

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw
Mike Temple

Date: September 28, 2010

Subj: Board Meeting Materials for Tuesday, October 5, 2010

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, October 5, 2010**, in the second floor Conference Room A, 3555 Timmons, Houston.

Chairman's and Committee Reports. Chair Thompson will update the Board on any developments from the U.S. Conference of Mayors or Texas Association of Workforce Boards. Audit/Monitoring Committee Chair Garcia will cover findings of the last meeting. The committee is monitoring progress toward meeting Board expectations for recently renewed contracts. Report Card Committee Chair Shaw will summarize the annual update comparing our region's performance to select other regions. The committee decided earlier to not emphasize this year's update since the statistics tend to not change dramatically over a single year.

Action Items. Early Education and Care Committee Chair Henderson brings a recommendation to increase provider reimbursement rates. There is currently not a waiting list for child care financial aid. We have sufficient funds to meet our targets and the committee proposes bringing reimbursement rates to between the 30th and 40th percentile of current market rates. We will close the gap but still reimburse well below what most child care providers charge the public. Procurement Chair Guthrie will deliver recommendations obligating funds remaining under the National Emergency Grant. The committee is scheduled to meet the Thursday before the Board meeting, so specific recommendations will be presented at the meeting. A summary of all requests is included in this package. The final action item is a request by the staff to increase the board operating budget by \$135,722. H-GAC is renovating the floor the workforce staff occupies this year with new cubicles, ceiling tile, and carpet. The requested increase is for purchase of new equipment to replace existing cubicles, which are approximately 20 years old.

Information. We will have staff reports on performance, expenditures, and labor market information.

We hope to see you next Tuesday and ask you to call if you have any questions.

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, October 5, 2010 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 August, 2010 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 September 22, 2010 meeting.

b. Report Card. The Committee chair will report on an update to the Board's Workforce Report Card.

7. Action Items

a. Early Education & Care. Consider recommendations from the committee to increase maximum provider rates.

b. Procurement. Consider recommendations from the committee to authorize contracts in amount not to exceed \$2.8 million for hurricane repair and rebuild projects.

c. Budget. Consider recommendation to increase 2010 Board budget by \$135,722.

8. Information

a. System Performance. Staff will summarize current performance against Board measures and grantor requirements.

b. Expenditures. Staff will report on current expenditures.

9. Labor Market Report

Staff will discuss current employment data and trends in the Gulf Coast labor market.

10. Adjourn



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**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, AUGUST 3, 2010**

MEMBERS PRESENT:

| | | |
|----------------|--------------------|-------------------------|
| Gerald Andrews | Willie Alexander | Betty Baitland |
| Elaine Barber | Carl Bowles | Bill Crouch |
| Sal Esparza | Yvonne Estrada | Joe Garcia |
| Mark Guthrie | Barbara Hayley | John Hebert |
| Eduardo Honold | Guy Robert Jackson | Valeria Jackson-Forrest |
| Birgit Kamps | Jeffrey Labroski | Ray Laughter |
| Michael Nguyen | Linda O'Black | Janice Ruley |
| Allene Schmitt | Myles Shelton | Kathy Shingleton |
| Gil Staley | Frank Thompson | Evelyn Timmins |
| Bill Weaver | | |

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, August 3, 2010, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM JUNE 8, 2010

Mr. Thompson asked if there were any additions or corrections to the minutes for the June 8, 2010 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

No one declared a conflict of interest.

HONEYCOMB AWARDS

Ms. Barbara Hayley explained that Workforce Solutions' Honeycomb Awards recognize exemplary work by staff throughout the system. Each quarter the committee which is composed of contract and Board staff receive nominations for three categories: Initiative, Innovation and Teamwork. Annual awards will be decided from among the quarterly winners.

For the quarter ending June 2010 the committee received the following recommendations.

| | | |
|------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Initiative | Initiative by an individual or group that results in good customer service | 10 nominations |
| Innovation | Innovating to solve problems common to our customers | 5 nominations |
| Teamwork | Cooperation among more than one contractor and at least two of the three system parts (Employer Service, Career Offices, Payment Office) | 9 nominations |

Initiative

- ❖ **Carolyn Kennard** (Facilitator at Workforce Solutions' Downtown office)

Carolyn "goes the extra mile" in her role as a facilitator for Workforce Solutions' seminars.

Innovation

- ❖ **Amanda Harrow** (Employment Counselor at Workforce Solutions' Northeast office)

The self-serve Northeast Office continues to strive to fulfill customer needs in a compact space with limited staffing.

Teamwork

❖ The Regional Facilitator Team

Jenny Jones (Interfaith)
Norma Bonica (Interfaith)
Josie Toth (Interfaith)
Cheryl Sandifer (Interfaith)

Carolyn Kennard (HoustonWorks)
LaTonya Rogers (HoustonWorks)
Ernest Spivery (Arbor)

The Regional Facilitator team is expanding Workforce Solutions' reach into the community by delivering workshops and seminars in libraries, schools, churches, and at numerous public and private events.

The Honeycomb Award winners were presented with a plaque and name badge.

CHAIRMAN'S AND COMMITTEE REPORTS

Mr. Frank Thompson noted that he changed Kathy Shingleton from Chair of the Career Office Committee to Chair of the Education Committee. Barbara Hayley was made Vice Chair of the Career Office Committee.

Mr. Thompson spoke about the benefits of the Summer Youth program and encouraged the Board members to speak with their elected officials about continuing it in the future.

Education

Dr. Kathy Shingleton stated that the Education Committee met prior to the Board meeting. The committee had not met in a couple of years and there was a lot to discuss and work to be done.

Dr. Shingleton explained that in March 2006, the Committee adopted the following mission statement:

To influence and assist the education system in increasing the percentage of area residents who are high school graduates and who earn post-secondary credentials for work in high-skill, high-growth occupations.

The Committee's initial focus was to help improve high school graduation rates. Members generally agreed a natural niche for the Education Committee and the Board was providing good, accurate and youth-friendly labor market information. Staff has begun work on a series of career planning resources and a plan to market these resources that promote the importance of career planning.

Earlier this year, the Strategic Planning Committee met for its annual review of performance against the Board's strategic measures and targets. Much of the discussion centered on low performance on education measures, particularly the post-secondary

credential rate. The regional workforce system did not meet one of the three strategic education measures:

- **Percent of the population with a post-secondary credential**
Did not meet target at 34.4%
The percentage of people holding a post-secondary credential moved up from the previous year's performance of 33%. Our 2009 target was 35%.

Dr. Shingleton explained that Texas is lower than the United States average when it comes to spending on education. She identified several issues that prevent students from completing their education and how we might help improve those problems. Education is a huge issue in Texas and Dr. Shingleton stated there is a lot of research/work to be done and she plans to have another report for the next meeting.

Audit/Monitoring

Mr. Joe Garcia stated that the Audit/Monitoring Committee met on July 27, 2010 in conjunction with the Procurement Committee. Mr. Garcia explained that the Regional Quality Assurance Team has completed the annual reviews for all Workforce Solutions contractors and a special review for a limited number of critical record-keeping compliance issues in the career offices. Financial monitoring for all contractors is ongoing, although no critical problems have been identified.

- Career office contractors have not yet achieved required standards for critical record-keeping.
- We will be conducting additional reviews for these issues in August/September and November/December.
- We have monitors checking on the 2010 summer jobs activities again this summer. The activities are running smoothly.

The Texas Workforce Commission just completed its annual review of the Board and we expect the written report in the near future. TWC monitors identified the same kind of issues the regional quality assurance team had noted.

ACTION ITEMS

- a. Procurement. Consider recommendations from the committee to authorize staff to negotiate 2011 Workforce Solutions contract renewals in an amount not to exceed \$52,560,000.

Mr. Mark Guthrie stated that the procurement and audit/monitoring had a joint committee meeting on July 27, 2010. In years past the procurement committee received a report from audit/monitoring committee to use when considering contract renewals. Mr. Guthrie explained he liked the joint committee meeting better.

Mr. Guthrie reminded the Board that in 2008, the Workforce Board procured contractors for its operations affiliate, Workforce Solutions, on a five-year cycle. The Board solicited bidders through its public request-for-proposal process and awarded contracts

which are renewable annually for the next four years, based on demonstrated performance, availability of money and the Board's approval each of those years.

The 2011 contract year will begin on October 1, 2010 and will be the third year of the five- year cycle. We expect to have about \$187 million available to us for Workforce Solutions primarily because the Recovery Act dollars are being exhausted. We also have slightly less Workforce Investment Act dollars.

Mr. Guthrie stated that we continue to experience high levels of unemployment and lackluster job growth in our region during the last quarter which has resulted in poor performance on the Board's measures. Mr. Guthrie explained Career office contractors have not addressed problems with record keeping and compliance requirements relating to customers who receive welfare benefits. This will be the fourth year that Texas Workforce Commission reviewers list these issues in their monitoring report as unresolved.

Our own special quality assurance reviews in June 2010 found continuing problems with these issues at all three contractors. In addition, as we have noted, career office contractors have not identified sufficient numbers of at-risk youth.

For these reasons, we are recommending the following for 2011 contracts:

- 1. Conditional contracts.** Contracts for career office contractors will be conditional upon achieving required performance on critical compliance elements, as well as continued performance against Board standards and production measures, and continued compliance with all other requirements.
 - Beginning in late August, the quality assurance team will reassess the critical compliance elements (documenting and verifying cooperation for TANF/Choices and SNAP E&T; initiating penalties for TANF/Choices and SNAP E&T; ensuring test scores and service plans are complete as required for certain youth; and ensuring accurate and complete eligibility determination for customers tagged as dislocated workers) for all three contractors.
 - We require contractors to demonstrate at least a 95% level of success in each of these elements.
 - At the October 2010 Board meeting, we will report results (overall and for each office) for each contractor.
 - If a contractor fails to demonstrate adequate compliance after the August/September review, we will conduct one more review in November/December. We will then assign more offices to the highest performing contractor, reducing the number of assigned offices to the lower performing contractors.

2. Job requirements. In our quality assurance reviews over the past year and in the special review, we have noted problems with supervision and management in the career office contracts. This lack of adequate supervision has contributed to the compliance failures.

- As a part of the 2011 contracts, we will require each career office contractor to adopt duty checklists as a part of supervisors and managers' job descriptions. These will describe required daily, weekly and monthly duties for supervisors and managers to insure their staff and offices are able to operate and meet compliance requirements.

3. At-risk youth. Career office contractors have not identified sufficient numbers of at-risk youth for service.

- As a part of the 2011 contracts, we will establish youth enrollment goals for each career office contractor.
- In addition, we propose separately contracting \$1 million directly to organizations that serve at-risk, out of school youth.

The following chart shows contract amounts for 2009, 2010, and 2011 proposed.

| Contractor | | 2009 (13 months) | 2010 (11 months) | Proposed 2011 (12 months) |
|--------------------------------|---------------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------|
| Employer Service | Employment and Training Centers, Inc. ¹ | \$5,094,794 | \$4,115,215 | \$4,100,000 |
| | Texas Back to Work, Aerospace Transition Center, Current Worker Training ² | | \$1,786,055 | \$800,000 |
| Career Offices | Arbor E&T, LLC | \$10,651,027 | \$9,476,609 | \$9,192,000 |
| | Houston Works | \$23,009,209 | \$19,451,250 | \$18,868,000 |
| | Interfaith of the Woodlands | \$15,285,645 | \$12,886,302 | \$12,500,000 |
| | Services for At-Risk Youth ³ | NA | NA | \$1,500,000 |
| Payment Office | Neighborhood Centers, Inc. | \$3,803,094 | \$3,411,162 | \$3,400,000 |
| Early Education & Care Quality | Collaborative for Children, Inc. ⁴ | \$1,036,936 | \$6,421,151 | \$3,000,000 |
| Totals | | \$58,880,705 | \$55,761,689 | \$52,560,000 |

¹ETC's principal contract is for operation of the Employer Service division.

²ETC also has current year funds for current working training, the transition center at NASA, and Texas Back to Work. 2011 funds for these activities estimated.

³Recommendation includes contributing \$500,000 from this year to 2011 summer jobs and separately contracting \$1 million for direct service to at-risk youth.

⁴CFC has a significant amount of Recovery Act dollars in 2010 for early education quality activities. Some of these dollars will be available in 2011 for the same kinds of activities, but not at the same level as this year.

Mr. Thompson asked for questions and Dr. Kathy Shingleton had a questions regarding procedure.

A motion was made and seconded to approve the funding recommendations reflected in the Board packet – proposed 2011 under the conditions that are stated in the compliance issues. The motion carried.

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2009 through June 2010. 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 35,275 employers this year which is 27% of the 130,648 employers identified for the Gulf Coast area. Through June, we provided services to 29,424 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,185 employers, 18,847 returned to The Workforce Solutions for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average. We worked with employers who added 3,121 new jobs annually.

Customers employed by the 1st quarter after exit – Reporting for three quarters (October 08 – June 09), 233,878 of the 316,939 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - reporting for three quarters (April 08 – December 08), 86,641 of the 289,919 who exited had earnings gains of at least 20%.

A Better Educated and Skilled Workforce –

Customers pursuing education diploma, degree or certificate who achieve one – through June, 1,409 of the 4,948 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 sixteen indicators related to the money we receive from Texas Workforce Commission.

Of these sixteen measures we are not meeting the target for six measures – down from the seven measures we missed in February.

- Claimant Reemployment. The target for this measure is 67%. Our performance through April was 51.5%, down from 52.1% in April.
- Claimant Reemployment within 10 Weeks. The target for this measure is 53.7%. Our performance through June was 39.2%, up slightly from 38.5% in April.
- Staff-Assisted Entered Employment. The target for this measure is 80%. Our performance through June was 71.4%, down from 73.1 in April.
- At Risk Employment Retention. The target for this measure is 76%. Our performance through June was 70.3%, up slightly from 70.1% in April.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance through June was 38.8%, down slightly from 41.6% in April.
- Average Choices Single Parent Participation Rate – Mandatory. The target for this measure is 50%. Our performance through June was 46.9%, down from 48.6% in April.

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 six months ending June 30, 2010. Mr. Bradshaw explained that half way through the year we are spending about 40% of the dollars that are available to us and we were slightly behind in child care. Mr. Bradshaw expressed concern that the budget with all the footnotes was not meaningful to the Board and hope to be able to resolved that issue by the next meeting.

The Workforce Investment Act Evaluation of the Adult and Dislocated Worker Programs

Mr. Bradshaw updated the Board on the U.S. Department of Labor's national evaluation. The Gulf Coast Workforce Board was selected to participate in this evaluation which should start next spring. Mr. Bradshaw explained that they will randomly select approximately 200 people and will be denied services. They will then compare the outcomes of the people denied services to people who receive services to see how it is affecting their employment opportunities and earnings.

LABOR MARKET REPORT

Mr. Joel Wagher explained that Federal government trimmed the number of census workers in June. The Gulf Coast region's unemployment rate increased to 8.8 percent in June 2010, up from 8.3 in May 2010. June's initial claims for unemployment benefits numbered 23,729, a decrease of 4,391 (15.6%) from June 2009. The number of people who are listed as receiving unemployment benefits for fifteen weeks or more was down 7,682 (28%) from June 2009. This number has been diminishing as layoffs have subsided.

ADJOURN

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

Audit/Monitoring Committee

October 2010 Monitoring Update

Recent Activity

Regional Team. The Regional Quality Assurance Team completed the second round special review at career offices for compliance with state and federal record keeping requirements.

- While there was improvement across the system from the first review in June, the majority of offices do not yet meet compliance standards.
- We will be conducting additional reviews for these issues in November/December.

Summer Jobs. We have also completed reviews of the 2010 summer jobs projects.

- We found a small number of problem worksites. Managing contractors corrected the problems during the summer.
- Overall, the managing contractors report an improved experience with the centralized payroll contractor, Unique Staffing, over last year's experience with Neighborhood Centers.

Financial Reviews. We have completed annual financial reviews for the major Workforce Solutions contractors. We saw critical findings only for Neighborhood Centers. Those findings include:

- For multiple years, NCI did not cancel commitments for financial aid payments on behalf of customers when those commitments were not realized. This resulted in \$1,019,191 in excess funds held at NCI.
 - NCI has agreed to return excess funds and revise its procedures to ensure it liquidates all accruals for financial aid commitments within a reasonable period of time.
- NCI received \$209,227 in excess of its costs to deliver the payroll function for the 2009 summer jobs projects. The financial monitor has recommended that NCI return the excess funds.
 - NCI has disagreed with the monitor's recommendation, and we are currently discussing the issue with NCI management.

The Audit/Monitoring Committee will meet again in October and November 2010 prior to the December Board meeting.

The Gulf Coast Workforce Board

Workforce Report Card

Background

In 2005, the Gulf Coast Workforce Board released the first annual Workforce Report Card comparing the state of its workforce system to that of other competitor Sunbelt cities. The report card provides a means of benchmarking the work of the board in making the Texas Gulf Coast region one of the most competitive in the world. It also serves as a complement to the Board's strategic plan which measures the Board's progress in improving the workforce system within the Gulf Coast region. We have since produced new Report Cards in 2006 and 2007.

Current Situation

Earlier this year, the Report Card Committee provided a draft of the updated Report, and asked staff to make changes before releasing it to the public.

We are pleased to share with you the 2010 update of the Gulf Coast Workforce Board Workforce Report Card.

| MEASURE | | INDICATOR | | GULF COAST | | ATLANTA | | DFW | | DENVER | | MIAMI | | SAN ANTONIO | | SAN DIEGO | | U.S. | |
|--------------------------------------------------|--------------------------------------------------------------------------|-------------------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|-------------|-------------|----------|------|
| | | 2007 | 2009 | 2007 | 2009 | 2007 | 2009 | 2007 | 2009 | 2007 | 2009 | 2007 | 2009 | 2007 | 2009 | 2007 | 2009 | 2007 | 2009 |
| Total Population | | 5,539,949 | 5,728,143 | 5,138,223 | 5,376,285 | 6,003,967 | 6,300,006 | 2,927,911 | 2,801,921 | 5,463,857 | 5,414,772 | 1,942,217 | 2,031,445 | 2,941,454 | 3,001,072 | 299,398,484 | 304,374,846 | | |
| Industries & Employers | Industrial Diversity | B 50.7% | A 50.9% | B 47.3% | C 46.5% | B 51.4% | A 51.0% | B 50.4% | C 49.8% | C 47.8% | C 48.1% | C 50.6% | C 50.5% | C 49.8% | C 49.3% | C 51.5% | C 50.6% | | |
| | Rate of Job Growth | 23.4% | 20.1% | 21.7% | 14.0% | 22.7% | 16.2% | 18.8% | 12.8% | 24.2% | 15.5% | 23.2% | 20.9% | 29.2% | 17.5% | 13.8% | 8.8% | | |
| | Total Job Growth (1998-2008) | 464,300 | 435,300 | 428,100 | 297,700 | 529,200 | 417,300 | 230,100 | 170,900 | 470,600 | 316,600 | 153,000 | 147,700 | 293,700 | 193,700 | 16,466,000 | 11,136,000 | | |
| | Venture Capital Investment per Capita | \$45.48 | \$50.75 | \$86.38 | \$77.19 | \$102.48 | \$72.43 | \$238.82 | \$147.69 | \$9.76 | \$2.83 | \$16.41 | \$54.96 | \$437.53 | \$399.89 | N/A | \$91.86 | | |
| | % Growth in Business Establishment (2004-2007) | 3.6% | 3.6% | 6.5% | 6.5% | 4.0% | 4.0% | 5.4% | 5.4% | 1.0% | 1.0% | 1.9% | 1.9% | 7.2% | 7.2% | 2.2% | 2.2% | | |
| Labor Force & Knowledge Jobs | % Managerial, Professional & Related Jobs (civilian, employed 16+ years) | 34.1% | 34.6% | 37.4% | 38.5% | 35.1% | 34.6% | 39.6% | 39.7% | 31.8% | 32.5% | 33.4% | 33.3% | 39.5% | 39.6% | 34.1% | 34.9% | | |
| | % Change in Unemployment Rate (2007-2008) | -12.5% | 11.6% | -11.5% | 37.8% | -7.7% | 16.3% | -15.4% | 28.2% | -14.6% | 41.5% | -8.0% | 14.6% | -7.0% | 30.4% | -9.8% | 26.1% | | |
| | Unemployment Rate | 4.9% | 4.8% | 4.6% | 6.2% | 4.8% | 5.0% | 4.4% | 5.0% | 3.5% | 5.8% | 4.6% | 4.7% | 4.0% | 6.0% | 4.6% | 5.8% | | |
| | % Not in the Labor Force | 31.77% | 30.4% | 29.7% | 28.6% | 29.3% | 28.8% | 28.6% | 27.1% | 37.2% | 36.7% | 35.8% | 34.5% | 34.1% | 33.3% | 35.0% | 34.1% | | |
| | Simpson Index of Racial & Ethnic Diversity | 0.67 | 0.67 | 0.59 | 0.61 | 0.62 | 0.63 | 0.48 | 0.49 | 0.66 | 0.66 | 0.57 | 0.57 | 0.63 | 0.63 | 0.52 | 0.53 | | |
| | Foreign Born | 20.11% | 21.6% | 12.69% | 13.20% | 17.74% | 17.80% | 12.08% | 12.60% | 36.55% | 36.80% | 11.47% | 10.60% | 23.36% | 22.1% | 12.38% | 12.48% | | |
| Market Alignment | Balance Between Entering & Exiting Workforce | B 5.09% | B 3.80% | B 3.83% | C 2.90% | A 4.80% | B 4.00% | A 3.60% | C 2.11% | B 2.21% | C 1.30% | B 5.13% | B 5.10% | A 4.71% | A 6.40% | 3.03% | 3.02% | | |
| | Median Age | 32.9 | 33.1 | 34.1 | 35.0 | 32.9 | 33.3 | 34.4 | 35.6 | 38.6 | 40.4 | 33.8 | 33.3 | 34.4 | 34.2 | 36.4 | 36.9 | | |
| | Change in Median Age by Years (2006-2008) | 0.6 | 0.2 | 0.6 | 0.4 | 0.3 | 0.2 | 0.3 | 0.5 | 1.2 | 1.1 | 0.7 | -0.1 | 0 | 0.2 | 0.4 | 0.5 | | |
| | Growth Alignment-Job Growth-Labor Force Growth | 4.1% | 2.9% | -7.7% | -9.8% | 1.9% | 0.9% | -1.4% | -4.0% | 5.1% | -2.5% | 4.8% | 3.8% | 6.6% | -1.7% | 0.7% | -3.2% | | |
| | Occupational Alignment | 85.9% | 84.3% | 85.0% | 85.0% | 87.4% | 81.5% | 89.2% | 86.0% | 84.9% | 84.3% | 82.3% | 83.0% | 88.6% | 83.7% | 88.8% | 84.8% | | |
| Education | Bachelors or Higher | 27.83% | 28.20% | 34.32% | 34.60% | 29.97% | 29.60% | 38.04% | 38.62% | 27.54% | 29.50% | 24.20% | 24.60% | 33.99% | 34.20% | 27.19% | 27.70% | | |
| | Associate's or Higher | 33.61% | 34.20% | 40.67% | 41.20% | 36.41% | 35.80% | 45.35% | 45.74% | 35.66% | 37.50% | 31.17% | 31.50% | 42.04% | 42.20% | 34.57% | 35.20% | | |
| | % Limited English Proficiency | 17.39% | 17.60% | 7.50% | 7.70% | 14.21% | 14.40% | 9.17% | 9.07% | 22.51% | 23.30% | 13.40% | 11.80% | 16.12% | 14.60% | 8.63% | 8.60% | | |
| | % At-Risk Youth (16-19 years) | 4.63% | 6.50% | 5.35% | 5.40% | 4.92% | 4.70% | 4.45% | 5.69% | 4.12% | 7.80% | 4.36% | 5.90% | 2.58% | 5.40% | 4.36% | 5.30% | | |
| | Expenditure by Student | \$6,619 | \$7,483 | \$7,601 | \$9,203 | \$6,474 | \$7,525 | \$6,977 | \$8,201 | \$6,282 | \$9,018 | \$6,805 | \$7,812 | \$7,485 | \$9,335 | \$7,727 | \$9,669 | | |
| | Ratio of 12th to 9th Graders | 0.58 | 0.65 | 0.60 | 0.63 | 0.58 | 0.66 | 0.69 | 0.81 | 0.55 | 0.73 | 0.64 | 0.59 | 0.76 | 0.90 | 0.72 | 0.77 | | |
| | NAEP 4th Grade Reading-% at or above basic (2007) | 64% | 66% | 58% | 66% | 64% | 66% | 69% | 70% | 65% | 70% | 64% | 66% | 50% | 53% | 64% | 67% | | |
| | Income, Wealth & Poverty | Median Household Income | \$46,705 | \$56,250 | \$54,066 | \$60,682 | \$49,740 | \$56,377 | \$54,736 | \$60,582 | \$43,091 | \$49,313 | \$43,263 | \$47,755 | \$56,335 | \$63,026 | \$46,242 | \$52,029 | |
| Median Home Value | | \$123,400 | \$142,400 | \$177,200 | \$199,300 | \$133,900 | \$148,600 | \$246,074 | \$319,002 | \$250,000 | \$275,500 | \$97,200 | \$126,300 | \$552,000 | \$482,900 | \$167,500 | \$197,600 | | |
| % of Family Households with Single Female Parent | | 11.83% | 13.60% | 12.79% | 14.30% | 11.76% | 13.20% | 9.82% | 15.58% | 12.63% | 14.30% | 12.30% | 14.10% | 10.32% | 12.30% | 11.33% | 12.50% | | |
| % of Families in Poverty | | 13.40% | 10.70% | 9.00% | 8.60% | 10.30% | 9.80% | 7.38% | 7.73% | 11.30% | 10.40% | 13.30% | 11.80% | 8.00% | 8.40% | 10.20% | 9.70% | | |
| % of Households Receiving Public Assistance | | 8.42% | 7.42% | 6.49% | 7.39% | 6.95% | 6.77% | 4.83% | 4.89% | 10.46% | 9.22% | 9.76% | 11.13% | 3.77% | 4.42% | 8.83% | 9.31% | | |
| Places to Live & Work | Monthly Home Ownership Cost | B 27.77% | B 26.20% | B 29.58% | B 31.20% | B 29.28% | B 27.50% | B 32.60% | B 32.12% | C 42.76% | C 47.00% | B 22.66% | C 25.10% | C 41.32% | C 45.30% | C 28.32% | C 30.50% | | |
| | Monthly Rental Cost | 47.91% | 43.30% | 46.13% | 46.70% | 45.77% | 45.40% | 48.44% | 48.68% | 57.49% | 59.00% | 44.15% | 46.30% | 54.85% | 52.70% | 45.68% | 46.10% | | |
| | Home Value to Annual Income | 2.64 | 2.53 | 3.28 | 3.28 | 2.69 | 2.64 | 4.50 | 5.27 | 5.80 | 5.59 | 2.25 | 2.64 | 9.80 | 7.66 | 3.62 | 3.80 | | |
| Travel to Work | Mean Travel Time to Work (minutes) | 28.1 | 28.9 | 31.1 | 30.4 | 26.5 | 27 | 25.1 | 26.5 | 28.5 | 27.7 | 24.9 | 25.4 | 25.2 | 24.1 | 25.1 | 25.5 | | |
| | % Using Public Transportation | 2.76% | 2.63% | 3.32% | 3.58% | 1.52% | 1.66% | 3.72% | 4.60% | 3.57% | 3.74% | 2.12% | 2.57% | 2.94% | 3.41% | 4.66% | 5.01% | | |
| | % Carpooling | 12.79% | 12.68% | 10.72% | 11.34% | 11.65% | 11.86% | 9.20% | 10.60% | 10.37% | 9.93% | 11.84% | 12.63% | 10.93% | 11.26% | 10.67% | 10.70% | | |
| Growth Indicators | Population Growth (2003-2008) | 13.90% | 12.63% | 15.82% | 15.07% | 12.12% | 12.85% | 7.82% | 9.32% | 6.74% | 3.26% | 11.25% | 12.32% | 2.70% | 2.52% | 4.97% | 4.77% | | |
| | Average Home Appreciation, 5 years through Q1 (2004-2009) | 26.38% | 26.03% | 23.56% | 11.93% | 17.61% | 16.09% | 14.44% | 7.75% | 131.30% | 22.12% | 38.56% | 33.11% | 83.48% | 0.32% | 53.53% | 36.51% | | |
| | Number of Days Air Rate "Unhealthy" or "Unhealthy for Sensitive Groups" | 17 | 22 | 4 | 28 | 5 | 18 | 2 | 19 | 0 | 4 | 4 | 10 | 17 | 33 | N/A | N/A | | |

Introduction

In 2005, the Gulf Coast Workforce Board first produced the Workforce Report Card comparing the Gulf Coast region to six competitor regions around the country. We developed the Workforce Report Card as a means of benchmarking the work of the Board in making the region one of the most competitive in the world. The report, which was updated in 2006 and 2007¹, also serves as a compliment to the Board's strategic plan which measures our progress in improving the workforce system within the Gulf Coast region.

In producing the 2010 Report Card, we collected the most recent data available for each of the 36 indicators used in previous reports and looked at changes, compared regions and, as before, started assigning grades. What we saw was that the bottom line — the big picture — had not changed much from the previous Report. The big news was still education, its importance to our region's economic prosperity, and, when compared to the competition, our mediocre progress at significantly improving educational attainment outcomes.

The most recent data for almost all indicators is from 2008. During this time, the Gulf Coast region continued to see job growth well after the recession hit many other parts of the United States. It was not until 2009, that the recession squarely hit the Gulf Coast region. Although people tend to agree that we fared better than many other regions, we experienced widespread job loss, housing foreclosures and increased unemployment.

The story told by the 2010 Report Card does not reflect the dramatic changes to our region since the recession. The Report paints a picture of our region that was still fairly rosy, particularly when compared to other regions that were already experiencing the pain of the economic downturn. We determined that there is merit to publishing a short report about what the world looked like in 2008. To that end, we offer a short report on what is reflected by the data available for the Report's indicators. However, we also commit to publishing a full Report Card in 2011 that, we hope, will more accurately reflect the impact of the recession and tenor of the recovery.

The 2010 Update

The Gulf Coast region ranked above the rest in job growth, unemployment, diversity and good jobs. We've had a number of good years. Whether you owned your home or rented, the Gulf Coast region was still a good place to live. We also made some headway in the percentage of people that have at least a bachelor's degree, although we still trailed Atlanta, Denver and San Diego. However, the Gulf Coast slipped on income, wealth and poverty indicators with almost the highest percent of families living at or below the poverty level. Only San Antonio came in behind us by only about 1%. We also came in 5th in the percentage of households receiving public assistance, surpassed only by Miami and San Antonio.

Miami still, generally speaking, trailed the other regions with low grades in all indicators — job growth, employment, knowledge jobs, market alignment, education, income/wealth/poverty and places to live and work. Atlanta and Denver maintained their lead in education but lost ground in job growth. San Diego fell in every category except education. Indicators of air quality slipped almost everywhere, especially in Atlanta, Denver, Dallas and San Diego.

For many of the indicators not closely linked to business growth and housing markets, there was not much movement when compared to the last Report Card published in 2007. The bright spot, however, is that most of the regions in the Report appeared to have fared better than the nation as a whole.

Industries and Employers

The rolling ten year job growth rate, which dropped to 8.8% for the nation, remained in the double digits for all the comparison regions. San Antonio realized the highest growth rate, increasing the number of jobs by almost 21% with Gulf Coast trailing slightly at just over 20%. Venture capital investments were, by far, the lowest in Miami and the highest in San Diego. Unfortunately, Gulf Coast ranks just above Miami. San Diego had the highest growth rate of new businesses, but added fewer jobs. By contrast, Miami had the lowest growth rate of new businesses and added more than twice as many jobs as San Diego.

Labor Force and Knowledge Jobs

In more than half of the regions including Gulf Coast, Dallas, Denver, Miami and San Antonio, unemployment in 2008 was at or below the national average of 5.8%. Not surprisingly, Denver and San Diego had the highest percent of knowledge jobs (high skill, high wage jobs) and Miami the lowest. Gulf Coast improved slightly in this area, moving up one notch, but still sat squarely in the middle.

Market Alignment

The balance between the entering and exiting workforce tightened for all regions except San Diego which had a higher rate of young people entering the workforce. Gulf Coast landed in the middle of the group. All regions also saw at least a slight rise in the median age except San Antonio and San Diego. Interestingly, Gulf Coast had the youngest median age at 33.1 years.

Education

Gulf Coast did not fare as well on educational indicators. Although Gulf Coast was above the national average for the percentage of the population with at least a Bachelor's degree and had a slight gain from the previous Report Card, it ranked next to last among comparison regions in this Report. Similarly, the percentage of the population in our region having at least an associate's degree was below the national average. The percentage of at-risk youth (young people who are neither in school or working) was above the national average as was the percentage of people that had limited proficiency in English. Once again, Gulf Coast ranked at the bottom on expenditures per student, and San Diego at the top. The ratio of 12th to 9th graders, used as a proxy for high school dropouts, was also mediocre. The reading scores in Texas regions' were below Denver, Miami and the national average. Only San Diego had reading scores lower than Gulf Coast.

Income, Wealth and Poverty

All regions, except Miami and San Antonio, had median household incomes higher than the national average of \$52,029. San Diego, Atlanta and Denver were at the top with Gulf Coast and Dallas in the middle. Home values were somewhat predictable with Gulf Coast, Dallas and San Antonio below the national average, and Atlanta, Denver, Miami and San Diego above. Denver had the highest rate of single female parent households, and only San Diego fared better than the national average on this indicator. Atlanta, Denver and San Diego were the only regions with poverty rates below the national average. San Antonio had the highest rate of poverty followed closely by Gulf Coast at 10.7%. All regions except San Antonio had lower rates than the national average of households receiving public assistance.

Places to Live and Work

San Antonio had the lowest home ownership cost but was followed closely by Gulf Coast. Gulf Coast had the lowest housing rental cost. Miami had the highest housing rental and home ownerships costs, both well above the national averages.

San Diego and San Antonio were the only regions with average commute times below the national average. Dallas used public transportation the least followed closely by San Antonio and Gulf Coast. Denver had the highest rate but still well below the national average. Gulf Coast had the highest percentage of its population carpooling to work with San Antonio coming in a close second. Miami residents carpooled the least and, along with Denver, were the only regions that fell below the national average.

None of the comparison regions had average home appreciation rates above the national average although, surprisingly, San Antonio was the highest closely followed by Gulf Coast. As in the 2007 Report, Atlanta had the highest population growth rate at 15%, with Dallas, Gulf Coast and San Antonio all around 12.5%. All regions except San Diego and Miami grew more than the nation as a whole. And, unfortunately, every region slipped in the number of days with poor air quality.

What's Next

Since 2008, the economic landscape in the United States has changed dramatically, both for the nation and in local communities. Housing markets collapsed, the stock market plummeted erasing gains from the last decade, and unemployment increased to near record highs. The economic downturn has been felt around the world with a collapse in trade largely stemming from a contraction of the credit market.

Although we may be starting to see hints of what will surely be a slow recovery, regional labor markets will continue to be adversely affected for some time. When job growth resumes, the economic landscape in each region may be fundamentally different than depicted in this report, and in ways that are not yet predictable. What kinds of jobs will be in demand? Will the mix of employers in each regional economy shift?

We are not out of the woods yet. The Bureau of Labor Statistics reported that the March 2010 unemployment rates in 321 of 372 Metropolitan Statistics Areas (MSA) continued to be higher than in March 2009. The national unemployment rate was 10.2% in March 2010, *up* from 9% in 2009.

Unemployment jumped dramatically from 2008 to January 2010. For example, the jobless rates in Miami and San Diego almost doubled. Interestingly though, the most recent unemployment rates in all the comparison regions, except Miami, have since fallen, a very hopeful sign.

While there is no crystal ball in which to see the future labor market in any region, we can predict that regions, particularly the Gulf Coast, will need to find new ways to compete in the global economy. While we are competitive in terms of intellectual resources — we have some of the best and brightest minds — we have not found ways to compete with the lower wages paid to workers in other parts of the world.

Building a Skilled Workforce

There are several ways to build and keep a skilled workforce. For example, regions can create a supply of workers for knowledge jobs by developing a robust pipeline that produces new workers with needed skills. Regions can import workers from outside the region, either from other parts of the country or from other parts of the world. An emerging alternative is to export work, bypassing the immigration hassles of importing workers.

While exporting work, importing workers and growing them at home are all viable strategies for supplying a labor market with workers, they have different effects on a community. Importing workers can ensure a continued flow of new ideas, talent and culture into a region, all of which

Unemployment Rates

| <i>Region</i> | <i>Report Card (2008)</i> | <i>Jan 2010</i> | <i>Current²</i> |
|---------------|---------------------------|-----------------|----------------------------|
| Gulf Coast | 4.8% | 8.8% | 8.5% |
| Atlanta | 6.2% | 10.8% | 10.4% |
| Dallas | 5.0% | 8.7% | 8.3% |
| Denver | 5.0% | 8.3% | 8.3% |
| Miami | 5.8% | 11.3% | 11.5% |
| San Antonio | 4.7% | 7.7% | 7.3% |
| San Diego | 6.0% | 11.1% | 11.0% |
| U.S. | 5.8% | 10.6% | 10.2% |

are desirable for improving a region's competitiveness in the global marketplace. In fact, much of our success as a region is rooted in a culture of innovation which has been supported by people coming here to work and live. Nevertheless, importing talent has its limitations. A region can only import workers when it is already considered an attractive place to live and work. Importing workers does little to improve the economic condition of other unskilled residents, and it is common for foreign-born workers to go back home when they retire. The region will have a hard time retaining much needed intellectual resources, and sound knowledge management strategies become even more critical.

Developing strong educational institutions that provide a regional pipeline of skilled workers takes a significant community investment of both time and money. Creating successful education systems is vital to ensuring that a region's residents can become self-sufficient, skilled workers. It also helps ensure that potential human capital in a region is not wasted and the costs of public assistance, uncompensated health care and crime remain relatively low. Strong public education systems are also important in creating an environment in which people want to live and work.

When you put it all together for the Gulf Coast region, it appears that in good economic times, when we are adding good jobs, we do not produce enough skilled workers through our public education system to fill the best jobs. Are employers importing workers and exporting jobs? Even though our region beat the competition in the jobs arena, many of our residents did not benefit and remain in the working poor category. Now we are in a sour economy. The region's less than stellar public education system puts us at a disadvantage, and that does not bode well for a smooth recovery let alone real growth. There is a widening gap between those that have the good jobs and the rest of the people — those who remain unemployed, have lost their jobs, or are working at wages that do not bring them out of poverty.

Two Futures

We can envision two futures for the Gulf Coast region. In the first, the region continues to import skilled workers and export jobs, but does not significantly improve its education system. The result is a two-tiered community in which the top tier supplies the need for skilled workers and earns good, self-sufficient salaries, while a lower tier of working and non-working poor is severely limited by a lack of skills. Eventually, the social costs of carrying a significant portion of the region's population, which is less skilled and faring poorly in the economy, will make the region less attractive to newcomers. The region will then be in a downward spiral, with a failing public education system and a possible exodus of both the best employers and most skilled workers.

In the second scenario, the Gulf Coast region, with its strong business and philanthropic communities leading the way, develops a broad based consensus that public education must be reformed to ensure that every child entering the system graduates with sufficient skills to earn a living and/or continue in post-secondary education. Viable strategies for adult learners, including those with limited English proficiency, are available to residents to ensure they too can gain the skills needed to become self-sufficient and thrive in the global economy. The region's workforce is able both to meet the present need for skilled workers and attract new employers with knowledge jobs.

Clearly, the second scenario is the only reasonable choice. Making this choice a reality, however, will involve a sustained commitment not only from our public school system, but also from our business community, philanthropic organizations, public institutions, and the customers of the public schools, students and their families.

The Vision

Now more than ever, we simply cannot afford to put off making smart, critical investments. The Gulf Coast Workforce Board is committed to moving the region ahead of its competitors, with a strategic plan that envisions a future where:

- The Gulf Coast ranks among the top ten economic regions in the world.
- Employers have an adequate supply of well-educated and well-trained workers which enables them to compete in the global economy.
- Residents have the knowledge, skills and aptitudes to work and earn incomes that make them self-sufficient.
- The region is among the most attractive places in the country to live and work.

*We challenge the rest of our community to make the same
commitment.*

¹ Previous Report Cards can be found at <http://www.wrksolutions.com/about/reportcard.html>

² March 2010, Bureau of Labor Statistics

Early Education and Care Committee

Increasing Provider Maximum Rates

Background

The Workforce Board approved an overall 5% increase of child care provider maximum rates at its Board meeting in August 2009. Prior to this and for several years, the State did not permit Boards to increase provider rates.

The Administration of Children and Families, the federal agency which provides funding and direction for the Child Care and Development Fund, recommends maximum reimbursement rates for providers at the 75th percentile. Providers may charge a published rate for child care which does not exceed a maximum rate established by the workforce board. Periodically, the Workforce Commission conducts market rate surveys of licensed child care centers, licensed child care homes and registered child care homes in each Workforce Board area.

Through our contract with the State, Boards must meet a minimum enrollment target. While raising provider maximum rates to the 75th percentile is desirable, we do not have enough funds to cover the increased costs and provide child care financial aid to the minimum number of children that we must. However, some provider maximum rates are far below the market which means that providers must charge much less than their published rate.

Current Situation

For over a year Workforce Solutions has been able to provide financial aid to qualified customers without having to place customers on a wait list. Based on the current enrollment trends, we do not anticipate establishing a wait list in the foreseeable future.

Our rate analysis indicates that we are able to raise maximum rates to a level which is the average of the state's 30th and 40th percentile maximum rates. Our recommended maximum rate increases are more than the State's 30th percentile but less than the 40th percentile.

Some of the Board's current maximum rates exceed our proposed maximum rates. In such cases, we are not recommending increases.

At its September 21, 2010 meeting, the Early Education & Care Committee voted to recommend the rate increases shown below to the Board and to request public comment on these rates before the Board's October 5, 2010 meeting.

Gulf Coast Workforce Board Proposed New Child Care Rates

| Gulf Coast Child Care Providers/Age Groups | | | Mean average unit rate between the 30th and 40th percentiles | 75th percentile | Gulf Coast current maximum rates | Current rate distance from 35th percentile | Current rate distance from 75th percentile | Proposed new maximum rates effective 10/2010 | Recommended percentage increase | Proposed 5% increase over maximum rates for Texas Rising Star providers effective 10/2010 |
|---------------------------------------------------------------|------------|-----------|--------------------------------------------------------------|-----------------|----------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------|
| Licensed Child Care Centers (sample=218, universe=2172) | Infant | Full-time | \$32.91 | \$42.56 | \$ 25.96 | \$ (6.95) | \$ (16.60) | \$32.91 | 26.75% | \$36.20 |
| | | Part-time | \$21.69 | \$28.96 | \$ 17.15 | \$ (4.54) | \$ (11.81) | \$21.69 | 26.47% | \$23.86 |
| | Toddler | Full-time | \$27.05 | \$36.38 | \$ 22.71 | \$ (4.34) | \$ (13.67) | \$27.05 | 19.09% | \$29.75 |
| | | Part-time | \$20.69 | \$23.33 | \$ 16.22 | \$ (4.47) | \$ (7.11) | \$20.69 | 27.56% | \$22.76 |
| | Preschool | Full-time | \$23.43 | \$31.24 | \$ 20.55 | \$ (2.88) | \$ (10.69) | \$23.43 | 14.01% | \$25.77 |
| | | Part-time | \$14.63 | \$18.63 | \$ 16.22 | \$ 1.60 | \$ (2.41) | \$16.22 | 0.00% | \$17.84 |
| | School age | Full-time | \$20.76 | \$30.41 | \$ 19.47 | \$ (1.29) | \$ (10.94) | \$20.76 | 6.63% | \$22.84 |
| | | Part-time | \$13.71 | \$16.67 | \$ 12.98 | \$ (0.73) | \$ (3.69) | \$13.71 | 5.59% | \$15.08 |
| Licensed Child Care Homes (sample=76, universe=187) | Infant | Full-time | \$22.37 | \$26.17 | \$ 21.63 | \$ (0.74) | \$ (4.54) | \$22.37 | 3.42% | \$24.61 |
| | | Part-time | \$17.09 | \$19.67 | \$ 16.07 | \$ (1.02) | \$ (3.60) | \$17.09 | 6.32% | \$18.79 |
| | Toddler | Full-time | \$19.17 | \$25.08 | \$ 19.00 | \$ (0.17) | \$ (6.08) | \$19.17 | 0.89% | \$21.09 |
| | | Part-time | \$14.01 | \$18.10 | \$ 15.45 | \$ 1.44 | \$ (2.65) | \$15.45 | 0.00% | \$17.00 |
| | Preschool | Full-time | \$17.10 | \$23.62 | \$ 18.54 | \$ 1.45 | \$ (5.08) | \$18.54 | 0.00% | \$20.39 |
| | | Part-time | \$13.46 | \$18.72 | \$ 16.22 | \$ 2.77 | \$ (2.50) | \$16.22 | 0.00% | \$17.84 |
| | School age | Full-time | \$15.67 | \$20.38 | \$ 14.49 | \$ (1.18) | \$ (5.89) | \$15.67 | 8.11% | \$17.23 |
| | | Part-time | \$11.03 | \$14.97 | \$ 10.82 | \$ (0.21) | \$ (4.15) | \$11.03 | 1.89% | \$12.13 |
| Registered Child Care Homes (sample=245, universe=2295) | Infant | Full-time | \$20.05 | \$26.31 | \$ 21.10 | \$ 1.05 | \$ (5.21) | \$21.10 | 0.00% | \$23.21 |
| | | Part-time | \$12.72 | \$15.84 | \$ 14.92 | \$ 2.20 | \$ (0.92) | \$14.92 | 0.00% | \$16.41 |
| | Toddler | Full-time | \$17.12 | \$23.18 | \$ 18.54 | \$ 1.42 | \$ (4.64) | \$18.54 | 0.00% | \$20.39 |
| | | Part-time | \$11.32 | \$14.38 | \$ 12.36 | \$ 1.04 | \$ (2.02) | \$12.36 | 0.00% | \$13.60 |
| | Preschool | Full-time | \$15.55 | \$20.21 | \$ 17.51 | \$ 1.96 | \$ (2.70) | \$17.51 | 0.00% | \$19.26 |
| | | Part-time | \$10.66 | \$16.96 | \$ 12.36 | \$ 1.71 | \$ (4.60) | \$12.36 | 0.00% | \$13.60 |

The committee is not recommending an across-the-board rate increase for all categories and all providers. Instead, to bring all of our various rates for different kinds of early education & care providers as close as possible to the highest percentile of market rates we can afford, we are proposing increasing some rates more than others.

As you can see in the chart above, some of our current rates (shaded green in the column labeled “Proposed New Maximum Rates Effective 10/2010”) are already above the 40th percentile of market rates. We would not increase any of these rates.

We would however use our resources to increase rates that have been significantly below the 40th percentile.

Action

Increase maximum provider rates as shown above to be effective October 2010, pending comments received from the public.

Procurement Committee

Hurricane Repair and Rebuild Projects

Background

The Procurement Committee will meet on Thursday, September 30, 2010 to consider proposals for hurricane repair and rebuild projects.

We issued a request for proposals during the summer to commit remaining hurricane recovery dollars to projects that will help areas of the region damaged by Hurricane Ike. We received six proposals requesting almost \$8.6 million. There is about \$2.8 million available.

We are attaching summaries of the six proposals and will provide more information after the committee takes action.

GULF COAST WORKFORCE BOARD

Proposal Review Summary 2010 Hurricane Ike Repair and Rebuild

BIDDER: City of Galveston
TOTAL REQUEST: \$1,565,119
SERVICE AREA: Galveston County

SYNOPSIS: The City of Galveston proposes to employ 74 temporary workers to assist and support a variety of repair projects which include work on streets, sewers, parks, cemeteries, medians, community centers and the restoration of public lands that were damaged by Hurricane Ike.

A variety of positions are proposed which include laborers, equipment operators, housing rehabilitation specialist, five inspectors, accountants, billing clerks, code enforcement officers and construction inspectors.

BUDGET:

| Description | Total |
|---------------------------|--------------------|
| Temporary Worker Wages | \$ 972,504 |
| Temporary Worker Benefits | 194, 168 |
| Equipment Costs | 26,079 |
| Fees | 7,700 |
| Other | 364,580 |
| TOTAL | \$1,565,119 |

COMMENTS: The costs listed under “fee” pertain to pre-employment costs such as drug screening and background check. “Other” includes workers compensation and cell phone services.

GULF COAST WORKFORCE BOARD

Proposal Review Summary 2010 Hurricane Ike Repair and Rebuild

BIDDER: Home Sweet Home Community Redevelopment Corporation
TOTAL REQUEST: \$1,293,385
SERVICE AREA: Brazoria, Chambers, Fort Bend and Harris Counties

SYNOPSIS: Home Sweet Home Community Redevelopment Corporation proposes to repair 200 homes damaged by Hurricane Ike. The proposal includes hiring 36 workers for positions which include a housing counselor, project managers, case managers, inspectors, electricians, plumbers and painters. Proposed hourly wages range from \$12.50 - \$22.50. The proposal narrative also states that 12 outside contractors will also be placed at construction sites for \$12.00 per hour. Home Sweet Home Community Redevelopment Corporation is a non-profit organization established in 2003 with experience in repairing homes damaged by hurricanes, tornadoes, and other disasters. Home Sweet Home CRC is involved in Hurricane Ike disaster relief projects.

BUDGET:

| Description | Total |
|---------------------------|--------------------|
| Temporary Worker Wages | \$ 766,539 |
| Temporary Worker Benefits | 363,246 |
| Equipment Costs | 120,000 |
| Fees | 30,000 |
| Other | 315,444 |
| TOTAL | \$1,595,229 |

COMMENTS: The cover page total funds requested funds is \$1,293,385. The budget summary page is \$1,595,229. Administrative fee is 1.8% of the budget. "Other" includes truck rental and office space fees.

GULF COAST WORKFORCE BOARD

Proposal Review Summary 2010 Hurricane Ike Repair Work

BIDDER: Jarreau & Associates, Inc.
TOTAL REQUEST: \$2,241,948.80
SERVICE AREA: Harris County

SYNOPSIS: Jarreau & Associates proposes to restore the natural habitat and native plants in the areas of Armand Bayou Nature Center Trails that were damaged or completely destroyed by Hurricane Ike. This project proposes to hire 90 workers at \$12.00 to \$15.00 per hour.

Jarreau & Associates was established in 1999 and is certified as a HUB.

BUDGET:

| Description | Total |
|---------------------------|-----------------------|
| Temporary Worker Wages | \$964,800 |
| Temporary Worker Benefits | \$144,720 |
| Equipment Costs | \$961,900 |
| Fees | \$86,228.80 |
| Other | \$84,300 |
| TOTAL | \$2,241,948.80 |

COMMENTS: Equipment accounts for 43% of the budget. "Fees" represent a 4% administrative cost. "Other" includes wages for the support staff of the temporary workers at 4%.

GULF COAST WORKFORCE BOARD

Proposal Review Summary 2010 Hurricane Ike Repair Work

BIDDER: Nehemiah's Vision, Inc.
TOTAL REQUEST: \$1,715,418
SERVICE AREA: Galveston County

SYNOPSIS: Nehemiah's Vision proposes to hire 100 temporary workers and complete repairs on 100 homes of low income, elderly and infirmed individuals in Galveston County, including Bolivar Peninsula.

The majority of positions for this project are pre-apprentice helpers and carpenters. Proposed hourly salaries range from \$12.00 to \$29.50 per hour, with the majority of carpenters represented at \$22.00 per hour. Nehemiah's Vision is a non-profit corporation created in 2005 to respond to the needs created after Hurricane Rita to help with repairs in southeast Texas.

BUDGET:

| Description | Total |
|---------------------------|--------------------|
| Temporary Worker Wages | \$1,388,440 |
| Temporary Worker Benefits | 326,978 |
| Equipment Costs | 40,200 |
| Fees | 68,617 |
| Other | 38,500 |
| TOTAL | \$1,862,734 |

COMMENTS: Total funds requested are represented as \$1,715,418 on the executive summary and at \$1,862,734 on the budget summary page. Administrative and operations fee are 4% of budget. "Other" includes uniforms, drug testing, safety training, and transportation costs.

GULF COAST WORKFORCE BOARD

Proposal Review Summary 2010 Hurricane Ike Repair Work

BIDDER: Project Management Resources
TOTAL REQUEST: \$1,261,209
SERVICE AREA: Walker County

SYNOPSIS: Project Management Resources proposes to cleanup public lands in and around the city of Huntsville. The proposer will hire, train and manage 30 workers to remove debris from several major tributaries as determined by the local Parks department. Laborers will earn \$13 per hour plus benefits. Supervisors will earn \$19 per hour. Project Management Resources is a private for-profit staffing company which was established in 2002. Project Management Resources is HUB.

BUDGET:

| Description | Total |
|---------------------------|--------------------|
| Temporary Worker Wages | \$ 786,720 |
| Temporary Worker Benefits | 149,477 |
| Equipment Costs | \$21,027 |
| Fees | 267,485 |
| Other | \$36,500 |
| TOTAL | \$1,261,209 |

COMMENTS: Fees account for 21% of the budget and include management and back office support. "Other" includes debris removal, gasoline, equipment rental, and waste disposal fees.

GULF COAST WORKFORCE BOARD

Proposal Review Summary 2010 Hurricane Ike Repair Work

BIDDER: The Student Conservation Association, Inc.
TOTAL REQUEST: \$516,074
SERVICE AREA: Fort Bend, Galveston, Harris and Montgomery Counties

SYNOPSIS: The Student Conservation Association proposes to hire 44 temporary workers to complete repairs and restoration to parks damaged caused by Hurricane Ike. Proposed projects include Galveston Island State Park, Battleship Texas State Historic Park, and Brazos Bend State Park. Project partners included in proposal include Texas Parks and Wildlife Department and City of Houston Parks and Recreation. The Student Conservation Association is a 53-year old non-profit organization with experience partnering with local, state and federal resources and on environmental projects.

BUDGET:

| Description | Total |
|---------------------------|------------------|
| Temporary Worker Wages | None Provided |
| Temporary Worker Benefits | None Provided |
| Equipment Costs | \$66,950 |
| Fees | None Provided |
| Other | None Provided |
| TOTAL | \$516,074 |

COMMENTS: Proposal did not provide a breakdown of the budget other than equipment accounting for 13% of budget. The amount requested on the Cover Sheet was \$516,074.

Budget Committee

Proposed 2010 Budget Revision

Background

The Board annually prepares a budget that guides its operations during the year. Included in that overall budget are costs for the Board's staff.

The Houston-Galveston Area Council, the staff for the Workforce Board, has planned to redo the physical office space that we use. This includes reconfiguring space and replacing office furniture.

Current Situation

Costs for the space reconfiguration are borne by H-GAC. The costs of new office furniture are \$135,722 inclusive for the staff that supports the Workforce Board.

We are requesting that the Board amend the 2010 budget to include costs for the furniture. This would increase the internal budget from \$4,102,741 to \$4,238,514, or a 3% increase.

Action

Increase the 2010 Workforce Board staff budget by \$135,722 to \$4,238,514.

Gulf Coast Workforce Board
System Performance
October 2009 through August 2010

Board Measures

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

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

More Competitive Employers

| Measure | Annual Target | Current Performance | Performance Last Year |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------|-----------------------|
| <u>Employers Receiving Services</u> (Market Share) We expect to provide services to 35,275 employers this year which is 27% of the 130,648 employers identified for the Gulf Coast area. Through August, we provided services to 35,037 employers. | 27% | 26.8% | 28.8% |
| <u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 27,122 employers, 21,496 returned to Workforce Solutions for additional services. | 73% | 79.3% | 74.5% |

More and Better Jobs

| Measure | Annual Target | Current Performance | Performance Last Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------|-----------------------|
| <u>New jobs created</u> This information is captured quarterly and reflects a two year average. We worked with employers who added 3,312 new jobs annually. | 2,000 | 3,312 | 2,307 |
| <u>Customers employed by the 1st Qtr after exit</u> Reporting for four quarters (Oct 08 – Sept 09), 316,421 of the 438,030 customers who exited from services were employed in the quarter after exit. | 78% | 72.2% | 78.6% |

Higher Real Incomes

| Measure | Annual Target | Current Performance | Performance Last Year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------|-----------------------|
| <u>Exiters with Earnings Gains of at least 20%</u> Reporting for four quarters (April 08 – March 09), 112,126 of the 399,171 who exited had earnings gains of at least 20%. | 40% | 28.1% | 35.7% |

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 August, 1,838 of the 5,961 customers pursuing an education diploma, degree or certificate achieved one. | 40% | 30.8% | 43.2% |

Production

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

Of these sixteen measures, we did not meet the target for seven measures.

- Claimant Reemployment. The target for this measure is 67%. Our performance through August was 51.5%, unchanged from June.
- Claimant Reemployment within 10 Weeks. The target for this measure is 53.7%. Our performance through August was 40.1%, up from 39.2% in June.
- Staff-Assisted Entered Employment. The target for this measure is 80%. Our performance through August was 71.4%, unchanged from June.
- At Risk Employment Retention. The target for this measure is 76%. Our performance through August was 70.4%, up slightly from 70.3% in June.

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

- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance through August was 44.7%, up from 38.8% in June.
- Average Choices Single Parent Participation Rate – Mandatory. The target for this measure is 50%. Our performance through August was 44.3%, down from 46.9% in June.
- Average Choices Two Parent Participation Rate. The target for this measure is 55%. Our performance through August was 51.3%, down from 54.6% in June.

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

GULF COAST WORKFORCE DEVELOPMENT BOARD
 FINANCIAL STATUS REPORT
 For the Eight Months Ended August 31, 2010

| | ANNUAL BUDGET | BUDGET YEAR TO DATE | ACTUAL YEAR TO DATE | DOLLAR VARIANCE |
|-------------------------------------|------------------|------------------------|------------------------|--------------------|
| WORKFORCE REVENUES | | | | |
| WORKFORCE REVENUES | 221,157,512 | 147,438,341 | 150,146,177 | (2,707,836) |
| WORKFORCE EXPENDITURES | | | | |
| BOARD ADMINISTRATION ¹ | 4,102,741 | 2,735,161 | 2,967,119 | (231,958) |
| EMPLOYER SERVICES ² | 5,157,727 | 3,438,485 | 4,460,241 | (1,021,756) |
| RESIDENT SERVICES | 211,897,044 | 141,264,696 | 142,718,817 | (1,454,121) |
| OFFICE OPERATIONS ³ | 50,132,546 | 33,421,697 | 31,602,413 | 1,819,284 |
| FINANCIAL AID ⁴ | 142,651,278 | 95,100,852 | 92,257,017 | 2,843,835 |
| RECOVERY PROJECTS ⁵ | 19,113,220 | 12,742,147 | 18,859,387 | (6,117,240) |
| <i>TOTAL WORKFORCE EXPENDITURES</i> | 221,157,512 | 147,438,341 | 150,146,177 | -2,707,836 |

GULF COAST WORKFORCE BOARD
Employment Trends

OCTOBER 2010

AUGUST 2010 DATA

Government trims 5,300 jobs over the month. The data on the next page shows the levels of employment for the current month, month ago, and year ago for the Gulf Coast Region¹. Federal Government jobs increased by 11,000 from March to May 2010 as Census workers started their door-to-door count of the population for the 2010 Census. The beginning of layoffs for Census workers decreased Federal Government jobs by 4,600 in June. Another 3,300 jobs were lost in July and 2,000 more in August. September 6th was the last day of work for the temporary census workers; as a result there may be another small decrease next month.

The big drop over the month was in local government where 5,100 jobs were cut in education. On average August would see an increase of 3,000 jobs in local education as schools open for the fall semester, but this year's budget constraints have caused a pull back in hiring. Combining this loss, and the loss of 2,000 census workers, with the 5,700 jobs added by the private sector, brings the over-the-month job growth to 400 in August.

Over the year, total nonfarm jobs were down 900 jobs. The two year trend, August 2008 to August 2010, was down 103,700 jobs, or 4.0 percent (Chart).

Unemployment remains high as students start leaving the summer job market. The Gulf Coast Region's unemployment rate was 8.7 percent in August, down from 8.8 percent in July. Last year at this time, the rate was 8.2 percent. Total unemployed decreased over the month by 4,528 to 250,978 in the region. In August 2008 the unemployment rate was 5.2 percent. Since then total unemployed has increased by 106,360. Total employment has increased by 3,657 for the same time period. The national unemployment rate dropped from 9.6 percent in August 2009 to 9.5 percent in August 2010; at the same time employment dropped by 155,000.

Initial Claims for unemployment benefits increase over the year. Initial Claims for unemployment benefits were up over the year, the first over-the-year increase since December 2009 and the highest level for the month of August in this time series, which goes back to 2000. From August 2009 to August 2010 claims were up 85 to 23,007. Continued Claims were down 43,946 (29%) from August 2009.

Fewer insured unemployed being counted. Total insured unemployed for the Gulf Coast Region decreased by 21,138 (33%) to 42,941 in August, compared to August 2009.

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.

Houston-Sugar Land-Baytown MSA

| Industry | AUG-10 | JUL-10 | AUG-09 | NET CHANGE FROM | | % Chg. |
|-------------------------------|-----------|-----------|-----------|------------------|------------------|------------------|
| | | | | JUL-10 TO AUG-10 | AUG-09 TO AUG-10 | AUG-09 TO AUG-10 |
| Total Nonfarm | 2,511,200 | 2,510,800 | 2,512,100 | 400 | -900 | 0.0% |
| MINING & LOGGING | 90,200 | 90,100 | 87,400 | 100 | 2,800 | 3.2% |
| CONSTRUCTION | 168,400 | 167,700 | 179,600 | 700 | -11,200 | -6.2% |
| MANUFACTURING | 221,500 | 220,700 | 220,500 | 800 | 1,000 | 0.5% |
| DURABLE GOODS | 142,200 | 141,600 | 139,700 | 600 | 2,500 | 1.8% |
| NONDURABLE GOODS | 79,300 | 79,100 | 80,800 | 200 | -1,500 | -1.9% |
| TRADE, TRANSP., & UTILITIES | 510,100 | 508,400 | 515,300 | 1,700 | -5,200 | -1.0% |
| WHOLESALE TRADE | 128,200 | 128,000 | 130,200 | 200 | -2,000 | -1.5% |
| RETAIL TRADE | 261,400 | 260,300 | 263,500 | 1,100 | -2,100 | -0.8% |
| TRANSP, WAREHOUSING, & UTIL | 120,500 | 120,100 | 121,600 | 400 | -1,100 | -0.9% |
| INFORMATION | 32,500 | 32,600 | 34,400 | -100 | -1,900 | -5.5% |
| FINANCIAL ACTIVITIES | 137,800 | 137,600 | 139,000 | 200 | -1,200 | -0.9% |
| PROFESSIONAL & BUSINESS SERV. | 353,300 | 352,300 | 355,100 | 1,000 | -1,800 | -0.5% |
| EDUCATION & HEALTH SERV. | 308,600 | 306,000 | 299,000 | 2,600 | 9,600 | 3.2% |
| LEISURE & HOSPITALITY | 240,500 | 241,200 | 239,300 | -700 | 1,200 | 0.5% |
| OTHER SERV. | 92,700 | 93,300 | 92,300 | -600 | 400 | 0.4% |
| TOTAL GOVERNMENT | 355,600 | 360,900 | 350,200 | -5,300 | 5,400 | 1.5% |
| FEDERAL | 30,200 | 32,200 | 28,800 | -2,000 | 1,400 | 4.9% |
| STATE | 69,100 | 69,200 | 68,400 | -100 | 700 | 1.0% |
| LOCAL | 256,300 | 259,500 | 253,000 | -3,200 | 3,300 | 1.3% |

Chart

