

1                                   TRANSCRIPT OF PROCEEDINGS  
2                                   BEFORE THE  
3                                   TEXAS WORKFORCE COMMISSION  
4                                   AUSTIN, TEXAS

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

9  
10                                   COMMISSION PERFORMANCE BRIEFING  
11                                   WEDNESDAY, JANUARY 27, 2010

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15                   BE IT REMEMBERED THAT at approximately  
16                   1:30 p.m., Wednesday, the 27th day of January 2010,  
17                   the above-entitled matters came on for hearing at the  
18                   Texas Workforce Commission, TWC Building, 101 East  
19                   15th Street, Room 244, Austin, Texas, before TOM  
20                   PAUKEN, RONALD G. CONGLETON, and ANDRES ALCANTAR,  
21                   COMMISSIONERS, of the Texas Workforce Commission; and  
22                   the following proceedings were reported by Janis  
23                   Simon, a Certified Shorthand Reporter of:

24  
25

1                                   P R O C E E D I N G S  
2                                   WEDNESDAY, JANUARY 27, 2010  
3                                   (1:30 p.m.)  
4                                   CHAIRMAN PAUKEN: All right.  
5 Mr. Temple, I think we're ready to begin.  
6                                   MR. TEMPLE: All right. As usual,  
7 we'll --  
8                                   CHAIRMAN PAUKEN: Good to see you again,  
9 Mr. Temple.  
10                                  MR. TEMPLE: -- kick it off with Carnac  
11 the Incredible.  
12                                  Where's your turban?  
13                                  Mark Hughes telling us where we're  
14 going.  
15                                  (Laughter)  
16                                  MR. HUGHES: -- with the Great Jambi.  
17                                  (Laughter)  
18                                  MR. HUGHES: Good afternoon,  
19 Commissioners. I'm Mark Hughes with the Labor Market  
20 Information Career Department.  
21                                  Nationally, in December, the payroll job  
22 count declined by 83,000 jobs and the Unemployment  
23 rate was the same as in November at 10 percent. In  
24 Texas with the November data, payroll employment  
25 declined by 23,900 jobs over the month, and the

1 unemployment rate rose from 8 to 8.3 percent.

2                   As we look across the board, though, at  
3 other economic indicators you don't -- you don't get  
4 quite a uniform picture of decline. It becomes a  
5 little bit different. For example, in looking at our  
6 claims data, both the initial claims and continued  
7 claims, on a seasonally-adjusted basis, to say they're  
8 improving is not -- wouldn't necessarily be right.  
9 But they're not growing at a rapid rate, and it  
10 appears to be moderating somewhat in terms of trend  
11 and what we've seen over the past year and that kind  
12 of thing.

13                   In terms of some of the other indicators  
14 that you might look at, for example, consumer  
15 confidence in the Texas region, it hasn't been  
16 increasing dramatically over the past few months, but  
17 it is substantially above where it was a year ago.  
18 From the Survey of Manufacturers that's run by the  
19 Dallas Federal Reserve Bank, all of the data on  
20 manufacturing, with the exception of employment,  
21 appears to be positive in -- on a --

22                   CHAIRMAN PAUKEN: With the exception of  
23 what?

24                   MR. HUGHES: I'm sorry?

25                   CHAIRMAN PAUKEN: With the exception of

1 what?

2 MR. HUGHES: Employment. You don't see  
3 increases in employment manufacturing. But there are  
4 other data, such as production, capacity, utilization,  
5 that sort of thing, is rising. Oil prices are up.

6 Real estate is still at a low level, but  
7 it appears to be at a bottom and beginning -- you're  
8 seeing those numbers beginning to ease up a little  
9 bit.

10 COMM. CONGLETON: Now, that's on --  
11 that's on homes already built. That's not on new  
12 starts, though. Right?

13 MR. HUGHES: That's on permits.

14 COMM. CONGLETON: Permits for new  
15 starts?

16 MR. HUGHES: Right.

17 COMM. CONGLETON: Okay.

18 MR. HUGHES: That's on permits. But if  
19 you look at sales and other things, you see a little  
20 activity happening there that -- you know, is it  
21 rising dramatically? No. But we appear to be -- it's  
22 at a bottom and it's trying to show some over-the-year  
23 improvement.

24 As you bounce around among the  
25 indicators, though, you see different things. Like,

1 in December, retail sales were down over Christmas a  
2 year ago. If you try to combine all the positives and  
3 negatives, one thing I would note is the Comptroller's  
4 index is leading it on indicators is positive and is  
5 pointing upward, which is a -- an early sign that a  
6 composite of everything seems to be looking upward.

7 I would say, though, that as we look at  
8 these, what our concern is has to do with employment,  
9 unemployment, changes in employment by industry. And  
10 we're looking at the people's side of the economy. We  
11 hear a lot of positive news about the economy in -- in  
12 the press, for example, but there's really a distinct  
13 difference.

14 You can talk about the economy in terms  
15 of dollars and in monetary terms, or you can talk  
16 about it in terms of people. When we look at the  
17 dollar values in the economy, there are some positive  
18 increases going on. It will take some time for that  
19 to show up in the people's side of the economy. And  
20 so what we're saying, in terms of increase in  
21 unemployment and that kind of thing, we can probably  
22 expect to see the unemployment rate continue to rise  
23 for a little while, because even though we see some  
24 dollar estimates in the economy improving, it's going  
25 to take some time for it to be reflected in employment

1 and unemployment.

2                   If you look in our newsletter, which  
3 I've given you, the Texas Labor Market Review, in here  
4 on Page 2 at the top is a summary of the employment  
5 patterned by industry. And if you look, you see we --  
6 okay. We declined by 23,900 over the month. If you  
7 look at the column November '09 to December '09, these  
8 data are seasonally-adjusted. In other words, we're  
9 taking out the kind of unusual influence of the  
10 Christmas season, that sort of thing and look at it.  
11 And still, as we look that absolute change over the  
12 month, with the exception of Education & Health  
13 Services, our numbers are still slightly negative.

14                   And then, over the year, we can see kind  
15 of what the -- what the job loss has been, you know,  
16 over the -- over the past 12 months. And that kind of  
17 fits into the national pattern we've seen. But if you  
18 dip below that and try to say, "Well, okay. I know  
19 the devil is in the details. What's really going on  
20 at a level that more people can relate to other than  
21 this summary fashion?"

22                   If you look on Page 3, we have our  
23 detailed industrial data. It's a little bit more hard  
24 to interpret, and let me explain why. At the top  
25 side, we seasonally adjust, meaning we -- we take out

1 the seasonal influence and say, "Well, kind of what's  
2 the trend, and where are we in the business cycle?"

3                   When you go to the detail, we don't have  
4 that fine-level analysis. And we have to look, not  
5 only over the month but, more importantly, look at it  
6 over the year. And it kind of gives you a relative  
7 understanding for what's going on in any particular  
8 industry.

9                   Now, it starts on Page 3. And as you'll  
10 see up there at the top, there's "Total Private,"  
11 which is employment without taking consideration of  
12 government. And you'll see the job loss we've had  
13 there. To give you some idea, I think what you'd  
14 expect at this time of year in December typically  
15 employment rises from seasonal influence.

16                   More specifically, turn to Page 4, and  
17 if you'll bear with me for a moment, right -- just  
18 barely down from the top, it says, "Retail Trade" in  
19 dark letters. Retail trade typically is up during the  
20 Christmas season. But if you look down here and  
21 examine, for example, "Clothing and Clothing Accessory  
22 Stores, Sporting Good Stores, General Merchandise  
23 Stores," you get some idea of -- of that seasonal  
24 pattern.

25                   But over the year, you say, "Well, but

1 that's what happened from November to December." But  
2 if I'm a retailer, and I'm looking at this December  
3 and this Christmas, where was I last Christmas? And  
4 like in "General Merchandise Stores," they employed  
5 10,700 fewer people this Christmas than they did last  
6 Christmas. So, the Christmas season wasn't the uptick  
7 that we would normally expect it to be.

8                   To get some idea of where we stand and  
9 try to begin to anticipate where we might expect it to  
10 go in the near future, I've handed you three charts  
11 that you might find useful. One compares the rate of  
12 change in employment of payroll jobs and the rate of  
13 change in the civilian labor force. And as you can  
14 see, the employment number illustrated in blue, our  
15 growth rate there is far below the growth we've seen  
16 in the labor force, which would indicate to us that  
17 we're still in a position for the number of unemployed  
18 and more specifically the unemployment rate, to  
19 continue to rise in the near future.

20                   Behind that there are two charts. One  
21 of them compares personnel supply, the personnel  
22 supply industry with the total, and the second one  
23 compares truck transportation to changes in total  
24 employment. And in each case I think you can see here  
25 that, number one, these two industries tend to follow

1 the business cycle closely. And they not only are  
2 down. But, arguably, they're -- they're trying to  
3 improve, but they're still in a considerable negative  
4 territory here.

5                   So, this is saying, "Well, there's some  
6 positive signs in the economy. We just don't see it  
7 in employment yet." And the question kind of becomes,  
8 "Well, when can I expect that?" And, of course,  
9 your -- as many forecasters as there are people that  
10 you ask, I suppose, in a forecast that was recently  
11 released by the Dallas Federal Reserve Bank, they  
12 anticipate that Texas will grow by 100,000 payroll  
13 jobs during the Calendar Year of 2010. And we've  
14 looked at some other forecasts that revolve right  
15 around that number of about a hundred thousand jobs.

16                   Well, what does that mean? Well, the  
17 long-term average growth in the civilian labor force  
18 runs around 1.6 percent per year or about 16,000  
19 people per month on average. That means that to  
20 absorb the new labor force entrants, be they people  
21 growing of age civilian labor force or people  
22 migrating into the state or people simply making the  
23 decision that, "Hey, I haven't worked before, but I  
24 want to today." Just that growth, Texas needs to  
25 generate about 16,000 net new payroll jobs each month

1 to absorb that.

2 CHAIRMAN PAUKEN: Just to stay even?

3 (No response)

4 CHAIRMAN PAUKEN: Just to stay even?

5 MR. HUGHES: Just to stay even. Texas  
6 needs to grow at about 16,000 jobs per month.

7 Now, what I would say about that is,  
8 "Yeah, we were negative this last month in job growth  
9 and that sort of thing, but we're still seeing the  
10 effects of this business downturn." Is 16,000 a hard  
11 number to get to? Well, it looks like it is from  
12 23,9000. But if you look at what the state's economy  
13 has done over time, when the economy is doing fairly  
14 well, 16,000 is not that big a reach.

15 Now, we're kind of saddled with a twin  
16 problem here. We've got to have the growth not only  
17 to absorb new labor market entrants, but we've also  
18 got to pick up some of the slack that we've created  
19 over the last year.

20 There's a table that you've seen before  
21 that I handed out that gives different scenarios for  
22 unemployment rates and economic growth that will give  
23 you some idea of how this is going to work. And I  
24 think if you look at the far right-hand column,  
25 Scenario D, is saying, "Okay. From where we are in

1 December, what kind of job growth do we need to get us  
2 down to a 7 percent unemployment rate?" Well, if you  
3 look down the column, we've highlighted the 14th  
4 month. If Texas could average a job growth of 25,400  
5 each month for 14 months, then we could get down to  
6 around a 7 percent unemployment rate.

7                   Is that number unreasonable? No.  
8 During growth periods, Texas -- you know, you'll see  
9 net increases in employment of 25,000 or more each  
10 month. That number is not unreasonable.

11                   Now, if we start saying, "Well, what is  
12 it going to take to get me down to 4 percent in the  
13 next 14 months?" That number gets tough. You don't  
14 see those kind of numbers in Texas on average over the  
15 course of a year.

16                   CHAIRMAN PAUKEN: Question.

17                   MR. HUGHES: Yeah?

18                   CHAIRMAN PAUKEN: When you -- when you  
19 take the 25,000 for 14 months to get to 7 percent, was  
20 that at an 8 percent figure or 8 -- 8.3 percent  
21 figure?

22                   MR. HUGHES: 8.3 percent.

23                   CHAIRMAN PAUKEN: Okay.

24                   MR. HUGHES: And I would encourage  
25 each -- each month we do this table and update it.

1 So, you kind of have to keep that in perspective.  
2 Now, the difference between 8 percent and 8.3 at 14  
3 months is like less than 300 difference. But still,  
4 you know, over time those things kind of accumulate,  
5 and you've got to be careful in moving these numbers  
6 too far out in the future.

7                   So, anyway, you may have some questions  
8 about this in terms of what we expect. I would say,  
9 you know, of a hundred thousand, yeah, we would like  
10 to grow and add a hundred thousand jobs over the next  
11 year. That's not spectacular growth. It's good  
12 growth.

13                   It's -- that's not the level -- it would  
14 take more in the neighborhood of 160,000 net new jobs  
15 over a year to bring the unemployment rate down below  
16 that 8, 8.3 percent range. It's a nice way of saying  
17 that what the forecasts are really saying at a growth  
18 rate of about a hundred thousand jobs is we can  
19 continue to expect the unemployment rate to rise  
20 somewhat.

21                   That's all I have.

22                   CHAIRMAN PAUKEN: Any questions?

23                   (No response)

24                   CHAIRMAN PAUKEN: Okay. Who's next?

25                   MR. TEMPLE: Randy.

1                   MR. TOWNSEND: Good afternoon,  
2 Commissioners.

3                   CHAIRMAN PAUKEN: You've got more good  
4 news to give us?

5                   (Laughter)

6                   MR. TOWNSEND: Well, hopefully, it will  
7 be fine.

8                   Under Tab 2, there's a -- a -- a Monthly  
9 Legislative Report that summarizes our financial  
10 activities for the agency as of November, about 25  
11 percent through the year. Just a quick overview of  
12 the numbers in -- in total. Looking at the Fiscal  
13 Year budget for 2010, which is the second column of --  
14 of dollar amounts, that's about 1.3 billion budget  
15 we're assuming. Of course, that's larger than normal  
16 for our agency mainly because of Recovery Act funds  
17 being included in there.

18                   Expenditure-wise in total, as of the --  
19 the first quarter, we were about 300 -- a little over  
20 300 million expended, which represents about 23  
21 percent of our budget in total. So, in total we're --  
22 we're tracking quite well. The number of staff, the  
23 FTE level, we were just over 30 -- well, 3657, 3600  
24 employees. 80 percent of those FT -- staff are  
25 concentrated in U -- UI, Unemployment Insurance

1 strategies, or Employment Service strategies. So,  
2 that's the -- kind of where our concentrations are.

3                   Let me just share a few highlights for  
4 you on -- on some of the percentages by strategy, just  
5 to give you a quick overview of a couple items here.  
6 Under Workforce Investment Act, the Youth Strategy,  
7 1.1.2, it would appear at first blush that at 39  
8 percent we're a little heavy on expenditures. Take  
9 into account, though, where we would expect to be with  
10 Recovery Act funds from the -- for that particular  
11 strategy. That would -- would be okay, I would think,  
12 so really nothing to -- to -- to be concerned about  
13 there, I don't believe.

14                   In terms of our other strategies, just  
15 a -- a couple observations: Trade Act, 1.1.6, at  
16 about 14 percent expended in November. It would  
17 appear to be a little low. However, I took a look at  
18 where we were as of December. We actually doubled our  
19 expenditures in December. So, that came up quite a  
20 bit.

21                   I know it's an area that -- in talking  
22 with some of the folks in the Program area, that it's  
23 certainly a focus of making sure we keep our  
24 expenditure levels at the -- you know, at the  
25 appropriate level there. But that did change quite a

1 bit just one month later. So, maybe next time around  
2 there will be a little bit more information to share  
3 with you on that one.

4 Project RIO at 13 percent. Primarily  
5 that was affected by our contract, our interagency  
6 contract we have with Criminal Justice Division --  
7 Department. And they actually processed some -- some  
8 invoices with us in actually just the first part of  
9 this month, January, that added 2 million in  
10 expenditures as of January. They just waited, it  
11 looked like, in terms of submitting their invoices for  
12 billing. So, once you take that into account, I think  
13 we're -- we're back on track at the current -- current  
14 date.

15 The strategies dealing with  
16 Apprenticeship, Skills, and Self-, just a reminder,  
17 those are driven largely by the grant contracts we  
18 have, and the timing of those are -- are -- are tied  
19 to the contract performance and -- and that sort of  
20 thing. When you compare expenditure levels with prior  
21 years at this point in time, we're tracking quite well  
22 expenditure-wise. So, I don't really have anything  
23 else to add for those particular strategies.

24 The At-Risk Child Care Strategy, 1.3.3,  
25 it's a hundred million expended, 103 million expended,

1 as of November, about -- just under -- just over 19  
2 percent. Again, just a reminder that there's probably  
3 about 120 million assumed to be expended out of  
4 Recovery Act for Child Care. Those expenditures  
5 are -- are just now getting in the pipeline, I guess,  
6 if you will. And so I think you're going to -- over  
7 the last -- probably last two quarters of this fiscal  
8 year, I think those expenditure levels will accelerate  
9 for that particular strategy as well.

10                   And really the final -- I've got a  
11 couple other comments, Career Schools and Colleges,  
12 2.1.4, a little over 30 percent expended. I think  
13 it's -- that has to do with some of the workload  
14 associated with that program and the staffing to try  
15 to accommodate the increased workload. I've been  
16 talking with the Program folks, my staff have, making  
17 sure that we're -- we recognize we have to -- have to  
18 live within our means on that particular -- on that  
19 funding source for Career Schools. I think there's  
20 being -- they're looking at adjustments that would be  
21 necessary to make that happen for the rest of the  
22 year.

23                   And the final observation I have is  
24 under the Information Resources Strategy, 3.1.2, at 33  
25 percent expended. And, again, this is just a

1 reminder. It's a timing of our agreements we have for  
2 our software license and maintenance contracts. We  
3 tend to pay several of those in the first quarter of  
4 the fiscal year, and then we don't have any payments  
5 on those for the rest of the year.

6                   So, that one -- actually, when you take  
7 that into account, we're tracking quite well on that  
8 strategy as well.

9                   And that concludes my comments on the  
10 financial activities, if you have questions or  
11 comments.

12                   CHAIRMAN PAUKEN: Any questions?

13                   COMM. CONGLETON: No.

14                   COMM. ALCANTAR: I have no questions.

15                   CHAIRMAN PAUKEN: Okay.

16                   All right. Who's next?

17                   MR. TEMPLE: Randy, before we -- one of  
18 things -- and I want Larry to address, as well as  
19 Adam, with all of the -- the Stimulus money that we  
20 got in, plus our regular money, is that we weren't  
21 spending more attention on Stimulus at the expense of  
22 the other programs. And so I don't think we're seeing  
23 any problems in expenditures of the Stimulus versus  
24 the other. We're tracking pretty well, I believe.

25                   MR. TOWNSEND: As far as I can tell, I

1 think that's right. Child Care, like I said, the only  
2 thing on that is just the timing on the Recovery Act.  
3 And I think the -- with the enrollments coming up, I  
4 think -- over the last half of the year -- and I  
5 don't --

6 MR. LARRY JONES: One of -- Randy and I  
7 discussed this in our prebrief. One of the things  
8 that we have been concerned about for probably the  
9 last four or five months is to emphasize to the boards  
10 that the expectation from the Commission is concurrent  
11 expenditure and performance in both ARRA and in normal  
12 PY funding, and so that remains our strategy in  
13 dealing with the boards. We have a series of regular  
14 meetings every month in Workforce Development in which  
15 we do a direct comparison. Any boards that we note  
16 that are low in one stream or the other, they either  
17 get a phone call or, depending on the severity of the  
18 deficiency and expenditure, we send them a letter to  
19 remind them of their responsibility to do concurrent  
20 expenditure and concurrent performance.

21 So, that's -- to this point has been  
22 adequate in assisting us to meet that challenge, and I  
23 think we're on track to -- to finish out the year all  
24 right.

25 MR. TEMPLE: Well -- and it's only

1 because of that that we would have even thought about  
2 proposing for -- for your consideration that we expand  
3 the Summer Youth Program and going after those extra  
4 dollars on the Emergency Contingency dollars for the  
5 Wage Subsidy Program. It's -- it looks like -- and  
6 the boards have expressed to us they believe they do  
7 have the capacity. We would have to help them some on  
8 the capacity side for admin with some of those  
9 dollars, but it looks like they -- we've had  
10 situations in the past where there were a lot of --  
11 the old Welfare-to-Work grant, if anybody remembers  
12 that, when we were just dumped a bunch of money by  
13 D.C. overnight, and we were -- no state was able to  
14 absorb that and spend that in any form or fashion.

15                   So, it looks like this has been much  
16 easier to work on. I think, you know, our experience  
17 with NEG grants and like that have probably helped us  
18 a lot in that. And -- and staff has done a good job  
19 and the boards have done a good job as well.

20                   So, with that, Adam --

21                   CHAIRMAN PAUKEN: All right. Who's  
22 next?

23                   MR. TEMPLE: Do y'all have any  
24 questions?

25                   CHAIRMAN PAUKEN: Who's next?

1 MR. LEONARD: Me.

2 Commissioners, behind Tab 3 in your  
3 notebook, we're going to talk a little bit about  
4 statewide performance and what's going on there. I  
5 put a two-page handout in front of you, a little  
6 stapled thing, called Performance Observations for  
7 State Fiscal Year '10 First Quarter Performance  
8 Briefing that kind of talks about some of the key  
9 highlights, has a couple of graphs in it, that kind of  
10 thing. It looks like this. (Indicating)

11 CHAIRMAN PAUKEN: I got it.

12 MR. LEONARD: Okay.

13 To start with, I wanted to mention going  
14 into the beginning of the year, the first quarter of  
15 the year, we are missing fewer measures right now than  
16 we did at the end of last year. And some of that is  
17 the result of improved performance. Some of it is the  
18 result of some changes in the measures of the targets,  
19 and some of it is just kind of a natural resetting  
20 that occurs at the beginning of the year. But  
21 certainly it's a strong start for the beginning of  
22 this year.

23 Where we're going to start seeing  
24 some -- I guess we'll describe it as slippage -- is  
25 in -- in particular, in our Department of Labor

1 measures. Those measures have a lot of lag built into  
2 them, about a year's worth of lag on Entered  
3 Employment and about a year and a half on retention.  
4 And so what's happening is is right now we're just now  
5 starting to see the first groups of excitors who are  
6 finishing up services and coming into reportable  
7 performance in the -- what we'll describe as -- kind  
8 of post-recession beginning for Texas, which was last  
9 fall.

10                   And so right now we may be meeting most  
11 of those measures, but we are seeing significant  
12 slippage there. And, in fact, we'll be coming by to  
13 talk to you-all about options for possibly  
14 renegotiating targets with the Department of Labor.  
15 We're looking at that now, and we'll combine the next  
16 week or two with some recommendations and some trend  
17 numbers for you to look at there.

18                   Other than that, a lot of the story of  
19 what we're seeing here this quarter compared to last  
20 quarter, it's the same kinds of things we saw before,  
21 which is that we've still got that huge increase in  
22 numbers of customers that we're serving. Boards are  
23 doing a pretty good job in terms of keeping up with  
24 staff-assisted services to them. Obviously, the --  
25 the percentage is down somewhat from 77.7 percent

1 getting staff-assisted services a year earlier to 74.4  
2 in the last year. But that does represent an increase  
3 of about 256,000 people getting staff-assisted  
4 services over the prior year period.

5                   Within our claimant measures, the  
6 measure we focus on most closely in terms of looking  
7 at Reemployment of Claimants is the 10-Week Measure in  
8 part because it has the least amount of lag in it. It  
9 only has 10 weeks of lag, and I've been tracking this  
10 by month for about six years now. And what I've seen  
11 in the past was a kind of seasonal pattern that  
12 certain months tended to be higher or lower than  
13 others.

14                   Then, last fall we saw this significant  
15 dip in the numbers that came with the beginning of the  
16 recession in Texas. What I've been seeing in the last  
17 few months is a -- is a flattening out of those  
18 numbers and some evidence that that seasonality might  
19 be returning, and so what I see in that is that we may  
20 have kind of hit a -- a bottom in terms of the  
21 reemployment on that measure or the performance on  
22 that measure. Our numbers right now are -- are back  
23 close to where they were in 2004, but the unemployment  
24 rate in 2004 was actually considerably lower than it  
25 is now at that same level of performance, which shows

1 a level of improvement that the boards have made over  
2 the years just in terms of helping people get jobs  
3 quickly.

4                   The other thing worth noting is not only  
5 is the unemployment rate higher now, but there is a  
6 much larger number of claimants that goes beyond the  
7 question of simply having more unemployed people. We  
8 we have literally a -- a larger percentage of -- of  
9 the job seekers we're serving our claimants right now  
10 than what we saw in the last recession in Texas back  
11 before.

12                   CHAIRMAN PAUKEN: What did we --  
13 claimants who exhaust their state benefits, and then  
14 obviously they're on extended federal benefits, and  
15 then some people then ultimately run through that as  
16 well, do we still help the claimants who have gone  
17 through the -- the state benefits?

18                   MR. LEONARD: Yes.

19                   CHAIRMAN PAUKEN: So, as long as they  
20 were a claimant during --

21                   MR. LEONARD: Yes.

22                   CHAIRMAN PAUKEN: -- that period of  
23 time, same, they're --

24                   (Simultaneous discussion)

25                   MR. LEONARD: Yes, and --

1                   CHAIRMAN PAUKEN:  -- they don't have --  
2 they haven't found work.  We help them, even if they  
3 have dropped off the federal system?

4                   MR. LEONARD:  (Nodding)

5                   CHAIRMAN PAUKEN:  Okay.

6                   MR. JONES:  Yes, sir.

7                   MR. LEONARD:  Yes.  And, in fact, they  
8 would be counted in other measures besides these.  So,  
9 10 weeks goes by, we didn't get them a job.

10                  Okay.  Well, what -- can we get them a  
11 job within a quarter?  No?  Okay.  Well, let's at  
12 least keep tracking them, see what happens with them  
13 within our overall Entered Employment Measures.  And  
14 we can actually look at their outcomes by  
15 subpopulation claimants, as opposed to just the  
16 overall universe of people or people just in one  
17 program or another.

18                  CHAIRMAN PAUKEN:  But they do drop  
19 off -- you know, initial claims and then --

20                  MR. LEONARD:  Sure.

21                  CHAIRMAN PAUKEN:  -- continued claims.  
22 They drop off the continued claims list.

23                  MR. LEONARD:  Sure.  They would -- they  
24 would stop --

25                  (Simultaneous discussion)

1                   CHAIRMAN PAUKEN:  And what -- what's  
2  bothering me is I see -- even with -- you think there  
3  are a whole bunch of people who fully exhausted their  
4  benefits and they're off the system and, yet, you're  
5  not seeing much of a movement down on continued  
6  claims.

7                   MR. LEONARD:  Sure.

8                   CHAIRMAN PAUKEN:  Okay.

9                   MR. TEMPLE:  Those -- those individuals,  
10 as they exhaust, are also eligible for our Rider 31  
11 Initiative, so we --

12                  CHAIRMAN PAUKEN:  Oh, okay.

13                  MR. TEMPLE:  -- included them in that  
14 initiative.  Exhaustees --

15                  CHAIRMAN PAUKEN:  Oh, okay.  Good.

16                  MR. TEMPLE:  -- are also included in  
17 being able to be employed in that.

18                  CHAIRMAN PAUKEN:  Good.  Okay.

19                  MR. LEONARD:  Okay.  On the second page  
20 of my handout there's a -- a couple of graphs that,  
21 again, kind of show a bit of bottoming out in some of  
22 the negative trends that we've seen.  For instance,  
23 the first chart shows the number of new job openings  
24 in Work In Texas, but that number had taken a pretty  
25 significant slide last year.  But over the last few

1 quarters, again, still slightward downward trend but  
2 not nearly as steep as what we saw there earlier.

3                   And another -- or set of tracking  
4 numbers we look at is we do something we call  
5 "possible new hires," which is looking in UI Wage  
6 Records to identify what appear to be instances where  
7 we have a new employment of a person in the state with  
8 an employer, and that could be any person. That's an  
9 overall labor force kind of thing. And although,  
10 again, the number had been dropping in there, it looks  
11 like for the last couple of quarters it's largely  
12 leveled off in terms of its drop.

13                   I had already mentioned Entered  
14 Employment issues and that we're seeing some -- some  
15 weakening there, and we'll be coming to you with --  
16 with a few other things. Otherwise, I just wanted to  
17 mention something about the boards under Tab 4, which  
18 is that there are 90 -- there are 476 instances, if  
19 you look at where boards are held to a measure, if you  
20 take 28 boards times 17 measures. And of those 476  
21 instances, 95 of -- only 95 are not meeting out of  
22 476, which means 80 percent of opportunities are being  
23 met.

24                   And if you don't continue the -- or  
25 don't consider the ARRA Child Care Measure which, of

1 course, is in a big ramp-up phase, 17 of the failures  
2 were just in that. So, if we were to exclude that, we  
3 have 82.6 percent of all instances where there's an  
4 opportunity to meet the measure as being met for our  
5 boards.

6 CHAIRMAN PAUKEN: Okay. Thank you.

7 What's next, Larry?

8 MR. TEMPLE: Larry.

9 MR. LARRY JONES: Commissioners, I don't  
10 have anything to report this afternoon. I meet in  
11 premeetings with both Randy Townsend and Adam Leonard,  
12 and so we've already talked through the game plan on  
13 what was going to be presented today.

14 CHAIRMAN PAUKEN: Okay.

15 MR. LARRY JONES: If you have questions,  
16 I'm available.

17 CHAIRMAN PAUKEN: That's fine.

18 Who's next?

19 MR. TEMPLE: LaSha.

20 MS. LENZY: Nothing specific to report.  
21 I'm just available for questions.

22 CHAIRMAN PAUKEN: Okay.

23 Robert?

24 MR. GOMEZ: Nothing.

25 CHAIRMAN PAUKEN: Okay.

1 Thank you much. Appreciate it.

2 MR. TEMPLE: Yes, sir.

3 (Meeting adjourned: 1:59 p.m.)

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C E R T I F I C A T E

STATE OF TEXAS )  
COUNTY OF TRAVIS )

I, JANIS SIMON, a Certified Shorthand Reporter in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal this            day of            2010.

JANIS SIMON  
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