

To: Gulf Coast Workforce Board Members

From: Mike Temple  
Carol Kimmick

Date: March 26, 2014

Subj: Board Meeting Materials for Tuesday, April 1, 2014

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The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, April 1, 2014**, in the second floor Conference Room A, 3555 Timmons, Houston. Chair Mark Guthrie will be out of town for the April meeting. Vice Chair Gerald Andrews will preside.

If you're able to join us a little early, we'll preview the revised Workforce Solutions website in Conference Room A beginning at 9:30 a.m. If not, we'll also offer the opportunity to check out the website after our meeting ends.

**Reports.** Vice Chair Andrews will provide a brief report on items of interest for members. Government Relations Committee Chair Guy Robert Jackson will discuss that committee's recent meeting. Audit/Monitoring Committee Chair Joe Garcia will follow with a report on the committee's latest activity. Education Committee Chair Birgit Kamps will talk about developments in the regional collaborative efforts for adult education and literacy. Strategic Planning Committee Chair Carl Bowles will brief members on the latest progress toward the Board's strategic results: competitive employers, an educated workforce, more and better jobs, higher incomes, and an increasing return on investment. And finally, the Career Office Committee will recognize a Workforce Solutions staff member for outstanding customer service.

**Action.** Budget Committee Chair Yvonne Estrada will present the committee's recommendations for a 2014 Board budget in amount \$189,525,946.

We have received an offer of funds from the City of Houston to help it provide summer jobs at city jobsites in 2014 through our contract with SER-Jobs for Progress. We are bringing a proposal for your consideration that would do that and also use some uncommitted funds of our own—through existing contracts with Neighborhood Centers, Interfaith of the Woodlands, and SER—to offer jobs throughout the region. We anticipate we will be able to help about 1,000 youth this summer.

**Information.** We have included information on performance against the Board's measures and our production targets. We will have a report on expenditures as well. Ron Borski will brief us as usual on the region's economy and employment picture.

We want to let you know that there will be construction going on in the second floor lobby and bathrooms. Signs in the lobby will direct you to nearest available bathrooms, and of course, we will provide you any assistance you might need in getting to the meeting or locating a restroom.

We look forward to seeing you on April 1<sup>st</sup>. Please call or email us if you have questions, or if we can be of any help!

# The Gulf Coast Workforce Board Tentative Agenda

**Tuesday, April 1, 2014 at 10:00 a.m.**

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

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1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review February 2014 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
  - a. *Chair's Report.* The Board Chair will discuss items of interest.
  - b. *Government Relations.* The Committee Chair will summarize the March 2014 meeting.
  - c. *Audit/Monitoring.* The Committee Chair will present an update from the committee's March 2014 review.
  - d. *Education.* The Committee Chair will discuss collaborative regional efforts for adult education and literacy.
  - e. *Strategic Planning.* The Committee Chair will update Board members on progress toward the Board's strategic results.
  - f. *Career Office.* The committee will recognize outstanding Workforce Solutions staff.
7. **Take Action**
  - a. *Budget.* The Committee Chair will present a proposed 2014 budget in amount of \$189,525,946 to the Board for consideration.
  - b. *Summer Jobs.* Consider using available funds for summer jobs in 2014.
8. **Receive Information**
  - a. *System Performance.* Report on current performance.
  - b. *Expenditures.* Report on expenditures.
9. **Look at the Economy**

Report on current economic data and trends in the Gulf Coast labor market.
10. **Take Up Other Business**
11. **Adjourn**



**Workforce Solutions**

Workforce Solutions is an equal opportunity employer/program.

Auxiliary aids and services are available upon request to individuals with disabilities.

Please contact H-GAC at 713.627.3200 at least 48 hours in advance to request accommodations.

Deaf, hard-of-hearing or speech-impaired customers may contact Relay Texas: 1-800-735-2989

(TTY) or 711 (Voice). Equal opportunity is the law.

**MINUTES OF  
THE GULF COAST WORKFORCE DEVELOPMENT BOARD  
TUESDAY, FEBRUARY 4, 2014**

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**MEMBERS PRESENT:**

Willie Alexander	Betty Baitland	Elaine Barber
Sara Bouse	Carl Bowles	Larry Calhoun
Sophia Dubrevil-Berry	Yvonne Estrada	Joe Garcia
Mark Guthrie	John Hebert	Bobbie Henderson
Cody Holloway	Tracie Holub	Eduardo Honold
Guy Robert Jackson	Tony Jones	Birgit Kamps
Jeff Labroski	Ramona Malone	Kendrick McCleskey
Linda O'Black	Allene Schmitt	Richard Shaw
Connie Smith	Gil Staley	Joe Swinbank
Evelyn Timmins	Bill Weaver	Madeleine York

**H-GAC STAFF MEMBERS PRESENT**

Mike Temple  
David Baggerly  
Ron Borski

Mr. Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, February 4, 2014, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Guthrie determined a quorum was present.

**ADOPTION OF AGENDA**

Mr. Guthrie 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 DECEMBER 3, 2013**

Mr. Guthrie asked if there were any additions or corrections to the minutes for the December 3, 2013 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

**DECLARE CONFLICTS OF INTEREST**

No one declared a conflict of interest.

## **CONSIDER REPORTS**

### *Chair's Report*

Mr. Guthrie explained that a New Board Member Orientation is scheduled for Thursday, February 6, 2014 at 10:00 a.m., here at H-GAC offices and encouraged any member that has not participated in an orientation to attend.

Mr. Guthrie stated that this past session the Texas Legislature directed that responsibility for Adult Basic Education (ABE) be transferred to TWC from the Texas Education Agency. Mr. Guthrie explained that under TWC's new proposed funding rules, our region is looking at a substantial decrease in funding due to prior higher allocations based on our provider's abilities to deliver ABE. Chair Guthrie reported that he had submitted comments on TWC's proposed funding and administration rules, and one of those comments was to request that TWC enact a failsafe mechanism to initially cut a smaller portion of this funding for the region this coming year. He reported that as of the date of the meeting, no response from TWC to his comments on the proposed rules had been received. Mr. Guthrie also reported that Board staff is currently working with the 7 lead consortia that currently deliver ABE in our region to determine if all of them can participate in a single funding request for the entire Board area and what roles the Board would play in that. He also said that in his view, the providers would be better off submitting one funding request for the region rather than a number of fragmented ones.

Mr. Guthrie mentioned that Mr. Willie Alexander has agreed to serve on the Nomination Committee and thanked him for doing so.

Mr. Guthrie explained that the National Association of Workforce Boards will have their annual Conference at the end of March and in early April, with the last day overlapping the next Board meeting. He reported that Board staff would present a workshop at the conference base on the "When I Grow Up" middle school career exploration curriculum that Board staff developed. Mr. Guthrie also stated that our Board nominee Exxon Mobil will receive the distinguished national W.O. Lawton Business Leadership Award for employers. Representatives from Exxon Mobil will be at the conference to receive their award.

Mr. Guthrie concluded his report by stating that the Texas Association of Workforce Boards will be publishing a paper about the state of public education in Texas. Mr. Guthrie explained that once it is available, he will see that it is distributed to Board members and would like to have comments and feedback from them.

No action was taken.

### *Audit/Monitoring Committee Report*

Chair Joe Garcia explained that the committee met by conference call on Thursday, January 30, 2014 and heard an update on recent activity. Originally the committee was

scheduled to meet at the Northline Career Office, but due to bad weather it was rescheduled to a conference call. He reported that:

- We issued a report and guidance to contractors on improving job filling and staffing specialists work. We will conduct a follow-up review in the spring to check on progress.
- We continue to work with contractors to ensure our system protects customers' personal information. After a review of contractors' actions, we're refining system-wide procedures.
- We are re-instituting monthly reporting and reviews on a management information systems issue to ensure that contractors properly and timely record service for our customers. Currently contractors only achieve a 68% success rate.

Chair Garcia also reported that we issued reports on reviews of three offices and the financial aid call center.

- The regional quality assurance team rated the Rosenberg and Texas City offices as below average. Both of these offices transitioned from a previous contractor to the current management by Neighborhood Centers in October 2013, and we visited not long after the transition. We are working with NCI to ensure these locations improve.
- The team rated the Westheimer location as average and found the financial aid call center acceptable during its first quarterly review.

Chair Garcia then reported on the status of our vendor monitoring. We have been working with the Financial Aid Payment Office to improve timely monitoring of vendors. For vendors offering early education/care services:

Total Active Vendors	2,133
• Active Vendors with referrals monitored	1,513
• Active Vendors with referrals not monitored	736
Active Vendors with no referrals	623

Data as of January 13, 2014. Data changes daily based on referrals.

Chair Garcia also reported that we are working with FAPO to ensure we continuously check on vendors – particularly those providing early education/care for our customers.

Chair Garcia also reported that we interviewed staff and looked at the distribution of cash substitutes in two offices as a result of the unsigned letter Board members and Board staff received in November. As a result, we have identified some issues around safety and

office decorum which we are discussing with contractor management. We have not found evidence that cash substitutes were being misappropriated. We will continue to look periodically at the use of cash substitutes, office procedures for authorization, issuing and maintenance of cash substitute cards, and internal controls.

Chair Garcia concluded his report and no action was taken.

### Education Committee Report

Chair Birgit Kamps stated that the committee met on January 14, 2014 at 10:00 am and a guest, Ms. Dale Pillow of the Adult Reading Center in Pearland attended the meeting.

Chair Kamps reported that committee members received information on several workforce-related education issues including ABE, high school graduation requirements and post-secondary entrance requirements. In anticipation of the new TWC proposed decreased funding allocations for ABE for the Gulf Coast region, members asked Board staff to convene the current fiscal agents of ABE services (the 7 consortia in the region) to formulate one or more cohesive grant proposals for the Texas Workforce Commission that ensure equitable, high-quality ABE services across the region for local communities.

She reported that Board staff also provided updates on current activities, including the new middle school component of the When I Grow Up curriculum, the Youth Career Connect grant solicitation from the U.S. Department of Labor and a pilot with Project GRAD Houston at the Northline career office.

Chair Kamps stated that the Gulf Coast Workforce Board identifies a better educated workforce as one of four results that are essential to a strong regional workforce system.

- In the Gulf Coast region, 20% of adults lack a high school diploma or equivalent.
- Community colleges, public schools, and non-profit and volunteer organizations provide help to adults seeking to acquire ABE, including basic literacy skills, English language skills, or a GED/ high school diploma equivalent.
- There are a variety of funding sources for ABE and literacy, although a large and important part of this comes from a specific section of the Workforce Investment Act.
- These Workforce Investment Act funds do not flow through the Board, but are directed to the state and contracted out from there.
- In our region there are seven lead consortia using Workforce Investment Act dollars for ABE. These cooperatives include lead organizations and usually a network of providers. Our lead consortia include Houston Community College, Harris County Department of Education, Lone Star College, Region 6 Education Service Center, College of the Mainland, Wharton County Junior College and Brazosport College.
- Last year, these seven consortia spent \$17.4 million on ABE and served about 20,000 students.

Until 2013, the Workforce Investment ABE funds were managed and administered by the Texas Education Agency. In this last legislative session, Senate Bill 307 transferred administration of ABE to the Texas Workforce Commission. The Commission has published proposed rules for how adult education and literacy service will be delivered and prospective allocations by Board area.

The proposed rules make some changes in the operation of service and the prospective allocations result in a shift of resources around the state. Chair Kamps referenced the chart reproduced below, that set forth TWC's proposed funding allocations. Under the proposed new allocations for next year, our region potentially will have 30% less funds than we have available in the current year. Chair Kamps reported that staff discussed the new structure and the allocations with five of the seven consortia in mid-December and sent comments to the TWC on its proposed rules asking it to mitigate the funding reductions for areas facing large decreases.

Chair Kamps noted that these changes present an opportunity for the Board to consider its strategic role in ABE and literacy.

Chair Kamp explained that possible directions for the Board to consider in connection with ABE include:

- ✓ Participating as a funder. The Board could provide some level of funding to augment, expand or support ABE and literacy services. This could include supporting different ways of delivering services. The Board would have to redirect funds that are currently used for other purposes (career offices, scholarships and other financial aid), and potential amounts would likely be small, at least initially. However, using the Board's dollars to leverage the ABE funds could be an efficient way to further the result of a better educated workforce.
- ✓ Participating in cooperatives. The Board could participate with one or more of the current consortia as an administrative or fiscal agent. We would only propose to do this if the members of one or more consortia were interested in this kind of a role for us. There would be additional responsibilities and costs associated with this kind of role.
- ✓ Promoting employer interests. The Board can use this opportunity to strongly promote the use of ABE resources in on-site, workplace training, helping to address and improve the basic skills of individuals who are working,

and other employer interests in ensuring the region's workforce has sufficient skills to support an expanding economy.

### High School Graduation Requirements

Chair Kamps reported that in the last session, Texas legislators passed House Bill 5, which changes the requirements for high school graduation.

- Students will be required to pass five end-of-course exams. This is a reduction



- from the 15 previously required.
- Reduced math/science requirements to allow students to take contextualized courses such as geometry for construction or algebra for engineering.
- Each student will select an endorsement area with an occupational focus. Endorsement areas are: STEM (science, technology, engineering and math), Business & Industry, Public Services, Arts & Humanities and Multidisciplinary Studies.

Staff continues to support local districts by providing access to labor market information, career planning resources and particularly, the When I Grow Up curriculum.

### Post Secondary Entrance Requirements

Chair Kamps also reported that the Texas Legislature has also recently made changes that affect entrance requirements for the community college system, designed to reduce resources in that system needed for basic skills remediation to get students to the point they can do college level work. These changes include revising how applicants for associate degrees are assessed and classified prior to entry.

The Texas Higher Education Coordinating Board has issued a draft plan for implementing the required changes and is currently engaged in soliciting public comment through listening sessions around the state. THECB will be in Houston on February 12. We have some concern that the changes as proposed will limit access to training for high-skill, high-growth jobs in our region, or possibly redirect potential workers into less productive training.

Chair Kamps reported that we anticipate making some contribution to the conversation about the changes by suggesting that the state plan encourage, allow for and help fund:

- Further development and implementation of contextualized learning, particularly for technical and so-called “workforce” training.
- Alternative ways for colleges to help applicants who are assessed as not college ready develop and improve their basic skills and become college ready.

### Updates – Chair Kamps also mentioned the following:

*When I Grow Up* is Workforce Solutions’ career awareness and exploration curriculum designed to introduce school-aged children to high skill, high growth occupations in the Gulf Coast region. Starting with a unit for five- to seven-year olds, the curriculum now provides lessons for grades Pre-K through 8.

The middle school curriculum is composed of activity-driven experiential lessons that integrate the TEKS (Texas Essential Knowledge and Skills) for Math, Science, and Career Exploration in grades 6-8. This curriculum delivers creative hands-on learning

opportunities that specifically address the needs of the Gulf Coast regional workforce. The middle school curriculum contains all original content developed by local teachers under the direction of Board staff.

The first workshop for teachers and counselors is scheduled for March 4 in conjunction with the Region 4 Education Service Center. Additional workshops for both elementary and middle school curricula will follow through both Region 4 and Region 6 ESCs. In addition to the service centers, staff continues to work with districts implementing When I Grow Up across all elementary campuses. Staff will present an example of one district's creative implementation of the Pre-K lessons.

### Youth Connect

The U.S. Department of Labor will provide approximately \$100 million in grant funds, to provide high school students with education and training that combines rigorous academic and technical curricula focused on specific in-demand occupations and industries. Upon announcement of the grant, staff strongly encouraged local districts with existing Career & Technical Education (CTE) programs to apply. Houston ISD and Galveston ISD have indicated they will submit applications independently. Several smaller districts have approached the Board for help in submitting an application. Board staff is actively working with all interested partners to ensure that the Gulf Coast region submits applications reflecting the high-quality CTE programs across the area.

### Project GRAD Pilot

Continuing to leverage community resources for the benefit of our customers, Workforce Solutions is currently hosting two college access counselors from Project GRAD at the Northline office. Previously, Project GRAD supported high school graduation and college admission from within HISD schools. By housing the college access counselors at Northline, the counselors and students have increased access to local labor marketing data to inform education and career decisions. Additionally, the families of our customers now have access to the college counselors and the extensive support network of Project GRAD. Staff will provide information about the partnership and potential expansion opportunities.

Chair Kamps concluded her report and no action was taken.

Texas Workforce Commission  
**Comparison of Adult Education and Literacy (AEL) Funding Allocation Amounts by Local Workforce Development Area (LWDA)**

A	B	C	D	E	F	G	H	I	J
LWDA #	LWDA Name	Amount of FY2014 Total Adult Education Distribution (excl. EL Civics)	Proportion of FY2014 Total Adult Education Distribution (excl. EL Civics)	Amount of FY2015 "Mock Allocation" Total AEL & TANF (Excl. EL Civics) (A)	Proportion of FY2015 "Mock Allocation" Total AEL & TANF (Excl. EL Civics)	Number of Individuals 18 and Over Without Secondary Degree & Not Enrolled in School (B)	Proportion of Civilian Labor Force (CY2012)	Proportion of Number of Disadvantaged Adults (WIA)	Proportion of Population Under Poverty Level
1	Panhandle	\$ 706,108	1.30%	\$ 934,148	1.74%	1.74%	1.78%	1.84%	1.57%
2	South Plains	\$ 950,586	1.75%	\$ 930,964	1.74%	1.62%	1.66%	1.88%	1.78%
3	North Texas	\$ 456,981	0.84%	\$ 476,534	0.89%	0.77%	0.89%	1.05%	0.71%
4	North Central	\$ 1,663,637	3.06%	\$ 2,702,041	5.04%	5.25%	10.22%	5.19%	5.24%
5	Tarrant County	\$ 2,572,118	4.73%	\$ 3,344,831	6.24%	6.33%	7.57%	5.51%	6.07%
6	Dallas	\$ 4,475,679	8.23%	\$ 6,039,662	11.27%	11.54%	9.40%	9.68%	10.14%

- I understand the resources available throughout our system
- I can always help my customer even when I have to say “no”
- I learn from my mistakes and gain a better understanding of how to help my customer

The Regional Management Team reviewed and scored 12 nominations and selected a winner to receive our Customer Service Award.

❖ **Tara Bradley**

(Texas Workforce Commission/Neighborhood Centers, Inc.)

Workforce Solutions’ staff members work hard each day to solve customer concerns and handle employer matters. Staff members who focus on delivering quality customer service oftentimes navigate through these issues seamlessly.

*Strategic Planning Committee Report*

Chair Carl Bowles explained that the committee met at 9:00 am just prior to the Board meeting and heard the results of an employer survey to identify services that could develop into a revenue source for the system.

*Strategic Planning Committee Report*

Chair Bowles explained that the committee met at 9:00 am just prior to the Board meeting and heard the results of an employer survey to identify services that could develop into a revenue source for the system.

Chair Bowles stated that with the uncertainty and limitations of public funding, the Strategic Planning Committee is actively searching for opportunities to secure alternate sources of revenue to support the regional workforce system.

One potential source of revenue is providing services to businesses for a fee. The Workforce Solutions’ Employer Service unit currently focuses on candidate recruiting/screening, labor market information and information about state and federal labor laws. Additional services could be marketed to current employer customers and could be used to expand the current reach of Workforce Solutions to additional businesses.

Using a professional research firm, both personal interviews and an objective survey was conducted with approximately 200 key decision makers in small and medium sized businesses across the 13-county region. Through this research we attempted to understand:

- what services businesses identify as a need or needing improvement
- which of those services the business would be willing to outsource, and
- which of those services are priority for the business

Following the round of personal interviews, we narrowed the potential services to 15. Those services are listed below. Of those 15, the greatest potential for outsourcing among small and medium sized business in our region is with these services:

- Competitively recruit, hire and keep top employees
- Training and development of workforce, leadership or managers
- Government sponsored training that satisfies compliance regulations
- Guides on OSHA, EEOC or insurance enrollment requirements and implementation
- Strategies to develop staff and reduce turnover

Chair Bowles stated that the research firm was asked to further analyze the results around the top five outsourcing priorities to uncover any characteristics that could better identify a target market – for example, industry, employee size, etc. Additionally, we will need to explore the competitive landscape of firms that offer such services.

With this information, we will explore how we might either offer or broker a limited number of key services for our business customers.

#### Potential Services List

1. Competitively recruit, hire and keep top employees
2. Better partnerships with fewer vendors to manage your outsourced needs
3. Centralized resource for workforce management consultants, brokers, vendors and compliance specialists
4. Centralizing, standardizing and integrating internal systems and processes
5. Communications policies for hiring, probation and termination
6. Government sponsored training that satisfies compliance regulations
7. Guides on OSHA, EEOC or insurance enrollment requirements and implementation
8. How to effectively outsource selected HR elements
9. Integrated HR management system that tracks and documents from hiring to termination
10. Onboarding details such as employment verification, background check, criminal clearance, testing and training
11. Strategies to develop staff and reduce turnover
12. Streamlined workforce compliance reporting to multiple government agencies
13. Templates such as hiring, discipline and termination policies and processes; HR compliance forms; or hiring and termination processes
14. Training and development of workforce, leadership or managers
15. Updated financial systems to manage and track budgets, bids, expenses, and invoices

Chair Bowles concluded his report and no action was taken.

#### Career Office Committee Report

Chair Tracie Holub explained that last year our Regional Management Team which is comprised of Board staff and contractors developed five key principles of quality customer service:

- *I AM Workforce Solutions* to my customer
- I use my customer's perspective to guide my work
- I understand the resources available throughout our system
- I can always help my customer even when I have to say "no"
- I learn from my mistakes and gain a better understanding of how to help my customer

Three times each year, our contractors nominate staff members they believe best exhibit the *I AM Workforce Solutions* principles and provide excellent customer service.

The Regional Management Team reviewed and scored 14 nominations and selected the following nominee to receive the February 2014 Customer Service Award who was introduced and recognized in the meeting.

## Pedro Chavez

(Employment & Training Centers)

As a Business Consultant, Pedro Chavez regularly interacts with employers to develop business strategies to address important industry challenges. He has been a key contributor to local chambers of commerce and economic development committees. Working with international industry groups, Mr. Chavez has developed significant business solutions for emerging markets in the Gulf Coast region with companies from Russia, Venezuela and Mexico.

Mr. Chavez has provided critical labor market information and targeted recruitment efforts to the Lone Star Small Business Development collaborative, which has resulted in a substantial increase in job opportunities for area residents.

Regularly applying the *I AM Workforce Solutions* principles, Mr. Chavez consistently exceeds customer expectations by providing unique solutions and delivering quality service to help both employers and individuals.

Chair Holub concluded her report.

### **TAKE ACTION**

- a. Nominating. The Committee Chair will present recommendations for Board officers during 2014.

Mark Guthrie – Chairman  
Gerald Andrews – Vice Chairman  
Yvonne Estrada – Vice Chairman

Joe Garcia – Vice Chairman

Mr. Hebert explained that the Chairman will entertain a motion for nominations from the floor or a motion that nominations cease and the existing officers be elected by acclamation.

A motion was made and seconded for nominations to cease and the existing officers be elected by acclamation – Mark Guthrie – Chairman, Gerald Andrews -Vice Chairman, Yvonne Estrada – Vice Chairman and Joe Garcia– Vice Chairman. The motion carried.

Chair Hebert concluded his report.

## **RECEIVE INFORMATION**

### System Performance

Mr. David Baggerly reviewed the Year End System Performance measures for October 2013 through December 2013. These measures gauge progress toward meeting the results set out in the Board's strategic plan. There are two sets of measures: one for the entire regional workforce system and one for the Board's operating affiliate, Workforce Solutions. We report on the Workforce Solutions measures at each Board meeting.

#### *For Workforce Solutions More Competitive Employers –*

Employers Receiving Services (Market Share) – we expected to provide services to 25,147 employers this year which is almost 18% of the 140,808 employers identified for the Gulf Coast area. We provided services to 9,414 employers in the first quarter of the year.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,492 employers, 6,516 returned to The Workforce Solutions for additional services in the first quarter of the year.

#### *More and Better Jobs –*

New jobs created – This information is captured quarterly and reflects a two year average.

Customers employed by the 1<sup>st</sup> quarter after exit – Reporting for the quarter ending December 2012, 57,075 of the 79,785 customers who exited from services were employed by the quarter after exit.

#### *Higher Real Incomes –*

Exiters with Earnings Gains of at least 20% - Reporting for the quarter ending June 13, 26,841 of the 90,232 customers who exited had earnings gains of at least 20%.

#### *A Better Educated and Skilled Workforce –*

Customers pursuing education diploma, degree or certificate who achieve one - Reporting for the quarter ending December 2013, 874 customers pursuing an education diploma, degree or certificate exited in the period July – September 2013. 415 achieved a diploma, degree or certificate by the quarter after exit.

In addition to the Board's measures, Workforce Solutions works to meet the state's expectations for performance on indicators related to the money we received from the Texas Workforce Commission.

For the performance year that began October 1, 2013, we are meeting or exceeding the target for six of nine measures. The three measures we are not meeting are:

- Youth Placement in Employment or Education. The target for this measure is 65%. Our performance through December was 61.7%. We expect to meet the target.
- Youth Literacy/Numeracy Gains. The target for this measure is 48.1%. Our performance in the first two quarters (7/13 – 9/13) was 44.6%. We expect to meet the target by the end of June.
- Choices Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 39.5%. Our performance through December was 31.8%.

Mr. Baggerly reported that we continue to work closely with our contractors to improve performance on all measures.

Mr. Baggerly concluded his report.

### Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report for twelve months ending December 31, 2013. Mr. Temple explained that with the change in career office contractors, we did not spend as much as planned. There have also been delays in implementing the wide-area network update and completing the website refresh which have pushed these charges from 2013 into 2014. Mr. Temple reported that we overestimated the impact of sequestration and did not account for approximately \$18 million in additional financial aid dollars which became available in 2013. We have spent the financial aid money on early education for approximately 30,000 kids a day and paid for many people to attend school, more than we have in many years. The Budget Committee will need to meet soon to discuss the 2014 budget.

Mr. Temple concluded his report.

### LOOK AT THE ECONOMY

Mr. Ron Borski explained that the rate of unemployment in the Houston-Sugar Land-Baytown-Metropolitan statistical area (H-S-B MSA) dropped one-tenth of a percentage point to 5.5 percent in December. This was the lowest rate of unemployment for H-S-B

MSA since November 2008. The state level is 5.6 percent and the national level is at 6.5 percent. The H-S-B MSA added 13,100 jobs in December and added 82,000 jobs over the year, but 3.0 percent. Mining and Logging reported its first increase since September, up 600 jobs or 0.6 percent, with the increase in Oil and Gas extraction. Construction experiences a slight decline of 300 jobs in December. Manufacturing, Trade Transportation & Utilities, Information, Education and Health Services, Leisure and Hospitality and Government all added jobs in December. Financial Activities, Professional and Business Services and Other Services reported a loss of jobs in December.

Mr. Borski concluded his report.

### **OTHER BUSINESS**

Chair Guthrie presented Certificates of Appreciation to Board members whose term expired on December 31, 2013.

### **ADJOURN**

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



## **Government Relations Committee**

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The Government Relations Committee met on Tuesday, March 11, 2014 at 10:00 a.m.  
Committee members present were Chair, Guy Robert Jackson, Mark Guthrie and Richard Shaw.

Chair Jackson will give an overview of the meeting.

## Audit/Monitoring Committee Update for April 2014

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### Recent Activity

- We reviewed contractor's efforts to improve job filling and staffing specialists work. The reviews show our contractors are doing a better job filling jobs posted by employers.
- We continue to work with contractors to ensure our system protects customers' personal information. We will visit every office in April to observe how well our system is working at protecting customers' personal information
- We are re-instituting monthly reporting and reviews on a management information systems issue to ensure that contractors properly and timely record service for our customers. Currently, our career office contractors achieved a success rate over 90%. We've asked for SER to review all customer records to ensure their records reflect timely services.
- We issued reports on reviews of three offices and the financial aid call center.
  - The regional quality assurance team rated the Baytown office as below average. This office transitioned from a previous contractor to the current management by Neighborhood Centers in October 2013, and we visited not long after the transition. We are working with NCI to ensure these locations improve.
  - The team rated the Westheimer Humble and Lake Jackson locations as average and found the financial aid call center acceptable during its second quarterly review.
- Vendor monitoring. We have been working with the Financial Aid Payment Office to improve timely monitoring of vendors. For vendors offering early education/care services:

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Data as of March 17, 2014. Data change daily based on referrals.

We are working with FAPO to ensure we continuously check on vendors – particularly those providing early education/care for our customers.

## **Education Committee**

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### **March 2014 Update**

### **Adult Education and Literacy**

On February 22, 2014, the Texas Workforce Commission issued a request for proposals (RFP) seeking adult basic education services that lead to improved employment.

Following the direction received at the last meeting of the Education Committee, Board staff convened a meeting of the Adult Education cooperatives with the goal of forming a cohesive strategy to meet the needs of the entire region while accounting for a substantial reduction in funding.

After much discussion, the cooperatives agreed to form a single consortium with the Board serving as the fiscal agent. The consortium representing the Gulf Coast region includes:

- Brazosport College
- College of the Mainland
- Harris County Department of Education
- Houston Community College
- Lone Star College
- San Jacinto College\*
- Wharton County College

\*San Jacinto College provides AEL services but was not a direct recipient of this funding. They are “new” to the consortium.

Additionally, Region 6 Education Service Center relinquished the role (and funding) of a consortium member to accept the role of Lead Agency. This means that Region 6 will serve as the administrator for programmatic functions required to actually deliver adult education services.

In terms of funding allocations, the region was cut by 22%. We reduced each consortium members’ funding by 20% equally and proportionately. By shifting roles for Region 6, we were able to allocate funding to San Jacinto without any additional cuts to the current members.

With input from the consortium members, Board staff is preparing the RFP, which is due in Austin on April 7.

# How Are We Doing?

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## Report on Achieving the Board's Results

### The Economy

A U.S. Conference of Mayors report on metropolitan economies (November 2013) estimates the Houston-The Woodlands-Sugar Land MSA 2013 gross metropolitan product at \$463.7 billion, placing our region as the fourth largest metro economy in the United States. If we were a country, we would be the 26<sup>th</sup> largest economy in the world – bigger than Austria, South Africa, United Arab Emirates, and Colombia. Of the ten largest metropolitan areas in the U.S., we had the fastest economic growth rate in 2011 (3.7 percent), followed by Dallas-Fort Worth-Arlington (3.1 percent) and San Francisco-Oakland-Fremont (2.6 percent).

The energy industry remains a key driver for our regional economy – both in terms of exports and internal activity. Several factors indicate economic expansion in this key sector should continue in 2014 but not at the rapid pace seen in recent years.

- Projections are that West Texas Intermediate (WTI) oil prices are expected to remain around \$95 per barrel throughout 2014 according to the U.S. Energy Administration.
- Major chemical plant construction projects continue with more being announced due to the cheap abundance of natural gas.
- Demand for exports is expected to grow which already is in excess of \$100 billion in merchandise and commodities.

Expansion in the energy industry directly affects numerous other industrial sectors, including mining, construction, manufacturing, wholesale trade, professional/scientific/technical services, and others. The multiplier effect will in turn lead to job growth across many other industries in 2014.

### The Labor Market

The Gulf Coast region's unemployment rate continued to decline throughout 2013 but not at the pace seen in 2012. By November it had fallen to 5.7%, the lowest since December 2008. Many areas of the nation are not experiencing the same level of economic recovery we're seeing in the Gulf Coast region. The unemployment rate in the Gulf Coast region should continue to improve throughout 2014. As the unemployment rate declines employers will have increasing difficulty to fill high-skill occupations.

Recovery in the Gulf Coast region began in 2010 with the region recovering all jobs lost during the recession by November 2011. The pace of job growth remained healthy throughout 2013 nearly doubling that of the nation. By November 2013 employment increased 7.4% above pre-recession levels, an addition of 195,400 jobs.

The thriving energy industry in the Gulf Coast region and a population growth rate that is more than twice the nations has positioned it to be one of the few in the nation where job growth is strong and job gains are found across nearly every industry. Job growth is expected to continue at a healthy pace but slightly slower than the last couple of years. As businesses expand to new levels and the labor pool gets smaller companies will continue to face an expanding skills gap in 2014.

## Some Thoughts about Demographics

The numerous opportunities in the Gulf Coast region continued to attract people from all over the world in 2013, bringing its population to nearly 6.5 million. Over the past 30 years the region has gone through a significant demographic transformation and today it is one of the youngest and fastest growing areas in the nation. When it comes to diversity, the Houston-Sugar Land-Baytown MSA is the most diverse of the 10 most populous MSA's in the nation.

The rapid increase in a Hispanic population continues to be the driving force for the region's population growth at a rate that is more than twice the nation's.

Two of the nation's top 10 fastest growing counties with a population of over 250,000 are found in the Gulf Coast region, Fort Bend and Montgomery counties.

Projections indicate that by 2020 the Gulf Coast region's population will be:

- More than 7.1 million and
- 40 percent Hispanic

Fully 48 percent of the population under 25 will be Hispanic, and 57 percent of the population 65 and older will be Anglo.

## The Board's Plan and Performance

More than 10 years ago the Gulf Coast Workforce Board adopted a strategic plan that described and quantified results the Board expected the regional workforce system to achieve. It includes values, mission and vision statements that explain what its members value most, why they exist as a board, and where they want the regional workforce system to be in the future. The plan continues to guide our efforts to help employers meet their human resource needs and individuals build careers. In keeping with its key values — innovation, productivity, performance and results — the Board identified four results statements that describe the difference it intends to make in the Gulf Coast region.

- More competitive employers
- A better educated workforce
- More and better jobs
- Higher incomes

The Board's measures, developed from these statements, help determine progress towards achieving the results both for the region and for Workforce Solutions, our operating affiliate. 2013 was the last year of the five-year strategic planning period, 2009 – 2013. We used 10 strategic metrics to assess performance and progress towards annual targets and longer-term goals.

For the Regional Workforce System, we focused on total employment — a gauge of how well we create and keep jobs in the region — and education credentials of working-age residents — a gauge of the skill level of the region's workforce. The most recent educational credential data is for the 2011 to 2012 school year for all but one measure, the percentage of those taking a GED earning one which is for the 2012 calendar year. In this current update we missed the same two of three of four Regional Workforce System education targets as in the previous update.

- Our performance improved for two of the three measures for the Regional Workforce System education targets. We continue to see some encouraging trends.
  - The number and percentage of people holding an education credential continues to rise.
  - The percentage of people pursuing an educational credential who earn one improved by more than one-half of a percentage point. More notably, while the percentage of the population holding a post-secondary degree missed our goal, the number holding a post-secondary degree rose by 41,195.
- The most recent employment data is for 2013 indicated strong growth which we exceeded the target of 2.69 million. The 4.2% rate of increase in the number of individuals employed in 2013 was more than double the projected rate of 2.0%.

For the part of the system we directly control, Workforce Solutions, we focus on outcomes for individuals — employment, education and earnings. We also looked at our contribution to employers job creation, market share and customer loyalty.

- We target our training dollars to helping customers prepare for high-wage, high-skill jobs in demand by our employers. Most of the customers pursuing an education credential are in post-secondary education programs. We served fewer customers in education programs than originally planned.
- Workforce Solutions exceeded its goal for the number of jobs it helped create. More than two-thirds of the new jobs were in our key industries — an improvement over last year — and many of these new jobs are in high-skill/high-growth occupations.
- Our ability to help people find jobs and increase their income is increasing since the recession. We are showing slow, steady improvement in customers employed quickly and employed after leaving Workforce Solutions.
- Our service to employers continued to improve with the number of employers we work with reaching almost 25,000.

## Job Creation and Employment

We use four measures as indicators of our success at adding jobs in our region, getting people employed in those jobs and increasing their incomes.

Regional Workforce System	Workforce Solutions
<p>— <b>Total number of people employed</b>  <i>Exceeded the target at 2.75 million people working</i>                      The number of people working increased last year by 111,265, nearly doubling our 2013 goal of 59,830, driving employment well above the goal of 2.70 million.</p>	<p>— <b>Number of new jobs created as a results of Workforce Solutions partnering with other business organizations</b>  <i>Exceeded target at 2,646</i>                      We exceeded our target of creating 2,000 new jobs.</p>
	<p>— <b>Percentage of customers employed after leaving Workforce Solutions</b>  <i>Did not meet target at 71.3%</i>                      The percentage of customers employed after leaving Workforce Solutions improved from last year's 70%, missing our target of 80%.</p>
	<p>— <b>Percentage of customers with earning gains of at least 20% after leaving Workforce Solutions</b>  <i>Exceeded the target at 49%</i>                      The percentage of customers who saw earnings gains of at least 20% after leaving Workforce Solutions increased slightly from the previous year. Our target was 42%.</p>



## Education Credentials

We use four measures as indicators of our success at improving the education level of the region's workforce. Note that 2013 data is not yet available for the Regional Workforce System thus the measures shown are for 2011.

Regional Workforce System	Workforce Solutions
<p>— <b>Percent of the population with an education credential</b></p> <p><i>Met target at 80.93%</i></p> <p>The percentage of people holding an education credential (GED, high-school diploma, associate, bachelors or graduate degree) moved up 0.36% from last year. Our target was 80%.</p>	<p>— <b>Percent of customers pursuing an education credential who earn one</b></p> <p><i>Exceeded the target at 42.5%</i></p> <p>Performance rose sharply from last year's 31%. Our target was 37%.</p>
<p>— <b>Percent of the population with a post-secondary credential</b></p> <p><i>Did not meet target at 34.92%</i></p> <p>The percentage of people holding a post-secondary credential moved up 0.29% from last year. Our target was 36%.</p>	
<p>— <b>Percent of those pursuing an education credential who earned one</b></p> <p><i>Narrowly missed target at 20.71%</i></p> <p>The percentage of people pursuing a credential who earned one improved more than one-half of a percentage point. Our goal for 2013 was 21%. This measure is an aggregate of the number of people who attain a high school diploma, GED or post-secondary degree.</p>	

## Market Share and Customer Loyalty

We use two measures as indicators of our system’s success at improving the competitive position of our region’s employers.

Market Share	Customer Loyalty
<p>— <b>Percent of employers using Workforce Solutions</b></p> <p><i>Exceeded target at 18%</i></p> <p>We increased the share of the region’s employers we served last year, 22,962. In 2013, we provided services to 24,842 customers.</p>	<p>— <b>Percent of employers who are repeat customers</b></p> <p><i>Exceeded target at 59%</i></p> <p>In 2013 we provided services to 11,290 employers we also serviced in 2012. Our target was 58%.</p>

Following are market penetration rates for the Board’s target industries. This information is a subset of the total market share shown above.

Targeted Industry Title	2013 Total Establishments	2013 Number Served	2013 Penetration Rate
Oil and Gas Extraction	1,083	69	6.37%
Support Activities for Mining	975	118	12.10%
Utility System Construction	529	66	12.47%
Building Equipment Contractors	2,744	365	13.30%
Petroleum and Coal Products Manufacturing	93	20	21.51%
Computer Systems Design and Related Services	3,097	340	10.98%
Management, Scientific, and Technical Consulting Services	4,574	292	6.38%
Elementary and Secondary Schools	208	103	36.79%
Colleges, Universities, and Professional Schools	124	79	63.54%
Offices of Physicians	5,088	256	5.03%
General Medical and Surgical Hospitals	104	68	65.18%

## Gulf Coast Workforce Board 2014-2018 Strategic Plan Targets

<b>Job Creation and Employment</b>				
	<b>2013 Target</b>	<b>2013 Performance</b>	<b>2014 Target</b>	<b>2015 Target</b>
<b>For the Regional Workforce System</b>				
Total number of individuals employed.	2.69M	2.75M	2.75M	2.81M
<b>For Workforce Solutions</b>				
Number of new jobs created as a direct result of Workforce Solutions's partnering with other business organizations	2,200	2,646	2,700	2,800
Percentage of customers employed after leaving Workforce Solutions	80%	71.3%	72%	73%
Percentage of resident customers with earnings gains of at least 20 percent after leaving Workforce Solutions	42%	49.2%	35%	35%
<b>Education Credentials</b>				
	<b>2013 Target</b>	<b>2013 Performance</b>	<b>2014 Target</b>	<b>2015 Target</b>
<b>For the Regional Workforce System</b>				
Percentage of the region's population (25 years and older) holding an education credential	80.0%	80.93%	80.0%	80.0%
Percentage of the region's population (25 years and older) holding a post-secondary degree	36.0%	34.92%	35.0%	35.0%
Percentage of those pursuing an education credential who earn one	21.0%	20.71%	21.0%	21.0%
<b>For Workforce Solutions</b>				
Percentage of resident customers pursuing an education credential who earn one	37%	42.5%	44%	44%
<b>Market Share and Customer Loyalty</b>				
	<b>2013 Target</b>	<b>2013 Performance</b>	<b>2014 Target</b>	<b>2015 Target</b>
<b>For Workforce Solutions</b>				
Number of employers in our region who use Workforce Solutions	24,591	24,842	25,147	25,452
Percentage of the region's employers using Workforce Solutions as repeat customers	58%	59%	60%	62%

## **Career Office Committee**

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### **Customer Service Award**

## **Background**

Last year our Regional Management Team, comprised of contractor and Board staff, developed five principles of quality customer service:

- I AM Workforce Solutions to my customer
- I use my customer's perspective to guide my work
- I understand the resources available throughout our system
- I can always help my customer even when I have to say "no"
- I learn from my mistakes and gain a better understanding of how to help my customer

Three times each year, contractors nominate staff members they believe best exhibit the I AM Workforce Solutions principles and excellent customer service.

The Regional Management Team reviewed and scored eight nominations and selected Michael Gutierrez to receive the April 2014 Customer Service Award.

## **I AM Workforce Solutions Customer Service Award**

❖ **Michael Gutierrez**  
(Employment & Training Centers)

As a Regional Manager, Michael Gutierrez believes that all employees want to deliver excellent service to customers. As a result, he works with staff to determine customer wants and needs; demonstrate flexibility when customer needs change; and continuously evaluate the service delivery process to identify opportunities for improvement.

Michael has worked on a number of employer downsizings. His unwavering commitment to providing quality service made these transitional periods for employers and employees both manageable and productive. By leveraging community partner resources, Michael was able to help employees identify their transferrable skills and when appropriate access training opportunities to return to work faster.

Michael is dedicated to delivering first-rate service to customers. His work with staff, employers and customers demonstrates his understanding and application of the I AM Workforce Solutions principles.

# Budget Committee

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## Proposed 2014 Board Budget

### Background

Each year the Workforce Board approves a budget showing how it uses the revenues it receives to achieve the results set out in the Board's strategic plan.

On Thursday, March 6, 2014 at 10:30 a.m., Budget Committee Chair Yvonne Estrada and committee members Gerald Andrews, Sarah Janes, Joe Swinbank, and Willie Andrews met to consider a proposed Workforce Board budget for 2014. The committee's report follows.

### Current Situation

The proposed 2014 budget at \$189.5 million is just 1.6% less than a revised 2013 budget. Our original estimates for 2013 proved to be far too conservative. We overestimated the impact of Congressional sequestration on our fund sources at the beginning of the year. Some additional financial aid revenue later in the year also boosted the money we had to help people get a job, keep a job or get a better job.

- We have had shifts in several of our revenue sources, but the overall total available funding for the Board and its Workforce Solutions operating affiliate is about the same for 2014 as it was in 2013.

Proposed 2014 expenditures are in line with contracts the Board approved in August 2013.

- The costs of the Financial Aid Call Center, captured previously in the Career Office fund, have been reassigned to the Financial Aid fund. This accounts for most of the decrease for Career Offices. Reducing the number of career office contractors from three to two has also saved some expense.
- Although approved in the 2013 budget, we have not completed system IT projects involving the wide area network and the website. The remaining costs for these projects are included in the proposed 2014 budget.

We are proposing a Board operations budget of \$4.23 million, a decrease of almost 1% from 2013. Board operations represent 2.2% of the total system budget..

- H-GAC provides a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance. This year the pool has been set at 2.75%.

- We're projecting a decrease in both indirect and travel expenses, but an increase in expenses for network services and internal personnel services

Initially we do not see significant changes to our revenue or our expenses for 2014.

## **Action**

Approve the proposed 2014 Board budget in amount of \$189,525,916.

<b>GULF COAST WORKFORCE BOARD</b>				
<b>PROPOSED 2014 BUDGET</b>				
<b>SOURCE AND USE</b>				
<b>Source</b>		<b>Use</b>		
General Revenue	187,768,946	Board Operations		4,232,690
Special Federal & State Revenue	1,757,000	System IT		551,354
Other	-	Service for Employers		6,480,500
		Service for People		178,261,402
		<i>Financial Aid</i>	<i>142,350,500</i>	
		<i>Office Operations</i>	<i>34,843,000</i>	
		<i>Special Projects</i>	<i>1,067,902</i>	
<b>Total</b>	<b>\$189,525,946</b>	<b>Total</b>		<b>\$189,525,946</b>

<b>GULF COAST WORKFORCE BOARD</b>				
<b>PROPOSED 2014 BUDGET</b>				
<b>REVENUE SUMMARY</b>				
	2014	2013	Dollar Change	% Change
<b>General Revenue</b>	<b>187,768,946</b>	<b>190,365,600</b>	<b>(2,596,654)</b>	<b>-1.4%</b>
Employment Service	7,215,000	7,350,000	-	-1.8%
Veterans Employment & Training	339,600	365,000	-	-7.0%
Trade Act	1,335,000	1,150,000	-	16.1%
Workforce Investment	35,473,932	36,750,000	-	-3.5%
Supplemental Nutrition Assistance	3,509,621	3,293,600	-	6.6%
Temporary Assistance for Needy Families	14,472,711	11,206,580	-	29.1%
Child Care & Development Block Grant	125,423,082	130,250,420	-	-3.7%
<b>Special Federal &amp; State Revenue</b>	<b>1,757,000</b>	<b>2,190,000</b>	<b>-</b>	<b>78,000</b>
Emergency Unemployment Compensation	-	350,000	-	350,000
Worker Transition Projects	825,000	900,000	-	75,000
Non-Custodial Parents	932,000	935,000	-	3,000
Awards	-	5,000	-	5,000
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
	<b>189,525,946</b>	<b>192,555,600</b>	<b>-</b>	<b>3,029,654</b>
			<b>-</b>	<b>-1.6%</b>



<b>GULF COAST WORKFORCE BOARD</b>					
<b>PROPOSED 2014 BUDGET</b>					
<b>BUDGET SUMMARY</b>					
	<b>2014</b>	<b>2013</b>	<b>% of Total 2014 Budget</b>	<b>Dollar Variance from 2014</b>	<b>% Variance from 2014</b>
<b>Board Operations</b>					
Personnel	2,613,670	2,680,847	1.4%	(67,177)	-2.5%
Indirect	311,549	354,408	0.2%	(42,859)	-12.1%
Consultants & Contract	645,000	635,000	0.3%	10,000	1.6%
Travel	39,900	46,350	0.0%	(6,450.00)	-13.9%
Rent	140,136	135,089	0.1%	5,047	3.7%
Capital Equipment	-	-	0.0%	NA	NA
Other	482,435	418,434	0.3%	64,001	15.3%
Subtotal, Board Operations	4,232,690	4,270,128	2.2%	(37,438)	-0.9%
<b>System Operations</b>					
System IT, TOTAL	551,354	759,648	0.3%	- 208,294	-27.4%
<i>On-going operations</i>	<i>320,000</i>	<i>320,000</i>		-	
<i>Website upgrade</i>	<i>231,354</i>	<i>225,000</i>		6,354	
<i>WAN</i>	-	130,000		- 130,000	
<i>Email upgrade</i>	-	84,648		- 84,648	
Service for Employers	6,480,500	6,373,402	3.4%	107,098	1.7%
Service for People					
Financial Aid	142,350,500	137,851,337	75.1%	4,499,163	3.3%
Career Offices	34,843,000	42,320,985	18.4%	- 7,477,985	-17.7%
Special Projects	1,067,902	980,100	0.6%	87,802	9.0%
Subtotal, System Operations	185,293,256	188,285,472	97.8%	(2,992,216)	-1.6%
<b>Total</b>	<b>189,525,946</b>	<b>192,555,600</b>	<b>100.0%</b>	<b>-(3,029,654)</b>	<b>-1.6%</b>

**GULF COAST WORKFORCE BOARD**  
**PROPOSED 2014 BUDGET**  
**BUDGET DETAIL**

	<b>Board Operations</b>	
	<b>2014</b>	<b>2013</b>
<b>Consultants &amp; Contract</b>	<b>645,000</b>	<b>635,000</b>
Legal Services	15,000	15,000
Audit	20,000	20,000
Financial Monitoring	210,000	200,000
Public Information & Outreach	400,000	400,000
<b>Other</b>	<b>482,435</b>	<b>418,434</b>
Supplies	17,000	18,000
Meeting Expenses	18,000	18,000
Outside Printing	1,250	2,500
Books & Publications	2,000	2,000
Maintenance & Repair	5,000	5,000
Software	5,000	5,000
Licenses & Permits	1,000	1,000
Communications	75,000	75,000
Postage & Delivery	15,000	15,000
Subscriptions & Dues	10,500	10,500
Expendable Equipment	34,200	15,200
Legal Notices	17,500	17,500
Employee Development	8,500	10,980
Network Services	137,305	113,665
Personnel Services	62,799	53,363
Purchasing	16,187	20,248
Print Shop	34,739	35,478
Facility	21,455	-

# Summer Jobs

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## Proposed 2014 Activity

### Background

Workforce dollars available to us can be used to provide a variety of work experiences for young people, including summer jobs. In the past, we used funds dedicated specially for summer jobs to serve a large number of youth. More recently we have only been able to provide a small number of jobs for youth we serve through the career offices and special projects.

The City of Houston contacted us earlier this month and asked if we would be able to use our existing relationship with SER-Jobs for Progress to help the city provide summer jobs at city worksites for 500 youth. The city has offered \$1.5 million for these jobs. During this discussion, we checked on availability of workforce funds for the region, and we believe we have sufficient uncommitted money to expand the number of jobs we can offer in the balance of the region this year to about 625 additional youth.

### Current Situation

.We propose to use our existing Workforce Solutions contracts with SER-Jobs for Progress, Neighborhood Centers, and Interfaith of the Woodlands to provide summer work for about 1,125 young people. SER will primarily use funds provided by the City of Houston, with a small amount of Board funds, and NCI and Interfaith will use Board funds.

Summer jobs take place in public and private non-profit organizations, local governments, and sometimes in offices of state or federal government. Youth eligible for jobs are usually between the ages of 16 and 21. Activities will take place beginning in June and end in September. We would propose paying the federal minimum wage of \$7.25 per hour.

Our contractors will:

- Develop work sites
- Recruit, determine eligible and refer young people to work sites
- Serve as the employers of records for youth who take jobs at these work sites, including paying wages, providing workers compensation insurance, etc.
- Insure youth who are participating and site supervisors are aware of rules, procedures, and safety and labor law requirements
- Assist work sites with any problems or issues that arise
- Offer career information and support for youth

We will assist contractors in monitoring work sites. The City of Houston plans to monitor its own sites.

The Strategic Planning Committee has discussed recently how to increase work opportunities for youth such as summer jobs. We would propose using this year's experience to plan for a sustained and growing effort that expands the Board's involvement in work and career activities for the region's young people.

We proposed amending contracts as follows:

<b>Contractor</b>	<b>Additional Funds for Summer Jobs</b>
SER-Jobs for Progress	\$1,600,000
Neighborhood Centers, Inc.	\$1,000,000
Interfaith of the Woodlands	\$1,000,000

## **Action**

Authorize staff to amend Workforce Solutions contracts for 2014 summer jobs in amounts shown above.

**Gulf Coast Workforce Board**  
**System Performance**  
October 2013 to February 2013

## Board Measures

These measures gauge progress toward meeting the results set out in the Board's strategic plan. There are two sets of measures: one for the entire regional workforce system and one for the Board's operating affiliate, Workforce Solutions.

We report on the Workforce Solutions measures at each Board meeting.

## More Competitive Employers

<b>Measure</b>	<b>Annual Target</b>	<b>Current Performance</b>	<b>Performance Last Year</b>
<u>Employers Receiving Services (Market Share)</u> We expect to provide services to 25,147 employers this year which is almost 18% of the 140,808 employers identified for the Gulf Coast area. We provided services to 13,160 employers through February 2014.	25,147	13,160	24,842
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,492 employers, 8,182 returned to Workforce Solutions for additional services through February 2014.	60%	36.4%	59.1%

## More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> This information is captured quarterly and reflects a two year average.	2,700	2,740	2,646
<u>Customers employed by the 1st Qtr after exit</u> Reporting for the quarter ending March 2013, 113,401 of the 157,466 customers who exited from services were employed by the quarter after exit.	72%	72%	71.3%

## Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for the quarter ending September 2012, 63,864 of the 188,637 customers who exited had earnings gains of at least 20%.	35%	33.9%	32.9%

## A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Reporting for the quarter ending December 2013, 888 customers pursuing an education diploma, degree or certificate exited in the period July – September 2013. 434 achieved a diploma, degree or certificate by the quarter after exit.	58%	48.9%	57.7%

## Production

In addition to the Board's measures, Workforce Solutions works to meet the state's expectations for performance on indicators related to the money we receive from the Texas Workforce Commission.

For the performance year that began October 1, 2013, we are meeting or exceeding the target for six of nine measures. The three measures we are not meeting are:

- Youth Placement in Employment or Education. The target for this measure is 65%. Our performance through February was 63.7%. We expect to meet the target.
- Youth Literacy/Numeracy Gains. The target for this measure is 48.1%. Our performance through February 2014 (7/13 – 2/14) was 45.2%. We expect to meet the target by the end of June.
- Choices Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 39.5%. Our performance through December was 32.6%.

We continue to work closely with our contractors to improve performance on all measures.

**GULF COAST WORKFORCE DEVELOPMENT BOARD**  
**FINANCIAL STATUS REPORT**  
For the Two Months Ended February 28, 2014

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
<b>WORKFORCE REVENUES</b>				
WORKFORCE REVENUES	189,525,946	31,587,658	29,625,488	1,962,170
<b>WORKFORCE EXPENDITURES</b>				
BOARD ADMINISTRATION	4,232,690	705,448	487,901	217,547
SYSTEM IT	551,354	91,892	27,933	63,959
EMPLOYER SERVICES	6,480,500	1,080,083	1,056,589	23,494
RESIDENT SERVICES	178,261,402	29,710,234	28,053,065	1,657,169
OFFICE OPERATIONS	34,843,000	5,807,167	6,995,559	(1,188,392)
FINANCIAL AID	142,350,500	23,725,083	20,917,908	2,807,175
SPECIAL PROJECTS	1,067,902	177,984	139,598	38,386
<i>TOTAL WORKFORCE EXPENDITURES</i>	189,525,946	31,587,658	29,625,488	1,962,170

**VARIANCE ANALYSIS**

Note: Except for Special Projects that are currently funded through September 30, 2014, the "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.





Labor Market Information  
 JANUARY 2014 Employment Data

HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA)

Visit our website at [www.wrksolutions.com](http://www.wrksolutions.com)

**ANNUAL REVISIONS RELEASED**

The Bureau of Labor Statistics has incorporated revisions for the Local Area Unemployment Statistics series and the Current Employment Statistics series. The newly revised data shows that the H-S-B MSA added 76,200 jobs from December 2012 to December 2013, slightly fewer than the originally estimated addition of 82,000 jobs. Despite a slightly slower pace of job growth, the revised estimate of total employment in the H-S-B MSA was 2,840,100 for December 2013, an upward revision of 2,900 jobs. The strongest revision was in Other Services where employment estimates were raised 5,800 jobs by December 2013, up 6.2 percent. The largest revision was in Educational and Health Services where hiring has been impacted by uncertainties related to the Affordable Care Act with employment estimates lowered by 8,100 jobs or 2.3 percent by December 2013.

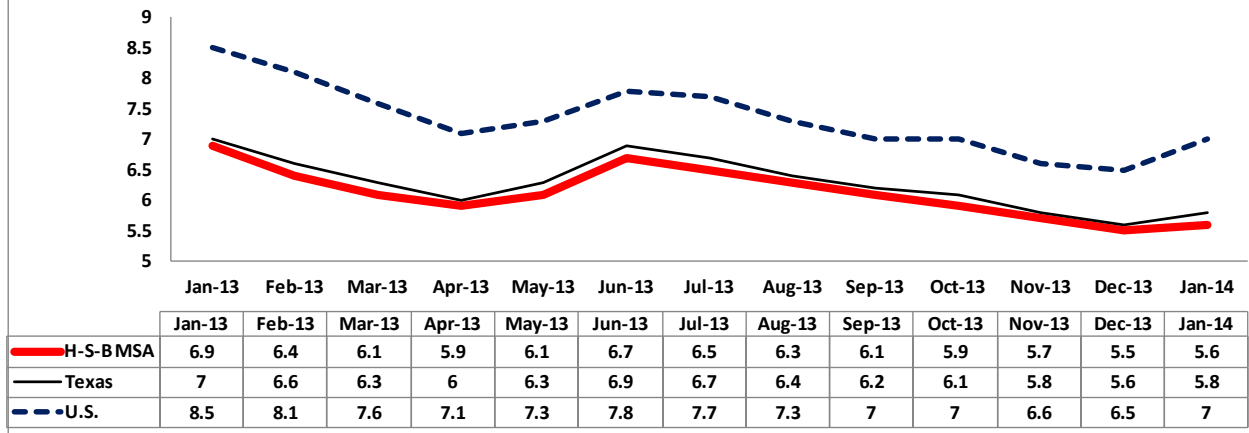
<b>NONAGRICULTURAL EMPLOYMENT</b>	<b>Original</b>	<b>Revised</b>	<b>Revision</b>	
			<b>Up or Down</b>	<b>Percent</b>
<b>Houston-Sugar Land-Baytown MSA</b>	<b>DEC 2013</b>	<b>DEC 2013</b>	<b>Net</b>	<b>Percent</b>
Total Nonfarm	2,837,200	2,840,100	2,900	0.1%
.Mining and Logging	108,100	107,400	-700	-0.6%
.Construction	185,000	188,900	3,900	2.1%
.Manufacturing	252,500	255,600	3,100	1.2%
..Trade, Transportation, and Utilities	591,800	587,200	-4,600	-0.8%
..Information	33,300	32,900	-400	-1.2%
..Financial Activities	139,200	141,200	2,000	1.4%
..Professional and Business Services	428,000	431,000	3,000	0.7%
..Educational and Health Services	348,200	340,100	-8,100	-2.3%
..Leisure and Hospitality	275,000	277,900	2,900	1.1%
..Other Services	93,700	99,500	5,800	6.2%
Government	382,400	378,400	-4,000	-1.0%

THE ACTUAL RATE OF UNEMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA) ROSE ONE-TENTH OF A PERCENTAGE POINT TO 5.6 PERCENT IN JANUARY. This was the lowest January rate of unemployment for the H-S-B MSA since 2008.

The current 5.6 percent rate is more than one full percentage point lower than it was one year earlier and lower than both the state's 5.8 percent rate and the nation's 7.0 percent rate, see figure 1.

	<b>Unemployment Rate (Actual)</b>		
	<b>Jan-14</b>	<b>Dec-13</b>	<b>Jan-13</b>
Civilian Labor Force	3,125,655	3,130,913	3,082,435
Total Employment	2,949,961	2,959,404	2,870,937
Unemployed	175,694	171,509	211,498
Unemployment Rate	5.6%	5.5%	6.9%
Texas	5.8%	5.6%	7.0%
U.S.	7.0%	6.5%	8.5%

**Figure 1. Rate of Unemployment - Actual**

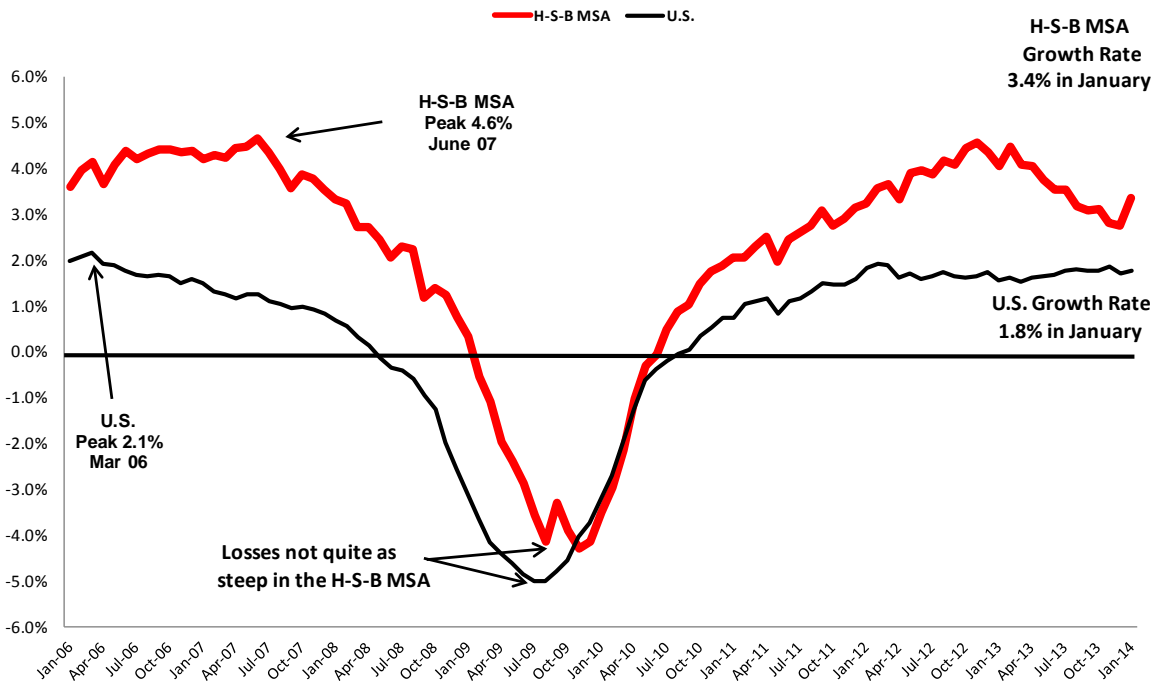


THE HOUSTON-SUGAR LAND-BAYTOWN MSA SHED 35,100 JOBS IN JANUARY. While a decline is normal for the month of January it is often underestimated. This month's 1.2 percent decline is well below the 1.8 percent average for the last five years. Seasonal declines are found across a number of industry sectors but the majority was in Retail Trade, Leisure & Hospitality, and Local Government Educational Services.

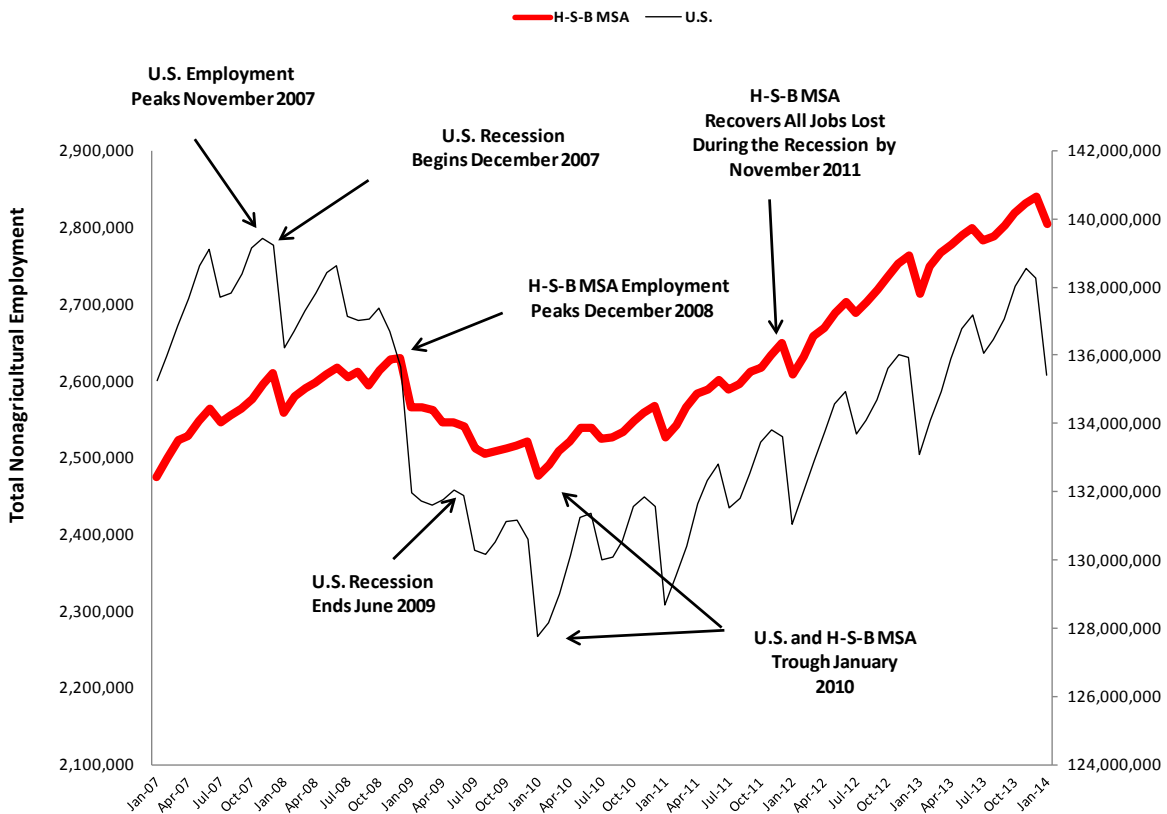
THE HOUSTON-SUGAR LAND-BAYTOWN MSA ADDED 91,300 JOBS OVER THE YEAR, UP 3.4 PERCENT. The H-S-B MSA continues to add jobs at a pace that is considerably stronger than the nation's 1.8 percent over-the-year increase, see figure 2 and 3. Job growth continues to be widespread and in all but one super sector, Financial Activities. The largest and strongest increase has been in Leisure and Hospitality, up 15,500 jobs or 6.1 percent, driven by gains at Food Services and Drinking Places. Professional and Business Services added the second largest number of jobs, up 13,300 jobs or 3.2 percent, with strongest increases found in Architectural Engineering and Related Services and Computer Systems Design and Related Services. Mining and Logging added 4,600 jobs to payrolls, up 4.5 percent, driven by strong gains in Oil and Gas Extraction. Manufacturing added 8,500 jobs over the year with Non-Durable Goods Manufacturing showing the strongest pace of job growth as more plants take advantage of low natural gas prices. Additional industry details available beginning on page 4. Detailed data can be viewed on pages 8 and 9.

Houston-Sugar Land-Baytown MSA January 2014	Month Change		Year Change	
	Net	Percent	Net	Percent
Mining and Logging	100	0.1%	4,600	4.5%
Construction	100	0.1%	7,900	4.4%
Manufacturing	-100	0.0%	8,500	3.4%
Wholesale Trade	-2,200	-1.4%	5,000	3.4%
Retail Trade	-13,200	-4.4%	7,100	2.6%
Transportation, Warehousing, and Utilities	-600	-0.4%	4,500	3.5%
Information	-200	-0.6%	1,200	3.8%
Financial Activities	-2,000	-1.4%	-600	-0.4%
Professional and Business Services	-4,000	-0.9%	13,300	3.2%
Educational and Health Services	-1,800	-0.5%	8,500	2.6%
Leisure and Hospitality	-6,900	-2.5%	15,500	6.1%
Other Services	400	0.4%	3,500	3.6%
Government	-4,700	-1.2%	12,300	3.4%
<b>Total</b>	<b>-35,100</b>	<b>-1.2%</b>	<b>91,300</b>	<b>3.4%</b>

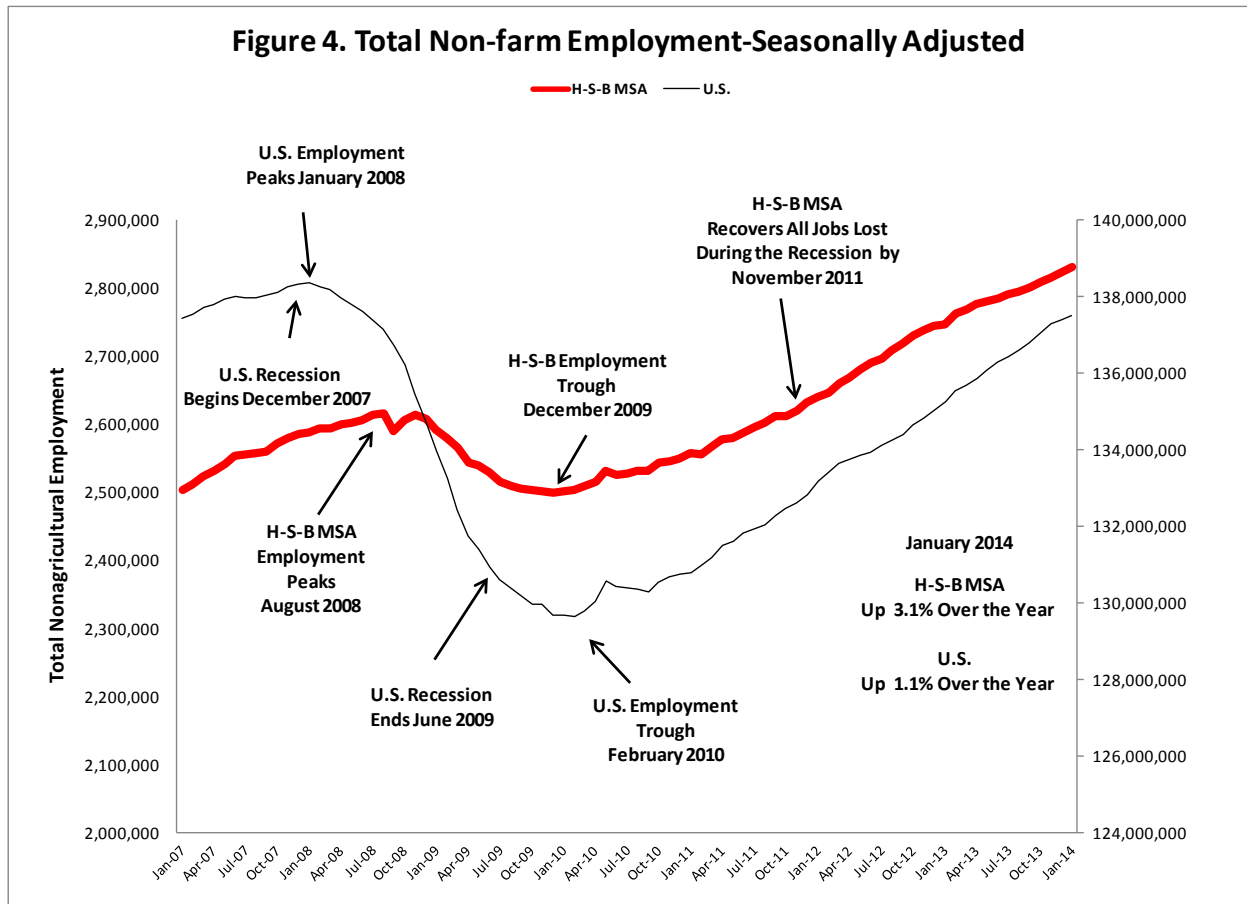
**Figure 2. Current Employment Statistics  
Actual Over-The-Year Increase/Decrease**



**Figure 3. Total Non-farm Employment-Actual**



Seasonally adjusted data indicate the H-S-B MSA recovered all jobs lost since the beginning of the recession by November 2011 and has since added 215,700 jobs to payrolls, an increase of 8.2 percent. Employment for the U.S. is still down 0.6 percent needing to recover 841,000 jobs to reach pre-recession levels, see figure 4.

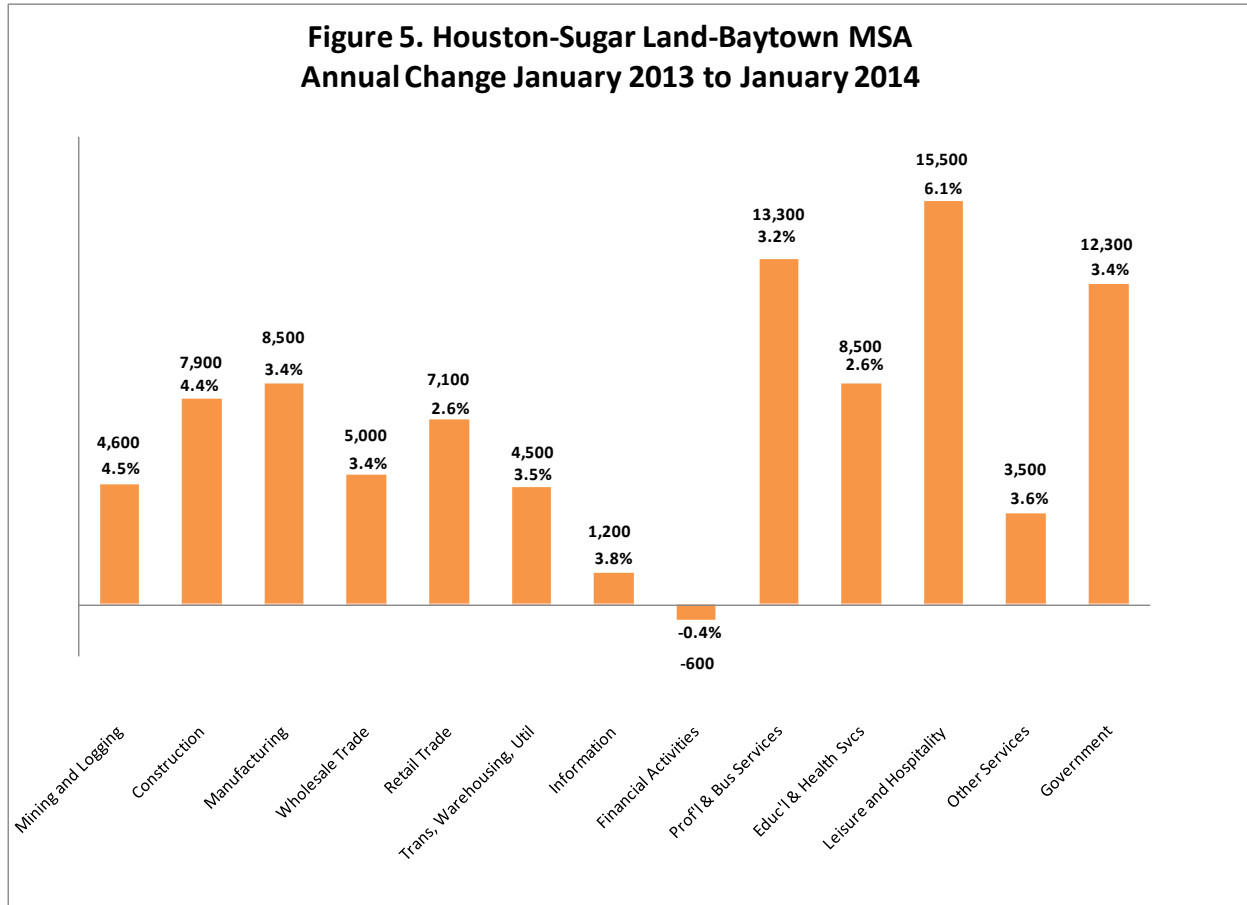


## DETAILS BY SUPER SECTOR

**Mining and Logging** continues to report employment levels near record highs but the pace of job growth has slowed, currently up 4.5 percent over the year compared to 9.2 percent one year earlier. Job growth is found in both Oil and Gas Extraction, up 3,800 jobs or 6.8 percent, and Support Activities for Mining, up 1,500 jobs or 3.3 percent. The average U.S. rig count for January 2014 was 1,769, down 2 from the 1,771 counted in December 2013, and up 12 from the 1,757 counted in January 2013. The average Texas rig count was 836 in January representing about half of all active land rigs in the United States. Drilling continues to get more efficient which despite lower rig counts domestic oil production continues to rise. U.S. crude oil production has reached its highest levels in more than 20 years recently. Outlooks are for U.S. drilling activity to increase around five percent in 2014 with increased activity expected in the Texas Permian as drillers move from vertical to horizontal drilling.

**Construction** experienced its first January increase since 2005. The increase of 100 jobs was a major improvement over an average loss of 3,760 jobs over the last five years. The super sector reported an increase of 7,900 jobs over the year with the pace of job growth rising to 4.4 percent, up nearly two percentage points from December's 2.6 percent. Construction continues to benefit from a vibrant economy with strong activity in residential, office, retail, and industrial sectors. Despite rising payrolls, the industry has yet to recover all jobs lost since the beginning of the recession. Strongest

gains have been in Construction of Buildings, up 2,900 jobs or 6.1 percent, and Specialty Trade Contractors, up 5,700 jobs or 6.5 percent. The Specialty Trade Contractors subsector represents companies that perform specific activities at a construction site such as concrete, site preparation, plumbing, painting, and electrical work. Heavy and Civil Engineering Construction experienced a net loss of 700 jobs over the year, down 1.9 percent. While conditions are favorable for the construction industry for 2014, a shortage of skilled craft workers is becoming an increasing issue with some projects facing possible delays.



**Manufacturing** saw payrolls virtually unchanged in January, down 100 jobs. The decline was much lower than in the previous two years when payrolls were reduced by more than 1,000 jobs. The pace of job growth in Manufacturing rose to 3.4 percent as a result, an increase of 8,500 jobs over the year. Employment levels remain at or near all time highs but the pace of job growth is down from what it was in much of 2011 and all of 2012. Job growth has been in both Durable Goods Manufacturing and Nondurable Goods Manufacturing. Benchmark revisions indicate job growth was much stronger in Nondurable Goods Manufacturing than originally estimated during the fourth quarter of 2013 and was up 4,100 jobs or 5.2 percent over the year in January. The region's access to cheap natural gas, which is used as a feedstock, has a number of plant expansions under way that should continue to bring good paying jobs to the area. The Houston Purchasing Managers Index increased to 58.7 in February driven by significant improvements in the Lead times and New Orders Indices as well as an improvement in the Production Index. Any index over 50 indicates production gains over the near term. While the pace of hiring at manufacturers of durable goods has slowed, the labor market for skilled workers remains tight.

**Trade Transportation & Utilities** experienced a seasonal decline of 16,000 jobs in January. The bulk of the decline was in Retail Trade as retailers trimmed payrolls following the close of the holiday season, down 13,200 jobs or 4.4 percent. Wholesale Trade also experienced a seasonal decline of 2,200 jobs in January, down 1.4 percent, the largest on record since 2009. The super sector added 16,600 jobs over the year, up 3.0 percent. Trade accounted for most of the increase with Retail Trade up 7,100 jobs or 2.6 percent and Wholesale Trade up 5,000 jobs or 3.4 percent. Strongest retail hiring has been at Building Material and Garden Equipment and Supplies Dealers, up 1,200 jobs or 6.3 percent. Transportation, Warehousing and Utilities added 4,500 jobs over the year, up 3.5 percent, with the largest increase found in Truck Transportation, up 500 jobs or 2.1 percent. Pipeline Transportation added 300 jobs over the year, up 3.3 percent. Payrolls in Utilities and Air Transportation were unchanged over the year.

**Information** experienced a seasonal decline of 200 jobs in January and continues to report a healthy increase of 1,200 jobs over the year, up 3.8 percent. While employment levels are well below previous highs the super sector has not reported annual job gains similar to recent months since early 2007. About half of the MSA's employment in information resides in telecommunications with the remainder found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

**Financial Activities** experienced a seasonal decline of 2,000 jobs in January, down 1.4 percent. More than half of the decline was in Real Estate and Rental and Leasing, down 1,200 jobs or 2.3 percent. Financial Activities is the only super sector reporting an over-the year loss, down 600 jobs or 0.4 percent. All of the loss was in Finance and Insurance, down 1,200 jobs or 1.3 percent. Real Estate and Rental and Leasing added 600 jobs over the year, up 1.2 percent. An improving housing market and strong energy activity has been driving activity in Real Estate and Rental and Leasing.

**Professional and Business Services** experienced a seasonal decline of 4,000 jobs in January, down 0.9 percent. Much of the decline was in Employment Services, down 2,700 jobs or 3.7 percent. Accounting, Tax Preparation, Bookkeeping, and Payroll Services was gearing up for the tax season with payrolls up 1,200 jobs or 5.7 percent. The super sector added 13,300 jobs over the year, up 3.2 percent. Strongest job growth has been in Computer Systems Design and Related Services, up 1,600 jobs or 5.5 percent over the year. Architectural, Engineering, and Related Services also continues to report strong job gains, up 3,500 jobs or 5.2 percent over the year. Employment Services continues to add jobs but at half the pace it was one year earlier, currently up 1,700 jobs or 2.5 percent over the year. Staffing firms are, however, generally more optimistic and reporting plans to increase hiring. Staffing firms have also indicated there were severe labor shortages for auditors, engineers, construction workers, and truck drivers.

**Education and Health Services** experienced a seasonal decline of 1,800 jobs in January. The 0.5 percent decline was much smaller than an average 1.0 percent decline over the last five years. The super sector added 8,500 jobs over the year, up 2.6 percent. Educational Services added jobs at the fastest pace, up 2,700 jobs or 5.5 percent over the year. The pace of job growth in Health Care and Social Assistance has fallen significantly from a peak of 4.0 percent in October 2012 to the current rate of 2.1 percent due to uncertainties of the Affordable Care Act. Ambulatory Healthcare Services, where employment in all types of medical offices is found, was up 3,600 jobs or 2.7 percent and Hospitals were up 2,200 jobs or 2.9 percent. An aging population and a population growth rate that more than doubles that of the nation is responsible for growth in the super sector.

**Leisure and Hospitality** experienced a seasonal decline of 6,900 jobs in January, down 2.5 percent, driven by payroll declines at Food Services and Drinking Places. The 6.1 percent pace of over-the-year job growth in Leisure and Hospitality is the fastest of all super sectors in the H-S-B MSA representing an increase of 15,500 jobs. Most of the job growth has been in Food Services and

Drinking Places, up 13,200 jobs or 6.3 percent. The Arts, Entertainment, and Recreation industry was up 1,400 jobs or 5.5 percent over the year. Accommodations, where hotels are found, have been benefitting from robust business activity reporting an increase of 900 jobs over the year, up 4.1 percent. Population growth continues to drive demand in the Leisure and Hospitality super sector.

**Other Services** added 400 jobs in January and 3,500 jobs over the year, up 3.6 percent. Other Services includes, as a partial list, industries such as various repair services, personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

**Government** experienced a seasonal decline of 4,700 jobs in January as educational institutions reduced staff between semesters. The super sector added 12,300 jobs over the year, up 3.4 percent. Most of the increase was in Local Government, up 11,900 jobs or 4.5 percent, with 8,900 of the jobs found in Local Government Educational Services.

**NONAGRICULTURAL EMPLOYMENT****Houston-Sugar Land-Baytown MSA**

	JAN 2014	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,805,000	-35,100	-1.2%	91,300	3.4%
Total Private	2,431,300	-30,400	-1.2%	79,000	3.4%
Goods Producing	552,000	100	0.0%	21,000	4.0%
.Mining and Logging	107,500	100	0.1%	4,600	4.5%
...Oil and Gas Extraction	59,800	-100	-0.2%	3,800	6.8%
...Support Activities for Mining	47,300	500	1.1%	1,500	3.3%
.Construction	189,000	100	0.1%	7,900	4.4%
..Construction of Buildings	50,300	400	0.8%	2,900	6.1%
..Heavy and Civil Engineering Construction	44,700	700	1.6%	-700	-1.5%
..Specialty Trade Contractors	94,000	-1,000	-1.1%	5,700	6.5%
.Manufacturing	255,500	-100	0.0%	8,500	3.4%
..Durable Goods	172,100	600	0.3%	4,400	2.6%
...Fabricated Metal Product Manufacturing	60,200	-500	-0.8%	2,000	3.4%
...Machinery Manufacturing	56,800	0	0.0%	1,200	2.2%
....Agriculture, Construction, and Mining Machinery Manufacturing	43,000	100	0.2%	1,300	3.1%
...Computer and Electronic Product Manufacturing	19,300	100	0.5%	600	3.2%
..Non-Durable Goods	83,400	-700	-0.8%	4,100	5.2%
...Petroleum and Coal Products Manufacturing	12,300	-100	-0.8%	100	0.8%
...Chemical Manufacturing	36,100	-200	-0.6%	1,200	3.4%
Service Providing	2,253,000	-35,200	-1.5%	70,300	3.2%
.Private Service Providing	1,879,300	-30,500	-1.6%	58,000	3.2%
..Trade, Transportation, and Utilities	571,200	-16,000	-2.7%	16,600	3.0%
...Wholesale Trade	151,600	-2,200	-1.4%	5,000	3.4%
....Merchant Wholesalers, Durable Goods	89,400	-1,000	-1.1%	2,600	3.0%
.....Professional and Commercial Equipment and Supplies Merchant Wholesal	10,800	-100	-0.9%	200	1.9%
....Merchant Wholesalers, Nondurable Goods	42,400	-400	-0.9%	1,400	3.4%
...Retail Trade	285,200	-13,200	-4.4%	7,100	2.6%
....Motor Vehicle and Parts Dealers	36,300	-300	-0.8%	1,500	4.3%
....Building Material and Garden Equipment and Supplies Dealers	20,400	-100	-0.5%	1,200	6.3%
....Food and Beverage Stores	60,200	-300	-0.5%	1,200	2.0%
....Health and Personal Care Stores	17,700	-600	-3.3%	500	2.9%
....Clothing and Clothing Accessories Stores	29,300	-3,500	-10.7%	-400	-1.3%
....General Merchandise Stores	62,600	-6,300	-9.1%	700	1.1%
.....Department Stores	21,100	-2,700	-11.3%	500	2.4%
.....Other General Merchandise Stores	41,500	-3,600	-8.0%	200	0.5%
...Transportation, Warehousing, and Utilities	134,400	-600	-0.4%	4,500	3.5%
....Utilities	16,200	100	0.6%	0	0.0%
.....Air Transportation	23,100	-200	-0.9%	0	0.0%
.....Truck Transportation	23,900	-300	-1.2%	500	2.1%
.....Pipeline Transportation	9,500	0	0.0%	300	3.3%
..Information	32,700	-200	-0.6%	1,200	3.8%
...Telecommunications	14,900	-200	-1.3%	700	4.9%
..Financial Activities	139,200	-2,000	-1.4%	-600	-0.4%
...Finance and Insurance	88,300	-800	-0.9%	-1,200	-1.3%
....Credit Intermediation and Related Activities	42,700	-600	-1.4%	-1,200	-2.7%
.....Depository Credit Intermediation	28,700	-300	-1.0%	-1,100	-3.7%
....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	16,400	-200	-1.2%	100	0.6%
....Insurance Carriers and Related Activities	28,400	-500	-1.7%	-700	-2.4%
...Real Estate and Rental and Leasing	50,900	-1,200	-2.3%	600	1.2%



<b>NONAGRICULTURAL EMPLOYMENT</b> <b>Houston-Sugar Land-Baytown MSA</b>	<b>JAN 2014</b>	<b>Month Change</b>		<b>Year Change</b>	
		<b>Net</b>	<b>Percent</b>	<b>Net</b>	<b>Percent</b>
<b>..Professional and Business Services</b>	427,000	-4,000	-0.9%	13,300	3.2%
...Professional, Scientific, and Technical Services	208,400	800	0.4%	7,800	3.9%
....Legal Services	23,700	-400	-1.7%	0	0.0%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	22,400	1,200	5.7%	700	3.2%
....Architectural, Engineering, and Related Services	70,300	-700	-1.0%	3,500	5.2%
....Computer Systems Design and Related Services	30,600	100	0.3%	1,600	5.5%
...Management of Companies and Enterprises	24,200	-200	-0.8%	900	3.9%
...Administrative and Support and Waste Management and Remediation Services	194,400	-4,600	-2.3%	4,600	2.4%
....Administrative and Support Services	184,300	-4,100	-2.2%	3,900	2.2%
.....Employment Services	70,600	-2,700	-3.7%	1,700	2.5%
.....Services to Buildings and Dwellings	44,100	-900	-2.0%	900	2.1%
<b>..Educational and Health Services</b>	338,300	-1,800	-0.5%	8,500	2.6%
...Educational Services	50,200	-700	-1.4%	2,700	5.7%
...Health Care and Social Assistance	288,100	-1,100	-0.4%	5,800	2.1%
....Ambulatory Health Care Services	137,800	-1,900	-1.4%	3,600	2.7%
....Hospitals	78,400	200	0.3%	2,200	2.9%
<b>..Leisure and Hospitality</b>	271,000	-6,900	-2.5%	15,500	6.1%
...Arts, Entertainment, and Recreation	26,900	-700	-2.5%	1,400	5.5%
...Accommodation and Food Services	244,100	-6,200	-2.5%	14,100	6.1%
....Accommodation	22,900	-400	-1.7%	900	4.1%
....Food Services and Drinking Places	221,200	-5,800	-2.6%	13,200	6.3%
<b>..Other Services</b>	99,900	400	0.4%	3,500	3.6%
<b>Government</b>	373,700	-4,700	-1.2%	12,300	3.4%
.Federal Government	27,100	-300	-1.1%	-200	-0.7%
.State Government	72,500	-300	-0.4%	600	0.8%
..State Government Educational Services	38,600	-600	-1.5%	0	0.0%
.Local Government	274,100	-4,100	-1.5%	11,900	4.5%
..Local Government Educational Services	190,200	-4,000	-2.1%	8,900	4.9%

<b>UNEMPLOYMENT RATE</b>	<b>JAN 2014</b>	<b>DEC 2013</b>	<b>JAN 2013</b>
H-S-B MSA	5.6	5.5	6.9
Texas (Actual)	5.8	5.6	7.0
United States (Actual)	7.0	6.5	8.5

**Houston-Sugar Land-Baytown MSA:** Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and San Jacinto & Waller Counties. Houston-Baytown-Sugar Land MSA CES data series are benchmarked to March 2012 levels and are estimated by the U.S. Department of Labor, Bureau of Labor Statistics. All Data is Subject To Revision.

Sources: U.S. Department of Labor, BLS, Texas Workforce Commission, Baker Hughes Incorporated, Kiley Advisors, Metrostudy, and The Federal Reserve Bank of Dallas.