

The Gulf Coast Workforce Board Tentative Agenda

10:00 a.m. Tuesday, June 3, 2008

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. Call to Order and Determination of Quorum

2. Adoption of Agenda

3. Public Comments

4. Minutes from April, 2008 meeting

5. Declarations of Conflict of Interest

6. Chairman's and Committee Reports

- a. Audit & Monitoring

7. Action Items

- a. *Strategic Planning Committee.* Consider updating the Board's strategic plan for the years 2009 through 2013.
- b. *Procurement Committee.* Consider committee recommendations for 2009 contracts to operate the Board's Workforce Solutions system in amount not to exceed \$170 million.

8. Information

- a. System Performance
- b. Expenditures

9. Labor Market Report

10. Adjourn

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The Gulf Coast workforce system helps employers solve their workforce problems and residents build careers so both can compete in the global economy.



**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, APRIL 1, 2008**

MEMBERS PRESENT:

Gerald Andrews	Janell Baker	Ron Bourbeau
Carl Bowles	Bill Crouch	Mary Duran
Clarence Fenner	Joe Garcia	Mark Guthrie
John Hebert	Bobbie Henderson	Elsie Huang
Guy Robert Jackson	Jeff Labroski	Ray Laughter
Steve Lufburrow	Raymond McNeel	Michael Nguyen
Don Nigbor	Linda O'Black	Dale Pinson
Janice Ruley	Allene Schmitt	Richard Shaw
Kathy Shingleton	Tom Stinson	Frank Thompson
Evelyn Timmins		

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Lucretia Hammond
Joel Wagher

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, April 1, 2008, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM FEBRUARY 5, 2008

Mr. Thompson asked if there were any additions or corrections to the minutes for February 5, 2008. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

No one declared a conflict of interest.

CHAIRMAN'S AND COMMITTEE REPORTS

Health Services Steering Committee

Mr. Frank Thompson introduced Harry Holmes, Senior Vice President for Public Affairs and Government Relations at the Texas Medical Center. Mr. Holmes made a presentation regarding the Health Services Steering Committee (HSSC) and the work it is doing. The Steering Committee is a collaboration among major hospitals and health care research institutions on our region. HSSC was created in response to a critical shortage of nurses in the Gulf Coast region. HSSC reaches out to over 350 leaders in the nursing, directors of nursing programs and human resources and deans to help solve the RN workforce shortages. Since 2000 there has been a 67% increase in graduations from schools of nursing and a 43% increase in enrollments in schools of nursing in the region.

Career Offices

Dr. Kathy Shingleton stated that the Career Office Committee met on March 25, 2008 and discussed performance data, customer satisfaction and staff assessments for the Board's four career office contractors and consider similar information for our employer services and financial aid payment office contractors. Committee members asked questions about contractor performance, quality improvement, career office location and how we provide employer services. Committee Chair Shingleton asked that the staff:

- Gather and report average staffing levels and turnover rates for the career office contractors;
- Ensure that the next bid specify future contracts financially penalize contractors who do not meet record keeping and other procedural requirements;
- Conduct a long-range market study on the placement of career offices throughout the region;
- Investigate the use of Board staff as conservators or "supra-managers" for contractors who have failed to correct serious performance or operational problems; and
- Provide options in the upcoming system bid so bidders could consider combining some employer service and resident service functions that are now separate.

Committee Chair Shingleton will also explored the discussion about changing the responsibility for delivering employer service functions with the Employer Service Committee.

Education

Mr. Don Nigbor stated that the Education Committee met on February 5, 2008. Mike Rozell and Dave Schroeder of the Gulf Coast Economic Development District attended and Jeff Wiley of the same organization participated by phone. Representatives from the Gulf Coast Economic Development District discussed their concerns regarding education in the Gulf Coast region from the perspective of economic development professionals. Their concerns along with those of the Workforce Board fall into two categories – the immediate need for training in the existing workforce to meet the needs of today’s employers and support for legislative changes that will enable community colleges to respond more quickly to employers’ needs for new programs. Dr. Charles Cook of Houston Community College made several suggestions for enhancing the relationships between colleges and employers.

Ms. Michelle Ramirez of Gilbreath Communications gave an update on marketing labor market information (and the importance of staying in school to prepare for careers) to parents, students and teachers. Work on the Education website portal focusing on our key industries is moving forward along with plans to launch the “Focus On” series of one-page sheets on key industries and occupations. In addition The WorkSource is participating with the Houston Chronicle in a Chronicle in Education program which will be an education supplement distributed in late April.

Ms. Rebecca Leppala gave a brief update on school visits.

Strategic Planning

Mr. Carl Bowles explained there was a Strategic Planning Session prior to the Board meeting, which reaffirmed the previous work on the Board values, mission, vision and results statements. Some minor tweaking and updating/improving of wording was done and staff made a presentation on where we are in the region. A second Strategic Planning Session is scheduled for Tuesday, May 6, 2008 from 9:00 a.m. to 1:00 p.m., to complete the update of the Board’s strategic plan. Results from the meeting will be presented to the full Board in June.

ACTION ITEMS

- a. Consider authorizing contract with Learning Designs, Inc. for system and contractor staff training and development in amount not to exceed \$449,899 for the first year.

Ms. Lucretia Hammond stated that approximately five years ago, we centralized and outsourced the staff training function. Since that time we have had two contactors – Open Minds and our current contractor, Learning Designs, Inc.

The majority of the LDI contract was devoted to creating and delivering customized training courses that provided The Work Source staff with skills to do their jobs better. We currently have a large catalog of customized courses for building skills and for

Gulf Coast Workforce Board Minutes

April 1, 2008

Page 4 of 6

teaching our own system procedures, as well as access to off-the-shelf courses through a web-based Learning Management System. Also included in the LDI contract were activities related to designing and building a statewide integrated professional development system for the Texas public workforce system – The National Workforce Institute (NWI). NWI is now fully operational as a non-profit organization with approximately 5,000 users.

In February 2008 we solicited qualified organizations to manage our staff training and development activities for the next five years. This includes:

- Management staff development and training activities
- Develop customized curricula
- Provide consulting services

No services were solicited for the activities related to the National Workforce Institute as that organization is now a free-standing operation.

Two organizations submitted proposals to provide staff development and training to the Gulf Coast Workforce System:

Executrain	Could not determine cost
Learning Designs, Inc.	\$449,899

Staff recommended the Board contract with Learning Designs, Inc., the top rated bidder, to provide staff development and training for the Gulf Coast Workforce System for up to five years. We have the option to renew the contract for up to four more years, pending satisfactory performance, availability of funds and approval of the Workforce Board and the H-GAC Board. The first year contract would run from May 1, 2008 thru April 30, 2009 and not exceed \$449,899.

A motion was made and seconded to authorize staff to negotiate a first year contract with Learning Designs, Inc not to exceed \$449,899. The motion carried.

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2007 – February 2008. The Board established measures for the Regional Workforce System and for The WorkSource. Regional Workforce System measures address how well our region is performing on a broad economic level. Regional Workforce System Measures include Regional Gross Product, Regional Education performance, Net New Jobs, Regional Employment. The WorkSource Measures address our immediate impact on our customers.

For The WorkSource

More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 29,000 employers this year which is 23% of the 126,000 employers identified for the Gulf Coast area. Through February, we provided services to 10,190 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 7,148 employers, 5,177 returned to The WorkSource for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly.

Customers employed by the 1st quarter after exit – In first quarter, 138,500 of the 177,004 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 10% - the percentage of exiters with earnings gains greater than 10% does not meet the target, but shows an increase over last year's performance. 78,926 of the 189,683 who exited had earnings gains of at least 10%.

Exiters with Earnings Gains of at Least 20% - The percentage of exiters with earnings gains greater than 20% does not meet the target, but shows an increase over last year's performance. 72,828 of the 189,683 who exited in the first quarter had earnings gains of at least 20%.

A Better Educated and Skilled Workforce –

Customers pursuing education diploma, degree or certificate who achieve one - Current performance fell shy of the target. 535 of the 4,382 customers pursuing an education diploma, degree or certificate achieved one.

Mr. Baggerly explained that in addition to the Board established measures there are sixteen measures contracted to the Board by the State. Of these sixteen measures we are not meeting the target for five measures.

- Market Share – The target for this measure is 23%. Our performance though February was 8.1%. We should be on target to meet this measure in three to four months.
- Attainment of Degree or Certificate – This is a youth measure. The target is 50%. Our performance is 47%. We should meet this measure in the next two of months.

- Literacy and Numeric Gains – This is a youth measure. The target is 30%. Our performance is 11.1%. We changed some procedures that should enable us to meet this measure in the future.
- All Families Participation Rate – The target for this measure is about 55%. Our performance through December was 44.6%. We saw a small improvement for February. We anticipate recent changes in our process should show steady improvement through the rest of the performance year.
- Average Number of Children Served Per Day (Child Care) – The target for this measure is 26,700. Our average number of children served through January was 23,986. We increased enrollment and should be meeting this measure soon.

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for two months ending February 29, 2008. Mr. Bradshaw explained that everything was on target and looked good.

LABOR MARKET REPORT

Mr. Joel Wagher explained that many of new jobs were created in 2007. The Gulf Coast region's annual job count was up 103,500 in 2007, the largest increase since 1998. Current reports reveal a slight slow down in job growth with initial claims for unemployment benefits up six of the last seven month. Most major sectors still have relatively high job growth with Mining and Construction both over six-percent growth rates for January 2008. The thirteen county region's unemployment rate was 4.5%, down from 4.7% in January 2007.

Mr. Thompson introduced two new, but not yet approved by the state, Board members – Lynn Lumsden and Victor Bass.

Mr. Thompson reminded the Board about the impromptu Education Committee meeting scheduled immediately following the Board meeting in Conf. Room B.

ADJOURN

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

Audit/Monitoring Committee
May 27, 2008 Monitoring Update

Recent Visits

- During April we visited eight offices to check on several items, including documentation and service process for welfare recipients as well as conflict of interest codes. In most cases we found that the offices were not always doing what their management told us they should be. We also found that most offices had less than acceptable documentation rates for participation hours. All the staff we talked to had read and understood the codes of conduct their employers had put in place earlier in the year.
 - ✓ We've provided feedback to all contractors about these visits and asked them to correct problem areas. We'll be back to visit additional sites in June, 2008.
- Following up on a finding from our last state review, we went out to check on a data security issue. TWC told us last year that staff in the offices were accessing the Attorney General's child support payment database inappropriately. (We use this database in some cases to check eligibility for our financial aid.) During our visits in May, 2008, we did not find any instances of staff using the child support payment database without permission of our customers. This is a significant improvement from last year.
- We completed annual financial reviews for our major contractors in May and are currently working to resolve the findings from these reports. Generally, we saw some problems with contractors having complete administrative policies and procedures and following their own internal policies.
- We will issue reports shortly about additional financial aid eligibility reviews that we conducted in May and the most recent review of Employer Service operations.

Draft Strategic Plan For the Gulf Coast Regional Workforce System

The Planning Process

In 2003, the Board reviewed and adopted the “front-end” sections of its strategic plan: the core values, mission, vision, and expected results for the regional workforce system. Then in 2004, Board set in place the “back-end” piece that lays out a framework for quantifying progress toward the Board-established results: the measures, baselines and targets. This plan provides annual and long-range targets for the years 2003 through 2008.

The Strategic Planning Committee periodically reviewed performance against the targets for the regional workforce system and that part the Board controls. The committee also recommended, and the Board adopted, several changes to measures and targets.

Earlier this year, the committee asked staff to begin work on the next planning cycle – 2009 to 2013. Staff provided information briefs addressing population, education, the economy, expectations of key constituents, resources and performance. On May 6, 2008, Board members attended a Strategic Planning Workshop, engaged in a situation audit and brainstormed strategies to implement the strategic plan.

Materials for Your Review

Following this cover sheet you will find in draft form:

- ◆ An information piece on the region’s economic outlook
- ◆ A revised strategic plan with measures, baselines, and targets the board will use to lead and govern Workforce Solutions and the larger regional workforce system for 2009 through 2013

Action Requested

Adopt the revised plan as presented by the Strategic Planning Committee.

The Gulf Coast Workforce Board
Bringing People and Jobs Together

The Environment in Which We Operate:
ECONOMIC OUTLOOK FOR THE GULF COAST REGION OF TEXAS

*The Gulf Coast workforce system is a regional network
of business, education, labor, government, and community organizations
serving the City of Houston and the 13-county Gulf Coast region of Texas.*

The Environment in Which We Operate: ECONOMIC OUTLOOK FOR THE GULF COAST REGION OF TEXAS Spring 2008

Though growth of the national economy has slowed significantly over the past year, Texas and the Gulf Coast region continue to grow at a pace well above that of the nation as a whole.

Real gross domestic product for the region, the single best indicator of economic output, increased from a low of 0.7 percent in 2003 to 6.7 percent in 2006. Though lower annual growth rates of just over 4 percent are projected through 2013, these are robust rates expected to continue producing a full-employment economy for the region.

Increases in **real personal income** — actual and projected — mirror those for gross domestic product. Real personal income (by place of residence) is projected to grow at an annual rate of 4.4 percent between 2007 and 2013. **Real per-capita income** over the same period is also expected to increase but at an annual rate of only rate of only 2.1 percent. This slower growth in per-capita income (by place of residence) is due to the fact that the region's population is projected to grow faster than increases in personal income.

Employment is also expected to continue growing, increasing from 2.5 million jobs in 2007 to 2.8 million in 2013, an annual growth rate of 2 percent that should add another 300,000 jobs in the regional economy.

The **population** of the Gulf Coast region is expected to increase by 32 percent from 2000 to 2013, faster than that projected for the state as a whole (25 percent) and nearly three times the 12 percent increase projected for the nation. If these estimates are on target, the region's population will grow from 4.8 million in 2000 to 6.4 million in 2013 and become increasingly minority. In 2000, minority populations represented 51 percent of the total population. In 2013, they are projected to represent 64 percent.

Eighty percent of this projected growth will come from increases in the **number of Hispanics** living in the region. Of concern is the fact that 48 percent of all Hispanics 25 and older — the largest growing segment of the region's population — have no high school diploma. Twenty-nine percent have less than a 9th grade education.

A prolonged downturn in the national economy will inevitably slow growth in output, job creation, and employment in the Gulf Coast region, especially in certain sectors of the economy, including housing, financial services, and high-end retail trade. The longer the slowdown, the wider its impact, but rather than negative growth, the region is more likely to face a slower rate of increase.

Over the long term, however, the high influx of Hispanics with relatively few educational credentials represents both a major workforce development opportunity and challenge, specifically the ability of the region's public education and training to prepare these and others for the skilled jobs of the 21st century. The economic prosperity of the present is not guaranteed for the future. Economic growth for the Gulf Coast region depends in large part on its ability to produce and maintain a well-educated and well-trained workforce.

KEY ECONOMIC INDICATORS¹

2007 – 2013

Indicator	Current Level (2007)	Projected Level (2013)	Projected Compound Annual Growth Rate (2007 – 2013)
Real Gross Product <i>(billions in 2000\$)</i>	287	367	4.14%
Real Personal Income <i>(billions in 2000\$, by place of residence)</i>	214	277	4.37%
Population <i>(millions)</i>	5.61	6.41	2.2%
Real Per-Capita Income <i>(in 2000\$)</i>	\$38,091	\$43,140	2.1%
Job Creation <i>(millions in covered employment)</i>	2.5	2.8	2.0%
Percentage of Population Employed <i>(16 years and older)</i>	58.4	56.5	- .5%

¹ This economic outlook for the Gulf Coast Region draws heavily from a March 2008 economic forecast by The Perryman Group (TPG). Exceptions are: 1) population projections from the Texas State Data Center's 2000-2004 Migration Scenario were substituted for those produced by TPG to estimate per-capita income and 2) the projection of jobs created is measured by numbers working in covered rather than wage and salary employment.

ECONOMIC INDICATORS BY YEAR
2007 - 2013

Indicator	Year						
	2007	2008	2009	2010	2011	2012	2013
Real Gross Product <i>(billions in 2000\$)</i>	287	299	312	325	338	352	367
Real Personal Income <i>(billions in 2000\$, by place of residence)</i>	214	222	232	242	253	264	277
Population <i>(millions)</i>	5.61	5.74	5.87	6.00	6.13	6.27	6.41
Real Per-Capita Income <i>(in 2000\$)</i>	38,091	38,748	39,529	40,400	41,298	42,210	46,140
Job Creation <i>(millions in covered employment)</i>	2.49	2.54	2.59	2.65	2.70	2.75	2.81
Percentage of Population Employed <i>(16 years and older)</i>	58.4	58.1	57.7	57.4	57.0	56.7	56.5

The Gulf Coast Workforce Board
Bringing People and Jobs Together

DRAFT STRATEGIC PLAN 2009 – 2013
FOR THE REGIONAL WORKFORCE SYSTEM

Adopted by the Board June, 2008

*The Gulf Coast workforce system is a regional network
of business, education, labor, government, and community organizations
serving the City of Houston and the 13-county Gulf Coast region of Texas.*

THE GULF COAST WORKFORCE BOARD
Bringing People and Jobs Together

Draft Strategic Plan 2009 – 2013

<p>Core Values <i>(Our Strongly Held Beliefs)</i></p>	<p>Innovation — Productivity — Accountability — Results</p>
<p>MISSION <i>(The Reason We Exist)</i></p>	<p>The Gulf Coast workforce system helps employers meet their workforce needs and individuals build careers so both can compete in the global economy.</p>
<p>VISION <i>(The Future We Aspire To)</i></p>	<p>For the Gulf Coast region:</p> <p><i>The Gulf Coast of Texas ranks among the top ten economic regions in the world.</i></p> <p><i>Employers have an adequate supply of well-educated and well-trained people, which enables them to compete in the world economy.</i></p> <p><i>Individuals have the knowledge, skills, and aptitudes to work and earn incomes that make them self-sufficient.</i></p> <p><i>The region is among the most attractive places in the country to live and work.</i></p>

VISION
(continued)

For the regional workforce system:

A single, integrated workforce system helps employers meet their workforce needs and individuals build careers.

Employers access the system and use its services without leaving their place of business.

Individuals are able to learn and work in their homes, in schools, and on the job to realize their greatest potential.

People throughout the region know about the system and can access the same high-quality information and labor market services regardless of where they live or how they come in contact with the system.

Strong commitments to innovation, productivity, accountability, and results keep the system flexible and responsive to employers' and peoples' ever-changing workforce needs.

Life-long learning and skills development are integral parts of the regional workforce system.

Long-standing relationships between employers and educators keep education and training opportunities one step ahead of the needs of the market.

The system partners with those industries and employers that drive the regional economy. It also works with chambers of commerce and economic development entities to identify and support emerging industries vital to the region's continued growth and diversification.

Operating above reproach, the system is highly valued by employers and people alike.

VISION
(continued)

For the Gulf Coast Workforce Board:

The Gulf Coast Workforce Board sets the regional workforce agenda. It is widely recognized for its excellence as a leadership and governing board and for its commitment to making a difference.

Business, labor, and community leaders vie for board membership because they know it is:
— *well-educated, innovative, disciplined, and high-performing*
— *nationally and locally recognized for its stewardship of public funds and its commitment to results; it makes funding decisions solely on the basis of performance, not politics*
— *accountable to its owners (the taxpayers) and their representatives (the elected officials who appointed its members)*

RESULTS
*(The Difference
We Will Make)*

1. More Competitive Employers
2. A Better-Educated Workforce
3. More and Better Jobs
4. Higher Incomes
5. A Positive Rate of Return on Investment

**MEASURES, BASELINES,
AND TARGETS**
*(How We Will Measure
Progress Toward
Achieving Results)*

For the Regional Workforce System in 2013:

Education Credentials

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

Job Creation

- 2.8 million individuals will be employed in the region, reflecting the addition of 300,000 jobs created since 2007

For Workforce Solutions in 2013:

Market Share

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

Customer Loyalty

- 75 percent of employers using Workforce Solutions will be repeat customers

Education Credentials

- 33 percent of individual customers pursuing an education credential will earn one

Job Creation

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

**MEASURES, BASELINES,
AND TARGETS**
(continued)

Employment

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

Earnings

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

A Positive Rate of Return on Investment

— measure pending

STRATEGIES
*(How We Will Achieve
Results)*

1. Continually improve the quality of customer service
2. Provide high-quality labor market information
3. Provide skilled workers for employers in critical industries
4. Contribute to high-quality, life-long learning experiences
5. Use our resources to move the larger system to achieve Board-established results
6. Meet the requirements of our funding sources
7. Find additional revenue to support Board results

**Gulf Coast Workforce Board
2009-2013 Proposal Review Summary
Career Offices**

BIDDER: Arbor E & T, LLC (Austin and Louisville)

TOTAL REQUEST: \$15,012,896

SERVICE AREA: Alvin, Bay City, Baytown, Columbus, Galveston, Lake Jackson, Liberty, Rosenberg, Texas City, Wharton, and Winnie (Brazoria, Colorado, Chambers, Fort Bend, Harris, Liberty, Matagorda, and Wharton counties)

SYNOPSIS: Arbor proposes to manage 11 career offices with 163 staff and 20 administrative positions.

Arbor is proposing to add the Columbus, Galveston and Texas City offices (currently managed by Interfaith) to its current eight offices.

BUDGET:	Personnel Costs	\$9,652,493
	Facilities	1,662,624
	Equipment	296,940
	Communications	271,150
	Travel	138,798
	All Office Expenses	225,450
	Staff Development	451,150
	Other	226,460
	Fees	1,084,066
	<u>Indirect</u>	<u>1,003,765</u>
	TOTAL	\$15,012,896

COMMENTS: In 2006, Arbor purchased the workforce services group from our former contractor, ACS State and Local Solutions. We have contracted with what is now Arbor since 1996—first as Lockheed, then as ACS, and now as Arbor E&T.

For 2008, Arbor is ranked second of our four career office contractors in meeting performance numbers.

**Gulf Coast Workforce Board
Proposal Review Summary
Career Offices**

BIDDER: HoustonWorks USA (Houston)
TOTAL REQUEST: \$24,284,636
SERVICE AREA: Astrodome, Clear Lake + Texas City (new location), Downtown + Heights (new location), East End, Hobby, Northline, Pasadena, Southwest, and Westheimer (Galveston and Harris counties)

SYNOPSIS: Houston Works, USA, proposes to operate nine career offices using 274 staff supported by 30 administrative staff.

Houston Works is proposing to combine the existing Clear Lake and Texas City offices into a new location in League City (Galveston County) and to combine the Heights and Downtown locations in a new location west of downtown Houston. Both Heights and Downtown are currently operated by Interfaith. Houston Works is also proposing to operate the Westheimer office, currently operated by Interfaith.

BUDGET:	Personnel Wages, Fringe, Incentive Pay	\$ 19,370,598
	Non Staff Services/Audit/Legal	80,000
	Facilities	2,874,686
	Equipment	715,156
	Communications	397,976
	Travel	54,750
	All Office Expenses	512,570
	Work Experience for youth	228,900
	Subcontracts/Consultant	25,000
	Staff Development	25,000
	TOTAL	\$ 24,284,636

COMMENTS: We have contracted with Houston Works to operate career offices since 1997. Currently, Houston Works manages eight offices, all in Harris County.

For 2008, Houston Works is ranked first of our four office contractors in meeting performance.

**Gulf Coast Workforce Board
Proposal Review Summary
Career Offices**

BIDDER: Interfaith of The Woodlands (The Woodlands)
TOTAL REQUEST: \$16,973,045
SERVICE AREA: Columbus, Conroe, Greenspoint, Heights, Humble, Huntsville, Northwest, Sealy, Spring Branch + Katy, Waller, and Westheimer (Austin, Colorado, Harris, Montgomery, Walker and Waller counties)

SYNOPSIS: Interfaith of The Woodlands proposes to operate eleven career offices using 228 office staff supported by 28 administrative staff.

Interfaith is proposing to close the Katy office and combine with Spring Branch and to give up management of the Texas City and Galveston offices.

BUDGET:	Personnel Wages, Fringe, Incentive Pay	\$ 12,894,074
	Non Staff Services/Audit/Legal	0
	Facilities	2,127,273
	Equipment	354,564
	Communications	282,613
	Travel	74,250
	All Office Expenses	347,800
	Subcontracts	0
	Staff Development	54,300
	<u>Indirect</u>	<u>838,171</u>
	TOTAL	\$ 16,973,045

COMMENTS: We've contracted with Interfaith for more than 20 years to operate a variety of workforce services. Interfaith has operated career offices since 1996.

Interfaith currently operates 14 career offices and is proposing to close one and give up two locations for next year.

For 2008, Interfaith is ranked third of our four office contractors in meeting performance.

**Gulf Coast Workforce Board
Proposal Review Summary
Career Offices**

BIDDER: SER-Jobs for Progress of the Texas Gulf Coast, Inc. (Houston)
TOTAL REQUEST: \$10,930,613
SERVICE AREA: Denver Harbor + Northeast (new location), Northshore, Humble, East End and Westheimer (Harris County)

SYNOPSIS: SER proposes to operate five career offices using 136 office staff supported by 10 administrative positions.

SER is proposing to combine the Denver Harbor and Northeast offices into one new location. SER is also proposing to assume management of the Humble and Westheimer offices from Interfaith and the East End office from Houston Works.

BUDGET:	Personnel Wages, Fringe, Incentive Pay	\$ 7,701,025
	Non Staff Services/Audit/Legal	90,600
	Facilities	1,965,604
	Equipment	337,263
	Communications	209,708
	Travel	78,683
	All Offices Expenses	325,345
	Subcontracts	0
	Other including Staff Development	222,385
	Fee and Indirect	0
	TOTAL	\$ 10,930,613

COMMENTS: We have contracted with SER for workforce services since 1975 and to operate offices since 1997. SER-Houston is the local affiliate of the nationwide SER-Jobs for Progress network, with 38 partners operating 200 offices in 19 states, Puerto Rico and the District of Columbia.

For 2008, SER is ranked fourth of our four career office contractors in meeting performance standards.

**Gulf Coast Workforce Board
Proposal Review Summary
Career Offices**

BIDDER: Harris County Department of Education (Houston)

TOTAL REQUEST: \$15,615,989

SERVICE AREA: Baytown, Denver Harbor, Greenspoint, Heights, Humble, Northeast, Northshore, Northwest, Spring Branch and Westheimer (Harris County)

SYNOPSIS: Harris County Department of Education is proposing to operate 10 career offices with 230 staff and 4 administrative positions.

HCDE proposes to operate 10 career offices which are in areas where they currently deliver Adult Education programming and Head Start services.

BUDGET:	Personnel Wages, Fringe, Incentive Pay	\$11,446,781
	Non Staff Services/Audit/Legal	70,000
	Facilities	1,973,568
	Equipment	70,140
	Communications	296,013
	Travel	35,588
	Offices Expenses	538,920
	Other (Secret shopper and background checks)	39,360
	Indirect	1,145,619
	TOTAL	\$15,615,589

COMMENTS: Harris County Department of Education is a new bidder that has not operated career offices before.

HCDE is a local education agency providing elementary and secondary education in Harris County and adult basic education and literacy services for Harris County and surrounding counties school districts, charter schools and non-profit organizations.

We have worked with and are currently working with HCDE past to match child care dollars and expand services for our residents.

Gulf Coast Workforce Board Proposal Review Summary Career Offices

BIDDER: One-Stop Management (Austin)
TOTAL REQUEST: \$4,847,289
SERVICE AREA: Columbus, Katy, Northwest, Sealy, and Waller (Austin, Colorado, Harris and Waller counties)

SYNOPSIS: One-Stop Management, LLC (OSM) is a Texas-based management services organization that provides services designed to be used by Texas workforce boards.

OSM proposes to manage five career offices using an alternative arrangement in which the board contracts with a managing director who then contracts with a third entity, such as a Professional Employment Organization (PEO). This approach is fixed fee-based. We could not determine the number of staff OSM is proposing to use to operate these five offices.

OSM has managed two career center systems in Capital Area WDB and Cameron County WDB using these management systems.

The OSM fixed-fee model for management services charges the board for the following services:

- Executive supervision
- Board reporting and related functions
- Business Intelligence Reporting and Analysis
- Program management services
- OSM Career Center automated systems including: the OBIS reporting system; The OSM Human Resources system and the OSM gas card management system.

BUDGET:	Personnel Wages, Fringe, Incentive Pay	\$3,958,935
	Non Staff Services/Audit/Legal	16,300
	Facilities	683,854
	Equipment	0
	Communications	0
	Travel	21,300
	Offices Expenses	172,100
	OBIS reporting system for Gulf Coast	58,000
	<u>Fee</u>	<u>265,000</u>
	TOTAL	\$5,175,488

Career Office Proposal Review Summary
One-Stop Management (cont'd)

COMMENTS: OSM is a new bidder in our area. OSM previously operated offices for the Capital Area and Cameron County workforce boards. OSM does not contract with either of these two areas currently.

OSM's proposal budget did not add to the total shown on the proposal cover page. We included both the proposed amount from the cover page and the sum of the budget items for comparison in this summary.

**Gulf Coast Workforce Board
Proposal Review Summary
Employer Service**

BIDDER: Employment and Training Centers, inc. (Houston)
TOTAL REQUEST: \$4,788,385

SYNOPSIS: Employment and Training Centers proposes to provide employer service using 50 staff and 10 administrative positions. ETC will place 34 positions throughout the region in key locations.

Employer Service is the sales and marketing arm of The WorkSource.

ETC is the sole bidder for the Employer Services contract.

BUDGET:	Personnel Costs	\$3,818,618
	All Non Staff services	35,000
	Facilities	204,400
	Equipment	96,381
	Communications	41,946
	Travel	114,600
	All Office Expenses	62,700
	Subcontracts	0
	Other	109,250
	<u>Fees or Indirect</u>	<u>305,490</u>
	TOTAL	\$ 4,788,385

COMMENTS: ETC is a family-owned business established in 1986 and specializing in workforce development. In 2002, ETC expanded by opening the ALTA Academy, which is a Houston Independent School District local charter school.

Through its current contract with us, ETC currently provides basic, customized and industry-level service to help area employers meet their human resource needs.

**GULF COAST WORKFORCE BOARD
PROPOSAL REVIEW SUMMARY**

FINANCIAL AID

BIDDER: Neighborhood Centers Inc.
TOTAL REQUEST: \$3,489,863
SERVICES: Financial aid payment center for all career offices and the 13-county region

SYNOPSIS: Bidder proposes to operate the financial aid payment office using 50 staff. This includes approximately nine management positions.

NCI currently operates The WorkSource's Financial Aid Payment Office, working with 6,784 vendors and paying out more than \$115 million in payments each year.

NCI, after receiving notice from career offices, ensures funds are available to pay financial aid (scholarships, work support, child care, transportation), makes arrangements with vendors, and pays out the assistance to vendors.

BUDGET:	Wages & Fringe Benefits	\$2,424,935
	Facilities	\$147,904
	Equipment:	\$20,000
	Communications	\$302,040
	Travel	\$4,040
	All Office Expenses	\$75,360
	Audit and Legal	\$6,200
	Staff Development	\$12,000
	Other	\$0
	<u>Indirect</u>	<u>\$497,384</u>
	TOTAL	\$ 3,489,863

COMMENTS: We have contracted with NCI for a variety of services since 1997.

NCI is the sole bidder for the financial aid payment contract.

Neighborhood Centers, Inc. (NCI) provides a wide range of community-based programs that benefit youth, families, and seniors in the Houston area. Services are provided through a six community centers; operates Early Head Start, Early Childhood Development Centers, Head Start and preschool programs; and offers contracted services for governmental agencies.

GULF COAST WORKFORCE BOARD
SYSTEM PERFORMANCE
OCTOBER 2007 – APRIL 2008

BOARD MEASURES

The Board established measures for the Regional Workforce System and for The WorkSource. Regional Workforce System measures address how well our region is performing on a broad economic level. Regional Workforce System measures include Regional Gross Product, Regional Education performance, Net New Jobs, Regional Employment. The WorkSource measures address our immediate impact on our customers.

Performance on The WorkSource measures are presented below.

BOARD GOAL: More Competitive Employers

MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 29,000 employers this year which is 23% of the 126,000 employers identified for the Gulf Coast area. Through April, we provided services to 17,463 employers.	23%	13.9%	23.1%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 11,995 employers, 7,863 returned to The WorkSource for additional services.	65%	65.6%	61.1%

BOARD GOAL: More and Better Jobs

SYSTEM MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
<u>New jobs created</u> This information is captured quarterly and is averaged over two years.	1,500	1,015	1,923
<u>Customers employed by the 1st Qtr after exit</u> In first quarter, 138,602 of the 177,000 customers who exited from services were employed in the quarter after exit.	77%	78.3%	76.5%

BOARD GOAL: Higher Real Incomes

SYSTEM MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
<u>Exiters with Earnings Gains of at least 10%</u> The percent of exiters with earnings gains greater than 10% does not meet the target but shows an increase over last year's performance. 78,941 of the 189,687 who exited in the first quarter had earnings gains of at least 10%.	45%	41.6 %	40.3%
<u>Exiters with Earnings Gains of at least 20%</u> The percent of exiters with earnings gains greater than 20% does not meet the target but shows an increase over last year's performance. 72,839 of the 189,687 who exited in the first quarter had earnings gains of at least 20%.	40%	38.4%	37.4%

BOARD GOAL: A Better Educated and Skilled Workforce

SYSTEM MEASURE	ANNUAL TARGET	CURRENT PERFORMANCE	PERFORMANCE LAST YEAR
For The WorkSource			
Customers pursuing education diploma, degree or certificate who achieve one Current performance is shy of the target. 1,056 of the 4,853 customers pursuing an education diploma, degree or certificate achieved one.	20%	21.8%	16.8%

CONTRACTED MEASURES

In addition to the Board established measures, there are sixteen measures contracted to the Board by the state. Of these sixteen measures we are not meeting the target for four measures.

- Attainment of Degree or Certificate. This is a youth measure. The target is 50%. Our performance is 47%.
- Literacy and Numeracy Gains. This is a youth measure. The target is 30%. Our performance is 11.1%. We changed some procedures that should enable us to meet this measure in the future.
- All Families Participation Rate. The target for this measure is about 54%. Our performance through April was 45.1%. We continue to meet with our contractors to improve our processes and should show improvement through the rest of the performance year.
- Average Number of Children Served Per Day (Child Care). The target for this measure is 26,700. Our average number of children served through March was 25,299. We've increased our enrollment and should be meeting this measure soon.

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the Four Months Ended April 30, 2008**

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	189,936,074	63,312,025	61,092,285	2,219,740
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,741,978	1,580,659	1,474,793	105,866
EMPLOYER SERVICES	6,950,000	2,316,667	2,882,085	(565,418)
RESIDENT SERVICES	176,894,096	58,964,699	56,403,527	2,561,172
OFFICE OPERATIONS	65,484,505	21,828,168	20,319,102	1,509,066
FINANCIAL AID	111,409,591	37,136,530	36,084,425	1,052,105
RESEARCH & DEMONSTRATION	1,350,000	450,000	331,880	118,120
<i>TOTAL WORKFORCE EXPENDITURES</i>	189,936,074	63,312,025	61,092,285	2,219,740

VARIANCE ANALYSIS

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



GULF COAST REGION EMPLOYMENT TRENDS

JUNE 2008

APRIL 2008 DATA

Unemployment rate is the lowest since 2000. The Gulf Coast Region's¹ April unemployment rate of 3.8 percent was the lowest since December 2000, when the rate was 3.5 percent. The December 2000 rate represented 86,202 total unemployed, compared to April 2008's 106,947. Peak unemployment for this time series was in June 2003, when total unemployed was 201,716, or 7.6 percent of the labor force. As the region's unemployment rate declined, the national numbers climbed from 4.3 percent in April 2007 to 4.8 percent in April 2008.

Current reports reveal a slowdown in job growth. The data on the next page, Table 1, shows the levels of employment for the current month, month ago, and year ago for the Gulf Coast Region. April's job count was up 71,100 from April 2007. This was below the 108,100 jobs posted in April 2007. The recent peak in job growth was in June 2007, with 117,200 jobs, or 4.8 percent growth. The rate of growth has slowed since June to a low of 2.8 percent in April (Chart).

Most major sectors still have high job growth relative to the U. S. rate. Education & Health Services continued its steady gains with an increase of 10,900 new jobs, up 3.9 percent. Construction was up 8,800 jobs, 4.6 percent, from April 2007. Last year at this time, Construction was up 15,600 jobs, peaking in June 2007 with an over-the-year increase of 16,700 jobs. Natural Resources & Mining added 5,300 jobs (6.4 percent) from April 2007.

Initial Claims for unemployment benefits were up nine of the last ten months. There were 14,590 claims filed in April 2008, up 2,569 (21.4 percent) from April 2007. The 21.4 percent increase was the most rapid rise since March 2003, when the rate was 30.3 percent over March 2002. Continued claims were up in April for the fifth month in a row. The 68,003 continued claims filed in April were up 6,544 over the year, a 10.6 percent increase from April 2007.

Reports on the characteristics of the insured unemployed reveal that the sectors with the largest increases of unemployed workers over the year are construction, up 604, and services, up 414. From April 2007 to April 2008, the number of people who are listed in the category "15 & over Weeks of Current Duration" was up 947 (17.3%), and the number of people who are listed in the category "5-14 Weeks of Current Duration" was up 1,712 (20.1%). The increased number of people in these two categories is a product of the recent slowdown in job growth.

The thirteen county region's unemployment rate was 3.8%, down from 3.9% in April 2007.

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

Table 1

Industry	NET CHANGE FROM						% Chg. Apr-07 TO Apr-08
	Apr-08	Mar-08	Apr-07	Mar-08	Apr-07	Apr-08	
				TO	TO		
Total Nonfarm	2,597,900	2,595,000	2,526,800	2,900	71,100	2.8%	
NATURAL RESOURCES & MINING	88,500	87,900	83,200	600	5,300	6.4%	
CONSTRUCTION	202,100	202,200	193,300	-100	8,800	4.6%	
MANUFACTURING	235,800	235,100	230,300	700	5,500	2.4%	
DURABLE GOODS	155,100	155,000	149,700	100	5,400	3.6%	
NONDURABLE GOODS	80,700	80,100	80,600	600	100	0.1%	
TRADE, TRANSP., & UTILITIES	525,300	522,200	510,200	3,100	15,100	3.0%	
WHOLESALE TRADE	136,400	136,500	132,600	-100	3,800	2.9%	
RETAIL TRADE	262,900	261,400	255,400	1,500	7,500	2.9%	
TRANSP, WAREHOUSING, & UTIL	126,000	124,300	122,200	1,700	3,800	3.1%	
INFORMATION	36,900	36,800	36,700	100	200	0.5%	
FINANCIAL ACTIVITIES	146,300	145,700	143,400	600	2,900	2.0%	
PROFESSIONAL & BUSINESS SERV.	386,300	388,700	374,700	-2,400	11,600	3.1%	
EDUCATION & HEALTH SERV.	290,000	290,900	279,100	-900	10,900	3.9%	
LEISURE & HOSPITALITY	232,300	230,800	227,000	1,500	5,300	2.3%	
OTHER SERV.	95,500	95,100	92,300	400	3,200	3.5%	
TOTAL GOVERNMENT	358,900	359,600	356,600	-700	2,300	0.6%	
FEDERAL	28,900	28,900	28,200	0	700	2.5%	
STATE	72,300	72,300	71,800	0	500	0.7%	
LOCAL	257,700	258,400	256,600	-700	1,100	0.4%	

Chart

Over-The-Year Job Growth

