it is now.

19 COMM. CONGLETON: Let me ask you one
20 question: What happens when the parent shows up and
21 doesn't have her card?

22 MS. VERVER: Well, in Oklahoma what they
23 allow is they allow a parent, I believe, nine days to
24 back swipe. And so if the parent was there without --
25 without their card, they could pick up their kid and

1 they would come in the next day and swipe for
2 yesterday and today.

3 So -- and to talk about the
4 administrative savings, when Oklahoma implemented this
5 in 2002, they did see a reduction of improper payments
6 by about 10 percent. And so they were able to
7 increase the number of kids in care, kind of do some
8 switching between their administrative costs and their
9 direct care.

10 CHAIRMAN PAUKEN: So, it helps address
11 the issue of those who are gaming the system or trying
12 to, perhaps, declare people in attendance -- children
13 who are in attendance who are not there?

14 MS. VERVER: Correct.

15 CHAIRMAN PAUKEN: Okay.

16 MR. TEMPLE: We have a -- we do have a
17 baseline established of what administrative costs are
18 at this time. So, we would be able to look at this
19 over time to see where the funding shifted from
20 administrative and operational to -- to direct
21 services. So, we would be able to -- to see that.

22 But the experience of Oklahoma gives us
23 an idea of -- of where that went as a --

24 CHAIRMAN PAUKEN: Mr. Congleton.

25 COMM. CONGLETON: I -- you know --

1 and -- and -- and I -- I want to reduce the cost, of
2 course, and add it to our child care service. I
3 somehow wonder if -- if -- if you think this is --
4 will stop the gaming of the system.

5 MR. TEMPLE: I --

6 COMM. CONGLETON: You know, I can
7 feature a -- a parent taking her kid out of child
8 care, and somehow the child care person getting their
9 card. So --

10 MR. TEMPLE: There -- there are
11 certainly ways people can game the system.

12 The example, when I was in the Human
13 Services arena and we went from a paper coupon in Food
14 Stamps to a -- a -- a card -- and what we were able to
15 do in the beginning is we were able to detect more
16 fraud. It was always there; we just weren't able to
17 detect it. But we -- we were able to detect it and
18 then put measures in and, eventually, I believe we
19 were able to see fraud being reduced.

20 It could very well be that we find
21 instances of fraud that we were not aware of before,
22 before we were able to get that. So, there's probably
23 a -- a curve on this from an awareness point of view
24 to where it levels out and people are aware of what's
25 expected of them.

1 But even setting aside that, just the
2 absolute cost of operating and administering the
3 program is going to be reduced, because it's not going
4 to be as labor intensive. And then, I think,
5 obviously, not a -- I mean, an offshoot of that is
6 certainly -- and one of the initiatives we'll be able
7 to better determine who -- who is using the system.

8 And to the degree that -- that we can
9 pay for part-time, where someone is able to -- to do
10 part-time care and us not be billed for full-time, it
11 certainly would save us money.

12 COMM. CONGLETON: Well, like my two
13 fellow Commissioners, I just want to make sure that we
14 are spending those taxpayers' dollars wisely, and
15 we're going to get some benefit back to those
16 taxpayers in the end.

17 MR. TEMPLE: I -- I -- I believe this
18 piece of the initiative that we're talking about is
19 one that's not -- it's -- it wouldn't be considered
20 invasive, I don't believe, on anyone's personal rights
21 or anything. And it certainly is something that's
22 been tried and tested in this arena and then others,
23 as well.

24 CHAIRMAN PAUKEN: Now, are we going to
25 have to go outside on this piece -- I'm -- and forgive

1 me for asking a stupid question, but I'm new to all of
2 this -- in order to be able to determine what is the
3 system or --

4 MR. TEMPLE: No. No, sir.

5 CHAIRMAN PAUKEN: -- we can --

6 MR. TEMPLE: We -- we have the expertise
7 and -- and the data --

8 (Simultaneous discussion)

9 CHAIRMAN PAUKEN: -- so we can handle
10 that --

11 MR. TEMPLE: -- internally to analyze
12 this.

13 CHAIRMAN PAUKEN: -- so there's not
14 going to be an outside cost, or we're not going to
15 have to put out a request for proposal --

16 MR. TEMPLE: Well, no. No, we -- we
17 have a proposal out for this piece, and then we asked
18 for another piece on the biometrics. For this piece
19 we have a proposal out. What we won't need is we will
20 not need outside help to evaluate those proposals --

21 CHAIRMAN PAUKEN: We've got the internal
22 expertise?

23 MR. TEMPLE: We have the internal
24 expertise and the data to be able to do the
25 comparisons and show. That's -- we don't have that

1 for the biometrics piece.

2 CHAIRMAN PAUKEN: Right. Yeah.

3 MR. TEMPLE: We don't know what we don't
4 know about biometrics.

5 (Laughter)

6 MR. TEMPLE: Does that make sense?

7 CHAIRMAN PAUKEN: We'll get to that in a
8 moment.

9 MR. TEMPLE: We do know what we don't
10 know about the other.

11 CHAIRMAN PAUKEN: We'll get to that in a
12 moment, Mr. Temple.

13 Mr. Lehman.

14 COMM. LEHMAN: Now, if -- if I were to
15 call each of the -- of the staffs of the boards, what
16 would I hear in terms of the general consensus? Are
17 they in favor of this? Are they concerned about it,
18 or are they opposed to it?

19 MS. VERVER: Well, as you're aware,
20 we've been talking about this for quite some time. I
21 think it first came before the Commission in November
22 of 2006. We've -- we really have gotten positive
23 feedback from the boards in terms of decreasing the --
24 the administrative costs and just the efficiencies
25 that they're going to gain by -- I mean, they still

1 have to prove that child care actually happened and
2 occurred but just the speed at which now attendance
3 information is going to be processed.

4 And then we've already -- are in the
5 process of implementing the electronic funds transfer
6 for payments for the providers. And so they really
7 see it more as a -- a completion in the cycle of --
8 from point in time the -- the child goes in the center
9 to the provider getting paid.

10 COMM. LEHMAN: Okay. Let's -- let's
11 take this funds transfer process a little further.
12 Talk -- talk a little bit more about that and its
13 impact on the boards, the providers and so on.

14 MS. VERVER: The electronic funds
15 transfer we were able to do -- actually implement
16 without going through rule. So, we brought that
17 before the Commission a couple of months ago and got
18 your approval.

19 With EFT and debit card, the boards are
20 now -- they have a plan due to us by the end of April.
21 But by October 1st, they have to have implemented
22 electronic funds transfer and debit card as payment
23 options for child care providers.

24 We've gotten a little pushback from the
25 boards in offering debit cards as a payment option.

1 Electronic funds transfer, several of the boards have
2 already been doing that for the last couple of years,
3 especially some of the larger boards. So, that's
4 really nothing new to them.

5 They have concern about actually having
6 the option for a debit card because of the costs
7 associated with that.

8 COMM. LEHMAN: Have you looked at --
9 well, first, have you thought about is -- is that a
10 valid concern on the part of the boards? And, two, if
11 it is, are there provisions for waivers or alternative
12 procedures? I mean, I've gotten some feedback that
13 debit cards may not have a universally broad-based
14 application on one or two people, and it seems kind of
15 senseless to set it up.

16 MS. MILLER: I think that's -- that's a
17 lot of the feedback that we've gotten, that there are
18 some boards that have already implemented electronic
19 funds transfer without providing the option of debit
20 cards and have found that to be successful. When this
21 was brought before the Commission a few months ago,
22 there was a mandate that the boards would provide an
23 option of debit cards.

24 So, we did have some boards expressing
25 concerns that they had already implemented this

1 successful model, and the Commission was now mandating
2 a change to what they felt like they had already done
3 successfully. You are correct that a lot of the
4 boards feel like the -- the utilization will be low,
5 because many -- many of the people that they deal
6 with, many of the entities are licensed centers,
7 licensed homes, that have bank accounts.

8 And, generally, they feel that it's the
9 relative providers that might want to take advantage
10 of debit cards. Of course, some relative providers
11 might have bank accounts and prefer automated
12 deposits.

13 CHAIRMAN PAUKEN: We're -- excuse me.
14 I'm a little confused. I -- we're almost talking
15 apples and oranges here, aren't we?

16 MS. MILLER: Yes, sir.

17 CHAIRMAN PAUKEN: I mean, we're -- the
18 issue is the swipe cards --

19 MR. TEMPLE: It's separate --

20 (Simultaneous discussion)

21 CHAIRMAN PAUKEN: -- for attendance --

22 MR. TEMPLE: Yes.

23 CHAIRMAN PAUKEN: -- and validation --

24 MR. TEMPLE: It's separate and apart

25 from the --

1 CHAIRMAN PAUKEN: -- and that's separate
2 and apart --

3 MR. TEMPLE: -- the benefit transfer.

4 CHAIRMAN PAUKEN: Okay. So, we're
5 not -- we're not -- are we seeking a decision on the
6 second issue today or --

7 COMM. LEHMAN: I'm just trying to make
8 sure --

9 CHAIRMAN PAUKEN: Oh.

10 COMM. LEHMAN: -- we understand all the
11 pieces, at least I thought I was.

12 CHAIRMAN PAUKEN: Oh, okay. But this is
13 not -- if we did one, it doesn't necessarily mean we
14 have to do the other --

15 MS. MILLER: That's correct. And, in
16 fact, the way this is posted, we -- we -- we are not
17 authorized to take any action --

18 CHAIRMAN PAUKEN: Okay.

19 MS. MILLER: -- on the payment piece.
20 We're merely talking about the attendance piece --

21 CHAIRMAN PAUKEN: We're just talking
22 about the swipe cards for attendance and validation?

23 COMM. LEHMAN: Right.

24 MR. TEMPLE: If you'd like to bring that
25 back for -- for us to do some more research and come

1 to you on the payment piece, we can do that have it
2 posted at another time --

3 COMM. CONGLETON: Is -- the RFP is out
4 on the swipe card, we have that out now?

5 MR. TEMPLE: Yes.

6 MS. VERVER: Yes. Yes.

7 MR. TEMPLE: It is out.

8 CHAIRMAN PAUKEN: Okay.

9 COMM. CONGLETON: I would make the
10 recommendation, Chair, that we go ahead with it on the
11 swipe card part, then come back when we have a price
12 on what that's going to cost us and for our final
13 decision.

14 CHAIRMAN PAUKEN: Is there a second to
15 that?

16 COMM. LEHMAN: I'll second that, sure.

17 CHAIRMAN PAUKEN: And I -- I support
18 that. It's a unanimous decision of the Commission to
19 move forward on that element of the child attendance
20 and validation portion.

21 Now, let's go on to the second issue,
22 which is --

23 COMM. LEHMAN: Well, let me -- let me --

24 CHAIRMAN PAUKEN: Oh, okay.

25 COMM. LEHMAN: The child attendance and

1 validation as it pertains to the swipe card
2 technology.

3 CHAIRMAN PAUKEN: Right. As it -- as it
4 pertains to the swipe card technology.

5 Thank you,
6 Commissioner Lehman, for making it for more specific.

7 All right. Okay. Let's go on to the
8 second issue --

9 MR. TEMPLE: The next piece is the
10 biometrics piece --

11 CHAIRMAN PAUKEN: Is that the
12 fingerprinting or -- you call it biometrics?

13 MR. TEMPLE: Yes, sir. Whatever it
14 comes out to be --

15 MS. VERVER: Validation of child care
16 attendance. How's that?

17 (Laughter)

18 MR. TEMPLE: Validation of child care --
19 yes.

20 CHAIRMAN PAUKEN: Okay. Why don't you
21 walk us through that and where we are on that?

22 MS. VERVER: Well, currently, the RFO is
23 out for that piece, as well. We have both the child
24 care swipe card and the biometric piece in one RFO.

25 The way the RFO is written, the

1 Commission can choose to move forward with just the
2 child care swipe card or -- and/or the biometric
3 piece. The RFO was written pretty broadly because, as
4 Mr. Temple referenced, we don't know what we don't
5 know about biometrics.

6 We had a bidders conference mid March.
7 We had a lot of vendors come in asking questions about
8 what exactly we wanted to do. The way the RFO is
9 written is we are actually attempting to validate the
10 child care actually occurred at a specific location by
11 a specific provider through the use of biometric
12 technology.

13 CHAIRMAN PAUKEN: But that's biometric
14 technology on the children in attendance. Is that
15 correct?

16 MS. VERVER: Well, the proof of concept,
17 which we wrote into the RFO, the vendor is going to
18 have to prove to us at what age a child can be
19 biometrically identified. Studies have shown that,
20 once you get lower than five years -- five years or
21 under, you can't biometric -- biometrically identify
22 children.

23 Most of our kids are the ages of newborn
24 to 4. So, that is definitely a concern of ours. So,
25 the vendor would have to come in and prove to us at

1 what age you can biometrically identify the children.

2 CHAIRMAN PAUKEN: So, we could
3 potentially spend a tremendous amount of money and --
4 and -- and find -- even if one is comfortable with the
5 concept, that it's going to miss a huge portion of
6 the -- of the clients served?

7 MS. VERVER: We -- we would definitely
8 have to adjust how we do the biometrics, absolutely.

9 CHAIRMAN PAUKEN: Okay.
10 Commissioner Congleton.

11 COMM. CONGLETON: Well, originally, I
12 had a lot of problems with this. Now, I have a lot
13 more.

14 (Laughter)

15 COMM. CONGLETON: I'm not comfortable
16 with fingerprinting or retina scanning little kids.
17 I'm not comfortable with that, and I'm certainly not
18 comfortable with spending that amount of money to get
19 something that's like buying a -- a big in a poke. I
20 don't think we -- anyway that we can justify that
21 amount of money from the taxpayers of Texas to this
22 futuristic situation. And I -- I would oppose it.

23 CHAIRMAN PAUKEN: Well, I -- I -- I'm
24 new to the -- the Board, obviously, here. But when I
25 was briefed on this issue, I -- I -- I have similar

1 philosophical concerns.

2 I -- and -- and added to that is the new
3 information that -- you know, which relates -- let's
4 just look at -- forget the philosophical concerns for
5 a moment. You've got a whole cost benefit analysis.
6 This is -- obviously, would be a very expensive
7 process, and then -- and then you're in a situation in
8 which it may not cover everyone.

9 But I'm just troubled philosophically by
10 the idea of either fingerprinting or -- or somehow
11 identifying children who go through this system.
12 There ought to be a better way to address the fraud
13 issue.

14 The swipe card sounds like an excellent
15 one. I would like to see us take a look at what could
16 be done, if there are folks out there, as I'm sure
17 there are, gaming the system. Are there some things
18 that we could do to improve our detection on -- of
19 fraud and make sure those funds which are necessary go
20 to the needy parties?

21 But I have a real problem with that, and
22 I just -- I -- I brought this issue up as soon as I
23 was made aware of it, because I don't want to see
24 companies out there spending a lot of money on a
25 request for proposal process in which it comes back to

1 the Board later on. And, of course, that money then
2 is already spent.

3 And -- and -- and I find myself
4 philosophically unable to support something like that,
5 in -- in addition to being concerned. I don't think
6 we have enough information with regard to the cost
7 benefit analysis here.

8 So, I -- I really -- I agree with
9 Commissioner Congleton. I think this is a -- a -- a
10 very slippery path that we're going down, and I'd like
11 to bring it to a -- to a screeching halt immediately
12 before we go down -- go further down this road. So, I
13 would -- I -- I would support his comments here.

14 Commissioner Lehman.

15 COMM. LEHMAN: Wow, I have always been
16 concerned about the fact that we don't have, in my
17 mind, a complete and comprehensive process/analysis of
18 where the fraud could occur, where it is occurring and
19 what it would cost to engineer it out through the
20 process refinement. My further hesitancy was on the
21 fact that early adopters of technology invariably
22 always pay more and learn the toughest lessons and
23 have suboptimal results over later adopters.

24 My willingness to go forward with an RFP
25 was based on the fact that some level of business

1 involvement suggested that it was a worthwhile
2 business goal to at least explore, and staff was
3 instrumental in helping me understand that what we
4 don't know -- as Larry said, what we don't know
5 sometimes informs us to make better decisions.

6 So, I didn't see it as a problem to at
7 least get some feedback back from people that would be
8 interested in pursuing this. But I, clearly, expected
9 not to make an investment based on that in the near
10 term that, at a minimum, it would help us think about
11 what is a later time we might engage in this process.

12 I was aware that infants and young
13 children -- this technology is not predisposed to be
14 accurate with them, and I couldn't imagine getting --
15 whether it was speech recognition or bio --
16 fingerprints or anything else, I couldn't imagine
17 getting infants to cooperate at the right times in any
18 kind of meaningful manner. So, I was having trouble
19 envisioning how it would work, period.

20 So, I think -- I think the -- where I am
21 at this point is I'm not interested in making the
22 biotech investment, period, never have been. I was
23 interested in trying to be open-minded and -- and
24 receive input. And if that RFP provided that input, I
25 was not opposed to that process because it was

1 comprehensive and broad in scope and it allowed a
2 variety of responses.

3 So, I guess the bottom line is, I
4 don't -- I don't want us to be in the business of
5 trying to launch new technologies with young kids
6 until we know more than what we know today.

7 CHAIRMAN PAUKEN: Commissioner
8 Congleton, do you have a motion for the Commission to
9 consider?

10 COMM. CONGLETON: I do. And because
11 the -- the cost of this is -- has been mentioned as
12 high as \$30 million and -- and the best estimate I can
13 find on what we think fraud might be in child care --
14 and it's been estimated at -- or thought it might be
15 at least a million dollars a year and not wanting to
16 take 30 years to recover our costs, I wanted to --

17 CHAIRMAN PAUKEN: It's a motion or a
18 statement, Commissioner?

19 (Laughter)

20 COMM. CONGLETON: It's a -- that's a
21 statement.

22 (Laughter)

23 COMM. CONGLETON: And I -- I make the
24 motion at this time that we do not do the biometric
25 part of this and -- at this time and just put that on

1 hold until we -- sometime in the future when we come
2 back and think it might be plausible.

3 CHAIRMAN PAUKEN: Is there a second to
4 that?

5 COMM. LEHMAN: I second that.

6 CHAIRMAN PAUKEN: And I'll make it
7 unanimous. All are in favor of -- of suspending the
8 RFP or RFO, I guess you call it here, in -- in terms
9 of moving forward on the biometric piece.

10 MR. TEMPLE: Commissioners, so I can get
11 some clarification, we will suspend the -- and
12 withdraw the RFO as it relates to the biometrics. We
13 will keep the swipe card out, and we will bring back
14 to you for consideration and -- and discussion and
15 possible action the EFT portion of child care to
16 revisit that on the -- whether we do --

17 CHAIRMAN PAUKEN: As a separate issue.

18 MR. TEMPLE: -- as a separate issue,
19 yeah.

20 CHAIRMAN PAUKEN: That's fine.

21 COMM. CONGLETON: That's correct.

22 CHAIRMAN PAUKEN: Okay. Thank you very
23 much for a good presentation.

24 MR. TEMPLE: Thank you.

25

1 AGENDA ITEM NO. 9

2 CHAIRMAN PAUKEN: All right. We're
3 onto, Mr. Director, No. 9 --

4 MR. TEMPLE: Yes.

5 CHAIRMAN PAUKEN: -- discussion,
6 consideration and possible action regarding the
7 estimated Unemployment Trust Fund balance.

8 MR. TOWNSEND: Good morning,
9 Commissioners. My name is Randy Townsend, Chief
10 Financial Officer --

11 MR. TEMPLE: As long as he's smiling
12 when he approaches, Mr. Chairman, it's okay.

13 CHAIRMAN PAUKEN: We're -- we're still
14 solvent, huh?

15 (Laughter)

16 MR. TEMPLE: If he's -- if he's
17 frowning, it's time to call in sick.

18 (Laughter)

19 MR. TOWNSEND: I'm here to present this
20 morning the Unemployment Trust Fund projection for
21 October 1st, 2008. We've prepared our estimate using
22 information available to us as of April 9th.

23 The Trust Fund projection, the balance
24 is projected to be 1 billion 594 million on October
25 1st, 2008. That would be 674 million above the floor

1 on that date, based on our latest projections.

2 I also wanted to share with you this
3 morning a couple observations, as far as trends. For
4 the last six completed weeks, that was ending a couple
5 weeks ago, March 22nd or so, the total net benefits
6 paid averaged 24.6 million per week at that point.
7 That was up almost 19 percent from the one-year-ago
8 six-week average of 20.4 million.

9 Initial claims, the second observation,
10 averaged 12,114 for the six weeks ending March 22nd.
11 That was up almost 9 percent from the one-year-ago
12 six-week average of 11,130. Those amounts -- those
13 trends that I just spoke of, those have been built
14 into our projected assumption in coming up with that
15 October 1st projected balance.

16 CHAIRMAN PAUKEN: Okay. So, you're
17 assuming the continuation of the negative trends,
18 which have begun recently?

19 MR. TOWNSEND: Yes, sir. That's right.

20 CHAIRMAN PAUKEN: Commissioner Lehman?

21 COMM. LEHMAN: Well, I -- I think in --
22 in general, my observations are -- first, Randy, thank
23 you for the work you -- you and your staff do on this.
24 We -- we always appreciate that.

25 What -- in my travels around the

1 state -- and I've been a lot of places lately --
2 employers are still clamoring for qualified workers in
3 virtually every corner and -- and every corridor of
4 the state, and that's in no small part thanks to the
5 leadership of the Governor, the Legislature and all
6 the people behind the scenes, such as folks in the
7 workforce system that help support that.

8 I guess I'm still pretty optimistic
9 about the future of the Texas economy, and I recognize
10 there's some churn, there's some displacements
11 underway and there's some churn. But, in general, our
12 economy is still pretty healthy, and I'm very proud of
13 the job the employers are doing to create new jobs.

14 CHAIRMAN PAUKEN: Commissioner
15 Congleton.

16 COMM. CONGLETON: Thank you, Randy, and
17 I have no comment.

18 CHAIRMAN PAUKEN: Yeah, I would just
19 add, I -- obviously, I think Texas, for a variety of
20 reasons -- and including those mentioned by
21 Commissioner Lehman -- has been relatively immune to
22 some of these trends at the national level. But it's
23 not going to last forever in this -- what some view as
24 a bubble economy nationally, and the credit crisis is
25 not going to go away. And I think we've avoided a lot

1 of problems of -- of the other states, but
2 nonetheless, it's something that we've got to bear
3 close attention to between now and, I guess, October
4 is the -- is the decision period in terms of what we
5 do going forward.

6 MR. TOWNSEND: The October 1 date is
7 important in that that's the point in time when --
8 when we look at the balance and we'll use actual
9 information at that point, obviously. It becomes the
10 basis for setting tax rates for the next year.

11 CHAIRMAN PAUKEN: And if there -- if
12 there were some potential negative developments
13 earlier than -- of a serious nature, then we could
14 address it at that time, as well?

15 MR. TOWNSEND: It might be helpful,
16 perhaps, to come around and -- and spend a little time
17 going through some of the details of how the tax
18 system is set up, perhaps, with Steve Riley, as
19 well --

20 CHAIRMAN PAUKEN: Good.

21 MR. TOWNSEND: -- who has a lot more of
22 the details, because it's -- it's a little bit more
23 involved than -- but it usually -- it -- you do look
24 at that point in time for the most part, but there's
25 a --

1 CHAIRMAN PAUKEN: And you feel -- you
2 feel good at the moment, at least, based on current
3 trends that we're in good shape at least until the
4 October period?

5 MR. TOWNSEND: -- the October 1 balance
6 we're fine --

7 CHAIRMAN PAUKEN: Terrific. Well,
8 thanks for a good report.

9 MR. TOWNSEND: Thank you, sir.

10 AGENDA ITEM NOS. 10 & 11

11 CHAIRMAN PAUKEN: Okay. Mr. Director.

12 MR. TEMPLE: Yes, sir. If -- if it's
13 okay, Commissioners, we'd like to take 10 and 11
14 together. It's the deobligation and the reobligation
15 of Workforce -- Workforce Investment dollars.

16 CHAIRMAN PAUKEN: Sounds fine --

17 COMM. CONGLETON: I'm fine.

18 CHAIRMAN PAUKEN: Sounds fine.

19 MR. JONES: Good morning, Chairman
20 Pauken, Commissioner Lehman, Commissioner Congleton.
21 Again, I'm Larry Jones with Workforce Development.

22 This morning I'm going to cover the two
23 items that Mr. Temple mentioned with you. The first
24 of those is the deobligation recommendations for the
25 seventh month of Workforce Investment Act funding.

1 And if you approve of the two deobligations that we're
2 recommending to you, then we'll move on to recommend a
3 reobligation of those funds in a separate action. So,
4 we'll be asking for votes on two issues today.

5 As a background concerning our
6 deobligation/reobligation procedures, our boards have
7 done a truly outstanding job obligating workforce
8 funds and spending them in a timely manner. At the
9 end of last year, for the first time in our history,
10 all 28 boards met their 80 percent overall spending
11 benchmark for WIA, meaning that all 28 were
12 subsequently eligible for alternative funding for
13 statewide activities.

14 More importantly, with the WIA
15 rescission announced earlier this year, Texas's share
16 was less than one-third of other large states with
17 comparable size WIA allocations. This was principally
18 due to the efficient and timely expenditure of funds
19 by our boards, and I believe they should be commended
20 for their efforts.

21 Having said that, I want to describe the
22 procedure to you today, particularly Chairman Pauken,
23 since you haven't been familiar with this in the past.
24 We will come to you in the fifth, sixth, seventh and
25 eighth month of each fiscal or program year and make

1 recommendations to you regarding deobligation and
2 reobligation.

3 So, this marks the seventh month for
4 WIA. Next month will not only be the eighth month for
5 WIA but will represent the fifth month for all of the
6 other funding streams that we have. So, this process
7 will continue for another several months.

8 This month, for the Workforce Investment
9 Act, we have no recommendations for deobligation of
10 two of the funding streams. That's the Adult and the
11 Youth funding streams. We do, however, have
12 recommendations for deobligation of funds for the
13 Dislocated Worker funding stream, and that's shown in
14 your Commission book, Tab 10, Page 2 of 3.

15 And so, if you'll turn to that, you
16 should be looking at a spreadsheet there.

17 (Brief pause)

18 MR. JONES: And that should show you
19 those two boards, South Plains, \$136,013 and the
20 Capital Area, \$100,000. Those boards did not expend
21 up to the 80 percent benchmark. We do a review of
22 their expenditures and of their performance.

23 We also contact the boards and ask for
24 an explanation of variance concerning their spending.
25 And as a final step, I personally talk to the

1 executive directors of boards in which we're going to
2 recommend a deobligation.

3 So, in the case presented to you this
4 morning, Commissioners, I have personally spoken with
5 the two executive directors of those boards, and they
6 both concur with the deobligations that we're
7 recommending. The principle reason that they have not
8 achieved the expenditure levels, as they have in the
9 past, is that layoffs have not been commensurate with
10 past years. And staff believes that there is a much
11 more pressing need in other areas of the state for
12 these funds.

13 So, with that, do you have any questions
14 regarding these two recommended deobligations?

15 CHAIRMAN PAUKEN: Commissioner Lehman?

16 COMM. LEHMAN: Well, I -- no, I don't
17 have any questions. I find it -- I find it kind of
18 interesting in view of the headlines recently that
19 Capital Area is wanting to say that they can't spend
20 all that money. But I'm guessing -- I trust their
21 judgment.

22 MR. JONES: Yes, sir.

23 CHAIRMAN PAUKEN: Commissioner
24 Congleton.

25 COMM. CONGLETON: I have no questions,

1 and I move that we continue to monitor WIA Adult
2 expenditures, Youth funds and deobligation a total of
3 \$236,013 in WIA Dislocated Worker funds from South
4 Plains and Capital Area and respective amounts
5 designated by staff.

6 COMM. LEHMAN: Second.

7 CHAIRMAN PAUKEN: And I make it
8 unanimous.

9 MR. JONES: Thank you, sir.

10 Our second item to address today, then,
11 is the reobligation of those funds. In this process
12 we review spending and layoffs in each of the 28 board
13 areas, and we put out a call for a request of
14 additional funds from our boards.

15 In this case, seven boards came forward
16 and requested additional funds. Based on those
17 requests and what we reviewed regarding layoffs in
18 those board areas, we're recommending to you a
19 reobligation to two boards: East Texas and Concho
20 Valley, and this is shown on Tab 11, Page 2 of 3 of
21 your Commission books.

22 And I have a little information that I
23 would like to present to you regarding layoffs in
24 those two board areas.

25 Some of those, Commissioner Lehman and

1 Commissioner Congleton, you'll be familiar with from
2 past months. Specifically in East Texas, we had
3 earlier in the year announced layoffs from the
4 Goodyear plant, which those layoffs were extensive and
5 involve a plant closure.

6 Additionally, there are layoffs
7 announced with Alliance Data, as many as 209
8 employees, Astro Air, 390 employees there. So, those
9 three very large layoffs in that area certainly would
10 warrant additional funding, and they have requested
11 it.

12 We're recommending \$136,013 of the total
13 amount be reobligated to East Texas. Regarding Concho
14 Valley, again, some of those layoffs you're familiar
15 with from headlines. In the Concho Valley they had,
16 of course, the layoff at the Youth facility in Coke
17 County. There were about 150 workers in that area who
18 were affected by that layoff.

19 That subsequently rolled into the Bronte
20 Independent School District in that area. Bronte lost
21 about 41 positions, teachers and administrative and
22 staff positions, in that layoff. And then there was
23 an additional layoff, Advanced Environmental Recycling
24 Technology down in Kimble County, affected about 108
25 workers.

1 There was an additional layoff with
2 Ethicon, a subsidiary of Johnson & Johnson, about 122
3 workers. This is a small board. Both of these are
4 not large boards, Concho, particularly being a smaller
5 board. And based on their request, we're recommending
6 to you a reobligation to them of \$100,000.

7 So, that concludes the information I
8 have for you. Are there questions, sir?

9 COMM. LEHMAN: I have no none.

10 CHAIRMAN PAUKEN: Any questions,
11 Commissioner Congleton?

12 COMM. CONGLETON: I have no questions,
13 and I move that we -- we reallocate \$236,013 in WIA
14 Dislocated Worker funds to East Texas and Concho
15 Valley as designated by staff.

16 COMM. LEHMAN: Second.

17 CHAIRMAN PAUKEN: Make it unanimous,
18 then. Thank you very much.

19 MR. JONES: Thank you, sir.

20 AGENDA ITEM NO. 12

21 CHAIRMAN PAUKEN: All right. Let's go
22 to the next item, No. 12, discussion, consideration
23 and possible action regarding funding modifications to
24 Workforce Investment Act Statewide Initiative to
25 support the Governor's Veterans Initiative.

1 MS. MILLER: Again, for the record,
2 Reagan Miller.

3 This morning for your consideration is a
4 request to establish a new Veterans Initiative. This
5 would devote 2.25 million of WIA Statewide Activity
6 Funds to support a Veterans Initiative that will
7 provide critical resource and referral services to
8 assist Veterans in connecting with necessary
9 employment and training services, as well as locating
10 existing resources that can provide other ancillary
11 services. And these funds will be derived from a
12 corresponding decrease in the existing Meeting
13 Critical Needs Special Initiative.

14 And I'd be happy to answer any questions
15 that you may have.

16 CHAIRMAN PAUKEN: Commissioner
17 Congleton.

18 COMM. CONGLETON: I have no questions.
19 I would move to accept that \$225 million in order to
20 help Veterans.

21 CHAIRMAN PAUKEN: I would just like to
22 add, to me, this is a terrific initiative on the part
23 of Governor Perry, and I think this is so critical
24 that these young men and women, who answered our
25 country's call in a very difficult time, be welcomed

1 back and reintegrated in civilian life here in Texas
2 the right way. This is a great opportunity,
3 particularly to involve those returning Veterans
4 themselves in leadership position who know the needs
5 and understand the needs and concerns of their fellow
6 Veterans.

7 And I think this is an opportunity for
8 Texas to be the model state in showing what needs to
9 be done to recognize the enormous sacrifices that our
10 young men and women are making in defense of the
11 freedoms of our country.

12 Commissioner Lehman.

13 COMM. LEHMAN: I would echo your
14 comments, Chairman Pauken. I -- I think the workforce
15 system of Texas has distinguished itself in large
16 measure already by some of the programs and services
17 it's offered to Veterans. But I'm -- I'll be the
18 first in line right behind you and the Governor with
19 support to this kind of initiative.

20 Since we're being broadcast, I would
21 encourage the workforce boards to pay particular
22 attention to the workforce areas that are challenged
23 with tremendous workforce shortages and form alliances
24 and linkages that can come to the -- to better serve
25 the Veterans of Texas by stronger alliances across

1 those regions. So, I -- you have my full support on
2 this investment.

3 CHAIRMAN PAUKEN: Okay. Is there a
4 motion, Commissioner Congleton?

5 MS. MILLER: And if I could clarify,
6 that was 2.25 million --

7 COMM. CONGLETON: Right. I believe
8 that's what I said.

9 MS. MILLER: Thank you.

10 COMM. CONGLETON: I move that we accept
11 this \$2.25 million to better help our Veterans
12 returning from foreign wars, and I -- I also echo
13 Chair Pauken's statement and look forward to working
14 with that. Thank you.

15 CHAIRMAN PAUKEN: All right.

16 COMM. LEHMAN: Second.

17 CHAIRMAN PAUKEN: It's unanimous. Thank
18 you very much, Reagan.

19 MS. MILLER: Thank you.

20 AGENDA ITEM NO. 13

21 CHAIRMAN PAUKEN: Okay. The next item,
22 No. 13, discussion and consideration and possible
23 action regarding approval of the Local Workforce
24 Development Board Nominees, John Fuller.

25 MR. TEMPLE: John.

1 Unless you have any questions, I think
2 you have those in front of you. Generally,
3 Mr. Chairman, we will take those from you.

4 John.

5 COMM. LEHMAN: Run on up here, John.

6 (Laughter)

7 MR. TEMPLE: John -- we'd like to
8 welcome John and his new knees.

9 (Laughter)

10 COMM. LEHMAN: Good to see you back,
11 John.

12 MR. FULLER: Thank you.

13 Good morning, Chairman Pauken,
14 Commissioner Lehman, Commissioner Congleton,
15 Mr. Temple.

16 Today before you we have several boards,
17 nominations for your consideration and approval. We
18 have nominations from Rural Capital, South Plains,
19 Deep East Texas, North Texas, Heart of Texas, Permian
20 Basin, Texoma, Alamo, Lower Rio and Gulf Coast and
21 Dallas. If there's any questions, I'll be glad to
22 ask -- answer them. If not, we'll ask for your
23 approval.

24 COMM. LEHMAN: I have no questions about
25 the nominees themselves. I would like to make a

1 comment about the process. But if you want to settle
2 the nominees first, I'll come back to my comment.

3 CHAIRMAN PAUKEN: You can go ahead and
4 make your comment now if you choose to.

5 COMM. LEHMAN: Okay. This last week I
6 received -- this was the 13th comment I've had in the
7 last 12 months from chamber of commerce presidents who
8 view that they have been excluded from the process,
9 whereas House Bill 1863 calls for business
10 associations, industry -- industry associations and
11 chambers of commerce and other similarly-placed
12 organizations to submit nominees for consideration by
13 county judges. It appears that, in some cases and in
14 some areas, the process is being worked backwards, and
15 that is, that the chamber of commerce or the similar
16 industry or business association is involved last in
17 that the staff or other organizations in the area and
18 the judge formulate a slate of nominees and then send
19 their chosen one to the chamber of commerce.

20 That troubles me, in that it bypasses
21 the business process and the whole concept of an
22 employer-driven system. And so I'm going to hope
23 that, over time, we can think of -- of ways to make
24 the system and the people in it more aware of how it
25 should play out. And with that, I'll -- I'll enter a

1 motion to approve these nominees.

2 CHAIRMAN PAUKEN: Is there a second or
3 any discussion?

4 COMM. CONGLETON: I have some
5 discussion. That's demand-driven, Commissioner.

6 (Laughter)

7 COMM. CONGLETON: Thank you.

8 No. 1 from North Texas, No. 1 from Heart
9 of Texas and No. 10 from Gulf Coast, these folks
10 are -- I don't feel are employers. They use staff
11 leasing, which takes the decisionmaking and the
12 obligation off of them as employers, and I don't think
13 they're employers. And I would oppose those three.

14 CHAIRMAN PAUKEN: Okay. Which is --
15 let's -- could you go through that again?

16 COMM. LEHMAN: Yeah, play back your
17 numbers.

18 COMM. CONGLETON: No. 1 --

19 CHAIRMAN PAUKEN: No. 1 --

20 COMM. CONGLETON: -- North Texas.

21 CHAIRMAN PAUKEN: Okay. That's North
22 Texas.

23 COMM. CONGLETON: And No. 1 in Heart of
24 Texas, and No. 10 in Gulf Coast.

25 (Brief pause)

1 CHAIRMAN PAUKEN: Which one in Gulf
2 Coast?

3 COMM. CONGLETON: No. 10.

4 CHAIRMAN PAUKEN: Mr. Lehman, any
5 discussion or, Mr. Fuller, do you want to --

6 MR. FULLER: No, sir. The processes
7 that we would vet these, based on our understanding of
8 what the private sector responsibilities are and bring
9 them to you and you would vote on these up or down,
10 sir. Our understanding, they do meet the definition.

11 COMM. LEHMAN: And I -- there's --
12 actually I offered a motion, and I guess I'll stand
13 behind that motion. And I'll -- I'll stand on that
14 motion in that these are the cases -- these are some
15 of the cases where I've had the discussions that I
16 referenced previously, where the chamber was not
17 included in the initial appointment. But after
18 reviewing the situation with the chamber, I believe
19 that I am on solid ground to go ahead and support
20 these.

21 So, I'll stand firm with my motion.

22 CHAIRMAN PAUKEN: Okay. I'm going to at
23 this time support the nominees as presented, but I'm
24 going to take due notice of what my fellow
25 Commissioners have said. And I think it is important

1 for us to take a look at this going forward, because
2 you want people on -- on these boards and Commissions
3 that represent the appropriate entities.

4 And -- and -- and, quite frankly, we're
5 in the business of trying to get jobs for people. So,
6 you want to have the right people who are committed to
7 helping in this process. So, I think it is something
8 that I want to look at and get the benefit of -- of
9 staff input, and -- and I started to say my fellow
10 Commissioners' comments. But, unfortunately, we can
11 only discuss these things when we're all together here
12 at -- at a meeting like this.

13 But it is an issue that's been brought
14 to my attention in the past, and I do think it's
15 something worthy of our consideration and study going
16 forward to make sure that these various Workforce
17 Development Boards are fully complying with the intent
18 of -- of the Legislature, in terms of its board
19 nominees.

20 Thank you for your report, Mr. Fuller.

21 MR. FULLER: Thank you, sir.

22 COMM. CONGLETON: Thank you, John.

23 MR. FULLER: Thank you, Commissioners.

24 AGENDA ITEM NO. 14

25 CHAIRMAN PAUKEN: All right.

1 Discussion, consideration and possible action
2 regarding enacted, proposed or considered federal
3 regulations, executive orders or federal or state
4 enacted or proposed legislation, Mr. Lewis.

5 MR. LEWIS: Good morning, Mr. Chairman,
6 Commissioners; Jesse Lewis, External Relations.

7 The House and Senate conferees continue
8 to meet to hammer out a deal on the Farm Bill. They
9 have until the 18th to complete their work or pass
10 temporary extension of the current law. The bill has
11 been held up as the House and Senate negotiate over
12 the Senate's proposed 10 billion in new farm programs,
13 including 4 billion in disaster funds and 2.5 billion
14 in tax credits for alternative energy and
15 conservation.

16 The House proposed only 6 billion in
17 additional spending. The members continue to work to
18 find offsets.

19 Why all this means anything to us here
20 at the Workforce Commission is the -- one of the bills
21 contain provisions that in earlier versions that would
22 have required state merit staff to deliver services
23 under the Food Stamp Employment and Training program.
24 We have been in contact with members of our delegation
25 that are on the conference committee, as well as

1 members of the -- the relative committees and other
2 states regarding this language.

3 We do not have an indication of whether
4 it will and will not be included in the final bill,
5 but we continue to monitor -- monitor that and
6 communicate with our delegation regarding the way
7 Texas does it, in particular the -- the employment and
8 training side of things. So, we'll keep -- keep an
9 eye on that and keep you informed as we get more
10 information.

11 Also of interest, the Senate Majority
12 Leader Reid and House Speaker Pelosi are -- have
13 announced that they're going to be supporting an
14 extension of the Unemployment Insurance benefits when
15 they begin to put together a second economic stimulus
16 package, which they expect to bring before the two
17 houses in late May. Staff is going to keep an eye on
18 that, and we'll inform you as -- as more of those
19 issues develop.

20 And, with that, I'll be glad to answer
21 any questions.

22 CHAIRMAN PAUKEN: Okay. Any questions,
23 Commissioner Congleton?

24 COMM. CONGLETON: I have no questions.

25 Thank you.

1 CHAIRMAN PAUKEN: Any questions,
2 Commissioner Lehman?

3 COMM. LEHMAN: (Shaking head)

4 CHAIRMAN PAUKEN: Thank you, Mr. Lewis.

5 MR. LEWIS: Thank you.

6 AGENDA ITEM NO. 15

7 CHAIRMAN PAUKEN: All right. Our next
8 matter to come before the Commission is the report and
9 update by the Executive Director and staff regarding
10 administrative matters, including internal policies
11 and procedures, customer and board service issues,
12 status of project assignments, organizational matters
13 and responsibilities of the agency's divisions,
14 Mr. Temple.

15 MR. TEMPLE: Very quickly, Mr. Chairman,
16 and thank you, Commissioners. A couple of things.

17 I would like to remind everyone that we
18 have the Chairman's formal swearing in this afternoon
19 in the Senate Chambers at 3:00, and the Governor will
20 be conducting the services. So, any questions.

21 And then two o'clock, Thursday --

22 CHAIRMAN PAUKEN: I hope we -- I hope we
23 filed it as an Open Meeting so that the other
24 Commissioners can join us --

25 (Laughter)

1 sending a draft of that to the boards for their
2 planning, and we'll do that this week. We will
3 heavily footnote those as drafts and for planning
4 purposes only. And, as I said, you will still have a
5 chance to make revisions, corrections or whatever,
6 before you approve those.

7 But we've had numerous requests from
8 boards to see a draft of that for planning purposes so
9 that they can get their funds aligned for the end of
10 this year and for next year. I just wanted to make
11 you aware of this and wanted to make our listening
12 audience aware, as well.

13 So, that's all I have, unless you have
14 questions.

15 CHAIRMAN PAUKEN: Commissioner
16 Congleton.

17 COMM. CONGLETON: I -- I don't think I
18 have any questions at this time, Larry.

19 CHAIRMAN PAUKEN: Commissioner Lehman.

20 COMM. LEHMAN: None.

21 CHAIRMAN PAUKEN: No questions from me.
22 Thank you, Mr. Jones.

23 MR. JONES: Yes, sir. Thank you.

24 CHAIRMAN PAUKEN: What else do we have
25 on the --

1 MR. TEMPLE: That is it, sir.

2 AGENDA ITEM NO. 16

3 MR. TEMPLE: And no Executive Session.

4 CHAIRMAN PAUKEN: All right. Thank you
5 very much.

6 AGENDA ITEM NO. 18

7 CHAIRMAN PAUKEN: The meeting is
8 adjourned.

9 (Meeting adjourned: 11:09 a.m.)

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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 2008.

JANIS SIMON
Certified Shorthand Reporter
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