

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw
Mike Temple

Date: March 29, 2011

Subj: Board Meeting Materials for Tuesday, April 5, 2011

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, April 5, 2011**, in the second floor Conference Room A, 3555 Timmons, Houston.

Chairman's and Committee Reports. Chair Thompson will update us on news from the legislative session. Career Office Committee member Tracie Holub will present staff for recognition of outstanding effort in our system. The Education Committee invited representatives of All Kids Alliance to make a brief presentation to the Board on the Alliance's work in our region. Audit /Monitoring Committee Chair Garcia will outline the committee's latest findings. The Committee is also following our progress of correcting documentation deficiencies – the state imposed a level one sanction (meaning we must implement a corrective plan and be reviewed for improvement within 90 days) because we hadn't made sufficient progress in improving documentation of activities related to service for public assistance recipients. We developed new procedures over the last four weeks and provided training for the offices.

Action Items. Employer Services Committee Chair Andrews will recommend a revised list of key industries and demand occupations. The data informs our choices for occupations for which Board funds can be used for training. The lists will also be widely distributed to the education system and the public to help identify career and job choices.

As time expires on the availability of stimulus funds, our staff will bring recommendations to obligate unspent funds recaptured from early education quality projects. These funds are restricted in their use to support initiatives that improve the quality of early education and care. We cannot use this money to increase financial aid to parents for child care expenses. Responses to our short turnaround procurement are due Monday, April 4. We will bring summaries of requests and recommendations for your consideration at the meeting. Due to the restricted nature and short availability of

funding, Procurement Chair Guthrie approved staff recommendations going straight to the Board.

Information Items. As always, we close with summary information on system performance. We are seeing some good news in the enclosed economic data. Initial unemployment insurance claims, as well as continued claims for unemployment insurance, are declining – significantly from year ago levels. Usually, these are seen as leading indicators for a soon to be improving job market.

As always, we appreciate your time and effort in the service of this Board. Please call if you have any questions. We look forward to seeing you Tuesday.

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, April 5, 2011 at 10:00 a.m.

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review February 2011 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Committee Reports**
 - a. *Career Office.* The committee chair will present Honeycomb Awards for outstanding staff performance.
 - b. *Education.* Bob Wimpleberg and Donna Scott will make a presentation about the All Kids Alliance.
 - c. *Audit/Monitoring.* The committee's chair will provide an update from the January 2011 meeting.
7. **Take Action**
 - a. *Employer Service.* Consider recommendations to adopt revised key industries and high-skill high-growth targeted occupations.
 - b. *Procurement.* Consider recommendations to negotiate contracts for remaining early education quality funds not to exceed \$1.150 million.
8. **Receive Information**
 - a. *System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
 - b. *Expenditures.* Staff will report on current expenditures.
9. **Look at the Economy**

Staff will discuss current economic data and trends in the Gulf Coast labor market.
10. **Adjourn**



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**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, FEBRUARY 1, 2011**

MEMBERS PRESENT:

Willie Alexander	Elaine Barber	Carl Bowles
Charles Cook	Yvonne Estrada	Joe Garcia
Mark Guthrie	Barbara Hayley	John Hebert
Bobbie Henderson	Tracie Holub	Eduardo Honold
Guy Robert Jackson	Valeria Jackson-Forrest	Jeffrey Labroski
Steve Lufburrow	Linda O'Black	Janice Ruley
Allene Schmitt	Richard Shaw	Kathy Shingleton
Frank Thompson	Evelyn Timmins	Bill Weaver
Sara Wrobleski		

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Ron Borski

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, February 1, 2011, 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 comment.

MINUTES FROM DECEMBER 7, 2010

Mr. Thompson asked if there were any additions or corrections to the minutes for the December 7, 2010 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

Mr. Steve Lufburrow declared a conflict with item #7b.

CHAIRMAN'S AND COMMITTEE REPORTS

Mr. Thompson stated that he recently attended the US Conference of Mayors in Washington, DC. Indications are that there will be extensive budget cuts and it will affect the Summer Youth Programs. Mr. Thompson stated that hopefully some other funding revenues can be found.

Mr. Thompson introduced Mr. Jack Steele, Executive Director of Houston-Galveston Area Council.

Mr. Steele addressed the Board on behalf of the Board of Directors of H-GAC and thanked them for their service and the work they have done and will continue to do.

Recognition of Board Members with expiring terms

Mr. Thompson and Mr. Guthrie presented certificates of appreciation for service on the Board to members whose term expired on December 31, 2010.

Recognize Staff for Outstanding performance in Texas Back to Work

Mr. Temple explained that in the spring of 2010, the Texas Workforce Commission initiated a work incentive, wage-subsidy program for employers called *Texas Back to Work*. Funded by the Texas Legislature and administered through the state's 28 workforce boards, the initiative provided employers with a \$2,000 subsidy for each person it hired from a select pool of qualified, unemployed Texas workers and kept on the payroll for at least 120 days.

Two members of the Workforce Solutions staff were recognized for their excellent individual performances as staffing specialists in achieving the most hires for *Texas Back to Work* in 2010.

- **Vickie Worley**

- **Rosie Trevino**

Audit/Monitoring

Mr. Joe Garcia stated that the Audit/Monitoring Committee met on Tuesday, January 25, 2011. Mr. Garcia explained that the Regional Quality Assurance Team completed annual reviews at four career offices: Westheimer – Interfaith, Pasadena, Astrodome - Houston Works, and Baytown /Winnie - ResCare. Findings were mixed: most offices are doing a better job of record keeping, but some offices continue to have customer service issues.

- Following the third round of special quality assurance reviews, we noticed significant improvement in documentation of cooperation and timely penalties throughout the system. Both Houston Works and Interfaith of the Woodlands met standards for these records. ResCare did not. These were critical elements of previous years' findings from state reviews.
- We did not see significant improvement in youth records. All three contractors must improve their compliance with this element.

Financial reviews.

- **Billings.** Staff visited all five major contractors to check on their billings to us. There were minor findings at four of the five. Houston Works' billings to us did not tie to their internal financial records. We are continuing to review both billings and financial records at Houston Works and will report on any findings in the future.
- **Financial Aid Payments.** We visited the Financial Aid Payment Office and multiple career offices to check on our payments to and on behalf of customers for various kinds of financial assistance, including transportation expenses, education and training expenses, and other support services. Overall it was noted that the system is tracking and reporting expenses adequately. Key findings included differences in data contained in our case management system and our financial management system for the same customer and a lack of timeliness in data entering into the financial management system.

ACTION ITEMS

- a. Employer Services. Consider recommendations to set training vendor requirements.

Mr. Jeff Labroski stated that Employer Services met on Tuesday January 25, 2011 and that the Committee Chair – Gerald Andrews was out of town, so Mr. Temple would make the presentation.

Mr. Temple explained that Workforce Solutions provides customers with financial assistance to purchase employment-related service that our offices do not directly provide. Typically, our customers need and want assistance to go to school and for work support such as transportation and child care expenses. We purchase these services on an individual basis from third-party organizations through a vendor relationship.

Workforce Solutions requires Boards to set a minimum level of performance for training vendors registered on the state's list. Vendors must meet and maintain performance levels for each course of training registered.

Boards may adopt the Commission's recommended performance or set higher levels. The state's recommended levels for this year are:

Measure	Performance Level
Student Completion Rate	60%
Completers Entered Employment Rate	60%
Average Hourly Wage at Placement	80%

A motion was made and seconded to adopt the state-recommended performance levels for Gulf Coast vendors on the statewide list of certified training providers. The motion carried.

- b. Procurement. Consider recommendations to fund special at-risk youth contracts in an amount not to exceed \$1 million.

Mr. Mark Guthrie stated that the Procurement Committee met Friday, January 28, 2011 to consider proposals for service to at-risk youth and to consider recommendations for contract action for the three career office contractors.

Mr. Guthrie explained that previously the career office contractors had difficulty in providing quality service for youth. When approving contracts for the 2011 fiscal year, the Board authorized the use of \$1 million for specific services to at-risk youth.

A Request for Proposals was released in November for projects that provide career planning, education, training, support and placement services for low income, out-of-school young people living throughout the 13-county region. We asked that projects focus on youth who are in the criminal justice system, homeless, runaways, in or transitioned from foster care, pregnant or parenting, or disabled. We sought innovative projects to offer a wide array of services to help young people finish school, learn skills for good jobs, get good jobs, and learn how to keep those jobs. We also wanted projects that were able to leverage resources from other sources to expand the level of service for youth. We received 18 proposals totaling more than \$9 million in response to the RFP.

Mr. Guthrie explained that the committee heard presentations from and asked questions of proposers. The staff presented its ranking and recommendations for funding, and the committee members asked questions of the staff and discussed the recommendations before voting to present the following recommendations to the Board.

The committee recommends offering contracts to four proposers to serve a total 426.

Proposer	Request	Recommendation	Service Level
1. Houston Area Urban League	\$605,591	\$325,000	125
2. SER-Jobs for Progress of the Texas Gulf Coast	\$506,730	\$275,000	105
3. Goodwill Industries of Houston	\$1,000,000	\$225,000	185
4. Gulf Coast Trades Center, Inc.	\$444,106	\$175,000	11
5. Change Happens	\$274,500	\$0	
6. Covenant House	\$220,729	\$0	
7. Engineering Excellence, Inc.	\$138,175	\$0	
8. Employment & Training Centers, Inc.	\$884,306	\$0	
9. Houston Works USA	\$330,317	\$0	
10. Combined Community Action, Inc.	\$156,507	\$0	
11. Montgomery County United Way, Inc.	\$1,116,807	\$0	
12. VisionQuest National, LTD	\$312,375	\$0	
13. Fifth Ward Community Redevelopment Corporation	\$360,000	\$0	
14. Bethel's Place	\$164,800	\$0	
15. Beyond Careers	\$323,290	\$0	
16. HTEC-Houston Training and Education Center, Inc.	\$1,500,000	\$0	
17. Because Houston Loves You	\$604,850	\$0	
18. Rainbow of Love	\$162,124	\$0	
TOTALS	\$9,105,207	\$1,000,000	

Staff will negotiate contracts for project design, regional coverage, and cost adjustments to include:

- Houston Area Urban League – Reduce scope of project to serve 125 youth in eastern counties. Eliminate stipends from budget. Reduce the amount allocated for the Birkman Method assessment.

- SER – Increase the number of youth to 105 and geographic focus to Harris County. Limit training to the high-skill, high-growth occupations of HVAC repairers/installers and health information technicians/specialists. Eliminate work experience. Significantly reduce the budget for marketing and advertising services.
- Goodwill Industries of Houston – Reduce scope of project to serve 185 youth primarily in the western part of the region. Recommend reducing furniture, equipment, and communications costs to correspond with the reduced geographic focus.
- Gulf Coast Trades Center – Reduce scope of project to serve 11 youth in counties outside Harris. Eliminate incentive payments and reduce staff travel costs.

Several members had questions and a request was made to receive an update/report regarding the number of youth served in each county.

A motion was made and seconded to recommend that Board authorize staff to negotiate contracts not to exceed \$1,000,000 as described above and with the following stipulations:

1. Each proposed contractor will have all bonding and insurance requirements in place before its contract is made final;
2. Each proposed contractor will have submitted all required financial statements, audits and other financial-related documentation and the staff will have reviewed and accepted it before its contract is made final;
3. Each proposed contract will have signed and submitted all required assurances and certifications before its contract is made final; and
4. Any contractor arranging for training customers in heating/ventilation (HVAC) operations will consider a relationship with Engineering Excellence for this service.

The motion carried. Mr. Steve Lufburrow abstained from voting.

- c. Procurement. Consider recommendations for contract action as a result of the third round of special quality assurance reviews.

Mr. Guthrie explained that before approving contracts for fiscal 2011, staff made the career office contracts conditional upon achieving required performance on critical compliance elements, as well as continued performance against Board standards and production measures, and continued compliance with all other requirements. The critical compliance elements included:

- documenting and verifying cooperation for TANF/Choices and SNAP E&T;
- initiating penalties for TANF/Choices and SNAP E&T;
- ensuring test scores and service plans are complete as required for certain youth;
- and

- ensuring accurate and complete eligibility determination for customers tagged as dislocated workers

Contractors that were not able to meet the compliance standards after our final round of reviews were subject to having offices removed from their management.

Mr. Guthrie stated that after completing the third round in December 2010, we noted the following:

- Offices have met the standard for dislocated worker eligibility determination.
- Offices significantly improved documentation and penalties for TANF/Choices and SNAP E&T so that system-wide 91% of our records meet standards.
- Offices have not yet reached standards for youth records.

Of the three career office contractors, Houston Works and Interfaith of the Woodlands each have achieved the 95% standard for TANF/Choices and SNAP E&T records overall. ResCare has not.

All three of the contractors need to improve youth records.

Staff makes the following recommendations for contract action based on the findings from the special quality assurance reviews.

1. By May 15, 2011 **ResCare** must:
 - a. Achieve 95% compliance with standards for TANF/Choices and SNAP E&T records; and
 - b. Meet or exceed TANF/Choices participation rates; and
 - c. Complete the terms of a 90-day performance improvement plan for the Texas City office that includes hiring an office manager and placing him or her on active duty within the next 30 days; and
 - d. Achieve 95% compliance with standards for youth records; and
 - e. Continue acceptable performance against Board standards and production requirements.
2. By May 15, 2011 **Houston Works** must:
 - a. Achieve 95% compliance with standards for youth records; and
 - b. Continue to meet compliance standards for all other records; and
 - c. Continue acceptable performance against Board standards and production requirements.
3. By May 15, 2011 **Interfaith of the Woodlands** must:
 - a. Achieve 95% compliance with standards for youth records; and
 - b. Continue to meet compliance standards for all other records; and
 - c. Continue acceptable performance against Board standards and production requirements.

We would place the offices of any contractor not meeting these requirements up for re-procurement.

Should any of the contractors appear unable to meet these requirements prior to May 2011, staff would return to the Board with recommendations for action.

A motion was made and seconded to recommend Board approve amendments to 2011 contracts with Houston Works, Interfaith of the Woodlands, and ResCare Workforce Services as noted above. The motion carried.

d. Budget. Consider proposed 2011 Board budget of \$214.8 million.

Ms. Yvonne Estrada stated that the Budget Committee met on January 20, 2011 to review and discuss the proposed 2011 budget. The proposed 2011 budget of \$214 million is 8.2% less than the amended 2010 budget. Ms. Estrada asked the Board to look at a chart - Comparison of Texas Workforce Board Operations Costs which showed Gulf Coast at the very bottom with operations cost of 2.3% of the budget.

Ms. Estrada explained that we have spent out most of the Recovery Act dollars, with about \$22 million remaining to be spent by the middle of 2011.

- We've seen a big jump this year in special revenue sources – largely related to money for lay-offs at NASA and BAE.
- Again, there is talk that Congress will reauthorize the national workforce investment system this term. Most likely there would be significant cuts to the system's revenue.
- Extension of unemployment insurance benefits late in the year reduced traffic in our offices somewhat. We continue, however, to see large numbers of customers in most offices.

On the expenditure side of the budget, the only significant drop in funds comes in our Recovery Act-related special projects.

- Employer Service operations shows an increase related to the transition centers for NASA employers and BAE.
- There is a slight increase in funds for the career office category reflecting some additional base allocation dollars in the Supplemental Nutrition Assistance fund stream as well as the hurricane recovery dollars and lay-off related funds.
- The special projects have dropped significantly, reflecting the end of the Recovery Act funded projects, including Training for Jobs, Summer Jobs, and Early Education Quality. We have some Recovery Act funds remaining for Early Education Quality activities and child care financial aid that will be spent by June 2011.

- We are proposing an operations budget for the Board staff of almost \$4.2 million, a slight decrease from the amended 2010 budget. The proposed Board operations budget represents 1.9% of our total budget.
 - We're asking permission for an additional three full-time equivalent staff positions to help with an increasing need to deal with state requirements. That brings the total FTE for Board staff to approximately 30.
 - 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%.
 - To reflect the nature of the support service and better show its cost, we have taken the money we spend for system IT support (the wide area network, maintenance of the Workforce Solutions staff email system, maintenance of servers, and maintenance for the child care financial aid software and database) out of the Board operations budget. We've shown it as a separate line item under System Operations.
 - Moving the system IT budget out of the Board Operations budget results in a significant decrease to the Communications expenses.

A motion was made and seconded to approve a 2011 Board budget in amount of \$214,888,524. The motion carried.

- e. Nominating. Consider recommendations and hear nominations for Board Officers.

Mr. John Hebert explained that the Nominating Committee contacted the current officers to inquire if they were interested in serving an additional term. All the current officers agreed and the Nominating Committee unanimously concurred that the Board should continue with the same excellent leadership and nominated the current officers.

Frank Thompson – Chair
Mark Guthrie – Vice Chair
Yvonne Estrada – Vice Chair
Gerald Andrews – Vice Chair

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

RECEIVE INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for December 2010. 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 regional workforce system and one for the Board's operating affiliate, Workforce Solutions. The report is based on Workforce Solutions measures.

For Workforce Solutions

More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 37,120 employers this year which is 28% of the 132,569 employers identified for the Gulf Coast area. In December, we provided services to 15,484 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 11,454 employers, 9,014 returned to The Workforce Solutions for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average. We worked with employers who added 3,312 new jobs annually.

Customers employed by the 1st quarter after exit – Reporting for one quarter (October 09 – December 09), 68,962 of the 104,332 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - Reporting for one quarter (April 09 – June 09), 26,645 of the 115,708 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 – In October, 372 of the 3,761 customers pursuing an education diploma, degree or certificate achieved one.

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, 2010, we are meeting or exceeding the target for six of fifteen measures. There are two measures – Average Number of Children

Served per Day (regular child care funded and ARRA funded) where we do not have the final data through December. The seven measures we are not meeting are:

- Claimant Reemployment. The target for this measure is 59%. Our performance through December was 48.6%.
- Staff Created Job Openings filled. The target for this measure is 69%. Our performance through December was 62.3%.
- Staff Guided Entered Employment. The target for this measure is 60%. Our performance through December was 56.3%.
- WIA Youth Placement in Employment/Education. The target for this measure is 58%. Our performance through December was 45.8%.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance through December was 44.1%.

Note: TWC notified H-GAC that it will impose a Performance Improvement Plan for the Board regarding this measure. Board action in August authorized staff to issue an RFP to seek out new providers of youth services, in part, to improve performance for the youth population. Proposals are due December 20, 2010.

- Average Choices Single Parent Participation Rate. The target for this measure is 40%. Our performance through December was 28.0%.
- Average Choices Two Parent Participation Rate. The target for this measure is 55%. Our performance through December was 39.7%.

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

A request was made for definitions of the measures. Mr. Baggerly stated that he would email Board members with the information.

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for twelve months ending December 31, 2010. Mr. Bradshaw explained that everything looks good and we have spent about 97 % of the dollars available to us.

Mr. Bradshaw expressed a thank you to the contractors that run our career offices, employer services and the financial payment office. Mr. Bradshaw explained that last week there were 24 people from 14 Workforce Boards in North Carolina visiting us. Our guests spent a couple of days learning about our system, how we do business and visited a couple of our centers. Mr. Bradshaw stated that it made us as staff appreciate what a really good job the people that work in our system are doing.

LABOR MARKET REPORT

Mr. Ron Borski explained that the Gulf Coast region's unemployment rate dropped to 8.3 percent in December. The Houston-Sugar Land-Baytown Metropolitan statistical area posted a gain of 8,100 jobs in December and is up 13,100 jobs over the year with December being the fourth consecutive month that H-S-B MSA posted an over-the-year increase. Mr. Borski indicated that job growth was mixed across the private sector –

education and health services are still the most number of jobs in the region, with most of the increase in health care and social assistance. Mining and Logging posted the fastest rate of growth – 4,500 jobs over the year. Construction managed a slight increase in December, but still continues to be the hardest hit sector. Mr. Borski explained that he expected a continued slow recovery.

ADJOURN

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

Career Office Committee

Honeycomb Awards

Background

Workforce Solutions' Honeycomb Service Excellence Awards recognize exemplary work by staff throughout the system. Twice a year, a committee composed of contractor and Board staff makes awards from nominations received in two categories: Innovation/Initiative and Teamwork.

For Spring 2011, the committee received nominations:

Innovation and Initiative	Go beyond prescribed job duties to implement new ideas resulting in a better Workforce Solutions where customers get the help they need more efficiently.	5 nominations
Teamwork	Cooperation among more than one contractor and at least two of the three system parts	3 nominations

Innovation and Initiative

❖ **Charles McBride, Rod Snyder, Angela Nickerson and Carol Rackley**
(Interfaith of the Woodlands)

This group established the Financial Assistance - Customer Service Center concept and tested the system across multiple pilot centers. Three key performance results met in the pilot:

- ✓ Improved customer service by developing a uniform customer tracking system with timely follow up
- ✓ Reduced error rates / tracking errors to meet requirements thus reducing customer “wait times” for critical services like child care
- ✓ Improved system efficiency by removing paper files from offices, reduced staffing costs in offices and centralized electronic files for online viewing by offices and contract management

Teamwork

❖ **Beverly Giles (ResCare), Teresa Jackson (Houston Works) and Carol Leal (Interfaith)**

The multi-contractor team identified the need to develop a training manual and presentation to improve use of TWIST/MIS reports to track customer performance.

- ✓ The team captured best practices for using TWIST/MIS reports which maximizes office staff time and provides timely information to customers
- ✓ The team developed a training manual, best practices presentation and implemented a cascading training process for office staff
- ✓ The team represents a good collaboration among our career office contractors.

Education Committee

All Kids Alliance

Current Situation

At the Board's December meeting, Education Committee Chair Kathy Shingleton provided a report on the Committee's meeting with Donna Scott and Robert Wimpelberg of ALL KIDS ALLIANCE.

The Committee asked ALL KIDS ALLIANCE to address the Board at its April meeting.

The ALLIANCE began five years ago as the Greater Houston P-16 Council to improve the lives and educational achievement of children in our region. The ALLIANCE vision is to support the children and youth in greater Houston — Cradle to Career — so they will:

- grow up successful and healthy
- become productive citizens
- build communities that thrive
- ensure a dynamic future for greater Houston

Grant funding from the Texas Higher Education Coordinating Board and the Living Cities Foundation enabled ALL KIDS ALLIANCE to adapt the Cincinnati *Strive* model to address the issue of scale in our region. The ALLIANCE is led by an Executive Committee representing multiple sectors of shareholders in our community: business, education, non-profit, faith community, and parents. The Gulf Coast Workforce Boards is represented on the committee by Rodney Bradshaw.

ALL KIDS ALLIANCE “hub and spokes” structure places the ALLIANCE as the hub providing the overarching vision, mission, and goals and smaller regional councils as the spokes using regional data and knowledge to set priorities and marshal local stakeholders and resources to address problems. Regional councils are inclusive, multi-sector groups of community stakeholders who take responsibility for the cognitive, social/emotional and health related development of all children by committing to act on five foundational principles:

- 1) Convene the village: all sectors of the community are at the table: business, non-profit, education and other professional, faith community, philanthropy, civic
- 2) Affirm the student roadmap to success: supporting children and youth from cradle to career
- 3) Inform decision making with data: propagate “assessment literacy”, which turns numbers and narrative into action plans
- 4) Employ a standard of continuous quality improvement: quit tinkering with the system and reinventing projects, wave after wave; instead, evaluate change interventions as we go, and thread them forward, year by year
- 5) Remain steadfastly accountable: our communities deserve regular and timely reports on our progress and our change

Audit/Monitoring Committee

April 2011 Monitoring Update

Recent Activity

Career Offices. The Regional Quality Assurance Team completed annual reviews at four career offices. Findings are mixed: most offices are doing better on keeping good records, and some offices continue to have customer service issues. We are seeing improvement in cooperation records and quality work applications following putting our contractors on performance improvement plans and forming a work group on work applications. Additionally, we have changed the language on how we rate offices. Instead of meeting or not meeting standards, we now assign a ranking based on how the office compares with the other offices, i.e., above average, average, below average.

Financial reviews. We've completed a large volume of contract and system financial reviews.

- **Billings.** As we reported at the last meeting, we continue to work with Houston Works' whose billings to us did not tie to their internal financial records. We are also waiting on a copy of their annual audit due March 31, 2011.

From the resolution of the NCI billing report, we are working to improve the financial aid commitment system so that it can more accurately account for, record and spend resources for customers.

Employer Service

Updates to Targeted Industries High-Skill, High-Growth Occupations Where the Jobs Are

Background

The Gulf Coast Workforce Board targets the resources it controls — and influences those controlled by its partners in the regional workforce system — with its strategic plan and a series of three supporting lists: 1) *Targeted Industries*, 2) *High-Skill, High-Growth Occupations*, and 3) *Where the Jobs Are*, a list of occupations likely to provide the largest number of job opportunities in the region over the next ten years.

We use these lists to guide not only the Board’s strategic investments, but also to help our residents build careers in industries and occupations with good prospects and higher wages. We use the High-Skill, High-Growth Occupations list to decide which occupations we will support with our education scholarship dollars.

The Employer Service Committee reviewed and recommended the initial lists for the target industries, demand occupations and “hot jobs” to the Board. We noted then that we would bring periodic updates to these lists to the Committee and the Board as circumstances warranted.

Following is information about updates to each of the three lists.

Targeted Industries

We began, as always, with labor market data. We used NAICS-level employment and wage data and projections for the 10-year period from 2008 to 2018 and looked for industries that fit the following criteria:

1. Industries with a projected employment growth rate equal to or greater than the average growth rate for all industries in the region for the period 2008 to 2018 ($\geq 19.4\%$)
2. Industries having a projected employment growth of at least 6,500 new jobs from 2008 to 2018 (an average of 650 jobs per year)
3. Industries with an average weekly wage of at least \$700 per week.

In addition to industries meeting the above criteria, we included in our targeted list: Oil and Natural Gas Extraction and Manufacturing. There are several different groups of employers within this larger sector and because of the importance of these employers to the area economy and gross regional product, we have created the sector and added it to our list.

We have also had significant interest from a number of employers in this sector in the Board's assistance for current and projected skills shortages. We have been working for several years with the large oil and gas companies, oilfield service firms, refiners and petrochemical manufacturers on a variety of workforce needs.

The proposed updated list for the Board's Target Industries is attached. The changes include the following additions:

- NAICS 2362 Nonresidential Building Construction
- NAICS 2371 Utility System Construction
- NAICS 3331 Agriculture, Construction, and Mining Machinery Manufacturing which was added to the definition of Oil and Natural Gas Extraction and Manufacturing

High-Skill, High-Growth Occupations

The high-skill, high-growth list is made up of larger, high-skill, well-paying occupations critical to the Gulf Coast region's economic future. They offer the best job opportunities to area residents now and will likely continue doing so over the next ten to 15 years. These occupations are found in many industries in the region, not just in those on the targeted industries list.

Qualifying Criteria

Occupations meet the following criteria to be included on the high-skill, high-growth occupations list. They must have:

- projected employment for 2018 equal to or greater than the average for all occupations in the region (4,519)
- a projected employment growth rate equal to or greater than the average growth rate for all industries in the region (19.4 %)
- minimum education requirements of a post-secondary certificate or degree, long-term on-the-job training, or work experience in a related occupation
- median hourly wages equal to or greater than the median for all occupations in the region (\$16.08 per hour)

Scholarship Occupations

Students preparing for employment in occupations on the list that meet two of the following three criteria are eligible for — but not guaranteed — scholarships from Workforce Solutions or one of its partners. To qualify, two of the three following statements must be true. The occupation must be one:

- with chronic shortages of qualified workers to fill existing or projected job openings;
- where the number of workers expected to graduate from the requisite education or training programs falls significantly below the number of job openings;
- whose employment is over represented in the targeted industries relative to all industries in the region.

The Scholarship Occupations list is a subset of the High-Skill, High-Growth list. We've focused this list – the one we will use in our career offices to help guide staff in putting our dollars into scholarships – on those occupations for which we can provide about two years of support for a successful outcome. All of the Scholarship Occupations come from the High-Skill, High-Growth list and are those currently in demand in our target industries and range of others.

Modifying the List

An employer or group of employers with a demand for skilled workers can ask us at any time to modify our list. We will discuss with employers their shortage occupations, expected numbers of hires, wages and training requirements.

We also use our employer service sales and marketing staff and any updates to published labor market data to check on new or emerging shortage occupations that might be added to our list.

The updated High-Skill, High-Growth Occupations list and the Occupations Supported by Scholarship are both attached.

Where the Jobs Are

We use the “Where the Jobs Are” list to identify those occupations that are growing. We don't use wage or other kinds of criteria to refine the list; it consists entirely of those jobs in which we expect to see openings over the next 10 years.

Occupations on this list are those with projected annual average job openings equal to or greater than 170 per year.

Action

Adopt the updated Targeted Industries; High-Skill, High Growth Occupations; Occupations Supported by Scholarship; and Where the Jobs Are to better focus available workforce resources in the region.

GULF COAST WORKFORCE REGION

Targeted Industries ¹ DRAFT

Selected Three and Four-Digit Industries Grouped by Three-Digit NAICS Codes Ranked by Number of Employees in First Quarter of 2010

NAICS	Industry Title	1st Qtr 2010 Employment	4-Digit % of 3-Digit Totals	# of Units With 100 Employees or More	Employment Growth			Percent Change ²	Avg Wkly Wages ³
					Annual Averages 2008	2018	Absolute Change ²		
611	Educational Services	272,151	100.0%	406	269,140	367,220	98,080	36.4	\$1,033
6111	Elementary & Secondary Schools, Public/ Private	194,584	71.5%	371	183,930	261,490	77,560	42.2	\$969
6113	Colleges, Universities, & Professional Schools, Public/Private	52,231	19.2%	29	59,270	73,170	13,900	23.5	\$1,367
541	Professional and Technical Services	176,127	100.0%	228	187,040	224,740	37,700	20.2	\$1,594
5415	Computer Systems Design & Related Services	23,656	13.4%	17	24,870	31,600	6,730	27.1	\$1,838
5416	Management, Scientific, & Technical Consulting Services	22,417	12.7%	31	24,310	30,880	6,570	27.0	\$1,778
	Oil and Natural Gas Extraction and Manufacturing	121,932	100.0%	112	134,380	152,700	18,320	13.6	\$3,217
211	Oil and Gas Extraction	45,388	37.2%	22	47,260	60,040	12,780	27.0	\$4,790
213	Support Activities for Mining	32,219	26.4%	45	43,200	45,770	2,570	5.9	\$2,443
324	Petroleum and Coal Products Manufacturing	13,106	10.7%	13	13,250	14,000	750	5.7	\$2,873
3331	Agriculture, Construction, and Mining Machinery Manufacturing	31,219	25.6%	32	30,670	32,890	2,220	7.2	\$2,030
	Health Services	111,641	100.0%	155	133,020	176,350	43,330	32.6	\$1,098
6211	Offices of Physicians	44,032	39.4%	25	41,600	58,640	17,040	41.0	\$1,317
6221	General Medical & Surgical Hospitals, Public/Private	63,451	56.8%	129	71,720	91,000	19,280	26.9	\$1,012
6223	Specialty Hospitals, Ex. Psychiatric/Substance Abuse, Public/Private	4,158	3.7%	1	19,700	26,710	7,010	35.6	\$948
	Specialty Construction	98,112	100.0%	89	112,260	139,620	27,360	24.4	\$1,169
2382	Building Equipment Contractors	37,137	37.9%	66	43,350	55,080	11,730	27.1	\$954
2362	Nonresidential Building Construction	39,009	39.8%	9	41,540	49,770	8,230	19.8	\$1,381
2371	Utility System Construction	21,966	22.4%	14	27,370	34,770	7,400	27.0	\$1,187
	Totals (for the above targeted industries)	624,573	n/a	804	672,040	865,810	193,770	28.8	\$1,558
	Total All Industries Public and Private	2,500,520	n/a	3,553	2,910,920	3,475,140	564,220	19.4	\$1,126

1. Criteria used to identify the targeted industries:

- Industries with a projected employment growth of at least 6,500 new jobs from 2008-2018 (an average of 650 jobs per year)
- Industries with projected employment growth rate equal to or greater than the average growth rate for all industries in the region for the period 2008 to 2018. ($\geq 19.4\%$)
- Industries with an average weekly wage of at least \$700 per week.

2. Absolute changes do not represent total demand for labor because they do not reflect demand due to turnover.

3. Employment and average weekly wage information is from the first quarter 2010 ES-202 data based on employers' employment and wage reports to Texas Workforce Commission. Average weekly wages for NAICS 611, 6111, and 6113 are based on a 9 month year.

Procurement Committee

Early Education Quality Projects

Current Situation

We have about \$1,150,000 remaining in unobligated Recovery Act dollars for early education and care quality projects.

These are unspent dollars now available to us from recently closed-out contracts. Contractors we authorized last year finished their projects without spending all the funds we provided to them.

Because we must spend all Recovery Act funds by June 30, 2012, we issued a request for proposals to commit the remaining quality money for short-term projects that

- Provide training in relevant quality topics for listed, registered and licensed early education and care providers; and/or
- Distribute materials and equipment to listed, registered and licensed providers to improve the quality of their service.

Proposals are due on April 4th and we expect to provide a short list of projects and recommended funding levels to the Board at its April 5th meeting.

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Gulf Coast Workforce Board
System Performance
February 2010

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

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services (Market Share)</u> We expect to provide services to 37,120 employers this year which is 28% of the 132,569 employers identified for the Gulf Coast area. Through February, we provided services to 22,669 employers.	28%	17.1%	29.4%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 18,060 employers, 14,729 returned to Workforce Solutions for additional services.	74%	81.6%	77.2%

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. We worked with employers who added 3,431 new jobs annually.	2,000	3,431	3,312
<u>Customers employed by the 1st Qtr after exit</u> Reporting for two quarters (Oct 09 – March 10), 139,857 of the 211,389 customers who exited from services were employed in the quarter after exit.	79%	66.2%	72.3%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for two quarters (April 09 – Sept 09), 54,811 of the 236,781 customers who exited had earnings gains of at least 20%.	41%	23.1%	28.1%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Through December, 1,021 of the 4,227 customers pursuing an education diploma, degree or certificate achieved one.	35%	24.2%	37.2%

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, 2010, we are meeting or exceeding the target for nine of fifteen measures. The six measures we are not meeting are:

- Claimant Reemployment. The target for this measure is 59%. Our performance in February (10/09-3/10) was 48.8%.
- Claimant Reemployment Within 10 Weeks. The target for this measure is 47%. Our performance in February (7/10-11/10) was 44.2%.
- WIA Youth Placement in Employment/Education. The target for this measure is 58%. Our performance in February (10/09-3/10) was 49.3%.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance in February (10/09-3/10) was 44.1%.
- Average Choices Single Parent Participation Rate. The target for this measure is 40%. Our performance through February (10/10-2/11) was 28.1%.
- Average Choices Two Parent Participation Rate. The target for this measure is 55%. Our performance through February (10/10-2/11) was 39.6%.

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

**GULF COAST WORKFORCE BOARD
FINANCIAL STATUS REPORT**

	ANNUAL	BUDGET	ACTUAL	DOLLAR
For the Two Months Ended February 28, 2011	BUDGET	YEAR TO DATE	YEAR TO DATE	VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	214,888,524	36,235,517	35,185,538	1,049,979
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,159,613	693,269	564,679	128,590
EMPLOYER SERVICE	7,276,996	1,212,833	1,040,890	171,943
RESIDENT SERVICE	203,451,915	34,329,415	33,579,969	749,446
OFFICE OPERATIONS	51,469,068	8,578,178	7,682,282	895,896
FINANCIAL AID	148,235,847	24,705,975	25,380,420	(674,446)
RECOVERY PROJECTS	3,747,000	1,045,263	517,267	527,996
TOTAL WORKFORCE EXPENDITURES	214,888,524	36,235,517	35,185,538	1,049,979

VARIANCE ANALYSIS

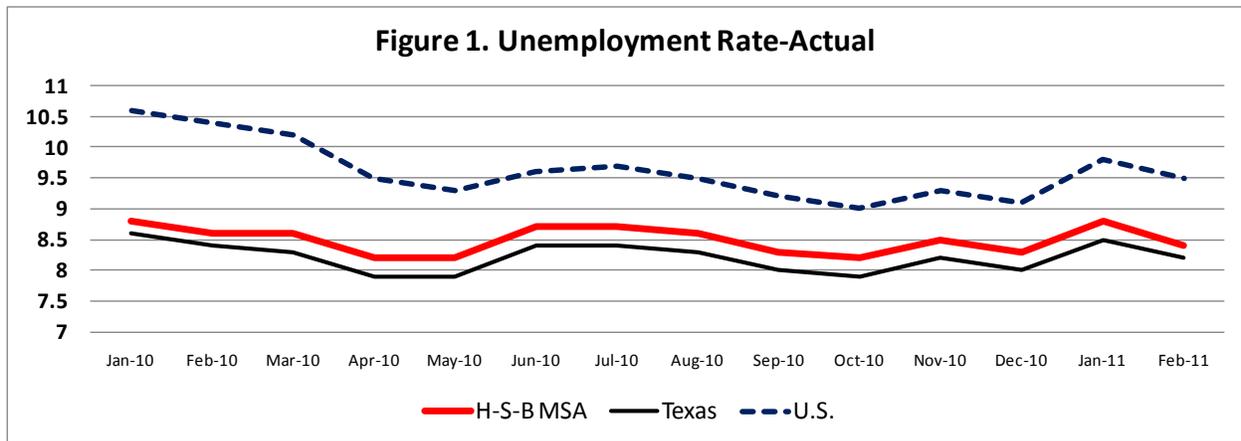
Note: Except for Recovery Projects, the "Budget Year to Date" column reflects a straight-line estimate of expenditures for the twelve-month period, assuming equal expenditures every month in order to fully expend the budget in a year. Recovery Projects are to be completed by June 30, 2011, except for one Recovery Project for \$815,000.



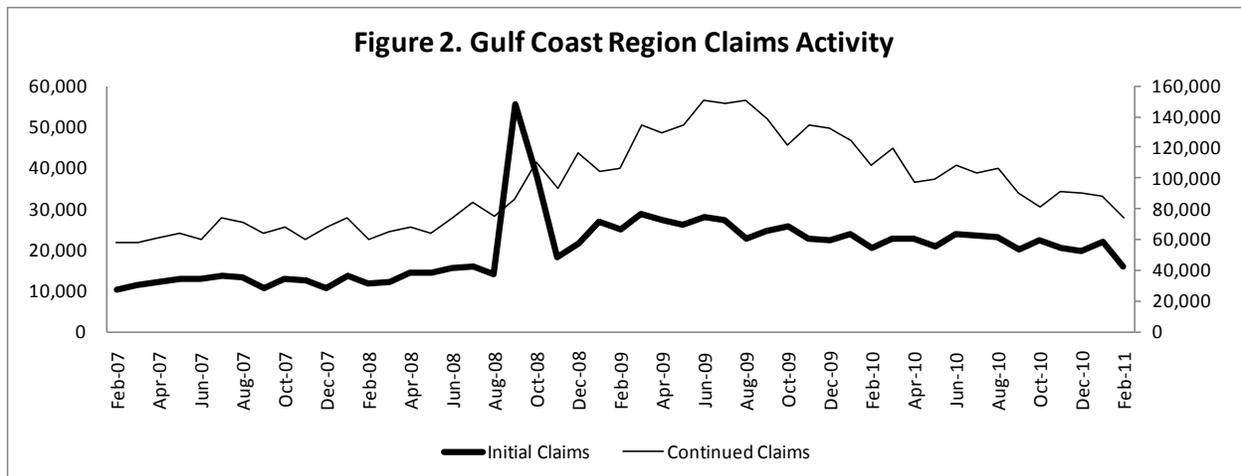
Labor Market Information
 FEBRUARY 2011 Employment Data

HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA)
 Visit our website at www.wrksolutions.com

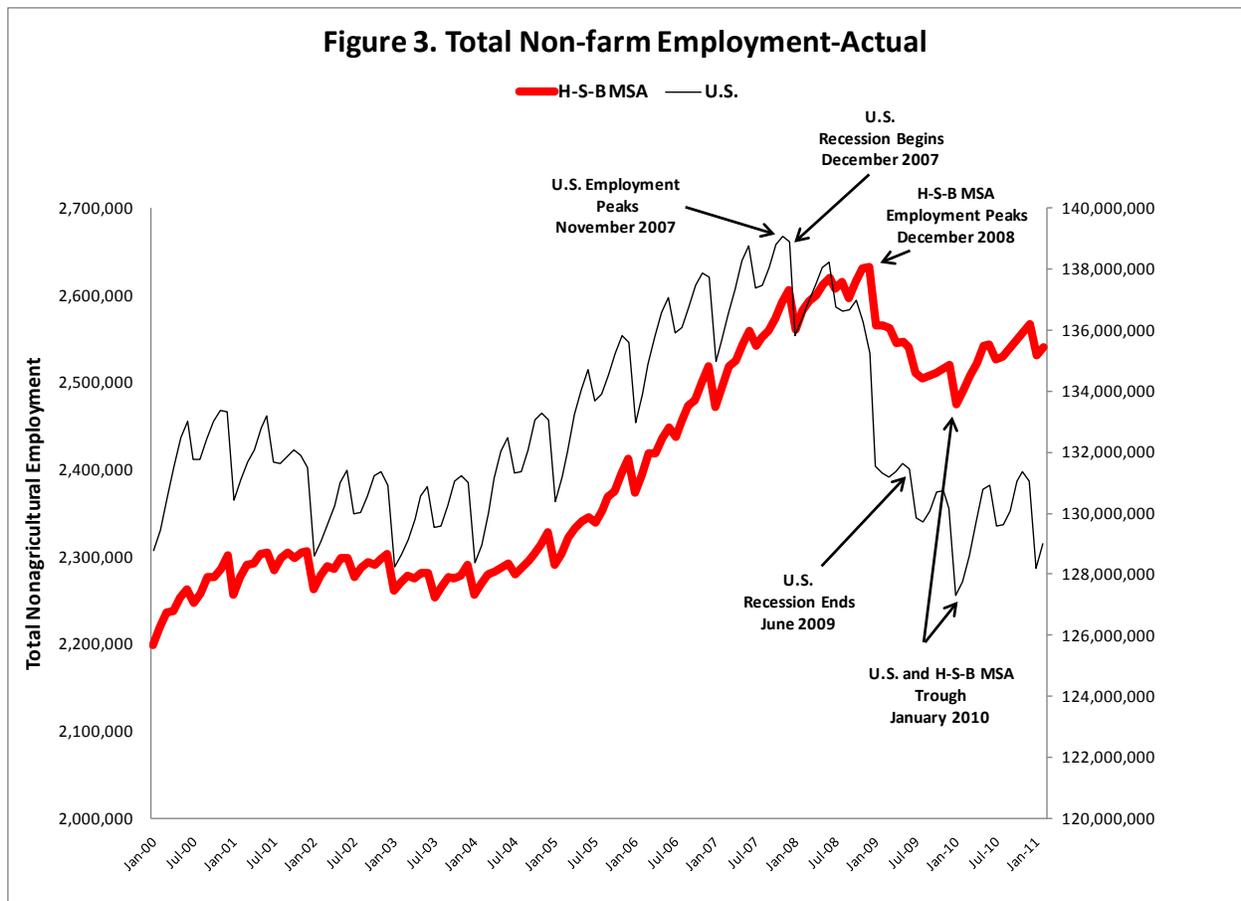
THE RATE OF UNEMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN-METROPOLITAN STATISTICAL AREA (H-S-B MSA) DECLINED FOUR-TENTHS OF A PERCENTAGE POINT IN FEBRUARY TO 8.4 PERCENT, TWO-TENTHS OF A PERCENTAGE POINT LOWER THAN IT WAS ONE YEAR EARLIER. This was the first month the unemployment rate has been lower than it was a year ago since April 2008. The rate of unemployment at the state and national level also improved but only dropped three-tenths of a percentage point in February. Unemployment in the H-S-B MSA is higher than the state's 8.2 percent but lower than the nation's 9.5 percent, see figure 1.



FEBRUARY'S INITIAL CLAIMS (IC) FOR UNEMPLOYMENT BENEFITS NUMBERED 15,957, A DECREASE OF 6,151 IC'S OVER THE MONTH AND 4,617 (22.4%) FROM FEBRUARY 2010. February's IC's are down 44.5% from the most recent peak of 28,729 in March 2009. February's Continued Claims (CC) numbered 73,995, down 14,470 over the month. CC's were down 34,350 (31.7%) from February 2010. The over-the-year net changes in CC have been negative for the past twelve months.



TOTAL NONAGRICULTURAL EMPLOYMENT IN THE H-S-B MSA ADDED 9,600 JOBS IN FEBRUARY WITH THE PACE OF OVERALL JOB GROWTH SLOWING AS THE PUBLIC SECTOR FACES MAJOR BUDGET SHORTFALLS SCALING BACK SEASONAL HIRING. The pace of job gains for February was off considerably from one year ago when the H-S-B MSA added 14,800 jobs. Weaker job gains reduced the rate of over-the-year growth to 2.0 percent, down from a 2.3 percent increase in January. All private super sectors with the exception of Professional and Business Services managed to maintain pace or improve the rate of over-the-year job growth in February. While the rate of job growth for the H-S-B MSA continues to be better than that of the nation, there was a significant dip in February, see figure 4. Seasonally adjusted data for the H-S-B MSA and nation seen in figure 5 provides an additional view of employment removing the erratic seasonal movement. Despite an overall better labor market, looming budget deficits leave to question what will happen to public sector jobs throughout 2011. Additional details by super sector follow beginning on page 4.



**Figure 4. Current Employment Statistics
Actual Over-The-Year Increase/Decrease**

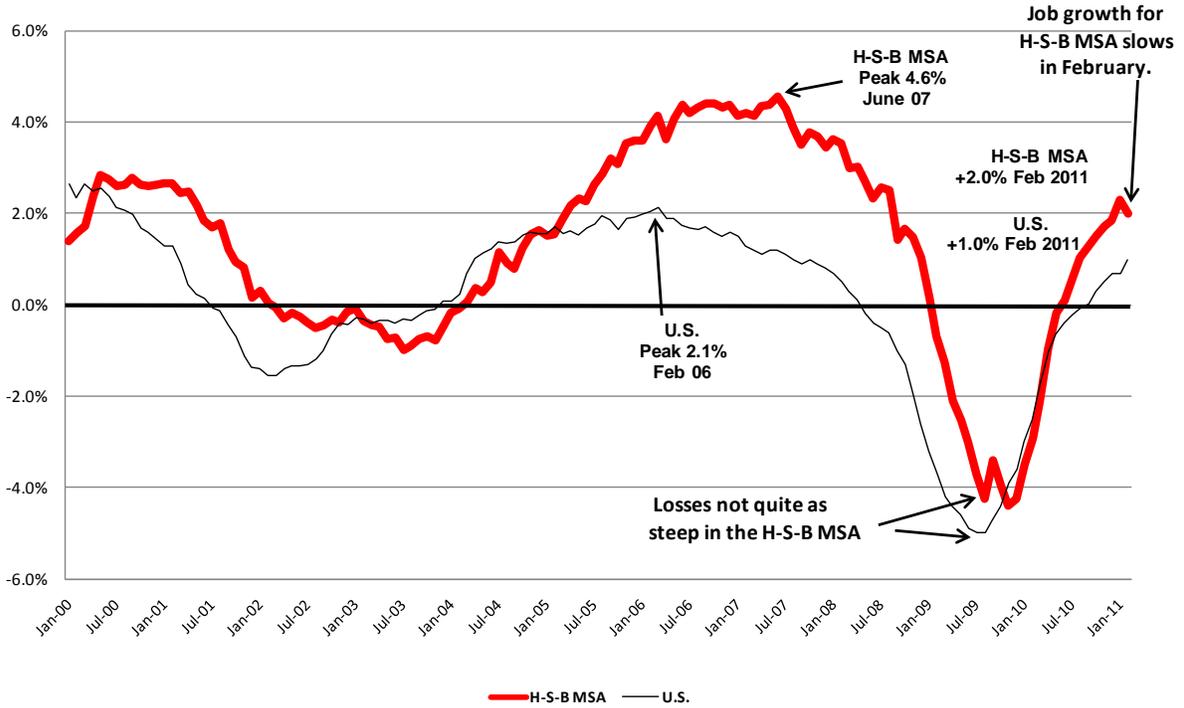
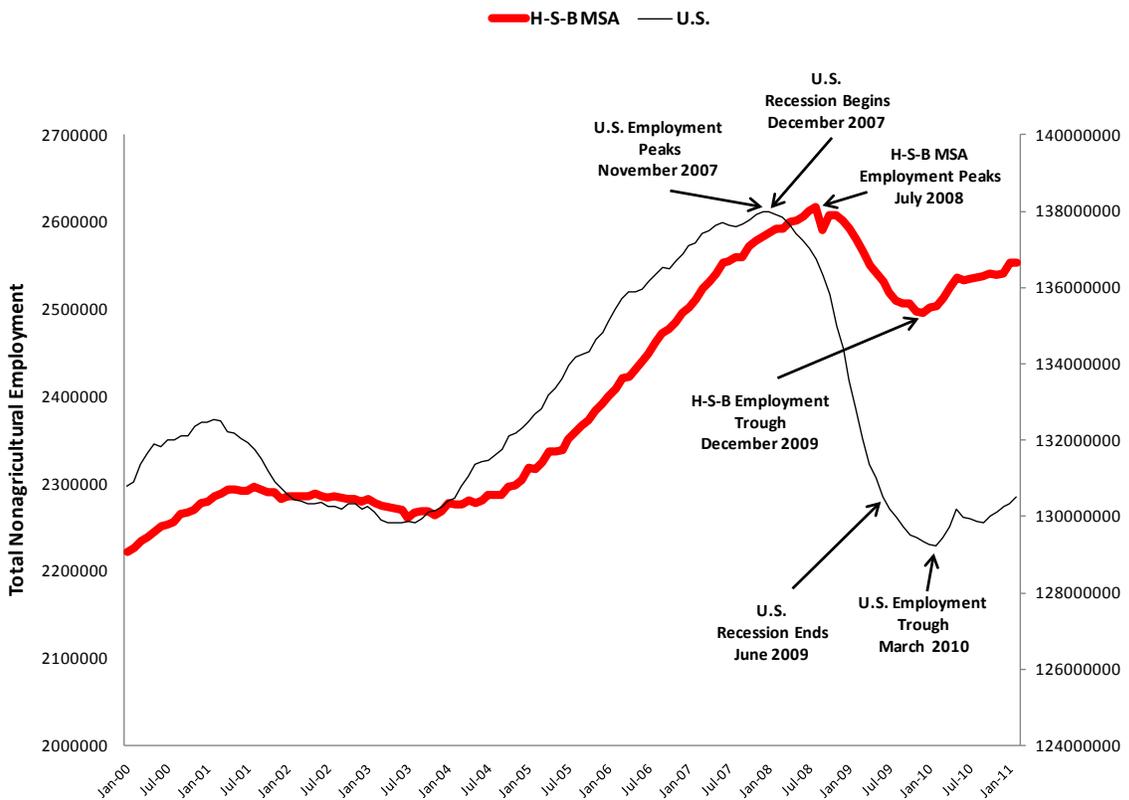
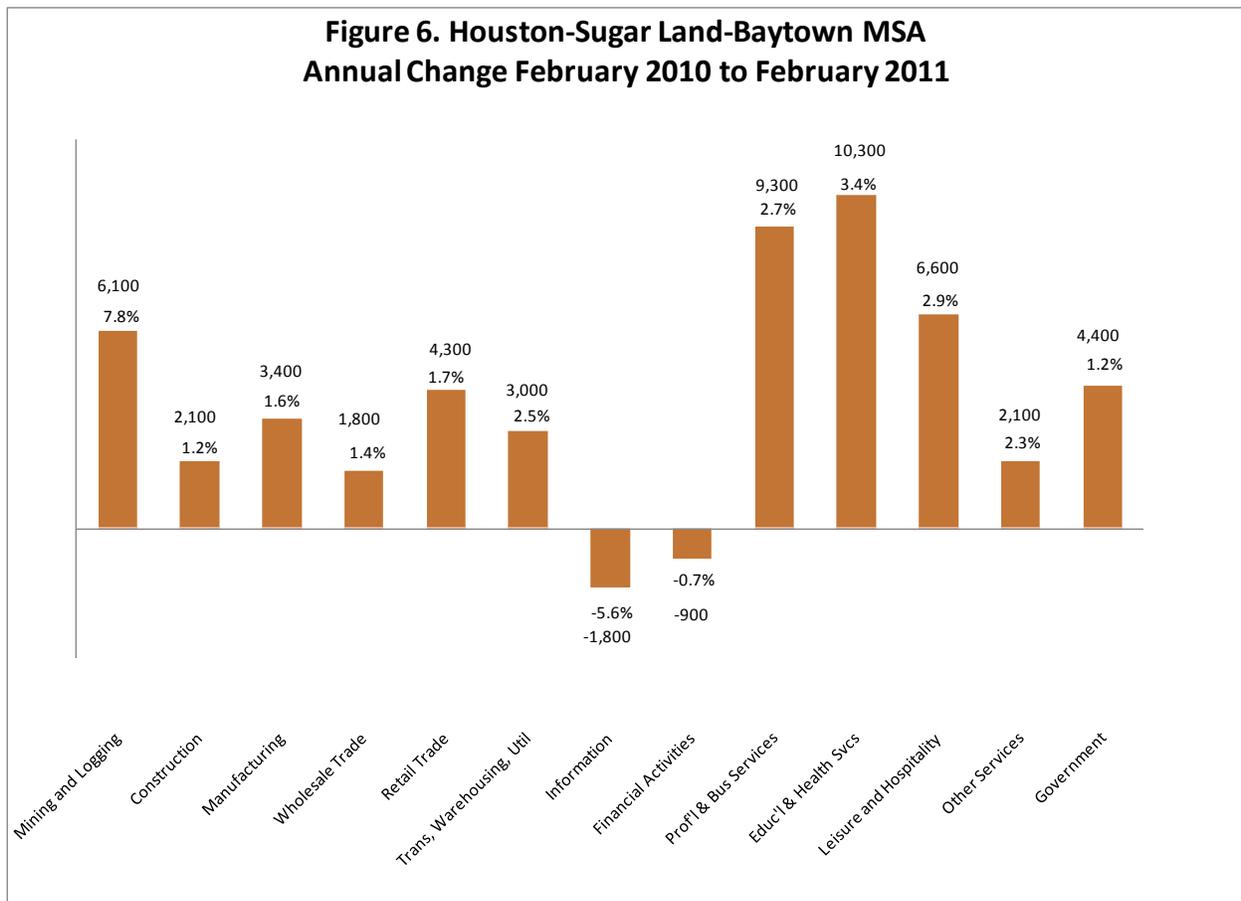


Figure 5. Total Non-farm Employment-Seasonally Adjusted



Mining and Logging added another 500 jobs in February, up 0.6 percent, the same as it did one year earlier. The super sector was up 6,100 jobs or 7.8 percent over the year, see figure 6. Support Activities for Mining was responsible for most of the increases adding 4,500 jobs over the year, up 14.3 percent. Oil and Gas Extraction reflected a more modest but healthy gain of 1,600 jobs over the year, up 3.5 percent. Domestic drilling activity has remained high but the growth in rig counts continued to be slow as drillers shift away from natural gas to oil-directed drilling. Over 45 percent of rigs working in February were directed to oil compared to the historical norm of 20 percent.

Construction managed a slight gain of 200 jobs in February and is up 2,100 jobs or 1.2 percent over the year, see figure 6. Employment in Construction peaked in October 2008 and after sixteen months of steady decline bottomed out in February 2010. Over-the-year job growth remained negative for twenty-seven consecutive months returning positive in December 2010. While the super sector has recovered some jobs, the rate of recovery has been anemic with employment levels down 36,800 jobs, -17.6 percent, from its peak in October 2008. Over-the-year job gains are found in Construction of Buildings, up 1,800 jobs or 3.8 percent, and Heavy and Civil Engineering Construction, up 1,500 jobs or 4.0 percent. Specialty Trade Contractors are currently reporting slight over-the-year losses, down 1,200 jobs or -1.4 percent. The local construction industry faces fewer obstacles than much of the nation which hopefully will lead to continued improvement over 2011.



Manufacturing added 700 jobs in February, up 0.3 percent, and is up 3,400 jobs or 1.6 percent over the year, see figure 6. There remain, however, 18,500 fewer jobs in Manufacturing than there were two years ago. Durable Goods Manufacturing was up 4,700 jobs or 3.4 percent over the year with the largest gain found in Agriculture, Construction, and Mining Machinery Manufacturing, up 1,600 jobs or 5.2 percent. Employment in Nondurable Goods Manufacturing was up 600 jobs over the month but still reporting a loss of 1,300 jobs or -1.7 percent over the year. Demand for oil products have weakened recently as consumers react to higher prices for gas and diesel. Refinery utilization rates have moved down from 88 to 85 percent partly due to normal scheduled maintenance but also due to weaker refinery margins. Petrochemical producers continue to see cost advantages over foreign producers because of the region's cost advantage of using natural gas. Increased global demand and plant outages have driven up prices for some petrochemicals and plastics. The Houston Purchasing Managers Index, an indicator of expected movement in production volume several months in advance, rose to 59.6 in February indicating growth in production should continue.

Trade Transportation & Utilities reported a seasonal decline of 1,100 jobs in February, down -0.2 percent, as retailers continued to trim payrolls following the 2010 holiday season. The super sector is up 9,100 jobs or 1.8 percent from February 2010. Nearly half of the over-the-year increase was in Retail Trade, up 4,300 jobs or 1.7 percent, see figure 6. Wholesale Trade managed an increase of 900 jobs over the month with over-the-year job gains increasing to 1,800 jobs or 1.4 percent. Transportation Warehousing and Utilities added 200 jobs in February and is reporting an increase of 3,000 jobs or 2.5 percent over the year. While Truck and Pipeline Transportation are reporting job gains, Air Transportation has lost 700 jobs over the year, down -2.9 percent.

Information was one of two super sectors to report an over-the-year loss in February, down 1,800 jobs or -5.6 percent over the year, see figure 6. 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 was the only other super sector to report an over the year loss, down 900 jobs or -0.7 percent over the year, see figure 6. Most of the loss was in Real Estate and Rental and Leasing, down 1,600 jobs or -3.3 percent. Conditions in Financial Activities have been sluggish due to overall weak consumer loan demand, tighter lending standards, and poor credit ratings.

Professional and Business Services suffered a loss of 1,000 jobs in February, down -0.3 percent. The only other year the super sector suffered a February loss in the last decade was 2008. A loss of 600 jobs in Architectural, Engineering, and Related Services was primarily responsible for the decline with much of the loss likely due to cutbacks by NASA contractors. Professional and Business Services added 9,300 jobs over the year with the rate of over-the-year job growth falling from a 3.7 percent increase in January to 2.7 percent. Most of the increase is found in Employment Services, up 8,500 jobs or 17.3 percent, where staffing firms report demand has been holding steady at high levels. Accounting, Tax Preparation, Bookkeeping, and Payroll Services is still reporting significant over-the-year declines, down 1,800 jobs or -8.7 percent from February 2010, where accounting firms have struggled with poor demand for real estate and construction-related work as well as overall uncertainty regarding impending tax legislation constraining demand for transactional services. Architectural, Engineering, and Related Services was also reporting an over-the-year loss of 1,000 jobs, down -1.7 percent.

Education and Health Services added 2,300 jobs in February and is up 10,300 jobs or 3.4 percent over the year, see figure 6. The largest job gains were in Health Care and Social Assistance, up 8,900 jobs or 3.4 percent from February 2010. Educational Services is also reporting a similar rate of

growth, up 1,400 jobs or 3.3 percent over-the-year. 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 added 2,900 jobs in February, up 1.3 percent. Payrolls were up 6,600 jobs or 2.9 percent over the year, see figure 6, with almost all of the increase found in Food Services and Drinking Places, up 6,800 jobs or 3.7 percent. While Accommodation also managed to experience job growth over the year, up 200 jobs or 1.0 percent, Arts, Entertainment, and Recreation was reporting a loss of 400 jobs, down -1.6 percent.

Other Services was up 700 jobs or 0.8 percent in February and up 2,100 jobs or 2.3 percent over the year, see figure 6. 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 added 4,000 jobs over the month, up 1.0 percent. The February increase was down about one-third of what it normally is and the weakest increase in Government for the month of February since 1991. The rate of job growth in the super sector fell sharply from 2.5 percent in January to 1.2 percent, up 4,400 jobs from February 2010. Most of the job growth is found in Local Government Educational Services, up 3,500 jobs or 1.8 percent. The future of many government jobs are at risk as we head into 2011 due to massive budget shortfalls.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA	FEB 2011	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,541,000	9,600	0.4%	50,700	2.0%
Total Private	2,155,300	5,600	0.3%	46,300	2.2%
Goods Producing	475,600	1,400	0.3%	11,600	2.5%
.Mining and Logging	84,000	500	0.6%	6,100	7.8%
...Oil and Gas Extraction	47,000	300	0.6%	1,600	3.5%
...Support Activities for Mining	36,000	300	0.8%	4,500	14.3%
.Construction	171,900	200	0.1%	2,100	1.2%
..Construction of Buildings	48,800	100	0.2%	1,800	3.8%
..Heavy and Civil Engineering Construction	39,100	200	0.5%	1,500	4.0%
..Specialty Trade Contractors	84,000	-100	-0.1%	-1,200	-1.4%
.Manufacturing	219,700	700	0.3%	3,400	1.6%
..Durable Goods	142,300	100	0.1%	4,700	3.4%
...Fabricated Metal Product Manufacturing	46,000	100	0.2%	1,500	3.4%
...Machinery Manufacturing	43,700	100	0.2%	1,900	4.5%
....Agriculture, Construction, and Mining Machinery Manufacturing	32,500	200	0.6%	1,600	5.2%
...Computer and Electronic Product Manufacturing	18,800	0	0.0%	800	4.4%
..Non-Durable Goods	77,400	600	0.8%	-1,300	-1.7%
...Petroleum and Coal Products Manufacturing	12,400	0	0.0%	-700	-5.3%
...Chemical Manufacturing	34,300	200	0.6%	-800	-2.3%
Service Providing	2,065,400	8,200	0.4%	39,100	1.9%
.Private Service Providing	1,679,700	4,200	0.3%	34,700	2.1%
..Trade, Transportation, and Utilities	515,800	-1,100	-0.2%	9,100	1.8%
...Wholesale Trade	131,700	900	0.7%	1,800	1.4%
....Merchant Wholesalers, Durable Goods	78,100	300	0.4%	1,400	1.8%
.....Professional and Commercial Equipment and Supplies Merchant	10,100	-100	-1.0%	-300	-2.9%
....Merchant Wholesalers, Nondurable Goods	37,300	200	0.5%	0	0.0%
...Retail Trade	260,400	-2,200	-0.8%	4,300	1.7%
....Motor Vehicle and Parts Dealers	31,800	100	0.3%	500	1.6%
....Building Material and Garden Equipment and Supplies Dealers	19,100	700	3.8%	900	4.9%
....Food and Beverage Stores	54,800	100	0.2%	1,000	1.9%
....Health and Personal Care Stores	17,000	100	0.6%	200	1.2%
....Clothing and Clothing Accessories Stores	27,900	-1,000	-3.5%	1,400	5.3%
....General Merchandise Stores	56,100	-1,200	-2.1%	-600	-1.1%
.....Department Stores	22,200	-1,000	-4.3%	-200	-0.9%
.....Other General Merchandise Stores	33,900	-200	-0.6%	-400	-1.2%
...Transportation, Warehousing, and Utilities	123,700	200	0.2%	3,000	2.5%
...Utilities	16,200	0	0.0%	200	1.3%
....Air Transportation	23,600	0	0.0%	-700	-2.9%
....Truck Transportation	20,600	300	1.5%	1,400	7.3%
....Pipeline Transportation	10,200	0	0.0%	200	2.0%
..Information	30,600	-100	-0.3%	-1,800	-5.6%
...Telecommunications	15,500	-100	-0.6%	-1,200	-7.2%
..Financial Activities	134,600	500	0.4%	-900	-0.7%
...Finance and Insurance	87,500	500	0.6%	700	0.8%
....Credit Intermediation and Related Activities	41,300	0	0.0%	-300	-0.7%
.....Depository Credit Intermediation	28,500	100	0.4%	0	0.0%
.....Securities, Commodity Contracts, and Other Financial Investment	12,600	0	0.0%	100	0.8%
....Insurance Carriers and Related Activities	28,800	200	0.7%	-200	-0.7%
...Real Estate and Rental and Leasing	47,100	0	0.0%	-1,600	-3.3%

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	FEB 2011	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	359,000	-1,000	-0.3%	9,300	2.7%
...Professional, Scientific, and Technical Services	174,700	-300	-0.2%	-200	-0.1%
....Legal Services	22,500	0	0.0%	0	0.0%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	19,000	200	1.1%	-1,800	-8.7%
....Architectural, Engineering, and Related Services	57,000	-600	-1.0%	-1,000	-1.7%
....Computer Systems Design and Related Services	25,300	100	0.4%	1,200	5.0%
...Administrative and Support and Waste Management and Remediation Services	165,700	1,300	0.8%	10,200	6.6%
....Administrative and Support Services	157,400	1,200	0.8%	9,700	6.6%
.....Employment Services	57,700	900	1.6%	8,500	17.3%
.....Services to Buildings and Dwellings	38,700	500	1.3%	800	2.1%
..Educational and Health Services	314,100	2,300	0.7%	10,300	3.4%
...Educational Services	43,700	700	1.6%	1,400	3.3%
...Health Care and Social Assistance	270,400	1,600	0.6%	8,900	3.4%
....Ambulatory Health Care Services	124,600	1,200	1.0%	5,500	4.6%
....Hospitals	72,800	200	0.3%	700	1.0%
..Leisure and Hospitality	233,000	2,900	1.3%	6,600	2.9%
...Arts, Entertainment, and Recreation	24,900	400	1.6%	-400	-1.6%
...Accommodation and Food Services	208,100	2,500	1.2%	7,000	3.5%
....Accommodation	19,700	300	1.5%	200	1.0%
....Food Services and Drinking Places	188,400	2,200	1.2%	6,800	3.7%
..Other Services	92,600	700	0.8%	2,100	2.3%
Government	385,700	4,000	1.0%	4,400	1.2%
.Federal Government	27,800	100	0.4%	-800	-2.8%
.State Government	72,100	800	1.1%	800	1.1%
..State Government Educational Services	38,000	600	1.6%	400	1.1%
.Local Government	285,800	3,100	1.1%	4,400	1.6%
..Local Government Educational Services	200,000	3,100	1.6%	3,500	1.8%

UNEMPLOYMENT RATE

	FEB 2011	JAN 2011	FEB 2010
H-S-B MSA	8.4	8.8	8.6
Texas (Actual)	8.2	8.5	8.4
United States (Actual)	9.5	9.8	10.4

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 2010 levels. Estimated by the Texas Workforce Commission in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. All Data 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 (which covers Texas, northern Louisiana and southern New Mexico).