

**Texas Veterans Commission Meeting Minutes
2nd Quarter Commission Meeting (FY 2021)
February 11, 2021**

- I. Chairwoman Laura Koerner called to order the 2nd Quarter Commission Meeting of the Texas Veterans Commission (TVC) at 9:00 a.m. on February 11, 2021, via live gotowebinar. The following Commissioners, constituting a quorum, were present:

Laura Koerner, Chairwoman
Kevin Barber, Vice-Chairman
Kimberlee Shaneyfelt, Secretary
Mike Hernandez, Commissioner
Mary Dale, Commissioner

Also present was Thomas P. Palladino, Executive Director.

Vice-Chair Kevin Barber led the Pledge of Allegiance to the United States Flag, and Commissioner Kimberlee Shaneyfelt led the Pledge of Allegiance to the Texas Flag.

- II. Public Comment.

Members of the public were encouraged to register for the webinar at the following link:
<https://attendee.gotowebinar.com/register/7301312873532525837>

No public comment was received.

- III. **Approve the FY2021 First Quarterly Meeting minutes held November 17, 2020.**

The minutes for the FY2021 First Quarterly Commission Meeting held November 17, 2020, were previously distributed to the Commissioners.

MOTION: Approve the minutes of the FY2021 First Quarterly Commission Meeting held November 17, 2020
MADE BY: Commissioner Mike Hernandez
SECONDED BY: Commissioner Mary Dale
ACTION: The motion passed unanimously

- IV. **Report, presentation, and/or action regarding Agency Programs and Division.**

The Commissioners reviewed the Quarterly Program Reports that were previously provided before the Commission meeting.

- A. **Charles Catoe, Program Operations Director**, briefed the Commission on the following:

I. Texas Veterans Program Network update: Texas Veterans Network is a veteran's services referral platform initiative from the governor's office. Two grants fund it through the Workforce Commission. The two grants are to the organizations you see on the slide, the Alamo Area Council of Governments, which covers San Antonio, Corpus Christi, and

Laredo. Additionally, Combined Arms covers Houston, Dallas, Fort Worth, Austin, and El Paso; TVC works with both. We started working with them last summer and are slowly rolling out, so we get this right and make sure that our services are available on these platforms to reach more veterans, and more veterans can be referred to us. The metrics that we have are from 1 January 2021 through 9 February 2021. Referrals sent by TVC show that internally our Claims Department has the highest use when entering referrals into their system. The time the case is created is when the veteran requests services. Then a case is created when somebody picks up and accepts the referral so that as it shows, there is just a little bit less than four days and then the final bar at the bottom is the duration of the service episode. The Combined Arms software tracks response time in hours instead of days and this response time is from when the referral is assigned to when contact is made with the veteran. Their standard has moved from 72 hours to 48 hours, and we're still within that 24 hours doing quite well. Next slide, please.

II. Department Update: We started our reconstitution during the last quarter. We began Phase one, which is the maximum of 25%; however, in late November, all the reconstitutions were paused due to the trends, and our staff returned to a work-from-home status. Your book shows where we had sent the staff physically back in the office with a reduced presence before we had to pause. By December, we pulled everybody back out.

a. Claims Department has been working with the VA on new accreditation test bank questions, which were submitted during the past quarter and returned to us approved. Claims then worked very closely with the training and event management team to load the accreditation questions into our learning management system. The Claims Assistance Department also initiated monthly webinars for our Veteran County Service, since COVID started. These webinars provide 12 hours and 12 additional hours of training so the VCSO's can complete their annual required training.

b. Veterans Employment Services. The increase in authorized full-time equivalents that you approved last summer was reported, and they are moving forward. This has allowed VES to advertise, interview, and onboard much-needed staff. They are making progress on increasing the total number of VES staff, and they have filled the five new district supervisors.

c. Veterans Education also in this past quarter received a satisfactory from the VA on their performance over the past contract year; just so you know, satisfactory is the highest rating they give, so that's all that is possible for them. They did a great job getting there despite the challenges posed by the pandemic. That said, both their federal and state education programs are moving forward.

III. Healthcare Advocacy: Gary Lee, Director of Healthcare Advocacy, briefed the Commissioners on the Health Care Advocacy Department. They have been working in partnership with the Communications and Outreach Department. Elaine Zavala and her team did a wonderful job taking the information that the health care advocates throughout the state gathered from their respective facilities. We added information to the TVC website and created a web page dedicated to sharing information to veterans about the COVID-19 vaccinations. For those who were qualified to receive it, this information has been valuable. Our health care advocates continue to help with appointments, enrollment eligibility, VA and non-VA billing issues.

B. Thomas Palladino, Executive Director, briefed the Commission on the following:

I. FY2020 Performance Measures. I want to briefly go over these with the Commissioners and anyone that's watching. We turn these in every two years to the Legislative Budget Board, and then we have performance measures on the agency. In November we usually, brief the Commissioners on the past fiscal year, there are 15 output measures that we currently measure, and there are key and non-key: we're focusing on the key. The way it works with Legislative Budget Board is that we have output measures and outcome measures that are key that we are measured on, and then there is non-key that we are not measured on. Because of COVID-19, we did not see as many veterans as we usually do; we still saw a good amount. We did not meet all of the performance measures goals. We met six out of the 15 output measures. If you look at the first one, it is an output measure representing the claims filed for disabled veterans; this measure indicates the number of new claims that we filed in a given quarter of the year. We highlighted the fourth quarter because the fourth quarter gives you the total, so you could see the goal was 113,909. Additionally, you can see the actual number of new claims filed per quarter. TVC started strong with 32,477, a little over ¼ of the goal. The number of new cases filed dropped, and at the end of the fourth quarter, TVC had filed a total of 96,029 claims which was 84% of the goal.

II. New non-key measures. The Sunset Advisory Commission came through and recommended that we have more outcome measures than output, and we agreed. The output measure mostly captures the number of services you get, whereas what we really want to know is what were the outcomes of those services received. Outcome measures show the percentages of success, so it's a better way to measure it.

C. Shawn Deabay, Deputy Executive Director, briefed the Commission on the following:

I. Department Update: I have a couple of brief notes about what is going on with my team before we get into the Sunset.

a. Women Veterans Program. It is that time again for the annual Women Veterans Community Outreach campaign, which starts March 8th on International Women's Day. This campaign focuses on increasing awareness of support groups and providing information related to Family Services for women veterans who are single parents. The program is working on a short video to share on social media and our website; it's similar to last year's campaign, where the focus was to provide information to increase awareness for benefits and services available to women and increase the participation of women veterans in programs. That campaign was a Facebook ad that reached 825 women veterans and provided a quick guide to State and Federal resources.

b. Information Resources. They have been working very, very hard on our servers. We want to ensure that we upgrade our servers to decrease vulnerabilities and increase efficiencies. Upgrading our website takes a lot of work, but they are doing a great job.

c. Communications. They stay very busy, of course, with the veteran's radio spots. However, two big items are being addressed; one is the website I just mentioned and how slow it is. We are working with IRM to make sure the website gets faster and more efficient. Additionally, Charlie spoke about the Texas Veterans Networks and how

super important it is to get the word out about them.

II. Sunset Update: Cruz Montemayor, the Agency Compliance Coordinator, will give a summary report.

Mr. Paladino and I virtually attended the Sunset Commission hearing, and the Sunset staffer presented the report to the Commission for the follow-up of all agencies. While there were questions on some agencies, there were no questions regarding the follow-up review for TVC. Mr. Paladino sent a letter to Sunset, which is in your binder under Item 4, under the Sunset tab, to clarify two items that Sunset annotated as partially implemented or in progress. Both items have been made explained and are now in compliance. The State Auditor's Office reviewed all 14 Sunset management recommendations and found them all to be complying. The SAO has released its report to the Sunset Commission as well. Moving forward, I am incorporating all Sunset, legislative, and management changes into the ongoing compliance review cycle to ensure we continue to stay in compliance. It was a team effort, a lot of work on behalf of many people, but I think we got it done and according to the Sunset Commission meeting that they had, there will be no further items on this until 2030, when we come up again for Sunset review. We should be in good shape, and we'll make sure we keep everything on track, ensuring that when 2030 comes along, whoever has the reins at that time will be in good shape.

V. **Quarterly Reports from Veterans County Service Officer Advisory Committee.**

- A. **Ted Oats, Chairman VCSO Advisory Committee**, provided a summary of the Advisory Committee's activities since their last report to the Commission. He introduced the newly elected Chairman of the Committee, Spencer Kimball. Mr. Kimball addressed the Commissioners.
- B. **Kerry Reyna, Chair of Fund for Veterans Assistance**, provided a summary of the Advisory Committee's activities since their last report to the Commission.
- C. **Earl Newsome, Chair of Veteran Services**, provided a summary of the Advisory Committee's activities since their last report to the Commission.

VI. **Report, Presentation, and/or action regarding VCSO Advisory Committee vacancy.**

Shawn Deabay, Deputy Executive Director, presented the Commissioners a report regarding the Advisory Committee Membership application process. If you remember, during the most recent ranking of applications this past fall, we ranked more applicants than needed to fill the vacancies at that time. The reason was to have a pool of people in case there were any vacancies throughout the year. I am so glad we did because Richard Sanchez recently resigned from the Veteran County Service Officer Advisory Committee. He will no longer serve as the Veteran County Service Officer for Refugio County, which is located in the Victoria area. In your folder, you will see the resignation letter for Richard Sanchez and Sasha Matthews' application along with her DD214. We recommend that Sasha Matthews, the Hays County Veteran County Service Officer, which is in the San Marcos area, finishes the term vacated by Mr. Sanchez based on the rankings that I had previously mentioned.

MOTION: Approve the Advisory Committee membership.
MADE BY: Commissioner Mary Dale
SECONDED BY: Secretary Kimberlee Shaneyfelt
ACTION: The motion passed unanimously

VII. **Report, presentation, and or action regarding Proposed Amendments to Administrative Rule 40 TAC §452.2. Advisory Committees.**

Shawn Deabay, Deputy Executive Director, presented the Commissioners the report. In your folder, you have a draft memo from our General Counsel, John Goodell, briefly outlining the proposed rule changes. You have the actual proposed rule change, with underlined proposed language and strikethroughs for the existing language proposed for deletion. This is the document I'll be referring to during my presentation. During the first Quarterly Commission meeting, we discussed a staggering issue within the Advisory Committee membership. The current rule does not allow flexibility to stagger membership terms, so to ensure we can stagger the terms on Advisory Committee membership, we would like to change the rule for 452.2. Also, since we are reviewing this section of the rule, we thought it would be prudent to analyze the entire. We are identifying three things that we feel need improvement, the first of which is the Chair term limit. Every January, the Advisory Committees go through, and they have an election for a Chair. Most of the time, nearly 100% of the time, unless they step down, the Chair remains for their entire term, so we wanted to propose a change to have a two-year limit, to have some freshness just for the leadership, and get some turnover.

The second part is for the vice-chair; they all have vice-chairs, but there was nothing in the rule to identify the vice-chair responsibilities, and we wanted to provide that guidance. We wanted to review the rule to address the staggering issue we had, especially with the new Veteran Services Advisory Committee. Currently, they all have the same term end date. The committee's voting members select the Chair and Vice-Chair of each Advisory Committee. The Committee Chair and Vice-Chair term lengths are one or two-year terms determined by the committee's voting members and are limited to two years of service as the Chair or Vice-Chair during their appointment. The Committee Chair determines each meeting's agenda; the Vice-Chair shall perform the Chair duties when the Chair is unavailable or unable to perform. The term of office for each member will be determined by the Commission to achieve staggering terms. If a member cannot complete his or her term or is removed by the Commission, the Commission shall appoint a qualified replacement to serve the term's remainder. If the recommended changes are approved, it will be posted on the Register for public comment for 30 days. Then, at the third quarterly Commission meeting, we will have the rule ready for your approval and adoption.

MOTION: Approve the Proposed Amendments to Administrative Rule 40 TAC §452.2. Advisory Committees.
MADE BY: Commissioner Mike Hernandez
SECONDED BY: Secretary Kimberlee Shaneyfelt
ACTION: The motion passed unanimously

VIII. **Report, presentation, and/or action to Propose the Review of Agency Rules: 40 TAC Chapter 460, Fund for Veterans' Assistance Program.**

Jim Bracken, Director, Fund for Veterans' Assistance. The General Counsel provided a summary of the request for review of agency rules, 40 TAC Chapter 460 (FVA). The proposed

amendments are made to eliminate redundant language and clarify the Fund for Veterans' Assistance Grant Program's objectives. The proposed rule amendments update obsolete references to provide current citations to the Code of Federal Regulations, providing a government-wide framework for grants management. Recent modifications now supersede previous federal regulations found in OMB Circulars to the Uniform Grant Guidance in the Code of Federal Regulations.

§460.3. Applicant Eligibility: Paragraph (a) adds the words "Any of" to avoid the perception that an entity applying for a grant must satisfy multiple subcategories and therefore ensure maximum participation in the grant application process. Subparagraph (a)(3) deletes specification of "private" to ensure inclusion of all IRS Code §501(c)(3) non-profit entities. Subparagraph(a)(5) deletes "Non-profit organization authorized to do business in Texas with experience providing services to veterans," a redundant item to subparagraph (b)(4) and therefore unnecessary assuming deletion of "private" in subparagraph (a)(3). Subparagraph(b)(3) deletes the term "including" to allow for an interpretation that if a unit of state or federal government is not specified in the items that follow, they are eligible. Adding "research institutions" to provide the necessary specificity to prevent commission grants from funding research.

§460.8. Grant Objectives: Section 460.8(7) adds *Pro bono*, aligning the Rule to match the language defined in Texas Government Code §434.024(5). Section 460.8(8) deletes the term "development" to clarify the use of grant funding by professional services networks. Section 460.8(9) adds "veterans mental health treatment" to specifically address existing programs that meet treatment needs for Veterans Mental Health. Section 460.8(10) adds "participation in Veteran Treatment Court programs" to specifically address current participation in Veteran Treatment Court programs. Section 460.8(11) adds "home modification projects" to specifically address participation in home modification projects.

§460.10. Limitations on Grant Funds: Section 460.10(7) inserts language to avoid grantee reimbursement requests for expenses, which have no value or relevance to the grant project funded by the commission. Section 460.10(10) removes catchall provision to prevent any cost that is not allowable under the Grant Agreement, the Fund for Veterans' Assistance Fiscal guidelines, and State of Texas Uniform Grant Management Standards. Inserts language to prevent the use of grant funds for medical costs as well as lists examples of what medical costs might be. Section 460.10(11) adds language to prevent payment of stipends to beneficiaries, volunteers, students, interns, employees, and members of the board of directors is prohibited. Section 460.10(12) adds language preventing funding of capital assets located outside Texas to ensure that grant funding benefits remain inside the state. Section 460.10(13) contains language formerly located in §460.10(10). The new paragraphs contain catchall provisions to prevent any cost that is not allowable under the Grant Agreement, the Fund for Veterans' Assistance Fiscal guidelines, and State of Texas Uniform Grant Management Standards.

§460.23. Fiscal Monitoring: Section 460.23(c) deletes obsolete references to OMB Circulars A-87 and A-122 and replaces them with the updated reference to Title 2, Part 200 of the Code of Federal Regulations.

MOTION: Approve the Review of Agency Rules: 40 TAC Chapter 460, Fund for Veterans' Assistance Program
MADE BY: Secretary Kimberlee Shaneyfelt
SECONDED BY: Vice-Chair Kevin Barber
ACTION: The motion passed unanimously

IX. **Report, Presentation, and/or action regarding the Appropriation Year 2021 First Quarter Operating Statement.**

Michelle Nall, Chief Financial Officer, provided an Agency Summary regarding Appropriation Year 2021, 1st Quarter Operating Statement, and a summary of the programs' financial activities since its last report to the Commission.

X. **Report, presentation, and/or action regarding 1st Quarter Donations.**

Michelle Nall, Chief Financial Officer, provided an Agency Summary regarding Appropriation Year 2021, 1st Quarter Donations. A donation of \$5000.00 was made, and it was noted that the funds go to the Fund for Veterans' Assistance program.

MOTION: Approve the 1st Quarter Donations
MADE BY: Commissioner Mike Hernandez
SECONDED BY: Chairwoman Laura Koerner
ACTION: The motion passed unanimously

XI. **Report, presentation, and/or action regarding Internal Audits and the FY 2021 Annual Internal Audit Report.**

Liz Meyers, McConnell, and Jones provided reports to the Commissioners.

The first item in your materials is the FY2021 Internal Audit plan status. We have completed the data security audit, and we just started the Veterans Employment Services audit. We are on schedule to complete all the audit activities as approved.

The second item is a summary of the agency's Data Security Program audit. Our auditors pretty much determined that the Texas Veterans Commission has an effective data security program to protect its network, physical access, and data. The audit focused on security, cybersecurity controls, access controls, print controls, and destruction controls such as purging retention policies both for electronic and paper. The continuity of operations plan (COOP), also known as disaster recovery, describes a time for recovery and the pathway to maintaining remote work systems and technology.

We also performed a vulnerability scan to help the agency identify potential security weaknesses. We had no reportable findings or recommendations related to the internal controls or compliance, and we did provide management with recommendations related to their hardware.

XII. **Report, presentation, and/or action regarding the FY2020 Veteran Needs Assessment Study by the Texas A&M Public Policy Research Institute.**

Jim Bracken, Director of Fund for Veterans' Assistance, provided the reports to the Commissioners. Section 17, Chapter 434 in Title four of the Texas Government Code provides statutory requirements governing the Fund for Veterans' Assistance Program by statute. The Commission conducts a Needs Assessment every four years to identify the specific high priority, veterans' needs, and the services available to address those needs statewide. Based on the Needs Assessment Study results, the FVA grant programs and service categories are evaluated, prioritized, and modified if necessary to ensure grant funding is available to those organizations that can provide those high-priority services and needs for veterans and their families. In July 2019, TVC contracted with Texas A&M's Public Policy Research Institute PPRI to complete the

2020 Needs Assessment Study. The study was extended by several months because of COVID, but on February 1st, PRI provided their preliminary final report to the Commission a few weeks ago. Our goal is to publish the final report at the end of this month per the statute. Please refer to Tab 12 in your binder materials. This report has been made available to the FVA Advisory Committee for consideration and reference as they review grant applications during the next several weeks in preparation for their recommendations.

Nandita Chaudhuri, Ph.D. (Principal Investigator) Public Policy Research Institute, Texas A&M. The Texas Veterans Commission (TVC) contracted with the Public Policy Research Institute at Texas A&M in July 2019 to conduct a Needs Assessment Study to identify the pressing needs of Texas veterans and their families. PPRI has addressed this goal using standard validated social science methods that included the following:

- o A Texas Veterans Needs Assessment Survey conducted via two methodologies and samples in December 2019-January 2020 and June 2020 with a total dataset of fully completed 15,664 responses
- o A Texas Veterans Organizational Needs Survey conducted in December 2019-January 2020
- o An asset mapping of veteran resource inventories in Texas conducted in April-June 2020
- o A series of 17 focus groups with Texas veterans and families during October-December 2020 with a total sample of 201 focus group participants

All protocols for the above components were developed in close coordination with TVC staff. For each of the above methodological components, PPRI submitted a detailed report to TVC at the completion of data collection and analysis. A list of these reports is included in the appendices. This final comprehensive report triangulates data from all the above sources to present the key findings on Texas veterans' needs for each FVA region. Based on the findings, a list of actionable suggestions and recommendations are included at the end.

Question: Commissioner Mike Hernandez asked if the study would be able to break down by age group and or era in which the veteran served (i.e., Vietnam/Gulf War). **Answer:** Yes

Question: Commissioner Mary Dale asked if the study should be done annually/bi-annually instead of every four years. **Answer:** No, it would be too much.

XIII. Report, presentation, and/or action regarding grant renewals criteria for the 2021-2022 grant period.

Jim Bracken, Director of Funds for Veteran Assistance, provided an update on the Grant Renewals for the 2021-2022 grant period. FVA has concluded that based on 2nd Quarter data that COVID-19 affected performance and most TVC grant organizations' expenditure rates during the past six months. As the Commission is aware, granting organizations seeking renewal of their grants for a consecutive year requires renewal criteria specified in the grant contract. Historically, and currently, the Commission has set the renewal criteria of 70% of annual clients served and 70% of annual grant funding spent by the third quarter, which is March 31st.

I want to show the Commission an updated comparison of the last three years. The highlighted boxes are those values that FVA assesses to illustrate the effect of COVID-19 on performance, which are the left columns, and on expenditures which are on the right columns. This is second-quarter data, so there will be another three months of Grantee operations before we see the third-

quarter data. But FVA uses the second-quarter data to indicate how grants will perform by the end of the third quarter.

Of the 131 current grantees that the Commission awarded, 112 are eligible for renewal. You can see on this chart that 40 of them are general assistants, 23 are housing grants, 26 are Veteran Mental Health, 18 Treatment Court, and 5 Veteran County Service Officers. The 112 grantees are in the renewal eligibility pool, and altogether their grant award value exceeds 25 million. Note, 37 of the 112 met both of the 2nd Quarter benchmarks, which indicates they are most likely to meet the third-quarter performance. So, 33%, about a third of our grantees, are on the path to meet the third quarter benchmarks. If the third quarter renewal criteria were lowered from 70% to 50%, FVA predicts that at least 71 grantees will meet the 50% renewal criteria. This translates to approximately \$14.4 million in renewed grant funding for next year. For comparison on this slide's right-hand side, you will see that our model reflects if the renewal criteria were lowered even further from 70% down to 40%; FVA's prediction based on second-quarter data, 78 grantees would meet the renewal criteria, that is about 70% of all the grants, and that would equal in terms of grant funding to \$18.5.

FVA recommends the Commission's consideration to load the renewal criteria, from 70% down to at least 50% for both performance and expenditures, but not lower than 40%.

MOTION: Approve criteria for grant renewals at 40% of the renewal criteria for the 2021-2022 grant period
MADE BY: Vice-Chair Kevin Barber
SECONDED BY: Secretary Kimberlee Shaneyfelt
ACTION: The motion passed unanimously

XIV. Executive Director report.

Thomas Palladino, Executive Director, provided a report on the agency's priorities and activities over the last quarter, meetings, and events he has attended to include relationships with other State and Federal veteran agencies.

XVI. Executive Session.

None.

XVII. Discussion and take possible action on the items considered in Executive Session.

There were no items to act on.

XVIII. Discussion to set date, time, and location of next Commission Meeting

The Commission agreed that the 3rd Quarterly Commission Meeting of FY21 would be held on Thursday, May 13, 2021, at 9:00 a.m. via gotowebinar.

XIX. Adjournment.

Chairwoman Koerner asked each Commissioner for any closing remarks.

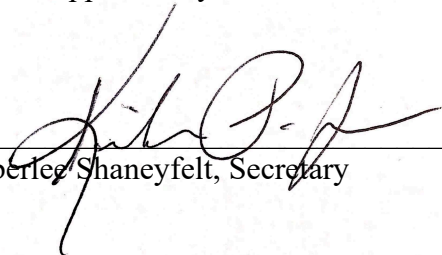
Each Commissioner extended their gratitude to Texas Veterans Commission staff for all their support and hard work in serving Texas Veterans.

Chairwoman Koerner provided closing remarks as well.

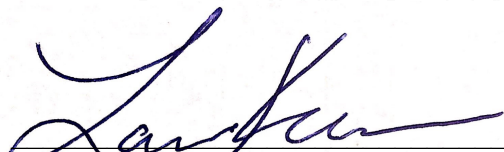
MOTION: Adjourn 2nd Quarter Meeting
MADE BY: Vice-Chair Kevin Barber
SECONDED BY: Secretary Kimberlee Shaneyfelt
ACTION: The motion passed unanimously

Chairwoman Koerner adjourned the meeting at 11:38 a.m.

Minutes Approved by:

 5/13/2021

Kimberlee Shaneyfelt, Secretary

 5/13/2021

Laura Koerner, Chairwoman