

The Gulf Coast Workforce Board Tentative Agenda

10:00 a.m. Tuesday, April 7, 2009

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 February, 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.

7. Action Items

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

8. Information

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

b. Expenditures. Staff will report on current 2008 expenditures.

c. Stimulus. Staff will provide information on workforce stimulus funds and expectations for their use.

9. Labor Market Report

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

10. Adjourn

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**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, FEBRUARY 3, 2009**

MEMBERS PRESENT:

| | | |
|--------------------|------------------|----------------|
| Gerald Andrews | Janell Baker | Elaine Barber |
| Ron Bourbeau | Carl Bowles | Bill Crouch |
| Mary Duran | Joe Garcia | Barbara Hayley |
| John Hebert | Bobbie Henderson | Elsie Huang |
| Guy Robert Jackson | Jeff Labroski | Kathleen Long |
| Steve Lufburrow | Carolyn Maxie | Mindy May |
| Michael Nguyen | Linda O'Black | Dale Pinson |
| Janice Ruley | Allene Schmitt | Richard Shaw |
| Frank Thompson | Evelyn Timmins | Bill Weaver |

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Barbara Murphy
Joel Wagher

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, February 3, 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

Mr. Richard Shaw introduced Ms. Pamela Walker with the HAY Center - Houston Alumni and Youth Center. Ms. Walker spoke to the Board about the services, support and resources provided to the youth and young adults at the center.

MINUTES FROM DECEMBER 3, 2008

Mr. Thompson asked if there were any additions or corrections to the minutes for the December 3, 2008. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

No one declared a conflict of interest.

CHAIRMAN'S AND COMMITTEE REPORTS

Mr. Thompson explained that he attended the "Putting American Back to Work" conference sponsored by the Texas Workforce Commission. Mr. Thompson stated that this conference was geared toward economic development in Texas and that the conference had excellent speakers.

Audit/Monitoring

Mr. Joe Garcia stated that the Audit & Monitoring Committee did not meet in January, but communicated by email. Mr. Garcia explained that the Attorney General's office has asked us to make sure our contractors correct problems with accessing the AG's child support data base. This is primarily a technical violation that is common throughout the state and is resulting in additional training for some of our contractors.

Staff has made 10 year-to-date visits with 10 year-to-date follow-ups.

Strategic Planning

Mr. Carl Bowles explained that the Strategic Planning Committee met on January 21, 2009 to review 2008 performance against the Board measures.

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

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

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

The Committee also looked at 2013 targets for measures in the 2009 to 2013 strategic plan, approved last June. After some discussion about possible impact of the economic

downturn on meeting targets, Committee members agreed to keep the previously approved targets in place. This information is found in the Board packet: *Where We're Going*.

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

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

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

Early Education and Care Committee

Dr. Bobbie Henderson stated that the committee has gone high-tech and met via computer conferencing on January 29th to view the new curriculum – “When I Grow Up.” Dr. Henderson explained that as part of the Workforce Board's efforts to provide good career information for young people, their parents, teachers and counselors, we worked with the Houston Chronicle last year to provide curriculum materials on getting a first job to 8,775 high school students in 351 classrooms throughout the region. Gilbreath Communications developed the materials from one of our current workshops offered for the general public and targeted to young people looking for work.

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

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

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

Dr. Henderson explained that she will be working with her students at TSU on piloting this program and will be able to give the Board first hand feedback on how it is accepted by the children.

Education Committee

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

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

- **Focus On profiles of key industries and growth occupations.** These profiles are developed from the Board's High-Skill, High-Growth Occupations list. They are distributed through email blasts once a month, primarily to educators, but also to the general public. Each piece provides information about a targeted industry or a growth occupation, including expected demand, wages, and how to get training in order to do the job. All the Focus On pieces are available on our web site.
- **The Career Cube.** The Cube is an interactive, web-based tool for educators, parents, students, and the general workforce that highlights key industries in our region and the job opportunities in those industries. It launched February 1, 2009 at careercube.org.

Ms. Barbara Murphy explained how The Career Cube works while the Board viewed a short presentation.

- **Public relations campaign.** To further spread information about good jobs, we are developing a public relations package for speakers to use in community and school presentations throughout the region. We will have the package complete in March, 2009.
- **When I Grow Up.** Curriculum and supporting materials for K-2 teachers to expose their students to information about good jobs of the future.
- With leadership from committee members Tracie Holub, Sarah Wroblewski, and Allene Schmitt, we are working with a group of career and technology educators from six school districts to embed our labor market information in school career planning tools for kids. This work group is also exploring ways to make our labor market information available to schools and districts that may want to use it in planning how to allocate funds for career technology classes.

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

Recognition of Board members with expiring terms

Mr. Frank Thompson and Gerald Andrews presented certificates of appreciation for service on the Board to members whose term had expired on December 31, 2008.

ACTION ITEMS

- a. Employer Services. Consider committee's recommendations for updating Board's Targeted Industries and High-Skill, High-Growth Occupations and renewing third year contact with Gilbreath Communications, Inc. in an amount not to exceed \$600,000.

Mr. Gerald Andrews stated that the Employer Services Committee met prior to the Board meeting and discussed that the Gulf Coast Workforce Board targets the resources it controls, and influences those controlled by its partners in the regional workforce system with the strategic plan and a series of three supporting lists: 1) Targeted Industries, 2) High-Skill, High-Growth Occupations, and 3) Where the Jobs Are, which is a list of occupations likely to provide the largest number of job opportunities in the region over the next ten years.

The Committee reviewed and recommended the initial first lists for the target industries, demand occupations and "hot jobs" to the Board. It was determined that periodic updates to the lists would be presented to the Committee and the Board as circumstances warranted.

Targeted Industries

We began with labor market data. We used NAICS-level employment and wage data and projections for the 10-year period from 2006 to 2016 and looked for industries that fit the following criteria:

1. Industries with a projected employment growth of at least 8,000 new jobs from 2006-2016 (an average of 800 jobs per year)
2. Industries with projected employment growth rate equal to or greater than the average growth rate for all industries in the region for the period 2006 to 2016. (>24.1)
3. Industries with an average weekly wage of at least \$700 per week.

In addition to industries meeting the above criteria, we included in our targeted list: Oil and Natural Gas Extraction and Manufacturing. There are actually several different groups of employers within this larger sector – however, because of the importance of these employers to the area economy and gross regional product, we have created the sector and added it to our list.

The proposed updated list for the Board's Target Industries is in the Board packet. The changes include:

- the creation of “Health Services” by combining Offices of Physicians with General Medical & Surgical Hospitals and Specialty Hospitals

High-Skill, High-Growth Occupations

The high-skill, high-growth list is made up of larger, high-skill, well-paying occupations critical to the Gulf Coast region’s economic future. They offer the best job opportunities to area residents now and will likely continue doing so over the next ten to 15 years.

Occupations meet the following criteria to be included on the high-skill, high-growth occupations list. They must have:

- projected employment for 2016 equal to or greater than the average for all occupations in the region (4,596)
- projected employment growth rate equal to or greater than the average growth rate for all industries in the region (24.1 %)
- minimum education requirements of a post-secondary certificate or degree, long-term on-the-job training, or work experience in a related occupation
- median hourly wages equal to or greater than the median for all occupations in the region (\$14.76 per hour)

Scholarship Occupations

Students preparing for employment in occupations on the list that meet two of the following three criteria are eligible for, but not guaranteed scholarships from Workforce Solutions or one of its partners. To qualify, two of the three following statements must be true. The occupation must be one:

- with chronic shortages of qualified workers to fill existing or projected job openings;
- where the number of workers expected to graduate from the requisite education or training programs falls significantly below the number of job openings;
- whose employment is over represented in the targeted industries relative to all industries in the region.

The Scholarship Occupations list is a subset of the High-Skill, High-Growth list. We’ve focused this list – the one we will use in our career offices to help guide staff in putting our dollars into scholarships – on those occupations for which we can provide about two years of support for a successful outcome. All of the Scholarship Occupations come from the High-Skill, High-Growth list and are those currently in demand in our target industries and range of others.

An employer or group of employers with a demand for skilled workers can ask us at any time to modify our list. We will discuss with employers their shortage occupations, expected numbers of hires, wages and training requirements.

We also use our employer service sales and marketing staff and any updates to publish labor market data to check on new or emerging shortage occupations that might be added to our list.

The updated High-Skill, High-Growth Occupations list and the Occupations Supported by Scholarship are in the Board packet.

Where the Jobs Are

We use the “Where the Jobs Are” list to identify those occupations that are growing. We don’t use wage or other kinds of criteria to refine the list; it consists entirely of those jobs in which we expect to see openings over the next 10 years.

Occupations on this list are those with projected annual average job openings equal to or greater than 170 per year.

A motion was made and seconded to adopt the updated Targeted Industries; High-Skill, High-Growth Occupations supported by scholarship; and Where the Jobs are to better focus available resources in the region. The motion carried.

Gilbreath Communications, Inc. – Third Year Contract

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

- **Media & Advertising**
- **Creative & Collateral**
- **Public Relations & Events**
- **Market Research**

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

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

Total Proposed Third Year Contract \$600,000.

A motion was made and seconded to authorize a third year contract with Gilbreath Communications, Inc. in an amount not to exceed \$600,000. The motion carried.

- b. Nominating. Consider committee's recommendations and elect 2009 Board officers.

Mr. John Hebert explained that the Nominating Committee contacted the current officers to inquire if they were interested in serving an additional term. All the current officers agreed and the Nominating Committee concurred that the Board should continue with the same excellent leadership and nominated the current officers.

Frank Thompson – Chair
Mark Guthrie – Vice Chair
Yvonne Estrada – Vice Chair
Gerald Andrews – Vice Chair

A motion was made and seconded to elect the following – Frank Thompson – Chairman, Mark Guthrie -Vice Chairman and Yvonne Estrada – Vice Chairman and Gerald Andrews – Vice Chairman. The motion carried.

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2008 through December 2008. 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 December, we provided services to 12,114 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 7,430 employers, 6,260 returned to 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 - 69,244 of the 86,709 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - 58,893 of the 143,176 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 – 118 of the 1,627 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 \$11,580.
- Literacy and Numeracy Gains – This is a youth measure. The target is 35%. Our performance is 25%.
- Claimant Reemployment – the target for this measure is 67%. Our performance for two quarters was 63.5%.

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

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for twelve months ending December 31, 2008. Mr. Bradshaw explained that we spent approximately 97% of the budget and that everything was on target and looked good.

Mr. Bradshaw explained that with the employment and training portion of the proposed stimulus package there would be a substantial amount of money that would be flowing in the workforce system around the country. These figures are all estimates, but our best guess for the Gulf Coast would be \$6 million in additional funding for services, \$14 - \$15 million for youth activities and \$7 million for dislocated worker training. The child care block grants are likely to increase - \$20 million a year for two years.

Dr. Henderson asked about the child care funding and suggested that we consider increasing the quality of our centers. Mr. Bradshaw agreed that we will consider whatever the early education and care committee suggests and what the law allows.

Mr. Bradshaw explained the once the package is passed they will have 30 days to get the money out to the states. Mr. Bradshaw explained that one of our greatest challenges will be the summer youth program. With approximately \$14 million we are possibly looking at serving around 4,000 youths. Mr. Bradshaw asked the Board for permission for staff to start the prep work.

LABOR MARKET REPORT

Mr. Joel Wagher explained that for the month of December, the national over-the-year job loss was the largest on record. The data goes back to 1940 and there was no other December with a loss greater than the 2,815,000 lost in December 2008 over December 2007. Some the recent announcements for job cuts are not in the data - January and February data reports will not be released until March. There was no change in this month's unemployment rate. The Gulf Coast Region's unemployment rate for December was 5.5 percent, up from 4.2 percent in December 2007.

ADJOURN

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

Audit/Monitoring Committee

March 2009 Monitoring Update

Recent Activity

Formation of Regional Quality Assurance (QA) Team

A workgroup with members from Workforce Solutions operators and Board staff worked for months to develop a plan to combine multiple monitoring responsibilities into a complete system review. After agreeing on areas of review, we formed an eleven-member Quality Assurance team made up of staff from each Career Office operator, the Employer Service Division, the Payment Office and Board staff. These visits are full office reviews. We monitor electronic customer records, hard copy records, interview staff, observe the office operations, check for Equal Opportunity compliance, look at complaint records, look at IT security and observe how customers are being served.

The team began meeting in early February. We divided into two five-member groups and completed the first two office reviews—the Wharton and Astrodome offices.

- As we conducted records reviews, the team refined the process for sampling customer records for quality of service and compliance with rules.
- We discussed our work to come to a common understanding of what is acceptable and desirable.
- We developed a Quality Assurance Manual to explain and direct future quality assurance reviews.

We haven't issued the reports from our first two visits yet – those should be done shortly. We plan to send these reports to all the contractors. The contractor that manages the office will receive a comprehensive report of what we found, including the error detail. The other contractors will receive an executive summary or trends report.

- By sharing the reports, and using staff from all the contractors to perform the reviews, we expect that office operations will improve fundamentally, so that as time passes, we should find fewer errors at each office visit. We hope this will translate into enhanced customer service and better outcomes for both our employer and resident customers.

Recent Visits

The Astrodome office was extraordinarily busy when we went to do our review – that office regularly sees 900 a day. Wharton was busier than usual, but not as busy as Astrodome.

We are noting two areas that need attention:

- **Job applications.** We need to improve the quality of the applications in our job matching system – this is critical to providing employers with good candidates for their postings and helping our customers looking for work get a good match quickly.
- **Records.** Staff need to make significant improvements in their record-keeping. Records tend to be sloppy and often inconsistent.

Quarterly Billing Reviews

The latest round of contractor billing reviews has disclosed no problems. We're beginning the annual financial/compliance reviews now.

Upcoming Activities

- The QA team has planned remaining office reviews so as to visit every office by fall. We are currently reviewing Texas City and Spring Branch.
- The Texas Workforce Commission is coming next week to monitor our National Emergency Grant contracts related to Hurricane Ike. Following TWC's visit, DOL will be here in May to look at the same thing.
- With a significantly larger summer jobs activity this year, we will be spending more time checking on work sites than in the most recent summers.

2009 Summer Jobs Bidders

We received 36 proposals to operate summer jobs projects and 2 proposals to operate payroll for all youth in summer jobs.

Proposers requested more than \$27 million – about double what we have available. A list of the proposals we received is attached.

We also received offers of worksites from several different employers, including Dow Chemical and the City of Houston.

The Procurement Committee meets April 2, 2009 to review proposals and come up with recommendations for the Board at its April 7 meeting.

Summer Project Bidders

| | | |
|---|----------------|--------------------|
| GHG Corporation | \$400,000.00 | Payroll |
| NCI | \$25,000.00 | Payroll & Worksite |
| Alvin Community College | \$830,954.00 | Summer Project |
| Astrodome Career Centers | \$130,000.00 | Summer Project |
| Be a Champion, Inc | \$1,812,300.00 | Summer Project |
| Bethel's Place | \$66,505.00 | Summer Project |
| Beyond Careers | \$146,000.00 | Summer Project |
| Career & Recovery Resources, Inc. | \$423,344.00 | Summer Project |
| Central Landscape & Maintenance, Inc. | \$124,300.00 | Summer Project |
| Communities in Schools Houston, Inc | \$173,320.00 | Summer Project |
| Community Partners | \$241,018.00 | Summer Project |
| EES Educational Services, Inc. | \$51,164.96 | Summer Project |
| ETC | \$7,457,499.65 | Summer Project |
| Families Under Urban & Social Attack | \$424,147.33 | Summer Project |
| Genesys Works | \$670,305.00 | Summer Project |
| Global Resource Solution | \$105,900.00 | Summer Project |
| God's Provision for a Purpose | \$55,000.00 | Summer Project |
| Goodwill Industries of Houston | \$487,414.84 | Summer Project |
| Houston Area Urban League | \$349,921.00 | Summer Project |
| Houston Help, Inc. | \$5,568.00 | Summer Project |
| Houston Training & Education Center | \$703,944.00 | Summer Project |
| Houston Works | \$2,763,864.00 | Summer Project |
| Houston Food Bank | \$164,427.00 | Summer Project |
| Juvenile Ready4WorkProgram | \$46,600.00 | Summer Project |
| KATCO Arts Academy | \$628,908.00 | Summer Project |
| Learning Designs | \$800,791.00 | Summer Project |
| Memorial Assistance Ministries | \$10,525.00 | Summer Project |
| Precinct2gether | \$3,737.40 | Summer Project |
| R & L Group, Inc | \$91,567.39 | Summer Project |
| SER-Jobs for Progress | \$1,180,018.00 | Summer Project |
| Space City Academy | \$113,484.60 | Summer Project |
| T3 Joint Venture | \$1,258,667.00 | Summer Project |
| Texas Southern University | \$4,048,299.80 | Summer Project |
| Texas Women's Empowerment Foundation | \$541,179.00 | Summer Project |
| The After School Programs | \$434,669.00 | Summer Project |
| The Alliance | \$770,368.50 | Summer Project |
| VN Team Work, Inc | \$47,369.00 | Summer Project |
| Young Scholars Academy for Excellence, Inc. | \$132,287.00 | Summer Project |

| | |
|------------------------|------------------------|
| TOTAL REQUESTED | \$27,720,367.47 |
|------------------------|------------------------|

Gulf Coast Workforce Board
System Performance
October 2008 through February, 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 February, we provided services to 18,667 employers. | 25% | 14.5% | 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 12,477 employers, 10,109 returned to Workforce Solutions for additional services. | 72% | 81.0% | 70.7% |

More and Better Jobs

| Measure | Annual Target | Current Performance | Performance Last Year |
|--|---------------|---------------------|-----------------------|
| <u>New jobs created</u> This information is captured quarterly. We added 600 new jobs in the first quarter of the performance year. | 1,500 | 600 | 2,234 |
| <u>Customers employed by the 1st Qtr after exit</u> With two quarters of data, 144,723 of the 181,379 customers who exited from services were employed in the quarter after exit. | 78% | 79.8% | 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 two quarters, 65,207 of the 179,830 who exited had earnings gains of at least 20%. | 40% | 36.3% | 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 February, 289 of the 1,694 customers pursuing an education diploma, degree or certificate achieved one. | 40% | 17.1% | 38.0% |

Production

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

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

- WIA Adult Average Earnings. The target for this measure is \$12,400. Our performance for two quarters was \$11,613.
- 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 contractors to improve performance on all measures.

**GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the Two Months Ended February 28, 2009**

| | ANNUAL BUDGET | BUDGET YEAR TO DATE | ACTUAL YEAR TO DATE | DOLLAR VARIANCE |
|--|--------------------------|--------------------------------|--------------------------------|----------------------------|
| WORKFORCE REVENUES | | | | |
| WORKFORCE REVENUES | 178,319,965 | 29,719,994 | 26,137,494 | 3,582,500 |
| WORKFORCE EXPENDITURES | | | | |
| BOARD ADMINISTRATION | 4,582,210 | 763,702 | 672,734 | 90,968 |
| EMPLOYER SERVICES | 5,510,000 | 918,333 | 946,037 | (27,704) |
| RESIDENT SERVICES | 167,177,755 | 27,862,959 | 24,331,420 | 3,531,539 |
| OFFICE OPERATIONS | 50,375,459 | 8,395,910 | 8,264,052 | 131,858 |
| FINANCIAL AID | 116,802,296 | 19,467,049 | 16,067,368 | 3,399,681 |
| RESEARCH & DEMONSTRATION | 1,050,000 | 175,000 | 187,303 | (12,303) |
| <i>TOTAL WORKFORCE EXPENDITURES</i> | 178,319,965 | 29,719,994 | 26,137,494 | 3,582,500 |

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.

American Recovery and Reinvestment Act Workforce Stimulus

Background

President Obama signed the \$787 billion American Recovery and Reinvestment Act into law February 17, 2009. Within this piece of legislation, about \$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.

Current Situation

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.

Next Steps

As we discussed at the February, 2009 Board meeting, we started the process to procure contractors for 2009 summer jobs projects. Recommendations from your Procurement Committee to fund those contracts are before the Board today.

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. Staff recommends the Board consider a report back from its Budget Committee at the next meeting on June 2, 2009.

GULF COAST WORKFORCE BOARD
Employment Trends

APRIL 2009
FEBRUARY 2009 DATA

Annual revision decreases job growth for 2008. The Texas Workforce Commission (TWC) revised all employment numbers for 2008, giving the MSA a decrease in the number 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. The revision, released March 5th, decreased the initial estimate for over-the-year job gains for December from 57,300 jobs to the revised net gain of only 22,500 jobs. Revisions occur each year at this time as the TWC adjusts the numbers to a more comprehensive employment count based on employer tax records. In all of 2008, 58,100 jobs were added, for a 2.3 percent growth rate, down from the 98,500 jobs, 4.0 percent, added in 2007.

Negative job growth returns to Gulf Coast region. 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 Region¹. February's job count was down 6,300, or 0.2 percent from February 2008, the first year-over-year decline since February 2004, when the region was emerging from the dot.com recession. Professional & Business Services had the largest decline from last year, down 11,900 jobs, with losses in legal services; accounting, bookkeeping, and payroll services; and architectural, engineering, and related services.

Larger rate increases in over-the-year unemployment. The Gulf Coast Region's unemployment rate for February 2009 was 6.4 percent, up from 4.3 percent in February 2008. The 2.1 percent net change was the largest over-the-year increase in this time series, which started in 2000. The rate dropped from 6.5 percent in January as seasonal workers left the workforce after the holiday shopping season. The national numbers climbed from 5.2 percent in February 2008 to 8.9 percent in February 2009.

Initial Claims for unemployment benefits continue to grow. There were 24,811 claims filed in February 2009, up 12,904 (108 percent) from February 2008 (Chart). This was the largest net gain for the month of February in this time series, which goes back to 2000.

Reports on the characteristics of the insured unemployed reveal that the sectors with the largest increases of unemployed workers over the year are services, up 8,085, and wholesale/retail trade, up 3,106. From February 2008 to February 2009 the number of people who are listed in the category "15 & over Weeks of Current Duration" was up 8,174 (121%).

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

Table 1

| Industry | NET CHANGE | | | | | | % Chg. Feb-08 TO Feb-09 |
|-------------------------------|------------|-----------|-----------|------------------------|------------------------|------------------------|----------------------------------|
| | | | | FROM | | Feb-08 TO Feb-09 | |
| | Feb-09 | Jan-09 | Feb-08 | Jan-09 TO Feb-09 | Feb-08 TO Feb-09 | | |
| Total Nonfarm | 2,574,500 | 2,576,800 | 2,580,800 | -2,300 | -6,300 | -0.2% | |
| MINING & LOGGING | 93,000 | 93,000 | 87,000 | 0 | 6,000 | 6.9% | |
| CONSTRUCTION | 200,400 | 199,500 | 204,500 | 900 | -4,100 | -2.0% | |
| MANUFACTURING | 240,600 | 241,200 | 238,000 | -600 | 2,600 | 1.1% | |
| DURABLE GOODS | 156,900 | 157,400 | 156,000 | -500 | 900 | 0.6% | |
| NONDURABLE GOODS | 83,700 | 83,800 | 82,000 | -100 | 1,700 | 2.1% | |
| TRADE, TRANSP., & UTILITIES | 518,300 | 523,000 | 525,500 | -4,700 | -7,200 | -1.4% | |
| WHOLESALE TRADE | 132,300 | 134,300 | 137,500 | -2,000 | -5,200 | -3.8% | |
| RETAIL TRADE | 263,000 | 265,400 | 261,800 | -2,400 | 1,200 | 0.5% | |
| TRANSP, WAREHOUSING, & UTIL | 123,000 | 123,300 | 126,200 | -300 | -3,200 | -2.5% | |
| INFORMATION | 35,600 | 35,500 | 36,800 | 100 | -1,200 | -3.3% | |
| FINANCIAL ACTIVITIES | 141,600 | 141,300 | 144,500 | 300 | -2,900 | -2.0% | |
| PROFESSIONAL & BUSINESS SERV. | 367,500 | 378,300 | 379,400 | -10,800 | -11,900 | -3.1% | |
| EDUCATION & HEALTH SERV. | 291,400 | 288,200 | 281,700 | 3,200 | 9,700 | 3.4% | |
| LEISURE & HOSPITALITY | 227,300 | 222,400 | 227,100 | 4,900 | 200 | 0.1% | |
| OTHER SERV. | 90,500 | 89,700 | 90,700 | 800 | -200 | -0.2% | |
| TOTAL GOVERNMENT | 368,300 | 364,700 | 365,600 | 3,600 | 2,700 | 0.7% | |
| FEDERAL | 29,300 | 29,500 | 28,800 | -200 | 500 | 1.7% | |
| STATE | 71,000 | 70,600 | 70,900 | 400 | 100 | 0.1% | |
| LOCAL | 268,000 | 264,600 | 265,900 | 3,400 | 2,100 | 0.8% | |

Chart

