



**MEETING OF THE
TEXAS WORKFORCE COMMISSION**

DATE

APRIL 13, 2021

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TUESDAY, APRIL 13, 2021

CHAIRMAN DANIEL: All right, good morning, everyone, the meeting is called to order. Mr. Trobman, has anyone signed up for public comment?

MR. TROBMAN: No, sir.

CHAIRMAN DANIEL: All right, thank you so much. Good morning, Ms. Miller.

MS. MILLER: Good morning, sir.

CHAIRMAN DANIEL: Thank you. This brings us to the end of Agenda Items 3 through 7. Let's pause for a couple minutes to reset for the rest of the meeting.

[Pause: 00:22:59-00:26:23]

CHAIRMAN DANIEL: Agenda Item 8, staff doesn't have anything under Agenda Item 8. Agenda Item 9 is discussion, consideration, and possible action regarding guidance on resource utilization and implementation of services and strategies to target disaster relief efforts and public health emergencies, including those funded with the Department of Labor's disaster dislocated worker grant.

MS. TROKE: Good morning, Chair Daniel, commissioners, and Mr. Serna. For the record, Jen Troke, Workforce Development Division. On March 5, 2021, the Texas Workforce Commission applied for a disaster dislocated worker--

MR. SERNA: Jen, hold on a second.

MS. TROKE: Yes, sir?

1 MR. SERNA: Hold on just a second, because
2 you're coming in cross--garbled. This time it's you and not the
3 commissioners that have [inaudible]--

4 MS. TROKE: Oh, no.

5 MR. SERNA: --garbled, so we [inaudible]
6 while you're driving.

7 MS. TROKE: Do you want me to try again?

8 MR. SERNA: That's a little bit better.
9 Yeah, try it again.

10 MS. TROKE: On March 5, 2021, the Texas
11 Workforce Commission applied for a disaster dislocated worker
12 grant to expedite disaster relief services as a result of the
13 severe winter storms that occurred during February 2021. On
14 April 1, 2021, the Department of Labor conditionally awarded
15 \$3,120,612 in grant funds to address the identified need. These
16 disaster grants are supplemental resources that provide
17 flexibility in responding and recovering from disasters, and
18 provide disaster relief clean-up and recovery and humanitarian
19 assistance employment, as well as career and training services,
20 support services, all to minimize the employment and economic
21 impact of declared disasters. Staff seeks approval from the
22 commission on the use of \$3,120,612 to serve a minimum of 254
23 Texans through disaster dislocated worker grants with nine
24 boards.

25 MR. SERNA: Thank you, Jen.

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MS. TROKE: Thank you.

MR. SERNA: Mr. Chairman, let me lay this issue out. We have before, and we presented the material in brief [inaudible] we have before the commissioners is a recommendation from staff to provide grants to several of our boards, grants totaling 2.9 million. The idea is that the grants will be quickly executed, and should [inaudible] that the boards can [inaudible] to ensure that the boards can begin providing grant services and staff, and we'll bring regular updates to the commission. Staff seeks approval from the commission on the issue of 3.1 million, to use the full number, 3,120,612, to serve a minimum of 254 Texans through the disaster dislocated worker grant in nine board areas. Those nine board areas include Alamo, Deep East Texas, East Texas, Greater Dallas, Gulf Coast, Lower Rio Grande Valley, Middle Rio Grande Valley, North Central, and Southeast Texas.

CHAIRMAN DANIEL: Comments or questions?

COMMISSIONER ALVAREZ: None here, Chairman.

COMMISSIONER DEMERSON: None.

CHAIRMAN DANIEL: So, the winter storm impacted almost every county, but we've only got just a small number of boards here that are participating. I recognize it's voluntary on the part of the boards. Do we know why the participation here seems lighter than it should be?

1 MR. SERNA: No, sir, I don't have that
2 information, but I can find out and provide it to the
3 commission.

4 CHAIRMAN DANIEL: Okay.

5 MR. SERNA: Because it did to me as well.

6 CHAIRMAN DANIEL: Yeah, it just--I don't
7 know. How many boards, nine boards, out of all of them?

8 MR. SERNA: Right, 28.

9 CHAIRMAN DANIEL: It's like a fourth, a
10 third.

11 MR. SERNA: A third.

12 CHAIRMAN DANIEL: [sounds like] That's Texas
13 Tech math there for a second. So, a third. All right, do we have
14 a motion?

15 COMMISSIONER ALVAREZ: Chairman, good
16 question. I move that we approve the use of \$3,120,612 in
17 disaster dislocated worker grant funding to serve a minimum of
18 254 Texan in nine board areas, as discussed by staff.

19 COMMISSIONER DEMERSON: I second the motion.

20 CHAIRMAN DANIEL: It's been moved and
21 seconded. We're unanimous.

22 MR. SERNA: Thank you, sir.

23 CHAIRMAN DANIEL: Thank you. We have nothing
24 under Agenda Item 10. Legislative report today?

25 MR. SERNA: No, sir.

1 CHAIRMAN DANIEL: No? Executive director's
2 report?

3 MR. SERNA: Brief executive director's
4 report.

5 CHAIRMAN DANIEL: All right.

6 MR. SERNA: We've been dealing for more than
7 a year now with all the attention being focused on unemployment
8 insurance claims. I think the commissioners know that our
9 attention has been equally focused on fraud and fraud activity.
10 We knew that that bubble was gonna move. That bubble's moved
11 much more aggressively than we anticipated, so we are shifting
12 more attention to that effort. To that, I wanna make sure that
13 the commissioners understand that the TWC systems are secure.
14 There have been no data breaches of the TWC systems that have
15 allowed our customers' data, both employer or individuals' data,
16 from getting out. The data that's being used is coming from
17 other sources. The data that's being used is coming from other
18 sources. We don't have control of that piece of it. As a matter
19 of fact, there was a story that I read yesterday where one of
20 the hackers' accounts has now been hacked, and that hacker's
21 stolen data is available on the dark web for sale or use. So,
22 it's getting pretty serious. We are putting all the resources we
23 can to address that, but we do anticipate, and I do wanna give
24 the commissioners a heads up, as I believe it's my
25 responsibility--we do anticipate seeing the activity and the

1 volumes continue to increase. And it'll probably be a fact of
2 life even past the end of all the assistance programs that the
3 federal government has in place. But they've certainly--those
4 programs have certainly prompted a lot of those. So, I just
5 wanna let the commissioners know that the TWC systems are
6 secure, and we are taking the steps we can to address it. We'll
7 be reaching out to employers because we do need our employers
8 and any other individual that receives a notice from us to take
9 that notice seriously and get back to us. And we're looking for
10 improved ways to provide access to those individuals trying to
11 reach us right now. So, that's the end of my executive
12 director's report.

13 CHAIRMAN DANIEL: Questions or comments?

14 COMMISSIONER ALVAREZ: Commissioner
15 Demerson, do you have anything?

16 COMMISSIONER DEMERSON: Yeah, I was gonna
17 say I commend the staff. I think we're going to start
18 communicating back out to the employers and individuals as well,
19 and so I commend the staff on taking that direction. Because a
20 lot of the calls that we're receiving back, they are reporting,
21 but they're wanting to hear back from us that everything's okay.
22 And so I thank you guys for taking care of employers in that
23 way.

24 MR. SERNA: Yes, sir. Yeah, the biggest
25 challenge we have in calling back just to say we're taking care

1 of it is that while it is important, it takes a little bit of
2 time from someone going on to get the next claim frozen and the
3 next claim frozen and the next claim frozen. But we are putting
4 processes in place. We don't wanna--I don't wanna call them
5 "canned messages," but at least a response to let both
6 employers--especially employers--but employers and individuals
7 know we have the information, we're addressing it, we will reach
8 out to you if we need additional information. But we are gonna
9 include those things.

10 COMMISSIONER DEMERSON: Good, thank you guys
11 again. We're listening to the employers and the calls coming in
12 [inaudible] that response, although it takes a little bit of
13 time, it's important to those business owners.

14 MR. SERNA: Absolutely.

15 COMMISSIONER DEMERSON: And so they
16 appreciate it big time.

17 MR. SERNA: Yes, sir, thank you.

18 COMMISSIONER DEMERSON: Absolutely.

19 COMMISSIONER ALVAREZ: Yeah, I'd just like
20 to add what Commissioner Demerson has said. Ed, I appreciate it.
21 As you know, almost every day I send you someone or some--a
22 group of either it's a municipality, and recently you saw the
23 letter that was given to the commissioners regarding what had
24 happened there at the campus. So, I appreciate the work that
25 you've done. Just a couple of ideas, or just maybe if you could-

1 -plus I love the fact that you're coming into the offices
2 regularly to share this information. Do you have something that
3 we could consistently be telling folks? I know you've told me,
4 and I mean, I'm just saying for maybe staff, if they are
5 approached by someone saying hey, what are you doing about this
6 fraud stuff. That way, we're all on the same page. I know what
7 you've instructed us to say, and so we appreciate that. And
8 we've informed staff about that as well. You know, I don't know
9 if we have the ability to do this, but it was just kind of an
10 idea. Would there be an opportunity for us to meet with the
11 Social Security folks and talk to them about maybe putting
12 together an identifier? So, kind of like a credit card--when
13 they ask for your credit card information, they always ask for
14 the three numbers in the back, right? So, is there a way for us
15 to maybe reach out to the Social Security department and use
16 that as an identifier?

17 MR. SERNA: We'll reach out to--we have
18 worked with Department of Treasury, Department of Justice, of
19 course Department of Labor. We'll reach out to them as well with
20 some of these other ideas. You've mentioned that to me, and I
21 thought it was a pretty unique thing, if you have your Social
22 Security card. If you're like me, though, my Social Security
23 card's locked up in a safe deposit box, and I don't know the
24 three numbers on the back. But I think we are gonna be taking
25 steps to--not only for the validation or the verification of

1 identity, but other steps to sort of head those things off in
2 advance.

3 COMMISSIONER ALVAREZ: I appreciate it, Ed.
4 I mean, just the fact that we're able to tell folks that call us
5 that it wasn't our agency that got breached. We're not putting
6 blame on anyone, though, and I think lots of times, they just
7 wanna be heard. So, I really wanted to take this opportunity to
8 commend you, and again, giving us the opportunity to share with
9 the folks consistently, and maybe collectively what our
10 messaging is. And I know that Tom and his team are doing a
11 really good job of putting that information out there, to beat
12 folks to the punch. So, appreciate that.

13 MR. SERNA: Yes, sir, thank you.

14 COMMISSIONER ALVAREZ: Thank you, Ed. No
15 other comments, Chairman.

16 CHAIRMAN DANIEL: All right. Well, I don't
17 think we can communicate this enough. We've been talking about
18 this for a couple weeks, and it's--people's initial reaction is
19 that somehow, our systems have been breached. That has not been
20 the case so far. This is information that's been gathered from
21 somewhere other than TWC, and they--somewhere, somebody--some
22 criminal element is associating names and Social Security
23 numbers and addresses and [inaudible] data that they've gathered
24 from some third party, probably not in a place the rest of us
25 look on the Internet. So, as unfortunate as it is for claimants,

1 the measures we continue to put in place, and we continue to
2 change those in terms of identity verification, we just have to
3 continue to double-down on those efforts. It is gonna add steps
4 to the process. It is gonna make it slower to get benefits. But
5 unfortunately, when I look at the numbers, the share of
6 fraudulent claims is about to eclipse actual, real claims for
7 real Texans on a daily basis. And so we have got to protect the
8 integrity of the fund, which you are doing. And by raising this
9 to our attention, you call to light something that I've seen
10 over time, which is employers, if we could just ask them to be
11 vigilant about reporting those, and many are. I appreciate the
12 lengths to which many employers are reporting. We got a notice
13 on this person. This person is at work because while this person
14 owns the company, and they've been at work every day. And so,
15 employers find those lines of communications, and we'll create
16 new ones, I think, to be able to do that. Thank you for raising
17 the issue. This has been an issue for some time. I wish we could
18 talk about it more in-depth but the situation changes daily on
19 the ground, and I know that you're taking many measures.
20 Appreciate you keeping us apprised of the situation, and we'll
21 just keep pressing forward on it.

22 MR. SERNA: Thank you sir, all of y'all. And
23 that's all I have to report.

24 CHAIRMAN DANIEL: All right. Anything else
25 to come before the commission?

1 COMMISSIONER ALVAREZ: Chairman, I
2 appreciate your comments. I think that makes a lot of sense. And
3 I think we owe it to the folks. I appreciate the fact that Ed
4 reported this today at our commission meeting so that there's
5 certainly total transparency on what takes place. So again,
6 thank you, Ed, for the briefing on that.

7 COMMISSIONER DEMERSON: Nothing here.

8 CHAIRMAN DANIEL: Anything else?

9 COMMISSIONER ALVAREZ: Nothing, Chairman.

10 CHAIRMAN DANIEL: I had an interesting
11 conversation yesterday, gentlemen, with a man named Justin
12 Sherburn. He is the artistic director for Montopolis Music. He
13 also has a company called Rocket Cinema, which is a pop-up
14 drive-in movie theater. I bring this to your attention because
15 last April, May, somewhere during the summertime time period,
16 like a lot of musicians in the state, he found himself needing
17 unemployment. Needless to say, he was on hold for some greater
18 period of time than he or I would have liked. He experienced all
19 of our on-hold music, and he, as artistic director for a music
20 company, he began to realize that our on-hold music wasn't
21 necessarily what he'd like to hear if he was on hold. So, he
22 took our old on-hold music and combined that with some musicians
23 here in town. He's now come out with an album called "TWC On-
24 Hold Music," and we had a great conversation yesterday. His
25 sense of humor is unbelievable. I thought I didn't have a sense

1 of humor about this until I talked to him, and I find that I do.
2 He was actually so gracious as to let us know that if we wanted
3 to use his album, that he would license us to use his album here
4 for our on-hold music, if we wanted to replace our on-hold music
5 with his.

6 MR. SERNA: We might do that.

7 CHAIRMAN DANIEL: And if you--if there's no
8 obstruction, I'll ask Mr. Serna and Mr. Trobman to look into
9 what that might be involved.

10 MR. SERNA: We will certainly do that.

11 CHAIRMAN DANIEL: The music's good. I think
12 it's a cellist from the Austin Symphony and some other folks.
13 It's all instrumental music. There's no words, so there's no
14 concerns there. Actually, they turned our standard government-
15 issue on-hold music into something frankly quite artistic. Not
16 only that, he had some great things to say about our TWC folks.
17 He did, in fact, get his benefits. He was on those for a short
18 period of time. During the pandemic he stood up this other
19 company called Rocket Cinema, which is a pop-up drive-in movie
20 theater and is now an employer. He's now employing other people
21 to work for this new business. And so he had a new venture that
22 he was able to create from the pandemic, as a result of the
23 pandemic, and used his time on unemployment benefits to dream
24 up, come up, and implement this new business. Justin Sherburn,
25 great conversation. A consummate gentleman, lot of fun to talk

1 to, and if Mr. Serna and Mr. Trobman will investigate perhaps
2 some new on-hold music, I think I may have found a good source
3 for that.

4 MR. SERNA: If we can, we will.

5 COMMISSIONER DEMERSON: The ingenuity of
6 Texans. I love it.

7 COMMISSIONER ALVAREZ: Good.

8 CHAIRMAN DANIEL: All right, is there any--
9 nothing else? If not, do we have a motion to adjourn?

10 COMMISSIONER ALVAREZ: Chairman, I move that
11 we adjourn.

12 COMMISSIONER DEMERSON: Mr. Chairman, I'm
13 gonna second the motion, and I did wanna mention I was in
14 Killeen, Texas last week, at a TIP [inaudible] ceremony with the
15 guys from Ford, and they're hiring veterans--Technicians of
16 Tomorrow. And these guys are being trained to go into some solid
17 jobs, automotive technician type of positions. And Ford was the
18 employer leveraging those TIP finds at that point. So, with
19 that, I'll second the motion. But very well event.

20 COMMISSIONER ALVAREZ: Commissioner, did you
21 drive up there in a Ford?

22 COMMISSIONER DEMERSON: I--I will not put
23 that on the record. I was in a rental vehicle, so there we go.
24 But I second the motion.

25

1 CHAIRMAN DANIEL: Did your rental vehicle
2 have a Texas license plate on it?

3 COMMISSIONER DEMERSON: You know something,
4 unfortunately, it did not, and I give them trouble every time I
5 get into a rental vehicle.

6 CHAIRMAN DANIEL: What state? Do you recall
7 what state it was?

8 COMMISSIONER DEMERSON: It was the state of
9 Tennessee. It started with a "T," but it was Tennessee, yeah.

10 CHAIRMAN DANIEL: So, someone moved from
11 Tennessee here.

12 COMMISSIONER DEMERSON: To Texas, that's
13 right.

14 CHAIRMAN DANIEL: All right, got it.

15 COMMISSIONER DEMERSON: They were coming
16 here, so, yeah.

17 CHAIRMAN DANIEL: Got it. That, and U-Haul
18 truck rentals are two real good measures of what's going on in
19 the economy out there.

20 COMMISSIONER DEMERSON: Oh, yeah, they were
21 coming to Texas.

22 CHAIRMAN DANIEL: With that said, there is a
23 motion and a second to adjourn, and as a consequence, we're
24 adjourned. Thank you.

25