

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING

TUESDAY, MAY 27, 2008

BE IT REMEMBERED THAT at approximately
1:00 p.m., Tuesday, the 27th day of May, 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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1 P R O C E E D I N G S

2 TUESDAY, MAY 27, 2008

3 (1:00 p.m.)

4 AGENDA ITEM NO. 1

5 CHAIRMAN PAUKEN: Good afternoon, ladies
6 and gentlemen. I hope everyone had a nice Memorial
7 Day weekend.

8 The meeting will now be called to order.

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 22
21 No discussion.

22 AGENDA ITEM NO. 4

23 Discussion, Consideration and Possible
24 Action Regarding Higher Level Appeals in Wage Claim
25 Cases listed on the Texas Workforce Commission

1 Docket 22

2 The Commission considered and took action on
3 all Wage Claim Cases listed on Docket 22.

4 AGENDA ITEM NO. 5

5 Discussion, Consideration and Possible
6 Action Regarding Higher Level Appeals in Unemployment
7 Compensation Cases Listed on the Texas Workforce
8 Commission Docket 22

9 The Commission considered and took
10 action on all Unemployment Compensation Cases listed
11 on Docket 22.

12 (The Commission paused and continued
13 with the remainder of the agenda.)

14 CHAIRMAN PAUKEN: Are we ready to begin,
15 Mr. Temple?

16 MR. TEMPLE: Yes, sir.

17 CHAIRMAN PAUKEN: I hope you had a nice
18 Memorial Day weekend.

19 MR. TEMPLE: Everyone looks well rested
20 and tan.

21 (Laughter)

22 CHAIRMAN PAUKEN: I don't know. I've
23 got a lot of red from the sun.

24 (Laughter)

25

1 AGENDA ITEM NO. 6

2 CHAIRMAN PAUKEN: I guess public
3 comment, Mr. Moore?

4 MR. MOORE: No one is registered, sir --

5 CHAIRMAN PAUKEN: All right.

6 MR. MOORE: -- for this item. We do
7 have two resource witnesses for the Career School
8 item.

9 CHAIRMAN PAUKEN: Okay.

10 AGENDA ITEM NO. 7

11 CHAIRMAN PAUKEN: And my understanding,
12 Mr. Temple, is that Agenda Item No. 7 has been
13 postponed --

14 MR. TEMPLE: Yes, sir.

15 CHAIRMAN PAUKEN: -- to a future
16 meeting.

17 AGENDA ITEM NO. 8

18 CHAIRMAN PAUKEN: How about Agenda Item
19 No. 8?

20 MR. TEMPLE: Ready to go.

21 CHAIRMAN PAUKEN: Mr. Leonard.

22 MR. LEONARD: Good afternoon,
23 Commissioners. For the record, Adam Leonard,
24 Performance, Analysis and Reporting.

25 Before you today is an Agenda Item

1 relating to negotiations with the U.S. Department of
2 Labor on Texas' Senior Community Services Employment
3 Program, or SCSEP. When we put this agenda item
4 together, we had just received word from DOL that they
5 were putting out our proposed targets and looking for
6 us to negotiate with them and we really weren't sure
7 what their timeframes were.

8 So, we quickly got the agenda item up in
9 front of you for you to look at this. And we are now,
10 as it turns out, scheduled to discuss their proposals
11 and our concerns with those proposals on Thursday
12 afternoon.

13 And, in particular, for -- they're
14 proposing targets on six measures. Four of them we
15 weren't concerned with. Two of them we felt that the
16 targets were too high, and those had to do with
17 Entered Employment and what's called Service Level.

18 And these -- our concerns there had to
19 do with the customers that we have to serve, the
20 regions that we're in, the ruralness of them, as well
21 as the fact that the national grantees operating in
22 Texas in other areas, areas that are, perhaps, much
23 more urban and thus denser, in terms of number of
24 employers that you can work with and the number of
25 seniors that you can outreach and enroll in the

1 program, that their targets are considerably lower on
2 those measures. And so we plan on discussing that
3 with DOL Thursday afternoon and then coming back to
4 you-all once we have hopefully reached some level of
5 agreement for their approval.

6 CHAIRMAN PAUKEN: Let me -- let me ask.
7 I -- I just -- obviously, I'm new to the Commission,
8 but I just was briefed up at the regional offices.
9 And I -- and, quite frankly, I was surprised at the
10 large amounts, large sums for some of these -- I guess
11 they call them national grants. I assume that's what
12 we're -- we're supposed to look at and monitor.

13 MR. LEONARD: Well, the national
14 grantees, we're looking at their data primarily
15 because --

16 CHAIRMAN PAUKEN: From a Texas --

17 MR. LEONARD: From a Texas
18 perspective --

19 (Simultaneous discussion)

20 MR. TEMPLE: The situation is that
21 roughly 95 percent of the money for this initiative is
22 administered at the federal level and a -- 5 percent
23 or so of it is given to the state for local. And
24 what -- we don't negotiate the performance measures at
25 the national contracts, but we use that as a measure

1 when we're negotiating ours. So, we have to negotiate
2 ours separately than what the -- the SER has.

3 So, ours is a -- is a much smaller
4 scope, much smaller scope than what the national
5 contract is. We don't monitor the national contract
6 at all.

7 CHAIRMAN PAUKEN: Even the Texas portion
8 of it?

9 MR. TEMPLE: That -- that one is like
10 an eight state -- it's like 20 -- almost \$28 million
11 for eight states. Texas is one of those, and that --
12 that contract --

13 CHAIRMAN PAUKEN: And that -- that one
14 was, if I'm -- if I'm not mistaken, it is supposedly
15 to train 2900 people for part-time senior jobs.
16 What's -- what's all that -- what does that mean?
17 What does that translate into, Mr. Leonard?

18 MR. TEMPLE: And that's the national --
19 let's see. John -- John will be able to give you a
20 little --

21 (Simultaneous discussion)

22 CHAIRMAN PAUKEN: That seems like a lot
23 of money, and I just want to -- it says, "train." I
24 mean, it didn't even say, "get jobs," and these are,
25 quote, "part-time jobs." What -- you know, what's

1 that about?

2 MR. FULLER: John Fuller, for record,
3 Workforce Development.

4 DOL sets the slots for each particular
5 area, whether it be the national grantee or the state
6 grantee. For Texas they gave us 576 slots, I think.
7 And in those slots, we have to bring people through
8 who meet those requirements 55 years or above and meet
9 the -- the poverty guideline requirements, as well.

10 Those individuals generally come
11 through --

12 CHAIRMAN PAUKEN: So, this is separate
13 and apart from the national grantee --

14 MR. FULLER: Separate and apart from the
15 national, and they are trained, generally, on the
16 job --

17 CHAIRMAN PAUKEN: It's 5576. Does that
18 mean we get 57 million?

19 MR. TEMPLE: No. No, sir. Our -- our
20 grants --

21 MR. FULLER: Our grant is little bit
22 over 5 million --

23 CHAIRMAN PAUKEN: Oh, okay.

24 MR. FULLER: -- for Texas.

25 CHAIRMAN PAUKEN: That's a -- that's

1 thousand a person, as opposed to 10,000 a person for
2 at least one of those national grants.

3 MR. FULLER: We don't get that amount of
4 money.

5 (Laughter)

6 MR. TEMPLE: But what we're looking at
7 is that the national grants measures are lower than
8 what DOL is proposing for our state measure. And ours
9 is for in the rural areas, which are harder to serve,
10 and more -- more costly, generally. And the national
11 grant is more in the -- in the -- in the urban areas,
12 metropolitan areas, and they seem to be getting a --

13 CHAIRMAN PAUKEN: Why is that?

14 MR. TEMPLE: It's the way DOL -- that --
15 that was above all of our pay grades. They figured
16 that one up somehow in D.C. and -- and --

17 CHAIRMAN PAUKEN: So, the fact that --
18 that -- you know, just hypothetically, for that 27
19 million involving training of 2900 million, their
20 performance standards would be quite a bit lower than
21 our --

22 MR. TEMPLE: Well, that's what -- that's
23 what Adam has been doing, is monitoring --

24 MR. FULLER: That's one of the concerns,
25 and that's what Adam wants to talk to them about,

1 because DOL negotiates those rates directly with those
2 national grantees and then they negotiate with the
3 state.

4 CHAIRMAN PAUKEN: Oh, okay.

5 MR. FULLER: They negotiate those rates,
6 and --

7 CHAIRMAN PAUKEN: So, we don't have any
8 ability to tell them "Why don't you raise the
9 standards for the national grantees, similar to what
10 you want to impose on us?"

11 MR. FULLER: I mean, we can say that,
12 but --

13 (Laughter)

14 CHAIRMAN PAUKEN: It won't have a whole
15 lot of effect, though.

16 MR. FULLER: No, sir.

17 MR. TEMPLE: Part of Adam's negotiation
18 will be "Well, look. Here's the measure at the
19 national grant and we think, you know, that the -- in
20 the interest of fairness there needs to be some
21 consideration when we negotiate ours."

22 And I believe --

23 CHAIRMAN PAUKEN: Well, the only thing I
24 would say -- I -- I guess -- I guess I'm -- I mean,
25 you know, it's taxpayers' dollars and -- and -- and,

1 you know, the question I've got -- and we have
2 nothing -- no control over it. But it just seems to
3 me that -- that some of these national grants that I
4 was briefed on and got a book on, boy, an awful lot of
5 money and very little requirements, in terms of
6 training for real, permanent jobs that need areas
7 where we have.

8 So, I just -- you know, I'm -- I'm
9 concerned, and I would hope that -- that we don't --
10 you know, we don't do something like that in Texas.
11 So, I think our -- our emphasis ought to be on, you
12 know, doing -- doing more with less which, obviously,
13 we have to do but also really exceeding these
14 objectives when we get money.

15 But, anyway, go ahead, Adam. I'm sorry.
16 I didn't mean to interrupt.

17 I'm just -- I'm just a little concerned
18 about, you know, some of -- some of these things that
19 I've -- I've been seeing. And I was surprised to hear
20 that they sort of have two -- two standards of
21 measure, one -- one -- one for us and one for the
22 national grantees.

23 MR. LEONARD: Yes, they actually have
24 separate standards for each of the national grantees
25 operating in Texas. But in every case on Entered

1 Employment the national -- the standards for each of
2 the national contractors was less than the one they
3 proposed for TWC, and on the other measure for four of
4 the five it was substantially lower. And on the fifth
5 one it was at the same level as TWC's.

6 And so, again, that was something that
7 we were little bit concerned about, given the
8 differences in cost and serving these different groups
9 and such. So --

10 MR. TEMPLE: Mr. Chairman, a lot -- and
11 I'm verifying this with John. The state grant, the
12 one that we get, the one we're talking about, a lot of
13 that is used as wage subsidies for the individuals who
14 are placed with the hope that they will be on-the-job
15 training and be hired. But -- so the majority of ours
16 is -- is wage subsidies.

17 That's where most of the money goes,
18 directly to the employers.

19 COMM. LEHMAN: Correct me if I'm wrong.
20 A good deal of this also goes to wage subsidies in the
21 jobs in which they are mostly not private sector jobs.
22 Am I right, or do we know?

23 (Brief pause)

24 COMM. LEHMAN: Work -- work -- work
25 those knees there, John.

1 (Laughter)

2 MR. TEMPLE: He gets to the podium so
3 much quicker now that he's had his --

4 MR. FULLER: The -- the initial amount
5 of money does go towards the employees being
6 subsidized in those jobs that they initially work, and
7 many of those are in nonprivate sector positions. Our
8 focus, though, is to move them past that into
9 unsubsidized employment, once they get through those
10 particular kinds of training.

11 So, basically, the training is
12 on-the-job. So, once they leave that, then they'll
13 put it into --

14 (Simultaneous discussion)

15 CHAIRMAN PAUKEN: Well, why -- why would
16 they leave -- if they have a public job that goes from
17 being subsidized after a period of time --

18 MR. FULLER: Because --

19 CHAIRMAN PAUKEN: -- why not stay there?

20 MR. FULLER: Well, they can't. There's
21 a time limit placed on them by --

22 CHAIRMAN PAUKEN: Okay.

23 MR. FULLER: They don't -- they can't
24 stay indefinitely.

25 CHAIRMAN PAUKEN: So, they stay --

1 what's the time --

2 MR. FULLER: The maximum is 48 months --

3 I mean -- yeah, 48 months.

4 CHAIRMAN PAUKEN: But are they getting,
5 necessarily, the skills on the public sector that are
6 transferable to the private sector?

7 MR. FULLER: Well, hopefully, so. And
8 one of the things they're doing is they're looking at
9 targeted -- the targeted industries out there and what
10 they're -- and we're trying to get with the -- even
11 talking with the national grantees, we have made some
12 end roads with them to begin to start having
13 discussions and conversations to look at our state
14 plan and what we've laid out in this plan to have them
15 provide some input into that and -- and to begin to
16 look at training people in those particular areas
17 that -- so that those jobs and those skills can be
18 transferable.

19 CHAIRMAN PAUKEN: John, as you -- as you
20 may know, I was -- was asked to testify before the
21 Senate Education Committee and one of the points that,
22 you know, was making on behalf of our Commission is
23 the importance of -- of putting, you know, people into
24 skills that are transferable here in Texas and a real
25 shortage. We were just talking about the nursing

1 situation, a number of other areas -- welders,
2 electricians.

3 A man was there at the testimony who
4 runs a plumbing school or he's a -- teaches plumbing
5 at HISD, and he's got such a demand of students he
6 can't -- you know, he -- he's got more students than
7 he can possibly teach. You know, why -- why they
8 don't add more, I don't know. They've got a lot of
9 money down there, but -- but he -- everybody that gets
10 through that program, he places.

11 And it just seems to me that -- that, as
12 much as possible with these resources, we've got to --
13 whether it's the local workforce boards or whatever we
14 have control over is -- is -- is put people into
15 skills that are going to be useful on a long-term
16 basis where the jobs --

17 MR. FULLER: We agree, and one of the
18 things that -- that's unique about this particular
19 population is some of the -- many of those individuals
20 are looking at part-time work. They're not looking
21 for full-time jobs, and one of the things we need to
22 look at is maybe job sharing and various other kinds
23 of ways to be able to utilize those particular
24 individuals.

25 CHAIRMAN PAUKEN: Okay.

1 COMM. LEHMAN: Excuse me. Has GAO
2 looked at this program at all, any time?

3 (Laughter)

4 COMM. LEHMAN: I'm sorry, John. I'll --
5 I'll be quicker next time.

6 MR. FULLER: I think they've --
7 they've -- they've reviewed this program, like they've
8 reviewed all the other programs. They have not come
9 out with any specific recommendations as a result of
10 that. I think there was some changes in the last
11 amendment to the Older American's Act that tightened
12 up some of the things.

13 Like, for instance, putting a time limit
14 on the time that an individual can stay in the -- in
15 the unsubsidized job because, as you stated, Chair, in
16 some cases they could almost stay there indefinitely.
17 But that's no longer the case, and they put
18 regulations in place to address that. But an average
19 timeframe within the subsidized employment would be 27
20 months, with a maximum of 48.

21 CHAIRMAN PAUKEN: Okay. So, you don't
22 want -- you don't need a decision from us. You're
23 just going to have discussions and see if you can come
24 back with a -- some different performance
25 measurements?

1 MR. LEONARD: That's correct. We put
2 this on the agenda, because we weren't sure if we
3 would actually have --

4 CHAIRMAN PAUKEN: Okay.

5 MR. LEONARD: -- have the negotiations
6 before today or not. But since we didn't and it was
7 on there, we thought we could just take the moment to
8 kind of brief you on what's going on and -- and
9 talk --

10 CHAIRMAN PAUKEN: Yeah. And I realize
11 this is a senior situation, not the same as -- as some
12 of the other areas where, you know, people -- you
13 know, it's harder for them to develop the skills. But
14 I think the whole, you know, what are we -- you know,
15 what are we doing, in terms of the -- the needs that
16 are out there and somehow fitting people into
17 something that -- you know, maybe they're after 55 and
18 part-time but there's something where the demand is
19 going to be there until they're 65, 70 or what have
20 you, particularly in the health -- the health field, I
21 know, there are a lot of need, so --

22 MR. LEONARD: Sure.

23 CHAIRMAN PAUKEN: Thank you,
24 Mr. Leonard.

25 MR. TEMPLE: I just want this program to

1 stick around for a while --

2 (Laughter)

3 MR. TEMPLE: -- for me.

4 (Laughter)

5 AGENDA ITEM NO. 9

6 CHAIRMAN PAUKEN: All right.

7 Mr. Director, what's next, Mr. Temple.

8 MR. TEMPLE: Laurie Biscoe on the

9 certified training provider measures.

10 MS. BISCOE: Good afternoon, Chairman
11 and Commissioners. Laurie Biscoe with the Workforce
12 Division.

13 I'm presenting for your consideration
14 the performance minimums for the certification of the
15 eligible training providers, as required by Section
16 122 of the Workforce Investment Act. The state's
17 performance minimums serve as standards for allowing
18 providers to provide training programs in the
19 workforce system and to receive WIA funds.

20 Our current performance minimums expire
21 June 30th of this year. As you are aware, the ETP
22 performance minimums are used by each local workforce
23 development board to adopt local performance
24 requirements based on their individual economies and
25 the occupations that they have identified as their

1 target occupations.

2 Due to our current WIA waiver extending
3 initial eligibility until June 30th of 2009, or until
4 WIA Reauthorization, if that does occur, the following
5 recommendation for performance minimums only pertains
6 to new programs. In developing our recommendation we
7 realize that, with the reduction in funding in the
8 workforce system and the state's focus on remaining
9 competitive, we need to be -- we need to more fully
10 understand how these performance minimums align with
11 the high-growth, high-demand and high-priority
12 occupations identified by the boards for their target
13 occupation lists.

14 We would like to have the opportunity to
15 conduct more in-depth research and analysis with
16 involvement from not only the Workforce Division but
17 also from Performance, Analysis and Reporting and
18 LMCI. Additionally, we believe that it's critical
19 that we work with the boards in developing any
20 significant changes to the performance minimums to be
21 used for all training providers in the state.

22 A consideration as well in developing
23 the recommendation is the fact that the federal
24 minimum wage will increase to \$6.55 effective July
25 24th of this year. The average hourly wage

1 performance measure for ETP is currently set at 120
2 percent of the federal minimum wage. Given that we
3 don't want to unintentionally cause disruption with
4 the eligible training providers available in the local
5 workforce areas, we are recommending that we retain
6 the current performance minimums to be effective July
7 1st, 2008, including using 120 percent of the minimum
8 wage that will become effective on July 24th as the --
9 as the performance minimum for the average hourly wage
10 measure.

11 Staff has already begun conducting
12 analysis and research, and we'll coordinate with the
13 boards on these measures relative to their target
14 occupations to determine whether the minimums are
15 serving the purpose of ensuring we are approving
16 quality providers that meet our expectations --
17 expectations for the provision of training services or
18 whether changes are needed. Additionally, as we have
19 historically done, we'll encourage the boards to
20 consider adopting higher performance minimums than the
21 state's performance minimums, if appropriate to meet
22 the local needs of employers.

23 I appreciate your consideration of the
24 recommendation, and I'll be glad to answer any
25 questions.

1 CHAIRMAN PAUKEN: Commissioner
2 Congleton.

3 COMM. CONGLETON: I have no questions.
4 I agree with staff recommendations for PY '07
5 performance minimums, including 120 -- 120 percent of
6 the minimum wage that becomes effective July 24th,
7 2008.

8 CHAIRMAN PAUKEN: Commissioner Lehman.

9 COMM. LEHMAN: Well, I want to commend
10 Ms. Biscoe for some very significant considerations
11 under this, and I agree generally with the
12 recommendation. But I would like to ask what is the
13 horizon under which we would reconsider the new target
14 that this research would generate.

15 MS. BISCOE: As I said, we are working
16 on it currently, and we plan to have something ready
17 to bring back to you within 90 days.

18 COMM. LEHMAN: Okay.

19 COMM. CONGLETON: Are you talking in
20 respects to the raise in the minimum wage?

21 COMM. LEHMAN: Yeah. Well --

22 COMM. CONGLETON: If it -- even if it
23 doubled it right now, you'd get -- a person getting
24 minimum wage would have to buy a bicycle, because they
25 couldn't afford gasoline. It couldn't be too

1 expensive a bicycle, because then he couldn't eat.

2 COMM. LEHMAN: Well, the -- the thing
3 that's -- the thing that's concerning me is, I -- you
4 know, we've been waiting and waiting and waiting for
5 WIA Reauthorization, and we've been renewing this
6 target for a while. And the observations that I make
7 is they are that -- setting this threshold at this
8 level, in terms of wages suggests to me that we're not
9 really investing in the highest demand of the -- of
10 the -- of the highest demands of the labor market.
11 And we're probably not serving workers as well as we
12 could either with the kind of training that would
13 actually prepare them for meaningful careers.

14 So, you know, a quick glance would say
15 they could probably get most of these jobs without any
16 training, and this -- and this situation, as it is,
17 allows boards to invest training money but for very
18 minimal return to the labor market or to the workers.
19 So, I'm thinking that Ms. Biscoe and her team are on
20 the right track by looking for, one, what is the
21 alignment of the priority occupations that ought to be
22 invested in and, two, what are the wage targets that
23 ought to go -- that we ought to be going after and,
24 three, expecting the boards to get more bang for the
25 buck out of this, because we're not going to have much

1 money.

2 The other thing I'd want to put on the
3 record is that the Texas Education Agency and the
4 Texas Higher Education Coordinating Board, in
5 reviewing the Perkins Grants thresholds across the
6 state have arrived at a median wage of \$12.91 per
7 hour. And so it seems to me that each of us are
8 trying to encourage the K-12 and Higher Ed systems to
9 focus more on the opportunities in the labor market,
10 so we ought to at least look at being more closely in
11 alignment with the wage targets that they set for
12 their career and technology education programs under
13 Perkins.

14 COMM. CONGLETON: I have to disagree
15 with you on that, Commissioner, because we've seen
16 this thing work. When I came on board, our average
17 wage for our skilled people who were coming out of
18 skills training was somewhere between 9 and 12 dollars
19 an hour. It's now 18.

20 COMM. LEHMAN: I know.

21 COMM. CONGLETON: So --

22 COMM. LEHMAN: Well --

23 COMM. CONGLETON: -- as far as standards
24 go, we do -- is training for poverty, and I don't want
25 to do that again.

1 COMM. LEHMAN: No, I'm not talking about
2 lowering -- I'm talking raising standards. I'm
3 thinking we raise the standards for wages. We raise
4 the standards for alignment --

5 (Simultaneous discussion)

6 COMM. CONGLETON: -- about three of the
7 boards have an average of 120 percent is about \$14 an
8 hour. Isn't that correct?

9 COMM. LEHMAN: But you have 16 that have
10 a 7.02 average.

11 COMM. CONGLETON: Well, they need to be
12 raised for sure.

13 COMM. LEHMAN: Well, that's what I'm --
14 that's what I'm -- that's what I'm hearing Ms. Biscoe
15 say, is we need to look for a better alignment of the
16 standards and the investments and the wages of the
17 jobs that are required by the completers of training.
18 Am I -- am I right?

19 MS. BISCOE: You're correct.

20 COMM. LEHMAN: Okay.

21 CHAIRMAN PAUKEN: If I -- if I can jump
22 in here and not -- not actually disagree with either
23 of -- of my fellow Commissioners but, A, to praise you
24 for your -- your emphasis on high-growth, high-demand
25 and high-priority occupations. And, again, I'm

1 relatively new to the process, but I've been so
2 impressed with the Governor's Economic Development
3 program where the public/private partnerships
4 matching, you know, skill training with necessary
5 jobs. And it just seems to me that it's absolutely
6 critical that we -- that we do as much as possible
7 ourselves, because a lot of money is flowing through
8 the process.

9 And -- and the question is -- and I --
10 you know, I -- and I -- I -- Adam may have gotten
11 upset with me this morning, and I hope not, because he
12 does such a marvelous job on statistical research.
13 But I remember quantitative measurements back when I
14 was in Vietnam. McNamara had his quantitative
15 measurements. I still remember the Hamlet -- Hamlet
16 Evaluation System.

17 And, guess what, things in security
18 always got better at each guy who came in to take over
19 a province until, of course, we had the Tet Offensive
20 and other major attacks. And then you go back and
21 start all over again.

22 But I think quantitative measurement can
23 tell us a lot, is -- is extraordinarily important.
24 But I'm, quite frankly, more interested in qualitative
25 results, and where is that training money going,

1 every -- every cent? I mean, it's taxpayers' money,
2 and we've got a lot of opportunity out here in Texas.

3 I think we have so many advantages, and
4 we're doing such a good job in the -- tracking
5 businesses. But one of the big issues -- and we can't
6 do anything about the schools' failure to provide the
7 core curriculum and the basic quality education, but
8 we can do something about helping, you know, train and
9 put people into needed skills, whether it be nursing
10 or welders, which everybody tells me we've got a
11 shortage of, or electricians or others.

12 And -- and how we do we work on this,
13 and how do we take a look at, "Okay. What are you
14 doing?" Or, you know, how -- how many people finish
15 the training? How many people are employed a year
16 after the training is over who -- who are employed in
17 the field they were trained for?

18 Is this something that is useful, or
19 could anybody do the training? And so it's real easy,
20 so they go -- we go do it. And it's -- and we've got
21 the great quantitative measurements, but you're not
22 adding -- you're not adding value to the system.

23 So, that's what I'm concerned about, and
24 I do think this is excellent what you're saying, in
25 terms of high-growth, high-demand and high-priority

1 occupations. And I just think we've got to figure out
2 how to put all of this together with -- with the --
3 the extraordinarily success story on economic
4 development under Governor Perry and with this agency.

5 And I've been so impressed with what
6 y'all have done -- Doug Ridge, Larry and the entire
7 team -- on that front and how we do all of that
8 with -- with working with our local workforce boards
9 so that we're all together on that and -- and with our
10 communities colleges. So, I just -- that's what I
11 would say.

12 I'm not disagreeing with either --
13 either of my colleagues. I just -- it just seems more
14 and more of this issue crops up. And, you know, where
15 is the money for training going? Is it effectively
16 being used?

17 And so I think you're asking the right
18 questions, and -- and -- and I don't know where -- you
19 know, obviously, the minimum measurements you can have
20 a debate about. But how can we, you know, get our
21 local workforce boards to show us the qualitative
22 results that fit in with what I think my fellow
23 Commissioners and I are concerned about.

24 COMM. LEHMAN: Yeah. I mean, to me --
25 to me, it's about investing in -- in where the

1 priorities are and having the demand, the side -- the
2 demand side and the supply side. That is, the workers
3 benefit to the -- to the optimum.

4 And, to me, setting low standards --
5 standards at which most areas could achieve without
6 any training at all makes no sense at all. So, I --
7 I'm very much in favor of seeing revised standards,
8 revised alignment and a relatively near -- near term
9 review of your recommendations.

10 COMM. CONGLETON: And I -- I apologize.
11 I didn't understand what you were saying, apparently.

12 But mine is a little more simple. I
13 just want to make -- I want to make sure we create
14 jobs where people make a living, therefore, benefiting
15 the economy of the state and the country. And it's
16 just that simple. And I don't want to see anybody
17 making \$9.00 an hour when we can train for them 14 or
18 18 dollars.

19 CHAIRMAN PAUKEN: 8.90 --

20 COMM. LEHMAN: And that's what we've
21 been doing, is spending money --

22 COMM. CONGLETON: That's what we have
23 been doing, and I -- I am very proud of this agency
24 for what we've done. To see it go from the basic 9 to
25 12 dollars an hour to 18 on the average wage just

1 tickles me pink. And I -- wherever I'm speaking, I
2 say -- I tell them about that, too.

3 MS. BISCOE: So, the current minimums
4 expire on June 30th.

5 (Laughter)

6 MS. BISCOE: Can we -- can continue
7 to --

8 CHAIRMAN PAUKEN: We will -- I think
9 that there is a consensus to continue the existing
10 minimums for the time being, but I think you heard
11 the -- the comments of all three Commissioners about
12 what direction we want to head --

13 MS. BISCOE: I appreciate it.

14 COMM. LEHMAN: We -- we should have new
15 targets identified and approved by the Commission in
16 time to be put into the board contracting process, I
17 would think. I mean, whether they're --

18 (Simultaneous discussion)

19 COMM. LEHMAN: -- in the contract, I
20 don't know, but --

21 MR. TEMPLE: Let me -- let me get a
22 clarification. We're talking about the new ones for
23 new providers. The other providers were grandfathered
24 in --

25 MS. BISCOE: They're under a waiver

1 currently to --

2 MR. TEMPLE: But that's something that
3 we -- to clarify, this -- this would be for any new
4 certified training providers coming in. But,
5 arguably, the bulk of them are already in and
6 grandfathered under the --

7 MS. BISCOE: Although, we are still
8 receiving significant numbers of new training
9 providers.

10 MR. TEMPLE: Right. So -- so, we
11 probably would -- would bring you options of how you
12 would want to look at that, as well, so that we don't
13 have -- so you understand that we could have two
14 different measures out there. And -- so we'll --
15 we'll look at that and bring to you, as well.

16 COMM. LEHMAN: Well -- and -- and I'm --
17 so that the record is clear, I'm not opposed to
18 regional measures with variety across the state. I
19 don't know that one size fits all in this case.
20 That's why I think we need to look at it, but I
21 understand your point, too, about new versus existing.

22 MR. TEMPLE: Just in the interest -- not
23 even considering the regional approach, just within
24 that. I just want to make clear that we -- that's
25 what we're looking at. But we'll bring the other, as

1 well.

2 Hearing all three of your comments, it
3 seems to me like you would like to see this
4 across-the-board approach and not have two different
5 measures out there.

6 COMM. LEHMAN: I think any program
7 that's currently not able to produce graduates that
8 can earn more than 7 or 8 bucks an hour is probably a
9 program that ought to be looked at very skeptically as
10 to what is its value and what is -- how does it fit
11 into the current economic posture of the region. And
12 if it's questionable, then -- then those programs
13 might ought to -- ought to be sunsetted, for all I
14 know. I think that's not up to me. I think that's up
15 to the demand.

16 CHAIRMAN PAUKEN: Okay.

17 MS. BISCOE: Thank you.

18 CHAIRMAN PAUKEN: Thank you, Ms. Biscoe.

19 AGENDA ITEM NO. 10

20 CHAIRMAN PAUKEN: Okay. No. 10,
21 discussion, consideration and possible action
22 regarding request for oral argument and appeal of
23 decision and Cease and Desist Order by Esther Medical
24 Institute, Inc., Esther Oleru -- I hope I'm not
25 mispronouncing that name -- Director, and Tobechi

1 Oleru, Director, doing business as Esther Medical
2 Tutorial and Nursing Review Center, Ms. Parker.

3 MS. PARKER: Thank you, Chairman Pauken.
4 For the record, Diane Parker with the Office of
5 General Counsel. Yes, Chairman Pauken, that's
6 correct.

7 Esther Medical, Incorporated, is the
8 item before you today, timely filed its written
9 appeal, and as a matter of that appeal, also requested
10 oral argument, as provided for under our rules,
11 Section 807.365(b). It's my understanding, however,
12 that the party is not present today.

13 If I could just turn around --

14 CHAIRMAN PAUKEN: Is there any -- any
15 representative of Esther Medical Institute here?

16 (No response)

17 MS. PARKER: It appears that they are
18 not, Chairman.

19 I will note for the record that notice
20 of this Open Meeting was provided to Esther Medical
21 via certified mail, return receipt requested. And I
22 have a copy of the -- the signed receipt that was
23 returned to us dated the 16th of this month. We also
24 ensured that we sent through regular mail to the party
25 and to their attorney.

1 As they are not present today, let me,
2 however, also note that we did have two individuals
3 from the Board of Nursing who -- one of them
4 participated in the hearing, both of whom have signed
5 up as resource witnesses. That would be General
6 Counsel, Mr. Johnston, with the Board of Nursing and
7 Ms. Ayars, who was the witness in the Commission
8 hearing.

9 I've -- given that no party has
10 appeared, despite the request for oral argument, I'm
11 available for any questions, should you have them.

12 CHAIRMAN PAUKEN: Commissioner
13 Congleton, any questions?

14 COMM. CONGLETON: I have no questions.

15 CHAIRMAN PAUKEN: Commissioner Lehman.

16 COMM. LEHMAN: I have no questions
17 either.

18 CHAIRMAN PAUKEN: Okay.

19 Commissioners, I have no -- no question.
20 I've reviewed the law on the record developed at the
21 hearing held on this case. As I expressed the last
22 time something along these lines came before us, I
23 have very strong concerns about a business who claims
24 to be a training school for students to become a
25 licensed vocational nurse or a registered nurse when,

1 in fact, that school is not registered as a career
2 school and has never received approval from the Board
3 of Nursing to offer nursing courses.

4 These kinds of businesses,
5 unfortunately, can exploit vulnerable individuals. In
6 the previous case and, apparently, in this case
7 there's, people are being charged 70 -- between 7500
8 and \$10,000 for these so-called nursing courses. It's
9 a career school that has failed to obtain a
10 certificate or an exemption, despite being given
11 repeated opportunities to do so.

12 I was open to -- read -- read the
13 various briefs and including the briefs from the
14 attorney on behalf of his particular school and was
15 prepared to have an open mind, if -- if there was
16 something different from what I've seen in the record.
17 I've seen something nothing, however, to -- to
18 indicate that, in spite of repeated opportunities to
19 do so, that this is a -- a -- a career school that has
20 failed to obtain the appropriate certificate or
21 exemption.

22 Accordingly, I vote that the
23 requirements for issuing a Cease and Desist Order have
24 been met. Esther Medical Institute, Inc., is a career
25 school operating in Texas without a certificate of

1 approval or an exemption and is in violation of the
2 Act. I vote to uphold the Hearing Officer's granting
3 a request by the Career Schools and Colleges
4 Department of the Texas Workforce Commission to issue
5 a Cease and Desist Order against the Esther Medical
6 Institute, Inc., Esther Oleru, Director, Tobechi
7 Oleru, Director, Esther Oleru -- Oleru, Esther Medical
8 Tutorial and Nursing Review Center and allow this
9 Cease and Desist Order to be issued immediately.

10 Is there a vote from my fellow
11 Commissioners?

12 COMM. CONGLETON: I agree.

13 COMM. LEHMAN: I agree, as well.

14 CHAIRMAN PAUKEN: We have a unanimous
15 vote, and you may circulate that decision, Ms. Parker,
16 for signatures.

17 MS. PARKER: Thank you, Chairman. One
18 quick question in terms of the approach taken last
19 time. If you were satisfied with the long form
20 affirmation format that we used in your previous order
21 two weeks ago, we would continue to use that --

22 CHAIRMAN PAUKEN: I -- I think in -- in
23 these set of circumstances, a long form would be
24 appropriate. I think it's appropriate to send the
25 signal that folks coming in -- into this state from

1 outside trying to take advantage of people looking for
2 work in a badly needed field but then not really
3 delivering on what they're supposed to do, that these
4 long form affirmations are appropriate until hopefully
5 people get the message Texas is not a place to -- to
6 do this.

7 MS. PARKER: Thank you. Consistent with
8 that direction, we'll continue to issue any orders in
9 that -- any decisions in that order format as you
10 suggest. Thank you.

11 CHAIRMAN PAUKEN: Okay.

12 AGENDA ITEM NO. 11

13 CHAIRMAN PAUKEN: All right.

14 Mr. Temple.

15 MR. TEMPLE: Juan -- Juan Garcia is
16 going to brief you and ask for your guidance on
17 transferring some NEG funds.

18 MR. GARCIA: Good afternoon, Chairman
19 Pauken, Commissioners, Mr. Temple. Juan Garcia with
20 Contract Management. Today we are bringing forth for
21 your approval -- yeah, this is on. I'm just too far.
22 Sorry.

23 For your approval is staff
24 recommendation to distribute \$25,000 in National
25 Emergency Grant (inaudible) Katrina/Rita funds to the

1 South East Texas Workforce Development Board. These
2 funds were initially reserved for state level
3 administration of the grant. We've been tracking
4 expenditures very closely, and we've determined that
5 the funds will be better use utilized in the provision
6 of direct services.

7 As of March of 2008 the Hurricane Grant
8 is overall 96.8 percent expended. The grant ends this
9 June. Only two boards have active contracts -- the
10 Gulf Coast Workforce Development Board and the South
11 East Texas Board.

12 Both boards predict or project that they
13 will fully expend their funds by -- by the end of the
14 grant. However, South East Texas needs additional
15 funds to provide additional training services to
16 hurricane-affected individuals. That is largely
17 driven by local economic expansion.

18 With that, staff recommends the
19 distribution of the \$25,000 in NEG funds to the South
20 East Texas Workforce Development Board.

21 CHAIRMAN PAUKEN: Any discussion,
22 Commissioner Lehman?

23 COMM. LEHMAN: Well, I'm certainly in
24 favor of -- of setting -- supporting their requests,
25 in terms of the tremendous expansion in their

1 petrochem industry that they're experiencing down
2 there and the tag-along/drag-along industries that
3 follow that. So, no argument here.

4 CHAIRMAN PAUKEN: Okay.

5 Commissioner Congleton.

6 COMM. CONGLETON: I have no problems
7 with it.

8 CHAIRMAN PAUKEN: Nor do I. Thank you,
9 Mr. Garcia.

10 MR. GARCIA: Thank you.

11 CHAIRMAN PAUKEN: Thanks for a good
12 report.

13 AGENDA ITEM NO. 12

14 CHAIRMAN PAUKEN: All right. The next,
15 No. 12, discussion, consideration and possible action
16 regarding approval of Local Workforce Development
17 Board Nominees. John Fuller, back again. It will be
18 an easier time this time, Mr. Fuller.

19 (Laughter)

20 MR. FULLER: Good afternoon, Chairman
21 Pauken, Commissioner Lehman, Commissioner Congleton,
22 Mr. Temple.

23 Today before you we have nominees from
24 three areas: Concho Valley, Golden Crescent and
25 Brazos Valley Workforce Development Board. I'm here

1 to answer any questions you may have.

2 COMM. CONGLETON: No questions, move to

3 approve --

4 COMM. LEHMAN: Yeah, I have -- I have no

5 questions. I'll -- I'll agree to support the

6 nominees.

7 CHAIRMAN PAUKEN: I -- I -- I was

8 impressed with the -- the caliber of the -- of the

9 nominees, and I think that's encouraging. I mean, you

10 know, businesses have said that they want to see their

11 Workforce Commission work closely with them, and I

12 think the -- the first way to start is by bringing in

13 people who are active currently in the business

14 community and who have a stake and who understand the

15 needs of their respective employers.

16 And these three individuals all seem to

17 fit that bill without exception. So, they seem to be

18 excellent choices, and we look forward to working with

19 them.

20 MR. FULLER: I'll pass that on, sir.

21 CHAIRMAN PAUKEN: Okay. Is there a

22 motion to approve?

23 COMM. CONGLETON: So made.

24 COMM. LEHMAN: Second.

25 CHAIRMAN PAUKEN: It's unanimous. Thank

1 you.

2 MR. FULLER: Thank you.

3 AGENDA ITEM NO. 13

4 CHAIRMAN PAUKEN: What's -- what's next?

5 MR. TEMPLE: Jesse Lewis will give a
6 fed/state update.

7 CHAIRMAN PAUKEN: Okay.

8 I like that tie, Mr. Lewis.

9 MR. LEWIS: Thank you, sir.

10 CHAIRMAN PAUKEN: It's appropriate for
11 Austin.

12 (Laughter)

13 MR. LEWIS: It is.

14 Actually, the first thing on the agenda
15 is the Customer Service Report.

16 CHAIRMAN PAUKEN: Okay.

17 MR. TEMPLE: Oh, I'm sorry. I was just
18 seeing if you were awake.

19 (Laughter)

20 CHAIRMAN PAUKEN: Mr. Temple never
21 misses anything.

22 MR. LEWIS: That's right.

23 CHAIRMAN PAUKEN: I wish I could say
24 that.

25 (Laughter)

1 MR. LEWIS: Before you today, behind Tab
2 13, you have a Customer Service Report for 2007/2008.
3 I thought I would go through and -- and just highlight
4 some of the results that we have and break them down
5 and compare them to the previous biennium.

6 First of all, the overall results
7 indicate an overall satisfaction rating of 83 percent.
8 The previous biennium was 83.2 percent, so we're right
9 in line with where we were a couple of years ago.

10 On the specific customer satisfaction
11 survey items, we have Unemployment Insurance taxes,
12 Unemployment Insurance Benefits, employers using Work
13 In Texas and Job Seekers using Work In Texas. In
14 those, for Unemployment Insurance Tax Services we had
15 a satisfaction rating of 90.3 percent -- and you'll
16 see these -- this chart on Page 8. That's down from
17 94.2 percent in the '05/'06 biennium.

18 In the Unemployment Insurance Benefits
19 the satisfaction rating was 80.8 percent, which is
20 down from 86.9 percent. Employers using Work In Texas
21 actually the satisfaction went up from 81.9 to 85
22 percent, and the Job Seekers went down from 76.7 to
23 74.7, a loss of two points this year.

24 Also of note, one of the other required
25 measures is the average hold time for customers filing

1 unemployment claims, which averaged out at 6.12
2 minutes, as opposed to 2.48 in the previous biennium.

3 CHAIRMAN PAUKEN: Say that again,
4 please.

5 MR. LEWIS: It is 6.12 minutes --

6 CHAIRMAN PAUKEN: Compared to?

7 MR. LEWIS: -- compared to 2.48.

8 CHAIRMAN PAUKEN: Is it -- is that due
9 to more claims being filed or --

10 MR. LEWIS: I think that has more to do
11 with restricted funding and staffing levels.

12 Mr. Temple can --

13 MR. TEMPLE: We have had some -- some
14 staffing issues, but we're also -- as will be
15 reflected in the Benefit -- the BAM Unit report, we're
16 taking more time in getting better data up front in
17 our -- our BAM overpayment rate. The -- the benefit
18 accuracy measure is down below 14 percent, and we were
19 at a high of 21. And one of the measures we put in
20 place, we're just spending a little more time in
21 working --

22 CHAIRMAN PAUKEN: In order to get it
23 right the first time, uh-huh.

24 MR. TEMPLE: Now, that's -- that's the
25 hold time, because they're holding -- they're working

1 with other people that someone can be put on hold in
2 there, but we have -- we have had some funding --

3 CHAIRMAN PAUKEN: Mr. Lewis.

4 MR. LEWIS: Those are the major points
5 that -- that we're required to report. So, with that,
6 I'll be glad to answer any other questions you may
7 have.

8 CHAIRMAN PAUKEN: Okay. Any questions,
9 Commissioner Congleton?

10 COMM. CONGLETON: I have no questions.

11 COMM. LEHMAN: Yes, I do have one.
12 Thank you for this.

13 These are what I would call
14 process-centric reports or analysis. How did you
15 enjoy -- or how did you feel the process served you,
16 to compare it to -- you've heard me say many, many
17 times that employers say we don't send them qualified
18 workers.

19 MR. LEWIS: Right.

20 COMM. LEHMAN: So, when they comment on
21 Work In Texas, they're commenting on the tool itself
22 rather than the -- the applicants that they get to
23 review. Am I right?

24 (Brief pause)

25 COMM. LEHMAN: Or -- or just comment.

1 MR. LEWIS: Well, I would say -- I would
2 say this. I think -- and I don't have the list of
3 questions in front of me. So, I -- I don't -- I don't
4 want to say anything that's inaccurate.

5 But I would say that, generally, a lot
6 of it is "How is your experience using Work In Texas?"
7 which, if you asked me that question, if I had a
8 horrible experience in the applicants I received, I
9 would reflect that in my -- in my answer.

10 CHAIRMAN PAUKEN: Well, it makes sense.

11 MR. LEWIS: So, I think it's -- I guess
12 it could be a matter of interpretation. "How -- how
13 easy is it to use?" Yeah, we ask those questions.
14 But "What is your overall satisfaction?" You get a
15 positive/negative. So, I think it would capture a
16 little bit of that.

17 The other thing that I would mention in
18 this -- in the survey that we use, we -- we actually
19 contract with the University of Texas. One of the
20 things that we have been able to do is, in addition to
21 just the regular survey, we also get back verbatim
22 suggestions on "What would you like -- what do you
23 think could improve this?" And we -- we actually
24 share those with the various program areas on
25 suggested things that can be -- that we can fix.

1 Sometimes we're able to respond back to
2 the individual and say, "You know what, I have an
3 answer to your problem, and here it is." So, it's an
4 actual level of customer service through the survey
5 system that we didn't have before.

6 CHAIRMAN PAUKEN: The issue seems to me
7 is that you're talking, of course, about employers who
8 currently use the system.

9 MR. LEWIS: That's correct.

10 CHAIRMAN PAUKEN: And I know anecdotally
11 somebody over in East Texas telling me about a large
12 company, which I'm very familiar with, a large public
13 company that declines to use the system because of it
14 had prior -- prior problems. Is there a way to kind
15 of -- and, again, I don't know about research, but
16 what percentage of employers are using us that were
17 out there actively recruiting and then, you know, what
18 might we be able to do to say, "Give us a second
19 chance," and get those employers back -- you know, I
20 guess the biggest complaint I have is that applicants
21 sent to them weren't suitable for the position they
22 were -- were seeking.

23 But I -- I was in Corpus Christie, and I
24 was very impressed with the young lady, Angela Rowe
25 Gonzalez, I believe -- and I hope I have her newly

1 married name correct -- but who is their, I guess,
2 public relations person, PIO, down there. And she
3 goes out every week and has a hot job of the week.

4 But the way they -- I -- I was asking
5 how they control it. And -- and what they do, they go
6 on a radio show and a TV station and -- and, then, as
7 calls come in they have an experienced person who can
8 weed out who's appropriate and they send the
9 applications over but a -- but a pretty exciting
10 program.

11 But it just seems to me that's one area
12 I keep hearing complaints from, you know, whether it's
13 correct or not from employers and also from some
14 public -- some public officials is, you know, how
15 many -- how many are really using you, you know.

16 MR. LEWIS: And that is -- and that is
17 one of the challenges that we face when we look at --
18 at this report, in particular, because this really
19 does not measure what -- what I would say is the
20 employer who -- who has a bad experience working with
21 the -- with a workforce board to fill this position
22 outside of a -- a statewide system --

23 CHAIRMAN PAUKEN: Uh-huh.

24 MR. LEWIS: -- Work In Texas. We
25 probably wouldn't capture that, unless -- unless they

1 called and complained up here, and then we would -- we
2 would actually capture it in the more qualitative way
3 than -- than the statistical way. So, that is what
4 the challenge has been --

5 CHAIRMAN PAUKEN: But it's almost like
6 customers, you know, who don't like the way they cook
7 the hamburgers anymore or don't like suddenly a change
8 to the (inaudible) of the Coca Cola formula, and so
9 now I'm not going to drink Coca Cola anymore. I mean,
10 you know, how do we get them back to try us again?
11 So, it's one of the challenges I think we have.

12 MR. LEWIS: Yes, sir.

13 CHAIRMAN PAUKEN: Okay.

14 Anything else, Mr. Lewis?

15 MR. LEWIS: I have nothing else.

16 CHAIRMAN PAUKEN: Thank you.

17 AGENDA ITEM NO. 14

18 CHAIRMAN PAUKEN: Mr. Temple.

19 MR. TEMPLE: While you're up here.

20 MR. LEWIS: Now we have the --

21 CHAIRMAN PAUKEN: Your other hat. One
22 hat off and the other one up. Okay.

23 (Laughter)

24 MR. LEWIS: I'm not sure I ever
25 mentioned -- for the record, Jesse Lewis, External

1 Relations.

2 First, a little update on the Farm Bill.
3 It's been -- it's been an interesting process
4 following this Farm Bill.

5 Thursday, the Congress overwrote the
6 President's veto sending the -- the subsidies in the
7 Food Stamps program back to the -- back to the --
8 after overriding it. However, in this whole process,
9 they left out a very big part of the -- of the bill,
10 about 34 pages, on the International Food Aid and
11 Training parts of the bill.

12 So, they are actually having to come
13 back. When they come back from recess, we'll have to
14 (inaudible) that part, and then send it back up to the
15 President. And if it's the same process as last time,
16 veto it and send it back.

17 So, it will be interesting to see a full
18 Farm Bill, but as of now they did override the
19 President's veto. So, the parts that -- that we were
20 particularly watching are -- are going to be into
21 effect.

22 The other thing I wanted to bring to
23 your attention that you've probably seen on May 2nd
24 the Senate passed and the House also passed a UI
25 extension for -- for 13 weeks for all states, and then

1 an additional 13 weeks in the states with high
2 unemployment, which they're -- they're saying a 6
3 percent seasonally adjusted total unemployment for an
4 additional 13 weeks. Those extended benefits would be
5 available through March 31st of 2009.

6 What they're allocating is 110 million
7 for processing the UI claims, which -- that is not --
8 it won't -- it doesn't appear that there will be an
9 additional 110 million for the additional 13 weeks
10 that they add on top of that --

11 MR. TEMPLE: The -- the 110 million is
12 to make up for the budget cuts we got in the last
13 budget that states are running at a deficit on
14 administering the increase. So, it has -- there's no
15 corresponding increase for the additional caseload for
16 the nationwide extension of 13 weeks.

17 MR. LEWIS: And -- and the -- and, just
18 to make sure I stated it clear. The first 13 week --
19 week extension is for all states. So, it doesn't
20 matter what your unemployment rate is, even if it's in
21 the low 4s, like ours.

22 There is an extension by 13 weeks, and
23 then the other is for those 6 -- 6 percent and above.
24 As -- as we're able to get a little more details on
25 the funding aspect of this, we'll be glad to forward

1 that to your offices.

2 But, with that, I don't have any other
3 comments. I'll be glad to answer questions.

4 CHAIRMAN PAUKEN: Questions,
5 Commissioner Congleton?

6 COMM. CONGLETON: I have none at this
7 time.

8 CHAIRMAN PAUKEN: Commissioner Lehman.

9 COMM. LEHMAN: (Shaking head)

10 CHAIRMAN PAUKEN: Thank you, Mr. Lewis.

11 AGENDA ITEM NO. 15

12 CHAIRMAN PAUKEN: Okay. Mr. Temple.

13 MR. TEMPLE: I'd like Dee Meador to come
14 up, and he had a very exciting weekend, he and his
15 staff, the transformation -- the transfer of the -- of
16 the mainframe. But I'd -- I'd like to preface with
17 just thanking Dee and his staff for -- for the great
18 work they did with Dee's leadership, because it was
19 a -- a major ordeal. And it was a roller coaster
20 ride, at best.

21 And congratulations, and thank you for
22 all your hard work.

23 MR. MEADOR: Thank you, Mr. Temple. I
24 appreciate it.

25 For the record, Dee Meador, Information

1 Technology Director, and good afternoon,
2 Commissioners. You won't see too many IT folks with
3 sunburns today. We were all down here working all
4 weekend.

5 (Laughter)

6 MR. MEADOR: I just wanted to give you
7 a -- a brief status. I've been sending out e-mails,
8 but this provided a good opportunity for me to let you
9 know what happened over the weekend.

10 Just as a reminder, the goal of today's
11 Data Center Sourcing project is to consolidate data
12 center hardware and software for 27 state agencies to
13 two data centers, one here in Austin and one in
14 San Angelo. This includes mainframes, servers, print
15 and mail operations.

16 TWC is the first large agency to move
17 its operations to the Austin Data Center. We were
18 chosen to be the first large agency moved because we
19 were the best prepared from an organizational capacity
20 and technological standpoint. We have a reputation
21 for being a well-managed organization with strong
22 expertise in all the affected areas.

23 We also have a history of maintaining
24 our infrastructure at or near state-of-the-art
25 standards. Therefore, very few system upgrades were

1 required for us to move to the new data system.

2 The cutover this past weekend was a
3 culmination of several weeks of planning -- several
4 months of planning and testing by many TWC IT and
5 business area staff, along with DIR and IBM's Team for
6 Texas. The cutover activities went according to plan,
7 and at 7:00 p.m. Sunday evening, TWC's IT management
8 approved proceeding with the move, which at that point
9 involved swinging our networks to connect to the
10 Austin Data Center and doing a final round of
11 application testing.

12 At 3:00 a.m. Monday morning our systems
13 were opened up for general production use, and we've
14 had no problems since. We've run several batch runs,
15 including the Benefits run, in which we processed
16 payments for 10,000 claimants and produced 30,000
17 pages of output.

18 There were well over 100 TWC staff
19 involved in the planning and testing associated with
20 this move, far too many to mention here. But there
21 are a few key players I'd like to recognize, the first
22 being Robert VonQuintus, our Data Processing Director,
23 who provided leadership throughout the entire project,
24 as he has all the DCS-related projects.

25 Other data processing staff includes

1 Paula Cooke, Bryan McKay, Patrick Akers, Michael Kell,
2 our AD&M Director, with John Fowler in a lead role,
3 along with AD&M project managers Joni Tollett, Teresa
4 Alvarez and Eric Goike all worked to ensure the
5 mission critical applications they support would be
6 fully functional after cutover. Leslie Howes, PMO
7 Director, Jennifer Canady in Work In Texas and Woody
8 Gill, all worked to ensure our Internet-based
9 applications would be fully functional, as well.

10 This was a huge collaborative effort
11 between TWC, Team For Texas and DIR, and I'm very
12 proud of our IT organization for it. I believe our
13 planning and processes will be a model other agencies
14 can follow as they consolidate their infrastructures
15 to the two data centers.

16 Unfortunately, we're not through yet.
17 Print and mail operations remain here running in the
18 TWC Annex. We do not have a cutover date established
19 for them yet, but we will be focusing on that in the
20 coming weeks. We also have some remaining server
21 infrastructure at TWC, most of it which is scheduled
22 to move to the Austin Data Center next summer.

23 Fortunately, those conversions do not
24 compare in scope and complexity to what we just went
25 through.

1 MR. TEMPLE: And the -- if anybody asks,
2 we -- we did not change us into -- the agency into a
3 campground, but they did have a pop-up camper on the
4 grounds over the weekend so they could get some sleep
5 in shifts. So --

6 MR. MEADOR: The network guys.

7 CHAIRMAN PAUKEN: Questions?

8 COMM. LEHMAN: Congratulations.

9 CHAIRMAN PAUKEN: Thank you.

10 COMM. CONGLETON: Thank you.

11 CHAIRMAN PAUKEN: Thank you.

12 MR. TEMPLE: That's all.

13 AGENDA ITEM NOS. 17 & 18

14 CHAIRMAN PAUKEN: Okay. Is there a
15 motion to adjourn?

16 COMM. LEHMAN: So made.

17 COMM. CONGLETON: Second.

18 CHAIRMAN PAUKEN: Unanimous. Thank you.
19 See you next week.

20 (Meeting adjourned: 2:18 p.m.)

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