



TENTATIVE AGENDA

10:00 a.m. Tuesday, August 7, 2007

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. Call to Order and Determination of Quorum

2. Adoption of Agenda

3. Public Comments

4. Minutes from June, 2007 meeting

5. Declarations of Conflict of Interest

6. Chairman's and Committee Reports

- a. Audit & Monitoring
- b. Report Card

7. Action

- a. Consider Procurement Committee recommendations to fund third-year contracts for system operations in amount not to exceed \$X.X million
- b. Consider Early Education & Care Committee recommendation to ratify child care financial aid policies
- c. Consider approving compliance plan for the state
- d. Consider designating public information officer
- e. Ratify Board actions from February, 2007 through June, 2007

8. Information

- a. System Performance
- b. Expenditures

9. Labor Market Report

10. Adjourn

In compliance with the Americans with Disabilities Act, H-GAC will provide for reasonable accommodations for persons attending Workforce Board functions. Please call H-GAC at 713.627.3200 with requests at least 24-hours prior to the function.

**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, JUNE 5, 2007**

MEMBERS PRESENT:

Gerald Andrews	Elaine Barber	Barry Beasley
Ron Bourbeau	Carl Bowles	Pat Charnveja
Sal Esparza	Rudy Espinosa	Yvonne Estrada
Joe Garcia	Mark Guthrie	Barbara Hayley
John Hebert	Bobbie Henderson	Tracie Holub
Guy Robert Jackson	Birgit Kamps	Jeff Labroski
Ray Laughter	Steve Lufburrow	Carolyn Maxie
Raymond McNeel	Michael Nguyen	Gail Parker
Pam Sanders	Gloria Sanderson	Allene Schmitt
Richard Shaw	Tom Stinson	Frank Thompson
Evelyn Timmins	Sarah Wroblewski	

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Joel Wagher

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, June 5, 2007, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

Mr. Thompson asked for an adoption of the agenda as presented. A motion was made and seconded to adopt the agenda. The motion carried.

PUBLIC COMMENT

No one signed up for public comments.

MINUTES FROM APRIL 3, 2007

Mr. Thompson asked if there were any additions or corrections to the minutes for April 3, 2007. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

No one declared a conflict of interest.

CHAIRMAN'S REPORT

Mr. Sal Esparza introduced Felix Fraga, a long time leader in our community.

Mr. Thompson introduced Ed Smith and Clarence Fenner, two new Board members.

Audit & Monitoring

Mr. Guy Robert Jackson explained that Audit and Monitoring Committee met on May 31, 2007. Items discussed were –policy and procedures for repeat findings, 2007 monitoring risk assessment and summary of contact review findings. The annual risk assessment was performed and results will be used to schedule the monitoring visits of our contractors by order of priority and frequency. Staff has made 68 year-to-date visits with 8 year-to-date follow-ups.

Education

Mr. Richard Shaw reported that the Education Committee met on May 6, 2007. The committee reviewed preliminary reports that staff assembled from data by the Texas Education Agency. The reports summarized the performance of individual high schools and school districts against two key Board measures – the ratio of graduates to total enrollment in grades 9-12 and the ratio of 12th graders to 9th graders. Staff noted that the school-level report needs to be refined, especially how it related to new schools and schools with wildly varying class sizes.

The committee has reviewed a list of strategies that have come up in discussion so far and discussed how they might begin to prioritize the list. The committee asked staff to develop a plan to implement one strategy for which there is a widespread need – making better labor market information available to high school counselors, students and parents. The committee will meet again in early August. A Survey of Selected Work Readiness Certificates was included in the Board packet for review.

ACTION

a. Nominations Committee: consider candidate to fill open Vice Chair position

Mr. John Hebert explained that Bill Morgan was not reappointed to the Board by the Texas Workforce Commission and his position of Vice Chair would need to be filled. The Nominating Committee convened by conference call and determined they would like to nominate Gerald Andrews for the Vice Chair position. Mr. Hebert asked for additional

nominations – there were no additional nominations. A motion was made and seconded to elect Gerald Andrews as Vice Chair. The motion carried.

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2006 – April 2007. The Board established measures for the Regional Workforce System and for The WorkSource. Regional Workforce System measures address how well our region is performing against our expectations. The WorkSource Measures address our immediate impact on our customers. Regional WorkSource System measures will be presented at the end of each calendar year.

For The WorkSource

More Competitive Employers –

Employers Receiving Services (Market Share) – we expect to provide services to 24, 300 employers this year which is 20% of the 121,343 employers identified for the Gulf Coast area. Through May, we provided services to 16,000 employers. We are on target for meeting this measure.

Employer Loyalty – our performance indicates our employer customers value our services and turn to us for additional services.

More and Better Jobs –

New jobs created – this data is reported at the end of each quarter.

Customers employed by the 1st quarter after exit – performance on customers employed after exit is on target. Through the two quarters, 224,764 of the 296,181 who existed were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 10% - the percentage of exiters with earnings gains greater than 10% is slightly below target. Through two quarters, 113,768 of the 286,503 who exited had earnings gains of at least 10%.

A Better Educated and Skilled Workforce –

Customers pursuing an education credential that achieve one – Current performance exceeds the target at this time. Through April, 2,279 of the 6,910 customers pursuing an education credential achieve one.

Mr. Baggerly explained that in addition to the Board established measures there are measures contracted to the Board by the State. There are sixteen contracted measures and the State has identified concern with our performance on three of these measures.

- Claimants Reemployed within 10 weeks – The target for this measure is 20%. We are currently at 18.3%. This is an improvement over last year's performance which was 15.4%.
- Job Openings Filled – The target for this measure is 38.5%. We are currently at 25%. This is an improvement over last year's performance which was 23.6%. We continue to strive to fill a significant number of job openings in a tight job market.
- Participation Rate for customers who are two-parent TANF recipients – The target for this measure is 74%. We have been meeting the target for this measure on a monthly basis for the last few months, but are still behind on the year-to-date performance (69.34%). We expect to meet the year-to-date target by the end of July 2007.

We have been working closely with our contractors to improve performance on these measures and are beginning to see positive results.

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for two months ending April 30, 2007. Mr. Bradshaw explained that everything was on target and expenditures looked good.

Recognition for Placement Team

Mr. Mike Temple stated the Placement Team began work in July 2006 with twelve staff from the four office operation contractors. Stephen Moore, the team's leader, fosters a competitive work environment where team members learn from each other. Individual team members are assigned to work with UI Claimants residing in a specific zip code and call their assigned customer within a day or two after the customer has applied for UI.

- The work has helped to increase the number of unemployment insurance claimants placed in jobs within 10 weeks after lay-off from 10% in June 2006 to 18.3% in April 2007.
- The team discovered hiring trends and share this real-time labor market information with the Employer Service Division and board staff. We are able to identify shortages and respond more quickly to the needs of business.
- The team began providing a two-day internship for Employment Counselors to teach them tips and techniques for using the system's job bank WorkinTexas.com to find better job matches to place customers in jobs more quickly. About sixty Employment Counselors have completed the internship since it began in October last year. Employment Counselors who have participated in the internship tell us what they've learned has been positive.

Gulf Coast Workforce Board Minutes

June 5, 2007

Page 5 of 5

Mr. Temple presented Stephen Moore with a certificate of appreciation and stated that all team members are appreciated for their dedication and hard work. Mr. Temple explained that we also appreciate the contractors for their cooperation in providing some of their most knowledgeable employees to serve on the team to help The WorkSource customers return to work more quickly. Mr. Moore thanks the Board for the award.

LABOR MARKET REPORT

Mr. Joel Wagher explained Gulf Coast's region's over-the-year job growth for April was 3.5 percent or 84,190 jobs. The stronger job growth has dropped the region's unemployment rate to 3.8 percent, its lowest level for the month of April in this time series which dates back to 1990. The thirteen county region's unemployment rate was 3.8%, down from 5.0% in April 2006.

Mr. Thompson made some Board Committee changes.

Mr. Thompson announced that Pam Sanders would be retiring from TWC in June.

ADJOURN

There was no further business to come before the Board, the meeting was adjourned.

Audit/Monitoring Committee
Management Report Thru July, 2007

Contractors Monitored	Year to Date Visits	Follow-ups	Year to Date Follow-ups
21	72	8	8

Key Findings

- **Resident Service.** We are continuing our visits to all The WorkSource offices to observe services to welfare recipients and to check on record keeping. We are providing technical assistance and frequent staff observations to contractors. Since we have started this intensive review, performance is improving overall.

- **Employer Service.** Employment and Training Centers, Inc. continues to work internally to resolve problems with its operations. There has been some progress in the development of policies and procedures and in understanding workload for some field staff.

- **Financial.** We have financial reviews for Employment and Training Centers, Inc. and Houston Works, USA. We have not found major problems from these reviews.

- **Other.** We completed and closed the outstanding monitoring issues for the Civil Rights Center of the Department of Labor. The Texas Workforce Commission conducted its annual review in July and reported minor findings to us at the exit, including improvements needed in documenting service to residents. The Commission's reviewers went with us to spot-check self-arranged child care providers, and together we found these arrangements were not always working. We expect to see a written report in September.

The State Auditor's Office came in late June as part of its review of the Commission's efforts to help welfare recipients go to work and achieve self-sufficiency. The Auditor visited five other boards around the state in addition to ours. Auditor staff will not provide us with a separate report – we will be included in the overall report. However, they did suggest we tighten security rights for our management information systems, improve our documentation of service to customers and continue to review our contractors' record keeping and performance reporting.

Report Card Committee Report

July Meeting

The Report Card Committee met on July 25, 2007 with the following members present:
Committee Chair Richard Shaw, Charles Cook, and Linda O'Black

Review of Last Year's Report Card

The Committee reviewed last year's report card, noting areas in which the Board has been successful in calling wider community attention to issues.

Discussion of Additional Measures/Possible Changes to the Report Card

The Committee asked staff to investigate the possible addition of several measures, including national education achievement test scores for reading at the 4th grade level, measures of the availability of venture capital for employers, air quality measures, commonly used quality of life indices, and a measure indicating investment in early education and care.

Next Steps

The Committee will meet in August to consider a draft of the report card, and to take action on the proposed additional measures that it has asked staff to investigate. The Committee plans on releasing the report card at the October Board meeting. The Committee would like the Board to sponsor a subsequent public conference in conjunction with one or more organizations interested in similar issues to discuss topics raised in the report card.

Procurement Committee

2008 System Contract Renewals

Background

The Workforce Board procures contractors for its operations affiliate, The WorkSource, on a three-year cycle. Every third year the Board solicits bidders through a public request-for-proposal process and awards contracts which are renewable annually for the next three years, based on demonstrated performance, availability of money and the Board's approval each of those years.

The 2008 contract year (which begins October 1, 2007) will be the third and final year of the current cycle.

The Board's Procurement Committee will meet on August 7, 2007 before the Board meeting to review recommendations for funding third-year contracts. We do not anticipate recommending to the committee significant changes in the six major operations contracts or the two research and demonstration contracts currently in place.

We usually begin a contract year with a conservative estimate of money. For 2008, we expect initially \$172 million will be available for operating The WorkSource. This is less than the past two years, when we had substantial sums of additional money for service to hurricane evacuees from 2005 in our system. We don't expect the lack of the hurricane money to make a significant change in our base operations.

Following is a summary of the contracts up for renewal in 2008 and the service they deliver. The Procurement Committee will report out its recommendations on August 7th.

Employer Service

Employment and Training Centers, Inc. operates The WorkSource's Employer Service Division, delivering service for the region's employers. This unit employs about 100 individuals who market and provide a variety of services, including our major service for individual employers: finding qualified workers for open jobs. The Division's staff are located in the local career offices and a central unit in Houston. This year the division will work with more than 24,000 employers and fill about 45,000 open positions.

Resident Service – Career Office Operations

Four contractors employ about 1,000 staff and operate our 34 local offices:

Arbor Education and Training	Alvin, Lake Jackson, Rosenberg, Wharton, Bay City, Liberty, Baytown and Winnie offices
Houston Works	Astrodome, Southwest, Northline, Downtown, East End, Hobby, Pasadena and Clear Lake offices
Interfaith of the Woodlands	Columbus, Sealy, Waller, Katy, Spring Branch, Northwest, Westheimer, Heights, Humble, Greenspoint, The Woodlands, Conroe, Huntsville, Texas City and Galveston offices
SER-Jobs for Progress	Northeast, Denver Harbor and Northshore offices

This year these contractors will register more than 425,000 individuals for work, help more than 120,000 go to work, and provide financial aid to help more than 25,000 get a job, keep a job or get a better job.

Resident Service – Financial Aid Payments

One contractor with about 50 staff operates our payment office. This unit pays out financial aid to our customers or to service deliverers on behalf of our customers and manages and tracks the money we use to provide more than \$100 million in financial aid every year. A large portion of this financial aid is for child care expenses. Neighborhood Centers, Inc. operates the payment office.

Since we made changes a couple of years ago in the way we manage and pay out financial aid, we've been able to reduce the administrative overhead associated with this function and increase the dollars available for direct aid to our customers.

Research and Demonstration

We currently have two research projects operating. The first, run by Collaborative for Children, looks for ways to more effectively promote quality early education and care. The second, run by SEARCH, is testing the use of The WorkSource's career office model in delivering service for the homeless.

Following is a summary chart, showing contract totals for the first two years of the current cycle. Usually we pick up additional money from the state during a year, and we add that to our major contractors' budgets to bolster system operations.

Contractor		2006 Contract Year*	2007 Contract Year*	2008 Contract Year
Employer Service	Employment and Training Centers, Inc.^	\$ 5,558,900	\$ 6,639,147	TBD
Resident Service Career Office Operations	Arbor Education and Training	10,823,131	11,052,045	TBD
	Houston Works	25,166,235	24,098,710	TBD
	Interfaith of the Woodlands	18,273,584	19,010,925	TBD
	SER-Jobs for Progress of the Texas Gulf Coast	5,395,445	5,449,953	TBD
Resident Service Financial Aid	Neighborhood Centers, Inc.	121,142,609	119,950,774	TBD
Research & Demonstration	Collaborative for Children	1,101,820	1,051,820	TBD
	SEARCH	596,994	587,274	TBD
Totals		\$188,058,718	\$187,840,648	\$172,000,000

* Each contract year contains about \$15 million in additional funds for service to evacuees.

^ Employment and Training Centers, Inc. 2007 contact includes about \$1 million in pass-through resources for current worker training projects with local employers.

Next Step

The Procurement Committee will bring its recommendations for funding third-year major contracts to the Board on August 7.

Early Education & Care Committee

Financial Aid for Child Care

Background

The Workforce Commission has asked the Board to ratify its current with respect to financial aid for child care. On July 30th, the Early Education and Care committee met to review and ratify these policies. Members at the meeting included the committee Chair, Bobbie Henderson, and Linda O'Black, Gloria Sanderson, John Hebert, and Bill Crouch.

Current Situation

At the committee meeting, we noted that most of the Board's policies have not changed in some time. Four items have changed in recent months. These changes include:

- Increasing the maximum daily rates for providers
- Increasing the time parents who are enrolled in training or school in high skill, high growth occupations may receive financial aid for child care
- Ensuring that relative care providers list with the Texas Department of Family and Protective Services and undergo a criminal background check.
- Investigating suspicion of fraud

Committee members asked that we check into one of the new daily rates to make sure it was accurate (part-time care for preschool children at licensed child care homes) and clarified that parents who are training in non-high skill occupations are still able to receive financial aid for up to 60 credit hours of school.

The committee voted to ratify the policies and recommend them to the Board.

Action

Ratify existing Board policies for financial aid for child care

Gulf Coast Workforce Board Financial Aid for Child Care Policies Summary

Policies with Recent Changes

1. How do we establish the maximum rate to pay providers? (February 2007 Board meeting)
 - We use information provided by the Texas Workforce Commission and local market information to set maximum reimbursable rates.
 - A provider may receive a higher rate if care for a child with a disability requires a substantial amount of staff time.
 - A provider may be reimbursed up to its published rate if its published rate does not exceed our maximum rate.

Current Maximum Daily Rates

Age of children served	Licensed Centers		Licensed Child Care Homes*		Registered Child Care Homes**	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Infant (0-17 months)	\$ 24.72	\$ 16.34	\$ 20.60	\$ 15.45	\$ 20.60	\$ 14.21
Toddler (18-35 months)	\$ 21.63	\$ 15.45	\$ 18.54	\$ 15.45	\$ 18.54	\$ 12.36
Preschool (3-5 years)	\$ 19.57	\$ 15.45	\$ 18.54	\$ 16.22	\$ 17.51	\$ 12.36
School (6-12 years)	\$ 18.54	\$ 12.36	\$ 13.80	\$ 10.30	\$ 13.39	\$ 10.30

*The total number of children in care varies with the ages of the children. The total number of children in care at any given time, including the children related to the caregiver, must not exceed 12.

**The number of children allowed in care is limited by the ages of the children. No more than six children younger than the age of five can be in care at any one time, although six more school-age children can be added during after-school hours. No more than 12 children can be in care, including children of the caregiver.

2. What are the time limits for parents who are participating in training or educational courses? (February 2007 Board meeting)
 - Parents enrolled in school full-time pursuing at least an associate's degree in a high skill, high-growth occupation may be eligible up to 4 years to receive child care financial aid.
3. What is our policy for using listed family homes as providers? (January 2007 Early Education & Care committee meeting)
 - We do not use listed providers for non-relative care. Relative care providers who care for children in their own home must list with the Texas Department of Family and Protective Services.

4. What is our process for investigating fraud? (January 2007 Early Education & Care committee meeting)
 - The Financial Aid Paid Office has two staff who investigate suspected fraud. The compliance officers also research cases and determine the amount of funds which to be recovered. The compliance officers work in partnership with H-GAC staff and the TWC Office of Fraud Investigations.

Policies without Recent Changes

5. How do we determine that a parent is making progress toward successful completion of job training or education program?

A customer must submit the following:

- Proof of enrollment
 - Report cards
 - A letter from the training institution
6. How do we maintain a wait list?
 - The Financial Aid Payment Office maintains the wait list.
 - Customers get on the wait list through The WorkSource website, by calling an office or by completing a form at any office
 7. How do we determine the parent's share of cost for child care?
 - Parents pay an initial 11% or 13% of their income based on financial aid for one or more children.
 - Parents share may be reduced if the household has seven or more members or if care is on a part-time basis or there are other extenuating circumstances.
 8. In general, how is a parent's eligibility established?
 - A parent needs child care financial aid to support employment, training or school or combination of employment and training and has a child under 13 years of age or under 19 years of age with a disability; and lives in a family whose income is under 150% of the federal poverty income limit or (about \$2,500 a month for a family of four)
 9. Who are our priority customers?
 - The State has determined welfare customers and customers transitioning from welfare, foster care families, eligible veterans and foster care youth as priority customers. In addition, we include teen parents and parents who have children with disabilities.

10. What are the requirements for parents who are transitioning from welfare?
 - Generally, parents who are no longer receiving welfare benefits because of employment or whose benefits have expired within 30 days and need child care financial aid to look for a job or support employment are eligible for child care financial aid.
11. What are the requirements for low income workers?
 - Parent needs child care financial aid to support employment, training or school.
 - Parent is working and/or in training full time (30 hours per week).
 - Family income is below 150% of the federal poverty limit
12. When is eligibility for child care aid re-determined?
 - Eligibility is re-determined every 11 months or when there is a change in the income or household.
13. How may parents move their child from one provider to another?
 - Customers are allowed to choose providers. A customer may change a provider at any time by contacting the Financial Aid Payment Office.
14. What is our policy for tracking attendance?
 - We require the provider to maintain child's attendance records and inform the Financial Aid Payment Office of absences.

STATE COMPLIANCE PLAN

Background

We prepare a compliance planning document for the Texas Workforce Commission each year to ensure continued flow of funds for operating the region's workforce system. Again this year, the Commission has asked the Board to prepare a document that addresses both the Board's strategic vision and its operations.

Current Situation

The Board's strategic plan stands as the organizing and driving force for the workforce system in this region. The strategic plan includes statements of the Board's core values, mission and vision that explain what its members value most, why they exist as a board, and where they want to be at some point in the future. The results statements for the regional workforce system, both that which we control and for the larger world, along with the measures, baselines, annual and long-range targets, track our progress towards those strategic results statements.

We put the information from your plan into the state's compliance document format when we send it to them.

The bulk of the compliance plan document—all 100 pages of it—is a description of our operations – our system of career offices and the employer service division, our collaboration with community partners, the financial aid we provide customers, our approach to measuring performance and, customer feedback processes.

We also assure in the compliance plan that

- We will abide by all federal and state laws and regulations that apply to the taxpayer dollars we use in our system
- We will follow the Commission's directives
- We will have joint service and referral agreements with various other public partners (agencies that work with welfare recipients, ex-offenders, developmentally disabled or delayed individuals, veterans, seniors, and others)
- We will make sure what we do is aligned with the Texas Workforce Investment Council's strategic goals for the entire state

Using our current experience as a guide, we expect to serve more than 28,000 employers and more than 450,000 residents this coming year. Initially we expect to have about \$177 million in total resources available for the year.

Following is a brief summary of key operations information:

Employer Service

▪ Employers served	28,500
▪ Market share	23%
▪ Repeat customers (loyalty)	13,500
▪ Jobs filled	48,000
▪ 100 staff	

Resident Service

▪ Residents served	450,000
▪ Residents entering employment	302,000
▪ New jobs created	1,500
▪ Residents with 10% earnings gain	140,000
▪ Total financial aid	\$100,000,000
▪ Customers receiving financial aid	40,000
▪ 34 local offices and 1,000 staff	

Action

Approve state compliance planning document for submission to Texas Workforce Commission

Open Meetings and Public Information Designating a Public Information Officer

Background

In its 2006 session, the Texas Legislature passed – and the Governor signed – a bill requiring that elected and appointed officials receive training on state requirements for open meetings and public information.

The Board may designate a public information officer to take the public information training on behalf of members. Board members must take the open meetings act course.

Current Situation

Previously, the Board designated Bill Comstock, H-GAC's office services manager, as its public information officer. Mr. Comstock served the same function for H-GAC's Board of Directors.

Mr. Comstock has retired, and Mary Spain, H-GAC's Intergovernmental Relations Manager, will assume his roll as public information officers for H-GAC. She will engage in the required state training on behalf of H-GAC's elected official board and would, if members choose, to do the same for the Workforce Board. This will ensure the Workforce Board meets legal requirements for public information training.

Action

Consider designating Mary Spain, H-GAC's Intergovernmental Relations Manager, to take the state public information course on behalf of the Gulf Coast Workforce Board.

Ratify Action Items

Background

The Workforce Commission completed its acceptance of members nominated by local elected officials for Board service during the summer. We did not have a complete compliment of Commission-accepted members for the February, April and June 2007 Board meetings.

Current Situation

We must ratify Board actions taken during February, April and June meetings to be in compliance with Commission rules.

Action items at those meetings are attached.

Action

Ratify actions taken by the Board in February, April and June, 2007.

February 2007

Action

- a. Consider recommendation from Early Education & Care Committee to increase maximum reimbursement rates for child care providers by 3%
- b. Consider recommendation from Early Education & Care Committee to change increase child care financial aid for customers in training
- c. Consider recommendation from Budget Committee to approve 2007 annual budget of \$205.7 million
- d. Consider renewing contract for marketing/communications with a first-year contract to Gilbreath Communications not to exceed \$700,000
- e. Consider recommendations from Nominations Committee for 2007 Board officers

April 2007

Action

- a. Report of Education Committee and consideration of resolution supporting public discussion of Tough Choices or Tough Times report
- b. Consider renewing contract with Learning Designs, Inc. for training and development of The WorkSource system not to exceed \$566,192

June 2006

Action

- a. Nominations Committee: consider candidate to fill open Vice Chair position

GULF COAST WORKFORCE BOARD
SYSTEM PERFORMANCE
OCTOBER 2006 – JUNE 2007

BOARD MEASURES

The Board established measures for the Regional Workforce System and for The WorkSource. Regional Workforce System measures address how well our region is performing against our expectations. The WorkSource measures address our immediate impact on our customers.

We will present Regional Workforce System measures at the end of each calendar year. Performance on The WorkSource measures are presented below.

BOARD GOAL: More Competitive Employers

MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 24,300 employers this year which is 20% of the 121,343 employers identified for the Gulf Coast area. Through June, we provided services to about 22,800 employers. We are on target for meeting this measure.	20%	18.8%	15.2%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 14,660 employers, 9,246 returned to The WorkSource for additional services.	61%	63.1%	58.7%

BOARD GOAL: More and Better Jobs

SYSTEM MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
<u>New jobs created</u> We are exceeding planned new jobs created.	1,200	1,923	1,225
<u>Customers employed by the 1st Qtr after exit</u> Performance on customers employed after exit is on target. Through three quarters, 225,201 of the 296,171 customers who exited from services were employed in the quarter after exit.	76%	76.0%	76.4%

BOARD GOAL: Higher Real Incomes

SYSTEM MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
<u>Exiters with Earnings Gains of at least 10%</u> The percent of exiters with earnings gains greater than 10% is slightly below target. Through three quarters, 113,966 of the 286,500 who exited had earnings gains of at least 10%.	41%	39.8%	39.7%

BOARD GOAL: A Better Educated and Skilled Workforce

SYSTEM MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Current performance exceeds the target at this time. Through April, 2,521 of the 7,551 customers pursuing an education diploma, degree or certificate achieved one.	19%	33.3%	13%

CONTRACTED MEASURES

In addition to the Board established measures there are measures contracted to the Board by the state. There are sixteen contracted measures. The state has identified concern with our performance on three of these measures.

- Claimants Reemployed within 10 weeks. The target for this measure is 20%. We are currently at 19.0%. We expect to meet the target for this measure.
- Job Openings Filled. The target for this measure is 38.5%. We are currently at 26.5%. This is an improvement over last year's performance which was 23.6%. We continue to strive to fill a significant number of job openings in a tight labor market.
- Participation Rate for customers who are two-parent TANF recipients. The target for this measure is 74%. We are currently at 71%. We expect to meet the target for this measure.

We continue to work closely with our contractors to improve performance on these measures and are seeing positive results.

GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the Six Months Ended June 30, 2007

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	205,793,511	102,896,756	109,855,182	(6,958,427)
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,942,218	2,471,109	2,183,826	287,283
EMPLOYER SERVICES	7,250,000	3,625,000	3,837,533	(212,533)
RESIDENT SERVICES	191,901,293	95,950,647	103,173,451	(7,222,805)
OFFICE OPERATIONS	68,342,346	34,171,173	33,473,307	697,866
FINANCIAL AID [1]	123,558,947	61,779,474	69,700,144	(7,920,671)
RESEARCH & DEMONSTRATION	1,700,000	850,000	660,372	189,628
<i>TOTAL WORKFORCE EXPENDITURES</i>	205,793,511	102,896,756	109,855,182	-6,958,427

VARIANCE ANALYSIS

Note: "Budget Year to Date" column reflects straight-line estimate of expenditures for the twelve-month period, assuming equal expenditures every month in order to fully expend the budget in a year.

[1] Variance in financial aid reflects spending out large amount of one-time-available dollars which will not be available after September, 2007. Rate of financial aid expenditures will decrease after that to bring total annual expenses in line with budget.



GULF COAST REGION EMPLOYMENT TRENDS

AUGUST 2007

JUNE 2007 DATA

Job growth out performs the nation and state. The Gulf Coast Region's¹ over-the-year job growth for June was 3.1 percent, or 76,500 jobs. This was over twice the nation's rate of growth of 1.4 percent and over a full percentage point above Texas's growth rate of 2.1 percent. Last year at this time, the over-the-year increase for June 2006 was 4.4 percent, or 103,800 jobs. Current monthly estimates show peak growth in October 2006 at 4.8 percent, or 112,800 jobs. Since October, the over-the-year job growth has been slowing. The Houston-Sugar Land-Baytown Metropolitan Statistical Area's (MSA) annual job growth for 2006 was 97,400.

Unemployment rate the lowest since the early 1980's. The stronger job growth has dropped the MSA's unemployment rate to 4.4 percent, its lowest level for the month of June in this time series, which dates back to 1990 (Chart 1). Some old data series show that one would have to go back to the early 1980's to see a lower unemployment rate for June. Last June, the unemployment rate was 5.5 percent. Another sign of a tight labor market is the drop in initial claims for unemployment benefits. Total Initial Claims in June were 12,957, the lowest for the month of June in this time series, which started in 2000. The highest initial claims for unemployment benefits for the month of June was in 2003 with 22,141.

Area's current job count could be underreported. The Texas Workforce Commission's fourth quarter 2006 employers' tax records revealed an increase of 18,000 more jobs than the original monthly estimates reported for the time period October to December 2006. The increased job count could show up in future revisions.

Professional & Business Services adding jobs. The data on the next page, Table 1, shows the levels of employment for the current month, month ago, and year ago for the Gulf Coast Region. Professional & Business Services and Construction, up 15,700 and 10,900 jobs respectively from June 2006, are the two major job producers in the region. Last year at this time, Professional & Business Services was up 23,600 jobs. Government added 7,000 jobs from June 2006. Information was the only super-sector to lose jobs, down 200 jobs since June 2006.

The thirteen county region's unemployment rate was 4.5%, down from 5.5% in June 2006.

¹ The Houston- Sugar Land-Baytown MSA is the only geographic area with monthly job count data in the Gulf Coast Region. Houston-Sugar Land- Baytown MSA includes the following counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller
Source – U. S. Department of Labor, BLS and Texas Workforce Commission

Table 1

Houston-Sugar Land-Baytown MSA

Industry	Jun-07	May-07	Jun-06	NET CHANGE FROM		% Chg. Jun-06 TO Jun-07
				May-07 TO Jun-07	Jun-06 TO Jun-07	
Total Nonfarm	2,525,600	2,517,200	2,449,100	8,400	76,500	3.1%
NATURAL RESOURCES & MINING	84,400	82,500	76,700	1,900	7,700	10.0%
CONSTRUCTION	193,500	190,900	182,600	2,600	10,900	6.0%
MANUFACTURING	226,300	224,000	224,700	2,300	1,600	0.7%
DURABLE GOODS	145,500	143,800	142,100	1,700	3,400	2.4%
NONDURABLE GOODS	80,800	80,200	82,600	600	-1,800	-2.2%
TRADE, TRANSP., & UTILITIES	506,900	503,800	499,100	3,100	7,800	1.6%
WHOLESALE TRADE	132,300	130,800	129,700	1,500	2,600	2.0%
RETAIL TRADE	255,100	254,400	250,200	700	4,900	2.0%
TRANSP, WAREHOUSING, & UTIL	119,500	118,600	119,200	900	300	0.3%
INFORMATION	36,200	36,100	36,400	100	-200	-0.5%
FINANCIAL ACTIVITIES	142,600	142,700	140,900	-100	1,700	1.2%
PROFESSIONAL & BUSINESS SERV.	373,100	368,800	357,400	4,300	15,700	4.4%
EDUCATION & HEALTH SERV.	280,100	280,600	270,900	-500	9,200	3.4%
LEISURE & HOSPITALITY	233,000	229,300	222,600	3,700	10,400	4.7%
OTHER SERV.	100,300	98,600	95,600	1,700	4,700	4.9%
TOTAL GOVERNMENT	349,200	359,900	342,200	-10,700	7,000	2.0%
FEDERAL	28,100	28,100	28,100	0	0	0.0%
STATE	68,200	72,000	68,800	-3,800	-600	-0.9%
LOCAL	252,900	259,800	245,300	-6,900	7,600	3.1%

Chart 1

Houston MSA: Unemployment Rate for the month of June

