

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw
Mike Temple

Date: January 26, 2011

Subj: Board Meeting Materials for Tuesday, February 1, 2011

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, February 1, 2011**, in the second floor Conference Room A, 3555 Timmons, Houston.

Chairman's and Committee Reports. Chair Thompson will report on any breaking news from the current legislative session. We want to take a moment to recognize employees in the system that have done well in delivering the Texas Back to Work Program. Following the recognition, Chairman Garcia will update the Board on the recent Audit/Monitoring Committee meeting. The committee reviewed our progress on correcting documentation and heard a report on the draft state monitoring report from last summer.

Action Items. The Employer Services Committee will report on proposed standards for system vendors and the training provide report card. Procurement Committee Chair Guthrie will bring recommendations for youth services contracts. As a system, we were not getting youth service levels as expected through the career offices. The committee will bring funding recommendations for new contracts. The Procurement Committee, working with Audit/Monitoring Committee members, will also bring contract recommendations resulting from quality assurance reviews on compliance issues we have discussed the last several meetings. Most offices have made a dramatic improvement in documentation. Budget Committee Chair Estrada will present a recommended budget for the year's Board activities. Included with the budget detail is a one page comparison of the other Texas Workforce Boards' budgets. Nominating Committee Chair Hebert will bring a recommendation for Board officers and entertain nominations from the membership.

Information Items. Attached is summary information on current performance and for last year. We hope the new contracts will address youth performance issues.

Employment and wage measures are likely to improve with the job market. Also included is expenditure information and a glance at the local economy.

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

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, February 1, 2011 at 10:00 a.m.
H-GAC Conference Room A
3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review December 2010 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Committee Reports**
 - a. Recognize staff for outstanding performance in Texas Back to Work
 - b. *Audit/Monitoring.* The committee's chair will provide an update from the January 2011 meeting.
7. **Take Action**
 - a. *Employer Service.* Consider recommendations to set training vendor requirements.
 - b. *Procurement.* Consider recommendations to fund special at-risk youth contracts in amount not to exceed \$1 million.
 - c. *Procurement.* Consider recommendations for contract action as a result of the third round of special quality assurance reviews.
 - d. *Budget.* Consider proposed 2011 Board budget of \$214.8 million.
 - e. *Nominating.* Consider recommendations and hear nominations for Board officers.
8. **Receive Information**
 - a. *System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
 - b. *Expenditures.* Staff will report on current expenditures.
9. **Look at the Economy**

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



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**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, DECEMBER 7, 2010**

MEMBERS PRESENT:

Dula Abdu	Gerald Andrews	Willie Alexander
Betty Baitland	Carl Bowles	Bill Crouch
Sal Esparza	Joe Garcia	Mark Guthrie
John Hebert	Bobbie Henderson	Tracie Holub
Eduardo Honold	Guy Robert Jackson	Valeria Jackson-Forrest
Birgit Kamps	Jeffrey Labroski	Ray Laughter
Mindy May	Ronald McKinley	Michael Nguyen
Linda O'Black	Janice Ruley	Allene Schmitt
Richard Shaw	Kathy Shingleton	Gil Staley
Thomas Stinson	Evelyn Timmins	Frank Thompson
Sara Wrobleski		

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Ron Borski

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, December 7, 2010, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM OCTOBER 5, 2010

Mr. Thompson asked if there were any additions or corrections to the minutes for the October 5, 2010 meeting. 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 spoke about the Texas Workforce Commission Conference in Dallas, November 17 – 19, 2010 which several Board members recently attended. Mr. Thompson stated that Mark Guthrie is now the Chairman of the Texas Association of Workforce Board.

Audit/Monitoring

Mr. Joe Garcia stated that the Audit/Monitoring Committee had a brief meeting on November 30, 2010 to discuss the process and schedule for Round 3 Special Reviews and the Youth Services RFP. The Regional Quality Assurance Team has started the annual review at offices for customer service and compliance with rules and procedures. The team has completed visits at Astrodome, Pasadena, Westheimer and Baytown, and we expect to issue reports within the next two weeks. Mr. Garcia explained that we have seen some improvement in compliance, but we continue to note issues with customer service.

The Team will begin the third round of special reviews for compliance items in early December and expect to have a report for the February meeting.

Early Education and Care

Dr. Bobbie Henderson explained that the State has delayed implementation of the Child Care Automated Attendance system for our areas until January 1, 2011. Previous implementation dates were scheduled for April 1, July 1, October 1, and November 1 of this year.

Some implementation issues have been identified in our area and across the State by the Workforce Commission.

1. The necessity to enter new customer data accurately and timely to facilitate a smoother transition from the current system to the new one.
2. Parents requesting replacement swipe cards are not receiving the cards until 7 to 14 days later.

3. Some parents are not using swipe cards which impacts the accuracy of attendance and may affect how a provider is paid and a parent's eligibility for child care.
4. Some providers have not received their Point Of Service machines.

Dr. Henderson explained that we are doing our part - Workforce Solutions Financial Aid Payment Office has hired additional staff to handle CCAA-related calls from providers and customers. And they have informed all child care providers about the requirement to use the system and to report attendance through the Child Care Automated Attendance (CCAA).

Dr. Henderson stated that she visited some of our child care centers and saw for herself that there were some problems with the system that need to be resolved. She also attended a Child Care Quality Meeting and was pleased to see what a great job the Quality Contractors are doing.

Mr. Thompson explained that the Board was awarded a check for \$100,000 at the TWC Conference for the work we have done with child care.

Education

Dr. Kathy Shingleton stated that Education Committee met on Tuesday, November 30, 2010 and heard a presentation from Donna Scott and Dr. Robert Wimpelberg of ALL KIDS ALLIANCE. The Alliance began five years ago as the Greater Houston P-16 Council to improve the lives and educational achievement of children in our region.

The Alliance vision is of a region in which our children and youth are —

- Ready for college and career
- Academically successful
- Socially, emotionally, and physically healthy
- Able to enjoy and contribute to our communities' quality of life

Dr. Shingleton gave a brief summary of the meeting and stated that the Committee invited ALL KIDS ALLIANCE to the April 5 board meeting to provide an overview of their model and present a regional overview of the academic baseline indicators.

Awards

Mr. Thompson explained that the recent state-wide TWC conference employers from our region were recognized at the event. This year Gulf Coast Workforce Board submitted three nominations and all three received recognition at the conference.

Local Employer of Excellence – Shriners Hospital for Children in Galveston
Texas Employer of the Year – National Oilwell Varco
2010 Texas Employer of the Year – The Dow Chemical Company

National Oilwell Varco was recognized but did not receive a plaque at the conference. The Board wanted to recognize them and Mr. Thompson presented Mr. Len Ridgely, Regional Training Manager with a plaque and who then said a few words to the Board.

Mr. Bruce Raiff, Texas Operations Learning Leader from Dow Chemical spoke to the Board and showed a short video about Dow Chemical.

Representing Shiners Hospital was Ms. Lynn Clements, Human Resource Manager, Ms. Kym Barajaz, Human Resource Generalist and Ms. Cookie Mendez, Human Resource Generalist. Ms. Clements thanked Ms. Laura Baumgartner, Workforce Solutions – Texas City for all her help and support to reopen the hospital after Hurricane Ike on November 5, 2010.

ACTION ITEMS

- a. Employers Services. Consider recommendations from the committee for work search requirements.

Mr. Gerald Andrews stated that Employers Services met on November 29, 2010 by teleconference to discuss the work search requirements. Mr. Andrews explained that to receive unemployment insurance payments 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 2009, upon recommendation of its Employer Services Committee, the Board approved the work search requirement for Gulf Coast claimants at three job contacts per week.

TWC asks that the Board annually review the work search requirements and determine if it wants to change the required number of weekly contacts.

As in previous years, we continue to point out that our region's employers have said they prefer to see fewer, higher quality candidates from us. Our employers have also said they would prefer that we do a better job of matching candidates to their specifications and make sure our candidates know how to interview well for the job on which we've sent them. Our employers would prefer to see better matching rather than a higher volume of applicants for their open jobs.

For these reasons, we continue to recommend that the committee set the required number of job searches at three per week.

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

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2010 (first month of fiscal year). These measures gauge progress toward meeting the results set out in the Board's strategic plan. There are two sets of measures: one for the regional workforce system and one for the Board's operating affiliate, Workforce Solutions. The report is based on Workforce Solutions measures.

For Workforce Solutions

More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 37,120 employers this year which is 28% of the 132,569 employers identified for the Gulf Coast area. In October, we provided services to 7,460 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 4,195 employers, 3,691 returned to The Workforce Solutions for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average. We worked with employers who added 3,312 new jobs annually. We will not update performance until January 2011.

Customers employed by the 1st quarter after exit – Reporting for one quarter (October 09 – December 09), 68,888 of the 104,334 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - Reporting for one quarter (April 09 – June 09), 26,623 of the 115,717 who exited had earnings gains of at least 20%.

A Better Educated and Skilled Workforce –

Customers pursuing education diploma, degree or certificate who achieve one – In October, 56 of the 3,001 customers pursuing an education diploma, degree or certificate achieved one.

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

Of these fifteen measures we are not meeting the target for seven measures.

- Claimant Reemployment. The target for this measure is 59%. Our performance for October was 46.4%.
- Staff Created Job Openings filled. The target for this measure is 69%. Our performance for October was 60.2%.
- Staff Guided Entered Employment. The target for this measure is 60%. Our performance for October was 55.4%.
- WIA Youth Placement in Employment/Education. The target for this measure is 58%. Our performance for October was 40.5%.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance for October was 25.0%.

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

- Average Choices Single Parent Participation Rate. The target for this measure is 40%. Our performance for October was 27.0%.
- Average Choices Two Parent Participation Rate. The target for this measure is 55%. Our performance for October was 28.6%.

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

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for ten months ending October 31, 2010. Mr. Bradshaw explained that everything looks good and we have spent about 97 to 98% of the money for this year.

Mr. Bradshaw explained that performance on the compliance issues are looking good. We have been working with the center operators to meet the compliance measures – for TANF and Food Stamps. This has been a problem for the past year, but initial returns on performance are looking better. We hope to be able to tell you at the February meeting that all of our centers are meeting those standards.

LABOR MARKET REPORT

Mr. Bradshaw explained that Joel Wagher retired in November and Ron Borski will now handle the Labor market report for us. The Gulf Coast region's unemployment rate holds steady at 8.2 percent in October. Mr. Borski explained that President Obama extended tax cuts for 2years and extended unemployment benefits for an additional 13 months. October initial claims for unemployment benefits numbered 22,280 an increase of 2,077 over the month and a decreased of 3,554 from October, 2009.

ADJOURN

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

Texas Back to Work

Staff Recognition

Background

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

To achieve local hiring goals, the Workforce Solutions Employer Service staff helped employers fill their job openings by recruiting and prescreening eligible applicants in our service region and matching them with positions. Hiring goals were set and staff challenged to fill the most number of hires before the initial phase of the program ended September 30, 2010.

Staff Recognition

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

- **Vickie Worley**

- **Rosie Trevino**

Audit/Monitoring Committee

February 2011 Monitoring Update

Recent Activity

Career Offices. The Regional Quality Assurance Team completed annual reviews at four career offices. Findings are mixed: most offices are doing better on keeping good records, and some offices continue to have customer service issues.

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

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

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

Employer Service

Education and Training Vendor Performance Requirements Proposed 2011 Minimum Levels

Background

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

We maintain a network of vendors that provide education and training. Many of these vendors seek registration on the Workforce Commission's statewide training list.

Current Situation

Workforce Solutions requires Boards to set a minimum level of performance for training vendors registered on the state's list. Vendors must meet these performance levels for each course of training they wish to register. Vendors 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 Wage at Placement	80%

Action

Adopt the state-recommended performance levels for Gulf Coast vendors on the statewide list of certified training providers.

Procurement Committee

February 1, 2011 Board Meeting

The Procurement Committee meets Friday, January 28, 2011 to consider proposals for service to at-risk youth and to consider recommendations for contract action for the three career office contractors.

We will provide complete materials at the Board meeting after the Procurement Committee makes its decisions.

Following is a summary of the proposals received for the service to at-risk youth request.

Training Young People for Jobs Summary of Proposals Received

Proposer	Requested Funds
Because Houston Loves You	\$ 604,850
Bethel's Place	\$ 164,800
Beyond Careers	\$ 323,290
Change Happens	\$ 274,500
Combined Community Action, Inc.	\$ 156,507
Covenant House	\$ 220,729
Employment & Training Centers, Inc.	\$ 884,306
Engineering Excellence, Inc.	\$ 138,175
Fifth Ward Community Redevelopment Corporation	\$ 360,000
Goodwill Industries of Houston	\$ 1,000,000
Gulf Coast Trades Center, Inc.	\$ 444,106
Houston Area Urban League	\$ 605,591
HoustonWorks USA	\$ 330,317
HTEC-Houston Training and Education Center, Inc.	\$ 1,500,000
Montgomery County United Way, Inc.	\$ 1,116,807
Rainbow of Love	\$ 162,124
SER-Jobs for Progress of the Texas Gulf Coast	\$ 506,730
VisionQuest National, LTD	\$ 312,375

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Because Houston Loves You
TOTAL REQUEST: \$604,850
SERVICE AREA: Houston

SYNOPSIS: Because Houston Loves You (BHLY) is a private non-profit organization located in Houston, established five years ago to provide multiple community services including basic life skills, career training, health promotion, and health education. BHLY proposes to recruit and train 100 youth for employment in healthcare careers and place 50 youth. Of the occupations listed in the proposal, only Health Information Specialist and LVN are on the High-Skill, High-Growth List. BHLY proposes to offer program participants parenting classes, access to a GED classes, case management, and counseling.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$470,750
Facilities	\$20,000
Equipment (including computers)	\$17,000
Communications	\$7,000
Travel	\$900
All Office Expenses	\$7,600
Books and other student learning aid	\$4,000
Subcontracts	\$17,600
Other	\$40,000
Fee	\$20,000
Indirect	\$0
TOTAL	\$604,850

Subcontracts – \$17,600 appears to be used for contract evaluation and auditing. The costs described in the narrative however do not match the budget.

Other – \$40,000 for marketing, promotion, and professional campaign development.

Cost per Youth – \$6,049

Cost per Employed – \$12,097

COMMENTS: Budget narrative was hard to follow and did not correspond to the line item budget or the personnel cost detail. Travel in the budget narrative includes three local conferences and two trips to Washington D.C. The travel mileage rate used is \$1.50 per mile (higher than limit of \$.50 per mile). The budget includes the purchase of 8 computers and 10 security monitoring cameras. Proposal does not include the cost for training.

An independent audit was not provided. BHLY did provide an unsigned 2008 IRS form 990-EZ.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Bethel's Place
TOTAL REQUEST: \$164,800
SERVICE AREA: Southwest Houston

SYNOPSIS: Bethel's Place is a private non-profit organization located in southwest Houston, established in 2006 to provide service to low income young people and their families. They propose to expand their current program that provides GED preparation courses, jobs search training and assistance, gang resistance training, mentoring, entrepreneurial and leadership development. Partners include India House (GED ESL and Spanish), Houston Community College (GED, ESL and testing), Heavenly Hands (food and clothing assistance), Epiphany Community Outreach Services (GED), Knowledge First (GED and ESL), Be a Champion (after school and summer programs) and Houston Food Bank (food and snacks).

Bethel's Place will provide outreach and recruitment, eligibility determination and record keeping. Bethel will subcontract GED and ESL instruction to proposal partners. Project provides jobs search assistance, resume building and placement assistance. Budget includes funds to hire 4 GED and 2 ESL instructors. Project will pay for 50% of the cost to send 200 young people to their summer camp, and 25% of the cost for 200 young people to visit various local colleges. Project will pay for 200 kids to take Bethel's Health Program. Proposal offers information and referral services to people either in-person or over the phone. Project will serve 300 in GED classes, 100 in ESL and soft skills classes, 250 in jobs search and referrals, 400 in summer camp, 200 in the health program, 5,000 at the food and clothing pantry. 100 young people will be placed in jobs. Budget includes funding part of a program director, receptionist, volunteer coordinator and finance administrator.

Project goals are to improve academic performance, increase positive behaviors of at-risk students, and help youth become productive citizens by obtaining and sustaining employment.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$35,000
Facilities	\$24,000
Equipment (including computers)	\$0
Communications	\$1,200
Travel	\$0
All Office Expenses	\$3,600
Books and other student learning aid	\$5,000
Subcontracts	\$96,000
Other	\$0
Fee	\$0
Indirect	\$0
TOTAL	\$164,800

COMMENTS: Proposal does not include information on previous successful projects and contracts. Proposal budget states project will serve 17,050 but provides different numbers of people served in proposal narrative. Proposal does not address occupation-specific training or high-skill/high-growth jobs. Last item in budget details mentions 1,200 hours of volunteer time but proposal narrative provides no details.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Beyond Careers
TOTAL REQUEST: \$387,390
SERVICE AREA: Harris County—specifically Houston Community College Southeast region

SYNOPSIS: Beyond Careers proposes to enroll 500 young people into the project, a partnership project between Houston Community College Southeast, a contractor, Multicultural Action Group, and the firm Community Awareness Services, Inc. The project proposes to work with adjudicated youth, primarily, as well as disabled youth and eligible young women (specifically those with dependent children). Hispanic youth, in particular, will be targeted for the project. Community Awareness Services, Inc. will provide recruitment and outreach services by organizing public events. HCC will provide training and the Multicultural Action Group will provide placement services.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$160,000
Facilities	\$18,000
Equipment	\$0
Communications	\$3,000
Travel	\$5,940
All Office Expenses	\$6,500
Books and other student learning aids	\$44,250
Subcontracts	\$118,500
Other	\$31,200
Fee	\$0
Indirect	\$0
TOTAL	\$387,390

COMMENTS: Project budget is heavy on project management staff. Proposal lists activities to engage and develop youth through the project, however, in general, they appear to lack coherence and a natural flow of development. Proposal lacks a strong education and training component linked to our high-skill/high-growth jobs.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Change Happens
TOTAL REQUEST: \$274,500
SERVICE AREA: Harris County

SYNOPSIS: Change Happens is a private non-profit organization, formerly known as Families Under Urban and Social Attack, established in 1989 to provide outreach, education, prevention, intervention and employment assessment to low-income families and their families.

Proposes to develop and operate a new program that provides outreach and recruitment, eligibility determination, assessment, career planning, service planning, case management, record keeping, soft skills training, enrollment in adult basic education or adult secondary education if needed, job development, placement, support services referrals to community resources and post-employment follow up. Those participants needing adult basic education or GED prep will be referred one of the Texas Education Agency funded providers in our region including Houston Community College, AAMA, The Alliance, Harris County Department of Education and Gulf coast Community Services.

Proposes to enroll 80 young people; 50% will earn an education credential, 45% of participants will go to work in a high-skill/high-growth job, 85% will stay employed in a high-skill/high-growth job, 50% will show educational gains, and 15% will pursue post-secondary education.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$220,860
Facilities	\$4,800
Equipment (including computers)	\$5,400
Communications	\$480
Travel	\$15,360
All Office Expenses	\$4,200
Books and other student learning aid	\$6,000
Subcontracts	\$15,000
Other	\$2,400
Fee	\$0
Indirect	\$0
TOTAL	\$274,500

COMMENTS: Majority of project cost is for salaries to recruit, determine eligibility, keep records, coordinate services for people and place participants in jobs or school. Budget includes some funds to pay subcontractor to provide soft skills training. Project budget does not include money to pay for people to attend occupation-specific education and training for high-skill/high-growth jobs.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Combined Community Action, Inc.
TOTAL REQUEST: \$156,507
SERVICE AREA: Austin and Colorado

SYNOPSIS: Combined Community Action (CCA) is a private non-profit organization located in Bastrop County, established in 1966 to provide direct services and coordination of resources to low-income families and individuals. The proposal seeks to continue the Empowering Clients to Help Oneself (ECHO) program that began in September 2009. CCA will serve 15 youth who are in need of assistance to attend an educational or job training program.

As part of the enrollment process, youth must attend an oral interview with a three-person selection committee. Preference will be giving to individuals who have already taken the initiative in obtaining information, setting goals, and/or enrolling in an educational or job training program. CCA will work with youth to create a plan and a budget. All participants must attend a 12-week Step Up To Leadership program for soft-skill training provided by CCA.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$39,282
Facilities	\$0
Equipment (including computers)	\$1,500
Communications	\$900
Travel	\$2,750
All Office Expenses	\$1,750
Books and other student learning aid	\$5,000
Subcontracts	\$500
Other	\$99,000
Fee	\$0
Indirect	\$5,825
TOTAL	\$156,507

Subcontracts – Share of single agency audit cost.

Other – To assist with rental subsidy, care repair, automotive items, utility subsidy, child care and other supportive services.

Cost per Youth – \$10,434

Cost per Employed – \$10,434

COMMENTS: The proposal does not identify how education or occupational skills training will be funded or what occupations or training will be targeted. Cost per youth is high and does not include the cost of training.

Specific outcome goals are not identified and the proposal does not include a plan for job placement assistance.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Covenant House Texas
TOTAL REQUEST: \$220,800
SERVICE AREA: Houston

SYNOPSIS: Covenant House Texas (CHT) is a private non-profit organization located in the Montrose area of Houston, established in 1983 to provide services to homeless and runaway youth. They propose to expand the Voc/Ed program to serve 75 additional homeless and runaway youth. Voc/Ed programs include certified nursing assistant training, pharmacy tech training, computer training, certified medication aide, culinary arts training, and receptionist training.

CHT will serve as lead agency and provide program oversight, employment assessments, career planning, and job placement for Voc/Ed program participants. CHT will collaborate with Career and Recovery Resources and Goodwill Industries of Houston to provide additional job training, job placement, and career counseling services. Houston Community College will provide adult education and post secondary education.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$112,529
Facilities	\$0
Equipment (including computers)	\$0
Communications	\$1,100
Travel	\$2,500
All Office Expenses	\$1,500
Books and other student learning aid	\$0
Subcontracts	\$70,000
Other	\$33,100
Fee	\$0
Indirect	\$0
TOTAL	\$220,729

Subcontracts – \$49,992 to Career and Recovery Resources for job placement and employment training for 38 youth (\$1,184 per youth). \$20,008 to Goodwill Houston and HCC for contracted job placement, job training, and educational services.

Other – \$33,100 for supportive services including books, uniforms, and tools.

Cost per Youth – \$2,943

Cost per Employed – \$2,943

COMMENTS: Training Covenant House proposes to provide does not prepare people to work in high-skill, high-growth occupations we support with scholarships. Covenant House proposes to provide an unspecified amount of matching funds through in-kind donation and contributions.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Employment & Training Centers, Inc.
TOTAL REQUEST: \$884,306
SERVICE AREA: Harris County

SYNOPSIS: ETC proposes to serve 450 youth in the Houston region through a case management service model. A consortium of partnering organizations will work closely with ETC to recruit, assess and develop youth for future employment. ETC will spearhead efforts by guiding consortium members on appropriate actions to take for each child engaged in the process. ETC proposes to use standard/traditional assessment methods to assist youth in developing an understanding of potential careers before placing youth in appropriate programs. Counseling services through a partnering organization will be provided for those youth that need it. Education and training will be provided in a variety of fields including HVAC, computer support services, welding, auto technician and other one to two year programs. ETC believes that adequate counseling and case management will lead to retention and eventual program success.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$643,941
All Non Staff services	\$0
Facilities	\$124,500
Equipment	\$9,000
Communications	\$11,660
Travel	\$9,340
All Office Expenses	\$8,750
Books and other student learning aids	\$17,000
Insurance	\$3,700
Subcontracts	\$0
Other	\$4,900
Fee	\$51,515
Indirect	\$0
TOTAL	\$884,306

COMMENTS: Educational component, particularly the post-secondary education/training is not clearly articulated. It's not clear how young people will be steered into

educational programs that prepare them to work in high-skill/high-growth jobs. Youth in this project will need direct support in motivation, interpersonal skills and other soft skills related to educational attainment and gainful employment. One wonders if ETC has adequately addressed this concern. Leveraging community connections and partnerships appears to be a support structure ETC will seek to use. In so doing, they build on their own capacity and that of the larger community to deliver services. That said, one wonders if the model services youth in a way that can be replicated by other sites locally and nationally.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Engineering Excellence, Inc.
TOTAL REQUEST: \$ 138,175.00
SERVICE AREA: Harris County

SYNOPSIS: Engineering Excellence, Inc. is a for-profit organization that provides consulting, training and technical services. EEI proposes to recruit 55 young people in foster care or who have transitioned from foster care, and train them as HVAC technicians. EEI's president, Cheryl Pleasant will provide administrative and project management, academic advising, vocational assessment and evaluation services. Ms. Pleasant is a National Center for Construction Education Research (NCCER) certified trainer and will be the lead trainer for the NCCER Core Training component.

EEI proposes to partner with Houston Community College to provide HVAC technical training. EEI will partner with the Texas Department of Family and Protective Services to recruit youth to participate in the project. Proposal states TDFPS will provide facilities and equipment for project. HCC will provide case management, assessment, employment counseling, career guidance, support services, financial aid, training in an accredited vocational program and job placement.

Those that complete will receive an NCCER Core Training certification, and take an EPA certification exam to handle refrigerants. Project proposes to place 50 people in H-VAC jobs after they complete training at HCC.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$96,175
Facilities	\$0
Equipment	\$5,000
Communications	\$0
Travel	\$0
All Office Expenses	\$0
Books and other student learning aids	\$0
Subcontracts	\$32,000
Other	\$0
Fee	\$5,000
Indirect	\$
TOTAL	\$138,175

COMMENTS: EEI's president/CEO, Cheryl Pleasant, was involved in developing a dual credit HVAC training program for Houston Community College and the Houston Independent School District. EEI and Ms. Pleasant's experience and expertise appear to be in the technical end of the HVAC business. The proposal presents a unique approach to providing services to youth which stems from a tight focus on the high-skill/high-growth occupations in HVAC. A consortium of partners including ISDs and HCC will provide credentialing to students that obtain necessary education and EEI will support job placement. While the project proposal could use a direct service model articulated, the project seems to have merit in attracting, developing and retaining youth for the workforce.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Fifth Ward Community Redevelopment Corporation
TOTAL REQUEST: \$120,000
SERVICE AREA: Houston

SYNOPSIS: Fifth Ward Community Redevelopment Corporation (Fifth Ward CRC) is a private non-profit organization located in Houston, established in 1989 to improve the lives of Fifth Ward residents. Fifth Ward CRC proposes to provide case management, site specific workforce/life skills training, volunteer opportunities, and employment to 125 youth. Fifth Ward CRC will partner with Houston Housing Authority (housing assistance), Administrative Support Solutions Group (office professional certificate training), Houston Community College Youth Build Program (mentoring), SER (on-the-job training and placement), and REM Staffing Services (job placement).

This proposal expands Fifth Ward CRC's current workforce development and job preparedness programs including GED classes, test review, parenting workshops, personal and finance. Expected outcomes include 80% competency level in computer and software applications, train participating students to act as program mentors, gain on-the-job training experience, complete volunteer services credit hours, and job placement.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$82,090
Facilities	\$0
Equipment (including computers)	\$3,000
Communications	\$1,680
Travel	\$2,130
All Office Expenses	\$2,800
Books and other student learning aid	\$0
Subcontracts	\$20,800
Other	\$7,500
Fee	\$0
Indirect	\$0
TOTAL	\$120,000

Subcontracts – \$20,800 (what this will fund is not identified in proposal)

Other – \$2,500 for curriculum development, \$2,500 for special events, and \$2,500 for participant incentives and support.

Cost per Youth – \$960

Cost per Employed – could not be determined

COMMENTS: High-skill, high-growth occupational training is not identified nor how this training will be paid.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Goodwill Industries of Houston
TOTAL REQUEST: \$1,000,000
SERVICE AREA: All 13 counties

SYNOPSIS: Goodwill Industries of Houston (Goodwill) is a non-profit organization established in 1945. Goodwill's Job Connection Service Centers provide work readiness training and assessment, occupational skills training, employment services, job search assistance and referral, and access to community services. Goodwill proposes to establish 8 satellite Job Connection Service Centers. Seven of the Centers will be co-located at Goodwill donation/retail stores (Meyerland, Champions, Central, Pearland, Katy, Porter, Woodlands, and Galveston). Goodwill is requesting assistance in establishing a Job Connection Service Center in Baytown.

Goodwill proposes to provide outreach, assessment work readiness training, vocational skills training, career exploration, job search assistance and placement to 300 youth. Goodwill has partnered with Communities in Schools for youth who want to return to high school and Adult School providers for GED prep. Youth who have completed high school or obtained a GED will be referred to community college for education and vocational training.

Project proposes to place 150 people (50%) in jobs and 75 people will receive a GED or high school diploma.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$582,289
Facilities	\$49,920
Equipment	\$160,331
Communications	\$54,000
Travel	\$23,760
All Office Expenses	\$29,700
Books and Other Student Learning Aids	\$10,000
Subcontracts	\$0
Other	\$90,000
Fee	\$0
Indirect	\$0
TOTAL	\$1,000,000

Other – \$90,000 for training and supportive services

Cost per Youth – \$3,333

Cost per Employed – \$6,667

COMMENTS: Staff costs are 58% of the budget. Equipment costs include the purchase of computers, projectors, telephones, and furnishing nine locations. Goodwill will provide \$84,000 in-kind use of facilities.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Gulf Coast Trade Center, Inc.
TOTAL REQUEST: \$444,106
SERVICE AREA: 13 counties

Synopsis: Gulf Coast Trade Center, Inc. (GCTC) proposes to enroll 25 adjudicated youth by working with the county juvenile probation offices in our region. The center provides residential and social services with vocational training, experiential learning, work experience, life skills training and academics. Since this is a residential program, there will be no partners.

The Center is a licensed Texas Workforce Commission Career School. It also operates a charter school, The Raven School, which has accreditation from the National Center for Construction Education and Research (NCCER), and the Council of Occupational Education. The Raven School will provide all occupational training and basic education on a daily basis. The project will provide 720 hours of occupational training in auto technology, the building trades (proposal does not provide details), building maintenance, or mill and cabinetry. Project will also provide 200 hours of basic education as needed. Participants must pass a job specific skill competency test in their field of study to receive certificate of completion. They will receive an OSHA certification, and a GED or diploma.

The project plans to hire two *Community Service Specialists* to place participants in jobs, help them retain employment, and reintegrate into their families and communities.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$91,139
Facilities	\$
Equipment	\$
Communications	\$2,640
Travel	\$32,300
All Office Expenses	\$
Books and student learning aids*	\$293,050
Subcontracts	\$
Other (paid work experience)	\$24,977
Fee	\$
Indirect	\$
TOTAL	\$444,106

*This is a residential facility, so the cost of training includes 50% of the costs associated with living at Gulf coast Trade Center for 200 days per customer.

COMMENTS: GCTC did not use the RFP budget forms, but they addressed all areas in great detail except the cost per student. That cost is \$17,764. Budget includes a paid work incentive of \$999.10 for each of the 25 participants.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Houston Area Urban League
TOTAL REQUEST: \$605,591
SERVICE AREA: All 13 counties

SYNOPSIS: Houston Area Urban League (HAUL) is a non-profit, community based organization that began serving the Houston community over forty years ago. HAUL’s Communities Integrating Information Network uses telecommunications technology to provide training, workforce development, and after school programming through video streaming. The proposed project will expand this network and serve 220 youth additional youth in 9 sites throughout the Gulf Coast region.

In partnership with five school districts, four community colleges, and 10 community based organizations, HAUL will provide assessments, job readiness workshops, GED and adult basic education, certified training in high-skill, high-growth occupations, and job placement.

The project plans a 90% completion rate and a 76% employment rate.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$107,104
Facilities	\$0
Equipment	\$0
Communications	\$3,960
Travel	\$1,650
All Office Expenses	\$5,060
Books and Other Student Learning Aids	\$0
Subcontracts	\$447,700
Other	\$40,117
Fee	\$0
Indirect	\$0
TOTAL	\$605,591

Subcontracts – \$447,700 for certified training programs

Other – \$17,270 for online access to Birkman tool for assessment and career management; \$19,200 for stipends for volunteers to support 9 sights, 8 hours per month.

Cost per Youth – \$2,753

Cost per Employed – \$4,037

COMMENTS: Project builds on current programs to serve youth throughout the Gulf Coast region. 74% of funding allocated for training youth in high-skill, high-growth occupations. HAUL will leverage \$230,000 of United Way funding for employment services.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Houston Training and Education Center
TOTAL REQUEST: \$1,500,000
SERVICE AREA: Harris County

SYNOPSIS: Houston Training and Education Center (HTEC) is a for-profit educational institution that serves low-income, at-risk students in Harris County. Current school capacity is 160 students. With additional funds from this Request, HTEC plans to expand its capacity to 250 students. HTEC plans to provide 250 youth with life skills and occupational training as a medical assistant, dental assistant, computer accounting specialist, computer office administration, and computer application specialist.

HTEC will provide career counseling and basic coursework in reading and math. Youth may enroll in program without a GED or high school diploma but must obtain one prior to completion. Upon successful completion of all required hours in the program, students will receive job search and placement assistance. The proposal identifies success outcomes as 100% graduation and placement of the 250 youth.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$0
Facilities	\$0
Equipment	\$0
Communications	\$0
Travel	\$0
All Office Expenses	\$0
Books and Other Student Learning Aids	\$0
Subcontracts	\$0
Other	\$1,500,000
Fee	\$0
Indirect	\$0
TOTAL	\$1,500,000

Other – 1,250,000 for tuition; \$150,000 for books; \$100,000 supplies

Cost per Youth – \$6,000

Cost per Employed – \$6,000

COMMENTS: HTEC is a private for profit business but the proposal budget does not identify the profit amount as requested in the RFP. HTEC did not provide an independent audit. Average program cost, as outlined in the proposal, is \$8,383 (although costs not provided for medical or dental assistant). Only computer accounting specialist is related to an occupation on the High-Skill, High-Growth Occupation List. Proposer essentially requests tuition reimbursement for 250 people to attend its school. Proposal and budget to not demonstrate how counseling, record keeping, testing, assessment and case management costs will be covered.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Houston Works, USA
TOTAL REQUEST: \$ 315,950
SERVICE AREA: Harris and Fort Bend counties

Synopsis: HoustonWorks, USA proposes to enroll 400 young people from Harris and Fort Bend counties. 150 people will be in an educational track with 75 receiving a diploma or GED, 100 will receive a credential, 100 will gain employment and 50 will retain the employment for 6 months or longer. Their target customers are out of school youth with an emphasis on those aging out of foster care, engaged in the juvenile justice system (on probation), homeless, and offenders that are 6 months or less from being released from the Harris County jail. Houston Works will partner with PAL and Hay Center for foster youth; Covenant House for homeless youth; Harris Co. Juvenile Probation Community Unit Probation Services offices for youth on probation; and the Harris County Sheriff's Office for offenders ready for release. The project calls for Learning Designs, Inc. to provide seminars that target youth with little to no work experience.

HoustonWorks expects to leverage \$230,000 from the project partners to provide: tuition, books, rent, utilities, computers, furniture and living expenses. The project calls for participants to use Pell Grants to pay the cost of tuition. Support services will be provided by Dress for Success, Career Gears, Houston Food Bank, Wesley House, area churches, Harris County Social Services, Gulf Coast Community Services Association and SEARCH.

The proposal does not provide any specific information on the education and training component of the project, and preparing people to work in high-skill/high-growth occupations.

HoustonWorks' portion of the project includes: \$243,750 for staff salaries and fringe; \$36,000 for facilities; \$12,200 for communication, travel office supplies, and printing and photocopying; \$4,000 for field trips, meetings with food provided and postage; and \$20,000 for subcontracts for tuition and workshops **if** needed.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$243,750
Facilities	\$36,000
Equipment	\$0
Communications	\$2,400
Travel	\$4,800
All Office Expenses	\$5,000
Books and student learning aids*	\$0
Subcontracts	\$20,000
Other	\$4,000
Fee	\$0
Indirect	\$0
TOTAL	\$315,950

*Books and student learning aids are provided in-kind.

COMMENTS: Proposal budget covers the cost of staff and overhead to enroll young people that will be trained by project partners. Proposal provides no details about training provided. Through its contract with the Workforce Board, HoustonWorks has received funds and has been responsible for working with youth – providing these same kinds of services – for many years. Currently, HoustonWorks is not meeting the performance standard on the youth measures. We found their accounting department to exhibit weak processes and controls, and their chief financial officer resigned from Houston Works December 31, 2009 to work for SER Jobs for Progress.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Montgomery County United Way, Inc.
TOTAL REQUEST: \$1,116,807.00
SERVICE AREA: Montgomery and Liberty Counties

SYNOPSIS: The Montgomery County United Way (MCUW) proposes to provide a wide array of services to 600 youth over a three year period. MCUW will partner with a for profit consulting firm, GMC Consultants, LLC, to provide case management, coordination, soft skills and job readiness training, manage support service staff and project reporting for the project. Montgomery County Youth Services will provide emergency shelter, counseling, transitional housing, transportation, outreach to homeless youth, and crisis intervention services for project participants.

During initial intake, youth will be paired with a Life Coach who will provide ongoing continuous support and services to keep the youth engaged and active in the program components. Project participants will be provided with Work Keys and TABE assessments. Those needing adult basic education or adult secondary education will be provided those services through community organizations. Post-secondary education will be provided through local community college and online college programs.

Project will pay for life coaches and van drivers. Montgomery County United Way affiliated organizations and Montgomery County Youth Services' Street Outreach Program will primarily be responsible for recruitment.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$720,400
Facilities	\$92,328
Equipment	\$19,100
Communications	\$13,440
Travel	\$20,790
All Office Expenses	\$17,700
Books and other student learning aids	\$20,000
Subcontracts	\$160,000
Other	\$13,425
Fee	\$39,624
Indirect	\$0
TOTAL	\$1,116,807

COMMENTS: Much of the cost associated with this project is for personnel indirectly tied to the organization. The project primarily focuses on providing social service support for the young people enrolled in the project as opposed to training and employment. Proposal is vague about which organizations will be responsible for providing adult basic and secondary education, and post-secondary school.

Proposal lists measures of success as — youth participants successfully enrolled and retained in project, and linked with resources they need; earnings gains, increase in grade level and academic comprehension, employer recruitment and retention; postsecondary completion; and job placement. This may not build necessary capacity to continue project after grant period — however, no quantifiable project goals are provided.

GULF COAST WORKFORCE BOARD
 Proposal Review Summary
 2010 Training Young People for Jobs

BIDDER: Rainbow of Love
TOTAL REQUEST: \$162,124
SERVICE AREA: Southwest Houston

SYNOPSIS: Rainbow of Love is a private non-profit organization established in 2004 to provide social services to low income youth living in southwest Houston. Proposer will work with 200 young people providing outreach and recruitment, assessment, case management, job readiness training, self-paced ESL instruction, computer skills instruction, life skills workshops, job search workshops, support services, placement assistance, referral to GED programs and post-secondary programs. Proposal budget includes 1 program coordinator, 1 program assistant and 2 part time recruiters/case managers, \$25,000 in "flex funds" (to pay for food, clothing, shelter, transportation), and subcontracts of \$6,210.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$75,262
Facilities	\$8,580
Equipment (including computers)	\$6,650
Communications	\$5,335
Travel	\$11,616
All Office Expenses	\$8,140
Books and other student learning aid	\$990
Subcontracts	\$6,831
Other	\$27,720
Fee	\$0
Indirect	\$11,000
TOTAL	\$162,124

COMMENTS: Budget includes \$6,800 for a subcontract to Flex Health Career School to pay for 10 people to attend Surgical Technician or Physical Therapy Technician training. Narrative does not address providing occupation-skills training. Budget summary includes \$11,000 for indirect costs. Details states that \$10,000 of that will be for advertising costs to recruit participants. Proposal does not include project goals for the number of people completing training, earning credentials and placement in high-skill/high-growth jobs. Proposal does not include a consortium of service providers.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: SER Jobs for Progress of Texas Gulf Coast
TOTAL REQUEST: \$506,730
SERVICE AREA:

SYNOPSIS: SER is a private non-profit organization established to provide education, training and employment services. Currently they operate programs providing services to seniors, disabled people, youth and adults. They operate a Pathways Out of Poverty project funded through the Department of Labor that provides occupational skills training in construction trades.

SER proposes to expand its current program by adding to the existing construction training track, and adding a training component in healthcare for medical records/health information technology through the Houston Community College.

SER will provide outreach and recruitment, eligibility determination and record keeping, case management, counseling, career planning, education services (GED, business etiquette and job readiness, life skills and financial literacy) and occupational training (NCCER Core Construction and Construction Technology, Medical Records & Health Information Technician or Green Construction Training), four weeks of paid work experience, and placement in jobs for 65 out of school young people. Project will target their outreach to 1,000 juvenile ex-offenders, homeless, or parenting youth, those aging out of the foster care system and high school drop-outs. They plan to enroll 40 people in the construction track, 20 in the medical records track, and 5 in the green collar track offered through their Pathways Out of Poverty project.

Proposal includes a variety of partners most of whom state they will provide an in-kind or matching contribution – AVANCE, Houston Community College, Literacy Advance, Greater East End Management District, Houston LISC, United Way, US Green Building Council, AFL-CIO, NCCER and the Associated Builders and Contractors.

Project goals include enrolling 65 out of school youth; 32 will attain GEDs; 15 will increase at least one level on the TABE; 59 will earn industry recognized credentials; 47 will be placed in jobs; 44 will be placed in training-related jobs or apprenticeships; and 33 will keep jobs for 6 months.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$224,475
Facilities	\$18,945
Equipment (including computers)	\$3,000
Communications	\$4,125
Travel	\$2,400
All Office Expenses	\$16,695
Books and other student learning aid	\$163,120
Subcontracts	\$0
Other	\$57,133
Fee	\$0
Indirect	\$16,835
TOTAL	\$506,730

COMMENTS: Proposal is somewhat unclear about which high-skill/high-wage jobs the Construction Technology training program will prepare people for and refers to “helper” jobs. Question the need to spend \$20,000 on flyers and a subcontract of \$7,500 for marketing to recruit 65 people; seems high. \$7,500 charge for project’s share on an audit seems high.

GULF COAST WORKFORCE BOARD
Proposal Review Summary
2010 Training Young People for Jobs

BIDDER: Vision Quest National, LTD
TOTAL REQUEST: \$312,375
SERVICE AREA: Harris County

Synopsis: Vision Quest National, LTD is a for-profit organization providing therapeutic services to youth with mental and behavioral health needs through residential and community-based programs. They propose to serve 40 people enrolled in or recently existed from their Functional Family Therapy program funded through contracts with Harris County Juvenile Probation Department and the Texas Youth Commission.

Vision Quest proposes to provide youth enrolled in the project with life skills training, career planning and work readiness skills training. Depending on individual needs, the project will provide people with help completing high school or earning a GED. Some may enroll in post-secondary training. Participants will be enrolled in on the job training program with either Habitat for Humanity or the Houston Business Institute. The project will provide work experience, and then place people in permanent jobs. The project will also provide case management, coaching, mentoring and follow-up services for 12 months after placed in a job. Houston Community College will provide adult secondary school instruction (GED prep), and the University of Houston Department of Social Work will provide student interns as case managers. Other partners include Buffalo Horse Soldiers 9th and 10th Cavalry providing mentors and tutors; Big Brothers and Big Sisters also providing mentors; The Home Builders Institute providing vocational training and placement services; Houston Habitat for Humanity providing construction safety training; Harris County Girl Scout Chapter providing life skills training for young women; and Shroeder Construction providing the opportunity to interview for construction-related jobs, and be a work site for our summer youth employment program.

BUDGET:

Personnel Wages, Fringe, Incentive Pay	\$173,240
Facilities	\$14,100
Equipment	\$4,500
Communications	\$3,000
Travel	\$14,820
All Office Expenses	\$2,120
Books and student learning aids	\$57,800
Subcontracts	\$0
Other*	\$6,858
Fee	\$35,937
Indirect	\$0
TOTAL	\$312,375

*Includes general liability insurance, interest and bank charges.

COMMENTS: The narrative was difficult to follow and leaves questions about how this project would meet the goals of the Board. Last year, VQN was slow to pay vendors and have damaged their credit rating. The audit provided did not include a management letter. They used the indirect line on the budget form for their 13% management fee.

Budget Committee

Proposed 2011 Workforce Board Budget

Background

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 Budget Committee met on January 20, 2011 with Chair Yvonne Estrada presiding and Committee Vice Chair Tom Stinson and members Mark Guthrie and Willie Alexander present.

Current Situation

The proposed 2011 budget at \$214 million is 8.2% less than the amended 2010 budget. Although we continue to lose some Workforce Investment Act core revenue, overall our main revenue sources are relatively stable. We have spent out most of the Recovery Act dollars, with about \$22 million remaining to be spent by the middle of 2011.

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

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

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

- We are proposing an operations budget for the Board staff of almost \$4.2 million, a slight decrease from the amended 2010 budget. The proposed Board operations budget represents 1.9% of our total budget.
 - We're asking permission for an additional three full-time equivalent staff positions to help with an increasing need to deal with state requirements. That brings the total FTE for Board staff to approximately 30.
 - H-GAC provides a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance. This year the pool has been set at 2%.
 - To reflect the nature of the support service and better show its cost, we have taken the money we spend for system IT support (the wide area network, maintenance of the Workforce Solutions staff email system, maintenance of servers, and maintenance for the child care financial aid software and database) out of the Board operations budget. We've shown it as a separate line item under System Operations.
 - Moving the system IT budget out of the Board Operations budget results in a significant decrease to the Communications expenses.

Action

Approve a 2011 Board budget in amount of \$214,888,524.

**GULF COAST WORKFORCE BOARD
 PROPOSED 2011 AMENDED BUDGET
 SOURCE AND USE**

Source		Use	
General Revenue	182,979,833	Board Operations	4,159,612
Special State Revenue	9,829,526	Employer Service	7,276,996
Special Federal Revenue	22,079,165	Resident Service	203,451,915
Other	-	<i>Financial Aid</i>	<i>148,235,847</i>
		<i>Office Operations</i>	<i>51,469,068</i>
		<i>Recovery Projects</i>	<i>3,747,000</i>
Total	\$214,888,524	Total	\$214,888,524

**GULF COAST WORKFORCE BOARD
 PROPOSED 2011 BUDGET
 REVENUE SUMMARY**

	2010	2011	% Change
General Revenue	182,217,369	182,979,833	0.4%
Employment Service	8,669,994		
Veterans Employment & Training	368,593		
Re-Integration of Offenders	1,285,634		
Trade Act	301,360		
Workforce Investment	31,078,682		
Supplemental Nutrition Assistance	3,055,649		
Temporary Assistance for Needy Families	14,641,861		
Child Care & Development Block Grant	123,578,060		
Special State Revenue	3,749,356	9,829,526	162.2%
Hurricane Related	2,671,568		
NASA Lay-offs	5,286,847		
OJT	814,590		
Disability Navigator Pilot	56,500		
Non-Custodial Parents	900,021		
Awards	100,000		
Special Federal Revenue	48,097,313	22,079,165	-54.1%
Recovery Act	22,079,165		
Other	-	-	
Totals	234,064,038	214,888,524	-8.2%

**GULF COAST WORKFORCE BOARD
PROPOSED 2011 BUDGET AMENDMENT
BUDGET SUMMARY**

	2010	2011	% of Total 2011 Budget	Dollar Variance from 2010	% Variance from 2010
Board Operations					
Personnel ¹	2,343,453	2,619,884	1.2%	276,432	11.8%
Indirect	286,253	330,105	0.2%	43,853	15.3%
Consultants & Contract	660,000	585,000	0.3%	-(75,000)	-11.4%
Travel	56,850	49,150	0.0%	-(7,700)	-13.5%
Rent	142,485	162,995	0.1%	20,510	14.4%
Capital Equipment	135,722	-	NA	-(135,722)	-100%
Other	680,953	412,477	0.2%	-(268,476)	-39.4%
Subtotal, Board Operations	4,305,715	4,159,612	1.9%	-(146,103)	-3.4%
System Operations					
System IT	²	322,833	0.2%	NA	NA
Service for Employers ³	6,761,279	7,276,996	3.4%	515,717	7.6%
Service for People					
Financial Aid	148,751,278	148,235,847	69.0%	-(515,431)	-0.3%
Career Offices	50,132,546	51,469,068	24.0%	1,336,522	2.7%
Special Projects ⁴	24,113,220	3,747,000	1.7%	-(20,366,220)	-84.5%
Subtotal, System Operations	229,758,323	210,728,912	98.1%	-(19,029,411)	-8.3%
Total	234,064,038	214,888,524	100.0%	-(19,175,515)	-8.2%

NOTES

¹ Request addition of 3 FTE for the staff

² System IT budget contained partially within Board Operations in 2011; broken out separately for 2011 and continuing years

³ Increases for Employer Service related to operations for NASA and BAE transition centers

⁴ 2010 special projects included those funded with Recovery Act dollars

**GULF COAST WORKFORCE BOARD
 PROPOSED 2011 BUDGET
 BUDGET DETAIL**

	Board Operations	
	2010	2011
Consultants & Contract	660,000	585,000
Legal Services	15,000	15,000
Audit	20,000	20,000
Financial Monitoring	175,000	100,000
Public Information & Outreach	450,000	450,000
Other	680,952	412,477
Supplies	18,000	18,000
Meeting Expenses	18,000	18,000
Outside Printing	2,500	2,500
Books & Publications	2,000	2,000
Maintenance & Repair	5,000	2,000
Software	5,000	5,000
Licenses & Permits	1,000	-
Communications ¹	375,000	75,000
Postage & Delivery	15,000	15,000
Subscriptions & Dues	10,500	10,500
Expendable Equipment	22,700	16,000
Legal Notices	17,500	17,500
Network Services	92,906	127,052
Personnel Services	52,773	62,822
Purchasing	17,965	15,482
Print Shop	25,108	25,621

NOTES

¹ System IT expenses move from Board operations budget for 2011

Budget Committee

Comparison of Texas Workforce Board Operations Costs

DATA FROM 2010 HB1 REPORTS

Board	Board Operations Costs	Total Budget	Pct Ops/Total
Panhandle WDB	1,095,580	15,411,840	7.1%
South Plains WDB	1,498,676	20,538,463	7.3%
North Texas WDB	520,426	7,838,019	6.6%
North Central WDB	6,101,394	60,764,178	10.0%
Tarrant County WDB	6,399,295	62,616,934	10.2%
Dallas County WDB	3,622,000	104,967,164	3.5%
North East Texas WDB	1,312,167	12,881,304	10.2%
East Texas WDB	2,163,743	27,652,776	7.8%
West Central WDB	1,541,294	10,445,535	14.8%
Upper Rio Grande WDB	4,816,231	47,637,516	10.1%
Permian Basin WDB	854,593	16,961,794	5.0%
Concho Valley WDB	836,642	7,378,827	11.3%
Heart of Texas WDB	1,265,818	14,494,794	8.7%
Capital Area WDB	2,499,745	26,640,915	9.4%
Rural Capital Area WDB	1,126,593	22,662,374	5.0%
Brazos Valley WDB	1,175,333	12,070,026	9.7%
Deep East Texas WDB	2,339,919	17,214,979	13.6%
South East Texas WDB	1,612,716	19,023,994	8.5%
Golden Crescent WDB	722,235	9,382,765	7.7%
Alamo WDB	3,670,330	98,347,404	3.7%
South Texas WDB	1,708,962	16,587,344	10.3%
Coastal Bend WDB	2,100,962	28,880,812	7.3%
Lower Rio Grande LWDA	4,080,379	65,584,005	6.2%
Cameron County WDB	2,837,255	28,784,514	9.9%
Texoma WDB	464,883	7,566,852	6.1%
Central Texas WDB	1,697,414	20,359,629	8.3%
Middle Rio Grande WDB	1,073,686	11,873,181	9.0%
Gulf Coast WDB	4,998,422	222,053,192	2.3%

Gulf Coast Workforce Board
System Performance
December 2010

Board Measures

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

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

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 37,120 employers this year which is 28% of the 132,569 employers identified for the Gulf Coast area. Through December, we provided services to 15,484 employers.	28%	11.7%	29.4%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 11,454 employers, 9,014 returned to Workforce Solutions for additional services.	74%	78.7%	77.2%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> This information is captured quarterly and reflects a two year average. We worked with employers who added 3,312 new jobs annually.	2,000	2,549	3,312
<u>Customers employed by the 1st Qtr after exit</u> Reporting for one quarter (Oct 09 – Dec 09), 68,962 of the 104,332 customers who exited from services were employed in the quarter after exit.	79%	66.1%	72.3%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for one quarter (April 09 – June 09), 26,645 of the 115,708 customers who exited had earnings gains of at least 20%.	41%	23.0%	28.1%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Through December, 372 of the 3,761 customers pursuing an education diploma, degree or certificate achieved one.	35%	9.9%	37.2%

Production

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

For the performance year that began October 1, 2010, we are meeting or exceeding the target for six of fifteen measures. There are two measures – Average Number of Children Served per Day (regular child care funded and ARRA funded) where we do not have final data through December. The seven measures we are not meeting are:

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

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

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

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

GULF COAST WORKFORCE DEVELOPMENT BOARD**FINANCIAL STATUS REPORT**

For the Twelve Months Ended December 31, 2010

ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
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WORKFORCE REVENUES

WORKFORCE REVENUES	221,157,512	233,861,054	227,688,953	6,172,101
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WORKFORCE EXPENDITURES

BOARD ADMINISTRATION	4,102,741	4,102,741	4,073,441	29,300
EMPLOYER SERVICES	5,157,727	7,511,269	7,419,667	91,602
RESIDENT SERVICES	211,897,044	222,247,044	216,195,845	6,051,199
OFFICE OPERATIONS	50,132,546	49,382,546	47,788,961	1,593,585
FINANCIAL AID	142,651,278	145,656,278	141,747,275	3,909,003
RECOVERY PROJECTS	19,113,220	27,208,220	26,659,609	548,611
<i><u>TOTAL WORKFORCE EXPENDITURES</u></i>	221,157,512	233,861,054	227,688,953	6,172,101

VARIANCE ANALYSIS

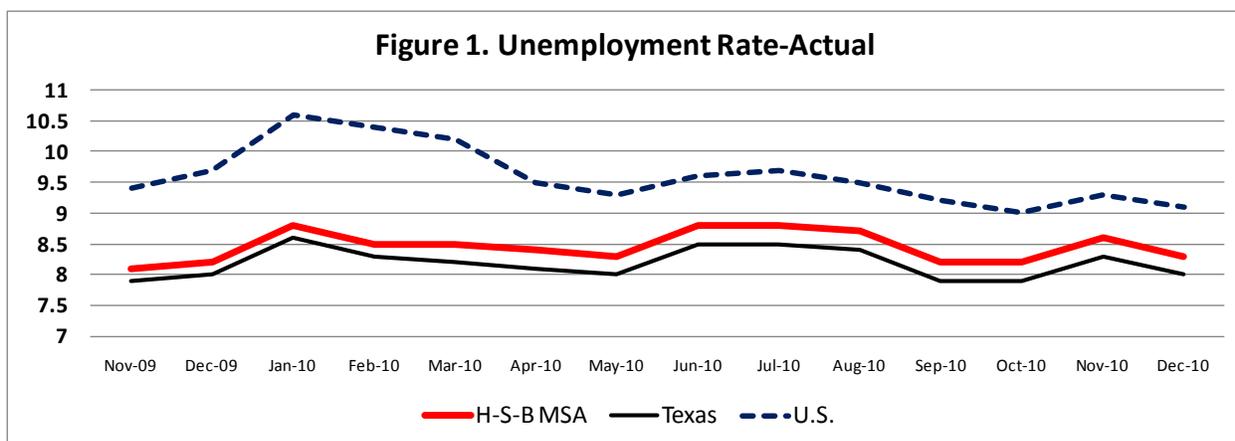
Note: "Budget Year to Date" column reflects straight-line estimate of expenditures for the twelve-month period, assuming equal expenditures every month in order to fully expend the budget in a year.

The next release of this report will be made during the week of March 14th after the Texas Workforce Commission concludes their annual benchmark revisions.

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

Visit our website at www.wrksolutions.com

THE UNEMPLOYMENT RATE IN THE HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA) DROPPED THREE-TENTHS OF A PERCENTAGE POINT TO 8.3 PERCENT IN DECEMBER. The unemployment rate at the state level also dropped three-tenths of a percentage point while the national rate only dropped two-tenths of a percentage point. Unemployment in the H-S-B MSA is higher than the state's 8.0 percent rate but lower than the nation's 9.1 percent rate, see figure 1.



TOTAL NONAGRICULTURAL EMPLOYMENT IN THE H-S-B MSA POSTED A GAIN OF 8,100 JOBS IN DECEMBER AND IS UP 13,100 JOBS OR 0.5 PERCENT OVER-THE-YEAR. This was the fourth consecutive month the H-S-B MSA posted an over-the-year increase. December's increase was primarily to seasonal gains at retail and shipping establishments for the holiday season. Job growth in the private sector remains mixed with Information reporting the steepest losses, down 1,500 jobs or -4.4 percent. Construction managed to report a slight increase of 500 jobs in December trimming over-the-year losses to 1,700 jobs, down -1.0 percent. Job growth in Construction remains weak with employment levels down 32,700 or -16.1 percent from two years ago. Education & Health Services continues to report the largest job growth, up 8,400 jobs or 2.8 percent over the year, while Mining & Logging is reporting the fastest rate of growth, up 4,500 jobs or 5.1 percent over the year. Government reported its third consecutive over-the-year loss of 1,000 jobs, down -0.3 percent, with further declines expected as government entities face large budget shortfalls in 2011. Improvement in the rate of job growth for the H-S-B MSA has been similar to that of the nation, see figure 2 and 3. Seasonally adjusted data for the H-S-B MSA and nation seen in figure 4 provides an additional view of employment removing the erratic seasonal movement. Labor market conditions in the H-S-B MSA improved moderately from late 2009 to June 2010 with job growth weakening over the second half of 2010. Many businesses are continuing their cautious approach when considering investments and hiring due to a number of economic uncertainties. Additional details by super sector follow beginning on page 3.

Figure 2. Total Non-farm Employment-Actual

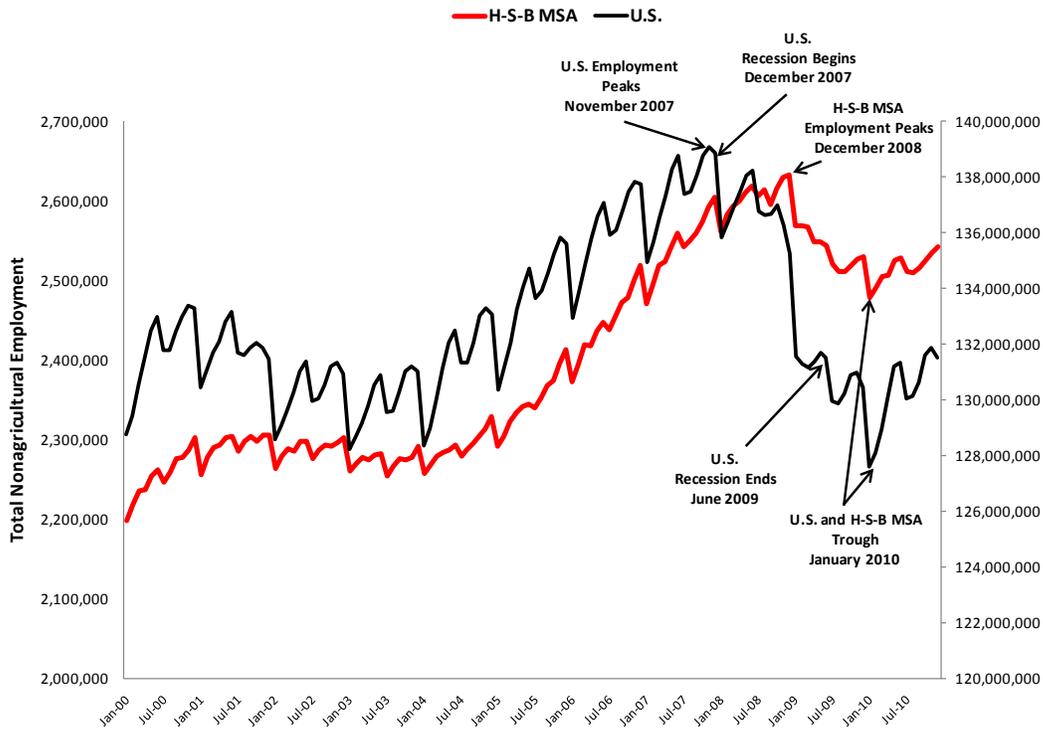
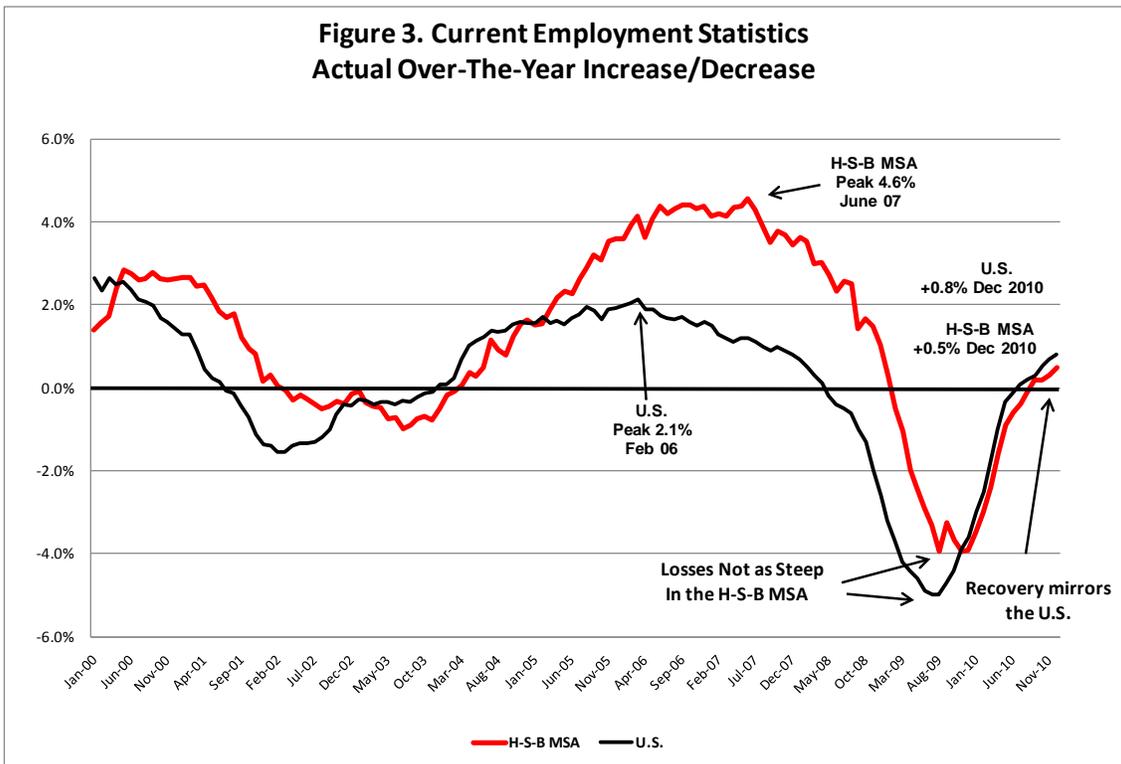
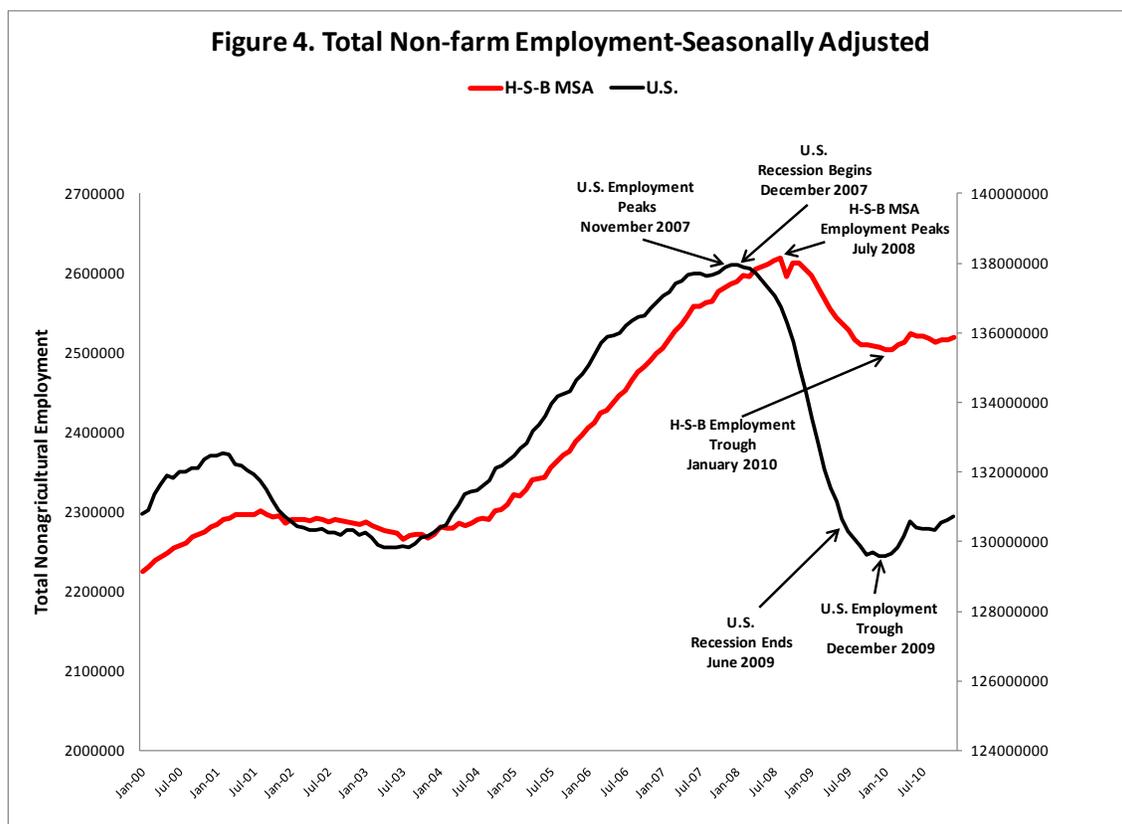


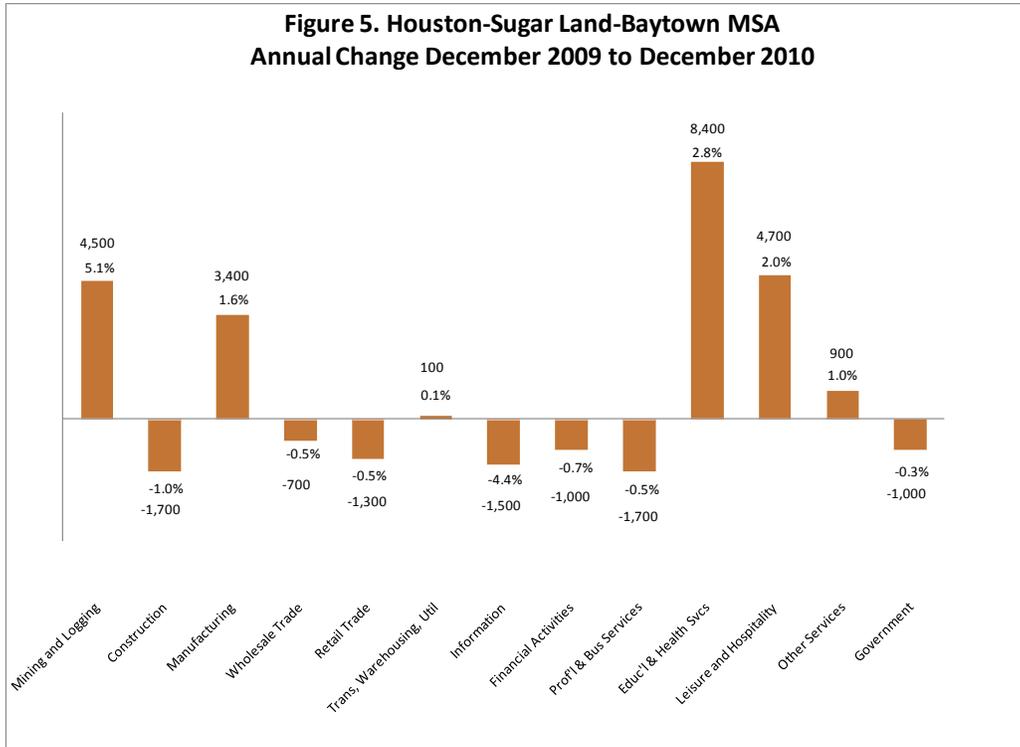
Figure 3. Current Employment Statistics Actual Over-The-Year Increase/Decrease





Mining and Logging added 800 jobs in December, up 0.9 percent, and is up 4,500 jobs or 5.1 percent over the year, see figure 5. Employment levels continue to be very close to recent highs seen in 2008. Oil prices have been rising driven by strengthened demand from Asia, the U.S., and the weaker dollar. Oil and Gas Extraction added another 200 jobs in December and is up 5.3 percent over the year with domestic drilling activity strong although rig counts have increased more slowly over recent weeks. Drilling continues to shift from natural gas towards oil and natural gas liquids. International deepwater activity continues to strengthen helping replace lost demand related to domestic offshore deepwater drilling. Companies remain interested in returning to the Gulf now that the deepwater drilling moratorium is officially over but only a few permits have been issued. Support Activities for Mining were up 700 jobs, 1.8 percent, in December with oil service companies reporting that pricing is strong and profit margins are good.

Construction managed a slight increase of 500 jobs in December, up 0.3 percent. Over-the-year losses have fallen to their lowest level in two years, currently down 1,700 jobs or -1.0 percent from December 2009, see figure 5. Employment in Construction peaked in October 2008 and after nineteen months of steady decline employment bottomed out in April 2010. While the super sector has recovered some jobs, the rate of recovery has been anemic with employment levels down 38,100, -18.3 percent, from its peak in October 2008. Specialty Trade Contractors are currently reporting the largest losses, down 2,100 jobs or -2.4 percent over the year. Heavy and Civil Engineering Construction, down 1,400 jobs or -3.8 percent, has suffered the steepest declines. Construction of Buildings is reporting an increase of 1,800 jobs, up 3.9 percent, driven by homebuyer tax credits that helped increase new home sales at least temporarily. New home-sales markets remain, however, well below year ago levels. The H-S-B MSA will have to see considerable improvement to both the local economy and job growth before construction activity returns anywhere near previous levels.



Manufacturing added 400 jobs in December and was up 3,400 jobs or 1.6 percent over the year, see figure 5. Employment in Manufacturing plummeted in 2009, bottomed out in January 2010, and has since recovered 4,500 jobs by December 2010. There are, however, 23,600 fewer jobs in Manufacturing than there were two years ago. Durable Goods Manufacturing is reflecting an increase of 6,100 jobs over the year, up 4.4 percent, with the largest gain found in Agriculture, Construction, and Mining Machinery Manufacturing, up 1,100 jobs or 4.0 percent. Employment in Nondurable Goods Manufacturing was down 2,700 jobs or -3.3 percent over the year. Demand for oil products have been improving against normal seasonal trends and refinery utilization rates moved up to their highest December levels since 2007. Petrochemical producers continue to see cost advantages over foreign producers because of the region's cost advantage of using natural gas. The Houston Purchasing Managers Index, an indicator of expected movement in production volume several months in advance, rose to 57.6 in December 2010 indicating continued growth in production well into 2011.

Trade Transportation & Utilities experienced a seasonal increase of 6,900 jobs in December, up 1.3 percent. Most of the increase was a result of retail and shipping establishments bolstering payrolls to handle the holiday season with Retail Trade up 4,100 jobs or 1.5 percent and Transportation Warehousing and Utilities up 2,600 jobs or 2.1 percent. Retail establishments cut back seasonal hiring to their lowest level since the current data series began in 2000 adding 1,700 fewer jobs than in 2009. Over-the-year growth Retail Trade reported a loss for the second consecutive month, down 1,300 jobs or -0.5 percent from December 2009. Over-the-year losses in Wholesale Trade decreased slightly in December to -0.5 percent, down 700 jobs, but employment levels are still down 10,100 from two years ago. Transportation, Warehousing, and Utilities added 2,600 jobs in December, up 2.1 percent, and reported a slight increase of 100 jobs over-the-year. This was the second consecutive month that Transportation, Warehousing, and Utilities posted an over-the-year increase largely due to gains in Truck Transportation, up 500 jobs or 2.7 percent from December 2009. Air Transportation, however, is reporting a loss of 400 jobs, down -1.7 percent over the year.

Employment in **Information** steadily declined throughout most of 2009 with the rate of losses peaking at -6.3 percent in July. Information is currently reporting the steepest job losses of any super sector in the H-S-B MSA, down 1,500 jobs or -4.4 percent over the year. 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.

Employment in **Financial Activities** remained unchanged in December and was down 1,000 jobs or -0.7 percent over the year in December, see figure 5. Most of the loss was in Real Estate and Rental and Leasing, down 900 jobs or -1.8 percent. Conditions in Financial Activities have been sluggish due to overall weak consumer loan demand, poor credit ratings, and as businesses delay capital spending plans due to economic and public policy uncertainties.

Professional and Business Services reported a December loss for the third consecutive year, down 300 jobs, and is down 1,700 jobs or -0.5 percent over the year. Accounting, Tax Preparation, Bookkeeping, and Payroll Services has been hardest hit, down 1,100 jobs or -6.4 percent, with employment for the month of December at its lowest level since 2004. The largest growth within Professional and Business services was in Employment Services, up 1,700 jobs or 3.4 percent. Demand from staffing firms saw considerable improvement in 2010 with Employment Services adding 4,500 jobs from January to December compared to a loss of 8,400 jobs in 2009. The only other significant over-the-year increase was in Services to Building and Dwellings, up 400 jobs or 1.0 percent.

Education and Health Services added 600 jobs in December driven by a gain of 800 jobs in Health Care and Social Assistance. The super sector continues to report positive job growth over the year as it has throughout the economic downturn, currently up 8,400 jobs or 2.8 percent from December 2009. The largest job gains were in Health Care and Social Assistance, up 7,500 jobs or 2.9 percent. Educational Services is also reporting a gain of 900 jobs, up 2.1 percent over-the-year. An aging population and a population growth rate that more than doubles that of the nation is responsible for growth in the super sector.

Leisure and Hospitality was up 900 jobs in December as establishments increased payrolls to handle the holiday season. The increase was made possible by gains in Food Services and Drinking Places, up 1,300 jobs or 0.7 percent. Arts, Entertainment, and Recreation suffered a seasonal loss of 400 jobs, down -1.5 percent over the month. The super sector is up 4,700 jobs or 2.0 percent over the year. Food Services and Drinking Places experienced the largest gain of 3,500 jobs from December 2009, up 1.9 percent. Arts Entertainment & Recreation and Accommodation are also reporting over-the-year increases up 800 jobs and 400 jobs respectively.

Other Services experienced a slight loss of 200 jobs in December and is up 900 jobs or 1.0 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 shed 1,600 jobs in December with losses found across Federal, State, and Local Government. Budget shortfalls continue to show up in Government which is reporting an over-the-year loss for the third consecutive month, down 1,000 jobs or -0.3 percent from December 2009. Most of the losses were in Local Government Educational Services, down 2,300 jobs or -1.2 percent over the year. Federal Government is also reporting a decline of 300 jobs, down -1.1 percent, over the year. State Government continues to report over-the-year increases as a result of gains in State Government Educational Services, up 900 jobs or 2.4 percent.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA	DEC 2010	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,542,600	8,100	0.3%	13,100	0.5%
Total Private	2,166,900	9,700	0.4%	14,100	0.7%
Goods Producing	484,300	1,700	0.4%	6,200	1.3%
.Mining and Logging	92,200	800	0.9%	4,500	5.1%
...Oil and Gas Extraction	52,000	200	0.4%	2,600	5.3%
...Support Activities for Mining	39,000	700	1.8%	1,900	5.1%
.Construction	170,600	500	0.3%	-1,700	-1.0%
..Construction of Buildings	48,300	100	0.2%	1,800	3.9%
..Heavy and Civil Engineering Construction	35,600	0	0.0%	-1,400	-3.8%
..Specialty Trade Contractors	86,700	400	0.5%	-2,100	-2.4%
.Manufacturing	221,500	400	0.2%	3,400	1.6%
..Durable Goods	143,300	400	0.3%	6,100	4.4%
...Fabricated Metal Product Manufacturing	45,000	100	0.2%	400	0.9%
...Machinery Manufacturing	39,100	-100	-0.3%	100	0.3%
....Agriculture, Construction, and Mining Machinery Manufacturing	28,700	0	0.0%	1,100	4.0%
...Computer and Electronic Product Manufacturing	17,700	100	0.6%	-200	-1.1%
....Computer and Peripheral Equipment Manufacturing	7,400	0	0.0%	0	0.0%
..Non-Durable Goods	78,200	0	0.0%	-2,700	-3.3%
...Petroleum and Coal Products Manufacturing	13,600	0	0.0%	100	0.7%
...Chemical Manufacturing	36,000	100	0.3%	-700	-1.9%
Service Providing	2,058,300	6,400	0.3%	6,900	0.3%
.Private Service Providing	1,682,600	8,000	0.5%	7,900	0.5%
..Trade, Transportation, and Utilities	527,700	6,900	1.3%	-1,900	-0.4%
...Wholesale Trade	128,800	200	0.2%	-700	-0.5%
....Merchant Wholesalers, Durable Goods	76,900	400	0.5%	-400	-0.5%
....Professional and Commercial Equipment and Supplies Merchant	10,600	0	0.0%	200	1.9%
....Merchant Wholesalers, Nondurable Goods	40,200	100	0.2%	300	0.8%
...Retail Trade	274,400	4,100	1.5%	-1,300	-0.5%
....Motor Vehicle and Parts Dealers	31,900	100	0.3%	100	0.3%
....Building Material and Garden Equipment and Supplies Dealers	19,400	0	0.0%	300	1.6%
....Food and Beverage Stores	54,200	300	0.6%	-100	-0.2%
....Health and Personal Care Stores	17,400	100	0.6%	400	2.4%
....Clothing and Clothing Accessories Stores	29,500	1,400	5.0%	-1,100	-3.6%
....General Merchandise Stores	64,200	1,200	1.9%	-200	-0.3%
.....Department Stores	26,700	1,200	4.7%	0	0.0%
.....Other General Merchandise Stores	37,500	0	0.0%	-200	-0.5%
...Transportation, Warehousing, and Utilities	124,500	2,600	2.1%	100	0.1%
...Utilities	16,600	100	0.6%	100	0.6%
....Air Transportation	23,700	100	0.4%	-400	-1.7%
....Truck Transportation	19,000	0	0.0%	500	2.7%
....Pipeline Transportation	8,800	0	0.0%	0	0.0%
..Information	32,300	100	0.3%	-1,500	-4.4%
...Telecommunications	17,200	0	0.0%	-700	-3.9%
..Financial Activities	136,700	0	0.0%	-1,000	-0.7%
...Finance and Insurance	87,000	100	0.1%	-100	-0.1%
....Credit Intermediation and Related Activities	42,700	100	0.2%	600	1.4%
.....Depository Credit Intermediation	29,300	100	0.3%	400	1.4%
....Securities, Commodity Contracts, and Other Financial Investment	12,500	0	0.0%	0	0.0%
....Insurance Carriers and Related Activities	29,100	-100	-0.3%	-200	-0.7%
.....Insurance Carriers	14,000	100	0.7%	-100	-0.7%
...Real Estate and Rental and Leasing	49,700	-100	-0.2%	-900	-1.8%
....Rental and Leasing Services	13,900	0	0.0%	-600	-4.1%

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

	DEC 2010	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	348,300	-300	-0.1%	-1,700	-0.5%
...Professional, Scientific, and Technical Services	170,100	100	0.1%	-3,500	-2.0%
....Legal Services	22,900	100	0.4%	-300	-1.3%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	16,100	300	1.9%	-1,100	-6.4%
....Architectural, Engineering, and Related Services	60,700	-400	-0.7%	200	0.3%
....Computer Systems Design and Related Services	23,400	100	0.4%	-500	-2.1%
...Administrative and Support and Waste Management and Remediation Services	157,900	-500	-0.3%	-1,500	-0.9%
....Administrative and Support Services	150,800	-600	-0.4%	-800	-0.5%
.....Employment Services	51,400	-200	-0.4%	1,700	3.4%
.....Services to Buildings and Dwellings	40,400	-500	-1.2%	400	1.0%
..Educational and Health Services	311,600	600	0.2%	8,400	2.8%
...Educational Services	43,400	-200	-0.5%	900	2.1%
...Health Care and Social Assistance	268,200	800	0.3%	7,500	2.9%
....Ambulatory Health Care Services	122,900	300	0.2%	5,300	4.5%
.....Offices of Physicians	45,100	200	0.4%	1,800	4.2%
....Hospitals	74,800	200	0.3%	2,000	2.7%
..Leisure and Hospitality	234,500	900	0.4%	4,700	2.0%
...Arts, Entertainment, and Recreation	26,800	-400	-1.5%	800	3.1%
...Accommodation and Food Services	207,700	1,300	0.6%	3,900	1.9%
....Accommodation	20,100	0	0.0%	400	2.0%
....Food Services and Drinking Places	187,600	1,300	0.7%	3,500	1.9%
..Other Services	91,500	-200	-0.2%	900	1.0%
Government	375,700	-1,600	-0.4%	-1,000	-0.3%
.Federal Government	28,100	-100	-0.4%	-300	-1.1%
.State Government	71,300	-600	-0.8%	700	1.0%
..State Government Educational Services	38,600	-600	-1.5%	900	2.4%
.Local Government	276,300	-900	-0.3%	-1,400	-0.5%
..Local Government Educational Services	188,900	-700	-0.4%	-2,300	-1.2%

UNEMPLOYMENT RATE

	DEC 2010	NOV 2010	DEC 2009
H-S-B MSA	8.3	8.6	8.2
Texas (Actual)	8.0	8.3	8.0
United States (Actual)	9.1	9.3	9.7

Houston-Sugar Land-Baytown MSA: Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and San Jacinto & Waller Counties. Houston-Baytown-Sugar Land MSA CES data series are benchmarked to March 2009 levels. Estimated by the Texas Workforce Commission in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. All Data Subject To Revision.

Sources: U.S. Department of Labor, BLS, Texas Workforce Commission, Baker Hughes Incorporated, Kiley Advisors, Metrostudy, and The Federal Reserve Bank of Dallas (which covers Texas, northern Louisiana and southern New Mexico).