Texas Veterans Commission Meeting Minutes

Second Quarterly Meeting (FY 2013)
February 11, 2013

I. Call to Order

Chairman Cantu called to order the Second Quarterly Meeting of the Texas Veterans Commission (TVC) at 9:08 a.m. on February 11, 2013, in Room 170 of the Stephen F. Austin Building at 1700 North Congress Avenue, Austin, Texas 78701.

The following Commissioners, constituting a quorum, were present:

Eliseo "Al" Cantu, Chairman
James H. Scott, Vice Chairman
Richard A. McLeon, IV, Secretary
Daniel P. Moran, Member
J.K. "Jake" Ellzey, Member

Also present was Thomas P. Palladino, Executive Director.

Also present: See the attached list.

Secretary McLeon gave the opening prayer. Vice Chairman Scott led the Pledge of Allegiance to the United States flag and Commissioner Moran led the Pledge of Allegiance to the Texas flag.

Chairman Cantu welcomed visitors to the meeting. He introduced the TVC new employees working at TVC Headquarters: Michael Butler, Program Specialist, Veterans Education program; Barbara Carter returned to work at TVC as the Finance Payroll Accountant; Vance Roper, Legislative intern, working with TVC Legislative Liaison Jeff Williford; and Rebecca Ligon, Grant Compliance Officer, Fund for Veterans' Assistance program, who was not able to attend the meeting.

II. Public Comment

Morgan Little, Texas Committee for Employer Support of the Guard and Reserve (ESGR) representative, provided an update regarding the summary of Ombudsman Cases for 2012 as of February 11, 2013. ESGR has handled 218 cases; 90 cases have been resolved; 128 cases have not been resolved; out of the 128 unresolved cases there were 63 with no agreement; 65 Admin Closures. Mobilization numbers as of February 6, 2013 total 53,668.

III. Approval of Minutes of the First Quarterly meeting held November 7, 2012

The minutes were previously distributed to the Commissioners.

MOTION:	Approve the minutes of the First Quarterly Meeting held on November 7, 2012, as presented.
MADE BY:	Vice Chairman Scott
SECONDED BY:	Commissioner Moran
ACTION:	The motion passed unanimously.

IV. Report, Presentation and/or Action by Representatives of the Advisory Committees

A. Veterans Communications Advisory Committee – No report was given by this committee.

B. Veterans Employment and Training – Richard Hatfield, Chair
Richard Hatfield provided a summary of activities of the committee since the last report to the Commission. He stated the last meeting was held on January 8, 2013. Richard Hatfield was re-elected as Committee Chair and John DiPiero was elected Committee Vice-Chair. Mr. Hatfield noted that two presentations were given at the committee's last meeting. Dr. MacGregor Stephenson of the Higher Education Coordinating Board gave a presentation regarding the College Credit for Heroes, which would allow trade schools and educational skills to be transferred into college credit for veterans. Stan Kurtz, TVC Headquarters Veterans Employment Services, Operations Manager, gave his presentation on the VES program. Both presentations were also given at the Texas Workforce Investment Council (TWIC) meeting in December 2012. Dr. Stephenson noted that members of the TWIC would desire to see veterans secure college credits for their training and experience. The City of Austin will be creating a Veterans Commission for the city. The next Advisory Committee meeting will be held on April 4, 2013.

C. Fund for Veterans' Assistance – Thomas Smith, Chair
General Smith provided a summary of activities of the committee since its last report to the Commission. The Committee continues to work with the Communications Advisory Committee on increasing public awareness and visibility of the Texas Veterans Lottery scratch-off tickets. The Committee is continuing to work with the Texas Department of Motor Vehicles (DVM) on the technical issue for the donation blocks on the vehicle registration forms. There have been discussions with the CEO of USAA to have information about the Veterans Lottery scratch-off tickets and the DVM vehicle registration donation distributed to USAA staff and all Texas USAA members. The annual San

Antonio Rodeo will be held in February and every effort is being made to promote the Veterans Lottery scratch-off tickets to rodeo attendees. The Committee will have a booth set up at the TVC Veterans Summit Expo on February 11-13, 2013. The FVA Advisory Committee will meet again on February 12th for a FVA training session during the TVC Veterans Summit. Five new Committee members plan to attend this training session as part of their required training as Committee members.

V. Report, Presentation and/or Action regarding Executive Director Report

Thomas Palladino, Executive Director, provided a review of his visits with staff, public speaking events, future meetings, accolades, and general information items. The current Texas and U.S. Casualty Report was previously provided to Commissioners. Mr. Palladino noted that he and staff have been attending and testifying at State Legislative Hearings and will continue scheduling meetings with legislators. One TVC budget initiative is to increase funding received from the State in order to put more full time employees (FTEs) in the Regional Offices to address the backlog of VA disability claims. Mr. Palladino noted TVC has had numerous meetings with VA Regional Office Directors and staff regarding the backlog issue. The Annual Veterans Summit is scheduled in Austin at the Palmer Events Center from February 11th through February 13th. The TVC Spring Training Conference will be held in San Antonio beginning May 20th through May 23rd.

VI. Report, Presentation and/or Action regarding Legislative Update

Jeff Williford, Legislative Liasion, presented the Legislative Update. He noted that Representative Jose Menendez has replaced Representative Joe Pickett as Chair of the House Defense and Veterans' Affairs Committee. Senator Leticia Van de Putte continues to serve as Chair of the Senate Committee on Veteran Affairs and Military Installations (VAMI). On February 6th, Executive Director Palladino and Vice Chairman Jim Scott provided testimony at the Senate Finance Hearing. Chairman Cantu and Executive Director Palladino will provide testimony at the House Appropriations Sub-Committee Hearing scheduled for February 12th. There will be a VAMI hearing scheduled for February 20th and VAMI hearings will be scheduled each Wednesday throughout the session. Currently there are 76 legislative bills concerning veterans and the military that TVC staff will monitor. Mr. Williford provided a booklet that included the Legislative Appropriations Request (LAR), House Bill 1 and Senate Bill 1 (TVC budget as filed), testimony that Executive Director Palladino presented at the Senate Finance Hearing, House and Senate Committee assignments, contact information for legislative offices, summary of the legislative bills currently filed, the Texas Coordinating Council for Veterans Services report, the Annual Legislative Budget Board report, and the interim charges and reports released by the VAMI Committee and the House Defense and Veterans' Affairs Committee.

VII. Report, Presentation and/or Action regarding Agency Programs and Divisions

The Commissioners reviewed the Quarterly Program Reports and Program Snapshots that were previously provided. Directors were provided the opportunity to brief the Commission on any new items or highlight significant items.

A. Jim Richman, Director of Claims Representation and Counseling, reported on the success of the past five "Beating the VA Backlog" events. He noted that Claims staff during the Backlog events served 1,075 veterans regarding their old claims; taken 410 monetary claims; 26 appeals; and accepted 344 TVC Powers of Attorney (POA). More Backlog events have been proposed to be held in Corpus Christi, in the West Texas area and in the Deep East Texas area. There is no report from the new County Service Officer (CSO) Advisory Committee at this time. The CSO Advisory Committee will be meeting at the upcoming TVC Summit and a Committee report will be given at the next Commission meeting. Claims staff is preparing for the upcoming TVC Spring Training Conference in San Antonio in May 2013. VA Secretary Eric Shinseki and VA Under Secretary of Benefits Allison Hickey have stated by the year 2015 all VA Claims will be processed within 125 days with 98% accuracy. Mr. Richman noted that the TVC Strike Force Teams (SFT) have the support of Governor Perry, Lt. Governor Dewhurst and Speaker Straus and will have a great impact on the VA backlog issue in Texas. He noted that a recent report of the 36 Strike Force Team members has been impressive: 11,403 cases reviewed; 3,212 cases were referred to the VA rated for decision; 8,191 cases have been returned to VA for additional action that the VA requires for those veteran claims. The Fully Developed Claims Teams (FDC) have submitted to the VA 2,059 fully-developed claims for processing under 90 days; 20 cases that met the criteria for the pledge cases which meant those cases were processed in two weeks or less. According to the Houston VA Regional Office Director, Pritz Navaratnasingam, TVC recently presented pledge cases to the VA which were filed, adjudicated and completed in 1-1/2 hours. Mr. Richman stated that the SFT staff will work on the older claims cases, the FDC staff will work on reducing the timeliness coming into the claims process, and the new additional 16 SFT staff members will work on the non-rating decisions (monetary claim cases). He also noted that retired VA employees are inquiring about TVC jobs for the SFT and FDC. The total pending cases in Texas as of January 22, 2013 totaled 139,898 cases with 28, 611 appeals pending. He noted that approximately 65,000 cases are in the backlog, however, the non-rating cases are not counted in the VA backlog and many of those non-rating cases are over 600 days old. The current VA pending cases in Texas has doubled from two years ago and the current VA pending appeals has quadrupled from two years ago. Mr. Richman stated that the Service Connected Claims figure is currently 2,710 cases above the 1st Quarter Performance Measure Objective. He noted that TVC had never missed an appeals performance measure until last year and that was due to the Waco Regional Office (RO) total work load consisting of 85% Nehmer cases and the RO was not making decisions to appeal cases. Mr. Richman explained the VA Bosch Video Management System (BVMS) which is

part of the paperless system the VA has implemented. Mr. Richman noted that paperwork will still have to be filled out and documents will be scanned and transferred electronically to other centralized locations. However, he would not encourage veterans to fill out VA claim forms online on their own due to the fact they would lose the advocacy and advice the TVC Claims staff can provide. TVC will participate fully in the advocate portal in the BVMS. Gary Ivy, Veterans Counselor, has participated in two meetings in Houston regarding the BVMS pilot. Commissioner Ellzey inquired about the final feedback at the Arlington Backlog event and Mr. Richman noted that 270 veterans were assisted at that event with approximately 300 appointments scheduled. Vice Chairman Scott asked about the definition of backlog and Mr. Richman noted the VA defines that as claims that are 125 days or more. Mr. Richman noted that a veteran who knew Commissioner Ellzey had submitted a fully developed claim six months ago and it took 168 days and reached backlog status. At that point, TVC has the opportunity to provide further evidence and to appeal and he further noted it could take another year to have all aspects of that claim satisfied. Chairman Cantu commented that the Harlingen Backlog event he attended was a great success with the 2nd largest turnout of veterans at a TVC Backlog event. He noted that there was no VA representative at the Backlog event in Harlingen that could verify who had the Power of Attorney (POA). Mr. Richman announced that his 26th anniversary working with TVC will be coming up soon.

B. Shawn Deabay, Director of Veterans Employment Services (VES), reported that this year the Department of Labor of Veterans' Employment and Training Services (DOL-VETS) has not negotiated performance goals for any states. TVC staff will be using last year's program year for VES performance goals. The actual Federal Performance Levels were meeting the Disabled Veterans' Outreach Program (DVOP) Entered Employment Rate (EER). The other six Federal Performance Levels are exceeding current measures. He noted that the Veteran Entered Employment Rate Weighted is at 62.8% over the 56% goal. The three State Performance Measures were exceeding during the 1st Quarter assisting approximately 21,000 veterans: EER totaled 66.5% of veterans assisted; Employment Retention Rate totaled 83.7%. Since July 2012, the four VES staff members of the Veterans Business Representative (VBR) program have helped 116 veterans to enter directly into employment. Mr. Deabay noted that VA Deputy Assistant Secretary of DOL-VETS John Moran will be meeting with Director Palladino and VES staff and will be speaking at the TVC Summit. A Quarterly meeting of all VES Regional Managers will held during the TVC Summit.

C. Murel Miller, Manager, Veterans Education, gave the report in the absence of Rufus Coburn who was attending the Winter National Association of State Approving Agencies Conference in Washington, D.C. Mr. Miller noted that technical assistance visits to school officials will increase in the coming spring months. Rufus Coburn visited the Sonny Montgomery Veterans Resource Center in Starksville, Mississippi in December 2012. This campus has doubled the

number of veteran students due to the advent of the Post 9/11 GI Bill. Mike Butler recently joined the Veterans Education staff as the new Program Specialist.

D. Kathy Wood, Director, Fund for Veterans' Assistance (FVA), reported that the FVA's Series XIII-A Request for Applications was posted on January 25th. She noted that grant applications will be accepted until 4:00 p.m. on February 28th. The funding recommendations will be made by the FVA Advisory Committee for presentation to the Commission later this spring. FVA staff will be hosting a meeting/webinar that will be conducted by FVA staff for Series XIII-A applicants on Monday, February 11, 2013 at the Palmer Events Center. Concurrently, FVA staff will be conducting grant report training for all Series VIII grantees on Monday, February 11, 2013. Additionally, Greenlights for Nonprofit Success and Breland Facilitation Group will conduct training seminars, open to all, on best practices for grant administration. FVA staff have participated in several recent development and training events. FVA staff participated in outreach events in November 2012 in San Antonio with the Wounded Warrior Workshop and in Fort Worth with the Armed Forces Bowl in December 2012. There have been 25 grant agreements compiled by staff and reviewed by TVC Legal staff and have been executed for the Series VIII grant awards that began January 1, 2013. Rebecca Ligon recently joined the FVA staff as the new Grant Officer.

E. Cruz Montemayor, Chief Administrative Officer, reported on major activities and accomplishments. He reported that TVC successfully passed the first Department of Public Safety (DPS) background check audit. The Administration staff has coordinated with the Claims staff on the recent VA Backlog Claims Clinic events. He noted at the Harlingen Backlog Clinic the local press in the Valley put the information about the Backlog Clinic in many newspapers in the area but didn't include the details about registering for the event. The event in Harlingen had the highest number of walk-ins to see Claims counselors. The Women's Veteran Program (WVP) Coordinator had organized many events in November 2012 and will be active in the TVC Summit. The WVP and the Veterans Entrepreneur Program (VEP) seminars are sold out for the upcoming Veterans Summit. He noted that a new staff member will be added to the Communications program to assist in the press releases and other projects.

F. Chip Osborne, Chief Financial Officer, reported on major activities and accomplishments. He noted that the Annual Financial Report and the Annual Non-Financial Data Report was submitted on time with no issues. A copy of both reports will be sent to each Commissioner. Mr. Osborne acknowledged the Finance team for their work in processing travel vouchers, accounts payable, and purchase requests due to the recent Backlog Claims Clinics.

VIII. Report, Presentation on Appropriation Year 2013 Quarter Operating Statement

Chip Osborne, Chief Financial Officer, presented the report on the Appropriation Year 2013 Operating Statement. The Finance staff made some adjustments to the Operating Budget. The Governor's Office gave TVC the authorization to execute $4.5 million for the current Strike Force Team including another additional $500,000 for a grand total of 50 FTEs. He noted that none of the other TVC programs are at risk due to these adjustments. The Finance staff will work the budget to borrow from the 4th Quarter and move those funds into the current operational expenses. TVC is currently financially sound from the 1st Quarter through the 3rd Quarter. Discussions will continue with the Governor's Office and Legislative Budget Board (LBB) on the supplemental funds.

No motion to approve needed.

IX. Report, Presentation and/or Action to Adopt Amendments to 40 TAC Section 450.3, General Provisions regarding Veterans County Service Officers Certificate of Training

Karen Fastenau, General Counsel, presented staff's recommendation to Adopt Amendments to 40 TAC Section 450.3, General Provisions regarding Veterans County Service Officers Certificate of Training, which was previously provided to Commissioners.

MOTION:	Approve the adoption of Amendments to 40 TAC Section 450.3, General Provisions regarding Veterans County Service Officers Certificate of Training, as presented.
MADE BY:	Secretary McLeon
SECONDED BY:	Commissioner Moran
ACTION:	The motion passed unanimously.

X. Report, Presentation and/or Action to Adopt Amendments to 40 TAC Section 451.3, General Provisions regarding Veterans County Service Officers Accreditation

Karen Fastenau, General Counsel, presented staff's recommendation to Adopt Amendments to 40 TAC Section 451.3, General Provisions regarding Veterans County Service Officers Accreditation, which was previously provided to Commissioners.

MOTION:	Approve the adoption of Amendments to 40 TAC Section 451.3, General Provisions regarding Veterans County Service Officers Accreditation, as presented.

MADE BY: Vice Chairman Scott

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

XI. Report, Presentation and/or Action to Adopt Amendments to 40 TAC Section 460.2, Definitions regarding the Fund for Veterans' Assistance Program

Karen Fastenau, General Counsel, presented staff's recommendation to Adopt Amendments to 40 TAC Chapter 460.2, Definitions regarding the Fund for Veterans' Assistance Program, which was previously provided to Commissioners.

MOTION: Approve the Adoption of Amendments to 40 TAC Section 460.2, Definitions regarding the Fund for Veterans' Assistance Program, as presented.

MADE BY: Commissioner Ellzey

SECONDED BY: Vice Chairman Scott

ACTION: The motion passed unanimously.

XII. Report, Presentation and/or Action to Propose Amendments to 40 TAC Section 452.2, Advisory Committees

Karen Fastenau, General Counsel, presented staff's recommendation to Propose Amendments to 40 TAC, Section 452.2, Advisory Committees, regarding the selection of the presiding chair of the committees, which was previously provided to Commissioners.

MOTION: Approve the Proposed Amendments to 40 TAC Section 452.2, for publication in the *Texas Register*, as presented.

MADE BY: Commissioner Moran

SECONDED BY: Commissioner Ellzey

ACTION: The motion passed unanimously.

XIII. Report, Presentation and/or Action regarding TVC Fund for Veterans' Assistance General Assistance Grants

Kathy Wood, Director of the Fund for Veterans' Assistance, presented program updates and proposed changes.

A. The FVA staff was notified in writing that USA Cares no longer maintains a physical location in the state of Texas. USA Cares was awarded an FVA grant in November 2012. FVA staff recommends rescinding the grant award to USA Cares in the amount $75,000.00 and using the amount in the upcoming Series XIII grant funding.

MOTION:	Approve rescinding the grant award to USA Cares in the amount $75,000.00 and using the amount in the upcoming Series XIII grant funding.
MADE BY:	Commissioner Moran
SECONDED BY:	Commissioner Ellzey
ACTION:	The motion passed unanimously.

B. The FVA staff recommends that the Commission endorse standardizing fixed amounts in the funding recommendations made by the FVA Advisory Committee and in the grant application. The benefit of standardized fixed grant amounts would significantly reduce the amount of time grantees and staff spends on reworking grant applications.

MOTION:	Approve the recommendation to standardize fixed amounts in the funding recommendations made by the FVA Advisory Committee in the grant applications.
MADE BY:	Commissioner Ellzey
SECONDED BY:	Vice Chairman Scott
ACTION:	The motion passed with 3 yeas (Cantu, Scott & Ellzey) & 2 nays (McLeon & Moran).

C. The FVA staff recommends a proposed change to the grant application process starting with the July 2013 grant cycle. The application documents will be revised to include all the instructions, fiscal guidelines, and contractual elements in one Request for Applications (RFA) document. The RFA, combined with the completed application, contains the entire grant application package. Grant awards will be

made through a Notification of Grant Award (NOGA). The NOGA is a one-page document that contractually awards the funding to the grantee. The RFA, the completed application, and the NOGA are the entire grant award. The consolidation of all documents, with the culmination of the NOGA, eliminates document confusion and assists the grantee in understanding all requirements of the grant when applying for the grant.

MOTION:	Approve the recommendation to the revise the grant application to include all the instructions, guidelines, and contractual elements in a Request for Applications (RFA) and implement the Notification of Grant Award (NOGA) document.
MADE BY:	Commissioner Moran
SECONDED BY:	Vice Chairman Scott
ACTION:	The motion passed unanimously.

Kathy Wood noted that three FVA staff members will review each grant application evaluation and rank each application numerically. This will be an internal process that will begin with the current grant posted. FVA Advisory Committee members and Commission will still be provided documents showing the five categories of Unsatisfactory, Below Average, Satisfactory, Commendable, and Outstanding.

XIV. Report, Presentation and/or Action regarding Request to Exceed the Full-Time-Equivalent Employee (FTE) Limitation for the Agency

Cruz Montemayor, Chief Administrative Officer, presented the Request to Exceed the Full-Time-Equivalent Employee (FTE) Limitation for the Agency to the Commissioners.

MOTION:	Approve the Request to exceed the number of Full-Time-Equivalent Employees (FTEs) authorized for TVC in the General Appropriations Act by additional 16 FTEs to augment the 34 FTEs that were previously authorized.
MADE BY:	Vice Chairman Scott
SECONDED BY:	Commissioner Moran
ACTION:	The motion passed unanimously.

XV. Discussion of date, time and location of next Commission meeting

Chairman Cantu reported the Third Quarterly Commission meeting for FY 2013 will be held on May 8th at 9:00am, SFA Building, Room 170. There will be a FVA Special Meeting on Monday, May 20th at the TVC Spring Conference in San Antonio to review and approve the FVA grant recommendations.

Chairman Cantu called for an Executive Session at 10:55 a.m.

Chairman Cantu reconvened the open meeting at 11:24 a.m.

XVII. Discuss and Take Possible Action on the Items Considered in Executive Session

None.

XVIII. Adjournment

Chairman Cantu adjourned the meeting at 11:30 a.m.

MOTION:	Adjourn
MADE BY:	Vice Chairman Scott
SECONDED BY:	Commissioner Moran
ACTION:	The motion passed unanimously.

Minutes Approved by:

Eliseo "Al" Cantu, Jr., Chairman

TEXAS VETERANS COMMISSION
2nd Quarterly Commission Meeting
FY 2013 – February 11, 2013
9:00 a.m. Stephen F. Austin Bldg. -- Room 170
Speakers & Visitors

Shana Gooch
Governor's Advisor
Office of the Governor

Richard Hatfield
Chair, Veterans Employment & Training Advisory Committee

Dr. Suzanna Hupp
Health & Human Services Commission
Special Advisor to HHSC Commissioner Kyle Janek

Morgan Little
Chair, Tx. Coalition of Veteran Organizations
Member, FVA Advisory Committee

Aggie Lopez
Veteran

Jude Prather
Hays County, Veteran County Service Officer

General Thomas G. Smith
Chair, Fund for Veterans' Assistance Advisory Committee

Ken Wallingford
Veterans Liaison, Texas Veterans Land Board