

# Texas Veterans Commission Meeting Minutes

Third Quarterly Meeting (FY 2016)  
May 4, 2016

## I. Call to order.

Chairman Eliseo Cantu called to order the 3rd Quarterly Commission Meeting of the Texas Veterans Commission (TVC) at 9:00 a.m. on May 4, 2016 at the Stephen F. Austin Building, 1700 N. Congress Avenue, Room 170, Austin, Texas 78701.

The following Commissioners, constituting a quorum were present:

Eliseo "Al" Cantu, Chairman  
James H. Scott, Vice Chairman  
Jake Ellzey, Secretary  
Richard A. McLeon, IV, Commissioner  
Dan Moran, Commissioner

Also present was Thomas P. Palladino, Executive Director.

Also present: See the attached list.

Commissioner Richard McLeon led the opening Prayer. Pledge of Allegiance to the United States Flag was led by Vice Chairman Scott and Secretary, Jake Ellzey led the Pledge of Allegiance to the Texas Flag.

*Note: The Commission took up Agenda Items XXIII and XXIV to go into Executive Session.*

## **XXIII. Executive Session.**

Executive Session was held from 9:05 a.m. to 9:40 a.m.

## **XXIV. Discussion and take possible action on the items considered in Executive Session.**

There were no items to take action on.

*Note: The Commission proceeded with its regular order of business.*

Chairman Cantu introduced the new Texas Veterans Commission staff members.

**II. Public Comment.**

Duncan McGhee, Former Director of the Veteran Entrepreneur Program, made public comment regarding the Veteran Business Outreach Center (VBOC) grant which he felt would multiply the outreach capabilities of TVC. VEP completed an application for the grant, however TVC opted not to pursue the application at that time. Mr. McGhee provided the commissioners with information regarding VBOC.

**III. Approve the Minutes of the 2nd Quarterly Commission Meeting held on February 10, 2016.**

The minutes for the 2nd Quarterly Meeting held on February 10, 2016 were previously distributed to the Commissioners.

**MOTION:** Approve the minutes of the 2nd Quarterly Meeting held on February 10, 2016.

**MADE BY:** Secretary Ellzey

**SECONDED BY:** Vice Chairman Scott

**ACTION:** The motion passed unanimously.

**IV. Report, presentation and/or action by representatives of the Veterans Communication Advisory Committee.**

Maureen Jouett, Co-Chair of the Veterans Communication Advisory Committee, provided a summary of activities conducted by the Veterans Communication Advisory Committee since its last report to the Commission. The Advisory Committee has received applicant/nomination information for the annual TVC Excellence in Media Awards. On July 12, 2016 the committee will meet and make decisions on the award recipients and present the awards at the Fall Conference in September.

**V. Report, presentation and/or action by representatives of the Veterans Employment and Training Advisory Committee.**

Tim Shatto, Veterans Employment Services Operations Manager, provided a summary of activities conducted by the Veterans Employment and Training Advisory Committee since its last report to the Commission. Mr. Shatto also discussed the plan to review the TVC Employer of Veterans Awards program and make recommended changes. The decision will be finalized during the quarterly advisory meeting on June 7, 2016.

**VI. Report, presentation and/or action by representatives of the Fund for Veterans' Assistance Advisory Committee.**

Perry Jefferies, Chairman of the Fund for Veterans' Assistance Advisory Committee, provided a summary of activities conducted by the Advisory Committee since its last report to the Commission. Specifically, The General Assistance 16B Grants application review process and the selection of recommended recipients. The committee recommended 32 applicants totaling \$5,295,000. The specifics are discussed later in Agenda Item XX.

**VII. Report, presentation and/or action by representatives of the Veterans County Service Officer Advisory Committee.**

Jesus Simental, Director of Claims Representation and Counseling, provided the report for the Veterans County Service Officer (VCSO) Advisory Committee. The Veterans County Service Officers have requested a quarterly communication with the Director and recently had their first meeting where there were 56 attendees. The next Advisory Committee meeting will be held June 16 and at that time will discuss the accreditation process. Also discussed was the need for two computers for VCSOs in rural counties. The VCSO Advisory Committee requested assistance from TVC for these computers. However, it is understood that the county should provide these computers, but when the county is unable to do so, TVC can provide computers only if there are extra computers to loan.

**VIII. Report, presentation and/or action regarding Advisory Committees membership.**

Cruz Montemayor, Deputy Executive Director, informed the Commission that the Funds for Veterans' Assistance Advisory Committee has received applications to fill the one vacancy on the committee. Currently the application packets are being reviewed and will be presented to the commissioners at the next quarterly commission meeting for approval.

**IX. Report, presentation and/or action on Texas State University's Veterans Needs Assessment.**

Charlie Catoe, Director of Funds for Veterans' Assistance, provided the background for this report and the requirement for the needs assessment to be completed every four years. Priorities will be developed based off of the needs assessment and those priorities will be provided at the fourth quarterly commission meeting for approval. Mr. Catoe introduced both Dr. Jonathan Wivagg and Dr. Martinez from Texas State University to provide the results of the needs assessment. Dr. Wivagg and Dr. Martinez provided the report to the commissioners for their review. Following the report, Commissioner Moran addressed the epidemic of addiction and substance abuse amongst Veterans. Commissioner Moran also discussed the need to recognize the disease and help Veterans by removing the stigma of addiction and provide assistance to those who

suffer. Further discussion was held concerning the frustration with Veterans on receiving assistance for any of their needs. Veterans feel the assistance is a benefit rather than a social service and are discouraged when applying for these benefits and therefore refrain from seeking assistance because of the difficulties they face through the application process. Chairman Cantu and the Commissioners thanked Dr. Wivagg and Dr. Martinez for the informative report.

**X. Report, presentation and/or action regarding the Fiscal Year 2015 Follow-up Review of the Status of Implementing Prior Years' Internal Audit Recommendations.**

Russell Gregorczyk, TVC Internal Auditor, provided an oral report identifying the status of the recommendations and implementation of the Prior Years' Internal Audit. Human Resource Audit had 15 recommendations and only one recommendation remains unimplemented. However, the reason for this is due to the state's CAPPS program which has not yet launched within TVC. FVA's audit had six recommendations, all of which have been implemented. Veterans Education Audit had only two recommendations and both were fully implemented. Finally the Information Resources audit had eight recommendations. Five of those recommendations have been fully implemented. Three are still pending however, each are in the process of being implemented and are within the window of completion date provided at the time of the audit.

**MOTION:** Approve Audit Recommendations.

**MADE BY:** Commissioner McLeon

**SECONDED BY:** Commissioner Moran

**ACTION:** The motion passed unanimously.

**XI. Report, presentation and/or action regarding the Internal Audit of the Communications Section of the External Relations Division.**

Russell Gregorczyk provided an oral report regarding the Communications audit. A recommendation was provided at the time of the audit to generate metrics to aid in measuring the program. The recommendation was to have these metrics in place by August of 2016. At this time, there is no information to report concerning those metrics.

**MOTION:** Approve Audit Recommendations.

**MADE BY:** Vice Chairman Scott

**SECONDED BY:** Commissioner Moran

**ACTION:** The motion passed unanimously.

**XII. Report, presentation and/or action regarding the Quality Assurance Review Report on Internal Audit Activity.**

Russell Gregorczyk provided the report regarding the Quality Assurance Review. The overall finding is that the internal audit program is functioning and is in accordance with all standards. There were no recommendations provided.

**XIII. Report, presentation and/or action regarding Internal Audit of Performance Measures Reporting.**

Russell Gregorczyk provided the report regarding Internal Audit of Performance Measure Reporting. The focus was to identify areas of improvement prior to the certification period for the Key Performance Measures and Non-Key Performance Measures. The full report was provided to the commissioners with each recommendation. Written procedures and an improved Internal Controls system was recommended as well as to identify who will be responsible for reviewing the plan and identify who will be the approving authority.

**MOTION:** Approve Performance Measure Reporting Recommendation.

**MADE BY:** Vice Chairman Scott

**SECONDED BY:** Commissioner Moran

**ACTION:** The motion passed unanimously.

*Note: The Commission revisited Agenda Item II due receipt of a second request to provide public comment that was inadvertently overlooked.*

**II. Public Comment.**

Rex Brien, Lead Case Manager for the Veteran Disability Program at San Antonio Metropolitan Ministry (SAMM), addressed the commission and thanked them for the funding provided to SAMM to support homeless veterans. He furthered shared the success of the program due to the funding they have received and hopes for a continued partnership with TVC.

*Note: The Commission proceeded with its regular order of business.*

**XIV. Report, presentation and/or action on process for the development and approval of the Strategic Plan.**

Cruz Montemayor, Deputy Executive Director, provided the report on the process for the development and approval of the Strategic Plan. The deadline for the strategic plan is June 24, 2016. Prior to this deadline other items are required for submission by May 6, 2016. Propose Healthcare Program as a separate item rather than under Claims as it

is currently setting. Separate funding has been allocated for this program and approval has been granted by legislation. Another item requiring approval is the Veterans Court Grants as a separate item under FVA rather than under General Assistance as it is currently residing. Veterans Court Grants have a specific purpose and funding, therefore, separating it under its own grant would be best. Also there are several clean up items in the proposal which better explains each program and its purpose. The final recommendation is to retain all Advisory Committees. Budgetary costs of continuing these committees have been provided to the commissioners.

**1<sup>st</sup> MOTION:** Approve the process for the development of the Strategic Plan.

**MADE BY:** Vice Chairman Scott

**SECONDED BY:** Secretary Ellzey

**ACTION:** The motion passed unanimously.

**2<sup>nd</sup> MOTION:** Approve the submission of budgetary structure changes and advisory committee assessments for the Office of the Governor and Legislative Budget Board.

**MADE BY:** Vice Chairman Scott

**SECONDED BY:** Secretary Ellzey

**ACTION:** The motion passed unanimously.

**XV. Report, presentation and/or action on Appropriation Year 2016 2<sup>nd</sup> Quarter Operating Statement.**

Michelle Nall, Chief Financial Officer, provided the report regarding the Appropriation Year 2016 2<sup>nd</sup> Quarter Operating Statement. Ms. Nall reported we are currently on target and all payments were made on time. She further stated we have adequate funding to cover expenses for that period.

**XVI. Report, presentation and/or action regarding Internal Auditor contract services.**

Cruz Montemayor, Deputy Executive Director, notified the commission that the renewal option for Internal Auditor Contract is every three years. We are currently in the second year of the current contract. Recommendation is to renew the contract with current auditor, Janson and Gregorczyk for the third and final renewal year of the current contract.

**MOTION:** Approve Renewal of Internal Auditor Contract Services.

**MADE BY:** Commissioner Moran

**SECONDED BY:** Commissioner McLeon

**ACTION:** The motion passed unanimously.

**XVII. Report, presentation and/or action regarding acceptance of gifts.**

Chip Osborne, Director of Resource Management, addressed the commission regarding acceptance of gifts. TVC has received three donations totaling \$6,019.70 in the first quarter FY16. In addition, 2<sup>nd</sup> Quarter FY16, TVC has received \$475.00. The total amount of donations equals \$6,494.70. Request acceptance of these gifts to be used by the Texas Veterans Commission Women Veterans Program.

**MOTION:** Approve the acceptance of gifts to be used by the Women Veterans Program.

**MADE BY:** Secretary Ellzey

**SECONDED BY:** Commissioner Moran

**ACTION:** The motion passed unanimously.

**XVIII. Report, presentation and/or action to Adopt Amendments and New Agency Rules: Title 40, Texas Administrative Code (TAC), Chapter 461, Veterans Education, Subchapter A, Exemption Program for Veterans and Their Dependents (The Hazelwood Act).**

Karen Meisel, General Counsel, provided the report to adopt amendments and new agency rules for the Veterans Education Program, specifically the Hazelwood Act. Ms. Meisel explained that the proposed amendments were published on February 26, 2016 for 30 days and the commission received no comments from the public. Therefore, it is recommended that the commission adopt the amended and new rules as previously published in the *Texas Register*. If approved, the rules will take effect 20 days after submission to the Secretary of State.

**MOTION:** Adopt the amended and new agency rules as previously presented.

**MADE BY:** Commission McLeon

**SECONDED BY:** Vice Chairman Scott

**ACTION:** The motion passed unanimously.

**XIX. Report, presentation and/or action to Propose Amendments to Agency Rules: Title 40, Texas Administrative Code (TAC), Chapter 460, Fund for Veterans' Assistance Grant Program:**

Karen Meisel, General Counsel, provided the report to adopt amendments to agency rules for the Fund for Veterans' Assistant Program. Due to the requirement to evaluate

and readopt current rules every four years, Texas Veterans Commission is requesting the proposed rule amendments be published in the *Texas Register* for 30 days for public comment. The changes proposed are only to update obsolete references and provide current citations to the Code of Federal Regulations.

**MOTION:** Approve Staff to publish the proposed rule amendments to the *Texas Register* for 30 days for public comment.

**MADE BY:** Vice Chairman Scott

**SECONDED BY:** Commissioner Dan Moran

**ACTION:** The motion passed unanimously.

*Note: The Commission recessed from 10:55 a.m. to 11:02 a.m.*

**XX. Report, presentation and/or action regarding recommendations for Fund for Veterans' Assistance Grants:**

Charlie Catoe, Director of Funds for Veterans' Assistance, and Perry Jefferies, Chairman of the FVA Advisory Committee provided the report for the recommendations for Fund for Veterans' Assistance Grants. Binders were provided previously to the commission for preview. The background of the application process was provided. The first grant discussed was the General Assistance 16B. 56 applications were received totaling \$8.45M. 45 were deemed eligible and evaluated with the published rubric. Mr. Jeffries, presented their recommendation to approve 32 projects for funding totaling \$5.29M. After the recommendation was presented Commissioner McLeon questioned the LiftFund application and recommendation Mr. Catoe explained that \$150,000 was for administrative/supply needs and that \$150,000 was requested for an Interest Buydown program. The total application request is for \$300,000. He further explained that the request for an Interest Buydown program is an unallowable expense under 2CFR. Therefore, in order to fund them, LiftFund would have to be able to confirm they are able to operate without the \$150,000 for the Interest Buydown funding from FVA. The two options are to either provide them with the full requested amount, or provide them with the \$150,000 for administrative/supply needs and ask LiftFund to gain the additional \$150,000 from another source.

Secretary Ellzey raised a question regarding Meals on Wheels and the projected costs of feeding Veterans. The application was for \$50,000 and he felt the amount was very generous for the providing of food. Mr. Catoe explained provide the request is for daily meals for each beneficiary totaling 8,000 meals annually.

Commissioner McLeon also raised a question regarding VIDA (Valley Initiative for Development and Advancement) and the requested amount of \$300,000 which he also felt was a generous amount of money for such a low number of Veterans supported. Mr. Catoe explained there will be 55 Veterans will benefit from the program. The

program provides counseling, housing, education materials, etc. The commission was satisfied with the request.

**MOTION:** Hold the \$300,000 for LiftFund which will be tabled for the next Commission Meeting for decision.

**MADE BY:** Commissioner McLeon

**SECONDED BY:** Vice Chairman Scott

**ACTION:** The motion passed unanimously.

**MOTION:** Approve the remaining recommendations for the 16B Grant Fund.

**MADE BY:** Vice Chairman Scott

**SECONDED BY:** Commissioner Dan Moran

**ACTION:** The motion passed unanimously.

The next program discussed was the 2016-2017 Housing for Texas Heroes Grant recommendations. Mr. Catoe provided the report and explained there were 26 applications which totaled \$9.27M. Twenty-three were eligible and presented their programs to the committee. Mr. Jefferies presented the Advisory Committee's recommendation for funding 18 Housing for Texas Heroes totaling \$4.825M.

**MOTION:** Approve recommendations for the 2016-2017 Housing for Texas Heroes Grant.

**MADE BY:** Commissioner McLeon

**SECONDED BY:** Commissioner Dan Moran

**ACTION:** The motion passed unanimously.

The third program discussed was the recommendations for the 2016-2017 Veterans Mental Health Grants. Mr. Catoe provided the report and explained 33 applicants totaling \$7.19M. Thirty-one applications were deemed eligible. Mr. Jefferies presented the Advisory Committee's recommendation for funding 13 VMH projects totaling \$2.54M.

**MOTION:** Approve recommendations for the 2016-2017 Veterans Mental Health Grant.

**MADE BY:** Vice Chairman Scott

**SECONDED BY:** Commissioner Dan Moran

**ACTION:** The motion passed unanimously.

The fourth program discussed is the 2016-2017 Veterans Treatment Court Grants. Mr. Catoe provided the report and explained this is the first year for the Veteran Treatment Court Grant. Previously these projects were funded under a Veterans Court service category within the General Assistant Grant program. TVC received 11 applications totaling \$1.81M and all applications were deemed eligible. Mr. Jefferies presented the Advisory Committee's recommendation to fund all 11 applications totaling \$1.81M.

**MOTION:** Approve recommendations for the 2016-2017 Veterans Treatment Court Grant.

**MADE BY:** Commissioner McLeon

**SECONDED BY:** Commissioner Dan Moran

**ACTION:** The motion passed unanimously.

**XXI. Report, presentation and/or action regarding the Executive Director Report.**

Thomas Palladino, Texas Veterans Commission Executive Director, provided a report on the agency's priorities and activities over the last quarter. Mr. Palladino addressed the strategic plan and explained the process through which each program conducted a self-analysis to build the most effective strategic plan. He then provided the vast list of partnerships that TVC continues to build with other agencies who share in the interest of Veterans. He further listed all of the events that TVC hosts across that state that bring resources to Veterans. Lastly, he highlighted each TVC program and the success each program is experiencing.

**XXII. Report, presentation and/or action on agency programs and division:**

The Commissioners reviewed the Quarterly Program Reports that were previously provided. Directors were provided the opportunity to brief the Commission on any new items or highlight significant items that occurred within their program or division.

- A. Shawn Deabay, Director of Program Operations, briefed the Commission on the successes of each program within Program Operations. Specifically Mr. Deabay first discussed the Veterans Education program. He stated they are on track to exceed all their performance measures. Healthcare Advocacy has rapidly grown with anticipation for another office in the Fort Worth area. Claims is exceeding their performance measures as well. They have completed 63,659 claims, 11,373 appeals, and Strikeforce has reviewed 15,644 files. Employment is also exceeding all performance measures both Federal and State. Currently, TVC is working with State government to hire and retain Veteran talent. He highlighted the success of the most recent

hiring event where Texas Department of Criminal Justice offered 5 Veterans employment.

- B. Chip Osborne, Director of Resource Management, reported on major activities and accomplishments of each program. Mr. Osborne addressed the commission regarding the new training team and the 140 employees have received training from this team. Turnover rate is under 4% which is well under what is acceptable. Finance continues the process for CAPPs which is now in the testing phase. FVA is working on having the grants submitted electronically which will ease the pain the agency feels with the hand delivered/mailed applications.
  
- C. Edie Disler, Director of External Relations, reported on major activities and accomplishments by each program since the last Commission Meeting. Ms. Disler spoke of the success of Government Relations in regards to keeping our organization compliant with Legislation as well as the time dedicated to TCCVS. Ms. Disler also touched on outreach opportunities the Division is working towards, specifically the Liberation Project with the Texas Holocaust and Genocide which highlights Texans who were once help captive in concentration camps in Germany during WWII. Communications is moving in a new direction with new staff. The communication team is working on organizing our website and designing a great outreach component for our Veterans. Women Veterans Program is having a Roll Call Event in Lubbock in June and looking to El Paso for an event in August. Veterans Entrepreneur Program is continuing the academies across the state. Sean Hanna then addressed the panel regarding the Veterans Mental Health Program Legislation and Program Structure. He provided handouts to the commission and demonstrated how TVC is in compliance with House Bill 2392 and House Bill 19. Mr. Palladino suggested that an Organization chart be provided with names in each division of the program and the location of their office. Mr. Hannah agreed.

Justin Coleman, Manager of Government Relations, addressed the commission on relevant items. First he highlighted the success of the Summit event due to the number of veterans, partners and the participation of legislatures in attendance. GR is responsible for the Texas Coordinating Council for Texas Veterans and has coordinated all meetings. The Council has prepared their first report which has been reviewed and will go before Governor in October. Mr. Coleman touched on the need for GR to create testimony for various committee meetings. Previous meetings have included topics on Veterans Courts, State Veteran Employment, Claims and Healthcare and Mental Health. The final discussion was in regards to the Strategic Plan and efforts to work with Directors and the Executive Team to complete the plan.

**XXIII. Discussion to set date, time, and location of Special Commission Meeting and the 4th Quarterly Commission meeting.**

The Commission agreed for the Special Commission Meeting to be held on Monday June 20, 2016 at 9:00 a.m. in the William B. Travis Building, 1701 N. Congress Avenue, Room 1-111, Austin, Texas 78701.

The Commission also agreed that the 4th Quarterly Commission Meeting of FY16 will be held on August 10, 2016 at 9:00 a.m. at the Stephen F. Austin Building, Room 170, 1700 N. Congress Avenue, Austin, Texas 78701.

**XXIV. Adjournment.**

Chairman Cantu asked each Commissioner for closing statements. The Commissioners extended their gratitude to Texas Veterans Commission staff for all their support and hard work in serving our Texas Veterans.

**MOTION:** Adjourn.  
**MADE BY:** Commissioner McLeon  
**SECONDED BY:** Commissioner Moran  
**ACTION:** The motion passed unanimously.

Chairman Cantu adjourned the meeting at 12:21 p.m.

Minutes Approved by:



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Eliseo "Al" Cantu, Jr., Chairman

**TEXAS VETERANS COMMISSION**

3rd Quarterly Commission Meeting

FY 2016 – May 4, 2016

9:00 a.m. – Stephen F. Austin Bldg. Rm 170

Speakers and Visitors

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**Duncan McGhee**

Public Comment

**Rex Brien**

SAMM Ministries/Public Comment

**Donna M. Teall and Siena Lindemann**

Alamo Area Council of Governments

**Maureen Jouett**

TVC Communications Advisory Committee

**Olivia Bush and Arthur Brown**

Catholic Charities

**Perry Jefferies**

TexVet and FVA Advisory Committee

**Mike Kirkland**

Texas Workforce Commission

**Paul Theobald**

Disabled Veterans Association

**Sarah Tillman**

Health and Human Services Commission

**Natalie Lopez**

The Children's Shelter

**Janis Roznowski and Janet Asghas**

Operation Comfort

**Pauline Word and Colleen Zavek**

Texas Rural Water Foundation