

# The Gulf Coast Workforce Board Tentative Agenda

10:00 a.m. Tuesday, February 3, 2009

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

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*The Gulf Coast workforce system helps employers meet their workforce needs and individuals build careers so both can compete in the global economy.*

**1. Call to Order and Determination of Quorum**

**2. Adoption of Agenda**

**3. Public Comments**

**4. Minutes from December, 2008 meeting**

**5. Declarations of Conflict of Interest**

**6. Chairman's and Committee Reports**

The Board Chair will discuss activities and information from the National Association of Workforce Boards.

- a. Audit/Monitoring.* The Committee Chair will report on the most recent meeting.
- b. Strategic Planning.* The Committee Chair will report on the most recent meeting and review of 2008 performance against Board measures.
- c. Early Education & Care.* The Committee Chair will report on the When I Grow Up – new service available for K-2nd grade teachers about high-skill, high-growth jobs.
- d. Education.* Committee member Allene Schmitt will report on the committee's work in promoting career information.
- e.* Recognition of Board members with expiring terms.

**7. Action Items**

- a. Employer Service.* Consider committee's recommendations for updating Board's Targeted Industries and High-Skill, High-Growth Occupations and renewing third year contract with Gilbreath Communications, Inc. in amount not to exceed \$600,000.
- b. Nominating.* Consider committee's recommendations and elect 2009 Board officers.

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**8. Information**

- a. *System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
- b. *Expenditures.* Staff will report on current 2008 expenditures.

**9. Labor Market Report**

Staff will provide monthly report on employment statistics and trends in the Gulf Coast Labor Market

**10. Adjourn**

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**MINUTES OF  
THE GULF COAST WORKFORCE DEVELOPMENT BOARD  
TUESDAY, DECEMBER 2, 2008**

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**MEMBERS PRESENT:**

Gerald Andrews	Janell Baker	Elaine Barber
Ron Bourbeau	Carl Bowles	Bill Crouch
Mary Duran	Yvonne Estrada	Joe Garcia
Mark Guthrie	John Hebert	Bobbie Henderson
Tracie Holub	Guy Robert Jackson	Birgit Kamps
Jeff Labroski	Ray Laughter	Kathleen Long
Steve Lufburrow	Lynn Lumsden	Carolyn Maxie
Mindy May	Don Nigbor	Linda O'Black
Randy Perry	Janice Ruley	Allene Schmitt
Richard Shaw	Frank Thompson	Evelyn Timmins

**H-GAC STAFF MEMBERS PRESENT**

Mike Temple  
David Baggerly  
Ginger Rogers  
Ron Borski

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, December 2, 2008, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

**ADOPTION OF AGENDA**

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

**PUBLIC COMMENT**

No one signed up for public comments.

**MINUTES FROM OCTOBER 7, 2008**

Mr. Thompson asked if there were any additions or corrections to the minutes for October 7, 2008. A motion was made and seconded to approve the minutes as presented. The motion carried.

### **DECLARATION OF CONFLICT OF INTEREST**

No one declared a conflict of interest.

### **CHAIRMAN'S AND COMMITTEE REPORTS**

Mr. Thompson explained that he was in Washington a few months ago and a continuing resolution was passed to keep doing business, but not much is coming out of Congress at this time. Mr. Thompson suggested that in the next session of Congress we might see an increase in funding for the Workforce Investment Act and specialized training.

#### Audit/Monitoring

Mr. Joe Garcia stated that the Audit & Monitoring Committee met on November 25, 2008 and the following items were discussed:

- The Attorney General's office has asked us to make sure our contractors correct problems with accessing the AG's child support data base.
- Houston Works staff needs to bring its child care financial aid process into compliance with franchise requirements.
- We received the Workforce Commission's draft report from its visit to us in July. The issues from this report are all related to offices operations and described above. We have been monitoring our contractors on all of these issues and have found we need to provide more technical assistance to staff to correct problems.

Staff has made 9 year-to-date visits with 1 year-to-date follow-up.

#### Employer Services

Mr. Gerald Andrews explained that the Employer Services Committee met at 9:00 am, prior to the Board meeting. Mr. Andrews stated that Nancy Tootle gave an excellent presentation on Updates in Energy Industry Initiatives.

Mr. David Baggerly reported on the Training Provider Report Card – 2000 to 2007, which is summary performance data for training providers offering training in high-skill, high-wage occupations for Workforce customers.

### **ACTION ITEMS**

- a. Employer Services. Consider committee's recommendations for setting unemployment insurance claimant job search requirements.

Mr. Andrews stated that to receive unemployment insurance payment in Texas, an individual must be ready, willing and able to work and actively seeking full-time work. The Texas Workforce Commission requires claimants to keep records of their work search activities and periodically state staff audits these records. In 2007, upon recommendation of its Employer Services Committee, the Board left the work search requirement for the Gulf Coast claimant at three job contacts per week.

Again this year, after surveying a cross-section of small, medium and larger employers who are actively using our services it was determined that three contacts per week were sufficient. The employers surveyed represented key industries – healthcare, construction, energy, community college, large nation-wide hotel chain and two federal government agencies.

A motion was made and seconded to require unemployment compensation claimants to make at least three job contacts per week in order to continue their eligibility for benefits. The motion carried.

- b. Budget. Consider committee's recommendations for the 2009 Board budget in an amount not to exceed \$178 million.

Ms. Yvonne Estrada explained that the Budget Committee met on November 18, 2008 and discussed that each year the Board approves a budget showing how it uses the revenues it receives to achieve the results set out in the Board's strategic plan. The proposed 2009 budget is \$178 million, 6.1% less than the 2008 budget.

- The drop in funds is not quite as large as we foresaw in June – due to some additional dollars for Hurricane Ike recovery. However, the biggest percentage cuts remain disproportionately in our core operations – career office and employer service staffing and locations. We are still projecting overall \$12 million less than we had in 2008.
- Over the past two budget years, we've lost about \$26 million in resources. We continue, however, to see an increase in the number of both businesses and people who use our services.
- We can expect to see an increase in office traffic as unemployment rates rise and the economy worsens in the region.
- There will be a new federal administration in January, 2009, and a new U.S. Congress. In addition to discussion about economic stimulus packages, we hear

some talk of possible increased resources for the national workforce system.

On the expenditure side of the budget, we again this year are proposing decreases across the system reflecting the decreases in our revenue.

- Employer Service operations reflect the contracting amounts approved in June, 2008 and the repositioning of staffing specialists from the Employer Service contractor to the career office contractors. We also have about \$600,000 less in money available to us for current worker training projects.
- The career office budgets are considerably smaller, again reflecting the Board's actions earlier this year. We have closed six local offices and converted three (Galveston, Northeast and Willowbrook) to smaller footprints and staffing. We're continuing to work with contractors on better ways to reach and serve customers where they live and work rather than using large, expensive office sites.
- The Research and Demonstration proposed budget is down about 22% again for 2009.
- We are proposing an operations budget for the Board staff of \$4.52 million, a decrease of 3.4%. The proposed Board operations budget represents 2.6% of our total budget.
  - We're proposing 27 full-time equivalent staff, the same as in 2008. Budgeted personnel costs reflect H-GAC's merit pool salary increase policy. As you may recall, H-GAC sets aside a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance.
  - As we did last year, we decreased amounts set aside for consultants.

A motion was made and seconded to approve the recommended proposed 2009 budget of \$178 million. The motion carried.

## **INFORMATION**

### Update following Hurricane Ike

Ms. Ginger Rogers gave an update on Hurricane Ike recovery – all 28 career office are open.

**Disaster Recovery Centers, Mobile Disaster Recovery Centers:** Traffic at the recovery centers has slowed. Many of the centers have closed.

- We anticipate the Galveston recovery center will be open for a while longer.

- We'll continue to staff sites needing our service. We remain in contact with all 25 open centers to monitor demand for our service. Currently, we're sending staff to six and providing information packets at 19 FEMA locations.

**Public Service Employment Jobs:**

We have agreements to provide 178 temporary workers for the following:

- Bolivar Peninsula Special Utility District
- Alvin
- Clute
- Deer Park
- Houston
- Sweeney
- Shore Acres
- Quintana
- H-GAC's Area Agency on Aging
- Collaborative for Children in Galveston

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2008. These measures gauge progress toward meeting the results set out in the Board's strategic plan.

*For Workforce Solutions*  
More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 32,200 employers this year which is 25% of the 128,700 employers identified for the Gulf Coast area. In October, we provided services to 6,942 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 3,416 employers, 2,909 returned to The Workforce Solutions for additional services. We are reviewing the target for this measure.

More and Better Jobs –

New jobs created – This information is captured quarterly and is averaged over two years.

We will report the first quarter data in February.

Customers employed by the 1<sup>st</sup> quarter after exit - 69,115 of the 86,696 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - 58,063 of the 94,271 who exited in the first quarter had earnings gains of at least 20%.

A Better Educated and Skilled Workforce –

Customers pursuing education diploma, degree or certificate who achieve one - Current performance exceeds the target. 2,579 of the 5,754 customers pursuing an education diploma, degree or certificate achieved one. We are reviewing this measure.

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

Because October is the first month of the state's performance year, we don't yet have a report on production indicators.

Of those indicators, we expect that the Temporary Assistance to Needy Families participation rates will continue to need attention.

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

Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report for ten months ending October 31, 2008. Mr. Temple explained that everything was on target and looked good.

**LABOR MARKET REPORT**

Mr. Ron Borski explained that the job growth continues to drop and initial claims for unemployment benefits are up nine months in a row. Workers are staying unemployed longer between jobs. The Gulf Coast Region's unemployment rate for October was 5.4 percent, up from 4.0 percent in October 2007.

**ADJOURN**

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

**Audit/Monitoring Committee**

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**Management Report**

October 2008 – January 2009

Contractors Monitored	Year to Date Visits	Follow-ups	Year to Date Follow-ups
4	10	10	10

**TRENDS**

**Career Offices**

- Some offices and contractors continue to have problems documenting service as required.
- Some offices need to improve the process for penalizing welfare recipients who aren't cooperating with us as required.
- The Attorney General's office has asked us to make sure our contractors correct problems with accessing the AG's child support data base.

**Other**

- We received the Workforce Commission's draft report from its visit to us in January. This is a special report related to offices proper accessing of the Office of Attorney General's child support data base. We have been monitoring our contractors on this issue and have found we need to provide more technical assistance to staff to correct problems. We recently provided a mandatory workshop for all office management staff regarding this problem.

## Strategic Planning Committee

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### Review of 2008 Performance and 2009 – 2013 Plan

#### The Planning Process

In 2003, the Board reviewed and adopted the “front-end” sections of its strategic plan: the core values, mission, vision, and expected results for the regional workforce system. Then in 2004, Board set in place the “back-end” piece that lays out a framework for quantifying progress toward the Board-established results: the measures, baselines and targets.

In May and June, 2008, the Committee and Board reviewed results from the first five-year plan and made changes to the strategic plan and measures, baselines and targets for the next five-year period: 2009 to 2013.

#### Performance Review

The Strategic Planning Committee periodically reviews performance against the targets for the regional workforce system and Workforce Solutions—the part of the system the Board controls. It met on January 21, 2009, with Committee Chair Carl Bowles and members Mark Guthrie, Evelyn Timmins, Richard Shaw and Bill Weaver to review 2008 performance against the Board measures.

Materials from this review – How Are We Doing? – follow this summary. The Committee notes that the region as a whole and Workforce Solutions exceeded targets for eight of the thirteen measures. For the measures where targets were not achieved:

- Three measures related to improving the workforce’s education levels proved more difficult to move upwards than anticipated. The Committee believes that helping create a better educated workforce will continue to be a focus for the Board.
- Two measures related to higher incomes for the region and Workforce Solutions’ customers were missed narrowly.

Overall, the Committee noted that the system continues to make progress toward the Board’s ultimate results.

#### What’s Next

The Committee also looked at 2013 targets for measures in the 2009 to 2013 strategic plan, approved last June. After some discussion about possible impact of the economic downturn on meeting targets, Committee members agreed to keep the previously approved targets in place. This information is found in the attached piece: Where We’re Going.

The Committee also asked the staff to include additional information about education credentials measure for Workforce Solutions (percentage of customers pursuing a credential who earn one) for future review, including

- more information by type of credential sought and earned (GED, high school diploma, vocational certificate, associate's degree, bachelor's degree, etc.);
- a two-year moving average as the calculation basis; and
- data on the obverse – percent of customers pursuing a credential who do NOT earn one

The Committee also discussed talking with the Texas Workforce Investment Council about periodically producing a return on investment report for the state's workforce system. This would be in lieu of developing an individual ROI measure just for the Board and the Gulf Coast region.

## How Are We Doing?

### 2008 Report on Achieving the Board's Results

#### Summary

In 2002, the Board adopted a strategic plan to guide its efforts toward helping employers meet their human resource needs and individuals build careers. In keeping with its key values – innovation, productivity, performance and results – the Board identified four results statements that describe the difference the Board intends to make in the Gulf Coast area. The Board's measures, developed from those statements, help determine progress towards achieving the results both for the region at large and for Workforce Solutions, our operating affiliate.

2008 is the last year of the initial strategic plan period. We have met targets for most of the Board measures – although some have presented particular challenges. The discussion below, of each family of measures and our performance against them, provides detail on the measures as well as some discussion of performance in the context of the Board's overall goals and operations.

#### More Competitive Employers

We use three measures as indicators of our success at improving the competitive position of our region's employers:

For the Regional Workforce System	For Workforce Solutions
<ul style="list-style-type: none"> <li> <b>Gross Regional Product</b>  <b>Exceeded 2008 target at \$299.2 billion</b>  This is about \$25 billion more than the original target. </li> </ul>	<ul style="list-style-type: none"> <li> <b>Market Share</b>  <b>Exceeded target at 25%</b>  We've increased the share of the region's employers we serve from about 7,500 or 7% (2002) to almost 31,000 or 25% (2008). </li> </ul>
	<ul style="list-style-type: none"> <li> <b>Customer Loyalty</b>  <b>Exceeded target at 71%</b>  We've also increased repeat business from 2,700 or 34% (2002) to almost 16,000 or 71% (2008). </li> </ul>

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

<b>Targeted Industry Title</b>	<b>2006 Penetration Rate</b>	<b>2007 Penetration Rate</b>	<b>2008 Penetration Rate</b>
Oil and Gas Extraction	6.70%	5.40%	3.37%
Support Activities for Mining	13.80%	14.60%	10.10%
Petroleum and Coal Products Manufacturing	23.70%	25.80%	12.96%
Building Equipment Contractors	13.80%	15.90%	18.50%
Computer Systems Design & Related Services	7.70%	7.90%	4.38%
Management, Scientific, & Technical Consulting Services	7.50%	9.70%	4.94%
Elementary & Secondary Schools, Public/Private	54.20%	47.00%	42.22%
Colleges, Universities, & Professional Schools. Public/Private	60.80%	68.50%	11.82%
Offices of Physicians	4.30%	9.00%	17.30%
General Medical & Surgical Hospitals, Public/Private	100.00%	77.70%	42.71%

<b>Targeted Industry Title</b>	<b>2008 Total Establishments</b>	<b>2008 Number Served</b>	<b>2008 Penetration Rate</b>
Oil and Gas Extraction	981	36	3.37%
Support Activities for Mining	782	79	10.10%
Petroleum and Coal Products Manufacturing	108	14	12.96%
Building Equipment Contractors	2,583	478	18.50%
Computer Systems Design & Related Services	2,510	110	4.38%
Management, Scientific, & Technical Consulting Services	3,621	179	4.94%
Elementary & Secondary Schools, Public/Private	270	114	42.22%
Colleges, Universities, & Professional Schools. Public/Private	110	13	11.82%
Offices of Physicians	4,716	817	17.30%
General Medical & Surgical Hospitals, Public/Private	96	41	42.71%

## A Better Educated Workforce

We use four measures as indicators of our success at improving the education level of the region's workforce:

For the Regional Workforce System	For Workforce Solutions
<ul style="list-style-type: none"> <li> <b>Percent of the population with an education credential</b>  <b>Did not meet target at 79%</b>                      The percentage of people holding any kind of education credential (GED, high-school diploma, associate, bachelors or graduate degree) remained largely unchanged at 79%. Our target was 80%.                 </li> </ul>	<ul style="list-style-type: none"> <li> <b>Percent of customers pursuing a credential who earn one</b>  <b>Exceeded target at 53%</b>                      We refined this measure to focus on customers pursuing GEDs, high school diplomas, and post-secondary degrees to mirror the regional measure and adjusted the original 2008 target of 20% to 40%.                 </li> </ul>
<ul style="list-style-type: none"> <li> <b>Percent of the population with a post-secondary credential</b>  <b>Did not meet target at 33%</b>                      Similarly, the percentage of people holding a post-secondary credential did not change from the previous year's performance of 33%. Our target was 36%.                 </li> </ul>	
<ul style="list-style-type: none"> <li> <b>Percent of those pursuing an education credential who earn one</b>  <b>Did not meet target at 19%</b>                      The overall percentage of people pursuing a credential who actually earned one remains unchanged from the 2002 benchmark at 19%. Our goal for 2008 was 21%. This measure is an aggregate of the number of people who attain a high school diploma, GED or post-secondary degree.                 </li> </ul>	

We have not made significant progress in increasing credential rates for the region as a whole. We want to reiterate what we stated in our 2007 strategic performance report, and highlighted in the Board's 2008 situation audit:

Both the state demographer, Steve Murdock and the Rice University sociologist, Stephen Kleinberg, noted our region and the state are at an important demographic crossroads. Many of our most skilled and educated workers are reaching retirement age. Many of the young people entering the workforce, by contrast, are not yet well educated. This trend is driven in part by the fact many entering the workforce come from groups traditionally with lower education levels than the population as a whole including African- Americans, Hispanics and immigrants. The Board took these challenges into account when setting goals for educational attainment. We thought the region should be able to slightly increase its overall skills levels (as measured by education credentials) even as diversity in the population increases. Unfortunately, it appears the region is struggling to maintain those 2002 levels.

A solution seems clear: we need more people successfully completing both secondary and post-secondary schools. Our strategic plan measures both the proportion of people in the region pursuing an education credential who obtain one, and the proportion of our customers pursuing an education credential who obtain one.

## More and Better Jobs

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

For the Regional Workforce System	For Workforce Solutions
<ul style="list-style-type: none"><li>• <b>Number of new jobs created</b> <b>Exceeded target at 2.6 million jobs</b> The number of new jobs created during a year in our region has grown from an 8,000 loss (2003) to an addition of more than 90,000 (2008).</li></ul>	<ul style="list-style-type: none"><li>• <b>Number of new jobs created as a result of Workforce Solutions partnering with other business organizations</b> <b>Exceeded target at over 2,200</b> In 2004, we worked with other business organizations to create 400 new jobs. Last year, we surpassed our goal of 1,500, creating more than 2,200 new jobs.</li></ul>
<ul style="list-style-type: none"><li>• <b>Percent of the population employed (16 years and older)</b> <b>Exceeded target at 62%</b> The percentage of people employed has hovered around 60% until this past year (2008) when it peaked at almost 62%.</li></ul>	<ul style="list-style-type: none"><li>• <b>Percentage of customers employed after leaving Workforce Solutions</b> <b>Exceeded target at 79%</b> Similarly, the percentage of customers employed after leaving Workforce Solutions has hovered around 76% until the past year (2008) when it peaked at nearly 79%.</li></ul>

## Higher Incomes

We use two measures as indicator of our success at increasing the income of resident in our region.

For the Regional Workforce System	For Workforce Solutions
<ul style="list-style-type: none"><li>• <b>Change in the region's per capita income</b> <b>Did not meet target at \$37,723</b> Our goal for the region's per capita income was \$38,748 (2008). Projected estimates show we missed the target by about \$1,000 at \$37,723.</li></ul>	<ul style="list-style-type: none"><li>• <b>Percentage of individual customers with earnings gains of at least 20% after leaving Workforce Solutions</b> <b>Did not meet target at 38%</b> The percentage of customers enjoying earnings gains of at least 20% after leaving Workforce Solutions has steadily increased from 31% (2004) to 38% (2008) although we missed our goal of 40%.</li></ul>

Our usual source for per capita income data has been the State Comptroller's office. These data are not available for several years, sometimes as many as four years. Although the information is interesting, the lag time limits its utility as a management tool.

We decided to calculate our own estimate of per capita income for 2008. We contracted with The Perryman Group to provide us with estimates of gross regional product, and we used population estimates from the Texas State Data Center. We expect estimates to change over time as data are adjusted. Given this, we don't think missing the target by \$1,000 is significant.

The percentage of customers with earnings gains of at least 20% after leaving Workforce Solutions is a measure we added last year. We over-estimated the system's ability to improve this number although we improved from the previous year. We set our 2013 target accordingly.

## Where We're Going

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### The Board's 2009-2013 Strategic Plan

#### What's Different

The most noticeable difference in the updated plan for 2009 to 2013 is the elimination of several measures for the regional economy. The regional economy is so big and dependent to a large degree on factors over which we have little influence. We will continue to report on regional economic indicators and projections for the region's economic performance, but we won't set targets for specific components of the regional economy.

A measure for return on investment (ROI) continues to be a development goal. The University of Texas' Ray Marshall Center produced a report for the Texas Association of Workforce Boards with an ROI estimate for the state as a whole and for each workforce board. We thought the results were interesting but largely not usable. Measuring return on public investments is, by nature, problematic.

#### The 2009 -2013 Measures and Targets

We set targets for the strategic measures and targets using direction from the Board's planning session in June, 2008 and information we gathered during the fall, 2008.

##### **For the Regional Workforce System**

###### *Education*

- 80 percent of the region's population (25 and older) will hold an education credential
- 36 percent of the region's population (25 and older) will hold a post-secondary degree
- 21 percent of those pursuing an education credential will earn one

###### *Job Creation*

- 2.8 million individuals will be employed in the region, reflecting 300,000 new jobs created

**For Workforce Solutions in 2013**

*Market Share*

- 30 percent of the region's employers will use Workforce Solutions

*Customer Loyalty*

- 75 percent of the region's employers will be repeat customers

*Education*

- 47 Percent of individual customers pursuing an education credential will earn one

*Employment*

- 80 percent of individual customers will be employed after leaving Workforce Solutions

*Job Creation*

- 2,200 new jobs will be created as a direct result of Workforce Solutions' partnering with other business organizations

*Income*

- 42 percent of individual customers leaving Workforce Solutions will have earnings gains of at least 20 percent

We see more education measures for the regional workforce system, reflecting both the importance of increasing educational attainment and improving credentialing rates. In other words, the region needs:

- More people with high-school diplomas (and equivalents) and post-secondary credentials, and
- More people pursuing high-school diplomas (and equivalents) and post-secondary credentials more will earn one.

This focus tracks with the message voiced through the Board's annual report card. If we can increase the number of the people in our region who have education credentials, and improve the credentialing rates of our educational institutions, everything else will follow suit.

## Early Education and Care Committee

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### When I Grow Up

### Background

As part of the Workforce Board's efforts to provide good career information for young people, their parents, teachers and counselors, we worked with the Houston Chronicle last year to provide curriculum materials on getting a first job to 8,775 high school students in 351 classrooms throughout the region. Gilbreath Communications, our communications contractor, developed the materials from one of our current workshops offered for the general public and targeted to young people looking for work.

We are again working with the Houston Chronicle to get good career information out, and this year, we're focusing on students and teachers in kindergarten through the second grade. Gilbreath has taken information from the Board's High-Skill, High-Growth Occupations list and developed curriculum and supporting materials for K-2 teachers to use.

### Current Situation

The new curriculum, called "When I Grow Up" focuses on eight careers projected to be in high demand as K-2 students are entering the workforce. Those careers are:

- ◆ Accountant
- ◆ Chemical Plant Operator
- ◆ Computer Software Engineer
- ◆ Geologist
- ◆ Plumber
- ◆ Police Patrol Officer
- ◆ Registered Nurse
- ◆ Secondary School Teacher

Committee Chair Bobbie Henderson will report on the effort at the February 3, 2009 Board meeting.

## Education Committee Update

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### Background

As a part of its work in how to implement the Board's expectations of higher graduation rates for high school students, the Education Committee has focused on providing the best labor market information available about jobs and opportunities and how to prepare for them. The key is getting the labor market information out to parents, students, and educators in inviting formats – encouraging students to complete their secondary education and move on to education or training for the good jobs of the future.

### Current Situation

The Education Committee's direction has resulted in the following products and services:

- ***Focus On profiles of key industries and growth occupations.*** These profiles are developed from the Board's High-Skill, High-Growth Occupations list. We distribute them through email blasts once a month, primarily to educators, but also to the general public. Each piece provides information about a targeted industry or a growth occupation, including expected demand, wages, and how to get training in order to do the job. All the Focus On pieces are available on our web site as well.
- ***The Career Cube.*** The Cube is an interactive, web-based tool for educators, parents, students, and the general workforce that highlights key industries in our region and the job opportunities in those industries. It launches February 1, 2009.
- ***Public relations campaign.*** To further spread information about good jobs, the Committee recommended, and the Board approved, funds to complete a public relations package for speakers to use in community and school presentations throughout the region. We will have the package complete in March, 2009.
- ***When I Grow Up.*** In collaboration with the Houston Chronicle, Gilbreath Communications, our marketing contractor, has developed a curriculum and supporting materials for K-2 teachers to expose their students to information about good jobs of the future.
- With leadership from committee members Tracie Holub, Sarah Wroblewski, and Allene Schmitt, we are working with a group of career and technology educators from six school districts to embed our labor market information in school career planning tools for kids. This work group is also exploring ways to make our labor market information available to schools and districts that may want to use it in planning how to allocate funds for career technology classes.

## Don Nigbor

Don Nigbor, who chaired the Education Committee since its creation, recently retired from the Board. We would like to thank Don for his service and leadership and wish him all the best in the future.

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

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## Updates

## 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 2006 to 2016 and looked for industries that fit the following criteria:

1. Industries with a projected employment growth of at least 8,000 new jobs from 2006-2016 (an average of 800 jobs per year)
2. Industries with projected employment growth rate equal to or greater than the average growth rate for all industries in the region for the period 2006 to 2016. (>24.1)
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 actually several different groups of employers within this larger sector – however, 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 creation of the Health Services by combining Offices of Physicians with General Medical & Surgical Hospitals and Specialty Hospitals

## **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 2016 equal to or greater than the average for all occupations in the region (4,596)
- a projected employment growth rate equal to or greater than the average growth rate for all industries in the region (24.1 %)
- 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 (\$14.76 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 <sup>1</sup> DRAFT

Selected Three and Four-Digit Industries Grouped by Three-Digit NAICS Codes Ranked by Number of Employees in First Quarter of 2008

NAICS	Industry Title	1st Qtr 2008 Employment	4-Digit % of 3-Digit Totals	# of Units With 100 Employees or More	Employment Growth			Percent Change	Avg Wkly Wages <sup>3</sup>
					Annual Averages 2006	2016	Absolute Change <sup>2</sup>		
<b>611</b>	<b>Educational Services</b>	<b>256,996</b>	<b>100.0%</b>	<b>406</b>	<b>265,050</b>	<b>370,750</b>	<b>105,700</b>	<b>39.9</b>	<b>\$979</b>
6111	Elementary & Secondary Schools, Public/ Private	23,493	9.1%	371	181,000	260,050	79,050	43.7	\$904
6113	Colleges, Universities, & Professional Schools, Public/Private	182,416	71.0%	29	60,650	79,500	18,850	31.1	\$1,324
<b>541</b>	<b>Professional and Technical Services</b>	<b>185,819</b>	<b>100.0%</b>	<b>228</b>	<b>168,550</b>	<b>215,400</b>	<b>46,850</b>	<b>27.8</b>	<b>\$1,579</b>
5415	Computer Systems Design & Related Services	24,496	13.2%	17	23,100	31,900	8,800	38.1	\$1,859
5416	Management, Scientific, & Technical Consulting Services	23,493	12.6%	31	19,850	31,800	11,950	60.2	\$1,835
	<b>Health Services</b>	<b>104,780</b>	<b>100.0%</b>	<b>155</b>	<b>122,400</b>	<b>177,500</b>	<b>55,100</b>	<b>45.0</b>	<b>\$1,114</b>
6211	Offices of Physicians	40,281	38.4%	25	35,900	55,700	19,800	55.2	\$1,310
6221	General Medical & Surgical Hospitals, Public/Private	60,944	58.2%	129	67,850	94,800	26,950	39.7	\$997
6223	Specialty Hospitals, Ex. Psychiatric/Substance Abuse, Public/Private	3,555	3.4%	1	18,650	27,000	8,350	44.8	\$888
<b>238</b>	<b>Specialty Trade Contractors</b>	<b>104,504</b>	<b>100.0%</b>	<b>168</b>	<b>93,050</b>	<b>113,600</b>	<b>20,550</b>	<b>22.1</b>	<b>\$868</b>
2382	Building Equipment Contractors	42,461	40.6%	66	38,450	46,150	7,700	20.0	\$946
	<b>Oil and Natural Gas Extraction and Manufacturing</b>	<b>99,351</b>	<b>100.0%</b>	<b>80</b>	<b>89,150</b>	<b>112,800</b>	<b>23,650</b>	<b>26.5</b>	<b>\$3,528</b>
211	Oil and Gas Extraction	45,556	45.9%	22	41,100	51,800	10,700	26.0	\$4,461
213	Support Activities for Mining	41,016	41.3%	45	36,050	49,200	13,150	36.5	\$2,590
324	Petroleum and Coal Products Manufacturing	12,779	12.9%	13	12,000	11,800	-200	-1.7	\$3,214
	Totals (for the above targeted industries)	500,490	n/a	749	534,600	739,700	205,100	40.0	\$1,716
	Total All Industries Public and Private	2,576,338	n/a	3,553	2,746,050	3,409,000	662,950	24.1	\$1,102

1. Criteria used to identify the targeted industries:

- Industries with a projected employment growth of at least 8,000 new jobs from 2006-2016 (an average of 800 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 2006 to 2016. ( $\geq 24.1$ )
- 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 2008 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.

## Gilbreath Communications, Inc.

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### Third Year Contract

### Background

During the past year, marketing activities and events provided visibility for the Board and the Workforce Solutions system with both employers and residents throughout the region. Following is a brief summary of the products and services Gilbreath Communications, Inc. delivered during the second year of its 2007-2009 marketing services contract.

- **Media & Advertising.** To comply with the name change mandated by the Texas Workforce Commission, Gilbreath Communications developed and implemented a transition plan that would introduce the new name with the least possible disruption to system activities and provide minimal loss of brand awareness among employer and resident customers.
- **Creative & Collateral.** Gilbreath was able to maintain elements of the graphic identity, which translated to great cost efficiencies in the revision and printing of customer and office materials. Ahead of the deadline, Gilbreath updated and printed the entire Workforce Solutions collateral library. In addition to the transition campaign, Gilbreath created the Career Cube, an online portal for career education resources in four key regional industries -- Aerospace, Construction, Energy and Healthcare. And, to introduce students in grades K – 2 to high growth careers, Gilbreath created the *When I Grow Up* curriculum.
- **Public Relations & Events.** Gilbreath Communications helped Workforce Solutions plan and coordinate a second successful Port of Houston-wide Job Fair, which expanded to the George R. Brown Convention Center. Additionally, GCI educated and prepared the media for the mandated name change.
- **Market Research.** GCI facilitated Focus Group discussions for Workforce Solutions, including two discussions among consumer “job seekers” and two online bulletin board discussions among “employers”.

### Current Situation

For the next year, we will stabilize our marketing activities and build continuity in our media and advertising efforts to create a stream of messages promoting the services of the entire Workforce Solutions system. As we continue to educate and build awareness among our audiences, we will create and update operational materials, plan events i.e. Veterans Virtual Job Fair, increase our PR efforts and develop additional outreach communications tools, with particular attention

focused on the career planning initiatives launched in the second year of the contract. Priority employer evaluation research will continue in 2009.

We propose the following budget and work plan for the third year:

Creative Production and Materials	Electronic, print and outdoor production; translations; Web automated translation program and update; concept design & layout development; collateral: direct mail, newsletters, operational materials.	\$	200,000
Research	Quarterly Priority Employer Evaluation research.	\$	40,000
Media & Advertising, Public Relations	Radio, outdoor, print, Web advertising; directories, including yellow pages; direct mail postage, media outreach, media tracking, delivery	\$	175,000
Special Events	Company Job Fair, Virtual Job Fair, Web Broadcasts, Sponsorships	\$	75,000
Account Service, Management and Media Buying	Agency services, consulting, planning, budgeting, media stewardship, media relations, and outreach.	\$	110,000
<b>Total Proposed Third Year Contract</b>		<b>\$</b>	<b>600,000</b>

## Action

Authorize a third year contract with Gilbreath Communications, Inc. in an amount not to exceed \$600,000.

**Gulf Coast Workforce Board**  
**System Performance**  
October through December, 2008

### 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 32,200 employers this year which is 25% of the 128,700 employers identified for the Gulf Coast area. Through December, we provided services to 12,114 employers.	25%	9.4%	24.5%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 7,430 employers, 6,260 returned to Workforce Solutions for additional services.	72%	74.8%	70.7%

## More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> This information is captured quarterly. We added 600 new jobs in the first quarter of the performance year.	1,500	600	2,234
<u>Customers employed by the 1st Qtr after exit</u> In first quarter, 69,244 of the 86,709 customers who exited from services were employed in the quarter after exit.	78%	79.9%	78.9%

## Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> 53,893 of the 143,176 who exited had earnings gains of at least 20%.	40%	37.6%	38.0%

## A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> 118 of the 1,627 customers pursuing an education diploma, degree or certificate achieved one.	40%	6.5%	38.0%

## Production

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

Of these seventeen measures we are not meeting the target for three measures.

- WIA Adult Average Earnings. The target for this measure is \$12,400. Our performance for two quarters was \$11,580.
- Literacy and Numeracy Gains. This is a youth measure. The target is 35%. Our performance is 25%.
- Claimant Reemployment. The target for this measure is 67%. Our performance for two quarters was 63.5%

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD**  
**FINANCIAL STATUS REPORT**  
For the Twelve Months Ended December 31, 2008

	<b>ANNUAL BUDGET</b>	<b>BUDGET YEAR TO DATE</b>	<b>ACTUAL YEAR TO DATE</b>	<b>DOLLAR VARIANCE</b>
<b>WORKFORCE REVENUES</b>				
WORKFORCE REVENUES	<b>189,936,074</b>	<b>189,936,074</b>	<b>185,096,303</b>	<b>4,839,771</b>
<b>WORKFORCE EXPENDITURES</b>				
BOARD ADMINISTRATION	<b>4,741,978</b>	<b>4,741,978</b>	<b>4,743,109</b>	<b>(1,131)</b>
EMPLOYER SERVICES	<b>6,950,000</b>	<b>6,950,000</b>	<b>7,211,013</b>	<b>(261,013)</b>
RESIDENT SERVICES	<b>176,894,096</b>	<b>176,894,096</b>	<b>172,040,486</b>	<b>4,853,610</b>
OFFICE OPERATIONS	65,484,505	65,484,505	58,429,263	7,055,242
FINANCIAL AID	111,409,591	111,409,591	113,611,223	(2,201,632)
RESEARCH & DEMONSTRATION	<b>1,350,000</b>	<b>1,350,000</b>	<b>1,101,695</b>	<b>248,305</b>
<b><i>TOTAL WORKFORCE EXPENDITURES</i></b>	<b>189,936,074</b>	<b>189,936,074</b>	<b>185,096,303</b>	<b>4,839,771</b>

**VARIANCE ANALYSIS**

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

GULF COAST WORKFORCE BOARD  
Employment Trends

FEBRUARY 2009  
DECEMBER 2008 DATA

**The national numbers are big.** For the month of December, the national over-the-year job loss was the largest on record. The data goes back to 1940 and there was no other December with a loss greater than the 2,815,000 lost in December 2008 over December 2007. There were a couple of months in 1945, September and October, where the over-the-year job loss was over 3 million. But looking at the rate of job loss makes the story a little different. The national job count was down 2.0 percent over the year. That was no record, but one would still have to go back over 25 years to find a greater percent loss. In 1982 the over-the-year job loss was 2.4 percent in December. Worse still, in 1945 the over-the-year job loss for December was 6.2 percent, or 2.6 million jobs.

**Some of the recent announcements for job cuts are not in the data.** The data on the next page, Table 1, shows the levels of employment for the current month, month ago, and year ago for the Gulf Coast Region<sup>1</sup>. December's job count was up 57,300, or 2.2 percent from December 2007. The data would lead one to believe that businesses were adding jobs during the last two months of 2008. Both November and December had higher over-the-month job gains than last year. Recent layoff announcements will not be in the job count until the January and February reports are released in March.

**No change in this month's unemployment rate.** The Gulf Coast Region's unemployment rate for December was 5.5 percent, up from 4.2 percent in December 2007, but unchanged from the November rate. The unemployment rate is usually lower in the month of December as seasonal workers are employed in retail trade for the holidays. As the region's unemployment rate remains somewhat steady, the national numbers climbed from 4.8 percent in December 2007 to 7.1 percent in December 2008.

**Initial Claims for unemployment benefits are higher than usual for December.** There were 21,567 claims filed in December 2008, up 10,879 (101.8 percent) from December 2007 (Chart). Current information goes back to the year 2000. The next highest number of claims for December was in 2002, when 18,710 claims were filed.

Reports on the characteristics of the insured unemployed reveal that the sectors with the largest increases of unemployed workers over the year are services, up 5,155, and retail trade, up 2,593. From December 2007 to December 2008, the number of people who are listed in the category "15 & over Weeks of Current Duration" was up 6,880 (104.5%).

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

Table 1

Industry	Houston-Sugar Land-Baytown MSA						% Chg. Dec-07 TO Dec-08
	Dec-08	Nov-08	Dec-07	NET CHANGE FROM		Dec-08	
				Nov-08 TO Dec-08	Dec-07 TO Dec-08		
Total Nonfarm	2,666,100	2,651,400	2,608,800	14,700	57,300	2.2%	
NATURAL RESOURCES & MINING	93,300	92,700	87,300	600	6,000	6.9%	
CONSTRUCTION	204,000	204,200	199,800	-200	4,200	2.1%	
MANUFACTURING	236,800	236,400	236,700	400	100	0.0%	
DURABLE GOODS	156,500	156,600	155,800	-100	700	0.4%	
NONDURABLE GOODS	80,300	79,800	80,900	500	-600	-0.7%	
TRADE, TRANSP., & UTILITIES	552,800	542,500	541,500	10,300	11,300	2.1%	
WHOLESALE TRADE	139,900	139,300	136,800	600	3,100	2.3%	
RETAIL TRADE	284,200	276,700	276,700	7,500	7,500	2.7%	
TRANSP, WAREHOUSING, & UTIL	128,700	126,500	128,000	2,200	700	0.5%	
INFORMATION	36,500	36,500	37,200	0	-700	-1.9%	
FINANCIAL ACTIVITIES	148,900	148,700	146,500	200	2,400	1.6%	
PROFESSIONAL & BUSINESS SERV.	399,700	398,900	390,000	800	9,700	2.5%	
EDUCATION & HEALTH SERV.	297,400	296,000	289,300	1,400	8,100	2.8%	
LEISURE & HOSPITALITY	232,200	231,000	229,000	1,200	3,200	1.4%	
OTHER SERV.	94,700	94,500	94,500	200	200	0.2%	
TOTAL GOVERNMENT	369,800	370,000	357,000	-200	12,800	3.6%	
FEDERAL	29,500	29,500	29,000	0	500	1.7%	
STATE	73,300	73,300	71,200	0	2,100	2.9%	
LOCAL	267,000	267,200	256,800	-200	10,200	4.0%	

Chart

