

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

COMMISSION BRIEFING RE:            )  
PERFORMANCE MEASURES, BUDGET,) )  
AND THE STATUS OF ALL FUNDING)  
APPROVED BY THE COMMISSION    )

COMMISSION PERFORMANCE BRIEFING

TUESDAY, JULY 22, 2008

BE IT REMEMBERED THAT at approximately  
1:30 p.m., Tuesday the 22nd day of July, 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 and RONALD G. CONGLETON, COMMISSIONERS, of the  
Texas Workforce Commission; and the following  
proceedings were reported by Janis Simon, a Certified  
Shorthand Reporter of:

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

2 TUESDAY, JULY 22, 2008

3 (1:30 p.m.)

4 AGENDA ITEM NO. 1

5 CHAIRMAN PAUKEN: So, Gene, who is going  
6 to start this off?

7 MR. CRUMP: Good afternoon. As usual,  
8 Mark will start us off and provide an update on the  
9 Texas and the national economic situation as they see  
10 it.

11 Mark.

12 MR. HUGHES: Thank you, Mr. Crump.

13 Good afternoon, Commissioners. I've  
14 often heard that what decisionmakers need the most is  
15 a one-handed economist who can't offer up --

16 CHAIRMAN PAUKEN: I can't hear you,  
17 Mark.

18 MR. HUGHES: I've often heard that what  
19 decisionmakers need the most is a one-handed economist  
20 that can't offer up the phrase "on the other hand."  
21 But today to comment on the economy I really need more  
22 than two hands, and with that I'd have to put  
23 disclaimers on whatever else I might say.

24 I do think that -- that regarding the  
25 Texas labor market with cautious optimism is a

1 reasonable common sense approach to take. The June  
2 labor -- Texas labor market data look good with the  
3 number of payroll jobs increasing by almost 48,000  
4 jobs over the month. The unemployment rate remained  
5 low at 4.4 percent.

6 Over the last year practically every  
7 major sector has experienced job growth in Texas, with  
8 the exception of employment in manufacturing  
9 industries.

10 CHAIRMAN PAUKEN: Except -- except for  
11 what and manufacturing?

12 MR. HUGHES: Manufacturing.

13 CHAIRMAN PAUKEN: No. And -- and you  
14 said something before manufacturing. With the  
15 exception of what?

16 MR. LEWIS: Employment.

17 CHAIRMAN PAUKEN: Employment?

18 MR. HUGHES: Employment.

19 CHAIRMAN PAUKEN: And manufacturing?

20 MR. HUGHES: With -- with the exception  
21 of employment in manufacturing --

22 CHAIRMAN PAUKEN: In manufacturing.

23 Okay.

24 MR. HUGHES: -- which has declined.

25 CHAIRMAN PAUKEN: What has that

1 declined?

2 MR. HUGHES: It's about 1600 this month.

3 Now, I would argue, though, that when  
4 you look at the level of employment in manufacturing,  
5 that it's not significantly down from the perspective  
6 that between -- over the last nine years, which 1998  
7 was an employment peak in that sector, but through  
8 last year the output, the dollar value of output in  
9 manufacturing has increased by 56 percent. So, even  
10 though employment is down a little bit, it -- it still  
11 ranges a little above or a little less than a hundred  
12 thousand, but -- but output is way up.

13 The national situation in June had a job  
14 loss over the month of 62,000 jobs. Taking that in  
15 perspective, the private sector over the month lost  
16 91,000 jobs, and the unemployment rate was 5.5  
17 percent. A perspective on that is, among the six  
18 largest states, the five other than Texas since  
19 January have experienced a job loss of just over  
20 122,000.

21 Texas, on the other hand, has  
22 experienced a job gain of just over 122,000 payroll  
23 jobs. So, there's a lot of different stories  
24 operating out here.

25 The Texas labor market has been having a

1 completely different experience from developments  
2 across the country. In fact, every month the  
3 metropolitan area in Texas, in which we do measure  
4 jobs which we don't in three of them right now, but of  
5 those metropolitan areas that we do measure over the  
6 past year they have all had a positive increase in  
7 payroll employment.

8                   Now, one exception to that might be  
9 arguably Beaumont, which has had just an imaginable  
10 increase in payroll jobs. And the Beaumont  
11 unemployment rate has gone up from 5.6 percent to 3 --  
12 to 6.3 percent over the past year. When we look at  
13 the Texas labor market the -- the question becomes --

14                   CHAIRMAN PAUKEN: Why -- yeah. Why is  
15 that -- because there is such an expansion of jobs in  
16 that -- in that region with the refinery plants, why  
17 do you think that Beaumont is going up in  
18 unemployment?

19                   MR. HUGHES: I'm not sure. The  
20 employment base has not grown. The labor force has  
21 grown some, and it's difficult for us to crack that  
22 unemployment number open, to break it down completely.  
23 If you'd like, I can look at the claims data and give  
24 you some feel for what claims data are doing there.

25                   CHAIRMAN PAUKEN: Okay.

1                   MR. HUGHES: And that's about the best  
2 data we've got on -- on the exact nature of the  
3 unemployed there.

4                   CHAIRMAN PAUKEN: I mean, that -- that  
5 does surprise me, though, in light of what's  
6 supposedly taking place in that -- in that part of the  
7 state.

8                   MR. HUGHES: It does, and we're thinking  
9 that -- that the economic activity that -- that we  
10 know is emerging there may simply not be showing up on  
11 our unemployment data yet. So, it wouldn't surprise  
12 me if it doesn't go up in the next few months.

13                   To kind of go below the numbers right  
14 now, even though we can say, "Well, what's going on in  
15 Texas? It seems to be quite a bit different from  
16 what's going on in other large states, in terms of the  
17 national averages and that kind of thing." The only  
18 way I can get into that is -- is kind of be -- kind of  
19 go to an area of -- that when we look at the data, we  
20 get into "Yes, buts," and "What ifs," and that sort of  
21 thing.

22                   And what I would do is draw your  
23 attention to the handout with -- with the charts on  
24 it, the graphs, which looks like so. (Indicating)  
25 And I'll just kind of quickly hit these highest

1 points, kind of point out the situation.

2 If you --

3 CHAIRMAN PAUKEN: Which one -- which one  
4 are you -- is this the total --

5 MR. HUGHES: I'm sorry?

6 CHAIRMAN PAUKEN: This one, the handout?

7 (Indicating)

8 MR. HUGHES: Yes.

9 CHAIRMAN PAUKEN: The "Total  
10 Nonagricultural Jobs versus Civilian Force"?

11 MR. HUGHES: Yes.

12 CHAIRMAN PAUKEN: Okay.

13 MR. HUGHES: And what we're looking  
14 here -- at here is the annual rate of growth in  
15 payroll jobs versus the annual rate of growth in  
16 civilian labor force. Not too surprisingly, when --  
17 when you look at this it -- it kind of is just common  
18 sense what you would expect. At periods where we have  
19 high -- the unemployment rate going up and higher  
20 periods of unemployment, we see that the growth in  
21 civilian labor force, the people who are available for  
22 work, et cetera, is greater than the growth in payroll  
23 jobs.

24 And where we have periods where we've  
25 got excellent economic growth, excellent job growth,

1 the rate of payroll job growth exceeds the growth in  
2 the civilian labor force. And it -- it shows the  
3 economic slow down in 2001, 2002, and 2003 quite  
4 clearly. As we get down to the end and start looking  
5 at what's been happening recently, we see those lines  
6 begin to converge again.

7                   Those rates become very, very close. So  
8 we say, "Well, is that a signal?" Well, yeah, it's  
9 kind of a signal, except that the growth rates are  
10 still above 2 percent. And you don't -- you don't  
11 normally see this until the growth rates get below 2  
12 percent.

13                   So, yeah, they're kind of converging,  
14 but on the other growth is still real strong.

15                   CHAIRMAN PAUKEN: Now --

16                   MR. HUGHES: If you look at some of the  
17 other indicators, for example, personnel supply on the  
18 second chart, we see the same thing, that during  
19 periods of economic slow down the rate of growth in  
20 that industry is about the same or lower than --  
21 slower, I would say, than the growth rate in total job  
22 count. And those two numbers have converged.

23                   Yeah, that's true. But they're still  
24 operating at higher levels. In personnel supply the  
25 expansion in that industry has not dropped below the

1 average rate of expansion.

2                   So, you go, "Well, yeah, it's -- it's  
3 doing this, but on the other hand, it's also in a  
4 healthy range." Same thing applies to truck  
5 transportation.

6                   And there's a final chart on there --

7                   CHAIRMAN PAUKEN: Do all these figures  
8 go through January '08? Is that the most --

9                   MR. HUGHES: They go through June. It's  
10 hard to graph every month on here --

11                   CHAIRMAN PAUKEN: Oh, okay. Well, then,  
12 when it says, "January '08," what you're really  
13 showing at the very end is June?

14                   MR. HUGHES: Is June. That's correct,  
15 sir.

16                   CHAIRMAN PAUKEN: Oh, okay. I was  
17 confused.

18                   MR. HUGHES: That's correct.

19                   CHAIRMAN PAUKEN: So, the only thing  
20 that is crossing at the moment -- well, you actually  
21 have No. 2 and No. 3 that are crossing. And what does  
22 that tell you? That there -- I mean, are those early  
23 indicators that we're heading into a recession --

24                   MR. HUGHES: They have typically been  
25 early indicators. However, they haven't done this

1 historically at the high levels they're doing that at.  
2 In other words, we've still got rapid rates of  
3 employment growth, and typically this happens when  
4 employment growth is really slowing down.

5                   So, it's a mixed signal. It's very  
6 difficult to say, "Well, this is tending to lead what  
7 we expect to happen." We're unsure, because it's  
8 doing something it's just not done before.

9                   In try -- in analyzing what's going on  
10 with the unemployed and the unemployment rate, yes,  
11 claims are going up. But if you look at it within --  
12 and if you'll look at the last page on here, if you  
13 look at it within the context of what it's  
14 historically done during periods of slow economic  
15 growth and expansion among the unemployed, it's still  
16 running at a very low level.

17                   Yes, claims are going up. But is it up  
18 significantly? Well, it's not -- not breaking out of  
19 any historical pattern that says it's getting high.

20                   Now, what it boils down to, in trying to  
21 say, "Well, what's next?" is really a -- a series of  
22 "What ifs?" And in terms of what's in the media and  
23 what the forecasts are saying and all that, it -- it  
24 really boils down to things such as, "Well, what if  
25 the problems in the housing market continue?" And

1 some forecasts expect that to happen for the next  
2 year, year and a half.

3                   What happens if commodity prices  
4 continue to rise, food prices, oil prices, that sort  
5 of thing? And I think, critically, what happens if  
6 consumer spending declines? Because our economic  
7 dollar measures are still holding up quite well in  
8 Texas.

9                   But what happens if consumer confidence  
10 declines sharply? And --

11                   CHAIRMAN PAUKEN: Do we have a  
12 comparison of Consumer Confidence in Texas versus the  
13 national figure, or is it just the national -- I mean,  
14 we know that at the national level Consumer Confidence  
15 is very low. Is there a distinction between that  
16 figure and Consumer Confidence in Texas?

17                   MR. HUGHES: There is a measure for  
18 Consumer Confidence in -- in -- in the south central  
19 region, which is Texas and the states around Texas.  
20 And it's gone down, also, not as dramatically as you  
21 see at the national level, but it has declined.

22                   This is this month's -- the opening  
23 sheet on the Consumer Confidence survey from the  
24 Conference Board, and on Page 2 there are actually two  
25 illustrations in there. One depicts the Consumer

1 Confidence Index -- Consumer Expectations, as opposed  
2 to changes in gross output nationally.

3           And the second one compares -- within  
4 that survey, there are questions about how consumers  
5 feel about the labor market. And one measure of that  
6 is job availability -- or the question is, "Are jobs  
7 hard to get?"

8           And it compares that to the unemployment  
9 rate, and you see those track very well together. And  
10 what we see particularly this last month is consumers  
11 across the country are very pessimistic about the job  
12 market. They believe jobs are hard to get. They  
13 believe that jobs will continue to be hard to obtain,  
14 and consumers believe that their income is not going  
15 to go up.

16           Now, that's in the consumer's mind. And  
17 that can be a self-fulfilling prophecy. It may not  
18 be, but it's there. That's what people are thinking.

19           To break the -- I can't break that job  
20 awareness down to the southwest region. But Consumer  
21 Confidence is the southwest region level, and it is  
22 going down.

23           CHAIRMAN PAUKEN: You've -- you've got  
24 that this is the fifth lowest reading ever compared  
25 to -- how far does that go back?

1 MR. HUGHES: Oh, I'm not sure.

2 Probably -- this index probably goes back into the  
3 '70s.

4 CHAIRMAN PAUKEN: But it's the lowest --  
5 is this the lowest since '94, lower than after 9/11?

6 MR. HUGHES: Well, this is the lowest  
7 since they've kept the index. When -- when they're  
8 referring to it being among the lowest, that means  
9 since they've kept the index, which I believe is in  
10 early 1970s.

11 CHAIRMAN PAUKEN: What was -- give me an  
12 example of what was worse. I don't see any -- any  
13 from 1994 to the present, including the terrorist  
14 attacks and the Iraqi War and the hurricane that  
15 are -- as bad as the current index. What was worse?

16 MR. HUGHES: The only one I can recall,  
17 I believe, it was in 1991.

18 CHAIRMAN PAUKEN: Okay.

19 (Brief pause)

20 CHAIRMAN PAUKEN: Okay.

21 MR. HUGHES: Maybe you have other  
22 questions, or if you'd like more detail, I can  
23 certainly provide that to you.

24 CHAIRMAN PAUKEN: Yeah, I'd like to --  
25 yeah, more detail, just -- just so that I've got --

1 you know, kind of relate that to what was the low  
2 periods previously --

3 MR. HUGHES: Okay.

4 CHAIRMAN PAUKEN: -- if you would.

5 COMM. CONGLETON: If there's -- in that  
6 influx in the workers in the refineries data, I'd like  
7 to know who the --

8 MR. LEWIS: Microphone.

9 COMM. CONGLETON: -- I'd like to know  
10 who those workers are, because I'm hearing a lot of  
11 rumors about there -- a lot of H-2Bs is in there and  
12 farmworkers in there.

13 MR. CRUMP: Commissioners, if no more  
14 questions for Mark with that economic backdrop --

15 CHAIRMAN PAUKEN: No, I -- no, I do have  
16 one -- one other question.

17 MR. CRUMP: Yes, sir.

18 CHAIRMAN PAUKEN: Mark -- and I don't  
19 have it in front of me -- but the latest figures -- in  
20 fact, I called and you were unavailable. If you look  
21 at, obviously, seasonally-adjusted in Texas, we went  
22 from, what, 4.5, to 4.4, a de minimus change in terms  
23 of unemployment. But you look at it broken out on  
24 nonseasonably-adjusted in the individual regions, and  
25 there's quite a -- quite a jump in almost every region

1 in terms of -- of unemployment.

2                   And you compare that with the  
3 nonseasonably-adjusted U.S. figures, and it -- it's --  
4 it's a little hard for me to fathom how we went down,  
5 even when it was seasonably-adjusted.

6                   MR. HUGHES: Well, the biggest factor --

7                   MR. LEWIS: Turn on your mic.

8                   MR. HUGHES: The largest factor in that  
9 is people out of school. And we -- we normally get  
10 this -- this large of a difference, this large of an  
11 increase in the number of unemployed people in June.

12                   CHAIRMAN PAUKEN: Okay.

13                   MR. HUGHES: Now, one of the things  
14 that -- that is difficult in the June data is while  
15 the unemployment rate is going down on the  
16 seasonally-adjusted data, we also get a smaller labor  
17 force, fewer people employed -- now, that's -- you can  
18 think of that as household people responding as  
19 unemployed or employed -- and we've got a reduction in  
20 the unemployed numbers. One of the phenomena that was  
21 noticed in -- in the national current population  
22 survey is that a lot of the change in the national  
23 unemployment rate was attributable to young people who  
24 didn't find the summer jobs that they normally do.

25                   To the extent that that's reflected in

1 Texas, there's no other way of knowing. But that was  
2 the component that explained most of the change in the  
3 labor market on the -- at the national level.

4 CHAIRMAN PAUKEN: Okay.

5 Any -- any questions, Commissioner  
6 Congleton?

7 COMM. CONGLETON: I'm dumbfounded.

8 CHAIRMAN PAUKEN: Yeah. I mean, I -- I  
9 don't know. It just seems -- you know, the national  
10 trends are trending negative, and we're seeing in a  
11 way -- I -- even with it being seasonably-adjusted, it  
12 just -- you know, are we following the national trends  
13 to some degree, or are we still immune from the  
14 national trends? And that's a question in my own  
15 mind.

16 MR. HUGHES: And the word "immune"  
17 bothers me a great deal.

18 CHAIRMAN PAUKEN: Well, maybe I used the  
19 wrong word. Are we -- you know, I -- I just -- I --  
20 I -- I just wonder, in light of some of the things  
21 that are happening because of -- obviously, we have a  
22 benefit because of the expanse of energy in the state  
23 and -- and a lot of other factors that are bringing  
24 jobs here. But -- but a lot of our industries,  
25 whether it's a -- you know, airplane companies, like

1 American Airlines, Continental, or a bunch of other  
2 folks that are affected by the high gasoline prices  
3 that jobs are being lost.

4                   Mortgage business jobs are being lost.  
5 And -- and, you know, one -- in one set of figures it  
6 looks like we're -- we're trending with the -- the  
7 national figures. We're just, you know, not where  
8 they are. Another set of figures, somehow, we look  
9 you know, a little better than my gut tells me  
10 (laughter) we are.

11                   So, I'm just -- I mean, I -- I -- I --  
12 I -- I just found those hard to really extrapolate  
13 from.

14                   MR. HUGHES: Yes, sir. And when I saw  
15 the job increases of 47,700 this last month, I did  
16 something that I don't normally do. And that --  
17 (laughter) I actually went into looking at individual  
18 reporters in the sample survey and looking at the  
19 mechanics of the survey, because, you know, I keep  
20 thinking "How can this be?" And there was no real  
21 reason that I could find to negate the sample survey  
22 data on the job count.

23                   CHAIRMAN PAUKEN: But those are often --  
24 as Alan Ableson loves to do on a regular basis, they  
25 often -- at the national level, when they're showing

1 job gains, they come in back in a few months later --  
2 I think John Kradell of the New York Post does the  
3 same thing, and they discover some those jobs weren't  
4 real and adjust them down. So --

5 MR. HUGHES: That --

6 CHAIRMAN PAUKEN: -- is that a  
7 possibility that that could be the case here?

8 MR. HUGHES: -- that's correct. That is  
9 a very -- possibility. And I -- it wouldn't surprise  
10 me a bit.

11 Things you do see at the national level,  
12 you know, like there have been declines in  
13 construction. We haven't had declines in  
14 construction.

15 CHAIRMAN PAUKEN: Right.

16 MR. HUGHES: And in the area of  
17 revisions and what may or may not be, construction is  
18 a reliable number more so than some of the others.  
19 But you have sectors like that that we just have not  
20 seen what you see at the national level.

21 CHAIRMAN PAUKEN: Okay. All right.

22 MR. HUGHES: It doesn't mean we won't,  
23 but we're still not -- through June, we weren't  
24 experiencing it.

25 CHAIRMAN PAUKEN: Okay. Thank you,

1 Mark.

2 MR. CRUMP: Mr. Commissioners, if you'll  
3 turn to Tab 2, I'll let Randy take it over and talk --  
4 take us through the monthly legislative report.

5 MR. TOWNSEND: Good afternoon,  
6 Commissioners. In Tab 2 we have the monthly  
7 legislative report as of May 31st. So, that's three  
8 quarters through our state fiscal year.

9 Just a few things I wanted to highlight  
10 for you this afternoon. First of all, just starting  
11 at the bottom line, in terms of -- of where we were as  
12 of May our total expenditures were almost 784  
13 million -- that's the third column -- as of May. That  
14 was about -- exactly 75 percent of what we were  
15 budgeting for the -- on the fiscal year basis at that  
16 point. So, overall, at the bottom line we're tracking  
17 pretty well with our -- with our budget there.

18 In terms of our FTEs, or full-time  
19 equivalents, staff, which is the third column from the  
20 right, we were looking at 2,781 staff as of May for  
21 the year-to-date number there. That's about -- I  
22 think about 80 or so under our FTE cap that we -- we  
23 deal with. So, overall, kind of -- some of our main  
24 numbers we'll look at at a high level, we're tracking  
25 very well.

1                   With regard to a few of the strategies,  
2 I just wanted to make a couple observations for you  
3 just so you have a feel for what was going on with  
4 some of the percentages that were just a little bit  
5 out of line with where we would expect to be three  
6 quarters through the year. With regard to the  
7 Workforce Investment Act, the 1.1.1 Strategy there, we  
8 were just over 80 percent, puts us just a little -- a  
9 tad above the -- our threshold for where we look at  
10 explanations of variance on this.

11                   What was happening during this time  
12 period, it goes back a ways in terms of our old  
13 National Emergency Grant for the -- for the hurricane.  
14 It's hard to believe it's been that long ago now,  
15 Hurricane Katrina. We were still wrapping that up in  
16 a couple of our board areas, and so we were seeing a  
17 spike on our -- some of our closeout contracts with  
18 some of those expenditures there.

19                   When I look to the next month, that had  
20 sorted itself out by then, and we're back on track.  
21 So, I don't think there's any -- any reason to be  
22 alarmed with -- with that particular strategy.

23                   Regarding the -- the TANF Choices, the  
24 1.1.3, it's -- it's not -- it's pretty close to where  
25 we would expect it to be at this point. I think

1 primarily what we're seeing there, in terms of the  
2 expenditures, it's dealing with a couple of our  
3 Statewide Initiative contracts where we've added  
4 some -- some new contracts more recently, getting  
5 those into place for, I think it's our foster -- I was  
6 trying to find my notes on this -- our foster youth  
7 expansion. It's a fairly recent, I think, addition of  
8 funds, and so we're just getting those into contract  
9 now.

10                   And so you won't see expenditures for --  
11 for a little while on those, and so it's a timing  
12 issue more than anything on that. So, again, I don't  
13 think there's anything at this point that we'd -- we'd  
14 need to draw any attention to there.

15                   We've talked in -- in the past meeting  
16 about trade-affected workers. In fact, you had a --  
17 we had discussed a voluntarily -- a voluntary  
18 deobligation, which we took -- which took place. And  
19 that's 1.1.6, the Trade-Affected Workers.

20                   It looks like we're going to be well  
21 below what we had budgeted on this. I don't think  
22 we -- that's any surprise at this point, just on the  
23 basis of the number of folks that are eligible for the  
24 training. And I think we've had some discussion in  
25 the past about this, and really that just continues to

1 be the -- the same type of situation there.

2                   Regarding Project RIO, which is 1.1.7,  
3 we were slightly below where we'd want to -- want to  
4 be targeting on a -- on a -- kind of a straight-line  
5 basis here. Primarily, that's with a couple of our  
6 contractors where we have -- have a rider in which we  
7 provide funding to a couple other state agencies,  
8 namely to Department of Criminal Justice and Youth  
9 Commission. And the timing of thier request for  
10 drawdown expenditures had lagged a little bit on this  
11 basis.

12                   They -- they will usually, by the time  
13 the year is over, they will draw all those funds down.  
14 So, I think, again, it's just a -- a timing of the  
15 invoicing and the -- and the payment processing there.  
16 I didn't see anything -- any real note to cause alarm.

17                   We'll move on, then, to the Skills  
18 Development. That's 1.2.1. It's 60 -- just under 61  
19 percent expended.

20                   The 15 million number there expended  
21 through '08 for the first nine months of this year  
22 compares to 11 million we had expended through the  
23 same time period a year ago. We did have additional  
24 funds available. The only thing of note here from my  
25 perspective, at least -- and this is one of those

1 areas that we always deal with at kind of this time of  
2 year is that I think our balance, if I recall  
3 correctly -- I just looked at this -- as of about mid  
4 July just -- or so, we're looking at about \$8 million  
5 in balance available that we will -- and I -- and I  
6 know that Larry Jones and his folks are working these  
7 all the time, we'll need to get into contract before  
8 the end of August.

9                   And I'm sure there's a -- there's always  
10 a -- several of those that are processing through the  
11 last -- the last part of a fiscal year.

12                   And I don't know if there's anything  
13 else that you -- that's about all I have on that one  
14 as far as the -- the situation there.

15                   COMM. CONGLETON: Any need for concern  
16 on Child Care and Foster Care families? We're  
17 overspending there --

18                   MR. TOWNSEND: There was. That's 1.3.5.  
19 there was until just a couple of weeks ago.

20                   The Department of Family and Protective  
21 Services found additional funding for their -- this is  
22 the situation. We're -- we're pretty much acting as  
23 fiscal agent to -- to reimburse our workforce boards,  
24 who turn around and pay the daycare centers out there  
25 for the foster care and protective care children, that

1 they're -- the Department of Family and Protective  
2 Services is responsible for.

3                   And so they were certainly spending at a  
4 pace that was well ahead of what we had in our budget,  
5 and they've added \$3 million in the last couple of  
6 weeks. So, that looks like, based on our -- our  
7 calculations, that should get us through this fiscal  
8 year. And we're thinking that they will need to  
9 continue that at the current pace for next -- next  
10 fiscal year as well.

11                   So -- yeah, that -- that was concerning  
12 there. We were running into some -- some problems  
13 being able to process payments if they didn't identify  
14 some funds there for us.

15                   I would just back up just for a moment  
16 and just mention just on the Child Care Strategies,  
17 the -- the 1.3.1, 2 and 3, just as a reminder, in  
18 total those three direct care strategies will average  
19 out at about 77 percent expended for the year, which  
20 is about right. If you look at Choices Child Care,  
21 which is 1.3.1, it would look like we're a little bit  
22 low.

23                   This was -- if you'll -- you might  
24 recall, this was one of those requests we had  
25 submitted to try to collapse these strategies so we

1 wouldn't be -- wouldn't be dealing with this issue.  
2 It's -- it's almost next to impossible to predict with  
3 any real accuracy how much Choices Child Care or other  
4 types of care we will need in advance until it  
5 actually occurs.

6                   It's just based on whatever demand there  
7 is out there, and so we will adjust the budget number  
8 at some point, based on the actual expenditures.

9 So -- and it looks like we'll be dealing with that in  
10 the future as well, since those strategies will  
11 remain -- will remain separated out.

12                   On the Child Care Administration I did  
13 want to point out on A.3.4 -- and this is a situation  
14 that has now been addressed as of June, it would look  
15 like at sixty -- almost 67 percent we were -- we were  
16 certainly tracking below what we would want to be on  
17 our expenditure level. Most of that was made up -- in  
18 this particular strategy, we have a contract through a  
19 rider requirement to -- with Texas Education Agency  
20 for a million dollars.

21                   And as of May, when this report was  
22 produced, there were -- there was a contract in place,  
23 but they had not drawn any funds at that point in  
24 time. Since then, they've drawn funds that will --  
25 that make up about 50 percent of that contract as of

1 today. So, they've made up whatever ground they need  
2 to make -- or continue to make up ground on that one.

3                   So -- and the final note I'll -- I'll  
4 make here is on 3.1.2, and I apologize for not having  
5 correct this -- or caught this before, this  
6 correction. On the fiscal year budget, the second  
7 column there, the 4.7 million, we realized, after this  
8 was produced, that we had a budget amendment that  
9 needed to be -- had -- made one half of the -- the  
10 adjustment.

11                   And so really the budget number for that  
12 number -- for that strategy for Information Resources  
13 should be more like \$3.5 million. And when you take  
14 that into account, they would -- that particular  
15 strategy would be about 70 percent expended, which  
16 means all of our indirect strategies are well -- are  
17 below our budget level, which with our funding  
18 situation and that sort of thing, I'm going to view  
19 that as a positive thing for those -- for those  
20 particular strategies.

21                   So, I -- I will get that -- before we  
22 send this over to the -- or the report out officially,  
23 we'll get that adjusted before we produce that. But  
24 I -- I did find that as I was reviewing some of this  
25 here for the -- for the meeting this afternoon. So, I

1 apologize for that, and we'll -- we've got that fixed  
2 for the future.

3                   And unless you have questions, I believe  
4 that hits the highlights of my area here.

5                   COMM. CONGLETON: No questions.

6                   CHAIRMAN PAUKEN: No questions. Okay.

7                   MR. CRUMP: Commissioners, then I'll  
8 turn it over to Adam to walk us through several  
9 performance measures.

10                  Adam.

11                  MR. LEONARD: Commissioners, I handed  
12 out to you two items. One is a single page, front and  
13 back, that starts with a table at the front of it,  
14 Page 1 on there. This page. (Indicating)

15                  Okay. What that's going to do is kind  
16 of highlight the key points that I wanted to talk  
17 about here now. I'm going to talk mostly about the  
18 measures that have really changed status since the  
19 last time we got together, rather than going measure  
20 by measure through them, the ones that have changed  
21 the same -- or stayed the same. Excuse me.

22                  The start with, I wanted to mention that  
23 on Page LBB1 in your book that the total Customers  
24 Served number has moved into what we call a minus P or  
25 a negative status since last quarter. And it's really

1 not that surprising to us, because the number -- we  
2 were just barely making it last quarter. We're just  
3 barely missing it at this point.

4                   But, really, a lot of what tends to  
5 drive this is the Employment Services number, which is  
6 our Work In Texas system primarily, people who are  
7 registered in there. And since, historically, UI  
8 claimants have made up a very large part of the ES  
9 universe and now we have quite a few fewer claimants  
10 than we did, even if they're starting to rise a bit,  
11 it's still lower than what they were historically a  
12 couple of years ago when we set these targets. That's  
13 kind of what's driving that change there.

14                   On the second page in the notebook on  
15 LBB2 the Food Stamps measure, I wanted to mention  
16 that. We're still in meeting status on the R12,  
17 meaning the shaded line at the -- near the bottom of  
18 the page. We have Customers Served for the last 12  
19 months.

20                   We're still meeting, but we're now  
21 meeting at 96.8, as opposed to 100 percent of target  
22 or 101 percent of target. So, it's starting to kind  
23 of move towards the low end on that. We're still  
24 within range. We still should be able to meet, but  
25 our margin of error has -- has shrunk considerably.

1                   On Page LBB3 the -- we're still on pace  
2 to hit the LBB target of 38,000 but not on -- for RIO  
3 Customers Served. But we're still not on pace to hit  
4 the 48,000, the extra 10,000 customers that we were  
5 hoping to be able to serve this year, based on the  
6 additional 1.4 million than we received from the  
7 Legislature last year.

8                   However, Skills Development Employment  
9 Retention moved from negative status into a meeting  
10 status since last quarter. So, we were just barely  
11 missing the target before, and now we're at 96 percent  
12 of target, which is considered meeting status.

13                   Similarly, on the Self-Sufficiency  
14 numbers on Customers Served we were only meeting.  
15 We're now exceeding on the last 12 months of data for  
16 Self-Sufficiency. We went from 100 percent of target  
17 to 120 percent of target.

18                   So, we certainly appear to be on pace to  
19 exceed both our target this year and our performance  
20 for the last year. So, positive on both of those.

21                   Then, finally, the last one I wanted to  
22 mention in -- in the LBB section was on LBB5 the  
23 Number of Quality Control Audits for Benefits  
24 Paid/Denied; this is the BAM function. It has moved  
25 into meeting status since the last quarter, and we

1 believe that we're on pace to meet the target for the  
2 end of the year.

3                   And so that covers all of the changes  
4 and things that have been going on with the LBB  
5 measures.

6                   After that, starting on the next page we  
7 go into the -- or on Page DOL 1 and 2 we get into  
8 the -- the Department of Labor measures. And  
9 basically there's one thing I wanted to mention on  
10 here.

11                   We're doing fine on the ES. We're  
12 exceeding performance on the Veterans measure still.  
13 So, things are all looking good there.

14                   But there was one measure that we  
15 discovered an issue with, which was the WIA Dislocated  
16 Worker Average Earnings measure. It's on Page DOL1  
17 right around -- not quite in the middle of the page.  
18 It's in the first section there, and it reads that  
19 current year-to-date performance is at 16,8.

20                   We discovered that there was a -- a  
21 volume of workers who got coded in such a way that  
22 they were counted in this measure that probably  
23 shouldn't have been. And so we've made a correction  
24 in that reporting system. And based on that  
25 correction, this restated number is 14,295, which puts

1 us right on target with what we have with DOL at  
2 14,300.

3                   So, we're still doing fine, but we're  
4 not at the 16, nearly 17,000 number that we've got  
5 reported here. So, that was a correction that we just  
6 made. And that will -- we wanted to make sure we had  
7 that resolved before the end of the year, of course,  
8 because we didn't want to report to DOL a year-end  
9 number that was too high and then them expect us to  
10 hit that number again next year when it was an anomaly  
11 in the data.

12                   Behind Tab 4 we get into board  
13 performance, and I just wanted to talk to a couple  
14 things in here. The first was is you may remember  
15 last -- at the last briefing we talked about the  
16 seasonality in the 10-Week measure, because we saw a  
17 pretty good size drop from the first quarter to the  
18 second quarter in performance.

19                   Well -- and we didn't think there was  
20 anything to be concerned about because of the  
21 seasonality. And, sure enough, if you look at the  
22 third quarter of performance there, we've gone from 49  
23 and a half in the second to 52 in the third. So, the  
24 pattern that we expected is there, and -- and we're  
25 generally, I guess, I would say the performance is

1 behaving more or less the way we would -- would expect  
2 it to.

3                   And that first drop in the second  
4 quarter there that we were really concerned with, it  
5 turns out that we were right. It's not that big a  
6 deal.

7                   Looking at the individual boards,  
8 though, under Staff Opening -- Staff Created Job  
9 Openings Filled, one thing I wanted to point out  
10 there -- and this is at the top of Page 2 of the  
11 handout that I've given you, I'm showing data -- the  
12 number of boards that are exceeding, meeting, or not  
13 meeting performance based on year-to-date through one  
14 quarter, two quarters, and three quarters. And as you  
15 can see, at the beginning of the year we had 18 boards  
16 not meeting this measure, and at this point we only  
17 have seven. So, things are moving very much in the  
18 right direction amongst the boards.

19                   Similarly, on the WIA DOL measures for  
20 the Youth, Attainment of Degree or Certificate and  
21 Literacy & Numeracy Gains were the problem child last  
22 time; they're still somewhat problem child. But the  
23 Attainment of Degree or Certificate has improved  
24 dramatically. We went from 11 boards not meeting to  
25 five boards. So, that's definitely moving rightwise.

1                   Literacy/Numeracy is fairly close to  
2 where it was before. Minor changes there, but nothing  
3 significant.

4                   Under Choices we still have the greatest  
5 challenge on the -- meeting the Choices participation  
6 measures that we've got. One board currently  
7 exceeding, one board that's meeting, and everyone else  
8 struggling for the All Family.

9                   Numbers are slightly better on the Two  
10 Parent, but there's -- given that probably about half  
11 the boards are not meeting there. But they're  
12 still -- those two sets of measures are where there's  
13 probably the greatest challenge.

14                   And in terms of Child Care one thing I  
15 wanted to mention here is last quarter we had nine  
16 boards that were not meeting. So, through two  
17 quarters of data, we had nine boards that weren't  
18 quite making the mark. At this point, with three  
19 quarters, we're now up to only three boards that  
20 aren't meeting.

21                   And when you consider that the boards  
22 really had a number of challenges this year that they  
23 haven't faced before -- the fact that they had full  
24 freedom to adjust their rate targets, because the rate  
25 freeze was lifted, but there was, then, a mandate by

1 the Legislature under 19.111 to increase rates  
2 associated with serving certain types -- or certain  
3 providers serving kids under the age of 6, I believe.  
4 And then the shift in the provider mix that occurred  
5 under the regulated family -- or the unregulated care,  
6 the Family Rules.

7                   While it was certainly rough going early  
8 in the year, things seem to have stabilized, and the  
9 boards have managed to, you know, keep all these balls  
10 moving in the air for the most part. So, I just  
11 wanted to, I guess, kind of give them a bit of kudos  
12 on that.

13                   That's what I wanted to highlight in the  
14 book, and I'm happy to answer any questions you may  
15 have about it. But I have one other handout that I  
16 wasn't going to go through in detail today, but I just  
17 wanted to kind of tell you a little bit about it and  
18 offer to come by and brief.

19                   I'm sorry. Larry had a point to make.  
20 I'm sorry.

21                   MR. JONES: Commissioner -- Chairman  
22 Pauken, Commissioner Congleton -- I'm Larry Jones for  
23 the record with Workforce Development -- regarding  
24 board contracted performance measures, I just wanted  
25 to throw out some positive comments, particularly when

1 we -- Adam has already painted for you a picture of  
2 improving performance overall. And many of our boards  
3 are moving in the right direction.

4                   The Alamo Board area, which is one of  
5 our larger boards is, in fact, meeting or exceeding  
6 all contracted performance measures and, in fact, are  
7 exceeding in nine of those 16 areas. So, I would  
8 point them out as really doing a great job in  
9 performance.

10                   As well, Panhandle, Rural Capital, and  
11 South East Texas are meeting all except one of their  
12 16 contracted performance measures. So, I would say  
13 kudos to all four of those boards. So, I think -- I  
14 think overall, sir, I think performance is improving,  
15 and I think our boards are doing a great job.

16                   CHAIRMAN PAUKEN: You were going to  
17 mention something, Adam?

18                   MR. LEONARD: Yes. We put out kind of  
19 a -- a quarterly nonnewsletter --

20                   (Laughter)

21                   MR. LEONARD: -- that we make available  
22 to boards and Workforce staff and other people who are  
23 interested in performance related matters, and we call  
24 it "Performance Matters." And each quarter we try to  
25 focus on a couple of new things. Last quarter we did

1 quite a few things with the 10-Week measure, and this  
2 quarter we decided to focus on training.

3           We know it's something that's been of  
4 interest, both to the Commissioners and to boards. We  
5 hear a lot of discussion about it. And so going into  
6 board planning season as we are, it was a good time to  
7 start digging into what's going on with training,  
8 what's the impact of training.

9           These are very preliminary kinds of  
10 numbers. This is a first cut at it. We worked with  
11 workforce to get some input, but really, this raised a  
12 number of questions that we're going to want to do  
13 some follow-up work on.

14           And we're happy to -- or come by and  
15 brief you on this and -- and spend some time going  
16 through it. But, basically, just to give you the  
17 heads up of what it was is what we wanted to do was  
18 look at kind of the targeted occupation concept and  
19 look at what percent of training, if you will, is  
20 occurring to -- on the targeted list. So, if you look  
21 at the number of customers who are being trained by  
22 boards, what percent of those customers are being  
23 trained in targeted occupations by that board, and  
24 that's the --

25           CHAIRMAN PAUKEN: When you say,

1 "targeted occupations," you're talking about where  
2 there are jobs available and tend to be  
3 high-growth/high-demand jobs?

4 MR. LEONARD: I'm going to look to --  
5 for some input on exactly how we want to define the  
6 word "targeted," but the -- from -- from staff here,  
7 if someone wants to jump in here, but this is  
8 something the boards do in their planning process.

9 MR. JONES: Well, we're -- what we do  
10 right now for our high-priority occupations or  
11 targeted occupations, they've also commonly been  
12 called, sir, those are defined by the boards as the  
13 ones in their areas that -- and --

14 CHAIRMAN PAUKEN: Where jobs are  
15 available?

16 MR. JONES: Yes, sir, and where they  
17 feel they need to provide emphasis in order to supply  
18 key employers in their area or whatever is important  
19 to their area. And they have formulas that they use.  
20 They use tools from Mark Hughes and Rich Froeschle and  
21 so on --

22 CHAIRMAN PAUKEN: Right.

23 MR. JONES: -- to determine that.

24 Now, we understand that you have  
25 guidance that you would like us to consider, and so

1 certainly we will work with --

2 CHAIRMAN PAUKEN: Well --

3 MR. JONES: -- our boards to do that,  
4 also.

5 CHAIRMAN PAUKEN: Okay. When you say --  
6 okay. Let's just take one: Dallas. Total customers  
7 trained, Adam, 4880 --

8 MR. LEONARD: This is Board Contract  
9 Year '07, which means it's October '06 through  
10 September '07 that these trainings occurred.

11 CHAIRMAN PAUKEN: Okay. And then you've  
12 got "targeted by the board" and then "targeted by a  
13 board." What's the distinction?

14 MR. LEONARD: I was going to go through  
15 that next. That's -- "targeted by the board" means  
16 that it was on that board's -- it was on Dallas's  
17 targeted occupation list. "Targeted by a board" means  
18 it wasn't targeted by Dallas, but at least one other  
19 board did, in fact, target that occupation.

20 So, while we didn't do a geographic  
21 analysis -- for instance, it might have been that  
22 Tarrant had put something on theirs, and Dallas  
23 decided to go ahead and train in that occupation. And  
24 you can imagine with them being relatively close  
25 together that there might be a connection there. At

1 the same time it could just as easily had been that it  
2 was someone in the Valley who targeted that  
3 occupation.

4                   We didn't do a geographic analysis, but  
5 we thought that there was really a distinction  
6 between -- between not targeted by anybody and at  
7 least being targeted by somebody if not that board,  
8 because someone has done some analysis that suggests  
9 that -- that Texas needs more people trained in those  
10 occupations.

11                   CHAIRMAN PAUKEN: And the three highest,  
12 in terms of not targeted, according to your figures --  
13 and I assume this is for last year, as you say --  
14 Brazos Valley, 42.80, West Central and -- 30.80, and  
15 then Dallas 24.51. And if they're not targeted by  
16 any -- anyone, it's just, what, the people that come  
17 in that are unemployed. They say, "Oh, I want this  
18 training," and they're able to get it, even though  
19 it's not on the list of targeted --

20                   MR. LEONARD: There may be several  
21 things that are going on here. And I had gotten a  
22 little further -- let me go into it a little bit  
23 further here.

24                   And one of the things we discovered is  
25 that there may be some data coding issues on the part

1 of board staff. In other words, if you're familiar at  
2 all with the -- with what are called ONET codes, there  
3 are multi digits. And if you go all the way down to  
4 the sixth digit, it's very, very, very specific.

5                   But if you take it up to, say, the fifth  
6 digit, you might have like 10 different types of  
7 welders.

8                   CHAIRMAN PAUKEN: Right.

9                   MR. LEONARD: And they might have picked  
10 two of them. But the guy of who actually plugged in,  
11 typed in, the actual welding code for that person in  
12 welding might have picked one of the two that wasn't  
13 the targeted one for some reason.

14                   So, that's one of the things we want to  
15 do and follow up and see what happens if we take this  
16 up to the fifth or the fourth level number of digits  
17 and that that may kind of change these numbers a  
18 little bit but maybe make them more meaningful,  
19 because if you look at the -- on Page 4 in the  
20 notebook -- or in the -- not the notebook but in  
21 the -- in the handout that you have in your hand  
22 there, there's a list of the top 10 occupations that  
23 were trained that were not targeted by anybody.

24                   And so you've got woodworkers. Two  
25 boards trained 615 people in woodworking of some

1 kind --

2 CHAIRMAN PAUKEN: Oh, okay. You're on  
3 the back page now.

4 MR. LEONARD: Yeah --

5 (Simultaneous discussion)

6 CHAIRMAN PAUKEN: Okay. I'm sorry.

7 MR. LEONARD: Yeah.

8 CHAIRMAN PAUKEN: Okay.

9 MR. LEONARD: And this is where we  
10 started thinking about the four digit, five digit  
11 question, because you look at this, and you go, "Well,  
12 welding, soldering, brazing machine" -- you know, that  
13 sounds like it could be very well related to a  
14 targeted occupation. Maybe this is just one of those  
15 that's off by a digit or so.

16 Some of the others, admittedly, office  
17 and -- and administrative staff, people might -- not  
18 typically think about as -- as being high-demand  
19 occupations, when we tend to think of the high-paid  
20 jobs and things like that. But then you look at  
21 construction-related workers, emergency management  
22 specialists, that's going to be something that you  
23 could certainly see people being interested in. So,  
24 we're thinking we need to kind of take it up a notch  
25 is -- I'm saying and -- and redo this analysis to try

1 to understand more about that.

2                   The other thing that's in here that  
3 might be worth pointing out is that incumbent worker  
4 training and on-the-job training -- or I should not  
5 say, "incumbent." I guess it would incumbent, but  
6 it's customized -- employer customized training may  
7 not be demand -- on the demand occupation list. But  
8 under the WIA and Trade rules, as I understand it --  
9 please correct me if I'm wrong -- they do not have to  
10 be in targeted occupations, if it's tied directly to  
11 an employer and his needs.

12                   So, it's not just like sending somebody  
13 out who says, "You know, I'm really interested in  
14 getting involved in whatever field," and we don't know  
15 that they've got a job. They're not connected to an  
16 employer who says, "I need this person."

17                   That's different than -- than saying,  
18 "Okay. I know I'm not a targeted industry, but I've  
19 got 12 workers. I need to upgrade their skills. I'd  
20 like to help with the workforce system to do it." So,  
21 that's another thing that we'd like to drill into a  
22 little more, see how much of this is -- might be in  
23 those -- these employer customized training or in  
24 other on-the-job training that could impact it.

25                   The other thing that I -- I didn't

1 mention, there were two tables of information on those  
2 pages, on -- on 2 and 3. Page 2 is for all programs  
3 that boards manage, and these are only board  
4 trainings. Okay. So, this is not anything that we've  
5 done at the statewide level.

6                   Page 3 is just for WIA and Trade, and  
7 the reason for the breakdown is because there are more  
8 stringent requirements with regard to targeted  
9 occupations on the WIA and Trade programs than there  
10 are just kind of in general, within all programs. We  
11 also discovered that there was some interesting coding  
12 things, like GED for some reason was originally  
13 considered an occupational training, which we looked  
14 at and said, "You know, why is it coded that way in  
15 the system?"

16                   So, we've already been starting to clean  
17 this up. And what you're seeing here excludes things  
18 like that, but I'm just trying to show that this is  
19 going to be an incremental process as we get you more  
20 information and try to make this more useful to you  
21 and to the boards in the planning process.

22                   CHAIRMAN PAUKEN: Yeah. I mean, you  
23 know, what -- clearly, there's a -- there's a huge gap  
24 between some of the boards who target very well and --  
25 and others that have a -- a real problem in terms of

1 training that's not targeted. But I'm not sure I  
2 understand beyond that what this means.

3 MR. JONES: And -- and we're not either,  
4 sir, but we did --

5 CHAIRMAN PAUKEN: Okay. I'm glad.

6 MR. JONES: -- appreciate --

7 CHAIRMAN PAUKEN: I thought I was just  
8 being --

9 MR. JONES: No, sir.

10 MR. LEONARD: No.

11 CHAIRMAN PAUKEN: -- reflecting my lack  
12 of experience here, I mean, or short time I've been  
13 here, because that's confusing. I mean, that's  
14 what -- it's really hard for me to, you know, kind of  
15 get a feel for what the heck is going on, just like we  
16 were talking about earlier this morning, exhaustion of  
17 rates and then what -- well, where's the training?

18 How much money is going for training?  
19 What is the training? What's the result? How long do  
20 these -- do these people get hired? How long do they  
21 stay on the job?

22 You know, that just --

23 MR. JONES: Yes, sir.

24 CHAIRMAN PAUKEN: -- I just hope we can  
25 get some of that data and -- and, you know, make

1 clear, because I don't -- I mean, a couple of these it  
2 looks to me like, "Wow, there's a real problem with  
3 some of these boards on training that's not targeted,"  
4 but I don't know that they're -- I don't know that  
5 that is a problem. Maybe is it a -- is it a computer  
6 mix up or is it -- or are they -- even though they're  
7 not targeted, that's good training that lead to jobs?  
8 I just don't know.

9 MR. JONES: Well, sir, if I may, I think  
10 you raise good questions. And the good part about  
11 Adam presenting this analysis is, this causes us to  
12 ask questions and to find out from the boards why are  
13 they doing the things that they're doing.

14 So, in many cases there may be good  
15 reasons that they're doing that. But if, indeed,  
16 they're not, then we want to be able to point that out  
17 and provide technical assistance and get them back on  
18 track.

19 And, further, you've already voiced  
20 considerations for -- you know, training needs to be  
21 more focused and -- and things of that nature. So,  
22 this also gives us an opportunity to ask those kind of  
23 questions, too.

24 CHAIRMAN PAUKEN: Okay.

25 MR. LEONARD: This was definitely just

1 the bare starting place of looking into these things  
2 to start getting --

3 CHAIRMAN PAUKEN: No, it's -- it's  
4 helpful. It's just -- it -- it's just like --

5 MR. LEONARD: More is coming.

6 CHAIRMAN PAUKEN: Okay. Good.

7 Commissioner Congleton.

8 COMM. CONGLETON: Nothing.

9 CHAIRMAN PAUKEN: Okay. All right.

10 Who's next?

11 MR. CRUMP: Commissioner, that's the --

12 Mr. Chairman, those are the items that we normally  
13 cover. There's a lot more material in the book. So,  
14 are there any questions on the other material in the  
15 books from the Commissioners?

16 And then if -- I'll also ask the  
17 Division Directors if they have any comments before we  
18 leave.

19 CHAIRMAN PAUKEN: Okay. Commissioner  
20 Congleton.

21 COMM. CONGLETON: No, I have no further  
22 comments.

23 CHAIRMAN PAUKEN: Okay. Any -- anybody  
24 want to make -- any of the Division Directors?

25 Mr. Gomez?

1 MR. GOMEZ: Not at this point.

2 CHAIRMAN PAUKEN: No?

3 MR. LEWIS: Nothing to -- (inaudible).

4 (Laughter)

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

7 MR. CRUMP: Mr. Chairman, that concludes  
8 our remarks.

9 CHAIRMAN PAUKEN: Okay. Thank you.

10 (Meeting concluded: 2:23 p.m.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

