

Texas Veterans Commission Meeting Minutes

First Quarterly Meeting (FY 2014)
November 13, 2013

I. Call to Order

Chairman Eliseo Cantu called to order the First Quarterly Meeting of the Texas Veterans Commission (TVC) at 9:02 a.m. on November 13, 2013, in Room 170 of the Stephen F. Austin Building at 1700 North Congress Avenue, Austin, Texas 78701.

The following Commissioners, constituting a quorum, were present:

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

Also present was Thomas P. Palladino, Executive Director.

Also present: See the attached list.

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

Chairman Cantu welcomed visitors to the meeting. He introduced TVC new employees:

Luis Acuña

Administration and Training – Staff Services Officer I – started on October 7th at TVC HQs

Ann Bjorgo

Administration and Training – Administrative Assistant I – started on October 2nd at TVC HQs

Julie Puzan

Women Veterans Employment Services – Veterans Services Representative V – transferred from Austin Out-Patient Clinic to TVC HQs on September 13th.

Carrie Sconza

Administration and Training – Women Veterans Information Specialist II – started on October 28th at TVC HQs

Edward Pier

Fund for Veterans' Assistance – Grant Coordinator I – started on October 12th at TVC HQs.

II. Public Comment

Mr. Morgan Little, Texas Coalition of Veterans Organizations, addressed the Commission regarding Veterans' Courts. Mr. Little distributed an article from the Austin American Statesman that was published on Monday, November 11, 2013, relating to Veterans' Courts. Mr. Little elaborated on the positive impact that Veterans' Courts are having on the Veteran population in Texas, and encouraged the TVC to further investigate their influence.

III. Approval of Minutes of the Fourth Quarterly Meeting held August 7, 2013

The minutes were previously distributed to the Commissioners.

MOTION: Approve the minutes of the Fourth Quarterly Meeting held on August 7, 2013, as presented.

MADE BY: Vice-Chairman Scott

SECONDED BY: Commissioner Ellzey

ACTION: The motion passed unanimously.

IV. Report, presentation and/or action by representatives of the Advisory Committees

a. Veterans Communication Advisory Committee – Jim Cunningham, Chair

Jim Cunningham provided a summary of activities of the Veterans Communication Advisory Committee since its last report to the Commission. Mr. Cunningham informed the Commission about TVC's presentation of their Excellence in Media Awards at TVC's Fall Conference. Additionally, Mr. Cunningham updated the Commission about the current workings of the Advisory Committee. Advisory Committee members are working on how to better establish outreach efforts to Veterans and how to increase communication between the veteran student organizations in Texas. Lastly, Mr. Cunningham noted the work the Advisory Committee did for Veterans' Day events and Propositions One (1) and Four (4) relating to tax exemptions for certain Veterans.

b. Veterans Employment and Training Advisory Committee – Richard Hatfield, Chair

Richard Hatfield provided a summary of activities of the Veterans Employment and Training Advisory Committee since its last report to the Commission. Mr. Hatfield noted TVC staff conducted presentations for the Advisory Committee on the roles and responsibilities of Disabled Veterans Outreach Specialists, Local Veterans

Employment Representatives, and the Veteran Entrepreneur and Women Veteran Employment programs. Additionally, Mr. Hatfield informed the Commission about efforts the Advisory Committee is engaging in to form partnerships with higher education institutions and technical schools. Mr. Hatfield stated a presentation from the Texas Higher Education Coordinating Board will be given at the next Advisory Committee meeting. Lastly, Mr. Hatfield updated the Commission about the current vacancies the Advisory Committee is experiencing.

c. Veterans County Service Officer Advisory Committee – Jimmy DeFoor, Chair

Jimmy DeFoor provided a summary of activities of the Veterans County Service Office Advisory Committee since its last report to the Commission. Mr. DeFoor explained to the Commission that the Advisory Committee has focused their attention on the training for Veteran County Service Officers. During the 2013 Fall Conference, recommendations from the Advisory Committee were implemented to teach classes that focused on the Veterans Healthcare Administration, Community Involvement, and Post Traumatic Stress Disorder. Additionally, Mr. DeFoor explained to the Commission that these classes were well received by the initial training class of the Fall Conference, and the Advisory Committee would like to continue providing recommendations to the Commission in regard to the subject matter of classes to be taught at future training conferences. Lastly, Mr. DeFoor informed the Commission about the vacancies on the Advisory Committee.

d. Fund for Veterans' Assistance Advisory Committee – Thomas Smith, Chair

General Thomas Smith provided a summary of activities that were conducted by the Fund for Veterans' Assistance Advisory Committee during the previous two meetings since its last report to the Commission. General Smith explained to the Commission that the main focus on the first meeting was to conduct training for the new members of the Advisory Committee. TVC Fund for Veterans' Assistance (FVA) staff provided the training to all the members of the Advisory Committee. General Smith informed the Commission that Col. Bill Meehan was elected by the Advisory Committee during the first meeting to fill the position of Vice Chair. Additionally, General Smith provided an update to Commission about the second meeting conducted by the Advisory Committee. General Smith explained to the Commission that the second meeting consisted of hearing all public comments made by organizations that had submitted applications for the next XIV-A FVA grant. Lastly, General Smith informed the Commission about his intent to not seek another term on the Fund for Veterans' Assistance Advisory Committee. The Commission recognized General Smith for his five years of service and presented him with a certificate of their appreciation.

V. Report, Presentation and/or Action on annual evaluation of Advisory Committees

Cruz Montemayor, Chief Administrative Officer, provided a background regarding current rules on the annual evaluation of the Advisory Committees. Mr. Montemayor briefed the Commission on the annual report regarding the effectiveness of the four Advisory Committees. Each Commissioner received a copy of this report prior to the

Quarterly Commission Meeting. Additionally, Mr. Montemayor highlighted the numerous accomplishments of each Advisory Committee and the awards presented by each Advisory Committee to their respective sector. Mr. Montemayor explained to the Commission that TVC staff recommended the continuation of each Advisory Committee.

MOTION: Approve the continuation for each of TVC's four Advisory Committees.

MADE BY: Commissioner McLeon

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

VI. Report, Presentation and/or Action regarding Advisory Committees membership

Cruz Montemayor, Chief Administrative Officer, provided an overview of the membership selection process for each Advisory Committee. In addition, Mr. Montemayor explained the outreach strategies utilized by the TVC to recruit members for the Advisory Committees. Mr. Montemayor notified the Commission about changes made in the application procedure for Advisory Committee membership. The TVC now requests a copy of the applicants DD-214 for review. Mr. Montemayor explained that each Director or Manager that works with the Advisory Committee will provide an overview of their recommended appointees and re-appointees for Advisory Committee membership to the Commission.

Rachel Shumaker, Communications and Veterans Outreach Manager, provided a summary of the recommended appointees and re-appointees for the Veterans Communication Advisory Committee. Ms. Shumaker explained the background and highlighted the accomplishments of each recommended member to the Commission. The following were recommended for appointment and re-appointment to the Advisory Committee:

Kristina Shevory
Benjamin Armstrong
James Cunningham (reappointment)
Buster Horlen (reappointment)
Brian Van Reet

MOTION: Approve the recommended appointees and re-appointees for the Veterans Communication Advisory Committee.

MADE BY: Commissioner Ellzey

SECONDED BY: Commissioner McLeon

ACTION: The motion passed unanimously.

Shawn Deabay, Veterans Employment Services Director, provided a summary of the recommended appointees and re-appointees for the Veterans Employment and Training Advisory Committee. Mr. Deabay explained the background and highlighted the accomplishments of each recommended member to the Commission. The following were recommended for appointment and re-appointment to the Advisory Committee:

Sal Adamski (reappointment)
Jim Brennan (reappointment)
John DiPiero (reappointment)
John McKinny (reappointment)
Morgan Little

MOTION: Approve the recommended appointees and re-appointees for the Veterans Employment and Training Advisory Committee.

MADE BY: Vice-Chairman Scott

SECONDED BY: Commissioner Ellzey

ACTION: The motion passed unanimously.

Kathy Wood, Fund for Veterans' Assistance Director, provided a summary of the recommended appointees and re-appointees for the Fund for Veterans' Assistance Advisory Committee. Ms. Wood explained the background and highlighted the accomplishments of each recommended member to the Commission. The following were recommended for appointment and re-appointment to the Advisory Committee:

Bobby Ehrig
Dan West
Alonzo Poteet
LeTitia Speed

Ms. Wood stated there is a fifth (5th) member to be recommended for appointment, but this member will be discussed in further detail during agenda item number twelve (12).

MOTION: Approve the recommended appointees and re-appointees for the Fund for Veterans' Assistance Advisory Committee.

MADE BY: Vice-Chairman Scott

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

Jim Richman provided a summary of the recommended appointees and re-appointees for the Veterans County Service Officers Advisory Committee. Mr. Richman explained the background and highlighted the accomplishments of each recommended member to the Commission. The following were recommended for appointment and re-appointment to the Advisory Committee:

Laura Spain (reappointment)
Emilio De Los Santos (reappointment)
Toby Cross (reappointment)
Sonya Broadway (reappointment)
Kathryn Fasci
Ruben Escobar
James Henderson

MOTION: Approve the recommended appointees and re-appointees for the Veterans County Service Officers Advisory Committee.

MADE BY: Commissioner Ellzey

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

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

Thomas Palladino, TVC Executive Director, provided a report on TVC's priorities and activities over the last quarter. Mr. Palladino briefed the Commission on his meeting with Eric Shinseki, Secretary of Veterans Affairs (VA), and Allison Hickey, Under Secretary for Benefits at the Department of Veterans Affairs, regarding the VA's claims backlog and processing. Secretary Shinseki recognized the TVC for their efforts and progress in decreasing its claims backlog. In addition, Mr. Palladino provided highlights on further meetings he attended, the National Association of State Directors of Veterans Affairs (NASDVA) Conference in September and the Texas A&M Military Symposium in October.

Furthermore, Mr. Palladino briefed the Commission on past and current activities occurring within TVC. TVC's annual Fall Training Conference took place on September 16th through the 20th. County Service Officers received TVC accreditation and were educated on TVC's program areas. TVC has moved forward on the Hazlewood Negotiated Rulemaking process as directed by Senate Bill 1158. Cruz Montemayor, Chief Administrative Officer, is serving as the Facilitator for this process, and Rufus Coburn, Veterans' Education Program Director, is representing TVC on the Negotiated Rulemaking Committee. Mr. Palladino notified the Commission that the proposed rules will be presented to the Commission, upon completion of the Negotiated Rulemaking Process. Additionally, the Texas Coordinating Council for Veterans

Services (TCCVS) met on November 12, 2013, and received updates from the current workgroups. Mr. Palladino notified the Commission that the TCCVS will be submitting their full report to the Commission during September 2014. Mr. Palladino provided further updates to the Commission on the testimony provided by Shawn Deabay, Veterans Employment Services Director, and Duncan McGee, Veterans Entrepreneur Initiative Manager, to the U.S. House of Representative's Committee on Veterans Affairs' Subcommittee on Economic Opportunity Field Hearing in Waco, TX on November 6, 2013. Mr. Palladino also updated the Commission on the progress of TVC's new program areas, the Women's Veterans Program and the Veterans Entrepreneur Initiative Program. Mr. Palladino informed the Commission about TVC's State Employee Charitable Campaign accomplishments this year.

Lastly, Mr. Palladino updated the Commission on future meetings and activities occurring within TVC. He notified the Commission about the TVC's intentions to form partnerships with other State Agencies to develop and improve hiring initiatives for Veterans. Concluding the discussion, Mr. Palladino notified the Commission about TVC receiving a donation of over \$100,000 from a Tarrant County woman who left this amount to the TVC in her will. The Commission was provided a copy of the woman's letter prior to the meeting. Accolades and an update on Texas Casualties were presented to the Commission, concluding Mr. Palladino's presentation.

VIII. Report, Presentation and/or Action on agency programs and divisions:

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.

- A. Jim Richman, Director of Claims Representation and Counseling, reported on major activities and accomplishments. Mr. Richman updated the Commission on the current VA technology changes that are happening at the Waco and Houston Regional Offices. He provided an overview of the Stakeholder Enterprise Portal Lab and the Superusers that have been established to utilize this technology. In addition, he explained the initiative of both Regional Offices to develop a process wherein they can electronically transfer claims directly to the VA. Lastly, Mr. Richman notified the Commission that they are planning another "pledge event" in conjunction with Congressman O'Rourke from El Paso, and explained to the Commission that the Claims Representation and Counseling Program are has met and exceeded all key performance measures set for the fourth quarter. Concluding the discussion, Mr. Richman addressed all questions from the Commission regarding the Federal Government Shutdown.
- B. Shawn Deabay, Director of Veterans Employment Services, reported on major activities and accomplishments. Mr. Deabay notified the Commission about their participation at the American Legion National Conference in Houston and the partnership they formed with them to assist with the American Legion Hiring Event during the Conference. In addition, Mr. Deabay updated the Commission on the

Board Contracts negotiation process that is occurring with the TVC and the Department of Labor Vets. Lastly, Mr. Deabay updated the Commission on the progress of the new program areas, the Women's Veterans Initiative and the Veterans Entrepreneur Initiative, and stated that the Veterans Employment Services Program has met all of their performance goals.

- C. Rufus Coburn, Veterans Education Program Director, reported on major activities and accomplishments. Mr. Coburn updated the Commission on the completion of their Federal Contract requirements for FY 2013 and notified the Commission that the Federal Contract for FY 2014 has been received by his staff. Additionally, Mr. Coburn provided an update on the current status of the Hazlewood Negotiated Rulemaking Committee.
- D. Kathy Wood, Fund for Veterans' Assistance (FVA) Director, reported on major activities and accomplishments. She notified the Commission that the Housing for Texas Heroes application has been posted and her staff is currently awaiting applications to review. Additionally, Ms. Wood updated the Commission on past meetings that FVA staff attended. She notified the Commission that the new Veterans' Cash game has been released by the Texas Lottery Commission and is now available to the public. Lastly, Ms. Wood reported on the performance measures of the FVA. Concluding Ms. Wood's presentation, she addressed all questions from the Commission.
- E. Cruz Montemayor, Chief Administrative Officer, reported on major activities and accomplishments. He also provided a Fall Conference update to the Commission and an update regarding the new Women's Veterans Coordinator. Additionally, Mr. Montemayor elaborated on each section regarding the Hazlewood Negotiate Rulemaking Process.
- F. Chip Osborne, Chief Financial Officer, reported on major activities and accomplishments. He stated that all financial reports have been submitted by the required due dates. Additionally, Mr. Osborne discussed Finance's performance measures and updated the Commission on Finance's current vacancies.

IX. Report, Presentation and/or Action on Appropriation Year 2013 4th Quarter Operating Statement

Chip Osborne, Chief Financial Officer, presented the Fourth Quarter Operating Statement for FY 2013, which was previously provided to the Commissioners. Mr. Osborne noted that TVC is currently financially sound and all budgets are on track. Additionally, Mr. Osborne addressed discrepancies associated with total funding and total expenditures.

No motion to approve needed.

X. Report and presentation on annual Audit Annual Report for Fiscal Year 2013

Russell Gregorczyk, TVC Contracted Internal Auditor, provided an overview of the Annual Audit Report for Fiscal Year 2013. Mr. Gregorczyk provided an overview of the process completed by him and his team. He highlighted noteworthy items in the report and changes that occurred as a result of statutory changes.

No motion to approve needed.

XI. Report, Presentation and/or Action regarding on Internal Audit Plan for Fiscal Year 2014

Russell Gregorczyk, TVC Contracted Internal Auditor, provided an overview for the 2014 Internal Audit Plan and explained the three components of the Internal Audit Plan Report. Additionally, Mr. Gregorczyk explained the risk assessments to the Commission and elaborated on the risk factors and weights mentioned in the report. Lastly, Mr. Gregorczyk provided recommendations on what topics and areas should be audited this upcoming year based on the potential risk. Concluding the presentation, Mr. Gregorczyk addressed questions from the Commission.

MOTION: Approve the Internal Audit Plan for Fiscal Year 2014.

MADE BY: Vice-Chairman Scott

SECONDED BY: Commissioner Ellzey

ACTION: The motion passed unanimously.

XII. Report, Presentation and/or Action regarding a partnership with the Department of State Health Services for a separate counseling/ mental health grant solicitation.

Kathy Wood, Fund for Veterans' Assistance Director, explained the background on FVA's General Assistance Grants and the various service categories within their General Assistance Grants. Ms. Wood elaborated on the past information regarding grants awarded under the Counseling and Mental Health Service Category. Additionally, Ms. Wood briefed the Commission on the statutory changes that occurred for the Department of State Health Services (DSHS) this past legislative session. She stated that the Legislature authorized DSHS to create a mental health grant for Veterans. Ms. Wood notified the Commission about the various meetings and discussions the FVA has had with DSHS about the possibility of transferring FVA's Counseling and Mental Health Service Category from the FVA's General Assistance Categories to a separate Mental Health Grant Category that will be managed through a partnership between TVC and DSHS. Ms. Wood elaborated on the mechanisms and benefits of this transfer. Lastly, Ms. Wood recommended filling a position on the FVA Advisory Committee with Perry Jeffries, a member recommended by DSHS.

Sam Shore, DSHS Mental Health Transformation and Behavioral Health Operations, presented the background on DSHS' mental health counseling program for Veterans. He explained to the Commission the services DSHS offers as directed by the Legislature. Further, Mr. Shore elaborated on the mechanisms DSHS will utilize to form the partnership with TVC to manage Mental Health Grants. Concluding the presentation, Mr. Shore addressed questions from the Commission.

MOTION: Approve the partnership between the TVC and DSHS to create a separate counseling/mental health grant solicitation.

MADE BY: Vice-Chairman Scott

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

MOTION: Approve the recommended appointee for the Fund for Veterans' Assistance Advisory Committee.

MADE BY: Commissioner Moran

SECOND BY: Commissioner Ellzey

ACTION: The motion passed unanimously.

XIII. Report, Presentation and/or Action regarding Fund for veterans' assistance general assistance grant, grants cycle XIII-A award to Samaritan Counseling Center of West Texas.

Kathy Wood, Fund for Veterans' Assistance Director, provided background and previous funding information regarding the Samaritan Counseling Center of West Texas. Ms. Wood notified the Commission about the Executive Director of the Samaritan Counseling Center of West Texas contacting her and her staff requesting for their grant to be rescinded, due to the center not being able to fulfil their performance requirements. FVA staff recommends for this grant of \$25,000 to be rescinded and to apply these funds towards the FVA's Grant Cycle XIV – A.

MOTION: Approve FVA's staff recommendation of rescinding the grant awarded to the Samaritan Counseling Center of West Texas.

MADE BY: Vice-Chairman Scott

SECOND BY: Commissioner Moran

ACTION: The motion passed unanimously.

Chairman Cantu recessed the First Quarterly Meeting of the Texas Veterans Commission at 11:07 a.m. and resumed the Open Meeting at 11:17 a.m.

XIV. Report, Presentation and/or Action regarding Fund for Veterans' Assistance General Assistance Grants, Grants Cycle XIV-A

Kathy Wood, Fund for Veterans' Assistance Director, explained the FVA's application process for their General Assistance Grants, Grant Cycle XIV – A. She elaborated on the reviewing and scoring process for the applications. In addition, she notified the Commission that each organization applying for a grant was allowed five minutes to present their proposals to the FVA's Advisory Committee. Additionally, Ms. Wood reviewed TVC's funding guidelines and priorities relating to the awarding of FVA grants. Ms. Wood highlighted the funding recommendations formulated by the FVA Advisory Committee. Furthermore, Ms. Wood addressed a clerical error made to the grant awarded to Nueces County. She notified the Commission that correct amount of the grant awarded to Nueces County is \$50,000. Concluding the presentation, Ms. Wood addressed questions from the Commission.

MOTION: Approve the Fund for Veterans' Assistance General Assistance Grants, Grants Cycle XIV – A.

MADE BY: Commissioner Ellzey

SECOND BY: Commissioner Moran

ACTION: The motion passed unanimously.

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

The Commission discussed the date, time, and location of the upcoming Second Quarterly Commission meeting. TVC staff suggested the next Commission meeting to be scheduled on February 4, 2014 at 9:00 a.m. at the Stephen F. Austin Building, Room 170. The Commission expressed concerns about this date. Thomas Palladino, TVC Executive Director, stated TVC staff will work with the Commission on selecting a more suitable date for the Second Quarterly Commission Meeting.

XVI. Executive Session.

No executive session was held.

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

None.

XVIII. Adjournment

Chairman Cantu recognized each Commissioner for closing statements. The Commissioners extended their gratitude to TVC staff for all their support and hard work in serving our Texas Veterans. Commissioner Ellzey notified the Commission about his intent to resign from the Texas Veterans Commission due to his filing as a candidate for State Representative.

Chairman Cantu adjourned the meeting at 11:43 a.m.

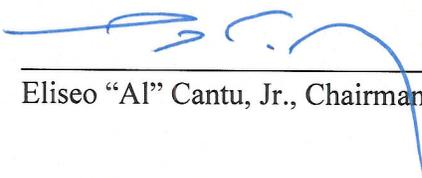
MOTION: Adjourn

MADE BY: Commissioner Ellzey

SECONDED BY: Commissioner Moran

ACTION: The motion passed unanimously.

Minutes Approved by:



Eliseo "Al" Cantu, Jr., Chairman

TEXAS VETERANS COMMISSION
1st Quarterly Commission Meeting
FY 2014 – November 13, 2013
9:00 a.m. – Stephen F. Austin Building -- Room 170
Speakers & Visitors

James Cunningham

Chair, Communications Advisory Committee

Jimmy DeFoor

Chair, Veterans County Service Officer Advisory Committee

Richard Hatfield

Chair, Veterans Employment & Training Advisory Committee

W.D. McEehan

Member, Fund for Veterans' Assistance Advisory Committee

Russell Gregorczyk

CPA – Jansen & Gregorczyk

TVC – Internal Auditor

Dwight Clark

Committee Clerk

House Committee on Defense and Veterans Affairs

Amanda Dillon

Legislative Budget Board

Bill Wilson

Committee Director

Senate Committee on Veteran Affairs & Military Installations

Bill McLemore

Veterans Land Board

Dan Elder

Texas Association of Service-Disabled Veterans Chamber of Commerce

Morgan Little

Texas Coalition of Veterans Organizations

Cathy Valdez

Project MEND

Ted Hughes

Department of State Health Services

Sam Shore
Department of State Health Services

Shakira Pumphrey
Office of the Speaker of the House