

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE)
ADVISORY COMMITTEE)

ADVISORY COMMITTEE MEETING
MONDAY, SEPTEMBER 11, 2006

BE IT REMEMBERED THAT at approximately
3:30 p.m., Monday, the 11th day of September 2006, the
above-entitled matters came on for hearing at the
Austin Hilton Airport, 9515 New Airport Drive, Austin,
Texas, before the Members of the Local Workforce
Development Board Advisory Committee of the Texas
Workforce Commission: James Belk, Tyane Dietz,
Willie Taylor, Mark Guthrie, Joene Grissom, Mary Ann
Rojas, Sam Vale and Janie Bates; and the following
proceedings were reported by Patricia Gonzalez, a
Certified Shorthand Reporter, in the State of Texas.

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P R O C E E D I N G S

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MONDAY, SEPTEMBER 11, 2006

4

(3:30 p.m.)

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MR. BELK: If the timekeeper is correct,
it is now 3:30 and we may call our meeting to order.

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This is the meeting of the Local
Workforce Development Board Advisory Committee, Texas
Workforce Commission, and let the record show that
Wills Reese is absent. I think, otherwise, we have a
full board meeting.

12

AGENDA ITEM NO. 1

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14

MR. BELK: Item No. 1, public comment.
Is there any public comment?

15

(No response)

16

MR. BELK: I've heard of none.

17

(No response)

18

AGENDA ITEM NO. 2

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MR. BELK: Being none, let's move on to
Item No. 2, discussions, consideration and possible
action regarding the prior minutes.

22

MR. VALE: Did anybody understand them?

23

(Laughter)

24

MR. VALE: It's a test.

25

MR. BELK: Sir, that's not the question.

1 The question is: Do we approve them or not?

2 MR. GUTHRIE: So moved.

3 MS. BATES: Second.

4 MR. BELK: All right.

5 MS. ROJAS: I had a correction to the
6 second set, the ones for June.

7 MR. BELK: Okay.

8 MS. ROJAS: Just on my name, it's
9 misspelled. It should be R-o-j-a-s. There's an "i"
10 in there.

11 MR. GUTHRIE: So moved, with that
12 correction.

13 MS. ROJAS: Thank you.

14 MS. BATES: Second.

15 MR. BELK: All right. Any discussion?

16 (No response)

17 MR. BELK: All in favor, say "aye."

18 (All those in favor of the motion so
19 responded.)

20 MR. BELK: All opposed?

21 (No response)

22 MR. BELK: There is none.

23 AGENDA ITEM NO. 3

24 MR. BELK: Item No. 3, we'll have a
25 report from the Texas Association of Workforce Boards

1 Executive Directors' Council.

2 Mr. Willie Taylor.

3 MR. TAYLOR: Thank you, Mr. Chair.

4 At our August the 9th meeting in Salado,
5 I actually was going to talk to the group about the
6 possible executive director for the council, and we
7 had a good meeting, excellent meeting up there.

8 One of the things we'll be bringing back
9 is a staff member for the council. We did not take
10 that up; so I would like to just, you know, basically
11 pass on Executive Directors' report and move on in the
12 essence of time.

13 MR. BELK: Thank you.

14 AGENDA ITEM NO. 4

15 From the Policy Committee, Mark.

16 MR. GUTHRIE: Thank you, Mr. Chair.

17 I really don't have anything to report
18 for this session of the Advisory Committee Meeting.
19 So unless anybody has any questions, that concludes my
20 report.

21 MR. BELK: We thank you.

22 AGENDA ITEM NO. 5

23 MR. BELK: All right. We have
24 discussion, consideration and possible action
25 regarding discussion from members of the Texas

1 Workforce Commission.

2 We have Commissioner Lehman and
3 Commissioner Congleton both listed separately on the
4 agenda. So unless Larry has something --

5 MR. TEMPLE: I'll go after them.

6 MR. BELK: Okay. We will move on to the
7 next item.

8 AGENDA ITEM NO. 6

9 MR. BELK: Discussion, consideration and
10 possible action concerning the need for qualified
11 tradesmen.

12 And this was brought to my attention by
13 one of the Advisory Committee members when I asked for
14 agenda items, and I visited with Ronald Congleton for
15 a few minutes about it and he's got some ideas and
16 some things going on that I thought might be of
17 interest to us and possibly to some of the other
18 boards. And though it's not our place to advise the
19 other boards, I think maybe some of the things that
20 are going on around the state would be well for us to
21 at least be aware of.

22 So Commissioner Congleton.

23 COMM. CONGLETON: Thank you.

24 Just, as we know, with the graying of
25 the baby-boomers, we are going to see a lot of

1 shortages in a lot of areas. Trades is just one of
2 them. And the problem in training those folks is
3 that -- and we train about 3,000 a year, and that's
4 just through the apprenticeship programs. Those 3,000
5 are -- come out of those programs and go to work
6 and -- they're already working for us in the
7 apprenticeship program, but they become journeyman and
8 go into the trades full-time.

9 In the larger cities like Houston,
10 Dallas, San Antone, you're not going to have that big
11 a shortage because they have -- that's where the
12 majority of the building is going on. When you have a
13 building project outside of that, say, Amarillo or one
14 of the smaller cities, then that's where you run into
15 the shortages, and that's going to be an ongoing
16 problem for a while.

17 Of course, I'm a big proponent of
18 vocational training. I always was. I had a good
19 friend in high school who would never have graduated
20 if it hadn't been for auto mechanics. It's the only
21 thing that really kept him in school. But creating
22 those kind of programs is going to be tough. You have
23 to go back -- have it installed back in the
24 educational programs, and that's -- that may not be
25 the easiest thing in the world to do.

1 One of the things that's happening now
2 is the apprenticeship programs are going into the high
3 schools and getting kids that are interested -- want
4 to be -- that are interested in it to join the
5 apprenticeship program. And high schools normally let
6 a kid out half a day to work, and that is part of it,
7 and he will start his apprenticeship program as early
8 as the -- I think about the 9th grade, if they want to
9 do that. And that's not happening everywhere, but
10 that's happening with the electricians in a couple of
11 areas and I'm trying to expand it to the plumbers and
12 pipefitters and everybody else that want to do that,
13 because that's the way we're going to train them the
14 quickest.

15 And that may keep them in high school so
16 they can graduate as well. And if they've got --
17 they'll have three or four years in the apprenticeship
18 program. By the time they graduate, puts them in good
19 stead. Those are five-year programs, normally, and so
20 in a couple more years, they're journeymen and in good
21 shape.

22 Outside of that, it's going to be -- we
23 can do -- we can do training, and we do a lot of
24 training in those areas, welders and those kind of
25 things, but you just have to keep doing it.

1 And the problem -- one of the
2 problems -- we're having them everywhere, in every
3 city, it's just not really going to happen, because
4 trades have always followed the work. If they're
5 building in Dallas, they're going to be in Dallas. If
6 they're building in Amarillo, they're going to be in
7 Amarillo.

8 Organized labor has -- if you have -- if
9 you're doing buildings in Amarillo, they usually will
10 have the people there to do them, but they'll be from
11 Dallas or somewhere else. So you may have a plumber
12 in Amarillo that has a plumbing company there, but
13 when they get ready to build a 30-story high rise,
14 he's not going to be qualified to plumb that building;
15 so you have go to outside of that. In those five-year
16 programs, there's a lot of training and a lot of the
17 education goes on in how to do those things for high
18 rises, so forth and so on, but we can look at
19 expanding apprenticeship which operates on a million
20 seven a year, which is really nothing in a program,
21 but the employers pay a lot of it. The unions pay a
22 lot of it in the organized labor part of it.

23 But there's a lot of areas we can work
24 on and look at and just try to keep going, but I don't
25 know how we're going to increase that number to the

1 number we really need, but we have to consider that if
2 we need that -- the number we think we do, or we just
3 don't know where the numbers are right now because
4 they are -- they're always on the move.

5 And they may be -- a group of tradesmen
6 may be anywhere in this country because they'll have a
7 big building boom going in Las Vegas. There will be a
8 ton of Texas labor out there putting those buildings
9 up; so they could be anywhere in the United States and
10 then back in Texas as soon as that building is over.

11 MR. TAYLOR: Commissioner, suppose your
12 tradesmen -- and you said you're training 3,000 --
13 3,000 in training. You know, compared to five years
14 ago, is that a tremendous decrease in the numbers?

15 COMM. CONGLETON: About five years ago,
16 I think it was probably about the same. I just don't
17 think it's increased any in the last few years.
18 You'll have a fluctuation maybe of a few hundred, but
19 that's basically -- I think that's the same program
20 that's been going on -- apprenticeship has been going
21 on for, you know, a long time. Probably a hundred
22 years in the state of Texas, but --

23 MR. TAYLOR: Have you always been able
24 to transition from 9th grade --

25 COMM. CONGLETON: No.

1 MR. TAYLOR: -- to that -- it's
2 something new?

3 COMM. CONGLETON: It's something we're
4 just -- we're trying to get started in the schools.
5 The schools have always let the kids out in high
6 school to work half a day if they have a job; so we're
7 trying to say, "Yeah. We can help them with that job
8 and get them into apprenticeship, get them some
9 training." Anything to try to keep them in school and
10 get that diploma and to train them as well to be a
11 tradesman.

12 MR. TAYLOR: And so after they come out
13 of 12th grade --

14 COMM. CONGLETON: We're just working
15 it -- we're just working on that. That program really
16 is just getting started. Like I say, the electricians
17 are doing that now, and we'd like to expand it to all
18 of them, if we could.

19 MR. TAYLOR: That would be great.

20 MS. GRISSOM: What's the projections?

21 COMM. CONGLETON: The projections as far
22 as --

23 MS. GRISSOM: The economy. The
24 concern -- you said we train 3- and --

25 COMM. CONGLETON: The projections

1 that -- I haven't really had a lot of projections.
2 Everybody tells me we're going to have a shortage.
3 "We're going to have a shortage," or "We have a
4 shortage," and I do have -- I have had people come up
5 to me and say, "We need welders here and we need
6 welders there." Now, that's a pretty easy fix.
7 Welding school is about ten weeks, and you can put a
8 guy -- a good welder in the field in ten weeks if you
9 have the right training school.

10 Plumbers and people who do high rise
11 buildings and -- now, if you just want a welder to
12 build a trailer, stuff like that -- now, if you want a
13 certified welder, pipe welder who welds high-pressure
14 pipe, that takes a while, but you can put out a ton of
15 welders in about ten weeks, depending on how big you
16 want your school to be.

17 But the projection -- I would say that
18 with the grand of America, we may have -- we may need
19 as many as a half million people, and that's just in
20 this -- and I'm not going to say just in Texas, but in
21 probably Louisiana, Oklahoma, Texas, New Mexico.

22 MR. VALE: Commissioner, one of the
23 problems that we see as employers as well as from the
24 Workforce Board, at least down in South Texas, is that
25 someone who gets training in a trade is not

1 necessarily up to the true skill sets of what a major
2 company that hires a lot of people would use,
3 whether -- now, I know that was particularly glaring
4 in the truck drivers because they didn't have the
5 over-the-road hours that they really needed. Yes,
6 they could turn a corner and they could back it up and
7 go forward, but they didn't have the over-the-road --

8 COMM. CONGLETON: Well, what they wanted
9 was two dollars -- two years' experience on the road,
10 but they didn't want to pay them for two years'
11 experience as a truck driver. So you have a lot of
12 truck drivers in Texas who are working at a whole lot
13 other jobs because they don't want to be away from
14 their family for a week. Now, they wouldn't mind if
15 the money is right, but if I can make as much being at
16 home down at the Dairy Queen as assistant manager or
17 driving a truck for a week, I'm going to be at home
18 with my family, and that's what they're doing, too.

19 We train a lot of truck drivers that are
20 not driving trucks simply because they can't make the
21 money. I read -- I was in a large meeting with the
22 Texas Association of Trucks -- Trucking Companies, and
23 they were telling us what a shortage they had for
24 truck drivers.

25 MR. VALE: Texas Motor Transportation

1 Association.

2 COMM. CONGLETON: Yeah. I read their
3 report, and their own report said the reason they have
4 a shortage is because they don't pay them, that they
5 had to bring their wage scales up. This is their own
6 report which they quoted to us in the meeting, and I
7 got a copy of it afterwards and read it. And on about
8 four different spots, it said that was their -- why
9 they didn't have the truck drivers they needed.

10 The truck drivers are out there as far
11 as trucking goes. Now, if you're talking about --

12 MR. VALE: Getting them certified to
13 meet the requirements of the --

14 COMM. CONGLETON: CDL.

15 MR. VALE: Yes. Not just the license
16 passed by the State but the company's policies to hire
17 as opposed to a small company that had five trucks
18 that have different standards than Hunt does and some
19 of the others. And we've had to work with some of the
20 companies so that they would agree to take them on and
21 do the balance of the training.

22 COMM. CONGLETON: Well, truck driver
23 training is something I've never really been that hip
24 on --

25 MR. VALE: Yeah.

1 like good mechanics. Graduating from a mechanic trade
2 school doesn't mean that somebody is going to turn
3 over --

4 COMM. CONGLETON: An \$80,000 automobile
5 to you.

6 MR. VALE: -- any type of a rig to you
7 and say, "Okay. Fix it."

8 COMM. CONGLETON: Yeah. I understand
9 that, but most of those things are -- you know, all of
10 us had to start out at some time or another and gain
11 experience. So if you train somebody like that and
12 the companies really want this guy, they might want to
13 bring him in and do a little on-the-job training with
14 somebody that has those skills. You know, that's how
15 most of us all got started back in the days, it was
16 on-the-job training.

17 MR. VALE: The apprentice program.

18 COMM. CONGLETON: That's right. It's
19 "You work with this guy and he'll show you the ropes,"
20 and, "That's how you do this," or, "Man, don't do that
21 because you burn this car up," or, you know, those
22 kind of issues.

23 MR. VALE: That's the way lawyers got
24 their training.

25 COMM. CONGLETON: Yeah. A lot of

1 lawyers did that.

2 MS. DIETZ: Let me ask you this.

3 Efforts that are currently underway to identify
4 shortages in some of the various trade areas, what can
5 we do now? How do we ready ourselves to help you be
6 ready to address that?

7 COMM. CONGLETON: You know, contacting
8 your representatives and stuff and telling them, that,
9 "Look, we've got these needs and we're going to have a
10 shortage of people and we're going to have to" -- and,
11 you know, "We need your help. We need training money.
12 We need this and that and we need" -- "We need
13 qualified schools to teach these people. You know,
14 don't just bring a guy in here to teach plumbing
15 that's never plumbed a high-rise building. Bring
16 somebody in here who knows what they're doing. Or
17 teach welding. Bring a high-pressure welder in here
18 and let him teach us so he can teach us those
19 techniques, because that's the guy that's going to get
20 his weld X-rayed after he welds it, because it has to
21 be that good."

22 But, you know, there's just --

23 MR. VALE: Pipeline welding is one like
24 that, especially high pressure ones. We got a lot in
25 South Texas.

1 COMM. CONGLETON: Any high-pressure
2 welder. Steam pipes are especially that way, because
3 you get a pinhole in one, walk by it and it will cut
4 your leg off.

5 MR. BELK: Commissioner, back to your
6 initial program in the high schools, are those kids
7 getting any kind of credit for that or is it just like
8 a half day work where they --

9 COMM. CONGLETON: You know, I'll have
10 to -- let me check on that. We're so new at that.
11 I'm not sure exactly what they're getting, but I'll
12 find out.

13 MR. BELK: Who is footing the -- who is
14 underwriting funding?

15 COMM. CONGLETON: The apprenticeship
16 school.

17 MR. BELK: The apprenticeship school.

18 COMM. CONGLETON: And the employers they
19 work for, because they work it, too.

20 MR. BELK: And the school system does
21 not have any expense on that?

22 COMM. CONGLETON: Nothing that I know
23 of.

24 MR. BELK: No classroom. No --

25 COMM. CONGLETON: No. No.

1 MR. BELK: No nothing.

2 COMM. CONGLETON: The classroom, they're
3 done by the apprenticeship program.

4 MR. BELK: Stepping outside of labor
5 unions, because Texas is --

6 COMM. CONGLETON: A right-to-work state.
7 That's correct.

8 MR. BELK: -- right-to-work, and there's
9 lots of places where there's not unions, do you see
10 the opportunity for programs like this in some of
11 these other schools?

12 COMM. CONGLETON: I think -- you know,
13 vocational training, I think you can do that anywhere.
14 It's just getting the person to do the training. Of
15 course, now, when you go outside of that, they're
16 going to charge you money, because I'm not going to
17 train you for free. "I want some money and I want" --
18 you know, this and that. "And if you can help me" --
19 "if you can set me up in a place and pay the rent and
20 provide me the salary, I'll train your people."
21 That's how that works in the private sector. So I
22 don't know exactly where we can go with that.

23 MR. BELK: Well, I think there's -- one
24 solution is to go to the Congress and the Legislature
25 for money, if we can prove the program is worthwhile.

1 Of course, the other solution would be for TWC just to
2 come up with the money, but I don't --

3 COMM. CONGLETON: Well, you know, we'd
4 have to do that same thing you talked about. We'd --

5 MR. BELK: I understand that.

6 COMM. CONGLETON: -- have to go to
7 Congress and the Legislature to get that money.

8 MR. BELK: I understand that.

9 COMM. CONGLETON: The problem being, is,
10 it's so much -- organized labor has been doing it for
11 so long. They have the place. They have the
12 trainers. They have all that stuff. And it's easy
13 for me to say "That's how we do it," but when you go
14 outside of that, it's a little harder to do.

15 It's just like that -- it's like that
16 truck driver training I told you about last year. We
17 did 50 drivers for \$100,000. There's another trucking
18 school that wanted to do 100 drivers for \$500,000.
19 But Roadway had the trucks. They had the know-how.
20 They had the people. You know, it's all there. They
21 just need a little money to pay the fuel and the
22 trainer.

23 MR. VALE: The apprentice program,
24 James, I think is something that, as an Advisory
25 Committee, that we not only ought to support, I think

1 that we ought to encourage its growth, because in the
2 trade world, the tradesmen world, that is the absolute
3 best way. It doesn't matter -- it doesn't say, "You
4 can't go to a trade school if you want to." That's
5 fine. But the real learning -- that just kind of
6 teaches you the language. The real learning comes on
7 the job with the job but getting paid, and the
8 employer benefits out of letting his people be
9 training others. It's really the only way it works in
10 the --

11 COMM. CONGLETON: The apprenticeship
12 works so well because you go to class three nights a
13 week and you work every day and you -- so you're
14 getting that on-the-job training, that technical
15 training and those three days a week. And you get --
16 and the reason we can't expand it, because we can't
17 get any other kind of money, just like put it into one
18 of the Welfare programs, is because you're working
19 while you're learning.

20 MR. VALE: By the way, that even works
21 on the big farms.

22 COMM. CONGLETON: Sure, it does. It's
23 worked for centuries in nearly everything we do.

24 MR. VALE: The big farms are all
25 high-tech today. Nothing simple about them.

1 MR. BELK: Well, I think this ties right
2 in with discussion in nearly every committee we've had
3 today, and that's our education system in the state of
4 Texas, and our task force is hard at work on that.

5 I don't think we discussed the trade
6 program in our discussion this morning, but --

7 MS. DIETZ: There was talk of vocational
8 training.

9 MR. BELK: Vocational training.

10 Okay. Is there any other --

11 MR. VALE: There's a negative
12 connotation to it, and that's got to be changed, that
13 the kids that are -- that go -- even try it at the
14 high schools that have it, they're looked at as not
15 the best and the brightest. And there's a real stigma
16 against it.

17 So I don't know how that's going to be
18 addressed, but you -- in addition to teaching people
19 some of the most valuable skills that we've got as a
20 state, there's also the whole issue of the prestige
21 that goes with it and how they feel about themselves
22 when they're doing it. And I think that that's also a
23 silent negative, because everybody goes into -- if you
24 say "vocational" -- the reason I use "tradesmen" and
25 all that, because it sounds a little more skilled.

1 "Vocational" is always looked at, "All right. You're
2 not going to school anywhere. You can't do anything.
3 You're going to get a vocational job." That is also
4 part of your problem.

5 COMM. CONGLETON: That is a problem, but
6 I know a kid, and he's a BMW mechanic. He makes about
7 \$120,000 a year.

8 MR. VALE: That's pretty high skilled.

9 COMM. CONGLETON: He's got a GED, but he
10 makes about 120 grand a year. So, you know, it's --

11 MR. VALE: My plumber makes good money,
12 too.

13 COMM. CONGLETON: Yeah. Your plumber
14 makes a pretty good buck, too.

15 (Laughter)

16 MR. BELK: Sam, I would submit to you,
17 30 years ago, it wasn't that way. When the mindset
18 then was that not all kids --

19 MR. VALE: I'm not old enough to know
20 that.

21 (Laughter)

22 MR. BELK: I was.

23 (Laughter)

24 MR. BELK: -- not all kids are going to
25 school. And if you weren't going to college, get you

1 a trade and you could start as a sophomore in high
2 school. And as I said this morning, we had shops in
3 our schools in Plainview that I would have given
4 anything to have that equipment in my shop, and most
5 of it is sitting idle now because the mindset has
6 changed, that if you don't go to school, you're a
7 nobody. You don't go on to college, you're nobody.

8 And you're right, there is a stigma now
9 to those kids, but I hope the pendulum is going to
10 swing back the other way once again with --

11 MR. VALE: I'd like to see us try to do
12 something about it, because I don't know --
13 Commissioner, I would like to be able to work with you
14 to come up with recommendations that would be
15 beneficial to the Legislature if it means changes to
16 give the Commission more flexibility in allowing those
17 kinds of things. I don't know myself.

18 I know the need is there and I know it's
19 great and I know the rewards are good.

20 COMM. CONGLETON: And I tell you, I'll
21 try to get some of those together with you, Sam. I
22 look forward to working with you on that -- all of
23 you, as matter of fact, because we probably are going
24 to have to do something. I don't think that we're
25 going to have the retirement problem that a lot of

1 people think we're going to have because of the
2 baby-boomers, just simply because you can't make that
3 good a living retired, unless you had it all before
4 you got there. So I don't think that we're going to
5 have the biggest problem that a lot of people think
6 we're going to have, but we're going to have a
7 problem. So any answers we can come up to nip that in
8 the bud, we'll be ahead of the game.

9 MR. BELK: Okay. Any other discussion
10 with Senator (sic) Congleton?

11 MR. VALE: Other than the Chair
12 having -- to the extent that I think that the Advisory
13 Committee takes that on as a project to work with the
14 Commissioner as opposed to just saying "We're all in
15 favor of it," is, just say, "Let's go forward with how
16 we're going to try and work with him to develop
17 something to advocate so that they can do it." I
18 don't know the restrictions on it. I just know that
19 it's not looked at very --

20 MR. BELK: Well, we have an education
21 committee that hopefully will address some of this
22 once we get that report together.

23 COMM. CONGLETON: I look forward to
24 reading that report.

25 MR. BELK: Then I would urge you to look

1 at it. And if there's gaps in it, come back and we'll
2 try to fill those in.

3 COMM. CONGLETON: Got to do it.

4 MS. DIETZ: And I'll get your input even
5 before that.

6 MR. BELK: Okay. Anything else for
7 Senator -- for Commissioner Congleton?

8 (Simultaneous discussion)

9 MR. BELK: Senator. That would be
10 pretty good.

11 COMM. CONGLETON: Senator. I'll go with
12 Senator.

13 (Laughter)

14 MR. BELK: Okay. Well, we thank you
15 very much for being here.

16 COMM. CONGLETON: Thank you.

17 MR. BELK: And appreciate your input and
18 your concern.

19 AGENDA ITEM NO. 7

20 MR. BELK: Next on the agenda is
21 discussion with Ron Lehman about our report to the
22 Texas Workforce Commission, and I imagine other
23 things.

24 COMM. LEHMAN: Thank you.

25 Good afternoon, ladies and gentlemen.

1 Thank you for the opportunity to visit with you for a
2 little bit. And I think -- I think Jim just captured
3 why I'm here, and that is to pick your brains a little
4 bit and chat about this report. And, one, I want to
5 thank you for the energy and the innovativeness and
6 the commitment you've demonstrated in the report
7 itself, because, clearly, it is the best one that
8 you've brought forth, and I think it's well focused.

9 My view is that the Commission needed to
10 do two things. One is acknowledge it and accept it,
11 which we did, and the second thing is begin to listen
12 and see how we can embrace those things in there that
13 show us working together.

14 And, third, I wanted to spend just a
15 moment getting a little bit of input from you and
16 picking your brain as to "What would it look like if
17 we did what you said to do or what you recommended to
18 do," along with clarifying a couple of points that I
19 think are very important that we need to clarify.

20 So let me start, if I could, by -- one
21 of the recommendations was the Senate Bill 998, which
22 was to remedy flaws in SB 998 which sort of confused
23 customers, and we can name recognition. It might
24 interest you to know that that is being proposed
25 before the Commissioners tomorrow. I can't speak for

1 my colleagues, but my own opinion is that this is a
2 good recommendation and that if we had it to do all
3 over again, we wouldn't even want that bill to pass
4 the first time around, let alone get tweaked. So it
5 is my hope that we look at it tomorrow and put it back
6 where it belongs, which is outside of the State's
7 statutory inventory.

8 I wanted to talk a little bit about when
9 you make reference to you'd like to be kept aware of
10 or informed of strategic planning efforts by TWC to
11 deal with future shortage of workers. You just
12 touched on it with Commissioner Congleton.

13 Let me take it another step and ask you
14 what you envision in that regard. For example, he's
15 working on initiatives with the tradesmen and
16 construction industry. I'm involved with a series of
17 initiatives. And if I back up a little bit, right now
18 the manufacturing industry lists its number one major
19 concern as the cost of electricity. If you look at
20 the consumption of electricity when the world is
21 interconnected with the Evernet or the Internet or
22 whatever you want to call it, the data centers that it
23 takes to drive that are enormous energy consumers.

24 So Texas has launched at least seven --
25 I say Texas. Texas Utilities has launched at least

1 construction of seven major electricity-generating
2 facilities, one up near Tyane's area, North East and
3 Deep East, which I think there's some 2,000 workers
4 going to be needed in it. Willie's got his hand up
5 for another one, which I wouldn't --

6 MR. TAYLOR: (Inaudible).

7 COMM. LEHMAN: Okay. And then
8 there's -- well, I say seven. So that would take it
9 to at least eight. Several more in Limestone County
10 down around College Station. Just the workforce
11 training requirement in the College Station area
12 translates to 15,000 trainees.

13 So my question to you is: Are those
14 examples of the kind of things you want to be kept
15 apprised of or do you want to be kept apprised of
16 strategies to do something for the industry or -- give
17 me some clarity on that, because I'd like to
18 understand how you guys were thinking on this as we
19 propose how -- what our responses should be.

20 MR. GUTHRIE: If I could start, I guess.
21 I think the Committee's thought was that it's well
22 known that in the, say, 2010 time frame there's going
23 to be a huge worker shortage of all kinds of workers,
24 of trades people, engineers, just about every category
25 of workers there are, just because of the

1 demographics. And we had not heard much -- and I
2 don't mean to be critical of the TWC for that, because
3 we haven't asked, but the information wasn't getting
4 to us about what TWC was thinking about in planning
5 for this worker shortage and we just wanted to hear
6 about those sorts of things like Commissioner
7 Congleton just described, like you've just described
8 with regard to the electrical generating industry and
9 any other areas or strategies that the Commission has
10 identified as potential needs or potential demands for
11 your attentions or funds in the 2010 time frame and
12 the years leading up to that.

13 I hope that helps. It was sort of a
14 general answer, but that was my understanding of what
15 the Committee's thinking was in preparing that part of
16 the report.

17 COMM. LEHMAN: Okay. Well, it does
18 help, sort of, but it doesn't -- it tends to add
19 confusion to the problem as I see it, because, from my
20 perspective, as I worry about what the needs of
21 employers are, I find that it's difficult to figure
22 out how to interconnect this.

23 For example, let's go back to truckers
24 for a second. I get calls from truck companies all
25 the time that want Texas to step up to that challenge

1 of finding more qualified truck drivers. I had a
2 little piece of work done by one company that said "We
3 need 12,000 in the next 18 months, and we'd like to
4 hire them in Texas." If I look at what the boards are
5 doing, I've got 26 boards at least that are doing --
6 or were doing something in the line of producing or
7 helping to produce or helping to obtain truck drivers.
8 But then I looked at the detail that I had Workforce
9 pull together for me and what we've got is we've got
10 some boards are taking a very active role and some
11 boards are taking kind of a passive role and half the
12 boards are not verifying the trainees in advance and
13 they wind up having people that walk out with the
14 certificate that says I'm a truck driver and then
15 decide, one, they don't want to be a long-haul truck
16 driver, or, two, they don't have a clean record that
17 enables them to even be a truck driver to start with.

18 COMM. CONGLETON: Or, three, they can't
19 pass the drug test.

20 COMM. LEHMAN: So we've got -- so we've
21 got a problem. So on the one hand I could say, "Look,
22 we've got 26 boards producing truck drivers. Let's
23 all make sure we're all in touch about that," but,
24 fundamentally, I'm not going to know that until it's
25 not working right at the local level.

1 MR. GUTHRIE: And you can talk about
2 demand occupations, I guess, generically, in place of
3 truck drivers. Fill in the blank, demand occupation,
4 and have the same problem. I think it all comes back
5 to this issue of the public education system and are
6 we creating a new workforce to -- are we going to be
7 effectively creating a new workforce given the
8 demographic changes that have occurred in our state
9 and shall continue to occur and are we doing
10 everything that we can to look at the education system
11 and say, "You are not doing what you ought to be
12 doing," and say, "Here are our recommendations as to
13 what you need to be doing"? I think that would --
14 especially coming from Texas Workforce Commission, at
15 least put a lot of impetus on TEA or others to modify
16 their methods going forward.

17 COMM. LEHMAN: Okay.

18 MS. GRISSOM: Commissioner, I'm also
19 thinking that to coordinate the services of doing
20 strategic planning and training or whatever, that I
21 would assume that TWC has a master plan for developing
22 the best workforce there is for the state of Texas,
23 and the 28 boards can help to achieve those goals.

24 So whether it's truck driving training
25 where, in Austin, Texas, that may not be a real need,

1 but there could be a system whereby it could be
2 offered. And I think that's what I see sometimes, the
3 breakdown of "Here's what's really needed. Here's a
4 course that we can all accept, and it's kind of a, you
5 know, certified training." So if everyone knew that
6 this was the requirements and the statistics for this
7 and if there was a need in our area, we would follow
8 those. So at least it would be consistent.

9 COMM. LEHMAN: Okay. Good suggestion.

10 Then what I'm hearing you say -- I'm
11 seeing a couple of things, and I'm not so sure it
12 falls on my shoulders to solve it, except that I have
13 the customer that's most worried about it. The thing
14 that's always troubled me is that the centralized
15 planning role never has been clearly laid out and
16 agreed to by the whole system and all the partners in
17 it.

18 For example, if we had -- and we do --
19 let me give Gulf Coast some credit for a second. Gulf
20 Coast Process Alliance is an organization of chemical
21 production firms that have come together, agreed on a
22 set of standards, went after some grants, top to
23 bottom. They're conveying to students what their
24 expectations are and what the skill needs are.
25 They're reinforcing the community college experience

1 and they're enforcing internship experience and on and
2 on and on. It's a pretty good collaborative story on
3 a regional level, and they have taken that to some 55
4 or so community colleges and gotten the community
5 colleges to embrace the curriculum as well across the
6 nation. So that's a really good example of how this
7 thing could play out.

8 However, my observation is that if
9 somebody needed chemical process training in a
10 different area of the state, it would start out by
11 rolling -- it would not be likely that a local board
12 and a local community college would want to go after
13 what's already been done in the Gulf Coast. It would
14 likely be that we would start from scratch, because
15 that's our local planning methodology. It's our local
16 funding strategy. And, frankly, Larry has a real
17 challenge in getting the community colleges to pull
18 from each other, I think, rather than -- well, to pull
19 from each other rather than go on their own.

20 So I guess what I'm grappling with is
21 "What level of granularity are we wanting to do this,"
22 because we've had some experience at it with the
23 teachers, nurses and IT workers, and that was a
24 straight hot-job strategy that ultimately every board
25 jumped on and started supporting, at least the nurses

1 part of it, and we had a pretty good record of success
2 with that, collectively, I think.

3 So what I'm looking for is "What
4 else" -- or tell me more about what you had in mind
5 when you filed this recommendation.

6 MR. GUTHRIE: Well, let me react to
7 something you just said. I think, as a policymaking
8 body, the Commissioners, TWC have a unique opportunity
9 to call for things like, "You, community colleges in
10 the state of Texas, ought to work together. You ought
11 to coordinate your efforts and you ought to stop
12 competing against one another insofar as training
13 programs and issues are concerned that benefit the
14 entire state. And you need to look at your role as
15 not serving X County or X County and Y County. You
16 need to look at your role as serving the workforce of
17 the state of Texas. Because even though a good
18 percentage of your students come from the county or
19 counties in the location of the community college, you
20 may have a successful program that makes it more
21 efficient for you to continue running it and find a
22 way to share, via televised classes, your class in
23 whatever from Houston to Amarillo. And you need to
24 find ways to overcome the barriers" -- by "you," I
25 mean you point at the community colleges and say, "You

1 need to find ways, for example, like televised
2 classes, to overcome these barriers." And, you know,
3 your role as a policymaking institution, back to the
4 TWC, is to identify those issues, and, you know, maybe
5 propose solutions, but maybe -- like in the case of
6 specifics about education, it's enough to say to the
7 TEA or to the independent school districts around the
8 state, "Here's what we need. You need to produce us
9 people who can do this and this and this and have
10 these so-called soft skills which include respect for
11 your boss, your appearance, showing up on time,
12 staying all day, coming back promptly in the morning."

13 MR. TEMPLE: Oh, that's bad morale.

14 (Laughter)

15 MS. GRISSOM: And smiling.

16 (Laughter)

17 (Simultaneous discussion)

18 MR. GUTHRIE: And -- but -- I mean, I
19 don't really view it as TWC's role to say how that's
20 going to happen, because you probably -- I may be
21 wrong and underestimating your Agency, but you may not
22 have that expertise. We certainly don't, those of us
23 who serve on this committee. But I think we can say
24 to the TEA, or whomever -- whoever does the
25 curriculum, "You folks need to produce this result,

1 and you're not doing it. And you show us how you're
2 going to do it and then we'll provide you some
3 advice."

4 MR. TAYLOR: You know, Commissioner, I
5 want to respond from this side of it, and I think it's
6 what we call "supply and demand," and not only just
7 truck driving, manufacturing, medical area. You know,
8 we've been talking ten years plus. It started with
9 the Department of Labor talking about we're going to
10 have skills and labor shortages, and, sure enough, we
11 have them.

12 Well, we all agree in this room that the
13 majority of our workforce pipeline would come from
14 education. We think that -- you think that's the
15 largest supply of our workforce will come out of
16 school. Is that correct? Would you agree with that?

17 COMM. LEHMAN: Well, the largest supply
18 of work -- potential workers could come out of
19 schools.

20 MR. TAYLOR: Okay. And then you've got
21 a competitive deal, whether they go off into the
22 military or recruited somewhere else along those
23 areas.

24 But our 28 boards, you know, we all have
25 some problems. Take, for instance, in the Permian

1 Basin, we do not have enough potential workers.
2 Good-paying jobs -- and I was making a joke just a
3 minute ago with Commissioner Congleton that we need to
4 look at this offshore deal in the Permian Basin.
5 Nobody wants to move to the Permian Basin, but what we
6 ought to start enticing people to do is to work 28 on,
7 28 off. You know, come in and rotate them in shifts,
8 because that's the kind of problems that we're running
9 into.

10 You know, when we're talking -- we've
11 been talking about education all day long, and that
12 is -- that is a big issue. At some point in time, and
13 we all know it, that all young individuals are not
14 going to go off to a four-year -- one of the 50 junior
15 colleges that we have in the state of Texas, but
16 that's not saying that individuals shouldn't have some
17 good quality training. And when you talk amongst
18 educators, they'll tell you, if they're teaching to
19 the TAAS or the TAKS, those young people are getting
20 all of those essentially soft skills or whatever if
21 you pass that, and most of them are all at that point.

22 MR. VALE: Commissioner, like you, I was
23 not too sure what we were asking when that was in the
24 report. I think there's a presumption that there is a
25 lot of information strategically that TWC has

1 somewhere that is not being made available, and I
2 don't know that that's true. Maybe that's thinking
3 too much that you have this secret plan back there,
4 because everybody wants to know that there's something
5 better than what we've got coming down the pipe.

6 So I think that some of it was maybe a
7 sentiment on the part of some of the boards that they
8 weren't getting access to the information because they
9 couldn't develop it themselves. I don't know if
10 that's true or not.

11 Now, we've had a lot of comments about
12 education today. I can see, since I spend a good deal
13 of my time being sensitive to political needs as well
14 as business needs, that it would be extremely
15 difficult for TWC to be telling TEA what to do when
16 you guys are working for the same guy. I think that's
17 a citizen's job. I think that as community leaders we
18 have an obligation to do that, but I'm not so sure
19 that that is appropriate for people that are all
20 appointed by the same individual and work in the same
21 government together. I think that's rather difficult.
22 It's like the Department of Labor in Washington
23 telling the Department of Education what to do. That
24 isn't going to happen regardless of the
25 administration.

1 The need for what they are requesting
2 clearly is there. It's who should deliver the message
3 and how do we go about creating the strategy. I think
4 that you certainly have within your prerogatives the
5 ability to do some of the things that are being
6 requested within our training programs, and I think
7 that that's important.

8 I really think that the soft skills
9 issue is -- because I've come up on a hard wall on
10 that where I've got people who scored extremely high
11 but they couldn't get along with people. They
12 couldn't work together. They had MBAs from UT. They
13 had all the other stuff. But they couldn't stay happy
14 in a happy work place, and that doesn't matter how
15 many tests you can pass if you can't apply it in a
16 team effort. So I think that we're facing a lot of
17 those types of issues within our workforce.

18 COMM. LEHMAN: Well, let me come back at
19 you for just a second, then. And I appreciate this
20 conversation. What -- and you're right. It is very
21 difficult for us to go tell Shirley Neeley how to
22 direct TEA, but it's also a reality that even if she
23 agreed with us, she works for the State Board of
24 Education which is appointed to govern the K-12
25 system, and they are charged with following the law

1 set by the Legislature.

2 So what I'm grappling with here is: If
3 all of this is intended to drive the focus on K-12, in
4 one sense, I can accept that, but in the other sense,
5 then the core question for me is: "What will be the
6 role of the boards when school districts" -- let's
7 take -- school districts have expectations and
8 measurements just like the boards do and just like TWC
9 does.

10 MR. VALE: Pass the TAKS.

11 (Laughter)

12 COMM. LEHMAN: The presumption that
13 we're all making is that the educators are willing to
14 teach the kids additional things, as long as we tell
15 them what those additional things are and rally the
16 level of support so that they hear us and that they
17 can find funding to do it. And career and technology
18 education -- by the way, that is a formal name change.
19 Career and tech is replacing vocational ed.

20 But if the assumption is that the State
21 Board of Educators -- State Board of Education sets
22 standards by which the education system will produce
23 students and the additional time that students have
24 can be focused on career and tech or other kinds of
25 training, then what -- I guess what I'm struggling

1 with now is, if we're going to focus this talk around
2 K-12, what role does the boards assume in terms of
3 influencing their local school districts, K through
4 16, to address that?

5 Because, Sam, you're right. TWC does
6 have a lot of data about what we think the State is
7 going to need in the future. Some of it comes from
8 our very table, my department; some of it comes from
9 the cluster initiatives. I mean, we are probably
10 national leaders now in collecting information about
11 what businesses they need for the future. The
12 question becomes when you try to satisfy it at the
13 local level. That's where it gets messy to me.

14 MR. GUTHRIE: And let me try to answer
15 part of that. It is precisely -- and the sentiment
16 behind this recommendation was precisely that TWC does
17 have a lot of labor market needs type information that
18 isn't -- it may not be available instantly to somebody
19 like me. That recommendation in the report was
20 motivated by no means by some thought that you had it
21 and you're hiding it from us and you weren't going to
22 share it with us. And I just want -- I want you to
23 understand that --

24 COMM. LEHMAN: No. I didn't read it
25 that way.

1 MR. GUTHRIE: -- based on the prior
2 comment, because it had nothing to do with that.

3 But I think the role of the local boards
4 would be -- and just broadly, you empower them --
5 "you" being the Agency to empower -- empower the local
6 boards to go to their local independent school
7 districts and talk to the local ISDs and reinforce
8 this concept, just so it's not coming down from up
9 high somewhere, that the public education system is
10 not doing what it needs to do to prepare the workers,
11 and I think you'll find that the local boards will be
12 very responsive to that. I think you'll find that the
13 local boards might even be willing to set up
14 committees to look at how the local independent school
15 district proposes to do what this group is asking them
16 to do for these --

17 MR. BELK: Larry, you --

18 MR. GUTHRIE: -- businesses ready to
19 work.

20 Now I'm finished. I'm sorry.

21 MR. BELK: Okay. You paused and I
22 thought you were through.

23 MR. GUTHRIE: I was just trying to
24 breathe.

25 (Laughter)

1 MR. TEMPLE: James, I've got some good
2 news.

3 MR. BELK: All right.

4 AGENDA ITEM NO. 5

5 MR. TEMPLE: One, and Ron touched on it,
6 we heard at the innovations, I guess, at the federal
7 level. They are changing the name of vo tech to
8 career and technology education. So they're trying to
9 get -- and they realize the stigma to that, and it's
10 negative, and they are working on that.

11 I was in Florida. I was asked to come
12 down and visit with the Florida State Board, and they
13 had a real good -- they invited -- once a year, they
14 invite the chairs of the local -- they have, I think,
15 23 local workforce boards -- the chairs to one of
16 their quarterly board meetings, and so they have that
17 interaction with the board chairs. And, actually, it
18 all went so well the first time, they decided to have
19 it a second time.

20 But a couple of things. The same deal,
21 and one of the things that they're pushing their
22 education community is not to segregate the career and
23 technology. I think they're still called vo tech, but
24 for those schools, they don't have a football team.
25 They don't have a prom. They don't have this and

1 that. And they're trying to get it back in the school
2 and not be "shop" like it used to be when I was in
3 school, "shop," but to actually immerse that into the
4 regular school on that campus to where those students
5 are part of the school just like everybody else that's
6 doing that. So I thought that was pretty good.

7 One thing that you were talking about
8 and sharing -- and I hope that we -- that was our
9 mission in trying to come to every -- each and every
10 board to share the governor's cluster initiatives with
11 each one of you -- and I think Doug and his staff had
12 made it to every board in a whirlwind tour -- and then
13 help each board who wanted to develop their own
14 cluster approach, picking and choosing from the six
15 clusters and deciding what part they're going to be,
16 whether they're going to be in the supply or, you
17 know, exactly what part they wanted to play in trying
18 to work.

19 What I would challenge, which I haven't
20 seen -- I certainly haven't seen the community college
21 do the cooperation that we would like to see them do,
22 but I'll have to be honest with you, I haven't seen
23 the boards with a real strong regional approach to
24 things either. We have been kind of worlds unto
25 ourselves on a county-by-county basis, and I think if

1 we're going to be going -- before we go to the
2 community colleges and tell them what they ought to be
3 doing, we ought to be able to take the best practice
4 of how we're taking regional approaches and we're
5 getting economies of scale and we're addressing that.

6 But the thing I wanted to make you aware
7 of, if you're not already aware, and we just finished
8 this up, I serve on the P-16 council. That's a state
9 council. And it's the Higher Ed Coordinating Board,
10 myself, the Rehab Board and TEA, and it's for the
11 four -- four executive agency directors, or
12 commissioners in some cases, serve on this as a
13 Legislative mandate, and they're tackling just exactly
14 what we've got. It's pretty much completed. And one
15 of the things I wanted to ask this group and TAWB is
16 try and get a -- if I could get the P-16 council to
17 make a presentation to you on exactly what they have
18 in place at the education side to address the
19 pipeline. And let me give you a few things that
20 they're looking at.

21 One is messaging. Commissioner Paredes
22 wants everybody to get a four-year degree, and he'd
23 probably like to get it in English because he's an
24 English major, but he understands everybody is not
25 going to go to college. But the problem is that they

1 found -- particularly 9th grade males are the most
2 at-risk population that we have for dropouts, and
3 at-risk Hispanic males are even a higher rate for
4 dropout. And what they're trying to do is to get with
5 these young people at the earliest stage possible, and
6 some are even saying middle school, but right now it's
7 the messaging that post-secondary education -- you
8 know, school after high school doesn't necessarily
9 mean four years of college. What they found is a lot
10 of these kids in their household don't have a point of
11 reference to anything post-secondary. So anything
12 they hear after school, they immediately think four
13 years of UT or four years of Harvard or four years of
14 A&M, or whatever, and they just are scared completely.
15 So what they're trying do is working on the messaging,
16 which I think will be good.

17 The other thing they're working on is
18 the vertical alignment, and what they found is that
19 they -- not only did the high school algebra teacher
20 or calculus teacher not understand what the community
21 college algebra -- or college algebra teacher was
22 teaching to where they had an alignment, sometimes the
23 9th grade algebra teacher did not know what the 12th
24 grade calculus teacher was teaching within their own
25 school. So what they're trying to do is work on this

1 vertical alignment to where English -- sciences, and
2 particularly English and math, that those three --
3 that those three disciplines, that there's vertical
4 alignment from middle school all the way up to the
5 second year, because the scary thing -- and I would
6 ask them to give this presentation to you, about 60
7 percent -- well over 50 percent of the entering
8 freshman are in remedial courses and 60 percent of
9 those don't finish the course.

10 MR. BELK: Now, you're talking about
11 high school freshman?

12 MR. TEMPLE: No. College.

13 (Simultaneous discussion)

14 MR. TEMPLE: Mom and Dad is spending
15 hundreds of dollars an hour for, you know, about a
16 grand on a course that doesn't count, plus everything
17 that goes with it. So generally a semester, if they
18 pass it, they're missing an entire semester that's
19 added on to their four years. And chances are, if
20 they have to take all of these remedial courses,
21 they're not going to make it to four years anyway. So
22 they're trying to work on the pipeline.

23 There are local P-16 councils, and some
24 of our boards are actual members of those. I would
25 encourage you to talk to your ISD, your local

1 community college. And if there is a P-16, join it.
2 If it isn't, get one started. And I'll be glad to
3 find out where they are and send it to the group.

4 Is anyone here a member of the local
5 P-16 council?

6 (No verbal response)

7 MR. TEMPLE: They're addressing these
8 issues.

9 One of the things that they're doing
10 that's remarkable, and it's in place, piloting and
11 trying to get it rolled out statewide, and that's a
12 program starting at about the 9th grade for kids
13 prepared for dual credit. When they walk across the
14 stage and get their high school diploma, they get a
15 two-year associates degree at the same time. Boy,
16 what a savings to the parents there.

17 So I would -- I'd like to see if we
18 could get this presentation on basically what they're
19 doing in the pipeline to address the very thing you're
20 talking about from the education standpoint. And it's
21 a really good presentation and it's really two
22 different people that would be giving the
23 presentation. It's about a 30-minute presentation,
24 but it may be a great deal for you-all to get. And I
25 think the fall conference would be a great venue to

1 get that. And then you can find out more and maybe
2 even get them to -- in the meantime, find out which
3 boards are involved in the local P-16 and the
4 follow-up to that. But, you know, the good news is,
5 there is dialogue and they are working on that to do
6 that.

7 Now, as far as data, you have in your
8 possession your LMI data that you put in your plan
9 every year where you decide what your targeted
10 demand -- now, you've got your demand, and they are --
11 you know, they're here, but you have decided, based on
12 this data and based on your board's guidance, where
13 you're going to target your limited funding. So you
14 are making those decisions at the local level today
15 where your local businesses are telling you they're
16 going to need workers and you're going to spend your
17 money. That's part of your planning process right
18 now.

19 I would certainly suggest that that list
20 for all of us could be narrowed down, because we
21 certainly don't have the money -- we don't have enough
22 money to do any of them perfect.

23 MR. TAYLOR: Larry, I agree with you.
24 We do an analysis every quarter. If you look at that
25 list, most of us are not training in 50 percent of

1 that list.

2 MR. TEMPLE: But, you know, I have
3 seen -- and I won't name names. And I know all
4 politics are local and -- but I have seen car washing
5 as one of the local targeted demand occupations.
6 Power washing cars and equipment where a board several
7 years ago had decided they were going to direct their
8 money.

9 COMM. CONGLETON: That was always one of
10 my ambitions.

11 (Laughter)

12 MR. TAYLOR: Let me ask a question. On
13 the fall conference, I never ever see TEA invited to
14 the fall conferences. Am I wrong or just not looking
15 at it directly? What kind of partnership do you have?

16 COMM. LEHMAN: This year our keynote
17 speaker -- one of our keynote speakers is Will Daggett
18 who is the TBEC consultant who is a world-renowned
19 consultant. He's done work in 27 countries and 25
20 states, and one of the things he's discovered is --
21 and we have a piece of work that he's analyzing right
22 now, but what he told us in January at the executive
23 briefing in Houston was that whether you're a high
24 school graduate or a college graduate, you're not
25 leaving with the fundamental reading skills you need

1 to succeed in the current daily work place. And, of
2 course, the CEO's mouth dropped open and the educators
3 went into shivers and shakes. And we took 80
4 positions out of the industry cluster work and I
5 called him and asked him if he would have his team
6 analyze them, and he said he would do that. And then
7 we took all the 30 textbooks out of the college system
8 that -- well, they were selected at random, and we got
9 him analyzing those, too, and he's supposed to give us
10 those results at the Workforce Conference.

11 MR. TEMPLE: But to go back to the
12 cluster report, each of the respective clusters put
13 together what their recommendations were and then we
14 combined those for the Governor for his charge to the
15 various agencies, which you should have gotten in your
16 presentation. The common thread throughout all was
17 "Education has got to do a better job."

18 Now, each one identified what they were
19 going to need in respect to future workers and
20 education required of them, and it all came back to
21 "What's the pipeline," because in every economic
22 development that we ever deal -- we ever work on
23 that's -- I don't care if it's manufacturing assembly
24 at the lowest level to chemical engineers, it's not
25 only, "What have you got right now," but, "What have

1 you got coming down the pipeline, you know, for us or
2 other pipelines?"

3 So if you haven't had a chance to read
4 that cluster report, I would encourage you to do so.
5 And like I said, everybody is not going to have a bio
6 tech, but you may very well -- I had a meeting one
7 time -- I was in the Valley and one of the school
8 districts came up to me and said, "Man, we love this
9 cluster thing, but we need some more the money to do
10 it, because we've got all of our money training
11 teachers, because ISD is our biggest employer." And I
12 said, "Okay. Let's think about it this way. You
13 can't do every teacher. Everybody who wants to be a
14 teacher, you can't" -- "Well, no, no. We only have a
15 certain amount, but we really spend the majority of
16 our money there. I said, "Why not limit it to math
17 and science teachers, and then you are creating a pool
18 of math and science experts within your community that
19 you may then show up on the skill map as having a very
20 educated math and science community that maybe then
21 you can attract some of these skills that require --
22 these clusters that require that." And not -- I got
23 some saying, "Thank God I found a job (inaudible),
24 but, you know, it was getting scary there for a
25 while." But that's type of things that we have to

1 learn how to be really strategic with a limited amount
2 of funding.

3 Commissioner, do you have anything else
4 before you go?

5 COMM. CONGLETON: I would like to say
6 one thing. Save your money.

7 (Laughter)

8 MR. TEMPLE: On the P-16, I would love
9 to be able to get them to come -- it's a really
10 eye-opening -- the good news is there is not only the
11 realization of the problem but there's been efforts
12 and energy put toward the very problems that you're
13 talking about. And I think it will go a long way for
14 the education committee.

15 MR. BELK: We'll look for that in
16 November.

17 MS. ROJAS: I just wanted to add one
18 thing.

19 One issue that we really haven't touched
20 on, and it still does exist, is access. You know,
21 when you have someone in the metroplex or, say,
22 someone in Arlington -- the median income in
23 Arlington, I think, is about 25,000 a year. The cost
24 to attend a community college is about 10 percent of
25 that. There's really some disparities. Say you go

1 down to Brownsville where the median income is about
2 12,000. Because of out-of-district fees, the average
3 cost for someone to go to a community college is going
4 to be 8,000.

5 So I think those are some messages that
6 need to be articulated at the state level with TEA or
7 the Higher Ed Coordinating Board, whoever has that
8 authority, to also look at that, because if we can't
9 provide the access to the education, you know, we're
10 not going to do a whole lot of good.

11 COMM. LEHMAN: Well, this may be an
12 example of a strategic initiative. TWC committed \$20
13 million several years ago for first generation to
14 college funding just to address that kind of thing.
15 TBEC has been supportive of \$150 million initiative.
16 And Don Brown, who was the former T -- co-board
17 commissioner is now leading the Texas Access
18 Initiative designed to double the enrollment of
19 students in college by 2015.

20 The problem is -- and I really -- I want
21 to shift gears, if I can, but I want to make two more
22 statements real quickly. The problem is, as Larry
23 said, when 50 percent of your students going to
24 college need remedial work, getting them in is not the
25 problem. It's getting them through that's the

1 problem.

2 If you really want to look at some
3 insightful things, and I recommended it to Tyane, that
4 she have a presentation from Triand (phonetic), which
5 is a piece of research folks that we launched a long
6 time ago. I was part of the launch team in '93. The
7 bottom line is, they have data -- statistical
8 databases now that you can, as a consumer or as a
9 parent or as a taxpayer, dial into and look at the
10 student progress grade by grade by grade by grade,
11 school by school by school, and you can watch your
12 pipeline succeed or fail in your workforce region.
13 And that kind of stuff is very powerful, particularly
14 if you do what Larry says. The superintendents that
15 are on your board and the superintendents that are in
16 your region, get them to talk to you about curriculum
17 alignment and how successful or how disjointed that
18 is.

19 MR. TEMPLE: A year-round WIA math
20 initiative would pay you bigger dividend -- WIA youth
21 math initiative. I could learn ever what you want to
22 do with it, but you've already got it in place. More
23 dividends for your pipeline than anything, because the
24 major reason they found -- particularly in males, that
25 they drop out in the 9th grade is because they flunk

1 9th grade algebra or pre-algebra and they never come
2 back.

3 COMM. LEHMAN: And if you look at
4 national statistics -- and this is where I'm going to
5 end. National statistics, 22 percent of the students
6 nationwide adequately prepared in science to pass a
7 freshman biology course. Okay? 22 percent. And
8 Texas is no exception.

9 MS. DIETZ: Say that again.

10 COMM. LEHMAN: I'm sorry.

11 (Simultaneous discussion)

12 COMM. LEHMAN: 22 percent of the
13 graduating students of the high schools in the nation
14 are adequately prepared to pass a college biology
15 test. Okay?

16 The way it works, ACT goes to 400
17 universities every year and says, "What do you need to
18 have your students pass with a B -- equal to a B or
19 better," and that -- they translate that to an ACT
20 score, and it generally is 22. In Texas, and
21 unfortunately in the Valley, we've got kids that have
22 got all A's, taking the recommended high school
23 graduation plan, and they're scoring 15 to 17 on the
24 ACT exam, which says, to me, they're one to two years
25 away from being adequately prepared to pass biology in

1 college, even though they're A students taking all the
2 science we've got in high school.

3 Part of that is we've got unqualified
4 teachers with too low of expectations, and part of
5 that is we're not -- we're not get setting our
6 expectations high enough for our future workers.

7 So with that, I want to ask if we can
8 move on, because I want to ask two more questions.

9 MR. BELK: We need to. Yes.

10 AGENDA ITEM NO. 7

11 COMM. LEHMAN: Two more issues. One
12 requires a clarification; so I'll leave it to last.
13 But the other one is "TWC and local workforce boards
14 should" -- let's see -- "should work together to
15 attract more business involvement in general in the
16 workforce system." What kind of ideas did you have
17 when you were developing that recommendation? What --
18 how do you know -- how do you know one when you see
19 one?

20 MR. GUTHRIE: Well, I'll start.

21 The more we take away anything that
22 looks like a governmental program, the more we attract
23 businesses in our workforce system, and I can't give
24 you any -- well, I'm not prepared as I sit here today
25 to give you any more specifics than that, but it goes

1 from this issue of getting business people on the
2 boards and the procedures and qualifications that are
3 put through it. It goes to whatever is out there that
4 career center contractors have to comply with or board
5 staff who are directing the employers have to comply
6 with that smells to an employer like it's a
7 governmental program. And I realize that we all
8 operate under constraints, but the recommendation
9 there is "Let's see if there are constraints that we
10 can minimize without doing the system harm to get
11 employers interested in this idea of economic
12 development by giving back to their communities by
13 participating in the local workforce system."

14 MS. GRISSOM: I think another thing that
15 we talk about is that, for businesses, it's the return
16 on investment. I still think that we are kind of
17 stigmatized with the old system. A lot of paperwork
18 to do, a lot of responsibilities. So the businesses
19 aren't signing up for that.

20 When they have found out what our
21 services are, they are more than happy to work with us
22 and use all of the services that are available. So if
23 they can see what the return on investment is for them
24 using the system, I think they're more willing to sign
25 up to work with us, but especially at the local

1 workforce board.

2 COMM. LEHMAN: All right. So my first
3 reaction when I read that is, the employers of Texas
4 see the workforce system is costing them 2.2 billion a
5 year or more. Two years ago, it was almost 3.5
6 billion.

7 You're not talking about the return on
8 investment of the generic system. You're talking
9 about what they themselves invest in complying.

10 MS. GRISSOM: Right.

11 COMM. LEHMAN: So I guess I would need
12 to have more specifics, but, for example, in grants --
13 training grants, local boards -- I mean, we have -- we
14 have taken labors away such that the skills
15 development program does not require employer match at
16 any large level. There's all kinds of freedoms that
17 we got from that.

18 The skills development program requires
19 virtually no real paperwork from the employer in
20 advance. It does require the employer to comply with
21 which employees, which training, which curriculum and
22 which salaries. I guess I'm kind of at a loss as to
23 who was going to do that if employers don't, but I
24 think that -- I think what I'm grappling with is --
25 and I want to react to what Mark said.

1 One of the problems that I personally
2 have with -- and what drives my emphasis on employers
3 on boards is not whether or not they employ people.
4 It's whether or not they think like employers.

5 You know, when you see a barber that's
6 never hired anybody and never been involved in
7 organizational development of any kind beyond a single
8 barber chair, it makes me wonder, "What does he bring
9 to the board in terms of value ed? How do employers
10 see that person as advocating a system that they
11 themselves should use?" So when I look at a board and
12 see that 23 percent of its members are customers of
13 the board in any way, shape or form or its services, I
14 start asking questions like "What's wrong with the
15 services that its own governing board doesn't want to
16 use it?"

17 I hand it to you folks because that
18 23 percent is now about 47 percent in the last 12
19 months. So that, to me, is goodness.

20 But the other thing that concerns me
21 when I look at boards is the minutes. I see no
22 time -- in fact, I could not find a board agenda that
23 has the word "employer" in the agenda anywhere. So
24 part of that, I'm sure, is the perception that TWC
25 makes you address things that address -- that feed the

1 bureaucracy, and that I would like to whittle away at.

2 But the other thing that I wonder about
3 is "To what degree do boards" -- "to what degree do
4 employers who are leading boards demand different
5 agendas?" Because, typically, what happens is, the
6 agenda is full of the bureaucracy.

7 MR. GUTHRIE: I think you're right in
8 that last statement, and I think that there are a lot
9 of things that boards can do to try to drive that
10 ball, but just to react to what you just said, in my
11 view, the last hour and 20 minutes now, given that we
12 started at 3:30, has been time very, very well spent
13 from my standpoint as a member of the employer
14 community, because we're talking about constructive
15 things. We're talking about future things. We're not
16 talking about processes that we might have issues
17 with, and there's no need to react to, you know, any
18 sort of perceived criticisms. And we need to do
19 things -- "we," the collective we, TWC included, but
20 those of us around this table and people who operate
21 our boards need to do more in having these kinds of
22 discussions and discussions about what employers want,
23 how we could better serve them and less in terms of
24 reporting on meeting numerical participation rates and
25 things like that, although that's necessary because we

1 have duties in respect to those programs.

2 MR. BELK: Ron, I think an issue that
3 we've talked about in the past and I think we're still
4 whittling away at, and I think you have it in your
5 agency as well as in the local boards, and that's
6 still the old TEC mindset, that, "Let's get a guy a
7 job and count the numbers." And among our
8 contractors, and even our local board staff, we
9 still -- that's still in the back of our minds and
10 sometimes we overlook some things that really could be
11 and need to be done because we think, "Well, that
12 don't fit the number. That doesn't fit the program."
13 And, as I say, we've come a long way in working on
14 that, but I think there's still some of it out there.

15 And to add to the statement that we need
16 to work together, I think sometimes your staff -- or
17 the TWC staff will ask questions of our contractor,
18 our staff, that don't lead in the direction of working
19 for the employer.

20 But back to the fact that, "Wait a
21 minute. We've got a statistic," or, "We've got a
22 number here that we've got to meet and let's forget
23 about that employer for a little" --

24 MR. TEMPLE: I would -- and let me use
25 a -- I think the whole key is we know we have these

1 measures we have to make, because that's the strings
2 that come with the money. And we can gripe and moan
3 and spend time on it, but that's the way our money
4 comes. It's how we get to those.

5 MR. BELK: That's right.

6 MR. TEMPLE: For instance, we tightened
7 up the Welfare program, the TANF program. There
8 were -- you could fill this room with the options that
9 you could use to meet those numbers and never put
10 anybody in a job and still meet your numbers, but we
11 knew that we had a labor shortage. We knew the value
12 for it. We knew what that would do. So we brought
13 that in and narrowed it to where basically our
14 approach is we basically make our numbers putting
15 people to work, which is -- meets the employer needs
16 of finding the workforce. There are still some
17 nuances to it. You know, we're the most
18 employer-friendly work -- TANF program, probably, in
19 the nation -- maybe Florida is right there with us --
20 but it's how we meet those numbers. But there's going
21 to be some measures that we have to do.

22 And just as stewards of that money,
23 we're going to have to call and check on some of those
24 things, but I think our challenge is to help you find
25 ways that you can make them by being employer

1 friendly. And I think some of the -- like the waiver
2 that we've got that does away with the strict
3 50 percent OJT match, that it's a sliding scale that
4 you can get the employer to match on OJT. Perfect
5 example of how you can use the system. We probably
6 have more measures -- I mean, waivers than any state
7 in the nation. 14 now. Something like that.

8 MS. BATES: And we appreciate those,
9 too.

10 MR. TEMPLE: Yeah. And, boy, use them.
11 Just wear them out. I mean -- and we know we've got
12 one that's really supposedly just because of Katrina
13 and they haven't taken it away yet; so I say use that
14 transferability authority and just wear it smooth out
15 until they just wake up and take it away from us, but
16 I think that's what we need to do, is sit down, you
17 know, we -- and share these best practices and look at
18 ways, because we're going to always have to make some
19 number. It's going to be a number of some way, sort
20 or fashion.

21 Child Care, for instance. We've got a
22 requirement that if you're not in school, then you've
23 got to be working and you've got to be working at
24 least 20 hours a week, because there's so many
25 businesses out there that have employees that need

1 child care. So why wouldn't we give it to somebody
2 that wasn't at least working, you know.

3 So we tried to look in the rule process
4 of things that make sense from an employer standpoint
5 and still get us to the numbers.

6 I'm going to have to go. May I
7 indulge --

8 COMM. LEHMAN: Yeah. I need to wrap up,
9 too, because I didn't want to keep --

10 MR. TEMPLE: I've got bad news.

11 Luis is leaving. He has -- the good
12 news is, if you are a -- if you have Arbor as a
13 contractor, the good news is, he's going to be the
14 vice-president of operations for Texas for Arbor.
15 He's gone to the dark side.

16 (Laughter)

17 MR. TEMPLE: It's a great opportunity
18 for him. He's going to make a ton of money, and we're
19 happy for him.

20 A couple of things. One, he just -- we
21 just found out late Friday -- well, he got his letter
22 Thursday. He let his staff know late Friday. I
23 wanted to make the announcement this morning. I
24 wanted to let you guys know.

25 Two things. Number one, I'm going to

1 try to expedite the replacement. I'll never get
2 anybody better than -- I'll never get another Luis.
3 He's just that good. He grew up in this. He knows
4 it. He's done a great job. I think everybody will
5 agree -- but I'm going to try. And we're probably
6 going to be posting it in about a week.

7 I'd like for you -- and I'm going to do
8 a mail-out to all of the EDs, but to the degree that
9 you can pass the word as well. One, if you have
10 anyone that you would like to recommend for the job
11 that you want to beat up on, anybody that you want to
12 beat up on for the next couple of years, recommend he
13 or she for the job. But, second, even if you don't
14 have anybody in mind, if you can let me know -- you
15 know, at this point of our system, is there
16 something -- a talent or skill that you would like to
17 see added to the Luis model. And it's hard to perfect
18 the Luis model, but to the degree that's there's
19 something in there that you would like for me to be
20 looking for that you think would be responsive to some
21 of the needs that we have currently. I mean, our
22 environment changes. A lot of it stays the same but a
23 lot of it changes as well.

24 So the next week, two weeks, if you can
25 give that some thought, I'm going to get a blast cast

1 out to all of the EDs asking the same -- yes.

2 MR. VALE: Are you going to be looking
3 at states that are particularly successful in what
4 we're doing?

5 MR. TEMPLE: Yes.

6 MR. VALE: Are we going to try to do
7 some special recruiting there?

8 MR. TEMPLE: Yes. We're -- I was at --
9 I knew about this last week, and I was at the NASWA,
10 and, quite frankly, it's hard to find anybody that's
11 doing what we're doing. And those that are living in
12 South Beach, Miami, and I can't match their salaries.

13 (Laughter)

14 MR. TEMPLE: But, anyway, it's bad news
15 for us. It's good news for Luis. It's a great
16 opportunity for him, but I would like to take the
17 opportunity to ask you-all to give me some input and
18 any suggestions that you have.

19 MR. BELK: Thank you, Larry.

20 MS. DIETZ: Okay. And if you can send
21 me that information, the contact for who you want us
22 to speak with.

23 MR. TEMPLE: Yeah. I will. And you can
24 give them straight to me. I'm going to send you-all
25 out what the job posting is going to look like, but

1 I'm going to put it out for about a week. I wanted to
2 give everybody time to kind of think about it.

3 MS. DIETZ: Okay. I meant on that other
4 issue.

5 MR. TEMPLE: Oh, I'm sorry. Yes.

6 (Simultaneous discussion)

7 MR. BELK: P-16.

8 MR. TEMPLE: P-16. Yeah. That's a --
9 it's not where we want it to be, but, doggone, it's a
10 lot further than we were a year ago in addressing
11 that.

12 So thank you-all and I apologize for --

13 COMM. LEHMAN: That's all right. I'm
14 wrapping up.

15 I know you've got another agenda. I've
16 got to touch on one item.

17 MR. BELK: All right.

18 COMM. LEHMAN: "TWC should establish a
19 process where claimants eligible for UI benefits are
20 referred promptly to the local workforce centers."
21 All that I'm generally okay with except for the
22 qualifier that says, "The ten-week re-employment
23 measure should apply only with respect to claimants
24 actually determined eligible." That tells me that I
25 still have a -- I still have to do a better job of

1 helping folks understand what this is all supposed to
2 do, because what that would do, it was -- that
3 strategy or that approach ignores two-thirds of the
4 labor pool that we have available to us in our
5 generally targeted populations, for one. Two, it
6 would have the effect of moving Texas further up the
7 overpayment ladder.

8 You know, what got this thing really
9 rolling was the fact that the costs of the UI program
10 were going sky high and employers were complaining
11 like crazy. And the fact that they did not see three
12 and half billion dollars' worth of value from the
13 workforce system.

14 So if we do this, what we do is, we miss
15 one principle, and that is getting employers access to
16 qualified workers quicker. And those are probably the
17 more qualified experienced people we have to draw
18 from. Only about 24 percent of the workforce in the
19 UI population -- I'm sorry -- only about 24 percent of
20 the population applies for UI benefits. And so, in
21 effect, we would have -- we would be having the effect
22 of ignoring a huge segment of the population, waiting
23 for them to be declared eligible for benefits, and the
24 clock would be ticking, because if somebody applies
25 for benefits today and if there is a question about

1 the separation, it may take weeks to resolve that. In
2 the meantime, they continue to draw benefits while the
3 employer proves the case. So that would tend to
4 aggravate the overpayment posture and cost employers
5 more heck of a lot of money and deprive the employer
6 of the knowledge about this worker and deprive the
7 worker of the connection to the jobs that we have.

8 So a couple observations. We have, in
9 the last four years, benefits were costing Texas
10 employers more than a million bucks a week. Forty-six
11 and a half million dollars -- I'm sorry -- more than a
12 million dollars an hour, forty-six and a half million
13 dollars a week in 2003, and we were headed to a
14 billion dollar shortfall, which a billion dollars
15 below the trust fund floor -- I'm sorry -- below
16 zero -- below zero is where we were headed, which
17 would have meant we were going to have to jack up the
18 taxes on employers by a billion dollars and expect it
19 to be paid back in one year.

20 Now, that is a whole lot more money
21 collectively in the UI program than the franchise tax
22 ever cost, and the Legislature wrung their hands for
23 several sessions over that. So we had in our hands
24 the ability to make a major impact on three things,
25 employer access to qualified workers, wages and

1 earnings of workers and families and the cost of the
2 UI trust fund.

3 And I will tell you that we have done a
4 yeoman's job. We should really be proud of that
5 because the cost to employers has dropped from
6 something in the neighborhood of 46 million a week to
7 21.9 million a week. Well over 100 percent reduction
8 in three years.

9 Now, part of that is because the
10 unemployment rate has dropped. The unemployment rate
11 has dropped something along the tune of 18 to
12 20 percent, but the taxes have dropped -- on the
13 payouts have dropped by roughly 100 percent. And my
14 argument is that the Workforce System has stepped up
15 and done a lot to help that challenge or to address
16 that challenge, and we deserve some of the credit for
17 it.

18 Now, you can sit around and play games
19 with the numbers all you want to, but my argument is,
20 I don't know what the number is that represents our
21 contribution, but it's a whole lot more than we would
22 have gotten any other way. So backing off of this
23 measure and backing off of this interpretation would
24 go in exactly the wrong direction and it would drive
25 overpayments up, not down.

1 So, personally, I -- I welcome the
2 opportunity to work together on improving the process
3 and the data flow and all of those things. That --
4 from my office, you have commitment for that. I'm not
5 so sure that some of my colleagues will be quite as
6 enthusiastic as I am about this issue, but --

7 MR. BELK: Part of that, Commissioner,
8 came out of an experience I had with a claim, which
9 was filed on-line.

10 She was to call El Paso and get her, I
11 think, number. It took five days to get through the
12 telephone. All the time, her clock is running with
13 the system. Her days are passing. It took her five
14 days to even get on -- get them on the telephone so
15 she could get a number. And, fortunately, she got her
16 own job before anything ever happened, but our
17 argument -- our discussion about that was, once
18 they're qualified and the Workforce System -- or
19 boards are notified, start their time. But don't
20 start it when they make their claim, because you have
21 these hang-ups and then it puts the stress on the
22 Workforce Boards to --

23 COMM. LEHMAN: Well, there's a thing
24 called JAVA (phonetic) which is a federal law that
25 says we will, via federal law, issue benefits timely,

1 and it is costing employers several million bucks a
2 year, just that federal law. But the reality is, when
3 you file a claim, there's a day to sign, (inaudible),
4 and from that point is when, if you're eligible, the
5 benefit checks start.

6 So what I heard you say is we've got two
7 issues. One is, we're starting the claim early. And
8 the second is, we're stating the measurement period --

9 MR. BELK: Well, I don't --

10 COMM. LEHMAN: -- early on the boards.

11 MR. BELK: Well, I don't have any
12 problem with the claim. My problem is that you give
13 the boards ten days to get them signed up and
14 whatever, and if they're not qualified for five days,
15 that board's already lost --

16 COMM. LEHMAN: You mean the board has
17 got ten weeks?

18 MR. BELK: Ten weeks. Not days, but
19 weeks.

20 MS. DIETZ: I think it's what you said
21 before. This process, I think we can work through
22 that so that maybe both parties --

23 COMM. LEHMAN: I think there's -- maybe
24 there's a solution.

25 Both Commissioner Congleton -- well, all

1 three of us, actually, have supported the concept of
2 concurrent enrollment. That is, when you log into the
3 claims filing system, you also file your applications
4 such that you're starting to search for work the same
5 day you're filing the claim. That's in the master --

6 MR. GUTHRIE: There's a data flow
7 problem and there is also a problem about the
8 contractor. The local area's concerned about getting
9 sanctioned for not meeting the measure when there is a
10 time lag for whatever reason. And I think you might
11 be able to solve a lot of the problem, a lot of the
12 consternation by keeping the ten-week policy in place,
13 trying to improve the data flow and having a mechanism
14 to back those people out of the sanction -- or those
15 situations where there is a lag out of the sanction
16 pool so that the board doesn't really get judged on
17 that when there is some sort of delay.

18 COMM. LEHMAN: Well, let me make a
19 couple of observations. There's 22 -- 24 boards
20 meeting this ten-week measure now. There are several
21 boards that are really aggressive in expecting people
22 to go to work or being sincere about applying for
23 work.

24 For example, I get calls from employers
25 that say, "You sent me somebody to interview for my

1 job opening, and when he walked in, he said, 'I know
2 you don't want to hire me. I'm a trouble maker'."
3 And I said, "Okay. What did you do? What did you do
4 when they said that?" And my message to employers and
5 my message to the boards is that is an insincere work
6 search, and when that is reported to TWC, we will shut
7 off the benefit to that individual.

8 MR. VALE: It's a soft skill.

9 (Laughter)

10 COMM. LEHMAN: And that is -- exactly.
11 I mean, we sit around and we talk about soft skills
12 and here is an individual that doesn't want to come to
13 work. Right?

14 MR. BELK: Well, and then the instance
15 where the Commission loads them all up in a bus and
16 takes them to town and they go store to store to
17 store.

18 COMM. LEHMAN: Well, the message for you
19 guys is, there are boards out there that are reporting
20 people at 50 times the average of some boards, and
21 there are some boards out there that are reporting
22 nobody. One of those boards has the highest
23 prosecution of fraudulent and abusive rates in the
24 state and they are not reporting anybody in terms of
25 not doing prudent work searches.

1 And so I will be communicating with each
2 board over the next few months about that kind of
3 data, but those are the kind of things to me that
4 employers on boards ought to know about and think
5 about and say, "What is our structure doing to put
6 integrity in the system?" And so I will provide you
7 with data like that, along with a commitment to work
8 on the process.

9 MR. TAYLOR: You know, Commissioner, I
10 don't think, as far as the UI portion of the
11 re-measures, was an issue that we were contesting,
12 saying we want to do away with. I don't think that's
13 what we're saying there.

14 COMM. LEHMAN: Okay. Well, that's why I
15 wanted to clarify. That's why I wanted -- I thank
16 you.

17 (Simultaneous discussion)

18 MS. DIETZ: I have one question.

19 COMM. LEHMAN: All right.

20 MS. DIETZ: I want to back up. You
21 said, you know, what are our thoughts on attracting
22 more business involvement. One thing we touched on
23 before -- and we could make a statement to follow up
24 on, but I think we ought to pursue the credentialing
25 we talked about.

1 COMM. LEHMAN: The what?

2 MS. DIETZ: The credentialing.

3 COMM. LEHMAN: Okay.

4 MS. DIETZ: You and I have talked about
5 it. We've talked about it in committee. We've talked
6 about it this morning in some committees, but that may
7 be an answer to you -- one part of that, is, that is
8 something we're willing to pursue if you tell us and
9 what we can help on our own is that that's what
10 business wants.

11 Now, you know, we have the Chamber --
12 U.S. Chamber rolling out there on their own kind of
13 process. Other groups are doing their own things, but
14 perhaps that's something we should pursue.

15 COMM. LEHMAN: Well, and your
16 recommendation is "Go to TEA and get them to adopt
17 it."

18 Let me tell you what's happening. The
19 U.S. Chamber is adopting its core credential. The
20 National Retailing Federation is adopting one, too.
21 In -- on September 25th, the Chamber -- U.S. Chamber
22 and the Manufacturing Skills Standards Consortium,
23 which is a member of 70 companies in the Fortune 500
24 that have been working on this thing for years,
25 they're going to announce a nationwide partnership to

1 embrace the standards for manufacturing across the
2 nation.

3 I have been in conversation with the guy
4 for about four months. There are seven boards that
5 have informally expressed an interest in pursuing this
6 deal, but we were looking for funding to get it going.

7 They have -- the MSSC, Manufacturing
8 Skills Standards Council, has submitted two grants to
9 the state and several workforce areas have identified
10 some funds and submitted proposals for some other
11 funds. And if we can get that thing started, we will
12 roll it out across the state, grass-roots level, board
13 by board based on local board preference. That will
14 be an easier battle to try to do it that way than to
15 try to go to the State Board of Education and get them
16 to pass another credential that becomes on top of the
17 TEKS and TAKS stuff standards.

18 MS. DIETZ: Well, I wasn't necessarily
19 thinking going that route, but I mean -- I mean,
20 through the Board of Education, but -- okay. We'll
21 pursue that.

22 COMM. LEHMAN: Well, I'll -- as soon as
23 I know the status of the grants -- there's about a
24 million and a half involved. Once I know the status
25 of the grants, if there's any money that flows from

1 those proposals, I'll communicate to all of you what's
2 going on. Because right now the conversation has been
3 informal but every board has got some effort or energy
4 going about assessments and credentialing. And for
5 manufacturing, this one makes the most sense to me,
6 and so -- there's no mandate here. What I'm trying to
7 do is empower you to have a choice to decide "Do you
8 want to push it or not," but I can't do it without
9 some resource. Okay?

10 I realize --

11 MR. BELK: Thank you, sir.

12 COMM. LEHMAN: -- I took more than the
13 time than I planned, but I certainly appreciate it.

14 And thank you very much. I'll get out
15 of your way.

16 AGENDA ITEM NO. 8

17 MR. BELK: Does anyone have a specific
18 item that you'd like to put on the next agenda?

19 MR. VALE: All of the stuff we were
20 talking about.

21 (Laughter)

22 MS. ROJAS: Follow up.

23 MR. VALE: This is -- I agree with Mark.
24 This is one of the best conversations we've had in
25 this committee.

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AGENDA ITEM NO. 9

MR. GUTHRIE: Move to adjourn.

MS. DIETZ: Second.

MS. ROJAS: Second.

MR. BELK: We're adjourned -- stand
adjourned.

(Proceedings concluded at 4:59 p.m.)

1 C E R T I F I C A T E

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3 STATE OF TEXAS)

4 COUNTY OF TRAVIS)

5

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

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

15 IN WITNESS WHEREOF, I have hereunto set
16 my hand and seal this 18th day of September 2006.

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