

# Texas Veterans Commission Meeting Minutes

First Quarterly Meeting (FY 2012)  
November 16, 2011

## **I. Call to Order**

Chairman O'Mahoney called to order the First Quarterly Meeting of the Texas Veterans Commission (TVC) at 8:04 a.m. on November 16, 2011, in Room 170 of the Stephen F. Austin Building at 1700 N. Congress Avenue, Austin, Texas 78701.

The following Commissioners, constituting a quorum, were present:

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

Absent: Richard A. McLeon, Member

Chairman O'Mahoney noted Commissioner McLeon's absence on the record and excused him from the meeting.

Also present was Thomas P. Palladino, Executive Director.

Also present: See the attached list.

Commissioner Moran 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. He introduced new employees, Angela Shinn, Women Veterans Coordinator, and Ginger Berdoll, Administrative Assistant in Veterans Education, and announced Jeff Williford will be returning to TVC effective January 1, 2012.

## **II. Public Comment**

Morgan Little, Texas Committee for Employer Support of the Guard and Reserve (ESGR) representative, provided an update regarding the summary of cases for Fiscal Year (FY) 2011. ESGR has handled 210 cases; 109 have been resolved; 27 are not resolved. Mr. Little briefly discussed issues concerning 74 cases referred to the ESGR Ombudsman involving returning service members transitioning to new employers. The Commission recommended contacting Joe Juarez, Acting Assistant Secretary for Veterans Employment and Training of the U.S. Department of Labor (DOL), for assistance in determining the number of cases that are referred to the U.S. Department of

Justice for adjudication. Mr. Little concluded his report with a summary of constitutional election results. Proposition 1, which expanded the 100% homestead property tax exemption for 100% disabled veterans to unmarried surviving spouses, passed in all 254 counties in Texas.

**III. Approval of Minutes from September 12, 2011 Commission Meeting**

The minutes were previously distributed to the Commissioners.

MOTION: Approve the minutes of the Special Meeting held on September 12, 2011, as presented.

MADE BY: Vice Chairman Cantu

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

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

Veterans Communications Advisory Committee - John Miterko, Vice Chair

John Miterko reported on the preparations for the TVC Veterans Summit on January 31 - February 1, 2012. Notification letters will be sent to 35 veterans service organizations across the state after Thanksgiving. Feedback from attendees will be collected and provided to the Commission.

Veterans Employment and Training - Marianne Rogers, Chair

Marianne Rogers expressed agreement with the proposed rule changes that will streamline the committee membership starting next year. Ms. Rogers reported on the employer awards presented at the TVC Fall Conference, and the committee's recommendation to expand the awards to be given on a regional level. The committee created a new "Extra Mile" award to recognize those employers that go above and beyond. The committee will work with TVC Veterans Business Representatives to coordinate efforts with the local chambers of commerce on the U.S. Chamber of Commerce/U.S. Department of Labor "Hiring Our Heroes" initiative to increase employment opportunities for veterans.

Fund for Veterans' Assistance - Thomas Smith, Chair

General Thomas Smith reported on the committee meeting held October 26, 2011, the focus of which was the processing of the grant applications for the general assistance grants and the Housing4TexasHeroes grants. He reported on the status of ticket sales, and various efforts to publicize the veterans scratch-off lottery tickets. The committee is also looking into the option of large retailers accepting donations for veterans at the checkout counter. The Commission advised coordinating with the Veterans Communication Advisory Committee on the donations through retailers project and publicizing the lottery tickets.

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

Thomas Palladino, Executive Director, provided a review of activities and events he has attended since the last meeting. Mr. Palladino reported on the Texas Coordinating Council for Veterans Services meeting held October 26, 2011, and gave an overview of the goals and new workgroups established by the council. He briefly reviewed testimony given to the House Defense and Veterans Affairs Committee, awards presented to legislators, accolades, and general information items of the agency. Mr. Palladino noted upcoming meetings of the agency including the Veterans Summit on January 31 - February 1, 2012 in Austin, Texas, and the TVC Spring Training on April 30 - May 3, 2012 in Corpus Christi, Texas. Mr. Palladino gave a review of the "Voices of Veterans" interactive exhibit of veterans presented by the Veterans Land Board. The Current Texas and U.S. Casualty Report was previously provided to Commissioners.

VI. **Report, Presentation and/or Action regarding Agency Programs and Divisions, including Action Plans**

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, reported on the impact of increased numbers of veterans requiring assistance to file claims and appeals with the U. S. Department of Veterans Affairs (VA), and the need for more Full Time Employees (FTEs) to keep up with the demand. He cited, for example, that the number of claims pending in the Waco Regional Office currently is 51,561; by comparison, two years ago this was the number of pending claims for the entire state. The increase in the number of claims is due to aging Korean War veterans, Vietnam War veterans, and the OIF/OEF veterans. The Commission agreed there is a need for additional claims staff.

Shawn Deabay, Director of Veterans Employment Services, reported on the status of the Workforce Development Board contracts for the period October 1, 2011, through September 30, 2012. He stated that on average, the cost is \$11,480 per FTE at the workforce centers. Mr. Deabay reported the Transition Assistance Program (TAP) will be moved from the states and will be administered by private entities effective October 1, 2012. The states will have no input on the TAP sessions. TAP reviews from the DOL from the past year were previously provided to Commissioners.

Connie Jacksits, Director of Veterans Education, reported on the self-evaluation and end-of-year report submitted to the VA. The Veterans Education program exceeded all goals, conducted over 1,000 visits, and responded to 11,841 phone calls and emails this past year. The number of beneficiaries has increased from 67,000 in FY 2010 to almost 77,000 in FY 2011. Veterans Education staff continues to train with VA staff on conducting the new compliance visits.

Bill Wilson, Director of Fund for Veterans' Assistance (FVA), reported that FVA grantees served 65,700 veterans, spouses and widows in FY 2011. Mr. Wilson announced staff changes, including the addition of Doug Rozunick, Grant Monitor, and Administrative Assistant, Cheryl Sites, transferred from FVA to Human Resources. He announced the location of the new FVA offices in the William B. Travis Building. Mr. Wilson concluded his report with highlights and trends of the grantee performance benchmarks report, grant agreement amendments processed since July 2011, and the grant monitoring report. There was a brief discussion regarding procedures for grantees who do not submit reports.

**VII. Report, Presentation and/or Action on FY 2011 4th Quarter Operating Statement**

Irma Rodriguez, Chief Financial Officer, presented the 4th Quarter Operating Statement for FY 2011, previously provided to Commissioners. Ms. Rodriguez noted that this is not the final report, as payments are still being processed. She advised Commissioners they will receive the final report at the next meeting, along with the 1st Quarter Operating Statement for FY 2012. Ms. Rodriguez reviewed budget revenues and expenditures for the FVA.

**VIII. Discussion and/or Action to Adopt Amendments to 40 TAC §452.2, Advisory Committees**

Karen Fastenau, General Counsel, presented the staff recommendation to adopt the amendments to 40 TAC §452.2, Advisory Committees, as published in the *Texas Register*, to include changes to the rule text that were previously approved by the Commissioners at the August 10, 2011 meeting. The rule amendments incorporate the streamlined rule language for the agency's advisory committees in Chapter 458 that are concurrently proposed for repeal. No comments were received from the public in response to the proposed amendments.

MOTION: Adopt the amendments as presented, without changes.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

**IX. Discussion and/or Action to Adopt Repeal of 40 TAC Chapter 458, Statutory Advisory Committees**

Ms. Fastenau presented the staff recommendation to adopt the repeal of 40 TAC Chapter 458 (§§458.1 - 458.3), Statutory Advisory Committees, as published in the *Texas Register*, without changes. The repeal is necessary to avoid duplication of the advisory committee rules, which are being streamlined and proposed for adoption in 40 TAC §452.2. No comments were received from the public in response to the proposed repeal.

MOTION: Adopt the repeal as presented, without changes.

MADE BY: Secretary Scott

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

**X. Discussion and/or Action to Adopt Amendments to 40 TAC Chapter 460, Subchapter A, General Provisions Regarding the Fund for Veterans' Assistance Program**

Ms. Fastenau presented the adoption of amendments and new sections of 40 TAC Chapter 460, Subchapter A, §§460.1, 460.2, 460.5, 460.8 - 460.10, 460.12 and 460.16, concerning administering, operating and expending funds for Housing4TexasHeroes, and further definition and clarification of the administration of the FVA program. One comment was received during the notice and comment period that closed on November 7, 2011. The Rains County Veteran County Service Office requested a revision to §460.10, Limitations on Grant Funds, that would allow funds awarded by the FVA to be used for capital leases. There was discussion concerning the comment, and the Commission, after due consideration, declined to further amend the proposed rule in response to this comment. Ms. Fastenau recommended the adoption of the amendments and new sections of 40 TAC §§460.1, 460.2, 460.5, 460.8 - 460.10, 460.12 and 460.16, as published in the *Texas Register*, without changes.

MOTION: Adopt the amendments and new rules as presented, without changes.

MADE BY: Chairman O'Mahoney

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

**XI. Report, Presentation and/or Action regarding Advisory Committee membership and designation of Committee Chairs**

Kyle Mitchell, Deputy Executive Director, presented the proposed list of advisory committee members and chairs with new terms to be effective January 1, 2012, pursuant to the new advisory committee rules approved for adoption under §452.2, Advisory Committees.

MOTION: Approve the list of members and chairs, as presented.

MADE BY: Commissioner Moran

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

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

Bill Wilson provided an overview of the current grant cycle review and recommendation process. Mr. Wilson noted that 103 applications were received in response to the notice of solicitation posted in the *Texas Register* for this grant cycle, with \$28 million requested by the applicants. The approved grants will begin January 1, 2012. Mr. Wilson presented the FVA general assistance grant award recommendations made by the advisory committee. After review of the recommendations, The Commission reduced the award amount for Burnet County by \$45,056. There was discussion regarding the allocation of the additional funds adjusted from the final grant awarded to Burnet County. The Commission allocated \$10,000 to Legal Aid of Northwest Texas; \$10,000 to Lone Star Legal Aid; and \$22,301 to Santa Maria Hostel. A total of \$4,102,977 was awarded to the following organizations:

1. American Red Cross of Central Texas: \$96,350 recommended and approved.
2. Burnet County: \$145,286 recommended; \$100,230 approved.
3. City of Cuero: \$20,544 recommended and approved.
4. CLC, Inc.: \$300,000 recommended and approved.
5. Legal Aid of Northwest Texas: \$200,000 recommended; \$210,000 approved.
6. Lone Star Legal Aid: \$200,000 recommended; \$210,000 approved.
7. Northwest Assistance Ministries: \$309,757 recommended and approved.
8. Nueces County: \$150,000 recommended and approved.
9. Operation Homefront of Texas: \$508,795 recommended and approved.
10. Samaritan Center: \$500,000 recommended and approved.
11. Santa Maria Hostel: \$300,000 recommended; \$322,301 approved.
12. Texas Center Point Veterans Services: \$425,000 recommended and approved.
13. Texas VFW Foundation: \$500,000 recommended and approved.
14. United Way of Southern Cameron County: \$100,000 recommended and approved.
15. United Way of Tarrant County: \$250,000 recommended and approved.
16. Worklife Ministry, Inc.: \$100,000 recommended and approved.

MOTION: Approve the Fund for Veterans' Assistance grant award recommendations as presented, with changes.

MADE BY: Commissioner Moran

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

**XIII. Report, Presentation and/or Action regarding TVC Housing4TexasHeroes Grants**

Mr. Wilson provided an overview of the current grant cycle. He noted that 44 applications were received in response to the notice of solicitation posted in the *Texas Register* for the Housing4TexasHeroes (H4TH) grants, with over \$14 million requested by the applicants, and \$3 million in grant funds available for H4TH applicants. Approximately half was designated for permanent housing, and the other half was designated for temporary housing. The approved grants will begin January 1, 2012. Mr. Wilson presented the H4TH grant award recommendations made by the advisory committee. A total of \$2,960,500 was awarded to the following organizations:

Permanent housing:

Alamo Area Development Corporation: \$400,000 recommended and approved.

Green Doors: \$600,000 recommended and approved.

Houston Habitat for Humanity, Inc.: \$160,500 recommended and approved.

Meals on Wheels and More, Inc.: \$400,000 recommended and approved.

Subtotal of funds awarded to organizations providing permanent housing: \$1,560,500.

Temporary housing:

Catholic Charities of the Archdiocese of Galveston: \$500,000 recommended and approved.

Community Action Corporation of South Texas: \$200,000 recommended and approved.

Families in Crisis, Inc.: \$300,000 recommended and approved.

MHMR Tarrant County: \$400,000 recommended and approved.

Subtotal of funds awarded to organizations providing temporary housing: \$1,400,000.

MOTION: Approve the Housing4TexasHeroes grant award recommendations as presented.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

Chairman O'Mahoney called for a 10-minute recess at 9:55 a.m.

Chairman O'Mahoney reconvened the meeting at 10:05 a.m.

**XIV. Report, Presentation and/or Action on Internal Audit of the Fund for Veterans' Assistance Grants Administration**

Russell Gregorczyk, Internal Auditor, presented an overview of the final draft report of the internal audit performed on the grants administration functions of the Fund for Veterans' Assistance grant program. Mr. Gregorczyk briefly discussed the budgeting process, amendments process, noting areas where some procedures will need to be

streamlined as more grantees are awarded. Mr. Gregorczyk reported on the number of positive changes made since the initial audit. There was brief discussion, and the Commission thanked Mr. Gregorczyk for his report and recommendations.

MOTION: Approve the internal audit of the Fund for Veterans' Assistance Grants Administration as presented.

MADE BY: Secretary Scott

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

**XV. Report, Presentation and/or Action on Fiscal Year 2011 Internal Audit Annual Report**

Mr. Gregorczyk presented an overview of the FY 2011 Annual Internal Audit Report. This report is required by the Texas Internal Auditing Act. The report is due no later than November 1st each year to the Office of the Governor, Legislative Budget Board (LBB), Sunset Advisory Commission and the State Auditor's Office. The report provides a summary and status of audits completed and significant recommendations for FY 2011. No action is required by the Commission.

**XVI. Report, Presentation and/or Action on Follow-up Review of the Status of Implementing Fiscal Year 2009 and 2010 Internal Audit Recommendations**

Mr. Gregorczyk presented a summary of the follow-up review on the status of implementation of the recommendations made in FY 2009 and FY 2010 for 6 prior audits: Human Resources Systems and Controls, Veterans Education Program, Marketing and Outreach Programs, Information Resources Systems and Controls, Executive Management, and Fund for Veterans' Assistance Grant Establishment Processes. Of the 92 recommendations made, 64 are fully implemented, 4 are substantially implemented, 16 are incomplete/ongoing, and 8 are not implemented.

MOTION: To approve the follow-up report on implementing FY 2009 and FY 2010 audit recommendations, as presented.

MADE BY: Vice Chairman Cantu

SECONDED BY: Secretary Scott

ACTION: The motion passed unanimously.

**XVII. Report, Presentation and/or Action on FY 2012 Internal Audit Plan**

Mr. Gregorczyk presented the FY 2012 internal audit plan, internal audit guidelines, and the internal audit charter to the Commission for approval, in accordance with the Texas Internal Auditing Act. The plan includes a history of what has been audited for past 5 years, and recommendations for future audits. The Commission agreed that Housing4TexasHeroes should be scheduled for review no sooner than FY 2013 because the program is new and not fully implemented, and should be combined with the follow-up to be performed on the Fund for Veterans' Assistance in FY 2014. The Commission also agreed on adding an audit of the Accreditation and Certification Training for Veterans County Service Officers in the FY 2012 schedule.

MOTION: To approve the FY 2012 Internal Audit Plan, with changes.

MADE BY: Vice Chairman Cantu

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

**XVIII. Discussion of Date, Time and Location of Next Commission Meeting**

The Second Quarterly Commission Meeting was scheduled for Monday, January 30, 2012, in the afternoon, in Room 170 of the Stephen F. Austin Building.

**XIX. Executive Session**

Chairman O'Mahoney adjourned into Executive Session at 10:55 a.m.

Chairman O'Mahoney reconvened in Open Meeting at 11:17 a.m.

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

Chairman O'Mahoney reported there was no action taken in Executive Session.

**XXI. Commissioners' Closing Comments**

The Commissioners extended their gratitude to staff for all their support and hard work. Secretary Scott acknowledged Mr. Richman's staff report and the need for more Claims Representation and Counseling staff.

**XXII. Adjournment**

Chairman O'Mahoney adjourned the meeting at 11:20 a.m.

Minutes Approved by:

  
T.P. O'Mahoney, Chairman

# TEXAS VETERANS COMMISSION

1<sup>st</sup> Quarterly Commission Meeting

FY 2012 -- November 16, 2011

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

## Speakers & Visitors

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**Chelsea Buchholtz**  
Governor's Advisor  
Office of the Governor

**Carmen Cernosek**  
Office of the Lt. Governor

**Russell Gregorczyk**  
CPA – Jansen & Gregorczyk  
TVC - Internal Auditor

**Morgan Little**  
Chair, Texas Coalition of Veteran Organizations  
Representative, ESGR

**John Miterko**  
Chair, Veterans Communication Advisory Committee  
Legislative Liaison, Texas Coalition of Veterans Organizations

**Amy Parker**  
Texas Workforce Investment Council  
Office of the Governor

**Marianne Rogers**  
Chair, Veterans Employment & Training Advisory Committee

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

**Adam Thomas**  
Rains County

**Gary Thomas**  
Veterans County Service Officer, Rains County

**Tara Thomas**  
Rains County

**Dan West**  
VFW, Department of Texas  
Assistant Adjutant