



**MEETING OF THE  
TEXAS WORKFORCE COMMISSION**

**DATE**

**DECEMBER 6, 2022**

1 Tuesday, December 6, 2022

2 CHAIRMAN DANIEL: Good morning, everyone.

3 This meeting is called to order. Mr. Trobman, has anyone signed  
4 up for public comment?

5 MR. TROBMAN: No, sir.

6 CHAIRMAN DANIEL: Thank you very much. Good  
7 morning.

8 MS. MILLER: Good morning, sir.

9 CHAIRMAN DANIEL: Thank you. We're going to  
10 take a short break.

11 CHAIRMAN DANIEL: This is Agenda Item 8,  
12 Final Rules for Chapter 850, VR Services Administrative Rules  
13 and Procedures, and Chapter 856, VR Services.

14 RIKKA WEINTRAUB: Good morning, Chairman  
15 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.  
16 Serna. For the record, I'm Rikka Weintraub with the Vocational  
17 Rehabilitation Division. Commissioners, before you today for  
18 your consideration and adoption are final rule amendments to  
19 Chapter 850, VR Administrative Rules and Procedures, and to  
20 Chapter 856, VR Services. In an open meeting on August 16<sup>th</sup>, the  
21 commission approved proposed amendments to TWC's Chapters 850  
22 and 856, to establish rules required by the Texas Labor Code and  
23 to clarify rule language. The proposed rule amendments were  
24 published in the September 2<sup>nd</sup> issue of the Texas Register for a  
25 30-day public comment period. Public comments were received from

1 two organizations. Staff reviewed and responded to the comments  
2 and as a result of those comments modified the proposed rules.  
3 Six specific comments were proposed for TWC's consideration. No  
4 changes were made in response to two of those comments, both of  
5 which were related to financial needs tests. Four changes were  
6 made because of comments. Staff removed language in one  
7 subsection on impartial hearing officer decisions, added  
8 language on the content of the individualized plan for  
9 employment, clarified that the customer is informed of  
10 postemployment services, and amended Chapter 856 to allow  
11 certain exceptions for MAPS rates. Additionally, staff conducted  
12 a four-year rule review of Chapters 850 and 856 in accordance  
13 with Texas Labor, Texas Government Code, and determined that the  
14 initial reasons for adopting the chapters still exist, and that  
15 these chapters are still needed. Staff recommends adoption of  
16 the amendments to Chapters 850 and 856. Should the commission  
17 adopt these rules staff requests the ability to make minor  
18 nonsubstantive changes to the document in order to comply with  
19 the publication requirements of the Texas Register and the  
20 Office of the Secretary of State. This concludes my  
21 presentation. I'm available to answer any questions that you may  
22 have. Thank you.

23 CHAIRMAN DANIEL: Questions or comments?

24 COMMISSIONER ALVAREZ: None here.

25

1 COMMISSIONER DEMERSON: Rikka, how long  
2 you've been—Rikka's leaving. How long have you been with us?

3 RIKKA WEINTRAUB: Seven years.

4 COMMISSIONER DEMERSON: Seven years with the  
5 agency. All in the adult education and literacy program?

6 RIKKA WEINTRAUB: The VR program.

7 COMMISSIONER DEMERSON: VR. OK. Good.

8 Welcome aboard.

9 RIKKA WEINTRAUB: Thank you.

10 COMMISSIONER DEMERSON: Thank you.

11 CHAIRMAN DANIEL: Commissioner, you asked  
12 that question as if you thought maybe this was the first time  
13 she presented before the commission.

14 COMMISSIONER DEMERSON: I did, semi.

15 CHAIRMAN DANIEL: Yeah.

16 COMMISSIONER DEMERSON: Is it?

17 CHAIRMAN DANIEL: Is this the first time you  
18 ever presented?

19 RIKKA WEINTRAUB: Yes, this is my first  
20 time.

21 CHAIRMAN DANIEL: It is. I feel somewhat sad  
22 that I didn't prepare more questions for you, but we're going to  
23 move on all the same. There's no further questions. Is there a  
24 motion?

25

1 COMMISSIONER ALVAREZ: Chairman, I move that  
2 we adopt amendments to 40 Texas Administrative Code, Chapter 850  
3 and 856 as recommended by staff.

4 COMMISSIONER DEMERSON: Second.

5 CHAIRMAN DANIEL: It's been moved and  
6 seconded and we're unanimous. Thank you.

7 RIKKA WEINTRAUB: Thank you.

8 CHAIRMAN DANIEL: This is Agenda Item 9, AEL  
9 Strategic Plan Progress Report.

10 MAHALIA BALDINI: Good morning, Chairman  
11 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.  
12 Serna. For the record, Mahalia Baldini with the Workforce  
13 Development Division. For your consideration this morning, we're  
14 presenting the Adult Education and Literacy Plan Progress Report  
15 for Fiscal Year 2022. Rider 29 of the 87<sup>th</sup> Texas Legislative  
16 Regular Session requires that TWC submit a strategic plan  
17 progress report due no later than December 31<sup>st</sup> of every even-  
18 numbered year. The most recent AEL strategic plan was approved  
19 by the commission in August of 2021, and it outlined four key  
20 goals and 17 objectives with numerous specific action items. The  
21 progress report, as outlined in your notebook materials, is  
22 meant to highlight some of the state's responsiveness to meet  
23 the goals laid out in the AEL strategic plan, including, but not  
24 limited to commission-approved state leadership projects that  
25 were deployed to support the plan's goals and objectives as well

1 as state-level priorities to address specific commission  
2 initiatives like middle skills, family math literacy, and  
3 employer engagement projects. It also includes policy or  
4 programmatic changes implemented to support a better overall AEL  
5 system, coordinated efforts, both within our internal TWC  
6 departments and divisions as well as any coordinated efforts  
7 with other state agencies like the Texas Education Agency. It  
8 also includes some initiatives that are responsive to the last  
9 legislative session, like digital literacy and our expansion  
10 projects related to remote and distance learning for adult  
11 learners. Staff are seeking permission to make nonsubstantive  
12 changes to polish the report prior to submission to the Texas  
13 Workforce Investment Council, the governor, and the Legislative  
14 Budget Board as outlined in Rider 29. This concludes my remarks,  
15 and I'm happy to answer any questions you may have.

16 CHAIRMAN DANIEL: Any comments or questions?

17 COMMISSIONER ALVAREZ: None here, chairman.

18 COMMISSIONER DEMERSON: Good progress,  
19 Mahalia. No other questions or comments.

20 CHAIRMAN DANIEL: Is there a motion?

21 COMMISSIONER ALVAREZ: Chairman, I move that  
22 we approve the TWC Adult Education and Literacy Strategic Plan  
23 Progress Report for Fiscal Year 2022 for submission to TWIC, the  
24 governor, and the Legislative Budget Board.

25 COMMISSIONER DEMERSON: Second.

1 CHAIRMAN DANIEL: It's been moved and  
2 seconded. We're unanimous.

3 MAHALIA BALDINI: Thank you.

4 CHAIRMAN DANIEL: Thank you. This is Agenda  
5 Item 10, Legislative Proposals and Capital Exceptional Items.

6 MICHAEL BRITT: Good morning, Chairman  
7 Daniel, Commissioner Alvarez, Commissioner Demerson, and Mr.  
8 Serna. For the record, Michael Britt, Governmental Relations.  
9 This morning I'm presenting for your consideration TWC  
10 legislative proposals for the 88<sup>th</sup> Texas Legislature. These  
11 proposals have been submitted by the Fraud Deterrence and  
12 Compliance Monitoring Division. I will now lay out each proposal  
13 for consideration and we do have division staff here with us  
14 today. They're available to answer any technical questions that  
15 you all may have. Beginning on page 4 of your packets we have  
16 the proposal related to an eligibility requirement for ID  
17 verification. This proposal would amend the Texas Labor Code to  
18 state that among other eligibility criteria an individual is  
19 eligible for unemployment insurance benefits only if they have  
20 verified their identity as required by the commission.

21 MICHAEL BRITT: I'm sorry, Mr. Chairman,  
22 would you like to vote on these as we go through?

23 CHAIRMAN DANIEL: Do we want to vote on  
24 these individually-.

25 COMMISSIONER ALVAREZ: Yes, please.

1 CHAIRMAN DANIEL: All right.

2 MICHAEL BRITT: OK.

3 CHAIRMAN DANIEL: Comments or questions?

4 COMMISSIONER ALVAREZ: Yes. Since our office  
5 has been working closely with Chuck and Jason, I ask that they  
6 make their way up here because I may have some questions for  
7 them if they're available. Thank you. Jason. My first question  
8 is it is my understanding that this proposal is simply to  
9 quantify the agency's ability to withhold benefit payments until  
10 an individual's identity is verified. Is that correct?

11 CHUCK ROSS: Yes, sir. That's correct.

12 COMMISSIONER ALVAREZ: It is not the  
13 intended that this proposal be a result and an increase in the  
14 number of individuals who are required to verify their ID. Is  
15 that correct?

16 CHUCK ROSS: Yes, sir. That's correct.

17 COMMISSIONER ALVAREZ: OK. Those are the  
18 only questions I have. I do have a comment though. I can  
19 appreciate the need to clarify the agency's authority to  
20 withhold benefits pending ID verification, and for that reason I  
21 will not oppose this proposal. However, I caution that ID  
22 verification requirements should only be imposed on individuals  
23 where there are legitimate indicators of fraud. Any criteria  
24 used by the agency to determine risk should be narrowly tailored  
25 to target situations where fraud is likely, and care should be



1 taken to ensure the criteria does not result in an unintended  
2 discrimination against any particular group. Further, our  
3 verification process must include a sufficient method for a  
4 person to verify their identity to provide equal access to UI  
5 benefits for all claimants. Thank you, both.

6 CHUCK ROSS: Thank you.

7 CHAIRMAN DANIEL: Any comments or questions?

8 COMMISSIONER DEMERSON: None here.

9 CHAIRMAN DANIEL: Are you going to -.

10 COMMISSIONER ALVAREZ: Yes, sir.

11 CHAIRMAN DANIEL: OK.

12 COMMISSIONER ALVAREZ: My motion is that we,  
13 that I move that we support this legislative proposal.

14 COMMISSIONER DEMERSON: This is one for the  
15 eligibility requirements, ID verification.

16 CHAIRMAN DANIEL: Correct.

17 COMMISSIONER DEMERSON: Second.

18 CHAIRMAN DANIEL: It's been moved and  
19 seconded. We're unanimous.

20 MICHAEL BRITT: Thank you. Next on page 6 is  
21 the proposal related to an Open Records Act exemption for TWC's  
22 fraud detection and prevention-related information. This  
23 proposal would create an exception to the Texas Open Records Act  
24 to except from disclosure TWC fraud related contracts, data, and  
25

1 protocols from disclosure under the Act and the Texas Government  
2 Code.

3 CHAIRMAN DANIEL: Comments or questions?

4 COMMISSIONER ALVAREZ: None here, chairman.

5 COMMISSIONER DEMERSON: None.

6 CHAIRMAN DANIEL: The only thing we would be  
7 seeking to eliminate would be just simply things that spell out  
8 our fraud prevention methods?

9 MICHAEL BRITT: Yes, sir. Correct.

10 CHAIRMAN DANIEL: Is there a motion?

11 COMMISSIONER ALVAREZ: Chairman, I move that  
12 we support this legislation.

13 COMMISSIONER DEMERSON: Second.

14 CHAIRMAN DANIEL: It's been moved and  
15 seconded. We're unanimous.

16 MICHAEL BRITT: Thank you. On page 10 is the  
17 proposal related to providing TWC with bank freeze authority for  
18 fraud. This proposal would provide TWC the authority to recover  
19 unemployment insurance overpayments resulting from fraud by bank  
20 levy as a collection method of last resort. This proposal would  
21 also require rulemaking for the commission to establish a  
22 minimum account balance threshold that would preclude TWC from  
23 levying funds, for example, from the first \$5,000 in an account.

24 CHAIRMAN DANIEL: Comments or questions?

25

1                   COMMISSIONER ALVAREZ: First question, why  
2 is this threshold to prevent seizure of personal essentials  
3 regulated by the proposal to be determined by the commission  
4 rule rather than provided in proposed legislation itself?

5                   CHUCK ROSS: Sir, we were responsive to your  
6 staff's request to include that as a rulemaking item so that the  
7 commission itself could determine on a regular basis what the  
8 appropriate threshold should be. That's why we went with the  
9 recommended approach of rulemaking.

10                   COMMISSIONER ALVAREZ: Thank you, Chuck.  
11 Isn't such a threshold a fundamental part of a collection  
12 authority granted by this proposed legislation and something the  
13 legislature itself should be, should determine?

14                   CHUCK ROSS: At this point, I would defer to  
15 the commissioners about whether they would prefer to retain that  
16 authority. It's similar to authority in career schools' rules  
17 where commissioners have the authority to approve, set rates and  
18 things like that, but I would defer to the commissioners on  
19 this.

20                   COMMISSIONER ALVAREZ: Chuck, so the first  
21 question I asked you is was this threshold to prevent seizure of  
22 personal—would it be better handled by us or proposed  
23 legislation itself? And you said you met with staff. Can you let  
24 me know what date you spoke to staff and who responded back to  
25 you on that?

1 CHUCK ROSS: Yes. When we briefed your  
2 staff, and I'll have to check my calendar on the date. When we  
3 briefed your staff on these proposals, your staff, Jeanette in  
4 particular, specifically said would it be appropriate to put  
5 this in commission rule to have the commissioners set this, and  
6 Jason and I both agreed that that was appropriate. That's why we  
7 amended the original proposal to include rulemaking.

8 COMMISSIONER ALVAREZ: OK. Thank you. Thank  
9 you, Chuck. Who would an individual who has had their accounts  
10 frozen erroneously or otherwise contacted TWC to rectify the  
11 freeze. How long would the process take to remove the freeze?

12 CHUCK ROSS: That would be the TWC's  
13 Collections and Civil Actions Department and Finance, it would  
14 run exactly the same way that that process runs for employer  
15 accounts that are currently frozen. That, I believe that process  
16 is resolved within one day to three business days.

17 COMMISSIONER ALVAREZ: So three business  
18 days?

19 CHUCK ROSS: I would have to confirm with  
20 the Collections and Civil Actions staff, but that's my  
21 recollection, that generally it doesn't take longer than three  
22 business days to resolve erroneous freezes.

23 COMMISSIONER ALVAREZ: Thank you, Chuck.  
24 There are multiple scenarios in which TWC can and does  
25 erroneously impose fraud against innocent claimants as a result

1 of ID theft. What protections, if any, does this legislation  
2 offer to ensure that innocent claimants do not have their bank  
3 accounts levied when fraud is erroneously imposed against them?

4 CHUCK ROSS: I would note that as requested  
5 by your staff, we included in the proposal that this is a  
6 collection action of last resort. If we're talking about an  
7 overpayment that would be collected, a fraud overpayment, that  
8 would be collected through bank freeze, it would have reached  
9 finality and it would have actually gone through collections  
10 methods through treasury offset programs, so every due process  
11 avenue that's available to claimants would have been afforded in  
12 this proposal.

13 COMMISSIONER ALVAREZ: Chuck, I'm assuming  
14 that you and Jason spoke to the UI Office regarding this. OK.  
15 Any fiscal notes and all that. Yes, or no.

16 CHUCK ROSS: Yes.

17 COMMISSIONER ALVAREZ: OK. Just want to make  
18 sure. My comment, there are no protections in this proposal to  
19 protect innocent parties from an unjust bank account freeze.  
20 Also, the proposal does not provide minimum thresholds of funds  
21 for basic living expenses, but instead delegates that job to the  
22 agency. The legislature is in the best position to make that  
23 determination and also is most directly accountable to the  
24 people most affected by this law. I have no further comments.  
25 Well, you know what? I found one. I do have one more. Where in

1 the actual proposed legislation does in state, does it state  
2 that this is a collection method of the last resort? If you have  
3 that.

4 CHUCK ROSS: It's in your packet on page 10,  
5 line 16.

6 COMMISSIONER ALVAREZ: Thank you, Chuck.

7 CHUCK ROSS: Yes, sir.

8 CHAIRMAN DANIEL: Commissioner Demerson?

9 COMMISSIONER DEMERSON: No comments. I like  
10 the fact that Wisconsin is at \$1,000, and we're going to \$5,000  
11 here in Texas, proposing that so, OK.

12 CHAIRMAN DANIEL: What other state agencies  
13 use this tool to collect?

14 CHUCK ROSS: State agencies. I would have to  
15 research that. I just know that TWC has specific authority in  
16 the UI law for this, but I would have to get back with you to  
17 see about other states.

18 CHAIRMAN DANIEL: So this is an existing  
19 statutory thing?

20 CHUCK ROSS: Yes. Specifically for  
21 delinquent employer contributions.

22 CHAIRMAN DANIEL: Would this particular  
23 authority for claimants mirror the way we do this for employers?

24 CHUCK ROSS: Exactly the same. Yes, sir.

25 CHAIRMAN DANIEL: Is there a motion?

1 COMMISSIONER ALVAREZ: Yes. I do anticipate  
2 that we'll be getting calls in the near future regarding this  
3 particular agenda item. I will make a motion. I oppose moving  
4 forward on this proposal.

5 CHAIRMAN DANIEL: Is there a second? Motion  
6 dies for lack of a second. Any additional motions on this item?

7 COMMISSIONER DEMERSON: Since I-I'd like to  
8 move that we approve the legislative proposal for this bank  
9 freeze authority for fraud and get - it protects us in a big  
10 way.

11 CHAIRMAN DANIEL: I'll second that motion.

12 MICHAEL BRITT: Thank you.

13 CHAIRMAN DANIEL: Any further comments?

14 COMMISSIONER ALVAREZ: None here, chairman.  
15 Not for 10(C).

16 CHAIRMAN DANIEL: I'll be voting aye,  
17 Commissioner Alvarez. Will you be voting yes, or no?

18 COMMISSIONER ALVAREZ: I'm voting against  
19 it.

20 CHAIRMAN DANIEL: Voting no? Commissioner  
21 Demerson?

22 COMMISSIONER ALVAREZ: Yes.

23 COMMISSIONER DEMERSON: I made the motion.  
24 I'm voting for it.

25

1 CHAIRMAN DANIEL: All right. It's two to  
2 one. Thank you, gentlemen.

3 MICHAEL BRITT: Thank you. Next on page 14  
4 is the proposal related to prohibiting an individual from filing  
5 a new unemployment insurance claim until any previous fraudulent  
6 overpayments and penalties have been repaid to TWC. This  
7 proposal would amend the Texas Labor Code to stipulate that an  
8 individual is not eligible to file a new claim for UI benefits  
9 until all overpayments and penalties that resulted from fraud  
10 have been repaid to TWC.

11 CHAIRMAN DANIEL: Comments or questions?

12 COMMISSIONER ALVAREZ: Yes, chairman. My  
13 first question, in your analysis to those who did this, you make  
14 the following statement. I quote, "Often a UI claimant who has  
15 committed fraud is able to file a new claim when their current  
16 benefit year expires and potentially commit fraud again." What  
17 data do you have to support this statement, and how often does  
18 this occur?

19 CHUCK ROSS: We don't have discrete data for  
20 that specific question that you're asking but we do have  
21 experience with claimants that have committed fraud that come  
22 back in and have not repaid their fraudulent overpayment. As an  
23 example, this is just anecdotal, when the commission  
24 reestablished 100 percent offsetting of benefits, a number of  
25 claimants that complained to me directly about that were



1 individuals that were having their benefits fully offset to  
2 recover past fraudulent overpayments, so it does happen.

3 COMMISSIONER ALVAREZ: Chuck, would you say  
4 it happens a lot or seldom or rarely or—?

5 CHUCK ROSS: I think anecdotally it happens  
6 because the number of fraud determinations and overpayments are  
7 low. It is a low number, but it does happen, and it's an  
8 integrity issue.

9 COMMISSIONER ALVAREZ: So it was enough to  
10 justify this particular agenda item legislation, a low number?

11 CHUCK ROSS: I believe as an integrity item,  
12 that's what I'm charged with by Mr. Serna and the commissioners  
13 is to oversee the integrity of the unemployment insurance  
14 system, and I see this as a key way to do that, yes, sir.

15 COMMISSIONER ALVAREZ: OK, so again I think  
16 I stated just for the record the question is how many people do  
17 you think commit fraud would you say in the last year or even  
18 the last five years? I'm sure you have that data.

19 JASON STALINSKY: How many people commit  
20 fraud?

21 COMMISSIONER ALVAREZ: I mean what is the  
22 number if you were to say that?

23 JASON STALINSKY: I apologize, commissioner,  
24 can you repeat that?

25

1 COMMISSIONER ALVAREZ: Yes, how many commit  
2 fraud again? That was the question. How often does this occur,  
3 and how many people commit fraud?

4 JASON STALINSKY: I believe the last numbers  
5 I saw from ADNM were about one claimant a day with a fraud  
6 overpayment comes back in and commits fraud again, and that  
7 there are approximately 90 to 100,000 with fraud overpayments  
8 out there that have not repaid them.

9 COMMISSIONER ALVAREZ: How many again,  
10 Jason?

11 JASON STALINSKY: Ninety to 100,000, and if  
12 they were to file again and have their benefits offset, those  
13 are current employer taxes that are paying their fraudulently  
14 obtained overpayment.

15 COMMISSIONER ALVAREZ: OK. Can I ask if this  
16 was part of a discussion paper, just so that we could—I mean you  
17 can see why I ask the question. Was that part of the discussion  
18 paper?

19 JASON STALINSKY: I believe this was in some  
20 of the supplemental materials that we sent out.

21 COMMISSIONER ALVAREZ: OK. You also make the  
22 statement that, in quote, "When the UI claimant files a new  
23 claim in a new benefit year, this means that the employer taxes  
24 from the individual's new base period are repaying the  
25 individual's fraudulent overpayment. In essence, Texas employers

1 are financing an individual's fraudulent attempts to steal  
2 unemployment benefits." Isn't it true that this individual  
3 quantifies or qualifies for a new claim, it is because they have  
4 returned to work and rightfully earned those wages in  
5 employment?

6 JASON STALINSKY: They would have met  
7 eligibility factors if they are qualified for unemployment.

8 COMMISSIONER ALVAREZ: OK. This proposal not  
9 only requires that the previous fraud overpayment be paid but  
10 also requires that 15 percent penalty be repaid. The October 26,  
11 2022, to November 12, 2022, demographics for UI claimants  
12 indicate that 12 of the 25 top filing companies or counties are  
13 in South Texas. Most claims include separations from temporary  
14 work services followed by oil and gas and PEUs. This proposal  
15 legislation adversely impacts minority communities and lower  
16 socioeconomic individuals by further adding to their financial  
17 burden and punishing them during a time when they are at most  
18 need. Those are the end of my quotes, I mean my comments, and I  
19 appreciate you all answering the questions.

20 CHAIRMAN DANIEL: Commissioner Demerson?

21 COMMISSIONER DEMERSON: I have no comments.

22 CHAIRMAN DANIEL: So there's 100,000  
23 claimants we believe received UI benefits fraudulently that have  
24 yet to repay. Did I hear you correctly?

25 JASON STALINSKY: That's correct.

1 CHAIRMAN DANIEL: And so this proposal  
2 should the legislature choose to adopt it would create a  
3 scenario where someone who is verified to have committed fraud,  
4 this would prevent them from receiving further benefits until  
5 we've either resolved the fraud claim or collect the money from  
6 the fraud claim?

7 CHUCK ROSS: Until they pay us back, the  
8 overpayment, yes, sir.

9 CHAIRMAN DANIEL: Who determines it was  
10 fraud?

11 CHUCK ROSS: It's an agency fraud  
12 determination based upon the two-vote system that the agency has  
13 in place.

14 CHAIRMAN DANIEL: So this would only apply  
15 to people whom we reasonably believe collected the benefits  
16 fraudulently.

17 JASON STALINSKY: This would only apply to  
18 final fraud determinations so if it's in the appeals process—

19 CHAIRMAN DANIEL: [Inaudible] investigated  
20 it, they've appealed it, they've lost all their appeals, and the  
21 fraud determination would stand.

22 JASON STALINSKY: Correct.

23 CHUCK ROSS: That's correct. It's final for  
24 all purposes.

25

1 CHAIRMAN DANIEL: Are there 100,000 of those  
2 because of COVID or is that a normal number?

3 CHUCK ROSS: I think that's historic—that's  
4 the normal number.

5 JASON STALINSKY: This is currently in  
6 existence.

7 CHUCK ROSS: This is not a COVID effect.

8 CHAIRMAN DANIEL: All right, is there a  
9 motion?

10 COMMISSIONER ALVAREZ: I have some I guess  
11 some other comment that I'd like to make.

12 CHAIRMAN DANIEL: Yes, sir.

13 COMMISSIONER ALVAREZ: Chuck, you made a  
14 serious allegation that you informed my staff of some of the  
15 things that I asked you. That's the reason why I wanted to stick  
16 around until today to be at this important commission meeting.  
17 It is my understanding, I've had multiple conversations with my  
18 staff and chief of staff, Jeanette De La Cruz, who you informed  
19 me, made the statements that she did, and I've asked her  
20 repeatedly, I needed some clarification especially when it came  
21 to these legislative agenda items that you were—proposals that  
22 were bringing forth so the reason I asked for you to be here is  
23 because I wanted you to be on the record on what you were  
24 stating. My recommendation to both of you or to the staff is if  
25 you are going to be providing our—if you're providing this

1 information, those numbers need to be in the report. According  
2 to what I'm receiving from staff, I can assure you what they're  
3 telling me is that you never stated what you did regarding the  
4 discussion you had with Jeanette regarding that this should be a  
5 commission issue and not so much legislative. So I'm just  
6 informing you that that's what she said, Chuck. I mean-

7 CHUCK ROSS: May I respond?

8 COMMISSIONER ALVAREZ: Of course you can  
9 because I'm going to ask, if my commissioners are OK, that I'm  
10 going to ask for the record that Jeanette also be allowed to  
11 deliver some remarks as well.

12 CHUCK ROSS: I--yes, sir.

13 CHAIRMAN DANIEL: We're going to take a  
14 short recess. Commissioner Alvarez.

15 COMMISSIONER ALVAREZ: So I thank you, and  
16 again, thank you, Chuck and Jason, for being upfront--I mean  
17 being up front to be able to answer these questions. Again,  
18 these were just a little concerning to me because, like I said,  
19 there was--I didn't receive that information back from staff. The  
20 questions that we asked, that I asked you from the dais were  
21 questions that I had for her. I had asked her to ask you all and  
22 again I think there's some differences on what the responses  
23 were. Just a recommendation, put some of those things, Jason,  
24 like the number is 100,000, the 90 to 100,000, the number that  
25 you kind of pointed out in case the legislators, some of these

1 things I know are questions that if I were a legislator I would  
2 be asking. So I do appreciate both of you, your responses to the  
3 questions that I had. No further questions or comments.

4 COMMISSIONER DEMERSON: I have a comment. I  
5 like the fact that we are—you know, fraud is a big concern here  
6 in the state and the U.S., and I like the fact that we are  
7 taking a proactive approach towards it trying to get there.  
8 These are legislative proposals and so if approved, there will  
9 be further discussions on these things on a go-forward basis,  
10 but fraud is huge, and taking a proactive approach is the right  
11 thing in my opinion.

12 CHAIRMAN DANIEL: Any further comments?

13 COMMISSIONER ALVAREZ: None here.

14 CHAIRMAN DANIEL: Is there a motion?

15 COMMISSIONER ALVAREZ: Chairman, I  
16 understand that we all have a vested interest in fraud  
17 deterrence and detection, but I cannot support a legislation  
18 that has no supporting data and does nothing more than penalize  
19 people who are already financially burdened. I would rather see  
20 this agency engage in real fraud deterrence and detection  
21 focused on areas of high risk such as those identified by the  
22 Department of Labor Office of Inspection General memorandum  
23 dated September 21, 2022, and participating in the Integrity  
24 Data Hub as outlined in the May 5, 2022, Training Employment  
25 Notice 24-21, rather than engage in policies that do nothing

1 more than punish the poor and adds to the poverty. So, I vote  
2 against because there is insufficient data to support this  
3 proposal and, on its face, does nothing to deter or detect  
4 fraud. It simply piles on someone who has already been punished  
5 so my vote is against.

6 CHAIRMAN DANIEL: All right. Is there a  
7 motion to accept this?

8 COMMISSIONER DEMERSON: Yes, I move we  
9 approve the legislative proposal for the prohibition on filing a  
10 new UI claim until repayment.

11 CHAIRMAN DANIEL: I second the motion. I  
12 think we're on record.

13 COMMISSIONER ALVAREZ: Yes, sir.

14 CHAIRMAN DANIEL: I'm for it, Commissioner  
15 Demerson I believe is for it since he made the motion  
16 [inaudible].

17 COMMISSIONER ALVAREZ: And I oppose it.

18 CHAIRMAN DANIEL: Commissioner Alvarez  
19 opposes.

20 COMMISSIONER ALVAREZ: Yes, sir.

21 CHAIRMAN DANIEL: All right, thank you.

22 MICHAEL BRITT: Thank you. Next on page 18  
23 of your packets is the proposal related to increasing the 15  
24 percent UI fraud penalty. This proposal would amend the Texas  
25 Labor Code to increase the current UI fraud penalty to 50



1 percent with the amount of the penalty above the federally  
2 required 15 percent going to the Special Administration Fund or  
3 Fund 165 as it's also known to fund TWC's fraud deterrence  
4 activities.

5 CHAIRMAN DANIEL: Comments or questions?

6 COMMISSIONER ALVAREZ: Chairman, my first  
7 question, how does this penalty compare to the penalties  
8 assessed against employers that fail to pay contributions due to  
9 misclassification or failure to report wages?

10 CHUCK ROSS: I would say this is not an  
11 analogous penalty to the situation you laid out.

12 COMMISSIONER ALVAREZ: Can you repeat that?  
13 I'm sorry, Chuck.

14 CHUCK ROSS: I would say that this penalty  
15 is not analogous to the penalties that you laid out, the  
16 employer penalties for misclassification. I would say though  
17 that our recommendation for this one is there is an employer  
18 misclassification penalty in Chapter 214, however, the proceeds  
19 from that penalty revenue do not go back to TWC to fight  
20 misclassification. We've recommended in this proposal that the  
21 revenue from this proposal be used for fraud prevention and  
22 misclassification activities.

23 COMMISSIONER ALVAREZ: How does this compare  
24 to fraud penalties in other states?

25 CHUCK ROSS: Jason, you want to take it?

1 JASON STALINSKY: This was in the median of  
2 what we saw from other states. Texas is one of the very few that  
3 keeps only the federal required 15 percent. Other states are in  
4 the range of 65 percent, some are 30 percent, and others have  
5 tiered step-ups which is, you know, 25 percent for the first  
6 violation and 100 percent for the second so we felt that the 35  
7 percent was in the median of the states that we were able to  
8 review.

9 COMMISSIONER ALVAREZ: The only other  
10 comment I have is I oppose this proposal because we already have  
11 criminal provisions for pro-that deter those who commit fraud.  
12 The penalty is a set amount that is not assessed based on an  
13 individual culpability circumstances of each particular case.  
14 Finally, the purpose of the penalty is to deter fraud, not  
15 generate additional revenue streams. That's the only comment  
16 that I have.

17 COMMISSIONER DEMERSON: Jason, I did have a  
18 question, but I think you've already answered it, so the 35  
19 percent is kind of a median of both so-of some of the other  
20 states.

21 JASON STALINSKY: That's correct. That's  
22 part of our analysis.

23 COMMISSIONER DEMERSON: Then I think is this  
24 also the 50 percent sends a message I would think.

25 JASON STALINSKY: Yes.

1 COMMISSIONER DEMERSON: We're also sending  
2 the message we're at 15 percent, the lowest right now.

3 JASON STALINSKY: Exactly.

4 COMMISSIONER DEMERSON: And so other states  
5 have already done that. That's the way I was reading it because  
6 this also sends a good message [inaudible]. Thank you.

7 CHAIRMAN DANIEL: Walk me through how  
8 someone gets to the point—what are all the processes that would  
9 have taken place for someone to get to the point where they  
10 would pay this penalty?

11 CHUCK ROSS: You want to take that one,  
12 Jason?

13 JASON STALINSKY: Certainly. This would be  
14 the same as a normal adjudication process where if our benefit  
15 payment control department detected the fraud, there would be  
16 two votes to find fraud, a determination would be issued, that  
17 15 percent penalty—the current 15 percent penalty is part of  
18 that. This would be now the 35 percent on top of that. The  
19 penalty and the determination go together with appeal rights to  
20 the Appeal Tribunal, to commission appeals to come before the  
21 commission, and through judicial review so there are many ways  
22 in which due process concerns should be alleviated.

23 CHAIRMAN DANIEL: So any due process issues  
24 would be satisfied at the administrative level, they would have—

25

1 this particular accusation of fraud ultimately would be heard by  
2 the commission at some point.

3 JASON STALINSKY: Correct, yes, sir.

4 CHAIRMAN DANIEL: And then they would  
5 preserve whatever due process rights all Texans have through  
6 whatever remedy—

7 CHUCK ROSS: Judicial review.

8 CHAIRMAN DANIEL: [inaudible] through the  
9 courts.

10 JASON STALINSKY: Yes, sir.

11 CHAIRMAN DANIEL: Thank you. The penalty  
12 wouldn't be imposed until such time as all of those particular  
13 remedies had been exhausted, is that correct?

14 JASON STALINSKY: Correct.

15 CHAIRMAN DANIEL: Thank you. Any other  
16 comments or questions?

17 COMMISSIONER ALVAREZ: Again, I want to  
18 thank both of you for answering the questions. As you know, in  
19 my position I want to make sure that—we went through one of the  
20 worst times when we experienced the pandemic and some of the  
21 other circumstances that have taken place just in the last seven  
22 years whether it was a hurricane or other natural disasters.  
23 This is certainly important to me because, as you know, I don't  
24 want to assess additional penalties on any constituency. I mean,  
25 Jason, you used to work in our office so you're very well aware

1 of some of the responses that we would get or calls that we  
2 would get regarding this, and again, no one wants to be labeled  
3 as committing fraud. I mean that's a big term and that's not a  
4 good F-word to have, right? So I just wanted to clarify some of  
5 those that these agenda—I mean these legislative proposals that  
6 you were bringing forth, and I appreciate both of your responses  
7 back to the commission. So, again, thank you for that.

8                   CHUCK ROSS: Sir, can I respond? The point I  
9 would make about the penalty revenue generation is—the  
10 Department of Labor does not really fund us adequately to  
11 conduct all the fraud deterrent activities that we need to take,  
12 and so we have to carve out a portion of our administrative UI  
13 budget for fraud activities but that takes away from other work  
14 that assists claimants and employers in just sort of navigating  
15 the system because 98, 95, 98 percent of the people that are in  
16 the system are following the law. They're not committing fraud,  
17 but the administrative costs of fraud deterrence really are  
18 taking away from other initiatives, and so this was just an  
19 opportunity for us to sort of put it back on the person that's  
20 committing the fraud to sort of help us with deterring fraud in  
21 the future. I hope that's helpful.

22                   COMMISSIONER ALVAREZ: It is. It is. I was  
23 just hoping that we could figure out another resource where we  
24 could get this funding and not go after those—I mean we  
25 obviously don't understand their circumstances and they were

1 tough. I just want to make sure that if someone is legitimately  
2 put out of work, that he can apply for [inaudible] benefits even  
3 if he has something pending. You know sometimes the perception  
4 is that they're continuing to go on unemployment so they can pay  
5 their back taxes or pay whatever they owe us, and I just wanted  
6 to clarify that, you know, we're doing everything we can and  
7 that you as an office were looking at other resources because we  
8 don't want to penalize just the claimant.

9 CHUCK ROSS: Right.

10 COMMISSIONER ALVAREZ: What we're doing for  
11 the claimant, we also should do for the employers and everyone  
12 else, if I'm not mistaken, and I just want to be on record for  
13 that.

14 CHAIRMAN DANIEL: All right, is there a  
15 motion on this item?

16 COMMISSIONER ALVAREZ: Chairman, the only  
17 motion I have is to oppose moving forward on this particular  
18 proposal.

19 COMMISSIONER DEMERSON: [inaudible] not a  
20 second on that so I'm going to move forward that we approve the  
21 legislative proposal for increasing the 15 percent UI fraud  
22 penalty.

23 CHAIRMAN DANIEL: I'll second that motion.  
24 So I'm in favor of that motion. I believe Commissioner Demerson  
25 is in favor, and Commissioner Alvarez, we show you as opposed.

1 COMMISSIONER ALVAREZ: That's correct. Thank  
2 you, chairman. Thank you, gentlemen.

3 MICHAEL BRITT: Next on page 24 is the  
4 proposal related to fraud provisions for ID theft. This proposal  
5 would amend the Texas Labor Code to allow TWC to issue a fraud  
6 determination and take associated collection actions against the  
7 individual who committed the ID theft when TWC can identify the  
8 perpetrator. This is not allowed under current law.

9 CHAIRMAN DANIEL: Questions?

10 COMMISSIONER ALVAREZ: What agenda item is  
11 this one?

12 CHAIRMAN DANIEL: Is this page 24?

13 MICHAEL BRITT: Yes, sir.

14 COMMISSIONER ALVAREZ: Which agenda item is  
15 it? I'm sorry. I'm a little confused here.

16 MICHAEL BRITT: ID determination for fraud  
17 proposal. I'm sorry, sir.

18 COMMISSIONER ALVAREZ: Thank you. So  
19 additional questions, how often is TWC able to identify the  
20 imposter?

21 MICHAEL BRITT: Jason?

22 JASON STALINSKY: The—not that often but  
23 there are circumstances in which we do have—usually it's a  
24 family member or a neighbor who is helping someone file, and  
25 currently we cannot establish an overpayment against that

1 individual that committed the act of stealing someone's UI  
2 benefits, and this proposal would allow us to do that. It would  
3 also allow us to have administrative recourse or determinations  
4 against criminal schemes that we work with DOL OIG on, and when  
5 there is a prosecution and conviction currently, there is, you  
6 know, there's a verdict but there's not any administrative  
7 recourse that we can have, and this would allow us to do that.  
8 One of the key things that I would mention is that with these  
9 schemes, when we are—and unfortunately it takes a while for some  
10 of them to unravel but when we are able to identify them,  
11 sometimes the statute of limitations has occurred criminally but  
12 that would not prevent—but with this proposal we'd be able to  
13 handle that administratively and still have that overpayment and  
14 so, like I said, unfortunately ID theft is rampant and we've  
15 done a good job containing it through our controls but we can't  
16 always identify the individual but when we can, we want to be  
17 able to take that recourse and make sure that the person who did  
18 perpetrate the fraud is the one punished.

19 COMMISSIONER ALVAREZ: So when I asked you  
20 how often does this take place, you said not often. You started  
21 off by saying, well, not often.

22 JASON STALINSKY: It's not all that often  
23 but we think it is important that when we do identify it, we be  
24 able to have the overpayment and the fraud attributed to the  
25 individual that did the act.



1 COMMISSIONER ALVAREZ: Thank you. In the  
2 latest report on fraudulent identity theft from March 1, 2020,  
3 through August 31, 2022, a 30-month period, only point 10  
4 percent of total benefits were paid to confirmed imposter  
5 claimants or less than 10,307 so how much money do we anticipate  
6 will flow to the unemployment trust fund with this low number?

7 CHUCK ROSS: I'll be honest, I think the  
8 amount is probably negligible, but I would just counter that  
9 this is an integrity issue. Our current statute doesn't afford  
10 us the authority to issue a fraud determination when we know who  
11 committed the ID theft. This is just basic common sense to me,  
12 that we undergird the statute to allow us to issue a fraud  
13 determination when the facts bear out, when we can identify who  
14 those people are.

15 COMMISSIONER ALVAREZ: Would these imposters  
16 be given appeal rights? If so, I do not see a fiscal impact  
17 analysis to the appeals and commission appeals division in your  
18 fiscal impact.

19 CHUCK ROSS: Yes, these determinations like  
20 any other determination afford appeal rights. As we've  
21 discussed, the volume is such that we do not believe it would be  
22 an appreciable impact on appeals or commission appeals.

23 COMMISSIONER ALVAREZ: Would these  
24 imposters—OK, so I mentioned that. So again, Chuck, you and  
25

1 Jason have had an opportunity to speak to the UI division about  
2 all of these legislative proposals?

3 CHUCK ROSS: Yes.

4 COMMISSIONER ALVAREZ: OK. No further  
5 questions, chairman.

6 COMMISSIONER DEMERSON: None here except I  
7 appreciate the fact that we're continuing to try our best to  
8 clamp down on fraud. I mean that's the thing that really, we  
9 should be headed and again it gets back to an integrity issue.  
10 We won't receive a lot of funding from here but there's no  
11 fiscal implication to the state is what I'm seeing here as well  
12 but it gives staff the ability to take care of business.

13 CHUCK ROSS: Correct, sir.

14 CHAIRMAN DANIEL: Is there a motion?

15 COMMISSIONER ALVAREZ: Chairman, I vote to  
16 move this one forward as a legislative proposal on behalf of the  
17 agency.

18 COMMISSIONER DEMERSON: Referencing the  
19 fraud provision for identity theft, I second that motion.

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

22 MICHAEL BRITT: Next on page 27 is the  
23 proposal related to modifying the definition of last work for an  
24 initial claim. This proposal would amend the Texas Labor Code to  
25 modify the definition of last work and person for whom the

1 claimant last worked to mean the claimant's last employer with a  
2 liable TWC tax account.

3 CHAIRMAN DANIEL: Comments or questions?

4 COMMISSIONER ALVAREZ: To those here, how  
5 will individuals who last worked as an independent contractor be  
6 able to file claims, and how will the appropriate separation be  
7 analyzed if they are no longer able to name their independent  
8 contractor work?

9 CHUCK ROSS: Under this provision we would  
10 go back to the last employer that has reported wages to the  
11 individual. To be eligible for a claim monetarily there has to  
12 be sufficient base period wages paid from a covered employer so  
13 anybody that would be eligible monetarily for a claim would have  
14 to have an eligible covered employer in their past.

15 COMMISSIONER ALVAREZ: OK, how will  
16 individuals who are being misclassified be able to file a claim?

17 CHUCK ROSS: It's the same process as  
18 currently. If an individual files a claim and their last  
19 employer or previous employers have not reported wages and they  
20 believe they're misclassified workers, there's a tax  
21 investigation and then that issue is resolved by the tax  
22 department and then through the Rule 13 process.

23 COMMISSIONER ALVAREZ: So how would the  
24 correct last work be analyzed?

25

1 CHUCK ROSS: Again, in order for the  
2 claimant to be monetarily eligible, there has to be a covered  
3 employer in the claimant's base period that we would go to the  
4 most recent covered employer to determine that job separation.

5 COMMISSIONER ALVAREZ: And we have the  
6 manpower and all that to do?

7 CHUCK ROSS: That's currently what we're  
8 doing now essentially. Under the current process, an individual  
9 is able to name somebody that they worked for for 30 hours in a  
10 week. That doesn't have to be a covered employer so essentially  
11 the mechanics of that, the UI claims examiner, if they can't  
12 find that entity as a covered employer, they're just creating a  
13 tax account, sending it a notice of unemployment to that  
14 individual, and whether or not that entity replies or not, most  
15 like they won't because they have no vested interest but that's  
16 how the current process works.

17 COMMISSIONER ALVAREZ: So clarify, are  
18 claimants not parties to tax investigations, or are they?

19 CHUCK ROSS: That is correct, claimants are  
20 not party to Rule 13 hearings.

21 COMMISSIONER ALVAREZ: So how will claimants  
22 know the process?

23 CHUCK ROSS: For their UI claim, they'll  
24 receive a determination from TWC regarding the validity of the  
25 last employer.

1                   COMMISSIONER ALVAREZ: OK. If your proposal  
2 is to investigate the last separation from an employer with a  
3 tax account and not the actual last separation so the question  
4 is your proposal to investigate the last separation from an  
5 employer with a tax account and not the actual last separation?

6                   CHUCK ROSS: Our proposal is to try to find  
7 the last employer, hopefully it is the last covered employer.  
8 The problem with the current system is that, as I explained, an  
9 individual can name somebody that they worked for for only 30  
10 hours in a week and that is the controlling job separation, and  
11 it's very easy for individuals to avoid getting out from a  
12 disqualifying separation that occurred a week before, two weeks  
13 before, and we see this not on an infrequent basis with our own  
14 employees that sort of set themselves up as being a last  
15 employing unit for anybody that needs that help to qualify for a  
16 claim.

17                   COMMISSIONER ALVAREZ: OK, thank you, Chuck.  
18 If a misclassified individual is able to initiate an  
19 investigation by the tax department for unreported earnings, how  
20 would they be able to appeal a ruling regarding these unreported  
21 wages if they cannot file a valid UI claim without naming an  
22 employer with a TWC tax account?

23                   CHUCK ROSS: Sorry, can you clarify that for  
24 me please?

25

1 COMMISSIONER ALVAREZ: Yes, so let me just  
2 read again. If a misclassified individual is able to initiate an  
3 investigation by the tax department for unreported earnings, how  
4 would they be able to appeal a ruling regarding these unreported  
5 wages if they cannot file a valid UI claim without naming an  
6 employer with a TWC tax account?

7 JASON STALINSKY: I believe that the claim  
8 is taken but pended during the investigation of the wage credits  
9 if that determination on whether or not they should be awarded  
10 those wage credits is an appealable determination, and so if  
11 ultimately, it's decided that it's not a valid claim because the  
12 wages are not due, that's still also appealable.

13 COMMISSIONER ALVAREZ: OK, so how can a  
14 claim be taken if they cannot name the employer?

15 JASON STALINSKY: The claim is pended during  
16 the wage investigation.

17 CHUCK ROSS: So they are—we're taking the  
18 claim. We're taking who they're naming but as Jason indicated,  
19 there's a wage investigation which results in an appealable  
20 determination.

21 COMMISSIONER ALVAREZ: How would a claimant  
22 who last worked for an employer in another state who does not  
23 have a TWC tax account file for a claim naming their last work?  
24  
25

1 CHUCK ROSS: Our recommendation is to remove  
2 the current language with respect to using an out-of-state  
3 employer.

4 COMMISSIONER ALVAREZ: If the employer does  
5 not have a tax account, how would they be able to name them?  
6 Again I'm asking the question.

7 CHUCK ROSS: Can you repeat the question?

8 COMMISSIONER ALVAREZ: If the employer does  
9 not have a tax account, how would they be able to name them, the  
10 employer, their last employer?

11 CHUCK ROSS: Well, under our current system,  
12 as I say, the claimant names who they last worked for. If that  
13 is not a covered entity that we can find, then TWC staff creates  
14 a bogus tax account and moves forward. Under this proposal we  
15 would find the claimant's most recent liable employer that  
16 reported wages.

17 JASON STALINSKY: That's correct. If they're  
18 going to be filing from—using wage credits from another state,  
19 they still have to have Texas wages and create—

20 CHUCK ROSS: Right.

21 JASON STALINSKY: A combined wage claim so  
22 they would still have an LEU which would be the Texas employer  
23 with a liable account. Just one thing I wanted to add—

24 COMMISSIONER ALVAREZ: Yes, sir.

25

1 JASON STALINSKY: Is that not only is this  
2 an integrity legislation or proposal to prevent fraud from  
3 benefits fraud but also on the ID theft side. During the  
4 pandemic we discovered that it was very important for us to have  
5 an employer that could provide a response so that what PUA  
6 showed us is that when you don't have any employer that you can  
7 get a response from, it's much more difficult to stop fraud  
8 early on in the process because we can't get that response  
9 saying this person still works here or something of that nature.

10 COMMISSIONER ALVAREZ: I can appreciate the  
11 efforts to try and curb fraudulent claims, but this proposal  
12 will have a significant detrimental impact to many Texans who  
13 would otherwise be eligible for benefits. Individuals who last  
14 worked as independent contractors or who were misclassified by  
15 their employers might be completely unable to file claims as a  
16 result of this proposal with no clear avenue to rectify the  
17 situation. Although possibly a claim could be filed naming an  
18 old employer, that employer would not be able to—would not be  
19 the last separation relevant to the claim. Even if the claimant  
20 could get the correct final work listed, the wrong separation  
21 would have already been investigated and subsequently—and  
22 substantial agency resources expended to adjudicate an older  
23 irrelevant separation. Many legitimate claimants will be  
24 significantly delayed in receiving their benefits. I fear this  
25 proposal will not noticeably—will not noticeably reduce



1 fraudulent claims but instead simply delay or possibly  
2 completely prevent many legitimate claims from being filed. For  
3 these reasons I cannot support this proposal.

4 CHAIRMAN DANIEL: Commissioner Demerson?

5 COMMISSIONER DEMERSON: So this tightens the  
6 process right now, basically moving away from individuals  
7 working 30 hours and saying this is who they worked for and  
8 getting it to define covered employee type situation where they-

9 JASON STALINSKY: That's correct.

10 COMMISSIONER DEMERSON: [inaudible] tax  
11 account [inaudible] makes it easier for us to track from that  
12 point and so, OK. No other comments or questions.

13 CHAIRMAN DANIEL: In layman's terms,  
14 describe to me what we're trying to prevent.

15 CHUCK ROSS: So in layman's terms, I started  
16 at TWC in 2004. My very first assignment was this legislative  
17 proposal to fix the current process. When I started at TWC, you  
18 could name any entity. As an employee there was no—they did not  
19 have to be a covered employee, it just could be any entity, and  
20 so as an integrity measure, to avoid this issue of getting-of  
21 purging a disqualifying job separation, we added in 2011 I  
22 believe it was this 30-hour requirement so that an employee—so  
23 that there had to be some connection between the claimant and  
24 their job—and hope—we assume that the employer would probably be  
25 a covered employer as well but as we process these—this enhanced

1 integrity change and seen it in action, our determination  
2 especially after what Jason laid out with respect to PUAs, the  
3 current 30-hour rule is not sufficient. There's not enough  
4 connection to a claimant and somebody that they might have  
5 worked for for 30 hours, and in our analysis of other states,  
6 while other states don't specifically have this state that the  
7 last employer has to be a covered employer, they put monetary  
8 and time restrictions on it that sort of make it a de facto last  
9 employer. Did that answer your question, sir?

10 CHAIRMAN DANIEL: Yeah, sort of. So this is  
11 a basic eligibility question.

12 CHUCK ROSS: Yes, sir.

13 CHAIRMAN DANIEL: Your base period is  
14 defined as what?

15 CHUCK ROSS: The first four of the last five  
16 quarters.

17 CHAIRMAN DANIEL: OK, so if someone's been  
18 an independent contractor the entire base period but then they  
19 work for somebody for 30 hours total, right—

20 CHUCK ROSS: Right.

21 CHAIRMAN DANIEL: Then they would attempt to  
22 file a claim, would they be awarded benefits?

23 CHUCK ROSS: No, sir, they would not have  
24 base period wages because they didn't work for a covered  
25 employer.

1 CHAIRMAN DANIEL: So an independent  
2 contractor who maybe the first quarter had worked for a taxed  
3 employer and then becomes independent contractor, they would  
4 have some benefits due to them because of the one quarter that  
5 they had in the base period where taxes had been paid on that.

6 CHUCK ROSS: Correct.

7 CHAIRMAN DANIEL: Do independent contractors  
8 and self-employed persons, do we believe they use this 30-hour  
9 rule to try to claim eligibility when they wouldn't otherwise  
10 have been eligible?

11 CHUCK ROSS: I would say anecdotally no. I  
12 would say generally the 30-hour rule is used by somebody that  
13 knows they have a previous disqualifying job separation probably  
14 for misconduct or quit without good cause connected work to do  
15 so, and they're using the 30-hour employer to purge that  
16 disqualifying job separation.

17 CHAIRMAN DANIEL: OK, is there a motion?

18 COMMISSIONER ALVAREZ: Chairman, before you  
19 vote I'd just also like—since that was a great question you  
20 asked, Chuck and Jason, could I have a—would it be possible to  
21 have additional input via a memo from UI on how this would  
22 actually work? Maybe you could send that to our offices and  
23 maybe attach that to any of the [inaudible] that you have?

24

25

1 CHUCK ROSS: Yeah, absolutely. We're  
2 currently working with UI staff to operationalize this, how this  
3 would work.

4 COMMISSIONER ALVAREZ: Thank you.

5 CHAIRMAN DANIEL: Is there a motion on this  
6 item?

7 COMMISSIONER ALVAREZ: Yes, chairman. I  
8 object to moving forward on this proposal.

9 CHAIRMAN DANIEL: Commissioner Demerson?

10 COMMISSIONER DEMERSON: This is not a  
11 second, but I'd like to move that we approve the legislation—  
12 legislative proposal for modifying or redefining last work for  
13 initial claims.

14 CHAIRMAN DANIEL: I second with Commissioner  
15 Demerson. Any further dissent?

16 COMMISSIONER ALVAREZ: None here, chairman.

17 CHAIRMAN DANIEL: I'm assuming we're showing  
18 Commissioner Demerson and myself as in favor, and Commissioner  
19 Alvarez as opposed.

20 MICHAEL BRITT: Yes, sir. Next on page 31 of  
21 your packets is a proposal related to unemployment insurance and  
22 Reemployment Services and Eligibility Assessment or RESEA. This  
23 proposal would amend the Texas Labor Code to expand claimant  
24 participation in certain reemployment services such as RESEA  
25 regardless of the claimant's likely-to-exhaust-benefit score,

1 and also allow flexibility for claimants to be scheduled for  
2 successive RESEA services.

3 CHAIRMAN DANIEL: Comments or questions?

4 COMMISSIONER ALVAREZ: Is this proposal  
5 intended for all claimants to participate in reemployment  
6 services or some subject to claimants? Is it—the other part of  
7 it, is it only a subset? How would this—how will staff determine  
8 who should participate? Is this not with the RESEA score?

9 CHUCK ROSS: So we would work with our  
10 Workforce Board partners to determine their capacity to serve to  
11 call-in claimants. Our RESEA grant has gone up exponentially  
12 since we first became eligible and we pass those grants on as  
13 you know to our Workforce partners to run the RESEA programs for  
14 us, and our—we would work with them to ensure that they're  
15 calling in claimants that they have the ability to serve but not  
16 calling in so many claimants that they know that they can't  
17 conserve—serve them but creating an artificial ineligibility if  
18 that's what you were—if that was your point.

19 COMMISSIONER ALVAREZ: Thank you, Chuck. The  
20 agency has contracted with the Public Policy Research Institute  
21 at Texas A&M to evaluate the RESEA program to determine best  
22 practices to scale across Texas. Why is this proposed  
23 legislation offered before the completion of this study?

24 CHUCK ROSS: As we mention in the proposal  
25 and many—OK.

1 COURTNEY ARBOUR: Good morning,  
2 commissioners, Mr. Serna. Courtney Arbour, Workforce Division. I  
3 can help with that one. Chuck, I certainly didn't mean to take  
4 the mic but-

5 CHUCK ROSS: Oh, no, please.

6 COURTNEY ARBOUR: I'll help.

7 CHUCK ROSS: Please, please.

8 COURTNEY ARBOUR: That is part of the new  
9 RESEA requirements. Department of Labor has been very clear that  
10 we need to use evidence in our decision making on how we operate  
11 this program, the way we conduct outreach and the services that  
12 are provided. Although there are some services laid out in the  
13 regulation, this change allows us to call more in so more  
14 claimants would have the benefit of the services provided, and  
15 you're right, commissioner, as that evaluation is completed and  
16 we make changes based on those best practices, this larger  
17 number of claimants will be benefitting from what we learn along  
18 the way.

19 COMMISSIONER ALVAREZ: So is the study going  
20 to be completed before we submit the legislation?

21 COURTNEY ARBOUR: It would not be completed,  
22 no. It will still be underway. I'm not sure of the date but that  
23 final report will be in but this—we're seeing this as two  
24 separate actions, allowing more to benefit from the services,  
25 and then that will inform future service provision.

1 COMMISSIONER ALVAREZ: Thank you, Courtney.  
2 Thank you. No further questions, chairman.

3 COMMISSIONER DEMERSON: None here.

4 CHAIRMAN DANIEL: So are we currently  
5 spending all of our RESEA money each year?

6 COURTNEY ARBOUR: We are not currently  
7 spending all of the funding.

8 CHAIRMAN DANIEL: What percentage would you  
9 estimate that we spend then?

10 COURTNEY ARBOUR: Oh, I should have that  
11 number and I'm not going to have it. I will tell you that last  
12 year to this year the amount that we distribute to boards went  
13 up from something like 11.6 to 8-sorry, 16.8 so the amount is  
14 increasing. I'm not going to be able to tell you on the spot the  
15 percentage that has gone unspent, but I will tell you that  
16 several states are facing that and looking for ways to serve  
17 more. We just received notice from Department of Labor this week  
18 that states who are ramping up in whatever ways we can have an  
19 opportunity to apply for additional funding so we're all working  
20 to serve as many as we can.

21 CHAIRMAN DANIEL: What does the RESEA  
22 program provide for someone who is receiving unemployment  
23 insurance benefits?

24 COURTNEY ARBOUR: The stated goal of-for the  
25 program with Department of Labor is to help people-claimants

1 return to work more quickly, and so in that the board's outreach  
2 for an initial orientation and then there are a number of  
3 mandated services for participants such as job referrals, help  
4 with a résumé, the development of an individual development plan  
5 which is basically helping them to establish the path to get  
6 back to work, and that may include training or support services.  
7 They are co-enrolled with other programs where there is a need.  
8 Those are just some of the examples, and job leads if I didn't  
9 mention that, job referrals.

10 CHAIRMAN DANIEL: So the RESEA money we  
11 distribute to the boards on some formula [inaudible], and the  
12 board then takes that money and uses it to provide one or more  
13 of these services to people who qualify. Is that correct?

14 COURTNEY ARBOUR: That's correct. The funds  
15 are primarily for staffing. This is one of the programs where  
16 it's very intentional on staffing to the degree you need so that  
17 you have enough people to help with those mandatory services.

18 CHAIRMAN DANIEL: So right now who  
19 participates in all this?

20 COURTNEY ARBOUR: Right now the participants  
21 in RESEA are those who are outreached, are those who are above  
22 what is called, this Chuck is where I'll let you jump in.  
23 There's a cut-off score that is used, and we're limited now by  
24 that so we can go no lower than the cut-off score in outreach  
25 which leaves a lot of people without those services.



1 CHUCK ROSS: As required by federal law, all  
2 states have to have a claimant profiling system that uses  
3 characteristics of the claimant, the nature of their last  
4 employment, etc., to determine what they're likely-to-exhaust-  
5 benefits score is, and for RESEA purposes we can only call in  
6 those claimants that are determined likely to exhaust benefits  
7 because those are the claimants against whom we can assess an  
8 ineligibility for not participating. Essentially what this  
9 proposal does is allows us to call in more individuals for RESEA  
10 services regardless of what their likely-to-exhaust score is.

11 CHAIRMAN DANIEL: Any further questions?

12 COMMISSIONER ALVAREZ: Chairman, you brought  
13 up some good points. I'm just curious, have we been—have we  
14 received input from the boards as far as their capacity? Have we  
15 had this discussion with the boards?

16 COURTNEY ARBOUR: We do talk regularly with  
17 the boards. Because the dollars of this program continue to  
18 increase and DOL continues to tell us that it will be—it's now a  
19 permanent program with ample funding, the boards understand that  
20 they would be funded to meet the need. Some already would be  
21 able with the current capacity to go—to expand their outreach  
22 should this legislative change pass. Others would possibly need—  
23 probably need additional staffing.

24 COMMISSIONER ALVAREZ: Thank you.

25

1                   CHUCK ROSS: The only other thing I would  
2 add is as Courtney mentioned and I alluded to, and it mentions  
3 in the paper, Department of Labor has been saying they made this  
4 a permanent program in 2018, RESEA, and they've been talking  
5 about having all claimants participating in these services  
6 because of the increased funding. If that were to happen, we  
7 would be here with this legislative proposal anyway because it  
8 raises a conformity issue with federal law so that's another  
9 reason is this preemptively takes care of the potential future  
10 conformity issue, and this is the last thing I would say, is  
11 your packet is a little bit outdated. On page 35 we give  
12 specific--there are some examples of legislative proposals. The  
13 Department of Labor actually responded to us yesterday. They  
14 said our proposal was confirming and either one of these  
15 language choices is fine.

16                   CHAIRMAN DANIEL: Do people who participate  
17 in RESEA, do they get off benefits faster than people who do  
18 not?

19                   CHUCK ROSS: Yes, sir, they do, and that's  
20 the intent of the RESEA and that's why it's tied to claimant  
21 profiling. Profiling occurs at the claimant's first payment, and  
22 so if you can get claimants into a workforce center into  
23 intensive RESEA services quickly, then that reduces the length  
24 of the spell of unemployment insurance duration, and Department  
25 of Labor has data that shows duration. The last I saw was

1 approximately two-week duration for participants in RESEA  
2 generally speaking.

3 CHAIRMAN DANIEL: Mathematically I think  
4 going back to work is financially more sound for a Texan than  
5 trying to remain on unemployment insurance benefits.

6 CHUCK ROSS: Absolutely.

7 CHAIRMAN DANIEL: [Inaudible].

8 CHUCK ROSS: Unemployment insurance is  
9 designed to be a temporary stopgap measure, approximately 40  
10 percent of what your previous working wage was.

11 CHAIRMAN DANIEL: Do the boards, do they try  
12 to match services to the employee? I mean so if you're dealing  
13 with someone and perhaps it's just an issue of not being able to  
14 know how to find a job, do they work with them in terms of using  
15 technology to find jobs or is it a training day scenario where  
16 you pair up with somebody who can show them the ropes and how to  
17 do things in that particular thing? Is it—do we match it to them  
18 or is it just a menu of items that we let them pick from? How  
19 are we doing that thing?

20 COURTNEY ARBOUR: When an individual attends  
21 that orientation and then starts to work one on one with the  
22 RESEA staff, they go through that individual development plan.  
23 That is where most of what you're talking about occurs, where  
24 they look at the education and the work experience of the person  
25 and the occupation, they were just laid off from to see if it

1 looks like they need to switch gears. They'll then offer other  
2 opportunities, short-term training through one of those other  
3 programs, the metrics online courses, anything else they've  
4 procured but it's really in that development plan phase where  
5 they look at the past and then to the future to see how to help  
6 customize.

7                   CHUCK ROSS: And one of the key services  
8 that they offer is work search review. The counselor will sit  
9 down with the RESEA claimant and go over their work search log  
10 to figure out if it's effective or not, and that's—like I said,  
11 this is designed early in the process to get the claimant  
12 reemployed and so if we can redirect their work search to either  
13 they are going to go back to their previous employment or  
14 they're not. If they're not, how do they go to some other  
15 employment. That's a key component of the RESEA services.

16                   CHAIRMAN DANIEL: Are there still about 500  
17 or 550,000 job analysis—job vacancy analysis pending in Texas?

18                   COURTNEY ARBOUR: I don't know the exact  
19 number but there are plenty of jobs for anyone and everyone.

20                   CHAIRMAN DANIEL: Last I looked which was  
21 about two weeks ago, there were 550 job vacancy announcements  
22 and there was about 550 people receiving unemployment insurance  
23 benefits. It strikes me that additional training might be the  
24 answer to that equation and give us some opportunities to do  
25 that. Any further questions or comments?

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

COMMISSIONER DEMERSON: None.

COMMISSIONER ALVAREZ: None here, chairman.

CHAIRMAN DANIEL: Is there a motion on this item?

COMMISSIONER ALVAREZ: Yes, chairman. I will vote to move forward with this legislative proposal on behalf of the agency.

COMMISSIONER DEMERSON: I second.

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

MICHAEL BRITT: Thank you. Finally on page 36 is a proposal related to child labor appeals. This proposal will amend the Texas Labor Code to provide an additional level of appeal to the commission in child labor cases which would be consistent with the appeals processes for wage claims and unemployment insurance claims appeals. The proposal would also make clarifying amendments to the Texas Child Labor Law resulting from sexually oriented business bills enacted during the previous legislative session.

CHAIRMAN DANIEL: Questions or comments?

COMMISSIONER ALVAREZ: Again I want to thank both of you for helping me clarify some of these questions that I have. No further questions.

COMMISSIONER DEMERSON: Nothing here.

1 CHAIRMAN DANIEL: Is there a motion on this  
2 item?

3 COMMISSIONER ALVAREZ: Chairman, I move that  
4 we support this legislation.

5 COMMISSIONER DEMERSON: I second that  
6 motion.

7 CHAIRMAN DANIEL: It's been moved and  
8 seconded and we're unanimous. Thank you.

9 MICHAEL BRITT: Thank you very much,  
10 commissioners. This concludes my presentation.

11 CHAIRMAN DANIEL: This is Agenda Item 13,  
12 local Workforce Development Board nominees.

13 CHERIE DUDLEY: Good morning, chairman,  
14 commissioners, Mr. Serna. For the record, Cherie Dudley with the  
15 Workforce Development Division. Today for your consideration we  
16 have Workforce Board nominations for Borderplex, North Central  
17 Texas, Tarrant County, West Central Texas, Permian Basin, and  
18 Rural Capital Area. Staff recommends approval on the presented  
19 nominees and I'm here to answer any questions you may have.

20 CHAIRMAN DANIEL: Any comments or questions?

21 COMMISSIONER ALVAREZ: None here, chairman.

22 COMMISSIONER DEMERSON: I may have some  
23 questions for Mr. Bobby Gear but, you know, we're good here.

24 CHAIRMAN DANIEL: That's a fair position to  
25 take. Is there a motion on this item?

1 COMMISSIONER ALVAREZ: Yes, chairman. I move  
2 to approve the board nominees for Borderplex, North Central  
3 Texas, Tarrant, West Central Texas, Permian Basin, and Rural  
4 Capital Area.

5 COMMISSIONER DEMERSON: Second.

6 CHAIRMAN DANIEL: It's been moved and  
7 seconded, and we're unanimous.

8 CHERIE DUDLEY: Thank you.

9 CHAIRMAN DANIEL: Thank you. This is Agenda  
10 Item 14, Revisions to WIOA-funded Online Training and  
11 Certification Initiative.

12 BEN HOLQUIST: Good morning, Chairman  
13 Daniel, Commissioner Alvarez, Commissioner Demerson, Mr. Serna.  
14 For the record, Ben Holquist, Workforce Development Division. On  
15 September 21, 2021, the Texas Workforce Commission approved a  
16 Training and Certification for In-Demand and Targeted  
17 Occupations Initiative. TWC staff have identified two  
18 interconnected challenges to this program, and they are seeking  
19 the commission's approval to revise the directive. The program  
20 was to procure online training with an emphasis on industry-  
21 based certifications. After review and procurement we have  
22 determined that there is a lack of industry-based certifications  
23 for hands-on work such as health care and manufacturing which  
24 were specifically identified that are available fully online and  
25 that the—our experience with our existing online training

1 provider found that certifications that were not industry-based  
2 and sought by employers were not being pursued by participants  
3 in the existing online training service. As such, staff  
4 recommends a change to the initial directive to remove the  
5 requirement for online certifications and instead make online  
6 certifications an additional component that may be offered if  
7 the vendor has a selection of online certifications relevant to  
8 high-demand jobs in Texas, and then to remove an emphasis on  
9 specific trainings for high-demand jobs and promote online  
10 courses in a variety of job skills that are in demand in Texas.  
11 This concludes my presentation and I'm happy to answer any  
12 questions.

13 CHAIRMAN DANIEL: Any comments or questions?

14 COMMISSIONER ALVAREZ: None here, chairman.

15 COMMISSIONER DEMERSON: None.

16 CHAIRMAN DANIEL: Is there a motion on this  
17 item?

18 COMMISSIONER ALVAREZ: Chairman, I move that  
19 we modify the Training and Certifications for the In-Demand and  
20 Targeted Occupations initiated as follows: Online certifications  
21 are no longer required to be offered but are allowed to be  
22 offered if available, and the initiative now emphasizes an in-  
23 demand job skills in Texas rather than specific training as  
24 recommended by staff and described in the discussion paper.

25 COMMISSIONER DEMERSON: Second.



1 CHAIRMAN DANIEL: It's been moved and  
2 seconded, and we're unanimous. Is there any additional  
3 legislative reporting?

4 MR. SERNA: I think we do have a legislative  
5 report. He didn't have enough time up here, wanted more time.

6 COMMISSIONER DEMERSON: Glutton for  
7 punishment.

8 MICHAEL BRITT: Good morning again. It's  
9 still morning, right? Good morning, Chairman Daniel,  
10 commissioners, Mr. Serna. Again for the record, Michael Britt,  
11 Governmental Relations. As you are all aware, federal government  
12 funding is currently set to expire on Friday, December 16<sup>th</sup>.  
13 Congressional leaders are still working out the details of a  
14 funding measure to extend government funding beyond that date,  
15 and as an agreement has not yet been reached, congressional  
16 leaders have been expressing support if needed for the  
17 possibility of passing a short-term continuing resolution beyond  
18 the December 16<sup>th</sup> deadline to give them the appropriate amount of  
19 time to finish their work on a larger funding bill and  
20 preventing any possibility of a government shutdown. Regarding  
21 the Texas Legislature, this Friday the Senate Committee on  
22 Criminal Justice has requested that TWC testify at their hearing  
23 on a panel with the Texas Department of Criminal Justice, the  
24 Texas Department of Licensing and Regulation, and the Wyndham  
25 School District. The committee has asked the agencies together

1 to provide an update on their collaborative work on reentry  
2 programs for offenders, and Courtney Arbour will be testifying  
3 at that hearing on behalf of the agency. Just in case anybody  
4 wasn't keeping track, just a reminder that the 88<sup>th</sup> Texas  
5 Legislative Session will begin on Tuesday, January 10th at 12  
6 o'clock noon. That concludes my remarks. I'm happy to answer any  
7 questions.

8 CHAIRMAN DANIEL: Any comments or questions?

9 COMMISSIONER ALVAREZ: No, thank you.

10 COMMISSIONER DEMERSON: None here.

11 MICHAEL BRITT: Thank you.

12 MR. SERNA: Very brief statement expressing  
13 my personal as well as staff's appreciation for Commissioner  
14 Alvarez's tenure as our commissioner representing labor. We've  
15 appreciated working with the commissioner and his staff on  
16 initiatives. Though sometimes contentious, most of the time very  
17 successful, and we appreciate all the commissioner's support and  
18 wish him well in his future endeavors, and that's all I have,  
19 Mr. Chairman.

20 CHAIRMAN DANIEL: All right, any other order  
21 of business to come before the commission?

22 COMMISSIONER ALVAREZ: I just have one thing  
23 I'd like to say regarding maybe some policy but other than that--  
24 and then after that maybe a personal remarks. The HB619 Early  
25 Childhood Workforce Strategic Plan presents this agency with a

1 significant opportunity to address the current child care  
2 staffing crisis and articulate solutions to the legislature that  
3 can be—that can act on the increased investments in our state’s  
4 early childhood educators. I hope that this agency seizes this  
5 opportunity to set a bold vision for early childhood workforce.  
6 That’s to staff. On a personal note, as you know last week I  
7 indicated, or I informed everybody that I would be stepping down  
8 on December 15<sup>th</sup>. It has been a pleasure to work with each and  
9 every one of you as a team and as an equal. I hope that our  
10 office made a difference in the lives of those that are less  
11 fortunate as I know what it’s like to be less fortunate. I think  
12 last time I had an opportunity to thank Gabi [SP]. Gabi was part  
13 of my—the process of being appointed, taking a guy from South  
14 Texas and giving him the opportunity of a lifetime to make the—  
15 to change and to make a difference in the lives of so many  
16 people that are unfortunate and have circumstances or as  
17 Jeanette De La Cruz says, life happens, has been extremely so  
18 gratifying and I’m so grateful to Governor Abbott for selecting  
19 a first time—first-generation Hispanic individual from the South  
20 Texas border, just miles away from the border wall, to represent  
21 this great state and especially the division of the Texas  
22 Workforce Commission specifically representing the interests of  
23 those in labor. To my union comrades and those, my brothers and  
24 sisters in that have done amazing work on the front line, I’m so  
25 grateful to folks like, you know, I can’t think of their names

1 right now but like Wayne Lord and some of the other folks who  
2 represent organized labor, Joe Cooper and them. I'm so grateful  
3 that when I early on I knew nothing about what this position was  
4 going to be asking of me, but they were such good teachers, and  
5 of course I had two commissioners that I listened to for the  
6 first time like Rick Hughes and Andres Alcantar that I learned a  
7 lot from. I continue to learn with the commission that we have  
8 here today. I'm so very grateful for everything—afforded the  
9 opportunity to represent each and every one of you. It's sad  
10 that I'll be leaving but, you know, the things that I have  
11 learned along the way are just so impactful and I will continue  
12 doing that just at a different capacity. You know one of the  
13 reasons that I decided not to seek another term was because I  
14 felt like it was time for me to spend some time with my elderly  
15 father who's in great shape, will be 81 in a couple of weeks,  
16 and I just felt like it was time for me to spend a little bit  
17 more time with him and with family but as I've mentioned to many  
18 of you, I've always had family. You all were always my family  
19 and so I hope I always treated you all like equals, and I'm just  
20 so grateful again to you all for allowing me to—an opportunity  
21 to represent this—as the commissioner representing labor. I've  
22 learned so much. I carried a picture of my mother at every  
23 commission meeting and so I wanted to just show that. I lost her  
24 20 years ago, but she was always with me when I was up here. And  
25 then of course I want to take this opportunity to thank my

1 staff, Jade Ybarra, who has a smile from ear to ear, Alaina  
2 Zachmann who has been a jewel to the office, Holly Aspen who has  
3 been incredible and today was her first day as lead attorney  
4 for—which was one of our best meetings so thank you, Ashley, I  
5 mean Holly. James Sutton who has been a super wise and very  
6 smart friend who has taken the lead as our lead attorney for the  
7 agency, Brady Akers who just finished his master's first  
8 semester at UT, and of course none of this would have been  
9 possible if it hadn't been for the true commissioner of my  
10 office and that's Jeanette De La Cruz, so I'm so eternally  
11 grateful for everything you've done. So with that said, I am  
12 very happy to just inform you that this will be my last meeting.  
13 I think next Wednesday is my last day here and, Erin, you have  
14 been a friend of mine. It's unfortunate that we couldn't spend  
15 any more time together, you know, going to eat at Polvos with  
16 your staff and chewing out on those tortillas until we couldn't  
17 eat any more, and of course, chairman, I appreciate working with  
18 you the last couple of years so I certainly have learned a lot  
19 and so I am very grateful to have been—to finish my time here  
20 with the commission with both of you here so—I have no doubt  
21 that, as I mentioned last Tuesday, that you will support the  
22 interests of the next commissioner representing labor so thank  
23 you for that, and I thank all of you for the great work that you  
24 continue to do to serve our Texans so thank you.

25

1                   CHAIRMAN DANIEL: Well, commissioner, very  
2 little in life is certain but you can always have great  
3 certainty that you a hundred percent had a positive impact on  
4 the lives of hundreds of thousands of Texans. No matter what  
5 else happens, that happened, and I think you can take great  
6 pride in what you've done there. Nothing in life is permanent.  
7 Each adventure gives way to a new adventure, and I think all  
8 things have their season. That gets proved out time and time  
9 again, and so you've reached the end of this adventure and  
10 you'll embark on the next one. I think what I know to be true is  
11 you may not be a part of this commission any longer, but you'll  
12 still have plenty of friends here in Austin. I hope you'll come  
13 see us.

14                   COMMISSIONER ALVAREZ: Thank you.

15                   CHAIRMAN DANIEL: Thank you.

16                   COMMISSIONER DEMERSON: Chairman, let me  
17 echo some of those sentiments in kind of a bittersweet moment,  
18 bittersweet day but real excited for what the future holds for  
19 you, Commissioner Alvarez, and so let me just thank you for the  
20 work that you've done but more importantly the action that  
21 you've taken and then the results that we've received here in  
22 the state but especially proud of what's happened in the Valley  
23 as well, and so a lot of initiatives that have been pushed  
24 forward by you really leaving a legacy in that regard so when we  
25 talk about the HireAbility program, that's something that we

1 didn't have, and Cheryl Fuller and her team but we have that now  
2 and that's forward thinking. There are a number of other  
3 initiatives that have been pushed forward so we'd like to say  
4 it's not goodbye or so long or anything. We're going to see you  
5 soon but super excited for what the future holds and what you  
6 will be able to do from that standpoint with this team and  
7 others but especially thankful for the friendship and the  
8 relationship, and the Joe's Bakery and Polvos and the many  
9 stories that we have, and getting the band out there and the  
10 like, and it's been a joy and looking forward to the next  
11 chapter as the chairman had mentioned so thank you for  
12 everything. Again bittersweet but excited for you and what a  
13 blessing and delighted that you shared the story about your  
14 mother as well, and so what a way to end it, so job well done.

15 COMMISSIONER ALVAREZ: Thank you.

16 CHAIRMAN DANIEL: All right, if there's no  
17 further business, we'll entertain a motion to adjourn.

18 COMMISSIONER ALVAREZ: Chairman, I move that  
19 we adjourn.

20 COMMISSIONER DEMERSON: I guess I'll second  
21 that motion. Second the motion, second.

22 CHAIRMAN DANIEL: It's been moved and  
23 seconded to adjourn. Any further discussion?

24 COMMISSIONER ALVAREZ: No.

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

CHAIRMAN DANIEL: Hearing none, we're  
adjourned.