

Texas Veterans Commission Meeting Minutes

Fourth Quarterly Meeting (FY 2017)
August 2, 2017

I. Call to order.

Chairman Eliseo Cantu called to order the 4th Quarterly Commission Meeting of the Texas Veterans Commission (TVC) at 9:00 a.m. on August 2, 2017 at the Stephen F. Austin Building, Room 170, 1700 N. Congress Avenue, Austin, Texas 78701.

The following Commissioners, constituting a quorum were present:

Eliseo "Al" Cantu, Jr. Chairman
Jake Ellzey, Secretary
Richard A. McLeon, IV, Commissioner
Dan Moran, Commissioner
Kevin Barber, Commissioner

Also present was Thomas P. Palladino, Executive Director.

Also present: See attached list.

Commissioner Richard McLeon led the opening prayer. Pledge of Allegiance to the United States Flag was led by Commissioner Dan Moran and Secretary Jake Ellzey led the Pledge of Allegiance to the Texas Flag.

II. Public Comment.

No public comment was received.

III. Approve the Minutes of the 3rd Quarterly Commission Meeting held May 3, 2017.

The minutes for the 3rd Quarterly Meeting held on May 3, 2017, were previously distributed to the Commissioners.

MOTION: Approve the minutes of the 3rd Quarterly Meeting held on May 3, 2017 as presented.
MADE BY: Commissioner, Richard McLeon
SECONDED BY: Secretary, Jake Ellzey
ACTION: The motion passed unanimously.

IV. Annual Election of Vice Chairman and Secretary of Commission.

Nomination was made on election of Vice Chairman of the Commission.

MOTION: To elect, Richard McLeon as the Vice Chairman.
MADE BY: Secretary, Jake Ellzey
SECONDED BY: Commissioner, Dan Moran
ACTION: The motion passed unanimously

Nomination was made on election of Secretary of the Commission.

MOTION: To elect Jake Ellzey to continue as Secretary.
MADE BY: Commissioner, Dan Moran
SECONDED BY: Commissioner, Kevin Barber
ACTION: The motion passed unanimously

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

Jim Cunningham, Chairman of the Communication Advisory Committee, provided a summary of activities conducted by the Veterans Communication Advisory Committee since its last report to the Commission. The committee held their meeting on May 16, 2017 discussed the distribution of the Texas Veterans Commission Excellence in Media Awards, TVC voice of Texas Veterans Radio show MOU for expansion to South Texas, Texas Liberator Project and items passed in Legislation to include SB 591. Next meeting will be August 15, 2017.

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

Jerry Icenhower, Chairman of Veterans Employment and Training Advisory Committee, provided a summary of activities conducted by the Veterans Employment and Training Advisory Committee since its last report to the Commission. The committee was given a legislative briefing by the Legislative Director of the Texas Coalition of Veterans Organizations, Mr. James Brennan. Ms. Robyn Provost briefed the committee on the Historically Underutilized Business Program (HUB) and Tim Shatto provided an update on the state hiring freeze. Discussed concerns of Title 10 vs Title 32 deployments. Next scheduled meeting September 19, 2017 during TVC Fall Conference (Galveston TX).

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

Paul Bastaich, Vice Chairman of the Veterans County Service Officer Advisory Committee. Advisory board met June 7, 2017, topics discussed at the meeting included legislative updates on Senate Bill 1679, Senate Bill 55 for outside training. Discussed and would like to see more County Veteran Service Officer become accredited instructors for TVC and the Digit to Digit D2D program for the claims process going electronic. Victor Polanco initiated quarterly conference calls with CSOs, well received. Committee will meet again during TVC Fall Conference (Galveston TX).

VIII. Report, presentation and/or action regarding Internal Audit of Veterans Employment Services Program; and Internal Audit of Agency-wide Training and Event Support.

Russell Gregorczyk, Internal Auditor, provided the report regarding the Internal Audit of Veterans Employment Service Program. A copy of the report was provided to the Commission prior to today's meeting. Mr. Gregorczyk provided concerns and recommendations of the audit's findings.

Russell Gregorczyk, Internal Auditor, provided the report regarding the Internal Audit of Agency-Wide Training and Event Support. A copy of the report was provided to the Commission prior to today's meeting. Mr. Gregorczyk provided concerns and recommendations of the audit's findings.

IX. Report, presentation and/or action regarding FY 2017 Follow-up Review on the Status of Implementation of Prior Years' Internal Audit Recommendations.

Russell Gregorczyk, TVC Internal Auditor, provided an oral report identifying the status of the recommendations and implementation of the Prior Years' Internal Audit.

- Information Resources Systems and Controls had 3 recommendations that were not fully implemented at the time of the last follow-up review.
- Accounting and Payroll Systems and Controls had 13 recommendations which have been fully implemented and or substantially implemented.
- Purchasing and Contracting Systems and Controls had 11 recommendations which have been fully implemented and or substantially implemented.
- Communications Section of the External Relations Division had 6 recommendations. 4 were fully implemented and 2 were ongoing/incomplete.
- Performance Measures Reporting had 7 recommendations which have been fully implemented and or substantially implemented.
- Veterans Education State Funded Programs had 5 recommendations which 3 were fully implemented or substantially implemented and 2 were ongoing/incomplete.
- Veterans Mental Health Program, Veterans Entrepreneur Program and Women Veterans Program of the External Relations Division had 6 recommendations. 5 were fully implemented or substantially implemented and 1 was ongoing/incomplete.

MOTION: Approve Audit Recommendations.
MADE BY: Secretary, Jake Ellzey
SECONDED BY: Vice Chairman, Richard McLeon
ACTION: The motion passed unanimously.

X. **Report, presentation and/or action regarding Internal Auditor contract services for Fiscal Year 2018.**

Cruz Montemayor, Deputy Executive Director, provided an oral report regarding the current Request for Proposal (RFP) bid results for TVC Internal Auditor. Current contract for Internal Auditor, Jansen & Gregorczyk, expires on August 31, 2017. TVC purchaser conducted RFP bid utilizing the State Comptrollers rules and processes. Three Directors scored the finalist. McConnell & Jones had the highest overall score and lowest overall cost based on the information provided to TVC in the bidding process.

MOTION: Approve Internal Auditor contract
MADE BY: Vice Chair, Richard McLeon
SECONDED BY: Commissioner, Dan Moran
ACTION: The motion passed unanimously.

**Note: The Commissioners expressed their gratitude to Russell Gregorczyk, his staff and his Firm for 11 years of working with the Texas Veterans Commission.

XI. **Report, presentation and/or action regarding Appropriation Year 2017 3rd Quarter Operating Statement.**

Michelle Nall, Chief Financial Officer, provided the Agency Summary regarding Appropriation Year 2017, 3rd Quarter Operating Statement. Veterans Education showed a deficiency due to being short staffed and the State hiring freeze, should level out by 4th Quarter, other than that, there were no major issues and budget is on target at this time.

XII. **Report, presentation and/or action on Fiscal Year 2018 Operational Budget.**

Michelle, Nall, Chief Financial Officer provided the report on Fiscal Year 2018 Operating Budget, brief included an Expense Summary and Method of Financing Summary. During the legislative session, Executive Directors were given a pay adjustment to include TVC Executive Director, Thomas Palladino (\$145,580). A copy of the budget was provided prior to today's meeting.

MOTION: Approve the Operating Budget for FY 2018.
MADE BY: Commissioner, Dan Moran
SECONDED BY: Vice Chair, Richard McLeon, IV
ACTION: The motion passed unanimously.

XIII. **Report, presentation and/or action regarding the Samaritan Center contract services for Fiscal Year 2018.**

Tim Keesling, Director Veterans Mental Health Program presented an oral brief of the Samaritan Center contract services for Fiscal Year 2018.

MOTION: Approve the Samaritan Center contract for FY 2018.
MADE BY: Commissioner, Dan Moran
SECONDED BY: Vice Chairman, Richard McLeon
ACTION: The motion passed unanimously

XIV. Report, presentation and/or action regarding Commission Approval of Fund for Veterans' Assistance 2018-2019 Request for Applications (RFAs).

Charlie Catoe, Director of Funds for Veterans' Assistance, provided the report regarding 2018-2019 Request for Applications. During the presentation, the following RFAs were submitted for Commission review and approval and/or guidance.

Proposed changes included:

1. Publishing the total anticipated amount available across all FVA grant programs in each RFA then approving the amounts for each individual grant program at the Nov Commission meeting (see RFA page 4).
2. Clarifying that the initial payment of 10% of the grant amount is only for new recipients of FVA grants as it is intended for startup costs. (see RFA page 8).
3. Clarifying that medical costs are prohibited costs for FVA grants (see RFA page 11).
4. Removing the requirement to submit a federally negotiated indirect cost agreement (see RFA page 19).
5. Clarifying Application Review and Award process with added bullets on risk assessment and financial stability (see RFA Page 20).
6. Changing the Option to Amend deadline to be concurrent with the 3rd Quarter Report submission (see RFA page 25).

Recommend approval of the 2017-2018 Request for Applications as presented.

MOTION: Approve recommendation 1.
MADE BY: Chairman, Richard McLeon
SECONDED BY: Commissioner, Dan Moran
ACTION: The motion passed unanimously

MOTION: Approve recommendation 2.
MADE BY: Secretary, Jake Ellzey
SECONDED BY: Chairman, Richard McLeon
ACTION: The motion passed unanimously

MOTION: Table recommendation 3.
MADE BY: Chairman, Richard McLeon
SECONDED BY: Commissioner, Dan Moran
ACTION: The motion passed unanimously
MOTION: Approve recommendation 4.
MADE BY: Commissioner, Kevin Barber

SECONDED BY: Commissioner, Dan Moran
ACTION: The motion passed unanimously

MOTION: Approve recommendation 5.
MADE BY: Secretary, Jake Ellzey
SECONDED BY: Chairman, Richard McLeon
ACTION: The motion passed unanimously

MOTION: Approve recommendation 6.
MADE BY: Secretary, Jake Ellzey
SECONDED BY: Chairman, Richard McLeon
ACTION: The motion passed unanimously

XV. Report, presentation and/or action regarding Executive Director Report.

Thomas Palladino, Executive Director, provided a report on the agency's priorities and activities over the last quarter. Mr. Palladino noted all his meetings and events he has attended to include relationships with the Veterans Administration. Attended the House Committee on Veterans Affairs Subcommittee on Disability Assistance and Memorial Affairs Hearing to hear testimony on Assessing whether VA is effectively serving veterans on PTSD Disability Claims.

XVI. Report, presentation and/or action regarding Agency Programs and Division.

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

- A. **Shawn Deabay**, Director of Program Operations, requested each of the program managers to provide their individual reports. Briefed on collaborative efforts of all programs, process and procedures. Thanks Sue Jevning and her staff on preparations for the Fall Conference and announced the departure of Director Stan Kurtz on September 1, 2017.

Victor Polanco, Director of Claims Representation and Counseling, brief about the claim staff stepping up to the plate during this hiring freeze, met our numbers and goals, helped with the Regional Offices by conducting over 200 hearings done between Waco, Houston, San Antonio and McAllen, TX. District Managers have gone out to the field and met with 170 offices, recognizing CSOs with deserving awards.

Completed Claims Manual awaiting feedback. Looking forward to Fall Conference for the training classes to be implemented.

Jose Silva, Health Care Advocacy Program Manager, reported that Health Care counselors have been stepping up considering the freeze and have had the highest numbers in months. Working on program operations manual, awaiting review and recommendations. Preparing for the Fall Conference training and looking forward to meeting facilitators that work with the TVC and share responsibilities. Amarillo position to be filled soon due to not having coverage in that area.

Tim Shatto, Interim Director of Veterans Employment Services (VES) discussed the upcoming Senior Enlisted Summit which will have all services sending their Senior Enlisted to talk about issues affecting Veterans. Met with Combined Arms staff to get ideas to on how to better serve veterans in the communities. Looking forward to the Fall Conference to interact with Employment staff and evaluating initial training for staff.

Tammy Micallef, Director of Veterans Education, reported the addition of 3 new hires for the Hazelwood and Approval programs. Debbie Bush has chosen to retire on August 31, 2017, will be announcing her position and 2 new Education Coordinators., 1 to include El Paso region, to lessen the workload on Rand Binford who has been covering the majority of Texas regions 5 and 6. Attended WAVES conference and received a lifetime achievement award.

Anna Baker, Manager, Woman Veterans Program, women Veterans have a Coin. Would like to thank Carrie Sconza, Pam Maercklein and Nicole Anderson for the great work they are doing for all Women Veterans in Texas. Carrie Sconza was elected President for the National Association of State Women Veteran Coordinators, a 3 year capacity representing the Texas Veterans Commission and helped coordinate an MOU with the VA as partners. September 24-26 the VA will be holding its Women Veteran Conference in Houston.

Robyn Provost, Manager, Veteran Entrepreneur Program, provided information on the addition of Greg Shigemasa has hit the ground running picking up work that was on the backburner like Government Contracting, building a database. Christina Mortel is spearheading the Seminar Series and doing a spectacular job by reinventing the series by adding key note speakers to the agenda. The VEP has gone remote, assigned different regions in Texas.

- B. **Chip Osborne**, Director of Resource Management, briefed the commission on a brief overview of the new self-assessment, all program are following the same format of 6 tabs to include program overview, program tracker and performance measures and non-key performance measures. Very successful in getting the 3-automation software, 2 of the are not paid, they are paid internally therefore funding flexibility for FY 18 and 19 is going to be extremely tight. That is the E-Grant and Digit to Digit software. CAPPs fully implemented in June 2018.

Glenn Tramel, Director, Human Resources, briefed major activities and accomplishments to include implementation Summer Enrollment on 9 June and completed on 22 July, became a little complicated due to change of management company United Healthcare will now be Blue Cross/Blue Shield as of 1 September. Jeff Richey and Dianne Coy made summer enrollment a success with 14 changes to TVC personnel. Released HR newsletter with a lot of positive feedback.

Elaine Zavala, Manager, Communications and Outreach addressed the commission on the Soft Launch of the TVC website on 1 September will be easier to the public to get valuable information and will be able to see all of TVC events. Commissioner check presentations with FVA slated for late August through September looking forward to schedule the commissioners for these presentations. Julia Conner is doing a great job with radio stations and Voice of Texas radio that is a half hour show and plays quarterly in South Texas reaching 300,000 residents.

Sue Jevning, Manager, Training and Event Planning, provided her report and addressed the current planning of the Fall Conference, thanking all program for submitting all material needed for the training in access of 80 training topics. Arrangements are being made at the Fall Conference for the Special Commission meeting and two Advisory Committee Meetings. There are currently 540 registrants on the Constant Contact site and numbers are growing every day. We are connected to Facilitator workshops to support the training conference and inviting staff facilitators and VCSO facilitators. Working with 9 programs on updating their program manuals, to include format, consistency and language. 14 Managers and Directors have completed senior management training.

Peter Donton, Manager, Information Resource, provided his report and had 2 updates, one was the addition of our new Systems Support Specialist Khaliah Rawls which is a huge impact of IT support for the employees. Continued to implement recommendations that came out of the Security Assessment that we had a few months ago, an ongoing process that is making progress.

Charles Catoe, Director, Funds for Veterans Assistance, provided his report on being very busy and thanking the team effort of TVC in particular the Legal Team and Finance folks which have completed going through all the contracts. Working with Peter and his team for the Grants Management System to get it started this Fall. Working with Elaine and the Communications team to coordinate the check presentations. Preparing for the workshop in September, and kick off discussion on rulemaking process for the CVS0 grants. In October the FVA will be moving locations to Northside Austin and start the application process all over again on November 2nd.

- C. **Cruz Montemayor**, Deputy Executive Director, requested Government Relations and Mental Health programs to provide their individual reports. Thank both programs for all their hard work and they are doing an outstanding job.

Tim Keesling, Director, Veterans Mental Health Program, highlighted upcoming events. The program was invited to participate in the Substance Abuse/Mental Health Agencies Peer Workforce Developmental Project in Kansas City MO, it is a national project. Met all performance measures.

Justin Coleman, Manager, Government Relations, discussed series of meetings scheduled for TVC. Regular session ended May 29th, there were some sunset legislation. Governor Greg Abbot called a special session on June 18th and started July 18th – August 18th, no legislation had been filed in the special session. A few bills will give TVC authority in rulemaking and that's SB544 that expands access to VCSOs and assistant VCSOs to attend non-commission training and also SB1679 relating to the use of FVA to provide grants to support VCSOs.

XIV. Executive Session.

There was no Executive Session held.

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

There were no items to take action on.

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

The Commission agreed for the 1st Quarterly Commission Meeting of FY18 be held on Wednesday, November 8, 2017 at 9:00 a.m. at the Stephen F. Austin Building, room 170.

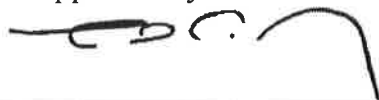
XVIII. Adjournment.

Chairman Cantu 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 our Texas Veterans. Chairman Cantu provided closing remarks as well.

MOTION: Adjourn
MADE BY: Vice Chairman, Richard McLeon
SECONDED BY: Commissioner, Dan Moran
ACTION: The motion passed unanimously.

Chairman Cantu adjourned the meeting at 12:19 p.m.

Minutes Approved by:



Eliseo "Al" Cantu, Jr., Chairman

TEXAS VETERANS COMMISSION

4th Quarterly Commission Meeting
FY 2017 – August 2, 2017
9:00 a.m. – Stephen F. Austin Bldg. Rm 170
Speakers and Visitors

James Cunningham
Communication Advisory Committee

Jerry Icenhower
Veterans Employment and Training Advisory Committee

Paul Bastaich
Vice Chairman of the Veterans County Service Officer Advisory Committee

Russell Gregorczyk
Auditor



WELCOME
to the

TEXAS VETERANS COMMISSION
4th Quarterly Commission Meeting

Fiscal Year 2017
August 2, 2017 9:00 a.m.
Stephen F. Austin Bldg. - Room 170
1700 N. Congress Ave., Austin, Texas 78701

Name - Please Print Clearly

Name of Organization/Agency

Email Address

Paul BASTICH

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Greg Henderson

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MMHPT

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Tansens Gregory (COA)
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