

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, June 2, 2009 10:00 a.m.

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

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

1. Call to Order and Determination of Quorum

2. Adoption of Agenda

3. Public Comments

4. Minutes from April, 2009 meeting

5. Declarations of Conflict of Interest

6. Chairman's and Committee Reports

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

- a. *Audit/Monitoring.* The Committee Chair will report on the most recent meeting.
- b. *Education.* A committee member will briefly discuss the public relations campaign materials for the Board's career information.
- c. *Early Education & Care.* The Committee Chair will report on a proposal to increase maximum allowable rates for child care providers.

7. Action Items

- a. *Public Hearing: State Compliance Plan.* Consider updates to the Board's state compliance plan for 2010.
- b. *Budget Committee.* Consider committee's recommendations to amend 2009 budget and include American Recovery and Reinvestment Act funds of \$54.4 million for a total amended budget of \$232.7 million.

8. Information

- a. What Are Green Jobs?
- b. *System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
- c. *Expenditures.* Staff will report on current 2008 expenditures.
- d. Revenue Reductions for 2010. Staff will report on expected drop in Workforce Investment Act revenues for next year.



Workforce Solutions is an equal opportunity employer/program.

Auxiliary aids and services are available upon request to individuals with disabilities.

Please contact H-GAC at 713.627.3200 at least 48 hours in advance to request accommodations. Texas

Relay: 1.800.735.2989 (TDD) 1.800.735.2988 (Voice) or 711

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9. Labor Market Report

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

10. Legislative Update

The Board Chair will summarize outcomes of the recent session.

11. Adjourn



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**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, April 7, 2009**

MEMBERS PRESENT:

Gerald Andrews	Janell Baker	Elaine Barber
Carl Bowles	Charles Cook	Bill Crouch
Mary Duran	Joe Garcia	Mark Guthrie
Bobbie Henderson	Tracie Holub	Brigit Kamps
Kathleen Long	Steve Lufburrow	Lynn Lumsden
Mindy May	Michael Nguyen	Linda O'Black
Allene Schmitt	Richard Shaw	Myles Shelton
Kathy Shingleton	Tom Stinson	Frank Thompson
Evelyn Timmins	Massey Villarreal	Bill Weaver
Sarah Wroblewski		

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Joel Wagher

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, April 7, 2009, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comments.

MINUTES FROM FEBRUARY 3, 2009

Mr. Thompson asked if there were any additions or corrections to the minutes for the February 3, 2009. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

A conflict of interest was declared by Mary Duran, Steve Lufburrow, Bobbie Henderson and Linda O'Black for item #7a - Summer Youth Procurement.

CHAIRMAN'S AND COMMITTEE REPORTS

Mr. Thompson explained that last month he, Mark Guthrie, Rodney and Mike attended the National Association of Workforce Boards in Washington, DC. Mr. Thompson explained that the four of them sat on a panel to discuss – “What Difference Does Your WIB Make in Your Community” and “How The WIB Defines Its Vision And Purpose And Most Importantly, How It Defines Its Success.” Mr. Thompson also explained that he has been spending a lot of time in Austin right now. Several bills could affect our Board and more information will be forthcoming at the June 2009 meeting.

Audit/Monitoring

Mr. Joe Garcia stated that the Audit & Monitoring Committee met by conference call on April 1st and discussed issues pertaining to quality assurance. Mr. Mike Temple spoke to the Board about the formation of the quality assurance teams which are comprised of staff from each of our major contractors and board staff. The team is working together to identify the areas that need improvement and provide a complete system review.

Mr. Rodney Bradshaw spoke about the audit and monitoring role as it relates to the stimulus monies that we are receiving. We want to make sure that the money received for the Summer Youth program is handled properly and we were looking for a capable - single organization to serve as the payroll provider. We are also trying to use the existing part of our system to handle participant eligibility. Those are two big pieces for a relatively intense program and we should not have any integrity issues. The next big issue would be compliance and working with a network of community organizations to handle outreach to the kids and employers and help setup good worksites. Monitoring will also be a big component of the programs.

ACTION ITEMS

- a. Procurement Committee. Consider committee's recommendations for contracts in an amount not to exceed \$14.7 million to operate 2009 summer jobs

Mr. Mark Guthrie explained that it was discussed with the Board in February that we would receive stimulus funds available for disadvantaged youth which are intended to be spent as soon as possible with an emphasis on summer jobs. To prepare for a

significantly larger project than recent years, we issued a request for proposals in early March to solicit contractors to operate projects and organizations interested in serving as summer worksites. We also solicited one organization to act as a payroll services contractor for the entire region. Our existing career offices will certify youth eligible for summer jobs. 45 proposals were received and the Procurement Committee met on April 2, 2009 to consider all proposals. The members present were Mark Guthrie, Richard Shaw, Bobbie Henderson, John Hebert, Ron Bourbeau, and Allene Schmitt. The committee heard brief comments from the bidders who were present, and members asked questions of bidders and the staff about particular proposals or issues. After considering staff rankings and then staff recommendations for funding, the committee voted its recommendations to the Board. The recommendations include the following conditions:

- We receive any missing certifications or assurances or attachments for a proposal prior to contracting;
- All workers will be covered by worker's compensation insurance;
- Contractors will provide services throughout the region; and
- Staff will review and approve any subcontracts before they are executed by a contractor.

These recommendations will fund 13 summer project managing organizations and one payroll services contractor, and will provide summer job opportunities for almost 4,500 young people between the ages of 14 and 24 throughout the region. The committee also accepted offers from organizations to serve as worksites for these summer jobs.

Recommended Work Sites

Bethel's Place
City of Houston
Dow Chemical Company
God's Provision for a Purpose
Gulf Coast Bird Observatory
Harris County Constable Precinct 7
Harris County Library
Houston Food Bank
Memorial Assistance Ministries
Neighborhood Centers
Precinct2gether
The Lighthouse Center

We anticipate receiving additional offers from governments and organizations in the region to serve as work sites. Summer job project managing organizations will also develop additional work sites as needed.

GULF COAST WORKFORCE BOARD			
PROCUREMENT COMMITTEE SUMMER JOBS CONTRACT RECOMMENDATIONS			
Proposer	Request	Recommend	Serve
SER-Jobs for Progress	\$ 1,180,018	\$ 1,180,000	350
Houston Area Urban League	349,921	349,900	108
Families Under Urban & Social Attack, Inc	424,147	424,100	121
Goodwill Industries of Houston	487,415	487,400	180
Alvin Community College	830,954	680,000	175
Employment and Training Centers, Inc.	7,457,500	5,172,000	1,567
Houston Works	2,763,864	2,724,350	1,000
Career & Recovery Resources, Inc.**	3,359,593	1,825,000	520
Communities in Schools Houston, Inc**	608,320	605,000	250
Young Scholars Academy for Excellence, Inc.	155,794	150,000	50
R & L Group, Inc**	185,745	170,000	50
Texas Southern University	4,048,300	275,000	50
KATCO Arts Academy	628,908	157,250	50
Astrodome Career Centers	130,000		
Learning Designs, Inc	800,791		
Texas Women's Empowerment Foundation	541,179		
Houston Food Bank	164,427		
Be a Champion, Inc	1,812,300		
Manpower Inc	11,893,520		
Houston's Training & Education Center, Inc	703,944		
Alliance for Multicultural Community Services	770,369		
The After School Programs	437,669		
Space City Academy	113,485		
Community Partners	241,018		
VN Team Work, Inc	47,369		
Genesys Works	670,305		
EES Educational Services, Inc.	51,165		
Bethel's Place***	66,505		
God's Provision for a Purpose***	55,000		
T3 Joint Venture	1,258,667		
Beyond Careers Inc	146,000		
Memorial Assistance Ministries***	10,525		
Precinct2gether***	3,737		
Global Resource Solution	105,900		
Juvenile Ready4Work Program	376,016		
Houston Help, Inc.	5,568		
Central Landscape & Maintenance, Inc.	124,300		
NCI	396,840	\$ 396,000	
GHG Corporation	400,000		
TOTALS	\$ 43,807,077	\$ 14,596,000	4,471
** Proposal totals corrected to include wages for summer workers			
*** Recommended as worksites			

A motion was made and seconded to approve Procurement Committee recommendations to fund 2009 summer jobs contracts in an amount not to exceed \$14.7 million. The motion carried. Mary Duran, Steve Lufburrow, Bobbie Henderson and Linda O'Black abstained from voting.

Dr. Bobbie Henderson strongly suggested that in the future proposers should attend the procurement committee meetings.

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2008 through February 2009. 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 32,200 employers this year which is 25% of the 128,700 employers identified for the Gulf Coast area. Through February, we provided services to 18,667 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 12,477 employers, 10,109 returned to The Workforce Solutions for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly. We added 600 new jobs in the first quarter of the performance year.

Customers employed by the 1st quarter after exit – with two quarters of data, 144,723 of the 181,379 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - 65,207 of the 179,830 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 – through February, 289 of the 1,694 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 seventeen indicators related to the money we receive from Texas Workforce Commission.

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

- WIA Adult Average Earnings – The target for this measure is \$12,400. Our performance for two quarters was \$11,613.
- Literacy and Numeracy Gains – This is a youth measure. The target is 35%. Our performance is 25%.
- Claimant Reemployment – the target for this measure is 67%. Our performance for two quarters was 63.6%.

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 two months ending February 28, 2009. Mr. Bradshaw explained that everything was on target and looked good. Mr. Bradshaw explained that they were going to ask the Budget Committee to meet prior to the June meeting to discuss stimulus funds.

Stimulus

Mr. Mike Temple stated that President Obama signed the \$787 billion American Recovery and Reinvestment Act into law February 17, 2009. Approximately \$4 billion was authorized for existing workforce investment funding streams. Congress and the Administration want the stimulus funds spent efficiently, effectively and as quickly as possible to preserve and create jobs, promote economic development and help people most affected by this recession.

- Although we have been asked to spend the stimulus money expeditiously, it remains available to us through June 30, 2011.
- The stimulus money has to be spent at the same time as our annual revenues. We cannot substitute one pot of money for another – we have to spend both at the same time.
- The federal government wants us to report frequently and efficiently about how the stimulus is being spent and the results we've achieved.

The Texas Workforce Commission provided us with preliminary allocation figures for the bulk of the stimulus money. This is a one-time allocation of funds; once this money is spent, we don't anticipate receiving more. We have \$31.7 million available now.

Source	Amount	Use
Workforce Investment <ul style="list-style-type: none"> • <i>Adult</i> • <i>Dislocated Worker</i> • <i>Youth</i> 	\$ 26,818,222 <i>6,505,715</i> <i>5,551,480</i> <i>14,761,027</i>	<ul style="list-style-type: none"> • Financial aid for training and education, including income support payments • Support for industry-led efforts to train new workers in high-skill, high-growth industries and occupations, such as healthcare and advanced manufacturing, as well as "green" jobs • 2009 summer jobs for youth
Wagner-Peyser	\$ 4,947,565	<ul style="list-style-type: none"> • Temporary staff for offices to work with unemployment claimants • TWC estimates 77 additional staff

We will also have some additional child care money to use for financial aid and for quality improvement, although we don't have those figures yet.

We have started the process to procure contractors for 2009 summer jobs projects and it was presented and approved by the Board today in item 7a.

The stimulus funds are of such magnitude, we would suggest that the Board's Budget Committee discuss and make recommendations on revising the 2009 budget to include this money and focus its use. The Budget Committee will report back at the June 2, 2009 meeting.

LABOR MARKET REPORT

Mr. Joel Wagher explained that the Texas Workforce Commission (TWC) revised all employment numbers for 2008, giving the MSA a decrease in the numbers of jobs gained over the previous year. The original estimate for December 2008 was 2,666,100 jobs, which was revised to 2,628,100 jobs. Initial claims for unemployment benefits continue to grow and Professional and Business Services had the largest decline from last year, down 11,900 jobs, with losses in legal services, accounting, bookkeeping and payroll services, architectural, engineering and related services. The Gulf Coast Region's unemployment rate for February 2009 was 6.4 percent, up from 4.3 percent in February 2008.

ADJOURN

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

Audit/Monitoring Committee

June 2009 Monitoring Update

Recent Activity

Visits. During May, the regional quality assurance team visited the Northshore and Humble offices and began work on visits to Pasadena and Westheimer. Board staff visited the Employer Service division to complete the first of two reviews.

- Staff continue to see large numbers of people looking for work. Some days in the largest locations, traffic may exceed 1,200 visits. We continue to see poor quality job applications and less-than-acceptable record-keeping in the offices.
- While we need to approve the quality of job applications, the quality of job postings—the responsibility of Employer Service—is good.

Financial Reviews. We completed annual financial compliance reviews for Houston Works and Interfaith. There were several findings for Houston Works and none for Interfaith.

Upcoming Activities

- The QA team will be visiting Columbus, Sealy, Waller, Rosenberg, Downtown, and Cypress Station locations after completing Pasadena and Westheimer.
- We are in the process of hiring temporary staff to help review the summer jobs project. We expect to have these individuals on-board by mid-June.
- With approval of the proposed Board budget amendment, we expect to hire an additional financial monitoring firm to help with reviewing summer jobs contractors and payroll.
- The Texas Workforce Commission will be here in mid-July to conduct its regular annual monitoring. We are also expecting the U.S. General Accounting Office to visit sometime in June to observe the summer jobs activity, and the U.S. Department of Labor will most likely visit in early fall to review public service jobs we put in place after Hurricane Ike.

Education Committee

Update

Background

To help increase graduation rates for high school students across the region, the Education Committee has focused on providing parents, students, and teachers the best labor market information available about good jobs and how to prepare for them. As a part of the Committee's marketing plan for these efforts, Gilbreath Communications has put together materials and training for a grass-roots public relations campaign.

Current Situation

The "career planning" public relations campaign is intended to reach a wide audience of parents, students, educators and community leaders and introduce Workforce Solutions' career information and career development service.

- Materials for the campaign include:
 - A 6-minute flash video talking about the importance (and power) of career planning, the career planning tools and information we offer, and the different ways people can connect to us.
 - Companion mini brochures
 - Tools to help book, promote and prepare presentations to community organizations and schools
 - Leave-behind materials such as a USB stick with the Workforce Solutions logo that contains a camera-ready article to include in an organization's newsletter, a sample email to send to parents, a flyer, a poster about the Career Cube and a DVD copy of the career planning video.
- Gilbreath is currently providing training on using the materials to career office and Employer Service staff. We plan to start scheduling presentations in July, 2009.
- We will arrange a brief training session after the August Board meeting for any Board members who are interested in making career planning presentations in their communities.

Early Education & Care

Proposed Rate Increase for Child Care Providers

Background

The Workforce Board sets maximums for the rates child care providers charge parents who receive our financial aid for child care expenses. We normally set these rates based on market survey data and adjust them from time-to-time.

Current Situation

Because we have not changed our rate structure in several years, we appear to have fallen behind the market.

- The Workforce Commission asked us to freeze rates several years ago. This has lead, we believe to to a situation where inflation has driven rates paid by private individuals significantly higher (in some cases) than those paid by Workforce Solutions. The following chart illustrates how our current rates for licensed child care centers fall below the 75th percent of the median recommended by U.S. Department of Health and Human Services.

Licensed Child Care Centers	GCWB Current Reimbursement Rates		Market Rate Survey Conducted February 2008		
	Maximum Daily Rate	Maximum Daily Rate - 5% Diff	Mean	50 th Percentile (Median)	75 th Percentile (Recommended by US DHHS)
Infants	\$24.72	\$26.22	\$35.15	\$33.78	\$43.97
Toddlers	\$21.63	\$22.94	\$33.11	\$32.83	\$43.14
Pre-School	\$19.57	\$20.76	\$29.66	\$26.57	\$39.19
School Age	\$18.54	\$19.47	\$31.12	\$31.13	\$37.38

- In all age groups, even our quality vendor rates (paid to Texas Rising Star/TEEM/School Ready centers and 6% higher than rates paid normal vendors) is well below the median price in our area.

- Rates for registered homes show that Workforce Solutions rates for some age groups are below the average for our area, while others slightly above the average.

Registered Homes	GCWB Reimbursement Rates		Market Rate Survey Conducted February 2008		
	Maximum Daily Rate	Maximum Daily Rate - 5% Diff	Mean	50 th Percentile (Median)	75 th Percentile (Recommended by US DHHS)
Infants	\$20.60	\$21.85	\$21.66	\$21.10	\$25.00
Toddlers	\$18.54	\$19.66	\$18.44	\$17.10	\$22.00
Pre-School	\$17.51	\$18.57	\$16.97	\$16.13	\$20.00
School Age	\$13.35	\$14.06	\$14.52	\$15.00	\$16.05

- Anecdotally, we hear more and more of vendors that charge parents the difference between what Workforce Solutions pays and their published rate, resulting in parents paying much more than the usual and normal parent fee.
- While Texas Rising Star (TRS) vendors still sign agreements that restrict them from charging customers the difference, we have had one provider drop out of TRS in order to be able to charge the difference to their parents.
- The increase in the minimum wage this summer will additionally increase costs for many providers as their workforce is largely paid at or near that level.

Proposed Rate Change

Consider increasing our maximum rates paid to all providers by 3.5%, not to exceed the median rate charged by vendors in our region for each age group and vendor type.

- For this year, the Financial Aid Payment Office projects a rate increase will decrease the numbers of families we can provide financial aid to by approximately 1%. This would not affect our ability to meet the state's production requirements this year.
- The proposed rate increase will not affect our current open enrollment status for child care financial aid.

- The Financial Aid Payment Office also projects that the 3.5% increase will not affect our ability to meet the state's production targets for next year.
- Based on current allocation formulas, by increasing vendor rates, we believe we will bring more funds to the region in the long term.

Next Steps

Based on the committee's recommendations, move forward with public notice and public comment on a proposed rate increase.

The committee's final recommendations for Board action would come in August, 2009.

State Compliance Plan

Background

We prepare a compliance planning document for the Texas Workforce Commission each year to ensure continued flow of funds for operating the region's workforce system. Again this year, the Commission has asked the Board to prepare a document that addresses both the Board's strategic vision and its operations.

Current Situation

The Board's strategic plan stands as the organizing and driving force for the workforce system in this region. The strategic plan includes statements of the Board's core values, mission and vision that explain what its members value most, why they exist as a board, and where they want to be at some point in the future. The results statements for the regional workforce system, both that which we control and for the larger world, along with the measures, baselines, annual and long-range targets, track our progress towards those strategic results statements.

We put the information from your plan into the state's compliance document format when we send it to them.

The bulk of the compliance plan document—all 90 pages of it—is a description of our operations – our system of career offices and the employer service division, our collaboration with community partners, the financial aid we provide customers, our approach to measuring performance and, customer feedback processes.

We also assure in the compliance plan that

- We will abide by all federal and state laws and regulations that apply to the taxpayer dollars we use in our system
- We will follow the Commission's directives
- We will have joint service and referral agreements with various other public partners (agencies that work with welfare recipients, ex-offenders, developmentally disabled or delayed individuals, veterans, seniors, and others)
- We will make sure what we do is aligned with the Texas Workforce Investment Council's strategic goals for the entire state

Using our current experience as a guide, we expect to serve more than 33,000 employers and more than 450,000 residents this coming year. Initially we expect to have about \$178 million in total resources available for the year.

Following is a brief summary of key operations information:

Employer Service

▪ Employers served	35,000
▪ Market share	26%
▪ Repeat customers (loyalty)	18,000
▪ Jobs filled	50,000
▪ 50 staff	

Resident Service

▪ Residents served	416,600
▪ Residents entering employment	300,000
▪ New jobs created	2,000
▪ Residents with 20% earnings gain	124,000
▪ Total financial aid	\$100,000,000
▪ Customers receiving financial aid	40,000
▪ 29 local offices and 800 staff	

Action

Approve state compliance planning document for submission to Texas Workforce Commission

Budget Committee

2009 Workforce Board Budget Amendment

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.

Current Situation

We've recently received \$31.7 million in additional revenue from the federal stimulus legislation, known as the American Recovery and Reinvestment Act. We expect about \$22 million more in the near future. This, plus a small increase in two special state revenue sources, would bring our revised 2009 budget to \$232.7 million.

- Most of the new revenue comes through the Workforce Investment Act—almost \$27 million.
- We are waiting to see what our share of the Recovery Act Child Care and Development Block Grant money will be. We expect about \$22 million.
- Over all, we have a 30% increase in revenue from Recovery Act sources.
- Recovery Act funds need to be expended by June 2011 and have to supplement, not replace, our regular and usual revenue. This means we cannot use Recovery Act resources to substitute for activities we pay for out of annual allocations, such as basic office operations or locations.

We have more guidance than usual on spending the Recovery Act money.

- Both the federal and state government have asked us to spend about \$8 million of our Workforce Investment dollars on scholarships and financial assistance, particularly for individuals training in our high-skill, high growth occupations and “green” jobs. (We've included a separate piece in the June 2009 Board packet on green jobs.)
- At the last Board meeting, we committed \$14.7 million of the Recovery Act funds for summer youth jobs.
- We have just under \$5 million of Recovery Act money committed for staffing. This money will provide 78 much-needed Employment Service positions for about 16 months to help with the current influx of unemployed workers.

- We would propose that additional Child Care Development Block Grant money, when it becomes available, be used for both direct financial assistance to parents for early education expenses and allowable improvement activities for early education/care providers.
- We are proposing an increase in the staff operations budget of about \$330,000 or 7%.
 - We would like to bring on some temporary staff during the summer to help us manage the large summer jobs project. We are not asking for any additional permanent positions, just temporary workers. We've also projected some additional money for temporary staff travel expenses.
 - We're proposing additional marketing dollars to advertise summer jobs and provide more workshops for unemployed workers.
 - We are also proposing adding a second financial monitoring contractor to make sure we are adequately checking on our additional contractors and the large summer payroll.

Next Steps

We are also proposing these next steps to appropriately spend Recovery Act funds.

- Develop and implement a policy to provide needs-related payments. “Needs-related payments” are a form of income assistance we can provide to customers who are in school on our scholarship dollars. Essentially, this kind of payment is available to unemployment compensation recipients—usually our “dislocated workers”—when their unemployment benefits end. The payments are designed to help customers take advantage of longer-term education or training.
- Identify and support training and re-training for green jobs and critical employer demand. We are beginning to explore with area employers their needs for skilled green-job workers, as well as ways we can help unemployed workers move more quickly into jobs employers have with some training or retraining. We would plan to commit some Recovery Act funds to projects developed with and for employers. This could involve directly soliciting and contracting with providers, such as our community colleges, for the training.
- Develop stronger relationships for service to youth. We anticipate some funds remaining at the end of the summer jobs. We would propose using any leftover funds to help strengthen our relationship with the region’s foster care system and explore how we might assist county juvenile probation departments with career information, financial aid, and job matching/placement.
- Support other Recovery Act initiatives as appropriate. Recovery Act funds are becoming available for other kinds of service and projects in the region, including housing and

transportation. Through the strategies noted above, we would plan to support these efforts. For example, we are currently discussing connections to HUD dollars for expanded emergency rental/utility assistance to prevent homelessness.

Action

Recommend amending 2009 Board budget to \$232.7 million, including an expected additional \$54.4 million in Recover Act funds.

GULF COAST WORKFORCE BOARD				
PROPOSED 2009 AMENDED BUDGET				
SOURCE AND USE				
Source		Use		
General Revenue	227,342,455	Board Operations		4,913,536
Special State Revenue	5,358,397	Employer Service		6,210,000
Special Federal Revenue	-	Resident Service		220,527,316
Other	-	<i>Financial Aid</i>	<i>148,052,296</i>	
		<i>Office Operations</i>	<i>54,575,459</i>	
		<i>Recovery Projects</i>	<i>17,899,561</i>	
		Research & Demonstration		1,050,000
Total	\$232,700,852	Total		\$232,700,852

GULF COAST WORKFORCE BOARD				
PROPOSED 2009 BUDGET AMENDMENT				
REVENUE SUMMARY				
		2009	2009 Amended	% Change
General Revenue		173,151,668	227,342,455	31.3%
Employment Service	4,947,565			
Veterans Employment & Training				
Re-Integration of Offenders				
Trade Act				
Workforce Investment	26,818,222			
Food Stamp Employment & Training				
Temporary Assistance to Needy Families				
Child Care & Development Block Grant	22,425,000			
TxDOT Transportation Assistance				
Special State Revenue		5,168,297	5,358,397	3.7%
Hurricane Related				
Diability Navigator Pilot	75,000			
Non-Custodial Parents Pilot	115,100			
Special Federal Revenue		-	-	-
Other		-	-	
Totals		178,319,965	232,700,852	30.5%

GULF COAST WORKFORCE BOARD					
PROPOSED 2009 BUDGET AMENDMENT					
BUDGET SUMMARY					
	2009	2009 Amended	% of Total 2009 Amended Budget	Dollar Variance from 2009	% Variance from 2009
Board Operations					
Personnel ¹	2,527,863	2,602,863	1.1%	75,000	3.0%
Indirect	280,230	288,543	0.1%	8,313	3.0%
Consultants & Contract ³	864,000	1,064,000	0.5%	200,000	23.1%
Travel ²	57,650	72,650	0.0%	15,000	26.0%
Rent	160,198	160,198	0.1%	0	0.0%
Capital Equipment	-	-	NA	NA	NA
Other ³	692,269	725,282	0.3%	33,013	4.8%
Subtotal, Board Operations	4,582,210	4,913,536	2.1%	331,326	7.2%
System Operations					
Employer Service	5,510,000	6,210,000	2.7%	700,000	12.7%
Resident Service					
Financial Aid ⁴	116,802,296	148,052,296	63.6%	31,250,000	26.8%
Office Operations	50,305,433	54,575,459	23.5%	4,270,026	8.5%
Youth Recovery Projects		14,700,000	6.3%	14,700,000	100.0%
Other Recovery Projects		3,199,561	1.4%	3,199,561	100.0%
Research & Demonstration	1,050,000	1,050,000	0.5%	0	0.0%
Subtotal, System Operations	173,667,729	227,787,316	97.9%	54,119,587	31.2%
Total	178,249,939	232,700,852	100.0%	54,450,913	30.5%
NOTES					
¹ Temporary staff for summer monitoring; no increase in permanent full-time staff					
² Additional for mileage reimbursements related to summer activities					
³ See Budget Detail page for more information					
⁴ Includes needs-related payments for eligible individuals using our scholarship dollars					

GULF COAST WORKFORCE BOARD		
PROPOSED 2009 BUDGET AMENDMENT		
BUDGET DETAIL		
	Board Operations	
	2009	2009 Amended
Consultants & Contract	864,000	1,064,000
Legal Services	15,000	15,000
Audit	24,000	24,000
Financial Monitoring ¹	150,000	225,000
Marketing & Outreach ²	600,000	725,000
Planning Assistance	75,000	75,000
Contract labor services	-	-
Other	692,269	725,282
Supplies	18,000	25,000
Meeting Expenses	18,000	18,000
Outside Printing	2,500	2,500
Books & Publications	2,000	2,000
Maintenance & Repair	5,000	5,000
Software	5,000	5,000
Employee Development & Recruiting	-	-
Communications	385,000	385,000
Postage & Delivery	15,000	15,000
Subscriptions & Dues	10,500	10,500
Expendable Equipment ³	15,000	35,000
Legal Notices	17,500	17,500
Network Services	105,047	105,047
Personnel Services	49,224	49,224
Purchasing	20,511	20,511
Print Shop	23,987	30,000
NOTES		
¹ Additional financial monitoring services for summer and other Recovery Act activities		
² Additional expenses for summer youth marketing, expanding seminars for recently unemployed		
³ Computer equipment for temporary staff		

What Are Green Jobs?

Background

The U.S. Department of Labor says that “green” jobs and careers involve new and better ways of conducting work activities that benefit the environment, such as through reductions in waste and pollution and excessive energy use. There is no standard definition of a green job, and green work can be found in a variety of industries and occupations.

Green Employers

An industry-based definition of green collar jobs would include, but be not limited to, those in:

- Alternative Energy — wind, wave/tide, solar, hydroelectric, geothermal, nuclear, coal gasification/liquefaction, hydrogen and carbon capture & sequestration.
- Construction — residential and commercial plus remodeling, inspecting and appraising.
- Building Material Manufacturing — e.g., high R-factor insulation, low-e rated glass.
- Component Remanufacture — materials rework, parts recycling and refurbishing.
- Air-Conditioning, Heating & Ventilation and Refrigeration Equipment Manufacturers.
- Agriculture — e.g., grain production and biomass horticulture.
- Automobile and Transportation Manufacturing (e.g., including: aircraft/airframe manufacturing such as Boeing whose new 787 Dreamliner will have more fuel-efficient jet engines and an airframe made from light weight composites; and Air Craft Engine Manufacturers such as GE which is working to produce jet engines that will work on alternative fuels such as alcohol, bio-butanol and biodiesel mixes.)
- Government agencies and NGOs which advocate for, plan, monitor and enforce regulations aimed at conserving energy and/or reducing emissions.

Industry sectors in our region that are or will be supporting green jobs include Energy, Construction, Transportation, Advanced Manufacturing, Agriculture and Natural Resources.

Green Skills

New jobs will be created, but in general, they will require the same skills and certifications as many current jobs.

- For example, in the wind energy sector, the occupations vary from entry-level construction laborers to advanced engineers.
 - A limited number of advanced degreed professionals with M.S. and Ph.D. in Mechanical, Metallurgy, and Wind Energy are being created at campuses across the state.

- Wind industry jobs include: Environmental/Energy Engineers, Iron and Steel Workers, Sheet Metal Workers, Machinists, Millwrights, Electrical Equipment Assemblers, Construction Equipment Operators, Industrial Truck Drivers, Industrial Production Managers, Operators, Maintenance Technicians.
- Green jobs also exist in the area of energy efficiency and clean energy.
 - Energy efficiency includes investing in more efficient equipment and lighting, tracking energy usage at manufacturing facilities, energy audits, weatherizing homes, building retrofitting in commercial and industrial facilities, etc.
 - Both low and medium skills are needed with a wide range of education and certification options: Electricians, Heating/Air Conditioning Installers, Carpenters/Carpenter Helpers, Construction Equipment Operators, Roofers, Insulation Workers, Construction Managers, Building Inspectors, Auditors, Building Weatherization Occupations, Electrical Engineers, Mechanical Engineers, Cogeneration Construction and Operation, Measurement and Verification Technicians, Energy Management Analysts.

Where to Start?

We believe the best beginning is conversations with our local employers needing new workers—or skill upgrading for current workers—for green-related work. We plan to have those discussions over the next several months and bring initial recommendations from these employers on the use of Recovery Act funds for green jobs to the Board's Employer Service committee in late July, 2009.

Gulf Coast Workforce Board
System Performance
October 2008 through April, 2009

Board Measures

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

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

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 32,200 employers this year which is 25% of the 128,708 employers identified for the Gulf Coast area. Through April, we provided services to 25,657 employers.	25%	19.9%	24.5%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 17,680 employers, 13,610 returned to Workforce Solutions for additional services.	72%	77.0%	70.7%

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 2,374 new jobs annually.	1,500	2,374	2,234
<u>Customers employed by the 1st Qtr after exit</u> With three quarters of data, 224,953 of the 284,764 customers who exited from services were employed in the quarter after exit.	78%	79.0%	78.9%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for three quarters, 92,998 of the 266,476 who exited had earnings gains of at least 20%.	40%	34.9%	38.0%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Through April, 428 of the 2,051 customers pursuing an education diploma, degree or certificate achieved one.	40%	20.9%	38.0%

Production

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 the Texas Workforce Commission.

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

- WIA Adult Average Earnings. The target for this measure is \$12,400. Our performance for three quarters was \$11,487.
- Claimant Reemployment. The target for this measure is 67%. Our performance for two quarters was 63.1%

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, 2009**

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	178,319,965	59,439,988	55,303,991	4,135,997
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,582,210	1,527,403	1,556,062	(28,659)
EMPLOYER SERVICES	5,510,000	1,836,667	2,009,016	(172,349)
RESIDENT SERVICES	167,177,755	55,725,918	51,328,199	4,397,719
OFFICE OPERATIONS	50,375,459	16,791,820	18,283,265	(1,491,445)
FINANCIAL AID	116,802,296	38,934,099	33,044,934	5,889,165
RESEARCH & DEMONSTRATION	1,050,000	350,000	410,714	(60,714)
<i>TOTAL WORKFORCE EXPENDITURES</i>	178,319,965	59,439,988	55,303,991	4,135,997

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.

Tightening Our Belts

Core Revenue Reductions for 2010

Background

Last year we experienced a sharp drop in the core revenues for our career office system – the Workforce Investment Act money. This year, again, we will see a drop in those revenues. The formulas which distribute these funds among the states and local workforce boards around the country are largely based on unemployment statistics. Significantly higher numbers of unemployed workers in places such as Florida, Michigan, Ohio, Pennsylvania, and California have the effect of redirecting money from places such as Texas, with relatively lower unemployment.

The Workforce Investment Act formulas also tend to lag current conditions. Although the numbers of unemployed workers in our area is rising now, the data used in the national formulas represents the situation as much as a year ago.

Estimates

With recent revenue planning estimates from the state, we expect to see a reduction of about \$3.5 million or a little more than 10% in Workforce Investment Act funds for next year. The following chart summarizes drops in this core part of our system revenue for the past two years.

	2008	2009	Chg	2010	Chg
Workforce Investment, Total	\$42,210,421	\$33,022,755	-22%	\$29,608,423	-10%
Adult	14,019,456	12,014,830	-14%	11,199,937	-7%
Dislocated Worker	13,875,792	8,902,355	-36%	7,081,013	-20%
Youth	14,315,173	12,105,570	-15%	11,327,473	-6%

Although we have received \$26.8 million in Recovery Act Workforce Investment dollars, at least \$23 million of those funds are reserved for financial aid (scholarships and financial assistance) and all of the Recovery Act money is to be spent on supporting additional and extra activities, not our basic operations.

We have not yet seen revenue estimates for the other funds which support the system's basic operations. Most likely we will not see as large a decline in those funds.

GULF COAST WORKFORCE BOARD
Employment Trends

JUNE 2009
APRIL 2009 DATA

Most rapid drop in job growth in over 25 years. The Gulf Coast Region¹ lost 35,300 jobs from April 2008 to April 2009. This was the largest year-over-year decline since May 1987, when 41,000 jobs were lost over the year. The first four months of 2009 saw over-the-year job growth go from an increase of 17,880 in January to a loss of 35,300 jobs in April. This was the most rapid deceleration since July - October 1982 when the over-the-year job loss reached 72,700 in October. Local economists are forecasting that our area might lose around 50,000 to 60,000 jobs this year.

Still some growth in a few sectors. 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 for retail trade (1,400), mining & logging (2,500), government (6,800), and educational & health services (8,100). The rate of growth has decreased over the past few months for mining (oil and gas extraction), down to an over-the-year growth rate of 2.9 percent in April, down from 8.1 percent in January 2009. The rate of growth for educational & health services has been consistent this year and was higher than April of last year when the rate of growth was 1.5 percent, compared to 2.9 percent for this April.

April unemployment rate at a six year high. The Gulf Coast Region's unemployment rate for April 2009 was 6.3 percent, up from 3.9 percent in April 2008. This was the highest rate for April since 2003 when the rate was 6.5 percent, with a total of 169,545 unemployed. Total unemployment for April 2009 was up 70,590 from April 2008 to 180,611. The national numbers climbed from 4.8 percent in April 2008 to 8.6 percent in April 2009.

Initial Claims for unemployment benefits continue to grow. There were 27,306 claims filed in April 2009, up 12,716 (87 %) from April 2008 (Chart). This was the largest net gain for the month of April in this time series, which goes back to 2000.

From April 2008 to April 2009, total insured unemployed for the Gulf Coast Region increased by 37,914 (197%) to 57,136. All major industry groups were up over the year. Services, up 10,799 (175%), increased the most over the year. Over the year, the number of people who are listed as unemployed '15 weeks or over', was up 12,705 (198%) to 19,122.

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

Houston-Sugar Land-Baytown MSA	NET CHANGE FROM						% Chg. Apr-08 TO Apr-09
	Industry	Apr-09	Mar-09	Apr-08	Mar-09	Apr-08	
					TO	TO	
				Apr-09	Apr-09	Apr-09	
Total Nonfarm	2,565,100	2,573,900	2,600,400	-8,800	-35,300	-1.4%	
MINING & LOGGING	90,100	90,900	87,600	-800	2,500	2.9%	
CONSTRUCTION	194,600	196,500	208,100	-1,900	-13,500	-6.5%	
MANUFACTURING	234,300	236,400	240,000	-2,100	-5,700	-2.4%	
DURABLE GOODS	152,000	153,600	156,700	-1,600	-4,700	-3.0%	
NONDURABLE GOODS	82,300	82,800	83,300	-500	-1,000	-1.2%	
TRADE, TRANSP., & UTILITIES	520,600	520,800	527,800	-200	-7,200	-1.4%	
WHOLESALE TRADE	132,400	132,500	138,500	-100	-6,100	-4.4%	
RETAIL TRADE	264,600	264,900	263,200	-300	1,400	0.5%	
TRANSP, WAREHOUSING, & UTIL	123,600	123,400	126,100	200	-2,500	-2.0%	
INFORMATION	35,300	35,400	36,600	-100	-1,300	-3.6%	
FINANCIAL ACTIVITIES	142,400	142,700	143,700	-300	-1,300	-0.9%	
PROFESSIONAL & BUSINESS SERV.	363,000	368,600	382,900	-5,600	-19,900	-5.2%	
EDUCATION & HEALTH SERV.	291,300	290,800	283,200	500	8,100	2.9%	
LEISURE & HOSPITALITY	231,400	229,900	233,500	1,500	-2,100	-0.9%	
OTHER SERV.	89,900	90,900	91,600	-1,000	-1,700	-1.9%	
TOTAL GOVERNMENT	372,200	371,000	365,400	1,200	6,800	1.9%	
FEDERAL	29,400	29,200	28,800	200	600	2.1%	
STATE	73,400	72,800	69,800	600	3,600	5.2%	
LOCAL	269,400	269,000	266,800	400	2,600	1.0%	

Chart

