

To: Gulf Coast Workforce Board Members

From: Mike Temple  
Carol Kimmick  
David Baggerly  
Michelle Ramirez

Date: July 29, 2014

Subj: Board Meeting Materials for Tuesday, August 5, 2014

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The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, August 5, 2014** in the second floor Conference Room A, 3555 Timmons, Houston.

**Reports.** As usual Chair Guthrie will update members on items of interest. Audit/Monitoring Committee Chair Joe Garcia will follow with a report on the committee's latest activity as well as a summary of trends from the quality assurance and financial monitoring. The Career Office Committee will recognize a Workforce Solutions staff member for outstanding customer service.

**Action.** Procurement Committee Chair Evelyn Timmins will present recommendations for funding Workforce Solutions operations for the 2015 year, which begins for us on October 1, 2014. In total, the Committee will bring to you \$184.5 million in contracts to assist more than 25,000 employers and 320,000 individuals in our region. Chair Timmins will also bring the Committee's recommendations for funding \$14.4 million in contracts to deliver adult basic education and literacy in the region. This will provide a range of service for more than 25,000 people and results from the proposal the Board submitted earlier this year for a regional service more closely linked to the workforce system.

**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 on the region's economy and employment picture. Board member Elaine Barber will talk about the Greater Houston Partnership's UpSKILLHouston initiative. And finally, we'll provide some more information about the new Workforce Investment Opportunity Act, which passed Congress and was signed into law since our last meeting. We'll have materials on UpSKILLHouston and WIOA for you at the meeting.

H-GAC is beginning reconstruction efforts on the 2<sup>nd</sup> floor, but that work should not disturb our meeting. By early next year, our conference room will be moving to the opposite side of the floor with enhancements to seating, video and audio we think you will like.

We look forward to seeing you on August 5<sup>th</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, August 5, 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 June 2014 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
  - a. *Chair's Report.* The Board Chair will discuss items of interest.
  - b. *Audit/Monitoring.* The Committee Chair will present an update from the committee's July 2014 review.
  - c. *Career Office.* The committee will recognize outstanding Workforce Solutions staff.
7. **Take Action**
  - a. *Procurement.* The Committee Chair will present recommendations to fund 2015 Workforce Solutions operations contracts in total amount not to exceed \$184,475,734 and 2015 adult education and literacy contracts in amount not to exceed \$14,372,927.
8. **Receive Information**
  - a. *System Performance.* Report on current performance.
  - b. *Expenditures.* Report on expenditures.
  - c. *Updates.* Reports on items of interest.
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**



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**MINUTES OF  
THE GULF COAST WORKFORCE DEVELOPMENT BOARD  
TUESDAY, JUNE 3, 2014**

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**MEMBERS PRESENT:**

Willie Alexander	Karlos Allen	Gerald Andrews
Betty Baitland	Sara Bouse	Carl Bowles
Bill Crouch	Yvonne Estrada	Joe Garcia
Cheryl Guido	Mark Guthrie	John Hebert
Bobbie Henderson	Eduardo Honold	Guy Robert Jackson
Sarah Janes	Tony Jones	David Joost
Birgit Kamps	Jeff Labroski	Ray Laughter
Ramona Malone	Kendrick McCleskey	Linda O'Black
Allene Schmitt	Connie Smith	Gil Staley
Joe Swinbank	Evelyn Timmins	Sarah Wrobleski
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, June 3, 2014, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Chair Guthrie determined a quorum was present.

**ADOPTION OF AGENDA**

Chair 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 comment.

**MINUTES FROM APRIL 1, 2014**

Chair Guthrie asked if there were any additions or corrections to the minutes for the April 1, 2014 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

**DECLARE CONFLICTS OF INTEREST**

Ms. Ramona Malone declared a conflict with item 7b.

## **CONSIDER REPORTS**

### *Chair's Report*

Chair Guthrie explained that he did not attend the April 2014 Workforce Board meeting because he was with Mr. Steve Pryor, CEO of Exxon-Mobil Chemical Company at the National Association of Workforce Board Conference in Washington, DC, for Exxon-Mobil Chemical Company to accept a prestigious national award in workforce development – the W.O. Lawton Business Leadership Award. The Gulf Coast Board had nominated Exxon-Mobil Chemical Company for this award for its sponsorship and generous financial contribution establishing a program for educating petrochemical industry operators at nine area community colleges, led by Lee College. The Board watched a video of Mr. Steve Pryor's comments upon accepting the award.

Chair Guthrie stated that on May 21, 2014, he and Mr. Mike Temple attended the Brazosport Business and Education Workforce Symposium in Lake Jackson. Chair Guthrie reported that State, Industry and Education representatives gathered to discuss the implementation to date of House Bill 5 in their schools and reviewed the regional economic outlook. They heard reports from several large employers in the area. Also in attendance was Texas Workforce Commissioner and Chairman Andres Alcantar, who presented a \$600,000 check to Brazosport College, San Jacinto Community College and Alvin Community College for a program to train construction workers in the industries in that region.

Chair Guthrie commented that community colleges are going to be more and more important to our region, both for middle skill job training and adult education.

Chair Guthrie also reported that on May 5, 2014, Chair Guthrie, Mr. Temple, Ms. Angela Blanchard, CEO of Neighborhood Centers, Inc. and Ms. Gina Luna, Chair, Houston Region of JPMorgan Chase and Vice Chair of the Greater Houston Partnership Workforce Initiative met and toured the Northline Workforce Solutions office and discussed the needs of the workforce development system.

Chair Guthrie reported that there is legislation to repeal the Workforce Investment Act of 1998 and replace it with new authorization language for consolidated workforce systems. He explained that this new bill essentially adopts the Texas model for operating workforce programs on a consolidated basis, eliminating duplicative administrative functions and cost. It also permits a greater level of local flexibility in the way we spend our funds. Mr. Guthrie encouraged Board members to review the bill summary and advised that group the Board is going to determine whether we want to make any comments on it before the bill is passed.

Chair Guthrie then discussed the recently issued Texas Association of Workforce Boards report – "Aligning Education to Meet the Needs of Texas Employers." The report identifies the need for changes to the K-12 education system and recommends the implementation of a pre-K to careers model along with a business driven education

system. Properly educating and equipping our present and future workforce to meet employer needs is essential to Texas' ability to compete in the global economy and vital to our continued growth and prosperity as a state. Chair Guthrie asked Board members to distribute the report to their colleagues and contacts and told the group that TAWB also had a set of talking points if anyone was interested. Mr. Temple stated that staff will send an electronic copy of the report to all Board members and will have additional hard copies available if needed.

Chair Guthrie concluded his report and no action was taken.

Audit/Monitoring Committee Report

Chair Joe Garcia stated that the committee was originally scheduled to meet at the Rosenberg office, but due to impending bad weather the committee met by conference call on Wednesday, May 28, 2014 at 10:00 am.

Chair Garcia reported on recent activity of the community which was discussed in the conference call meeting.

- We continue to work with contractors to ensure our system protects customers' personal information. We visited every office in April to observe how well our system is working at protecting customers' personal information. On that visit, four offices had issues. Some of the problems are with partners who share our offices such as probation officers, senior workers and veteran representatives. We are asking those agencies sign acknowledgement of their responsibility to safeguard this information.
- We are conducting monthly reporting and reviews to ensure that contractors properly and timely record service for our customers. Currently, our career office contractors success rates in this regard dropped to 85% due in large part to the Rosenberg office. SER improved to 92%.
- We issued reports on reviews of five offices and the financial aid payment office.
  - The regional quality assurance team rated the Bay City office as average, the East End office as average, but found Astrodome, Southwest and Texas City to be below average.
  - The financial aid payment office had acceptable performance.
- Vendor monitoring. We continue to monitor child care vendors with the Financial Aid Payment Office. For vendors offering early education/care services:

Total Active Vendors	2,027
• Active Vendors with referrals monitored	1,574
• Active Vendors with referrals not monitored	657

Active Vendors with no referrals	449
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Data as of May 21, 2014. Data change daily based on referrals.

Chair Garcia stated that the Texas Workforce Commission will be here to monitor us starting on Monday, June 16, 2014 for approximately two weeks.

Chair Garcia concluded his report and no action was taken.

### Education Committee Report

Chair Birgit Kamps explained that the committee met on Thursday, May 1, 2014 at 10:30 am in Conf. Room A. Nine Board members attended along with three guests - Dale Pillow, Pearland Adult Reading Center, Kay Brooks, Brazosport College and Gayland Capps, Alvin Community College.

- Committee members received an update on the proposal for adult education and literacy funding submitted to the Texas Workforce Commission.
- Committee members talked about adult education, focusing on the availability of resources to expand the level of service in the region. As a result, the Committee proposed the following:

The Gulf Coast Workforce Board recognizes that available funding is insufficient to meet the current need for adult education and literacy in the region. To increase funding and service levels the Board encourages:

- The workforce system to collaborate more fully with local employers, who benefit from a better educated workforce;
  - Adult education providers to leverage private funding in expanding service capacity;
  - Education and other public agencies to collaborate and leverage current funding and other resources in increasing the availability of adult education and literacy services.
- Staff was asked to explore relationships with existing employer customers to promote the use of adult education and literacy resources in on-site, workplace training.

Committee members received copies of the Texas Association of Workforce Boards' newly released paper on education: "The Workforce in Texas: Aligning Education to Meet the Needs of Texas Employers."

Chair Kamps explained that the staff submitted a proposal in response to the Adult Education solicitation from the Texas Workforce Commission. The proposal is for a

single nine-member consortium to provide adult education and literacy programs across the entire Gulf Coast region.

A decision is expected to be made on the consortium proposal in June 2014. The Workforce Commission recently released 2015 funding allocations for adult education and literacy, providing almost \$13.9 million for the Gulf Coast region – a 20% drop from current year dollars.

Chair Kamps concluded her report and no action was taken.

### Career Office Committee Report

Board staff, Ms. Michelle Ramirez explained that last year our Regional Management Team, which is comprised of Board staff and contractors who 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 6 nominations and selected Vicki Ruhmann to receive the June 2014 Customer Service Award.

#### ❖ **Vicki Ruhmann** (Neighborhood Centers Inc.)

Workforce Solutions provides millions of dollars in financial aid to customers each year. We award this assistance to help eligible customers find a job, keep a job or get a better job; nevertheless, there are instances where some individuals attempt to abuse or defraud the system.

As a compliance representative, Ms. Ruhmann makes every effort to identify fraudulent activities in order to initiate collections and/or legal proceedings. Ms. Ruhmann understands that her customers are taxpayers as well as all current and future Workforce Solutions customers. As a result, she strives to ensure that we demonstrate sound fiscal responsibility and practice good stewardship when administering public funds.

Collaborating with a vast network of legal and regulatory agencies and officials, Ms. Ruhmann performs fact-finding, gathers documents, locates and interviews witnesses and suspect(s), coordinates with law enforcement entities to issue

subpoenas, and assembles case files for legal action and/or recoupment. To date, in 2014 alone, her diligence has led to the recoupment of over \$26,000.

Ms. Ruhmann's efforts not only help to identify fraudulent activity and limit wasteful spending, but will also help the system serve more people. Although her role may be unfamiliar to most staff and virtually unknown to the public, it is crucial to ensuring Workforce Solutions remains accountable to its customers. Ms. Vicki Ruhmann IS Workforce Solutions to us all!

### *Improving Our Service*

We recognize that our system is comprised of talented, innovative staff, and we wanted to hear ideas from them about ways to serve customers better. We initiated the "Improving Our Service" contest where we asked staff to submit proposals which either:

- Suggested a new service;
- Improved current service; or
- Expanded upon existing service

We received 15 proposals covering a wide variety of topics. After evaluating the proposals, the Regional Management Team selected "Bridging the Gaps" and "Removing Co-Pays for Scholarships" for system-wide implementation. We will establish workgroups to fully vet the ideas and develop processes and procedures for rolling them out.

#### ❖ **"Bridging the Gaps"**

Submitted by the Financial Aid Call Center Management Team (Interfaith) (Diane Fortune, Carrie Hollins, Angela Kidd, Helena Leday, Edith Melendez, Maribel Meza-Medrano and Jessica Smith)

Our system is comprised of 24 career offices, three information centers, an employer services unit, a financial call center, a payment office and other small departments and satellite operations. Oftentimes, staff may talk to a customer about an issue within their purview without fully analyzing the customer's situation to see if we can help them in other ways.

"Bridging the Gaps" proposes that we identify areas where these opportunities exist and develop ways to seamlessly refer customers to other Workforce Solutions departments without additional burden to the customer. The proposed process will send the customer's information to the appropriate departments and the customer will be contacted and/or receive the requested service without doing anything outside of the first, initial contact.

#### ❖ **"Removing Co-Pays for Scholarships"**

Submitted by Hilda Robles, Office Manager of Workforce Solutions - Cypress Station (Interfaith)

Some customers who receive scholarship assistance from Workforce Solutions are tagged as Dislocated Workers under the Workforce Investment Act fund. Many of these customers have been laid-off and are receiving unemployment

benefits, and as a result, we ask them to co-pay a portion of their education and training costs.

The “Removing Co-Pays for Scholarships” proposal suggests that co-pays present challenges for customers who are unemployed and rely on their unemployment benefits, which are a fraction of the customer’s former salary, to pay for household essentials. It further intimates that the decision between paying for training or taking care of the immediate need for food, housing and transportation, oftentimes results in the customer foregoing training and the opportunity to receive a better job. By removing co-pays for scholarships, customers can use their benefits for family expenses while also preparing for better employment opportunities to support their households.

Ms. Ramirez concluded her report.

### **TAKE ACTION**

- a. Employer Services. The Committee Chair will provide an update from the committee’s May 2014 meeting and present a recommendation for education/training vendor performance standards.

Committee Chair Gerald Andrews stated that the Employer Services Committee met on Thursday, May 15, 2014 via conference call. Committee members received an update from Employer Service staff on efforts to focus service to the Board’s key target industries. Leonard Torres and Lisa Bogany described a purpose and pathway to ensure Employer Service staff members are focused on serving the needs of local employers and delivering services that drive results for the larger workforce system.

- Board staff presented three items related to continual improvement of the System’s Education and Training Vendor Network:
  - The Committee voted to recommend adopting performance levels for vendors on the statewide Eligible Training Providers List as recommended by the Texas Workforce Commission.
  - The Committee reviewed and discussed the consolidated Standards and Guidelines document for the Workforce Solutions Training Vendor Network.
  - The Committee reviewed and discussed the updated Training Provider Report Card updated for 2014.

### *Performance Expectations*

Committee Chair Andrews reported that each year the Texas Workforce Commission requires Boards to set a level of performance for vendors registered on the state’s provider list, including all the occupational skills training providers in our network.

Vendors must meet these performance levels for each course of training they wish to register and must also maintain performance at these levels for courses to continue to be 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/Quarterly Wage at Placement	80%

As in previous years, we continue to recommend that the Board use the state levels. During the following year, we will develop a process to remove vendors that are unable to meet performance expectations.

Several Board members had questions and discussion followed.

A motion was made and seconded to adopt Committee recommendations on performance levels for education/training vendors on the statewide Eligible Training Providers List. The motion carried.

#### *Education and Training Vendor Network – Standards and Guidelines*

Chair Andrews explained that some of our customers many need or want education or training services and as a result we provide education and training scholarships for eligible customers. Contracts are established with education and training vendors to provide basis or occupational skills training to Workforce Solutions customers. Occupational skills training vendors apply through the Texas Workforce Commission's Eligible Training Provider System (ETPS). Basic skills and upgrade skill vendors apply through a local application process and are displayed on our local basis skills network. Both ETPS and the basic skills network will list applicable vendors, training programs and cost information.

The Workforce Solutions Financial Aid Payment Office reviews, approves and denies vendor applications. The Payment Office also monitors vendors, provides support and technical assistance.

We have been working with the Payment Office over several years to strengthen system policies and procedures for education and training vendors. During that time we noted a need to formally revise our overall standards and guidelines.

The vendor standards provide guidance on:

- The types of education/training vendors we solicit for the network
- How vendors apply to offer training or education for our customers
- How we evaluate vendors' performance
- How we remove vendors from the network and how a vendor may appeal such an action

- Special circumstances applicable to education and training vendors

We will further develop the process to remove vendors who are unable to meet minimum performance expectations.

Chair Andrews commented that the Training Provider Report Card summary for 2008 thru 2012 is in the board packet for review.

Chair Andrews concluded his report and no further action was taken.

- Ratify previous decisions. Ratify actions taken at the February 4, 2014 and April 1, 2014 Board meetings.

Mr. Temple reported that in February and April 2014 elected officials were in the process of appointing or reappointing Board members. This resulted in two months in which the Board was technically out of compliance with membership.

Those items are:

#### **February 4, 2014**

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

#### **April 1, 2014**

- Budget.* The Committee Chair will present a proposed 2014 budget in amount of \$189,525,946 to the Board for consideration.
- Summer Jobs.* Consider using available funds for summer jobs in 2014.

A motioned was made and seconded to ratify the actions taken by the Board in February and April 2014, as listed above. The motion carried. Ms. Ramona Malone abstained from voting.

Mr. Temple concluded his report.

### **RECEIVE INFORMATION**

#### **System Performance**

Mr. David Baggerly reviewed the Year End System Performance measures for October 2013 through April 2014. 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 16,982 employers through April 2014.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,485 employers, 9,732 returned to The Workforce Solutions for additional services through April 2014.

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 June 2013, 174,623 of the 240,524 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 December 2012, 90,197 of the 268,513 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, 1,402 customers pursuing an education diploma, degree or certificate exited in the period July – December 2013. 702 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 June was 64.4%. We expect to meet the target.
- Youth Literacy/Numeracy Gains. The target for this measure is 48.1%. Our performance through March 2014 (7/13 – 3/14) was 46.4%. 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 April was 36.5% with a cumulative total for the year of 34.4%.

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 four months ending April 30, 2014. Mr. Temple explained that the budget looks good, with the exception of office operations, expenses are running slightly high against a straight line estimate, but should not be a problem by the end of the year.

Mr. Temple concluded his report.

### **LOOK AT THE ECONOMY**

Mr. Ron Borski explained that the actual rate of unemployment in the Houston-Sugar Land-Baytown Metropolitan Statistical Area (H-S-B MSA) dropped six-tenths of a percentage point to 4.6 percent in April. This was the lowest rate of unemployment for the H-S-B MSA since May 2011. The current 4.6 percent rate is nine-tenths of a percentage point lower than it was one year earlier and lower than both the state's 4.7 percent rate and the nation's 5.9 percent rate. The H-S-Baytown MSA added 15,600 jobs to payrolls in April. The 0.5 percent increase was the strongest April increase since 2011. Strongest April gains were in Mining and Logging, Leisure & Hospitality and Education and Health Services. The only super sector to report a loss was Trade Transportation and Utilities. The H-S-B MSA recovered all jobs lost since the beginning of the recession by November 2011 and has since added 242,800 jobs to payrolls, an increase of 9.3 percent above the pre-recession high. Employment for the U.S. is still down 0.1 percent needing to recover 113,000 jobs to reach pre-recession highs.

Mr. Borski concluded his report.

### **OTHER BUSINESS**

Mr. Temple mentioned that staff would be working with Committee Chair, Guy Robert Jackson and the Government Relations Committee regarding the Summary of the Workforce Innovations and Opportunity Act Legislation. Mr. Temple explained that the first impression was that it looks pretty good.

Mr. Tony Jones shared a letter written by the National Federation of the Blind's Executive Direction for Advocacy and Policy, John G. Pare, Jr. stating the NFB supports the passage of the legislation.

Mr. Jones asked for a report on the Youth Summer Jobs Program. Mr. Temple explained that well over 200 worksites were identified and the career offices were working hard to get kids into the program.

**ADJOURN**

There was no further business to come before the Board, the meeting was adjourned at approximately 11:30 am.

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## **Audit/Monitoring Committee**

### **Update for July 2014**

The regional Quality Assurance team reviewed the Conroe (average), Huntsville (average) and Humble (average) career offices operated by Interfaith of The Woodlands and the Winnie (average) career office operated by Neighborhood Centers.

The QA team continues to review offices to determine how well we are protecting customer information. Although we occasionally discover customer data forgotten in a staff drawer or a box under a desk, we find contractors and staff is doing well at protecting customer information.

The QA team also reviews customer records to ensure we are opening and closing services appropriately. The most recent monthly review shows all contractors achieving 90% or higher compliance.

The QA team also reviewed:

- In coordination with the Financial Aid Payment Office, 1,802 early education and care providers – identified one facility mismanaging attendance cards,
- Collaborative for Children - acceptable
- Financial Aid Call Center – eligibility review found no problems

## **2014 Summary and Trends**

Overall, system performance and production have improved in 2014 over 2013

We think the career offices are operating at an acceptable level. We characterize this with an “average” rating, which means that the office provides an acceptable level of customer service and generally meets or exceeds our process standards, although there are opportunities for improvement.

We have several offices that received below average ratings for more than one year; each of these was transferred from ResCare management in October 2013.

In addition to making sure that Neighborhood Centers, the current manager of these locations, is taking steps to improve the offices, we are providing direct, on-site coaching and technical assistance from our training and development staff. We will follow-up on progress at these locations, and we expect to see continued improvement.

Last year, the Workforce Commission noted two critical issues for our attention: the security of customers’ personal data and our ability to accurately and timely record service for our customers. The Quality Assurance Team has invested a considerable amount of time in follow-up throughout the system on both of these issues, and we have seen marked improvement.

Employer Service, the Payment Office, and our Early Education Quality efforts continue to meet our expectations for quality service to customers and vendors.

The consolidated Financial Aid Call Center does not have any significant findings relating to the eligibility of the large number of customers it processes every month. The center has had some difficulty in responding timely to customers who apply for financial aid or who have questions, and we are working with the center to improve and strengthen its processes and the level of its customer service.

The smaller specialized youth projects are operating acceptably.

We do not have any unresolved findings or outstanding issues with respect to our contractors' financial systems or financial reporting.

## **Career Office Committee**

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## **Customer Service Award**

### **Background**

As we have noted to you in previous meetings, our contractors regularly identify staff members they believe best exhibit the I AM Workforce Solutions principles of excellent customer service. The Regional Management Team—made up of Board staff and contractor management—review nominations and select one or more individuals for recognition six times each year.

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

❖ **Joe Cabrera**  
Workforce Solutions Southeast

At Workforce Solutions, staff members are encouraged to leverage experience and relationships to help their customers. Working with both customers and the employer community for years, Joe Cabrera has a unique perspective when helping customers find employment.

Joe willingly takes on new assignments and consistently thinks of innovative solutions to help employers fill their job openings. Whether it is managing special hiring initiatives for the City of Pasadena; helping employers temporarily relocate in order to continue recruitment efforts; coordinating hiring events; or personally contacting customers to fill job opportunities, Joe will undertake any challenge to ensure employers find qualified applicants and customers find good jobs.

Joe has worked with us for nearly five years and is currently located in the new Southeast career office.

Joe Cabrera *IS* Workforce Solutions.

## Procurement Committee

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# 2015 System Contract Recommendations

### Background

The Gulf Coast Workforce Board solicited contracts for its Workforce Solutions operating affiliate in 2013. The five-year procurement cycle allows for an initial annual contract and up to four 1-year renewals based on performance and availability of funding. The 2015 contract year will begin on October 1, 2014 and is the second year of the five-year procurement cycle for system contracts.

Pending approval by the Board, we would plan to put contracts in place for the year beginning October 1, 2014.

### Performance and Production Update

Unemployment continues to drop in our region. The improving economy is reflected in performance against the Board's measures which show improved rates of returning people to work.

- Through May 2014, 72.6% of our customers were employed by the first quarter after exiting from Workforce Solutions services -- above the 71.3% annual performance last year and exceeds this year's target of 72%.
- Through May 2014, 33.6% of our customers had earnings gains of 20% or more after exiting from Workforce Solutions services -- above the 32.9% performance from last year and below the target of 35%.
- We are seeing a slight decline in career office traffic. The average monthly traffic (visits) through May 2014 was 191,369 customers. In 2013 the average monthly traffic was 219,379 customers.
- We are seeing an increase in the number of job postings – through May 2014 we received 8,134 postings on average every month. In 2013 the average was 7,474.

We are behind on production in two areas: the work rate for welfare recipients (the percentage of our customers receiving welfare benefits who are working) and placing young people (ages 14 to 21) in education or work.

The system has been improving in both these areas during the year, and we expect to meet our production standard for both by October.

## Employer Service

Employment and Training Centers, Inc. operates Workforce Solutions' Employer Service which markets and provides a range of services to business. The 88 staff members are located in career offices and a central unit in Houston.

For 2014, ETC will work with more than 25,000 employers.

## Career Offices

Two contractors employ a total of 548 staff to operate 24 offices, and 3 information centers.

Neighborhood Centers	11 offices: Astrodome, Baytown, East End, Lake Jackson, Northeast, Northline, Northshore, Rosenberg, Southeast, Southwest, and Texas City Information Centers: Houston Public Library-Downtown and Winnie
Interfaith of the Woodlands	13 offices: Bay City, Columbus, Conroe, Cypress Station, Humble, Huntsville, Katy Mills, Liberty, Sealy, Waller, Westheimer, Wharton and Willowbrook Information Center: Houston Public Library—Ring

In 2014 we expect the offices to have almost 2.3 million visits from customers.

## Youth

Three contractors currently deliver services for young people between the ages of 14 and 21, in addition to the service provided for youth through the career offices.

SER employs 5.5 staff to provide education, training, career coaching and employment opportunities for young people in Brazoria, Chambers, Fort Bend, Galveston, Harris and Liberty counties.

Dynamic Educational Systems, Inc. employs 2.5 staff to help young people obtain an education credential, employment, or enrollment in postsecondary education in Austin, Colorado, Matagorda, Montgomery, Walker, Waller and Wharton counties.

Gulf Coast Trades Center employs 4 staff to provide educational and vocational training and support services to youth offenders referred from county juvenile probation departments.

## Early Education Quality

Two contractors provide quality resources to child care providers

Texas Association for the Education of Young Children employs two staff to award scholarships to 35 early education teachers for their Associate's Degree in Child Development or for Child Development Associate Credentials.

Collaborative for Children, Inc. employs 22 staff to provide quality resources to early education providers. CC provides teacher and director training, grants to buy equipment and materials, intensive quality improvement services, support for Texas Rising Star and National Accreditation, support for children with disabilities, support for infant/toddler care, child care resource and referral, resources for listed home providers, parenting support, and securing local match for federal dollars coming to the Board.

## Financial Aid Call Center

Interfaith of The Woodlands employs 71 staff to operate our Financial Aid Call Center. This unit receives applications for financial aid from our customers, determines the eligibility for financial aid and communicates with our customers regarding the status of their applications, and for those who we approve for assistance, how to access their work, education or work search support.

Currently this unit receives between 1,000 and 1,500 applications for new or renewal financial aid and about 6,250 calls each week.

## Payment Office

Neighborhood Centers, Inc. employs 38 staff to operate our payment office and manage Workforce Solutions' vendor networks. This unit tracks, manages, and pays out financial aid to vendors on behalf of our customers.

For 2014, we expect that the payment office will pay out more than \$131 million in financial aid for scholarships; help with child care expenses and transportation costs; and other education, work and work search expenses. The payment office works with about 2,700 vendors.

## 2015 Proposed Contracts

We are making the following recommendations for the 2015 contracts.

<b>By Contractor</b>	<b>2014</b>	<b>Proposed 2015</b>
Neighborhood Centers, Inc.	\$ 22,748,481	\$ 23,300,000
Interfaith of the Woodlands	17,629,001	18,400,000
Employment and Training Centers	5,710,743	5,850,000
Collaborative for Children	3,164,481	3,240,000
Texas Association for the Education of Young Children	51,000	51,000
SER-Jobs for Progress	630,000	630,000
Gulf Coast Trades Center	282,000	282,000
Dynamic Education Systems, Inc.	239,902	239,900
Learning Designs Inc.	560,609	550,000
<b>Subtotal, Operations</b>	<b>51,016,217</b>	<b>52,542,900</b>
<b>Direct Financial Aid</b>	<b>138,119,997</b>	<b>131,932,834</b>
<b>Total</b>	<b>\$189,136,214</b>	<b>\$184,475,734</b>

<b>By Function</b>	<b>2014</b>	<b>Proposed 2015</b>
Employer Service	\$ 5,710,743	\$ 5,850,000
Career Offices	32,189,481	33,194,635
Youth	1,151,902	1,151,900
Early Education Quality	3,215,481	3,291,000
Financial Aid	146,307,998	140,438,199
• <i>Call Center</i>	<i>4,878,001</i>	<i>5,195,365</i>
• <i>Payment Office</i>	<i>3,310,000</i>	<i>3,310,000</i>
• <i>Direct Aid</i>	<i>138,119,997</i>	<i>131,932,834</i>
System Training & Development	560,609	550,000
<b>Total</b>	<b>\$189,136,214</b>	<b>\$184,475,734</b>

- At the present time, we are estimating available funds for 2015 system operations at 97% of our current year level.
  
- We recommend increasing the funds we commit to general operations (principally staff and facilities) and decreasing the funds committed to direct financial aid. We're doing this for several reasons:
  - For 2014 we will spend \$131 million on direct financial aid (work, education, and work search support). This is considerably less than we budgeted for the year, and we expect to have more funds than we should carry over into next year. We have not seen a significant increase in demand for financial aid and so would propose to reduce amounts to meet expected need.
  
  - Initially last year we did not put enough resources into the consolidated financial aid call center operated for us by Interfaith of the Woodlands. We added some resources for additional staff late this year and propose to fund those positions fully next year.
  
  - Although we have seen a slight drop in career office traffic, earlier this year we lost 18 front-line staff positions when the extended unemployment benefits programs ended. We believe losing those positions affected our service to customers, and we are proposing adding those staff positions back into the system (at Interfaith of the Woodlands and Neighborhood Centers).
  
- We are recommending increases to Employer Service as our volume of job orders continues to rise.
  
- To meet legislative and state regulatory requirements for increasing the number of early education/care providers certified in the state's quality system – Texas Rising Star – we're proposing more resources for our early education quality effort.
  
- We are recommending maintaining the special youth projects at current year levels. We have included in proposed contracts the current year commitment of funds for summer jobs.
  
- As is our usual practice, we will negotiate all costs and contract specifications.

We anticipate that Workforce Solutions will provide services to 320,000 individuals, work an average of 8,000 new job postings each month, and provide \$131 million financial aid to about 45,000 customers. This includes:

- About 2.2 million visits to local career offices
- Financial assistance to parents for early education/care expenses that supports about 23,000 children every day

We plan in 2015 to meet or exceed the Board's performance measures and our production requirements.

## **Action**

Recommend 2015 Workforce Solutions contracts in total amount not to exceed \$184,475,734 as shown above.

# Procurement Committee

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## Workforce Adult Education and Literacy

### Background

Until 2013, the Texas Education Agency managed public funding for adult education/literacy services. Senate Bill 307 transferred administration to the Texas Workforce Commission. Earlier this year TWC requested proposals to operate adult education and literacy in the state's 28 workforce development areas.

As you may remember from discussion by the Board's Education Committee, we worked with organizations providing adult education and literacy to organize one, regional response to the state's request. With generous assistance from the seven existing cooperatives, we submitted a regional proposal to provide adult education and literacy throughout the 13-county region, with the Board's staff as the grant recipient and fiscal agent and Region 6 Education Service Center as the lead agency for programming and professional development. Seven principal service providers – Brazosport College, College of the Mainland, Harris County Department of Education, Houston Community College, Lone Star College, San Jacinto College, and Wharton County Junior College – will offer service through 146 sites in all 13 counties.

### Current Situation

TWC has notified us that our regional proposal has been accepted.

Using \$14,372,927 in available funds, we will provide adult education and literacy services for 25,540 customers during the first year, including literacy instruction, adult basic education leading to GED certification, English language and civics instruction, and basic skills integrated with occupational skills training in multiple locations throughout the region.

We would add the proposed funding for the Board staff to the Board's budget.

The Workforce Board will use this opportunity to better align and integrate publicly funded adult basic education and literacy and the region's workforce system. The proposed contracts and distribution of funds includes:

<b>Organization</b>	<b>Proposed Funding</b>	<b>Service Levels</b>
Brazosport College	\$ 530,228	1,034
College of the Mainland	605,181	1,180
Harris County Department of Education	3,699,102	7,212
Houston Community College System	6,062,918	11,821
Lone Star College	1,160,394	2,263
San Jacinto College	402,529	785
Wharton County Junior College	638,494	1,245
Region VI Education Service Center	996,476	-
Board (H-GAC)	277,605	-
<b>Total</b>	<b>\$14,372,927</b>	<b>25,540</b>

## **Action**

Request authorization to contract with consortium members for adult education/literacy services in a total amount not to exceed \$14,372,927 as shown above.

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

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services</u> (Market Share) 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 20,019 employers through June 2014.	25,147	20,019	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 22,485 employers, 10,743 returned to Workforce Solutions for additional services through June 2014.	60%	47.8%	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	2,270	2,646
<u>Customers employed by the 1st Qtr after exit</u> Reporting for the quarter ending June 2013, 174,666 of the 240,547 customers who exited from services were employed by the quarter after exit.	72%	72.6 %	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 December 2012, 90,222 of the 268,527 customers who exited had earnings gains of at least 20%.	35%	33.6%	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, 1,404 customers pursuing an education diploma, degree or certificate exited in the period July – December 2013. 712 achieved a diploma, degree or certificate by the quarter after exit.	58%	50.7%	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 eight of ten measures. The two measures we are not meeting are:

- Youth Placement in Employment or Education. The target for this measure is 65%. Our performance through September 2013 was 64.4%. We expect to meet the target.
- 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 for the month of June was 38.5% with a cumulative total for the year of 35.6%.

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

**For the Six Months Ended June 30, 2014**

	<b>budget ytd</b>	<b>actual ytd</b>
Workforce Revenues	94,762,973	90,252,825
<b>Total Revenues</b>	<b>94,762,973</b>	<b>90,252,825</b>
Board Administration	2,116,345	1,822,324
System IT	275,677	93,325
Employment Services	3,240,250	3,168,809
Resident Services	89,130,701	85,168,367
Office Operations	17,421,500	21,634,262
Financial Aid	71,175,250	63,148,302
Special Projects	533,951	385,803
<b>Total Expenses</b>	<b>94,762,973</b>	<b>90,252,825</b>

**FY14 YTD Workforce Revenues**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Jan-14	12,036,734		12,036,734
Feb-14	16,586,282		16,586,282
Mar-14	16,342,978		16,342,978
Apr-14	13,355,036		13,355,036
May-14	14,207,595		14,207,595
Jun-14	14,725,877		14,725,877
Jul-14			0
Aug-14			0
Sep-14			0
Oct-14			0
Nov-14			0
Dec-14			0
<b>Totals</b>	<b>87,254,502</b>	<b>0</b>	<b>87,254,502</b>

Remarks: ES program revenue \$2,998,323.00 from TWC FS-9 report not included in Workforce Board revenue journal.



Labor Market Information  
 JUNE 2014 Employment Data

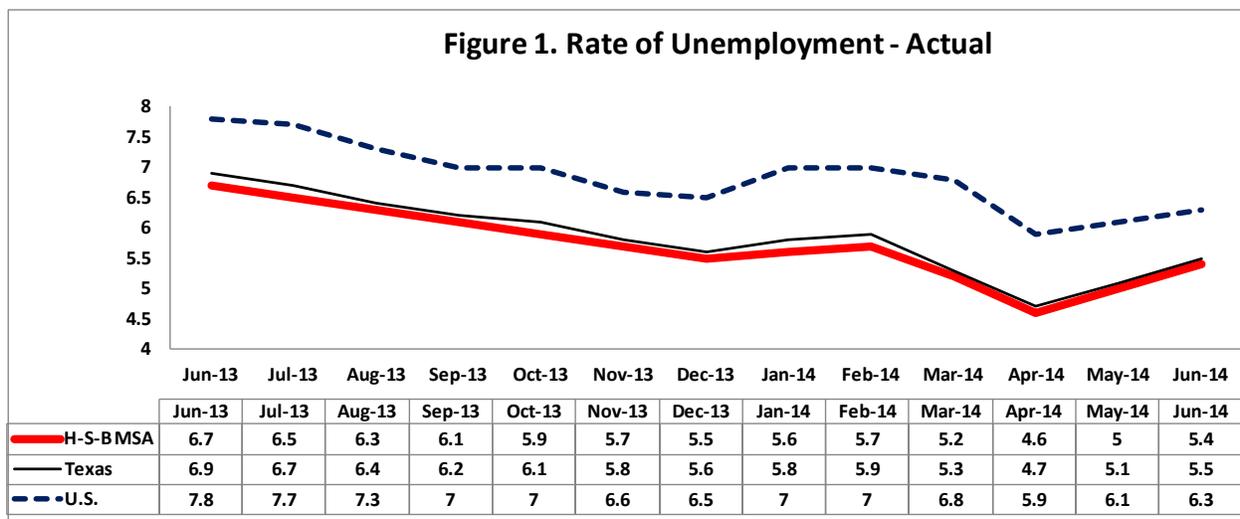
HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA)

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

THE HOUSTON-SUGAR LAND-BAYTOWN MSA'S UNEMPLOYMENT RATE EXPERIENCED A SEASONAL INCREASE IN JUNE RISING TO 5.4%, SLIGHTLY BELOW THE STATE'S 5.5% UNEMPLOYMENT RATE AND 0.9% LOWER THAN THE NATION'S 6.3% RATE. The rate of unemployment typically increases after the end of the school year as students enter the job market.

**Unemployment Rate (Actual)**

	JUN 2014	MAY 2014	JUN 2013
<b>Civilian Labor Force</b>	3,173,194	3,159,756	3,131,279
<b>Total Employed</b>	3,002,356	3,003,124	3,131,279
<b>Unemployed</b>	170,838	156,632	210,747
<b>Unemployment Rate</b>	5.4%	5.0%	6.7%

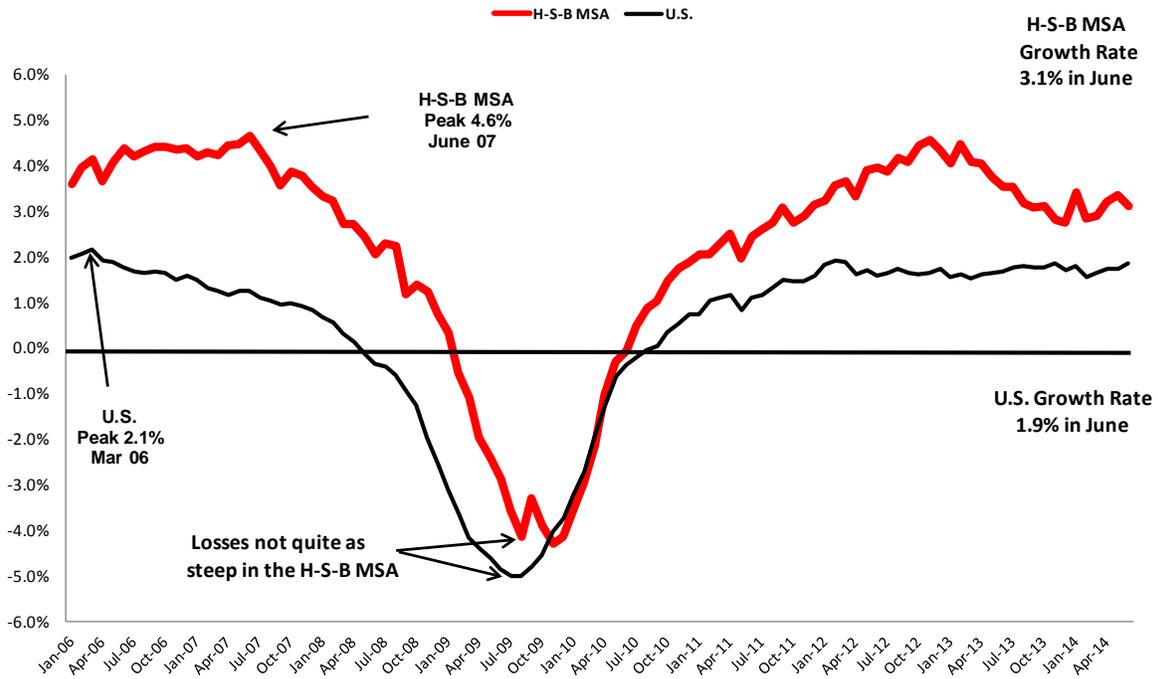


THE HOUSTON-SUGAR LAND-BAYTOWN MSA ADDED 3,500 JOBS TO PAYROLLS IN JUNE. The 0.1 percent increase was weaker than a 0.3 percent increase in 2013 with the pace of job gains down in most super sectors. The only two super sectors that outperformed the pace of hiring in 2013 were Mining and Logging, up 2,400 jobs or 2.2 percent, and Education and Health Services, up 1,100 jobs or 0.8 percent.

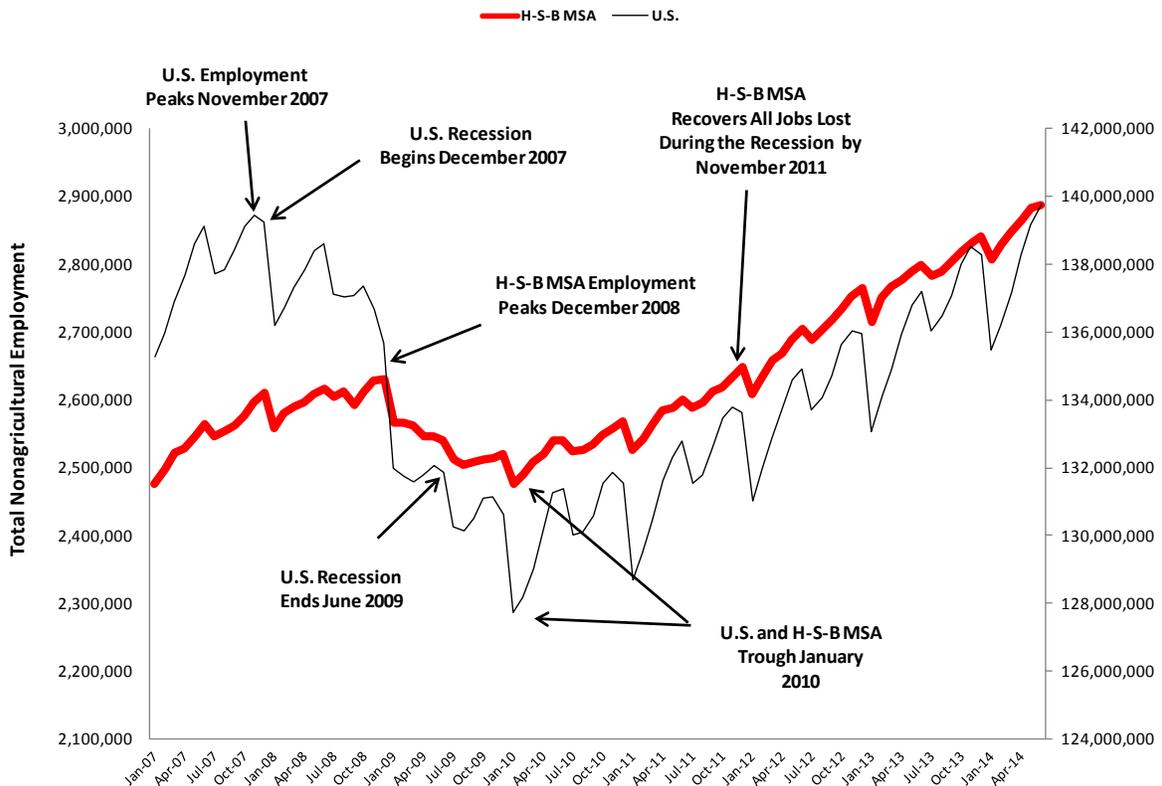
THE HOUSTON-SUGAR LAND-BAYTOWN MSA ADDED 87,500 JOBS OVER THE YEAR. The pace of job growth dropped two-tenths of a percentage point to 3.1 percent as a result of weak over-the-month gains. The 3.1 percent over-the-year increase remains strong and is considerably higher than the nation's 1.9 percent, see figure 2. All major sectors were reporting over-the-year job gains. Strongest growth has been in Mining and Logging, Construction of Buildings, Non-Durable Goods Manufacturing, Architectural Engineering and Related Services, Computer Systems Design and Related Services, and Health Care Services (Private).

Detailed data can be viewed on pages 6 and 7.

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

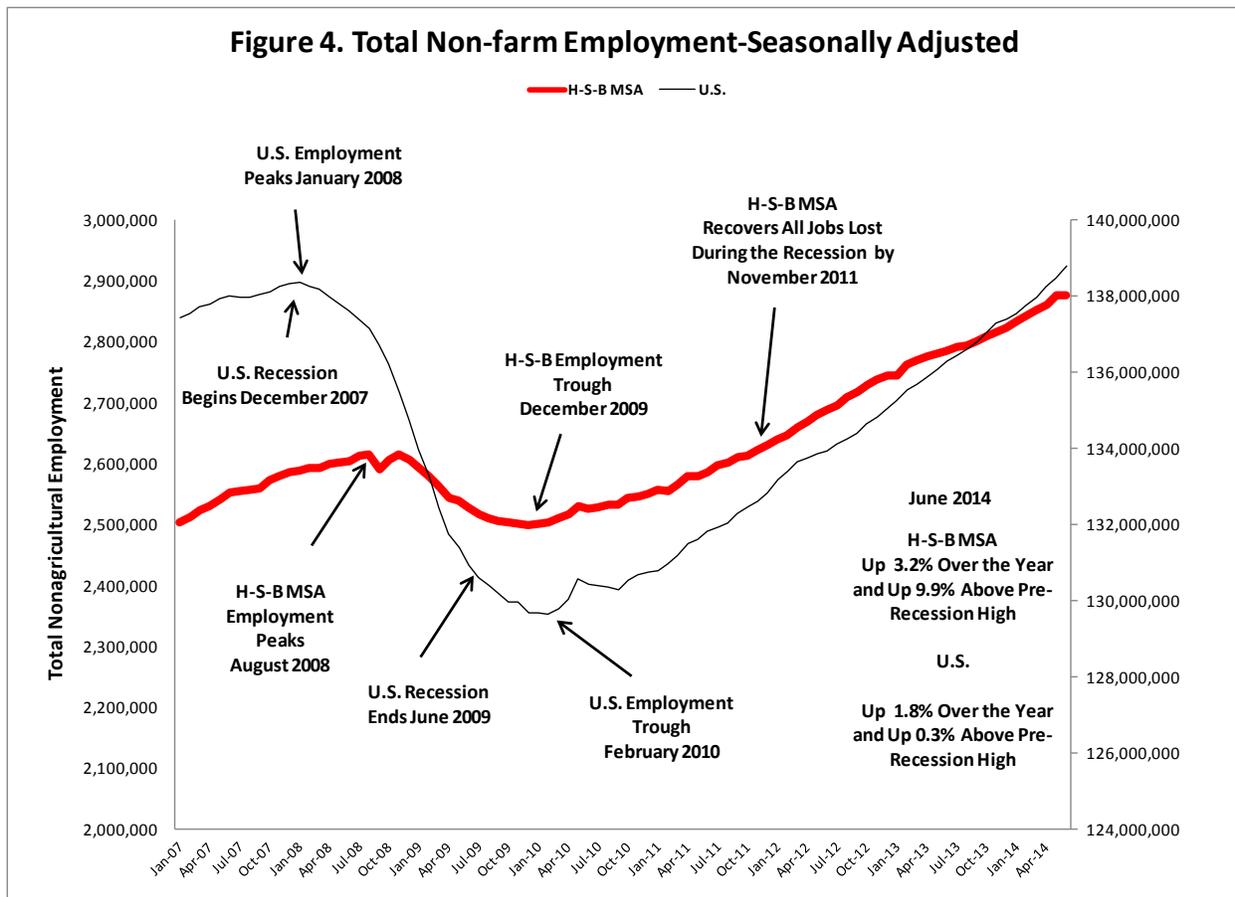


**Figure 3. Total Non-farm Employment-Actual**



Seasonally adjusted data for the H-S-B MSA and U.S. seen in figure 4 provides an additional view of employment removing the erratic seasonal movement. The H-S-B MSA recovered all jobs lost since the beginning of the recession by November 2011. Payrolls have since grown another 9.9 percent above the pre-recession high adding another 259,500 jobs. Employment at the national level finally reached the pre-recession high in May after more than six years of recovery.

Additional details by super sector are provided beginning on page 4.



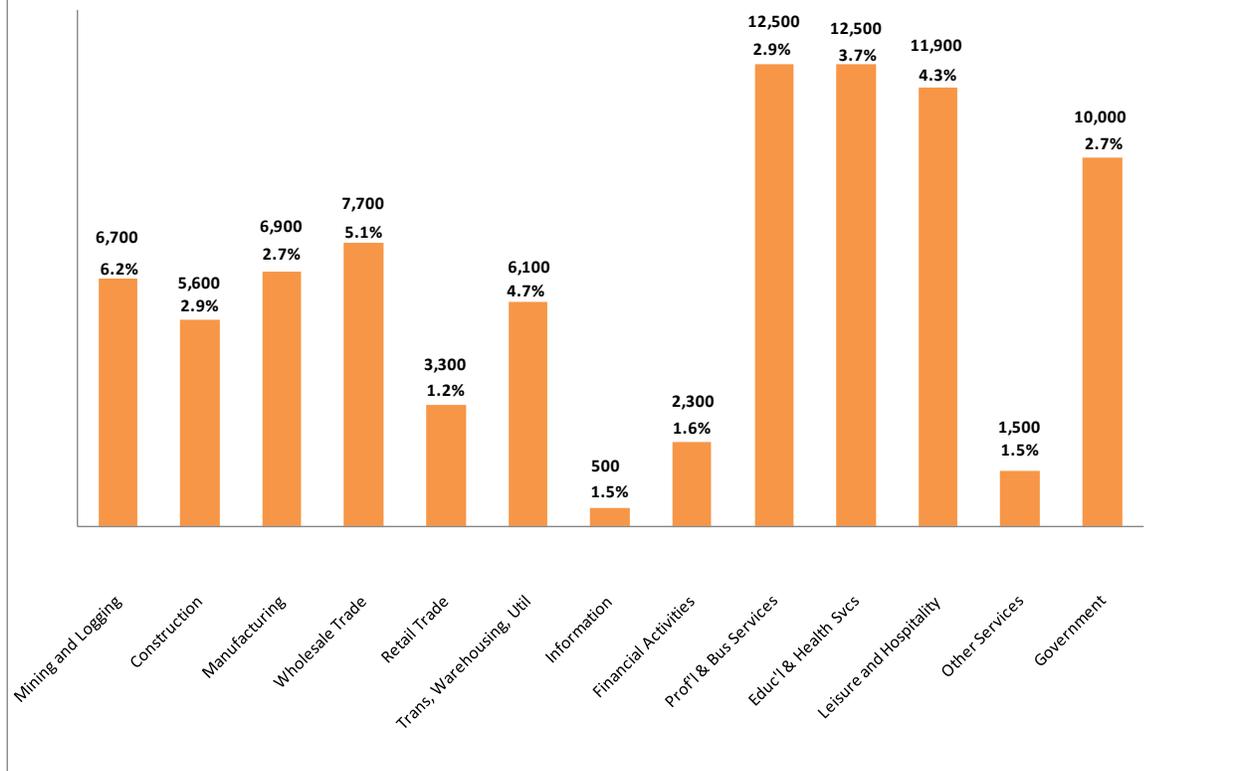
## DETAILS BY SUPER SECTOR

**Mining and Logging** payrolls increased for the seventh consecutive month in June, up 2,400 jobs or 2.2 percent. The super sector continues to report strong growth adding 6,700 jobs over the year, an increase of 6.2 percent. Job growth is found in both Oil and Gas Extraction, up 3,500 jobs or 6.0 percent, and Support Activities for Mining, up 2,800 jobs or 5.9 percent. The average U. S. rig count was 1,861 in June, up 2 from May and up 100 from one year ago. The average Texas rig count was 891 in June, down 1 from May and up 50 from one year earlier representing about half of all active land rigs in the United States. Growth in Texas drilling activity has been primarily in the Permian Basin.

**Construction** reported a loss for the second consecutive month, down 500 jobs in June. While Construction of Buildings managed an increase of 1,400 jobs, Heavy and Civil Engineering Construction lost 800 jobs and Specialty Trade Contractors lost 1,100 jobs. The super sector added 5,600 jobs over the year representing a 2.9 percent increase. Strongest job gains have been in Construction of Building where construction activity has been strong, up 4,900 jobs or 10.1 percent.

Specialty Trade Contractors, where companies that perform a wide variety of activities are found (concrete, site preparation, electrical, and plumbing, and others), reported an increase of 2,200 jobs or 2.4 percent. Heavy and Civil Engineering Construction continues to report a loss, down 1,500 jobs or 3.1 percent over the year. Despite the loss, year-to-date job growth in Heavy and Civil Engineering Construction remain better than they were one year ago.

**Figure 5. Houston-Sugar Land-Baytown MSA  
Annual Change June 2013 to June 2014**



**Manufacturing** added 1,400 jobs in June, up 0.5 percent, with gains found across both the durable and nondurable goods sectors. Breaking historical trends, the majority of job growth has recently been in Nondurable Goods Manufacturing, where chemical and petrochemical plants are found, up 4,700 jobs or 5.8 percent. Although employment levels remain well below all-time highs in Nondurable Goods Manufacturing, the pace of job growth has recently risen to its highest levels on record according to data dating back to 1990. Nondurable Goods Manufacturing is benefitting from low natural gas prices that are encouraging plant expansions and new plant construction. The numbers of jobs in Durable Goods Manufacturing, where many companies that support the energy sector are found, are at all time highs according to data going back to 1990. Durable Goods Manufacturing added 2,200 jobs over the year, up 1.3 percent. While the pace of hiring at manufacturers has slowed considerably, the labor market for skilled workers remains tight. The Houston Purchasing Managers Index fell sharply in June to 52.4 indicating expansion but at a much slower pace. Six of the indicators remain positive pointing to slower continued expansion but two of them, finished goods inventories and purchased inventories, are indicating potential contraction in the near term. Any index over 50 indicates production gains over the near term.

**Trade Transportation & Utilities** added 3,000 jobs in June, up 0.5 percent. While most areas within the super sector reported increases Retail Trade reported a loss, down 200 jobs. This was the

first June loss for Retail Trade according to records dating back to 1990. Trade, Transportation, and Utilities added 17,100 jobs over the year, up 3.0 percent. Trade accounted for most of the increase with Retail Trade up 3,300 jobs or 1.2 percent and Wholesale Trade up 7,700 jobs or 5.1 percent. Strongest retail hiring has been at Motor Vehicles and Parts Dealers where new vehicle sales have been strong, up 1,500 jobs or 4.2 percent. Transportation, Warehousing and Utilities added 6,100 jobs over the year, up 4.7 percent, where the largest increase was in Truck Transportation, up 1,000 jobs or 4.2 percent.

**Information** added 300 jobs in June with payrolls up 500 jobs or 1.5 percent over the year as a result of job gains in Telecommunications. 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** reported a strong increase for the fifth consecutive month, up 1,100 jobs or 0.8 percent. Job gains were in both Finance and Insurance, up 700 jobs, and Real Estate and Rental and Leasing, up 400 jobs. The super sector added 2,300 jobs over the year, up 1.6 percent. More than half of the increase was in Real Estate and Rental and Leasing where strong activity continues across the H-S-B MSA, up 1,600 jobs or 3.1 percent. Although the Finance and Insurance sector as a whole reported an increase of 700 jobs over the year, Credit Intermediation and Depository Credit Intermediation were reporting declines of 700 jobs and 900 jobs respectively.

**Professional and Business Services** added 3,600 jobs in June, up 0.8 percent. Employment Services was the single largest contributor to over-the-month gains, up 2,200 jobs or 2.9 percent. The pace of job growth fell slightly to 2.9 percent, an increase of 12,500 jobs over the year. Strongest job growth has been in Architectural, Engineering, and Related Services, up 5,800 jobs or 8.4 percent, and Computer Systems Design and Related Services, up 2,400 jobs or 8.2 percent.

**Education and Health Services** added 1,100 jobs over the month, up 0.3 percent. June gains were driven by an increase of 2,200 jobs in Ambulatory Health Care Services, where employment in all types of outpatient medical offices is found. Educational Services incurred a seasonal decline of 600 jobs in June, down 1.2 percent. The super sector was up 12,500 jobs or 3.7 percent over the year. The majority of new jobs are found in Health Care and Social Assistance where Ambulatory Healthcare Services was up 7,600 jobs or 5.6 percent and Hospitals was up 2,600 jobs or 3.4 percent. Educational Services experienced the fastest pace of expansion, up 2,700 jobs or 5.6 percent over the year.

**Leisure and Hospitality** added 1,600 jobs in June. The 0.6 percent increase was much weaker than normal due to an uncharacteristic decline in Food Services and Drinking Places, down 400 jobs. The super sector added 11,900 jobs over the year, up 4.3 percent. Most of the growth is found in Food Services and Drinking Places, up 9,400 jobs or 4.2 percent. Accommodations, where hotels are found, reported an increase of 900 jobs over the year, up 3.8 percent. Arts, Entertainment, and Recreation added 1,600 jobs over the year, up 5.1 percent. Population growth continues to drive demand in the Leisure and Hospitality super sector.

**Other Services** reported an uncharacteristic loss of 1,100 jobs in June ending five consecutive months of payroll expansion. The super sector was up 1,500 jobs or 1.5 percent over the year. 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 loss of 9,400 jobs in June, down 2.4 percent. The super sector was up 10,000 jobs or 2.7 percent over the year. Most of the increase was in Local Government, up 9,800 jobs or 3.7 percent, with 7,200 of the jobs found in Local Government Educational Services.

## NONAGRICULTURAL EMPLOYMENT

### Houston-Sugar Land-Baytown MSA

	JUN 2014	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,886,500	3,500	0.1%	87,500	3.1%
Total Private	2,512,000	12,900	0.5%	77,500	3.2%
Goods Producing	570,100	3,300	0.6%	19,200	3.5%
.Mining and Logging	114,100	2,400	2.1%	6,700	6.2%
...Oil and Gas Extraction	62,300	1,000	1.6%	3,500	6.0%
...Support Activities for Mining	50,300	1,200	2.4%	2,800	5.9%
.Construction	196,300	-500	-0.3%	5,600	2.9%
..Construction of Buildings	53,600	1,400	2.7%	4,900	10.1%
..Heavy and Civil Engineering Construction	46,900	-800	-1.7%	-1,500	-3.1%
..Specialty Trade Contractors	95,800	-1,100	-1.1%	2,200	2.4%
.Manufacturing	259,700	1,400	0.5%	6,900	2.7%
..Durable Goods	173,900	600	0.3%	2,200	1.3%
...Fabricated Metal Product Manufacturing	60,200	-800	-1.3%	800	1.3%
...Machinery Manufacturing	58,000	400	0.7%	1,200	2.1%
....Agriculture, Construction, and Mining Machinery Manufacturing	43,500	500	1.2%	1,100	2.6%
...Computer and Electronic Product Manufacturing	19,100	-100	-0.5%	0	0.0%
..Non-Durable Goods	85,800	800	0.9%	4,700	5.8%
...Petroleum and Coal Products Manufacturing	12,900	300	2.4%	500	4.0%
...Chemical Manufacturing	37,000	400	1.1%	1,200	3.4%
Service Providing	2,316,400	200	0.0%	68,300	3.0%
.Private Service Providing	1,941,900	9,600	0.5%	58,300	3.1%
..Trade, Transportation, and Utilities	581,400	3,000	0.5%	17,100	3.0%
...Wholesale Trade	158,000	2,000	1.3%	7,700	5.1%
....Merchant Wholesalers, Durable Goods	93,500	1,100	1.2%	4,700	5.3%
.....Professional and Commercial Equipment and Supplies Merchant Wholesalers	11,000	0	0.0%	300	2.8%
....Merchant Wholesalers, Nondurable Goods	43,700	400	0.9%	1,800	4.3%
...Retail Trade	286,600	-200	-0.1%	3,300	1.2%
....Motor Vehicle and Parts Dealers	37,600	300	0.8%	1,500	4.2%
....Building Material and Garden Equipment and Supplies Dealers	21,000	-700	-3.2%	-300	-1.4%
....Food and Beverage Stores	60,700	0	0.0%	900	1.5%
....Health and Personal Care Stores	18,000	300	1.7%	300	1.7%
....Clothing and Clothing Accessories Stores	29,500	200	0.7%	100	0.3%
....General Merchandise Stores	62,100	300	0.5%	-700	-1.1%
.....Department Stores	20,500	0	0.0%	100	0.5%
.....Other General Merchandise Stores	41,600	300	0.7%	-800	-1.9%
...Transportation, Warehousing, and Utilities	136,800	1,200	0.9%	6,100	4.7%
....Utilities	16,400	100	0.6%	100	0.6%
.....Air Transportation	23,100	0	0.0%	0	0.0%
.....Truck Transportation	24,900	400	1.6%	1,000	4.2%
.....Pipeline Transportation	9,700	0	0.0%	200	2.1%
..Information	33,200	300	0.9%	500	1.5%
...Telecommunications	15,200	100	0.7%	600	4.1%
..Financial Activities	145,500	1,100	0.8%	2,300	1.6%
...Finance and Insurance	91,600	700	0.8%	700	0.8%
....Credit Intermediation and Related Activities	43,700	300	0.7%	-700	-1.6%
.....Depository Credit Intermediation	28,900	100	0.3%	-900	-3.0%
....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	16,900	100	0.6%	200	1.2%
....Insurance Carriers and Related Activities	29,000	200	0.7%	-700	-2.4%
...Real Estate and Rental and Leasing	53,900	400	0.7%	1,600	3.1%

<b>NONAGRICULTURAL EMPLOYMENT</b> <b>Houston-Sugar Land-Baytown MSA</b>	<b>JUN 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>	442,200	3,600	0.8%	12,500	2.9%
...Professional, Scientific, and Technical Services	216,600	2,900	1.4%	13,900	6.9%
....Legal Services	24,500	600	2.5%	300	1.2%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	20,500	-200	-1.0%	400	2.0%
....Architectural, Engineering, and Related Services	75,100	700	0.9%	5,800	8.4%
....Computer Systems Design and Related Services	31,800	500	1.6%	2,400	8.2%
...Management of Companies and Enterprises	25,100	400	1.6%	800	3.3%
...Administrative and Support and Waste Management and Remediation Services	200,500	300	0.1%	-2,200	-1.1%
....Administrative and Support Services	189,600	-300	-0.2%	-3,500	-1.8%
.....Employment Services	78,400	2,200	2.9%	1,100	1.4%
.....Services to Buildings and Dwellings	48,600	1,100	2.3%	1,300	2.7%
<b>..Educational and Health Services</b>	348,400	1,100	0.3%	12,500	3.7%
...Educational Services	51,000	-600	-1.2%	2,700	5.6%
...Health Care and Social Assistance	297,400	1,700	0.6%	9,800	3.4%
....Ambulatory Health Care Services	143,700	2,200	1.6%	7,600	5.6%
....Hospitals	79,800	-100	-0.1%	2,600	3.4%
<b>..Leisure and Hospitality</b>	289,400	1,600	0.6%	11,900	4.3%
...Arts, Entertainment, and Recreation	33,000	1,400	4.4%	1,600	5.1%
...Accommodation and Food Services	256,400	200	0.1%	10,300	4.2%
....Accommodation	24,700	600	2.5%	900	3.8%
....Food Services and Drinking Places	231,700	-400	-0.2%	9,400	4.2%
<b>..Other Services</b>	101,800	-1,100	-1.1%	1,500	1.5%
<b>Government</b>	374,500	-9,400	-2.4%	10,000	2.7%
.Federal Government	27,200	-100	-0.4%	-300	-1.1%
.State Government	70,700	-2,100	-2.9%	500	0.7%
..State Government Educational Services	37,600	-2,000	-5.1%	300	0.8%
.Local Government	276,600	-7,200	-2.5%	9,800	3.7%
..Local Government Educational Services	191,100	-7,800	-3.9%	7,200	3.9%

<b>UNEMPLOYMENT RATE</b>	<b>JUN 2014</b>	<b>MAY 2014</b>	<b>JUN 2013</b>
H-S-B MSA	5.4	5.0	6.7
Texas (Actual)	5.5	5.1	6.9
United States (Actual)	6.3	6.1	7.8

**Houston-Sugar Land-Baytown MSA:** Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and San Jacinto & Waller Counties. 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.