

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS WORKFORCE COMMISSION  
AUSTIN, TEXAS

PUBLIC MEETING            )  
FOR THE TEXAS            )  
WORKFORCE COMMISSION)

COMMISSION MEETING

TUESDAY, AUGUST 26, 2008

BE IT REMEMBERED THAT at approximately  
9:00 a.m., Tuesday, the 26th day of August, 2008, the  
above-entitled matters came on for hearing at the  
Texas Workforce Commission, TWC Building, 101 East  
15th Street, Room 244, Austin, Texas, before TOM  
PAUKEN, RONALD G. CONGLETON, and ANDRES ALCANTAR,  
COMMISSIONERS, and LARRY TEMPLE, EXECUTIVE DIRECTOR,  
of the Texas Workforce Commission; and the following  
proceedings were reported by Janis Simon, a Certified  
Shorthand Reporter of:

	TABLE OF CONTENTS	PAGE
1		
2	AGENDA ITEM NO. 1 .....	3
3	Chairman Pauken	
4	AGENDA ITEM NOS. 2 & 3 .....	3
5	AGENDA ITEM NOS. 4 & 5 .....	4
6	AGENDA ITEM NO. 6 .....	No Action
7	AGENDA ITEM NO. 7 .....	8
8	Randy Townsend, Gene Crump and Larry Temple	
9	AGENDA ITEM NO. 8 .....	19
10	Chris Nelson	
11	AGENDA ITEM NO. 9 .....	20
12	Fran Carr	
13	AGENDA ITEM NO. 10 .....	22
14	Fran Carr	
15	AGENDA ITEM NO. 11 .....	23
16	Larry Jones	
17	AGENDA ITEM NO. 12 .....	No Action
18	AGENDA ITEM NO. 13 .....	26
19	Larry Temple	
20	AGENDA ITEM NO. 14 .....	27
21	Chairman Pauken, Commissioner Congleton and Commissioner Alcantar	
22	AGENDA ITEM NO. 15 .....	No Action
23	AGENDA ITEM NO. 16 .....	28
24	REPORTER'S CERTIFICATE .....	29
25		

1 P R O C E E D I N G S  
2 TUESDAY, AUGUST 26, 2008  
3 (9:00 a.m.)

4 AGENDA ITEM NO. 1

5 CHAIRMAN PAUKEN: Okay. Good morning.  
6 This meeting will now be called to order, and I'll  
7 turn the meeting over to Commissioner Alcantar to  
8 preside over that portion of the meeting involving  
9 Agenda Items 2 through 5.

10 AGENDA ITEM NO. 2

11 Discussion, Consideration and Possible  
12 Action Regarding Whether to Assume Continuing  
13 Jurisdiction on Unemployment Compensation Cases, Wage  
14 Claim Cases, and/or Tax Liability Cases and  
15 Reconsideration of Unemployment Compensation Cases,  
16 Wage Claim Cases, and/or Tax Liability Cases, if Any  
17 No discussion.

18 AGENDA ITEM NO. 3

19 Discussion, Consideration and Possible  
20 Action Regarding Tax Liability Cases Listed on the  
21 Texas Workforce Commission Dockets 31, 32 and 35  
22 The Commission considered and took  
23 action on all Tax Liability Cases listed on Dockets  
24 31, 32 and 35.

25

1 AGENDA ITEM NO. 4

2 Discussion, Consideration and Possible  
3 Action Regarding Higher Level Appeals in Wage Claim  
4 Cases listed on the Texas Workforce Commission Dockets  
5 31, 32 and 35

6 The Commission considered and took action on  
7 all Wage Claim Cases listed on Dockets 31, 32 and 35.

8 AGENDA ITEM NO. 5

9 Discussion, Consideration and Possible  
10 Action Regarding Higher Level Appeals in Unemployment  
11 Compensation Cases Listed on the Texas Workforce  
12 Commission Dockets 31, 32 and 35

13 The Commission considered and took  
14 action on all Unemployment Compensation Cases listed  
15 on Dockets 31, 32 and 35.

16 (The Commission paused and continued  
17 with the remainder of the agenda)

18 CHAIRMAN PAUKEN: All right. If  
19 everybody is ready, we'll reconvene here.

20 AGENDA ITEM NO. 6

21 CHAIRMAN PAUKEN: And, Mr. Moore, is  
22 there any public comment?

23 MR. MOORE: No, sir.

24 CHAIRMAN PAUKEN: It's nice when  
25 everybody is getting along, nobody coming here to

1 complain.

2                   Hey, I want to -- I want to get --  
3 begin, before we get into the bulk of the proceedings  
4 today, Larry, I want to thank all our staff who did  
5 such a yeoman job on getting this Veterans program up  
6 and running, because we now have all 28 -- as I  
7 understand --

8                   MR. TEMPLE: Yes, sir.

9                   CHAIRMAN PAUKEN: -- all 28 directors  
10 aboard. We've got a Website that's about to go into  
11 play. We've got, hopefully, some media -- a major  
12 media program, which is all donated, and it's about to  
13 be launched and the enormous staff work that went  
14 along with helping move this thing as quickly as it  
15 has moved.

16                   Now, obviously, there will be bumps on  
17 the road -- down the road, but to get -- I mean, down  
18 the -- the -- the path going forward. But I just  
19 really want to thank all of the individuals involved  
20 here at TWC in -- in putting, you know, such great  
21 work on behalf of getting this program up and running.  
22 And next week we're going to have the Veterans in from  
23 around the state, and we're also going to have some  
24 of -- of those that worked in the Vietnam Veteran  
25 Leadership program coming in to talk about what they

1 did to help their fellow Veterans -- our fellow  
2 Veterans, I should say.

3                   And so I'm really encouraged, but I --  
4 I -- I -- I wanted to begin by expressing my  
5 appreciation for work above and beyond to get us where  
6 we are as quickly as we have. And I know Governor  
7 Perry, when we first talked about this, said, "Well,  
8 let's see if we can get this thing up and running by  
9 September." And some people thought that's crazy, we  
10 had no chance at getting it done, but we're there.

11                   MR. TEMPLE: I --

12                   CHAIRMAN PAUKEN: Thank you, Mr. Temple.

13                   MR. TEMPLE: -- I didn't think we had a  
14 choice.

15                   (Laughter)

16                   CHAIRMAN PAUKEN: Anyway, so thanks,  
17 again, to everybody.

18                   MR. TEMPLE: Yes, sir. Staff did -- did  
19 a really great job. And Jason has been very -- not  
20 only obviously helpful but inspirational in -- in --  
21 in sharing that story of what the -- the need is out  
22 there. So --

23                   CHAIRMAN PAUKEN: Well -- and we've got  
24 a good leader in Jason Duran, who's an outstanding  
25 Veteran of Iraq 1 and Iraq 2. So, let's -- let's see

1 if we can -- as we said when we decided to kick this  
2 program off, make Texas the model state for how we  
3 treat our -- treat our returning Veterans from Iraq  
4 and Afghanistan.

5 All right. With that said -- yes?

6 COMM. ALCANTAR: Mr. Chairman, I, too,  
7 want to recognize the effort of staff in getting us  
8 there. But I also wanted to acknowledge and voice my  
9 appreciation for your passion and the soundness of the  
10 strategy that you've put in place for our state. So,  
11 I really want to thank you for that.

12 CHAIRMAN PAUKEN: Well, let's see. You  
13 know, the proof's in the pudding. Now we've got to  
14 make it work.

15 As I've told all these young men and  
16 women who I've had -- had a chance to meet -- and --  
17 and with Jason overseeing it, they've got to produce.  
18 And -- and -- and I've -- I've been very impressed  
19 with the passion they have to help their fellow  
20 Veterans. And there's a real need out there, and --  
21 and hopefully -- well, we've already started doing it,  
22 but we need to do it in a major way.

23

24 AGENDA ITEM NO. 7

25 CHAIRMAN PAUKEN: All right. No. 7,

1 discussion, consideration, and possible action  
2 regarding the Fiscal Year 2010-2011 Legislative  
3 Appropriations Request, including funding priorities,  
4 staffing levels, performance measures, and other  
5 budget-related issues. Mr. Townsend, Mr. Crump, and  
6 Mr. Temple. Who wants to take the lead here?

7 MR. TOWNSEND: Good morning, Chairman,  
8 Commissioners. My name is Randy Townsend, Chief  
9 Financial Officer. I guess what I would -- would do  
10 is just start off here just to lay out what it is this  
11 morning we're -- we're hoping to accomplish.

12 Last week we -- we went through the  
13 budget process in quite a bit of detail, and -- and  
14 you approved most everything we needed to -- to move  
15 forward with our Legislative Appropriation Request for  
16 2010 and '11, as well as the '0 -- '09 operating  
17 budget. I have a few items still pending that we need  
18 to work through this morning. It shouldn't take too  
19 long to get through this.

20 There was some preliminary discussion  
21 last week about a schedule that has to be completed  
22 for our Appropriations Request regarding a 10 percent  
23 reduction to show what if -- would -- would -- what  
24 would be our programs, our strategies we would propose  
25 to reduce if that became necessary. And so, in

1 your -- in your notebook I had included a -- a single  
2 page that listed where the General Revenue and the  
3 General Revenue Dedicated funds are -- are identified  
4 as far as the method of -- what's referred to as a  
5 method of finance.

6                   As you'll recall, most of our General  
7 Revenue is concentrated in a couple of our strategies,  
8 namely our Skills Development Strategy, as well as the  
9 three Direct Care Strategies for Child Care. Almost  
10 80 percent of our -- our total amount of GR, General  
11 Revenue and General Revenue Dedicated, are in those --  
12 in those strategies.

13                   We do have a total on a biennium basis  
14 of almost 239 million of General Revenue. And so,  
15 therefore, our 10 percent reduction amount target has  
16 to be about \$23.9 million. On that single page I had  
17 also identified -- there's many different ways to look  
18 at this, Commissioners, but I had identified three  
19 different alternatives or scenarios, if you will, in  
20 looking at the Skills and the Child Care Strategies.

21                   One -- one extreme, there's more focused  
22 on the reduction being taken at a -- at a larger  
23 percentage for the Child Care program and to a lesser  
24 extent for the Skills. At the other extreme, it was  
25 the opposite of that, a little bit more for the -- or

1 a large percentage for the Skills program and a little  
2 bit less of a percentage for Child Care.

3 CHAIRMAN PAUKEN: And y'all are  
4 recommending splitting the baby, huh?

5 MR. TOWNSEND: Essentially, that would  
6 be the case. I guess the focus on that was, in  
7 looking at the -- towards the bottom of the page for  
8 that scenario, as far as what would occur with the  
9 service level, if you took that reduction in the  
10 middle scenario there, the second scenario, you would  
11 see about a 6 percent reduction as far as the  
12 customers served for the Skills program as well the as  
13 the number of children in care, would -- the reduction  
14 would be about 6400 children in care per day for the  
15 biennium, should that be necessary, which is about 6  
16 percent of the total Child Care.

17 So, that was really more of the -- the  
18 focus in looking at that, try to balance out that  
19 service level in -- in looking at that. Of course,  
20 there's -- there's other General Revenue and other  
21 strategies. But, again, that's the 20 percent share.

22 So, that was how staff approached that.  
23 Certainly, it's -- it's within your purview to make  
24 that determination as -- as you see best going forward  
25 on this, but that was kind of to get us started on the

1 discussion.

2                   CHAIRMAN PAUKEN: Commissioner  
3 Congleton, your thoughts?

4                   COMM. CONGLETON: I -- I -- you know,  
5 there's just no way out of it. We've got to do one or  
6 the other. So, yeah, I'm -- I'm -- actually agree  
7 with Scenario 2, reluctantly, of course, but --

8                   MR. TOWNSEND: Certainly.

9                   COMM. CONGLETON: -- you have to agree  
10 with it.

11                  CHAIRMAN PAUKEN: Commissioner Alcantar.

12                  COMM. ALCANTAR: I'm comfortable with  
13 Scenario 2. It -- it meets the intent of the policy  
14 letter and -- and the instructions, and I think it  
15 reflects a willingness of -- of the agency to do a  
16 thorough assessment of the options that are available  
17 and present the facts relative to any potential action  
18 that may be taken relative to -- to the appropriations  
19 for this agency.

20                  CHAIRMAN PAUKEN: I guess my frustration  
21 is that, you know, I understand that there are  
22 formulas which, you know, affect how much we get in  
23 different areas. And, quite frankly, all the --  
24 everything I read, everything I hear, everything I see  
25 is Skills Development is so critical. And that's

1 where I think we're not doing as good a job as we need  
2 to be doing.

3 I was encouraged -- I was out in Lubbock  
4 the other day and this Wind Energy Initiative with  
5 Texas Tech and Texas State College, West Texas is very  
6 impressive, the potential there. And that's real  
7 Skills Development for good jobs that are -- that are  
8 looking to the future.

9 And so I -- I guess I'll wind up being  
10 in the minority. I know we're in one of these  
11 Hobson's choices, you're choosing between the least  
12 pleasant -- pleasant alternatives.

13 But I would -- I would choose Scenario  
14 1, simply because I just -- I just think we have got  
15 to really emphasize Skills Development. I think  
16 there's some things specifically we can do there. I  
17 realize so much of the Child Care money is really out  
18 of our control in a way, and that's the frustration I  
19 have.

20 I -- I believe in the principle of  
21 federalism. I'd love to see, you know, power and  
22 money returned from the federal government to the  
23 states and the local community. We're not able to do  
24 that under the current formulas.

25 But I just -- I just want to put my

1 stake in the ground, if you will, in -- in -- in  
2 emphasizing Skills Development and limiting the -- the  
3 cuts in -- in that area, not to diminish the needs in  
4 the other area as well. But just I -- I just think we  
5 have got to figure out how to -- how to do more to  
6 encourage these high-skilled/high-wage/high-demand  
7 jobs that -- that are out there, even -- even as we're  
8 seeing a slowing economy.

9                   COMM. ALCANTAR: Well, Chairman, in  
10 light of your -- your comments and -- and in terms of  
11 what it really means relative to the -- the -- the  
12 three scenarios, I am -- I am in total agreement that  
13 one of the most important strategies that we operate  
14 is the Skills Development program, and its value in  
15 terms of generating opportunity and prosperity is --  
16 is well documented. And I would agree with -- with  
17 your proposal to go with Scenario 1.

18                   COMM. CONGLETON: Well, I agree with  
19 both of you on the importance of Skills, but I don't  
20 know that we can just leave it completely out there  
21 without touching it, in lieu of our situation as it  
22 is. So, I'd have to stay with Scenario 2.

23                   CHAIRMAN PAUKEN: Yeah, and I  
24 understand. And I -- I -- I mean, this is one of  
25 these deals. As I said earlier, as they say in the

1 law, it's a -- it's a Hobson's choice, the choice  
2 between two unpleasant alternatives. It's just --  
3 anyway, that's -- that's where we are going forward.

4 MR. TOWNSEND: So --

5 CHAIRMAN PAUKEN: Okay.

6 MR. TOWNSEND: -- so, Chairman, the -- I  
7 understand, then, there would be two -- two votes for  
8 Scenario 1, which would -- would result in -- in  
9 this --

10 CHAIRMAN PAUKEN: Right.

11 MR. TOWNSEND: -- in this being a \$5  
12 million -- for the schedule, a \$5 million reduction  
13 for the Skills program in -- in General Revenue and an  
14 18.8 million General Revenue reduction for the Child  
15 Care, along with a -- the match -- federal matching  
16 funds for Child Care being thirty -- 39.4 million.

17 CHAIRMAN PAUKEN: Right.

18 MR. TOWNSEND: So, we will reflect --  
19 reflect that in the schedule accordingly.

20 CHAIRMAN PAUKEN: Okay.

21 MR. TOWNSEND: The other item,  
22 Commissioners, I have for you this morning, last week  
23 we had discussed three Exceptional Items. One of the  
24 items we realized after -- subsequently, staff  
25 realized we had failed to include on the Exceptional

1 Item Request, it was in the Administrator's Statement,  
2 was a -- was an Exceptional Item request relating to  
3 the -- to the Child Care program.

4                   So, staff has prepared that information  
5 for your consideration this morning for possible  
6 consideration this -- and action this morning to add  
7 an Exceptional Item Request. It's No. 2 on the list.  
8 I've reformatted this page just a little bit.

9                   It -- it includes the  
10 previously-approved Exceptional Items for 1 -- 1, 3,  
11 and 4, the Apprenticeship, the Capital Budget and the  
12 RIO. But for No. 2 we did not discuss this last week,  
13 and so I would want to present that for your  
14 consideration this morning, to add 34.2 million over  
15 the biennium of TANF, Temporary Assistance for Needy  
16 Families, converted to Child Care funding.

17                   It would fund an additional 2700  
18 children in care in '10 and almost 5400 children in  
19 care for '11, which means that, if this were approved,  
20 that our Child Care for the 2010-'11 biennium would  
21 be -- maintain at a level of funding -- or a level of  
22 number of children in care for -- as -- as currently  
23 planned for 2009 of 113,864. So, that's for your  
24 consideration this morning.

25                   CHAIRMAN PAUKEN: Well, I know we've

1 approved 1, 2 -- 1, 3, and 4 previously. I would -- I  
2 would be in favor of approving 2 as well.

3 COMM. CONGLETON: And I -- so would I.

4 COMM. ALCANTAR: Yeah, so would I.

5 CHAIRMAN PAUKEN: Okay.

6 MR. TOWNSEND: And, Commissioner, I  
7 guess I just want to verify, is there anything else  
8 with Exceptional Items that needs to -- staff needs  
9 to --

10 CHAIRMAN PAUKEN: I don't --

11 MR. TOWNSEND: -- consider this morning?

12 CHAIRMAN PAUKEN: -- think so at this  
13 time.

14 All right.

15 COMM. ALCANTAR: Chairman --

16 CHAIRMAN PAUKEN: Oh. Yeah?

17 COMM. ALCANTAR: I do have a question on  
18 Exceptional Item No. 3. The -- last week, when we  
19 talked about this, we talked about the method of  
20 finance. And as it relates to the method of finance,  
21 the current action reflects -- or proposes to use a  
22 dedicated funding source for this item.

23 My question to you is, in terms of  
24 certification purposes, does it matter if we go with a  
25 dedicated fund or with pure General Revenue? Will --

1 will the -- will it cost the same from the perspective  
2 of appropriators?

3 MR. CRUMP: Commissioner Alcantar -- for  
4 the record, Gene Crump, Deputy Executive Director --  
5 no, sir, it's the same. GR and GR Dedicated are both  
6 used to certify the bill. Much like Randy just talked  
7 about in the GR exhibits, when we talked about the 10  
8 percent reduction, that is -- both of those funds are  
9 considered GR for certifying the bill. So, those --

10 CHAIRMAN PAUKEN: Yeah.

11 MR. CRUMP: -- they both cost the same.

12 CHAIRMAN PAUKEN: I know we've approved  
13 this, and we had -- I guess prior to the Commissioner  
14 coming aboard, obviously, we've looked at this whole  
15 issue of -- of infrastructure, in terms of technology  
16 and the need to upgrade, particularly in UI. So, this  
17 would be very helpful in terms of getting that  
18 situation improved, if you will, before we -- before  
19 it becomes obsolete.

20 COMM. ALCANTAR: Mr. Chairman, I -- I  
21 would agree that we need to move forward with -- with  
22 a request. I would just request that we consider  
23 submitting a request for General Revenue as opposed to  
24 the Dedicated Fund.

25 CHAIRMAN PAUKEN: Okay. Well, let's --

1 I think if -- we've already made a decision to go  
2 forward on this the way it is at the moment. Could --  
3 if we could just take a look at that the next year,  
4 since -- if that would be okay with you.

5 COMM. ALCANTAR: Certainly.

6 CHAIRMAN PAUKEN: Okay. All right.

7 Okay.

8 MR. CRUMP: Mr. Chairman, just -- just  
9 to clarify, we will be submitting the LAR tomorrow, so  
10 you --

11 CHAIRMAN PAUKEN: Right. This is fine  
12 the way it is.

13 MR. CRUMP: Okay. Yes, sir.

14 CHAIRMAN PAUKEN: We have agreed, since  
15 I know that we -- I -- I know we put you off for a  
16 week, and we had that one addition. So, we don't want  
17 to hold you up any longer.

18 Okay. All right. No. 8, discussion,  
19 consideration, and possible action regarding the  
20 Fiscal Year 2009 Subrecipient --

21 COMM. CONGLETON: We need the motion.

22 CHAIRMAN PAUKEN: Oh, is there -- I  
23 thought we had a motion. I'm sorry.

24 Is there a motion, Commissioner  
25 Congleton, to approve --

1                   COMM. CONGLETON: Move that we -- move  
2 that we approve and submit the 2010-2011 Legislative  
3 Appropriations Request and associated performance  
4 measures as modified by and presented by staff.

5                   CHAIRMAN PAUKEN: All right.

6                   COMM. ALCANTAR: And I would --

7                   CHAIRMAN PAUKEN: Second?

8                   COMM. ALCANTAR: -- second.

9                   CHAIRMAN PAUKEN: And make it unanimous.

10 Thank you, Mr. Crump.

11                                   AGENDA ITEM NO. 8

12                   CHAIRMAN PAUKEN: All right.

13 Discussion, consideration, and possible action  
14 regarding the Fiscal Year 2009 Subrecipient Monitoring  
15 Plan, Chris Nelson.

16                   MR. NELSON: Good morning, Chairman,  
17 Commissioners. I am Chris Nelson and here today to  
18 present the Subrecipient Monitoring Annual Monitoring  
19 Plan for the Fiscal Year -- I thought it was -- sorry.

20                                   I am Chris Nelson and here today to  
21 present the Subrecipient Monitoring Annual Monitoring  
22 Plan for Fiscal Year 2009 on behalf of Joann Benton.  
23 You have before you in your briefing book Section 1 of  
24 our plan, which details our mission, goals, and  
25 strategies, including meeting our performance measure

1 of 72 on-site reviews for 2009.

2 All of our -- all of our goals and  
3 objectives for the year are further detailed in the  
4 body of the plan, copies of which were provided to  
5 each of your offices. At this time, I would be glad  
6 to answer any questions you have about our plan.

7 CHAIRMAN PAUKEN: Commissioner  
8 Congleton.

9 COMM. CONGLETON: I have no questions.  
10 I've read your plan.

11 CHAIRMAN PAUKEN: Commissioner Alcantar.

12 COMM. ALCANTAR: No questions.

13 CHAIRMAN PAUKEN: No questions. Is  
14 there a motion?

15 COMM. CONGLETON: Move that adopt the  
16 Subrecipient Monitoring Plan for 2009 as presented by  
17 staff.

18 COMM. ALCANTAR: And I second.

19 CHAIRMAN PAUKEN: Make it unanimous.

20 AGENDA ITEM NO. 9

21 CHAIRMAN PAUKEN: All right. No. 10  
22 (sic), discussion, consideration, and possible action  
23 regarding approval of the Office of Internal Audit  
24 Fiscal Year 2009 Audit Plan. Fran Carr.

25 MS. CARR: I think we're on the Audit

1 Charter. Is that not correct?

2                   COMM. CONGLETON: That's correct, the  
3 Audit Charter.

4                   CHAIRMAN PAUKEN: Yes. What did we say?

5                   MS. CARR: Audit Plan.

6                   CHAIRMAN PAUKEN: Okay.

7                   MS. CARR: As you are aware, the  
8 Internal Audit Charter has to be --

9                   CHAIRMAN PAUKEN: I'm sorry. Excuse me.  
10 You're right. My mistake, Audit -- Audit Charter.

11                   MS. CARR: I'm sorry. Fran Carr, for  
12 the record. Commissioners, this morning we're looking  
13 at the Internal Audit Charter.

14                   Every time we have a change in the  
15 Commission Executive Director or Internal Auditor we  
16 need to update the Internal Audit Charter. This has  
17 been forwarded to your office. We've discussed it,  
18 and I'm submitting it today for your approval.

19                   CHAIRMAN PAUKEN: Okay. Is there a  
20 motion? Any questions?

21                   COMM. CONGLETON: No questions. I move  
22 that we adopt the Internal Audit Charter as presented  
23 by staff.

24                   COMM. ALCANTAR: And I would second.

25                   CHAIRMAN PAUKEN: It's unanimous.

1 AGENDA ITEM NO. 10

2 CHAIRMAN PAUKEN: Okay. Now we go on to  
3 the next one.

4 MS. CARR: Okay.

5 CHAIRMAN PAUKEN: Ms. Carr.

6 MS. CARR: In your notebooks you have a  
7 copy of the Internal Audit Plan for 2009, but I'm  
8 going to pass out a bound copy, which will also have  
9 the risk assessment that was done.

10 (Brief pause)

11 CHAIRMAN PAUKEN: Okay. Thank you.

12 COMM. ALCANTAR: Thank you.

13 COMM. CONGLETON: Thanks.

14 MS. CARR: In the back of the bound copy  
15 you have a copy of the risk assessment that was done  
16 by Internal Audit, which tells you why we selected the  
17 different modules that we're going to audit in 2009.  
18 I've discussed this with each of you in your offices.  
19 And if you have any questions, I'll be glad to answer  
20 them at this time.

21 CHAIRMAN PAUKEN: Okay. Any questions,  
22 Commissioner Alcantar?

23 COMM. ALCANTAR: No questions.

24 CHAIRMAN PAUKEN: Commissioner  
25 Congleton.

1                   COMM. CONGLETON: I have no questions,  
2 and I move that we adopt the Internal Audit Charter  
3 Plan as presented by staff.

4                   COMM. ALCANTAR: I would second.

5                   CHAIRMAN PAUKEN: It's unanimous.

6                   MS. CARR: Okay. Thank you.

7                   AGENDA ITEM NO. 11

8                   CHAIRMAN PAUKEN: All right. No. 11,  
9 discussion, consideration, and possible action  
10 regarding approval of Local Workforce Development  
11 Board Nominees. Mr. Fuller -- or Mr. Fuller's not  
12 here. Mr. Jones.

13                   MR. JONES: Good morning, Commissioners.  
14 Today we have appointments for you.

15                   As shown in your books from the Capital  
16 Area Workforce Board, we have one, and from Heart of  
17 Texas Workforce Board we also have an appointment.  
18 This was one that was presented to you previously.  
19 You asked for us to discuss that with the board, which  
20 we did, and they presented some further information,  
21 which was then passed to your offices.

22                   CHAIRMAN PAUKEN: All right. I -- I  
23 have no problem with the first one. But the second  
24 one, I -- again, it's not directed at the individual.  
25 But private sector members shall be owners of business

1 concerns, chief executives, chief operating officers  
2 of nongovernmental employers or other private sector  
3 executives who have substantial management or policy  
4 responsibility.

5                   With all due respect, this individual is  
6 a coordinator for a particular location of a company  
7 based elsewhere, and I just -- I -- I think we have  
8 got to be more vigorous in -- in getting private  
9 sector members on those boards who fit into the  
10 category. I just don't -- do not believe this  
11 particular individual fits into the category.

12                   And I know it's a smaller county, but  
13 I'm sure there are a number of business owners or  
14 business people in the area or other private sector  
15 executives who have substantial management or policy  
16 responsibilities. So, I would -- I would oppose  
17 the -- the second nominee in terms of private  
18 sector -- proposed private sector representative.

19                   MR. JONES: Very good, sir.

20                   COMM. CONGLETON: Are you asking for a  
21 vote, currently?

22                   MR. JONES: Yes, sir. It's -- we've  
23 been advised by the General Counsel that it's best to  
24 have a vote. So, I would need to hear from the other  
25 two Commissioners.

1                   COMM. CONGLETON: Well, I move that we  
2 approve the nominees from Capital Area and the Heart  
3 of Texas Workforce Areas as presented by staff. I --  
4 I -- I don't disagree with the Chairman, but in Mexia,  
5 Texas this lady is probably a pretty big wheel.

6                   COMM. ALCANTAR: I move that we approve  
7 the nominee for Capital Area, and I vote to not  
8 approve the nominee for Heart of Texas. I -- I really  
9 do think that -- that we need to -- in terms of the  
10 categories that we have detailed have real  
11 representation and really need to -- and I -- I'm  
12 looking forward to working with the other  
13 Commissioners on making sure that we work with the  
14 local boards in putting together the best set of  
15 nominees at the -- at the local level.

16                   MR. JONES: Very good, sir. We  
17 appreciate your views. Thank you so much.

18                   CHAIRMAN PAUKEN: Okay.

19                   AGENDA ITEM NO. 12

20                   CHAIRMAN PAUKEN: All right. The next  
21 item, No. -- well, do we have any -- let's see.  
22 No. 12 --

23                   MR. TEMPLE: No fed/state. Nothing from  
24 Mr. Lewis.

25                   CHAIRMAN PAUKEN: Nothing from

1 Mr. Lewis. He's got a smile on his face. Everything  
2 is going swimmingly, huh, Mr. Lewis?

3 (Laughter)

4 AGENDA ITEM NO. 13

5 CHAIRMAN PAUKEN: How about No. 13,  
6 report and update by the Executive Director?

7 MR. TEMPLE: As a follow up to your --  
8 your conversation/discussion related to the nominees,  
9 I forwarded to each one of your offices some work that  
10 General Counsel's Office had done on the -- on where  
11 we are, rule and statute, on -- on the employer  
12 nominees and for your review. And we'll be glad to  
13 come by and discuss that with you, if you are looking  
14 at other ways to tighten that up, redefine things that  
15 are in rule. I'd be glad to -- I know --

16 CHAIRMAN PAUKEN: Yeah, I'd like to get  
17 that on -- on -- on the agenda the next available  
18 meeting, maybe a few weeks. But I would like to get  
19 that issue and see if we can modify that -- that rule,  
20 because that is of -- of concern to me that we really  
21 need to beef up our private sector board  
22 representation.

23 MR. TEMPLE: In the meantime, we'll  
24 visit with your offices and -- and see if you have any  
25 questions about what we sent out, and -- and then

1 we'll try to look at some recommendations to where we  
2 are on that based on what we've heard from the dais.

3 CHAIRMAN PAUKEN: Okay.

4 MR. TEMPLE: Other than that, I -- I  
5 don't have anything.

6 AGENDA ITEM NO. 14

7 CHAIRMAN PAUKEN: All right. We're now  
8 going to go into Executive Session pursuant to  
9 Government Code 551.074(a)(1) to discuss appointment,  
10 employment, evaluation, reassignment, duties,  
11 discipline, or dismissal of the Executive Director.

12 (Executive Session: 10:32 a.m. to  
13 10:43 a.m.)

14 CHAIRMAN PAUKEN: Okay. Let the record  
15 reflect that the Texas Workforce Commission Executive  
16 Session, we went into closed session at 10:37 a.m.  
17 (sic). We ended it at 10:43, and we're now back in  
18 regular session.

19 Are there any motions?

20 COMM. ALCANTAR: Yes, Chairman. I move  
21 that given the Executive Director's outstanding  
22 performance and significant contributions to this  
23 agency that the salary for the Executive Director be  
24 raised to 140,000.

25 COMM. CONGLETON: And I agree.

1                   CHAIRMAN PAUKEN:  And is there an  
2 additional motion on requesting additional authority?

3                   COMM. ALCANTAR:  Yes, sir.  I would also  
4 move that the agency submit in its LAR redesignation  
5 as a Group 6 Agency.

6                   CHAIRMAN PAUKEN:  Okay.  Is there -- and  
7 you make that motion.  Is there a second to that?

8                   COMM. CONGLETON:  There is a -- I second  
9 the motion.

10                  CHAIRMAN PAUKEN:  All right.  So, it's  
11 unanimous on both motions.

12                  Thank you for your good work,  
13 Mr. Temple.

14                  MR. TEMPLE:  Thank you, gentlemen, for  
15 your confidence and support.

16                  AGENDA ITEM NO. 16

17                  CHAIRMAN PAUKEN:  All right.

18                  (Meeting adjourned: 10:43 a.m.)

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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                    2008.

JANIS SIMON  
Certified Shorthand Reporter  
CSR No. 7076 - Expires 12/31/09  
Firm No. 276  
Kennedy Reporting Service, Inc.  
1801 Lavaca Street, Suite 115  
Austin, Texas 78701