

Texas Veterans Commission Meeting Minutes

Fourth Quarterly Meeting (FY 2011)
August 10, 2011

I. Call to Order

Chairman O'Mahoney called to order the Fourth Quarterly Meeting of the Texas Veterans Commission (TVC) at 8:01 a.m. on August 10, 2011, in Room 170 of the Stephen F. Austin Building at 1700 N. Congress Avenue, Austin, Texas 78701.

The following Commissioners were present:

T.P. O'Mahoney, Chairman
Eliseo "Al" Cantu, Vice Chairman
James H. Scott, Secretary
Richard A. McLeon, IV, Member
Daniel P. Moran, Member

Also present was Thomas P. Palladino, Executive Director.

Also present: See the attached list.

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

Chairman O'Mahoney welcomed visitors to the meeting, congratulated Harvey King as the new State Director, U.S. Department of Labor, Veterans' Employment and Training Service, and introduced new employee, Janie Edwards, Purchaser III.

II. Public Comment

Steven Carriker, Executive Director, Texas Association of Community Development Corporations (TACDC), addressed the Commission to express TACDC members' interest in working with TVC on opportunities to apply for the grant funds TVC is receiving from the state Housing Trust Fund. He extended an offer to lend TACDC's expertise and cooperation in setting up the new Veterans Housing Assistance Program.

Morgan Little, Texas Committee for Employer Support of the Guard and Reserve (ESGR) representative, provided an update regarding the status of cases from October 1, 2010, through July 31, 2011. ESGR has handled 175 cases, 89% have been resolved with the ESGR Ombudsman, and 11% have been forwarded to the U.S. Department of Labor; 55% of cases were initiated by Guardsmen, the other 45% were initiated by all other Reserve components; 32% of cases involved reinstatement, and 68% of cases involved other types of deployment issues.

III. Approval of Minutes from July 12, 2011 Commission Meeting

The minutes were previously distributed to the Commissioners.

MOTION: To approve the minutes of the Special Meeting held on July 12, 2011, as presented.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

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

Veterans Communications Advisory Committee - John Miterko, Vice Chairman

John Miterko reported on the committee's recommendations on increasing the number of Veterans County Service Officers (VCSOs). Texas counties with populations greater than 200,000 are required by law to have a VCSO. Out of 254 counties in Texas, 225 of those have VCSOs, and there are 22 counties with populations exceeding 200,000 that do not have a VCSO. The committee recommends a number of positive outreach efforts by TVC to offer training and other support to encourage these counties to hire a VCSO. Mr. Miterko reported on the status of the initiative to develop a coalition of city officials across the state to focus on veterans issues. The committee recommends aligning with an existing organization, Texas Municipal League, that consists of over 18,000 city officials across the state, rather than building a database from scratch. Mr. Miterko presented the committee's proposal to raise money for Texas veterans, benefitting the Fund for Veterans' Assistance (FVA), leading up to Veterans Day. The campaign would run at various retailers where customers would be given the option at checkout to donate \$1, or other amount, to Texas Veterans. Mr. Miterko asked the Commission to consider assigning responsibility to the TVC Public and Intergovernmental Affairs staff to investigate the details of this initiative.

Fund for Veterans' Assistance - General Thomas Smith, Chair

General Thomas Smith provided a summary of activities of the committee since its last report to the Commission. At the meeting held on April 27, 2011, there was a high level of interest among committee members in promoting the FVA and the Veterans Cash lottery ticket. Committee members were assigned tasks to develop a poster and writing news articles to promote and educate the public about the Veterans Cash lottery ticket and the legislation that was passed this session allowing Texas vehicle registration forms to include a checkbox for registrants to donate to the FVA.

Veterans Employment and Training - Marianne Rogers, Chair

Marianne Rogers reviewed the advisory committee's recommendations for the TVC Employer of Veterans Awards.

Large Employer - Bell Helicopter in Amarillo; Medium Employer - Lowe's in Granbury; Small Employer - Securitas Security in Amarillo; Disabled Veteran Employer - Top Flight Environmental Services at Dyess Air Force Base; and National Employer - Cooper Tire and Rubber. Ms. Rogers discussed the possibility of adding a new category for next year to acknowledge employers who provide child care.

V. Report, Presentation and/or Action regarding TVC Employer of Veterans Awards

Shawn Deabay, Director of Veterans Employment Services, thanked the members of the Employment and Training Advisory Committee for their work on reviewing and selecting the employers for this year's awards. Chairman O'Mahoney made the recommendation to establish an annual Chairman's Award category for one outstanding employer for their dedication to the state, the community and for serving veterans. He recommended Boeing as the first recipient of this annual award. After discussion, the following motion was called for:

MOTION: To approve the creation of a Chairman's Award, as presented, and Boeing to be awarded as the first recipient.

MADE BY: Vice Chairman Cantu

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

MOTION: To approve the recommendations for the TVC Employer of Veterans Awards, as presented.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner McLeon

ACTION: The motion passed unanimously.

VI. Report, Presentation and/or Action on Commissioner Travel Policy

A memo dated August 13, 2011 outlining the Commissioner Travel Policy was previously provided to Commissioners. After review and discussion, no changes were made to the policy. No further action was taken.

VII. 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. Mr. Palladino also summarized the current Texas and U.S. Casualty Report. To date, 6,198

total casualties are reported from Operation Iraqi Freedom, Operation New Dawn, and Operation Enduring Freedom. 567, or 9.1% of these are from Texas, the largest amount of casualties from any state.

VIII. 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.

Jim Richman, Director of Claims Representation and Counseling, announced July 15, 2011, marked the end of the Governor's initiative supporting the Claims Processing Assistance Teams (CPAT). CPAT surpassed all expectations by preparing a total of 17,325 cases for decision or award action by the U. S. Department of Veterans Affairs (VA). Mr. Richman also reported on Claims Representation and Counseling performance measures for the year. They are currently at 3,000 over their annual performance measure for the year. Mr. Richman noted the statistics on current VA claims and appeals reveals that the number of incoming claims is far exceeding the number of claims being processed by the VA. There are approximately 96,000 claims pending in Texas. Claims filed are taking more than 1 year to receive a response. Chairman O'Mahoney acknowledged the retirement of Jerry Goode, Regional Director in Waco.

Shawn Deabay reported on an update on the proposed Veterans Opportunity to Work (VOW) Act. House Resolution 2433, Title 2, will impact the Transition Assistance Program (TAP). TAP will be mandatory for all exiting servicemembers, reporting outcomes will be required, and TAP will be privatized. As a result of privatization, TVC will lose 5 employees. If the bill passes, these changes will be effective in Fiscal Year 2013. Chairman O'Mahoney asked to be kept updated on the proposed changes. Mr. Deabay reported on recently increasing the Veterans Business Outreach function from 1 employee to 5, by expanding the duties of 4 existing staff in 4 of the 5 regions. Mr. Palladino noted that Texas is the only state with a formal business outreach function.

Connie Jacksits, Director of Veterans Education, reported on the results of the VA audit conducted on the TVC Veterans Education program last January. The report rated the Veterans Education program as excellent. Ms. Jacksits provided a follow-up concerning Public Law 111-377 which expands Post-9/11 GI Bill payments to include additional programs, but it limits payments of books and fees to private institutions at \$17,500 per year. Ms. Jacksits also reported on the Restoring GI Bill Fairness Act of 2011 that was signed into law by President Obama last week. This will protect veteran students who were enrolled in private institutions on or before January 4, 2011. For the period beginning August 1, 2011, ending July 31, 2014, Texas veterans will be able to receive payment for tuition up to \$1,539 per credit hour, and fees up to \$12,130 per term. Ms. Jacksits noted there are concerns with Section 203 of Public Law 111-377 which transfers program approval from the states to the VA, and makes the states responsible for the compliance audits which were formerly the responsibility of the VA. There are concerns that the VA is understaffed to run an effective approval program in the states.

These changes take effect in less than 60 days, and the VA has provided only minimal training, no access to computer programs has been given, and no proposed regulations have been provided to date. Chairman O'Mahoney suggested the Agency provide a letter of response to the Secretary of the VA outlining our concerns and copy the delegation.

Cruz Montemayor, Director of Human Resources, added that his staff is working on the year end inventory certification for the Agency.

IX. Report, Presentation and/or Action on Fiscal Year 2011 3rd Quarter Operating Statement

Irma Rodriguez, Chief Financial Officer, presented the 3rd Quarter Operating Statement for Fiscal Year 2011. Ms. Rodriguez noted the budget reflects the incorporation of the 2.5% reduction of \$177,294 as required by House Bill 4.

X. Report, Presentation and/or Action on Fiscal Year 2012 Operating Budget

Irma Rodriguez presented the Operating Budget for Fiscal Year 2012, that was previously provided to Commissioners.

MOTION: To approve the Fiscal Year 2012 Operating Budget, as presented.

MADE BY: Commissioner McLeon

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

XI. Report, Presentation and/or Action regarding TVC 2011 Fall Conference and Fall Conference Curriculum

Jim Richman presented the training curriculum, course materials, and Initial Training, Certification Training, and Accreditation Training examinations to be administered at the TVC Fall Training Conference, and was previously provided to Commissioners.

MOTION: To approve the training curriculum, course materials, examinations and skills assessments, as presented.

MADE BY: Vice Chairman Cantu

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

Cruz Montemayor reported the TVC 2011 Fall Conference logistics are all on schedule. The minimum room block requirement has been met at 92% with 476 rooms secured so

far. The program content is complete, and the details of the agenda and program are being finalized. The conference begins as 1:30 p.m. on Monday, September 12, and concludes at 12:00 p.m. on Thursday, September 15, 2011. His staff is also working to secure the location and dates for the 2012 TVC Spring Conference, and the 2012 Summit.

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

Kyle Mitchell, Deputy Executive Director, noted the recent congressional activity regarding the Veterans Education and Veterans Employment programs that was covered by the respective program directors earlier in the meeting. The new Women's Veterans Coordinator position was posted, with plans to fill the position in September. Mr. Mitchell noted items to be discussed in detail later in the meeting: Administration of the Veterans Housing Assistance Program (VHAP), and implementing requirements relating to Public Assistance Reporting Information System (PARIS).

XIII. Report, Presentation and/or Action regarding Public Assistance Reporting Information System (PARIS)

Jim Richman provided an update regarding the status of implementing PARIS to identify veterans who are on Medicare or Medicaid that may be eligible for VA benefits. Two existing employees who were members of the CPAT team have transitioned over to work on the PARIS program. TVC is looking to the state of Washington as a model, and is currently in the process of coordinating with the Texas Health and Human Services Commission, the Veterans Land Board, and the Department of Aging and Disability Services to develop a Memorandum of Understanding.

XIV. Report, Presentation and/or Action on Veterans Housing Assistance Program (VHAP)

Bill Wilson, Director of Fund for Veterans' Assistance, provided an update regarding the implementation of VHAP. The current Veterans Rental Assistance Program of the Texas Department of Housing and Community Affairs (TDHCA) will be transferred to TVC's Fund for Veterans' Assistance, and is being renamed, "Veterans Housing Assistance Program (VHAP)." Approximately \$2,000,000 of the state Housing Trust Fund will be transferred to FVA to administer this program beginning September 1, 2011. Phase 1 of implementation will require all current TDHCA contracts for rental assistance to be transitioned over to VHAP. Families in Crisis is the only recipient with a contract which is currently serving veterans, so the following motion was called for:

MOTION: To approve the Families in Crisis organization to receive \$17,222 in funds from the Veterans Housing Assistance Program.

MADE BY: Commissioner Moran

SECONDED BY: Commissioner McLeon

ACTION: The motion passed unanimously.

Mr. Wilson continued describing Phase 2 of the implementation. A special solicitation for applicants of VHAP funds will be released. Funds will be equally divided into 2 fund lines: 50% for temporary housing for low income veterans or to the dependents of veterans who are undergoing long term treatment in a medical facility in Texas; and 50% for construction of housing or housing modifications for veterans that require such assistance due to a physical disability. The grant selection process, grant cycles would be aligned with the current FVA grant processes and cycles.

MOTION: To approve the VHAP grant solicitation including equal funding lines for temporary assistance and permanent housing.

MADE BY: Chairman O'Mahoney

SECONDED BY: Vice Chairman Cantu

ACTION: The motion was approved unanimously.

The Commission asked staff to develop administrative rules for VHAP for presentation on September 12, 2011 so the final adoption of rules will ensure VHAP can begin administering funds in alignment with the next FVA grant cycle in January 2012.

The recommendation was made to send out information about VHAP to veterans service organizations and other county officials to ensure organizations across the state are aware of the new grant program and solicitation.

XV. Report, Presentation and/or Action on Fund for Veterans' Assistance Grant Amendments

Bill Wilson presented to the Commissioners, for their information, a list of the four grant agreement amendments that were approved by the Executive Director since June 27, 2011. Mr. Wilson then presented two grant agreement amendments for approval by the Commission. Burnet County VETRIDES requested an amendment for additional funds under one of two options: 1) Emergency reconsideration of the grant application submitted in the March 2011 grant solicitation requesting \$98,567, or 2) Approve 25% (\$22,557) in additional funds under the current grant FVA_10_0006. Child Crisis Center of El Paso requested an amendment for \$23,826 in additional funds. After discussion, the following motion was called for:

MOTION: The grant amendment requests for both grantees are denied, with the recommendation the grantees submit an application for funds at a later date.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner Moran

ACTION: The motion was approved unanimously.

XVI. Report, Presentation and/or Action on FVA Grantee Monitoring Report

Bill Wilson presented the grant monitoring report through July 2011 summarizing the results of monitoring visits performed. No further action was taken.

XVII. Report, Presentation and/or Action on FVA Grantee Benchmark Performance Report

Bill Wilson presented the grantee benchmark performance report through June 30, 2011, summarizing the status of each grantee in relation to performance and expenditure benchmarks. The presentation also included a regional map of grants awarded by service category, and a pie chart showing a breakdown of current grantees by service category. No further action was taken.

XVIII. Report, Presentation and/or Action on Annual Evaluation of Advisory Committees

Karen Fastenau, General Counsel, opened by recognizing Legal Intern, Julie Patel, for all her contributions to the Agency during her summer internship.

Ms. Fastenau presented the report to the Commission on the advisory committee evaluations. Goals, challenges and accomplishments of each committee were highlighted. Recommendations were made to reduce the size of the committees to 9 members to assist in meeting quorum requirements, and to provide additional guidance, including deadlines and workplans, to the committees from the Commission. Overall the committees have helped to advance the Agency's mission. The recommendation was made that the committees continue in existence until the next Commission review.

MOTION: To approve the continuation of the three advisory committees.

MADE BY: Secretary Scott

SECONDED BY: Vice Chairman Cantu

ABSTAINED: Commissioner McLeon

ACTION: The motion passed by a vote of four (4) to one (1).

XIX. Report, Presentation and/or Action on Proposed Advisory Committee Rules

Karen Fastenau presented the proposed amended rules in Texas Administrative Code (TAC), Title 40, Part 15, Section 452.2, and the proposed repeal of Chapter 458, Sections 458.1 - 458.3, for publication in the Texas Register. The following revisions were made:

The word "should" was replaced with "may" under the three paragraphs titled, "Committee member qualifications." The following motion was called for:

MOTION: To approve the proposed amendments to 40 TAC §452.2 for publication in the Texas Register, as amended.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner Moran

ACTION: The motion was approved unanimously.

MOTION: To approve the proposed repeal of 40 TAC §§458.1, 458.2 and 458.3 for publication in the Texas Register, as presented.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner Moran

ACTION: The motion was approved unanimously.

XX. Report, Presentation and/or Action on Internal Audit of the Accounting and Payroll Systems and Controls

Russell Gregorczyk, Jansen & Gregorczyk, Certified Public Accountants, presented the results of the internal audit of the TVC accounting and payroll systems and controls. He noted that TVC has a good accounting system overall. Eleven recommendations were made, and management concurred with all eleven recommendations. Mr. Gregorczyk covered a few key recommendations. He pointed out that many of the recommendations were implemented as the audit was taking place.

MOTION: To approve the Internal Audit of the Accounting and Payroll Systems and Controls, as presented.

MADE BY: Secretary Scott

SECONDED BY: Commissioner Moran

ACTION: The motion was approved unanimously.

XXI. Report, Presentation and/or Action on Internal Audit of the Purchasing and Contracting Systems and Controls

Russell Gregorczyk presented the results of the internal audit of the TVC purchasing and contracting systems. Overall, the Agency is in compliance with all state purchasing rules and regulations. Ten recommendations were made, and management concurred with all

ten recommendations. Mr. Gregorczyk covered a few key recommendations. He pointed out that many of the recommendations were implemented as the audit was taking place. Mr. Gregorczyk provides an annual update to verify the implementation status of all prior audit recommendations, that he plans to present at the next regular Commission meeting.

MOTION: To approve the Internal Audit of the Purchasing and Contracting Systems and Controls, as presented.

MADE BY: Commissioner Moran

SECONDED BY: Commissioner McLeon

ACTION: The motion was approved unanimously.

XXII. Review and Approve Internal Auditor Contract for Fiscal Year 2012

Kyle Mitchell presented the options for selection of an internal auditor for Fiscal Year 2012. The Commission may direct staff to negotiate to extend the current contract, or the Commission can direct staff to initiate the Request for Proposal process for a new internal auditor.

Chairman O'Mahoney called for a 5 minute recess at 10:25 a.m.

Chairman O'Mahoney called the meeting to order at 10:32 a.m.

MOTION: To approve the extension of the current internal auditor contract with Jansen & Gregorczyk, Certified Public Accountants, for Fiscal Year 2012.

MADE BY: Chairman O'Mahoney

SECONDED BY: Secretary Scott

ACTION: The motion was approved unanimously.

XXIII. Review and Update of Action Plan

Kyle Mitchell provided an overview of the Action Plan. All internal audit follow-up items will be noted as such going forward. Chairman O'Mahoney recommended streamlining the Action Plan to keep only the items of high importance, and highlight any items of specific interest to the Commissioners.

XXIV. Recommendation of Items for Next Commission Meetings

A special meeting will be scheduled to review proposed new rules for the Veterans Housing Assistance Program.

XXV. Discussion of Date, Time and Location of Next Commission Meeting

A Special Commission Meeting is scheduled for Monday, September 12, 2011, at 11:00 a.m. at the Westin Galleria hotel in Houston, Texas. The First Quarterly Commission Meeting (FY 2012) is scheduled for Wednesday, November 16, 2011, at 8:00 a.m., in Room 170 of the Stephen F. Austin Building in Austin, Texas.

XXVI. Executive Session

None.

XXVII. Discuss and take Possible Action on the Items considered in Executive Session

None.

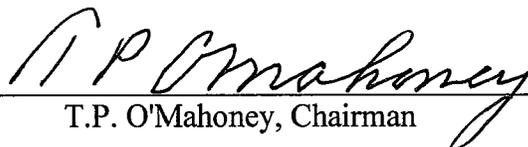
XXVIII. Commissioners' closing comments

The Commissioners extended their gratitude to staff and advisory committees for all their support and hard work. Vice Chairman Cantu reported on attending the groundbreaking of the new VA Specialty Outpatient Clinic in Corpus Christi, Texas on July 22, 2011. He also noted the new State Cemetery will be dedicated on December 7, 2011.

XXIX. Adjournment

Chairman O'Mahoney adjourned the meeting at 10:42 a.m.

Minutes Approved by:


T.P. O'Mahoney, Chairman

TEXAS VETERANS COMMISSION

4th Quarterly Commission Meeting

FY 2011 -- August 10, 2011

8:00 a.m. SFA Bldg. -- Room 170



Chelsea Buchholtz
Governor's Advisor
Office of the Governor

Steven Carriker
Executive Director
Texas Association of Community
Development Corporations

Russell Gregorczyk
CPA – Jansen & Gregorczyk
TVC - Internal Auditor

Harvey King
State Director
U.S. Department of Labor
Veterans' Employment & Training Service

David Lefforge
Armed Forces Services Corporation
Director of Federal Programs (San Antonio)

Morgan Little
Chair, Texas Coalition of Veteran Organizations

John Miterko
Legislative Liaison
Texas Coalition of Veterans Organizations

Deena Perkins
Director of Policy and Research
Texas Association of Community
Development Corporation

Marianne Rogers
Chair - Veterans Employment & Training Advisory Committee

Steven Schrom
Correspondent, Texas Legislative Services

David A. Smith
Member, Veterans Communication Advisory Committee

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

Ken Wallingford
Veterans Liaison, Texas Veterans Land Board