TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

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

COMMISSION PERFORMANCE BRIEFING
TUESDAY, APRIL 20, 2010

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

P R O C E E D I N G S

TUESDAY, APRIL 20, 2010

(1:30 p.m.)

CHAIRMAN PAUKEN: All right. I think we're ready to begin.

Is Mark Hughes up first?

MR. TEMPLE: Mark is up first, yes, sir.

CHAIRMAN PAUKEN: All right.

MR. HUGHES: And good afternoon, Commissioners. My name is Mark Hughes. I'm the Director of Labor, Market, and Career Information Department. My task this afternoon first is just to give a brief overview of what we see going on in the Texas labor market.

After declining since late 2007, in March the national payroll job count increased by 162,000 jobs. The national employment rate is at 9.7 percent and hasn't risen higher for three consecutive months now. The nation's leading, coincidental, and lagging economic indicators are rising, all in all suggesting that a recovery is gaining traction.

The key question remaining involves the strength of aggregate demand in the economy and whether or not employment income will bring consumers to push forward on a strong recovery. In Texas the payroll job count has risen for three consecutive months now, and the unemployment rate is at 8.2 percent. And that has not risen since last fall.

Looking kind of across the board --

CHAIRMAN PAUKEN: Could you -- okay. Say that again, in terms of the first three months of the year, the payroll growth in Texas, employment growth in Texas.

MR. HUGHES: The -- yes. Payroll job growth has gone up now for three consecutive months, and the unemployment rate hasn't risen now since last fall.

Looking at some of the other economic indicators, the Comptroller's Index --

CHAIRMAN PAUKEN: Well, okay. I'm sorry to -- I -- I don't mean --

MR. HUGHES: Yes, sir.

CHAIRMAN PAUKEN: Let me go back.

(Simultaneous discussion)

CHAIRMAN PAUKEN: You're showing the total nonagricultural employment lost 13,000 jobs in February, following a revised January gain of 12,600. I'm not -- I know we gained some in March, but how do you -- how do you get --

MR. HUGHES: Well, Commissioner, I

looked at that from last fall.

CHAIRMAN PAUKEN: Pardon me?

MR. HUGHES: I looked at that from last fall. So, over the month there is a loss.

CHAIRMAN PAUKEN: Okay. So, there isn't payroll job growth for three months in a row?

MR. HUGHES: No, not three months. It's over a period.

CHAIRMAN PAUKEN: Okay. That's what -- okay.

MR. HUGHES: Yeah.

CHAIRMAN PAUKEN: -- that's over what -- what six months?

MR. HUGHES: Three months.

CHAIRMAN PAUKEN: Overall is -- overall growth but not in each of the months?

MR. HUGHES: Correct.

CHAIRMAN PAUKEN: Okay. So, in -- in -- in January, 12,600, February, lost 13, and then, of course, what's the new figure we gained in March, 9500? What's -- I don't remember --

MR. HUGHES: 8,500.

CHAIRMAN PAUKEN: 8,500.

MR. HUGHES: Uh-huh.

CHAIRMAN PAUKEN: Okay. So, we're about

at 8,000 over the -- jobs gained over a three-month period?

MR. HUGHES: Uh-huh.

CHAIRMAN PAUKEN: Vice-President Biden says it's 200,000 in Texas, but that's -- I'll ask you about that later. Go -- you can go ahead.

MR. HUGHES: Yes, sir, I'm familiar with that number.

CHAIRMAN PAUKEN: Okay.

MR. HUGHES: The Comptroller's Index of Leading Economic Indicators has been rising in Texas over the last few months. What we notice, in looking at the Conference Board's Measures of Consumer Confidence in Southwest Region, that consumer confidence has been rising. The Dallas Federal Reserves Manufacturing Outlook Survey continues to show improvement. And looking at their survey results, we notice that production, capacity, utilization, new orders, and shipments are all positive and increasing over recent periods.

If we look at our own data, initial claims are below a year ago and are trending downward. Continued claims are down over the year and are also -- but -- but I would caution that, even though each of those are down, that continued claims is still very high by historical standards.

CHAIRMAN PAUKEN: But isn't it -- isn't it the -- the last four weeks initial claims are -- are up, aren't they?

(Simultaneous discussion)

MR. HUGHES: I've been looking at it simply as an economic indicator. I don't know what it did last week.

CHAIRMAN PAUKEN: Okay. The last four -- I mean, I was just -- the ones I've seen. So, I -- that's what I wondered, if something was happening that was reversing those trends. There seemed to be a trend for a while, and now, all of a sudden, it -- it seems to have stopped.

MR. HUGHES: Uh-huh.

CHAIRMAN PAUKEN: I mean, in other words, there are more people filing again than there were a few months -- a couple of months ago.

MR. HUGHES: Uh-huh.

CHAIRMAN PAUKEN: So, you -- there's no -- nothing that jumps out at you on that?

MR. HUGHES: No, sir, not recently.

MR. TEMPLE: One thing -- LaSha, at the change of the quarter we have more people that weren't qualified for the quarter before, and the next quarter more would be eligible due to the lag -- to the time, so --

CHAIRMAN PAUKEN: It may be a lag issue, not a --

MR. TEMPLE: Well, it's just that they weren't -- they may not have been qualified. So, if you see in the first week or so of the quarter, it's those that were eligible that weren't otherwise eligible.

MS. LENZY: It's -- LaSha Lenzy for the record. Historically, April, that quarter, is a high-impact month, whether employers are looking at their books the first quarter or -- that's some of it. A little bit of it is "I didn't qualify in that quarter, so I'm going to try it again in the next quarter." And then more people did qualify --

CHAIRMAN PAUKEN: Okay. So, maybe an aberration and not -- not be an indicator with regard to whether companies are laying folks off more?

MS. LENZY: Very, very typical for April.

CHAIRMAN PAUKEN: Okay. Thanks.

All right. Go ahead, Mark.

MR. HUGHES: One of the things we look at involves the -- all of the job openings that have been listed that are pulled from the Internet. And if we look at those in combination with these other things, the data suggests that -- well, several things. One, that employing hiring patters are not robust by any measure, and a review of the -- all of the market labor data suggests that in Texas we're not into what you'd call a strong economic recovery. We hear a great deal in the media about improvements in the economy, but we're not improving. The situation is not necessarily growing worse, but we're just beginning to see a little activity that's better than it was just a few months ago.

One thing I would caution is that when we're looking at economic indicators and listening to different people describe it, there are two different ways of doing that. One has to do with looking at the dollar economy. And when we hear about a downturn or a recovery, that's measured typically using gross domestic product, which is a dollar measure. And how that appears in the labor market may be different than it might be shown if one is looking at the movement of money in the economy.

The big question that remains involves the strength of the recovery and whether or not it's really got legs and then how long it's going to take, and what we know is the labor market can lag turns in that money economy by several months. I've included in your handout our -- our monthly Labor Market Review. If we look at the employment change over the month and over the year, by industry, you'll see that there -- there are some sectors that are showing growth. But across the board there's still a lot of flat activity in terms of employment, meaning that employment isn't increasing. We don't see a lot of dramatic declines, but it's just pretty much as it is.

Secondly, I handed out some graphic material that kind of -- will focus in on several things that -- that we do look at every month, not the least of which is transportation -- I'm sorry, trucking employment and also employment in the -- in personnel supply industry. Those typically become very positive during periods of robust economic growth. And while those numbers are not as negative as they have been over the past several months, we still don't see those in the positive ranges that accompany strong economic growth.

I have no further comments, unless you have some questions.

CHAIRMAN PAUKEN: Commissioner Congleton.

COMM. CONGLETON: I don't have any questions.

CHAIRMAN PAUKEN: Commissioner Alcantar.

COMM. ALCANTAR: I have no questions.

CHAIRMAN PAUKEN: Okay. Thank you, Mark.

MR. TEMPLE: Randy on financials.

MR. TOWNSEND: Good afternoon, Mr. Chairman, Commissioners. For the record, Randy Townsend.

Under Tab 2 of your notebook, there's a Monthly Legislative Report Financial Status as of February. That's six months into the fiscal year. So, we're halfway through.

I just want to point out a few highlights here. On the third column, the Fiscal Year 2010 Year-to-Date Expended, we've got a total of almost 604 million. I did want to just compare that to last year's expenditures at this point in time, which is about 512 million. All of that difference is essentially the Recovery Act expenditures, about $86 million, through this -- the first six months of this fiscal year, as that makes up that difference for this part of the year.

I also draw your attention to the third

column from the right on the -- the FTEs, the full-time equivalent, the staff. We had just under 3700 folks counted as a full-time equivalent. There might be more individuals than that actually working at any point in time. That was under our FTE cap when you took into account -- take into account the additional FTEs that we had -- had advised the Legislature we would need to address the need for additional workload related to taking the unemployment claims, processing appeals, et cetera, as well as the additional Employment -- excuse me, Employment Services staff that the Recovery Act funds were providing -- to the tune of about three hundred (inaudible-cough) staff there. So, that looks good.

We'll just quickly highlight a few of the strategies, just to share a few observations, where it might look a little bit off. Again, a lot of this has a -- much to do with -- in this particular year with regard to the Recovery Act in many cases, although not exclusively.

The first strategy is 1.1.5, that's the SNAP, the Supplemental Nutrition Employment and Training Program Strategy. Halfway through the year we're about a little less than 37 percent expended. As you'll recall, Commissioners, I think we had the additional funding that became available, the 100 percent federally funded for the ABAWDS, the Able-Bodied -- Without Dependents, and that was -- for Texas it was a -- it was a pretty large year for us. We received almost 7 million additional funds there. We've never been anywhere near that high, and it came in late. It came in after the -- the federal year had even started.

Those funds are out -- I am pleased to report the boards have actually been able to get about a quarter of that additional funding spent, expended even at this late date. So, I think there's obviously some -- some good work going on with -- in that regard. So, when you take that into account, I would say that -- I mean, it looks like we're on pace to -- to catch up in that area. But that was what accounts for that low expenditure there that got some late funding, and they're dealing with that at this point.

The other item right below that, the Trade-Affected Workers, 1.1.6., again, just around 34 percent, would look a little bit low at this point in time, although our expenditures are -- at 7.8 million are well above where they were a year ago at just over 4 million. So, we definitely have expended more in the Trade Program.

The one thing to keep in mind here is this budget number of 22 million includes about 5 million that's available that could be put out in contract. Now, if we put that out only on a request basis, as need is -- is determined based on trade petitions being approved, et cetera. So, there would be enough in contract currently to fund trade-affected workers of the training and that sort of thing. And Laurie Biscoe and her staff deal with -- with that contracting process, and I -- I think we had -- had advised you about how we handle those contracts sometime earlier.

Then, moving on to the Senior Employment Services, 1.1.8, that's an area we needed to -- we just didn't get an adjustment made to the budget category. The budget for that, instead of 10.3, should have been more like 8.6 million. When you take that into account, the spending is -- is close to on pace at this point in the year. We just didn't get that made before we had produced the report. So, it -- it was made as of -- as of the March report.

The Apprenticeship Strategy, 1.1.9, we had 28 percent. A lot of that has to do with the timing of the contracts and when final contact hours are determined, and that actually had a bearing on the expenditure rate. So, I -- I would expect -- in talking with Program about that, I think we expect to see that improve significantly over the rest of the year now that we've got those contract amounts addressed with the final contact hour.

That brings us to Skills Development, 1.2.1. This has a couple different things to keep in mind at 22 percent. The first item is we -- we have 12 million basically in reserve for the -- for the -- TWC's portion of the 5 percent GR reduction. So, we haven't taken it out of the budget yet. We haven't been required to actually reduce any appropriation.

We are establishing what's, I think, referred to as reserve funds, so to speak, in the -- for this appropriation to take that 5 percent reduction. So, you really can look at that budget being reduced by 12 million, if you would, in this case.

The other thing to keep in mind, Commissioners, there's 10 million of that budget item for Recovery Act funding for WIA that is being put out as Skills funding. That's in the budget. There's contracts that have been identified for that 10 million, but at this point we just are getting that in contract as we speak for some of it. And so the expenditures are naturally going to follow a months from now.

So, I think when you take that into account we're close to 40 percent expended, the way I calculated it based on expenditures to date. So, it didn't look quite as -- as bad as the 22, which it seemed to suggest at first blush.

I think Self-Sufficiency, I believe that Program is looking at some initiative to deal with the -- the spending pattern on the -- the Self-Sufficiency.

We then move down just briefly to Transitional Child Care, 1.3.2. While the Child Care Strategies -- there's the 1.3.1, the -- Choices above it and the At-Risk, 1.3.3, below it -- in total the Child Care spending with Recovery Act looks actually on pace at this point. We are -- I just discovered this this last year month, it -- that looked a little odd to me on Transitional. So, actually I got -- I'm getting with Program -- actually provided some information. We're going to look and see what the trends are. It's just not matching what -- with historical the use of Transitional Child Care.

So, we're not sure what the answer is yet, but it's -- when we figure that out, we'll let you know if there's any problem or if it's just a classification issue of some sort or what it might but. But right now we have no further --

(Simultaneous discussion)

MR. TEMPLE: Historically, we've had coding problems. It's supposed to be Transitional, and it was coded as At-Risk. And we've had that before. We'll be looking at that.

MR. TOWNSEND: Yeah. So, we're going to try to figure out what -- exactly what's causing that. But at -- at the bottom line, there's really no concern there. It's just how we are handling the different appropriations here.

And I guess, unless you have questions, I was just -- I -- those are the ones that kind of jumped out at me that I was trying to give a little bit more observations, share with you this afternoon, to give you a better sense. So, I'll be happy to answer any questions.

CHAIRMAN PAUKEN: Commissioner Alcantar.

COMM. ALCANTAR: No questions.

CHAIRMAN PAUKEN: Commissioner Congleton.

COMM. CONGLETON: I'm fine with it.

CHAIRMAN PAUKEN: No questions for me.

Mark, let me go back to this other issue before we go to the next one. I'm looking -- I hadn't had a chance to look at that April report. It's showing a revised gain of 4300 jobs in February. Does that mean, then, that all three months it was a positive? Because February is listed as a loss up here of 13,000 jobs, and your April report says there's a revised gain.

(Brief pause)

CHAIRMAN PAUKEN: See, that's what I was -- I was unclear on your original testimony, because what your report reflects -- the April report would reflect that the last -- all three months have all been positive, but the -- the Texas Economic Situation's Report has a different figure. So, I'm just trying to get clarification.

MR. HUGHES: Commissioner, I don't have the January numbers and the December numbers in front of me. Let me check those and get back with you.

CHAIRMAN PAUKEN: Well, but I'm talking about -- but February it says we lost 13,000 and then it says we gained 4300. That's what I'm getting at, not January and December --

MR. HUGHES: Oh. Oh, okay. What happens on the monthly estimates is when we do the first estimate, such as you're looking at here for March --

CHAIRMAN PAUKEN: When you say, "we," you're talking about Bureau of Labor Statistics figures?

MR. HUGHES: Well, yes, and our work with them.

CHAIRMAN PAUKEN: Okay.

MR. HUGHES: And those are done from sample data, and as -- as we do that -- the current month, we're doing a preliminary estimate. Then, as that month matures and we're doing the next month's estimate, we've got much more data in for that prior month. And we do another estimate. So, in any given month we're doing this month's estimate, and we're reestimating the last month.

CHAIRMAN PAUKEN: So --

(Simultaneous discussion)

MR. HUGHES: -- revised figure. And those data for were changed for February.

CHAIRMAN PAUKEN: Okay. So, that the -- in effect, the loss became a gain --

MR. HUGHES: Correct.

CHAIRMAN PAUKEN: -- from the -- from a sampling standpoint?

MR. HUGHES: Uh-huh.

CHAIRMAN PAUKEN: Okay. All right. Understanding it's -- it's an art, not a science.

(Laughter)

MR. HUGHES: Okay.

CHAIRMAN PAUKEN: Okay. All right. That's it. Okay.

MR. TEMPLE: Adam.

MR. LEONARD: Commissioners, behind Tab 3 in your notebook, I'll walk through a few observations. I put a handout in front of you. It's got a graph on the front at the bottom of it.

And for those of you in the audience, there are some copies up here if you didn't print one out or get one earlier.

Compared to -- looking at LBB performance right now compared to the end of last year we're doing better. We're at only eight measures that are currently missing, and four of those are related to the unemployment rate and counts of claims and things like that. So, there's certainly a lot of explanation behind those.

For Department of Labor performance we have not, in the materials that are in front of you, applied the renegotiated targets yet. However, once those are applied, all measures will be in a meeting or -- or positively exceeding status.

Looking at some of the individual measures, the Total Employers Served is down slightly over the 12 months earlier. But it is still relatively strong, 140,000 served, and that's about 25 percent of all the employers in -- in the state.

Looking at Job Seekers Served we are, again, up. Since the end of last year, we're up about 4 percent. And, of course, year over year we're up even more, almost 19 percent higher. But, once again, the boards are still doing a pretty good job of keeping up with staff assistance, too, all these job seekers that they're seeing. So, even though we're down slightly as a percent of the whole from 75.9 percent a year ago to 74.5 percent this year, that represents an increase of about 204,000 additional people getting staff-assisted services than had got in the previous year.

So, despite the significant influx of people in there, the fact that we've got some additional staff out there is certainly helping keep up with that. And you'll see in a minute, when we get to the claimants, we're actually seeing claimants are getting slightly -- a higher percent of claimants now are getting staff-assisted services than previously was the case.

In terms of our Customers Served numbers, all those measures are meeting or exceeding. Our Average Cost measures are also all meeting or exceeding, and almost all of them are actually showing a lower cost compared to one year earlier. So, we're seeing some improvement there, which brings us to Reemployment Within 10 Weeks, which is kind of a primary measure of claimant reemployment activity. And what you're seeing in this chart here on the page is that -- I think we're starting to see stability within that data.

There are lines that have either an -- a triangle, a square, or a circle. Those represent Calendar Year '05, '06, and '07 performance, and you can see in those lines there's a lot of seasonality to it. There's a very clear pattern that -- of rising and falling. The heavy dark line is 2008, and towards the end of that you can see where we took the big drop as the recession came and hit Texas.

However, if you look at the dashed line at the bottom, that's Calendar Year 2009, and probably around April to May of last year we started getting back into that seasonal pattern again with rising and falling there. So, we seem to have stabilized in that, and so hopefully we'll start seeing the numbers begin to turn up.

And, of course, even though performance right now is lower than it was a year earlier, when you consider the last time that we had performance down in the 43 percent range was back in 2004, the unemployment rate was considerably lower at that time than it is now. So, despite, shall we say, worse conditions, we're having as good or better results as we did back then when we had a relatively new effort of focusing on claimants, and we also had fewer claimants in the -- in the measure at that time.

CHAIRMAN PAUKEN: Do you have a measure on the trends and exhaustion rates?

MR. LEONARD: I've got that information. Just a moment. The -- the difficulty with that, just -- is that -- there's a lot of lag in that data, because you have up to a year to exhaust your benefits. So, for the last complete year, if you look on Page 3 of 9 within Tab 3, at the top there's a claim -- Percent of Claimants Exhausting UI measure. And these are for claimants who received their initial payment March of '08 through February of '09. That way we've got one full year of data on them, a little over 48-1/2 percent of them exhausted their benefits, compared to a year earlier, which would have been those from February '0 -- or March '07 to February '08 was about 37.75 percent.

CHAIRMAN PAUKEN: Okay. So, you're not -- you've got these on an annualized basis. So, are you able to see any trend lines comparable to what you're describing in terms of claimant reemployment? Or is that just a slower figure to --

MR. LEONARD: It's a much slower figure to look at, unfortunately. What we're -- what -- when we see -- the 10 Week measure runs about three months of lag, because you have 10 weeks to get reemployed. So, after about three months, I can go back and look and see how that cohort of people did. But for this one, you know, with such a significant difference there, it's -- I tend to think that the 10 Week measure functions as a -- as a leading indicator of other -- of -- sorry, Entered Employment and other reemployment efforts. And so we're kind of looking at that now.

CHAIRMAN PAUKEN: Okay.

MR. LEONARD: And the handout at the top of Page 2, as I mentioned, we're seeing --

CHAIRMAN PAUKEN: We have -- I'm sorry.

MR. LEONARD: Sure.

CHAIRMAN PAUKEN: Because I know you look at the national statistics, as well, and they've been -- of course, multiple extensions. Do you have any kind of indication as to -- do we have any indication of percentage of folks in Texas who are on extended benefits, exhaustion, or fully used those up? Are there any figures nationally as to exhaustion of benefits?

MR. LEONARD: I don't have information, but I'd turn it over to LaSha to see if she has any or knows where we can get that.

MS. LENZY: Sir, I've not seen any studies like that, but we can certainly check with DOL. We have whole numbers, of course, for Texas --

CHAIRMAN PAUKEN: Right.

MS. LENZY: But we can see if there's been any trend analysis done as of yet.

CHAIRMAN PAUKEN: Okay. Can you -- will you -- assume we would be able to determine, you know, once our -- once folks completely exhaust their Texas benefits and we still keep them on because we're servicing them, even though we're not paying --

MS. LENZY: Yes.

CHAIRMAN PAUKEN: -- for them so we

could tell, I assume, what's happening here in Texas. Right?

MS. LENZY: Exactly, because --

CHAIRMAN PAUKEN: Okay. That'd be --

MS. LENZY: -- we've got a little over a hundred thousand now --

(Simultaneous discussion)

CHAIRMAN PAUKEN: That --

MS. LENZY: -- that have exhausted everything.

CHAIRMAN PAUKEN: -- and that are -- that are still on? Okay. That would be helpful to have -- see where that -- what those trends are.

MS. LENZY: Sure.

CHAIRMAN PAUKEN: Thanks.

MR. LEONARD: Okay. And as I mentioned before, staff assistance to claimants is up slightly. Year over year, the most recent year is about 80 percent of them are receiving it before with 78-1/2. And that's the first improvement we've seen in about a year now, that it had been kind of going down a bit but now we're, I guess, kind of catching up with that.

Within Work In Texas, this graph in the middle of Page 2 or towards the top is showing that basically we may be starting to bottom out in terms of the number of new openings that are coming in, which would be a good thing. But so far it's -- it's still trending downwards ever so slightly. So, we're going to need to see another quarter or two of data to be sure of what we're -- what we're seeing, at least within the Work In Texas system.

And I think that kind of dovetails into something Mark was talking about earlier, when they were looking at some of the Internet data.

MR. TEMPLE: And Adam -- if Scott Eychner could come up, we have an initiative that's pretty close to rolling out, Conference Board, which is a -- he can quantify. But it's a couple hundred thousand other jobs that aren't in Work In Texas that we'll be making available at the local level electronically.

Scott.

MR. EYCHNER: Yes, sir.

Scott Eychner, Workforce Division. Good afternoon.

CHAIRMAN PAUKEN: Hey, Scott.

MR. EYCHNER: We have procured -- in concert with LMI, we've been working with the Conference Board because they've got some software that we can use that we just got some additional licenses for the boards. And they're going to use it initially for the Texas Back-to-Work Initiative and some other stuff to do employer outreach, employer engagement. Initially, what it allows people to do is compare the supply and -- compare supply to demand, that you can look in Work In Texas and see "We have all these claimants in here that are there different skill sets," and then you can look in Conference Board stuff that's scraping all the jobs that are posted on-line and figure out who's hiring but not working with us, what types of jobs they're hiring for, those occupations, compare those two things and figure out, "We've got all these people that we can't help through jobs in Work In Texas, but here's where we can send them," or "Here's employers that we can engage with, maybe for TBTW or for something else."

Ultimately, where this leads -- what Mr. Temple had mentioned, is that we can take this and leverage it as a secondary source for individuals looking for -- for jobs through Work In Texas. Maybe you have -- much like we do with GadBal. It's similar in that relationship. If you don't find what you -- what's in Work In Texas that meets your needs or that's what you're looking for, that we have access to hundreds of thousands other jobs that are posted that aren't -- employers that aren't engaged with the workforce system at that time that we now have access to that we can leverage.

MR. TEMPLE: And we're beginning the stages of working with them at this point in time. They're not doing it anywhere but being able to work with the Conference Board and be able to download those jobs, similar to what we do with Direct Employers and -- and hopefully be able to populate in Work In Texas with them, but we're in the beginning stages of those discussions with them.

CHAIRMAN PAUKEN: Do you have any indication of how GadBal is done?

MR. EYCHNER: They're activity has tripled since they -- since we entered into the -- the agreement with them. Outcomes, they're not tracking outcomes. They just did a redesign about three months ago with their site, and they were real excited about that. We -- I honestly haven't heard back from them since that happened. I don't know what kind of impact that had on their traffic, but --

CHAIRMAN PAUKEN: So, when you say, "triple," it's from what to what?

MR. EYCHNER: They were doing -- they had about 26,000 hits -- or 26,000 registrations a month of people that were just going to their site and found it on their on own, Google, or whatever. When we put that link into Work In Texas, that number tripled.

CHAIRMAN PAUKEN: Oh, okay.

MR. EYCHNER: And so -- and they -- we were the only group that they were working with. They attributed that largely to us. They did some marketing on their own, but they were the first ones to say that -- that was pretty much us.

CHAIRMAN PAUKEN: Oh, okay. Good.

COMM. ALCANTAR: Certainly, it's far preferable to have it operate in the manner in which Direct Employers works where -- where job seekers don't have to leave our Work In Texas site. I think that second option is the preferred option --

MR. TEMPLE: Absolutely.

COMM. ALCANTAR: -- and anything we can do to make that happen.

MR. TEMPLE: And in the meantime, the boards with their license will be able to do data matches or job matches with the existing job seekers and -- and make those referrals, similar to what they do in Work In Texas. But the -- the next step will be making it available to all the job seekers, in the meantime trying to work with them. That's -- they haven't done that before. That was kind of a new idea to them. So --

MR. EYCHNER: Yeah, it's still kind of --

(Simultaneous discussion)

MR. TEMPLE: They're scratching their head.

MR. TEMPLE: Thank you, Scott.

MR. EYCHNER: Yes, sir.

CHAIRMAN PAUKEN: Okay.

MR. LEONARD: A couple last things to talk about. On Page 3 and 4 you see the Entered Employment Rates. We now have two quarters of exiters who were October '08 or later exiting, which is when we're seeing significant impact. Pretty much measure for measure we're looking at anywhere from 3 to 9 percentage points of drop in performance, depending on which population we're looking at there. There is a significant impact to Entered Employment that -- that we're seeing in the recession.

And even on Page 5 we're seeing some weakening within the Employment Retention. We don't have as much of the recessionary data in there yet, but we're already seeing 3 point drops in some of that data. And that's kind of unusual because in the past, although we have seen some variation in Employment Retention, the numbers have generally been much more stable. They've traded in a two-point range, maybe, from say 78 to 80 or 80 to 82, depending on the measure. But now, looking at 3 point drops here, that could be the beginning of something important, and that's something we're analyzing to bring back to you for negotiations for PY '10 with the Department of Labor on Thursday -- or, I'm sorry, next -- on Tuesday.

We are seeing some improvement, though, in Choices Participation. That's up over the prior year. And, interestingly enough, in our Child Care measures, for the first time since 2292 from many sessions ago, we're now seeing a slight increase in the number of kids per day in Choices Child Care. We had been seeing year over year reductions in that, and at the moment we're up slightly, I think a couple hundred, over the prior year.

And, of course, the Unemployment, I mentioned earlier that we've got four measures there related to the economy and -- and claims that are tracking outside of -- of the norms.

CHAIRMAN PAUKEN: Okay.

MR. LEONARD: For board performance, out of 132 instances out of 476 possible, where boards are not meeting performance, 54 of those 132 relate to claimant reemployment, 32 are related to Choices Participation, and then the last -- another 16 are related to ARRA Child Care. So, those are really kind of the -- the four sets of -- or the four measures that are driving most of the 132 -- you know, most of the problems that the boards are having right now in terms of meeting performance measures.

And so that's all I have, unless you have any questions.

CHAIRMAN PAUKEN: Okay. Commissioner Congleton.

COMM. CONGLETON: No questions.

CHAIRMAN PAUKEN: Commissioner Alcantar.

COMM. ALCANTAR: Adam, could you speak to market share a little bit?

MR. LEONARD: Sure. In terms of the boards or in terms of --

COMM. ALCANTAR: Yeah, the boards.

MR. LEONARD: Okay. I --

MS. MILLER: For the -- for the record, Reagan Miller.

One of the things we're seeing with

market share is that, traditionally, boards have relied on the good job market and Work In Texas postings as their primary mechanism of reaching out to employers. And as new hires has dropped off and as you saw job postings in Work In Texas has dropped off, they've had to look at alternate means of engaging employers in the system. So, we've been working with those boards that are low on performance at implementing new strategies to increase their market share.

MR. TEMPLE: Part of the Conference Board training will be -- you can talk about that --

MS. MILLER: Yes, it will.

One of the things that we're doing is looking at providing all of the boards training on the Conference Board so they can learn how to use it so they can reach out to employers that aren't involved with our system now and can reach out and pull them in --

MR. TEMPLE: And we were able to find -- get some technical assistance training grant from Department of Labor, 150,000. Is that right?

MS. MILLER: Yeah, we -- we're working on a request so that the Department of Labor would actually pay for all the boards to come into Austin for that training.

COMM. ALCANTAR: And that's what I was -- the reason I asked the question is I was really hoping that we could come up with a strategy to try to increase performance in this area, and so it might be that that technical assistance grant supports a broader effort to see what we can do there.

MR. TEMPLE: And with the Texas Back-to-Work Initiative we're working now with Communications and getting PSAs. The Chairman will be spotlighting this at the Corpus TBC, and then we'll be looking at PSAs and maybe even some (inaudible), whatever we have to outreach with that, too. So --

COMM. ALCANTAR: Okay.

MR. TEMPLE: -- that will be geared up in the next 10 days.

COMM. ALCANTAR: All right. So --

MR. TEMPLE: Which should drive more market share. That's --

MS. MILLER: Yes.

COMM. ALCANTAR: All right. Thank you.

MR. TEMPLE: One other thing on that -- and we're working with the Governor's Office on their Small Business Initiative, which is very close, and part of that initiative we will have sessions with state initiatives as well as the boards, respective boards, and developing, if you will, a 15-minute canned presentation about the services. Of course, they'll tailor it at the local level. So, we're also working with that with Communications.

COMM. ALCANTAR: Okay. Great. I think that's -- so the design there is to -- to highlight the -- and -- and advertise to the small business attendees at these summits or at these meetings what our services are and -- and focus that will be on the services that are available to them?

MR. TEMPLE: Correct.

COMM. ALCANTAR: Great.

MR. TEMPLE: You know, we didn't have that much of a presence in the first year they did that grant. So, that was one thing that we saw that we could enhance that, as well as putting together a Skills-funded small business training grant to where actually the businesses can go to the back of the room if you will and -- and we'll have the respective community colleges there with the boards and whatnot to where they can sign up for the training. And, you know, if the boards want to fund some of that with their own WIA, great, you know, we'll let them have first choice of funding it with their WIA, and then we can be the fallback position for them. But I think there's more training than we have dollars out there, so I don't think that will be a real issue.

COMM. ALCANTAR: Well, and I think to the small business attendees there, it's great information for them to have and we really like to go on -- way in having them use the services that are -- that are available to them.

MS. MILLER: Commissioners, we're also working with External Relations with Communications on the development of an employer packet that's a listing of all of the employer services that we have, and the first piece of that that the boards really asked us to do right now was something that includes Texas Back-to-Work, WOTC, and the New Hire Tax Credits that were just authorized by Congress. So, that's going to be the first piece of the packet that they can go ahead and use as they outreach to employers, and that's going to be part of a comprehensive package that the boards are -- are excited that we're going to help them produce and will really help us present a consistent message to employers across the state about what we have available.

COMM. ALCANTAR: And -- and I'm assuming that packet would including something on Work In Texas and --

MR. TEMPLE: Oh, absolutely. Absolutely.

MS. MILLER: Yes, it will.

COMM. ALCANTAR: Okay.

CHAIRMAN PAUKEN: Could you bring by a draft of that when you're ready?

MS. MILLER: Yes.

CHAIRMAN PAUKEN: Thank you.

COMM. ALCANTAR: That's it.

CHAIRMAN PAUKEN: Okay. Who's next?

MR. TEMPLE: Reagan, do you have anything else?

MS. MILLER: I have nothing else, unless you have questions.

CHAIRMAN PAUKEN: That's fine. What's next?

MR. TEMPLE: LaSha.

MS. LENZY: Just if you have questions.

CHAIRMAN PAUKEN: Don't believe so.

COMM. ALCANTAR: No questions.

CHAIRMAN PAUKEN: Okay.

MR. TEMPLE: With that --

CHAIRMAN PAUKEN: Okay. Thank you.

MR. TEMPLE: -- close. Thank you.

(Proceedings concluded: 2:08 p.m.)

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
Certified Shorthand Reporter
CSR No. 7076 - Expires 12/31/11
Firm Registration No. 276
Kennedy Reporting Service, Inc.
1801 Lavaca Street, Suite 115
Austin, Texas 78701