

To: Gulf Coast Workforce Board Members

From: Mike Temple  
Carol Kimmick

Date: March 26, 2013

Subj: Board Meeting Materials for Tuesday, April 2, 2013.

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, April 2, 2013**, in the second floor Conference Room A, 3555 Timmons, Houston.

**Chairman's and Committee Reports.** Audit/Monitoring Committee Chair Garcia will provide the latest update on contractor and system monitoring.

**Action.** Employer Service Committee Chair Gerald Andrews will present proposed updates to the Board's key regional industries and high-skill, high-growth occupations lists. The Board develops these lists from the most current labor market data and our understanding of employers' demands for skilled workers. We use the resulting information to target investments of our limited dollars so that we can help our regional economy grow and prosper. Chair Andrews will also discuss changes to our processes for finding and certifying Board-approved providers for training in the high-skill occupations as well as basic education and skill upgrades.

**Information Items.** Included is information on current performance and expenditures. We have a somewhat clearer picture of the effects of the federal budget sequestration, although final amounts are not available. We've included information on estimates for the reductions. We will recommend to you that Budget Committee Chair Yvonne Estrada and her committee consider possible revisions to the Board's budget and changes to our operating system. Chair Estrada would bring back findings and any recommended action at your June meeting. We will have a briefing from H-GAC's Community & Environmental Planning staff on a regional plan for sustainable development that includes some workforce components.

Finally, as usual, we'll hear about the region's economy.

We look forward to seeing you Tuesday. Please call or email us if you have questions.

# The Gulf Coast Workforce Board Tentative Agenda

**Tuesday, April 2, 2013 at 10:00 a.m.**

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

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1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review February 2013 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
  - a. *Audit/Monitoring.* The committee chair will present an update from the March 2013 meeting.
7. **Take Action**
  - a. *Employer Service.* The committee chair will present an update from the March 2013 meeting and bring recommendations for changes to the Board's high-skill, high-growth occupations for consideration.
8. **Receive Information**
  - a. *System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
  - b. *Expenditures.* Staff will report on current expenditures including comments on effects of the federal budget sequestration.
  - c. *Sustainability.* Briefing on regional sustainability planning from H-GAC's Community & Environmental Planning staff.
9. **Look at the Economy**

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



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**MINUTES OF  
THE GULF COAST WORKFORCE DEVELOPMENT BOARD  
TUESDAY, February 5, 2013**

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**MEMBERS PRESENT:**

Karlos Allen	Gerald Andrews	Willie Alexander
Elaine Barber	Sara Bouse	Carl Bowles
Sal Esparza	Joe Garcia	Mark Guthrie
John Hebert	Bobbie Henderson	Cody Holloway
Eduardo Honold	Sarah Janes	David Joost
Birgit Kamps	Jeffrey Labroski	Ramona Malone
Linda O'Black	Janice Ruley	Allene Schmitt
Richard Shaw	Gil Staley	Joe Swinbank
Frank Thompson	Evelyn Timmins	Bill Weaver
Madeleine York		

**H-GAC STAFF MEMBERS PRESENT**

Rodney Bradshaw  
Mike Temple  
David Baggerly  
Ron Borski

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, February 5, 2013, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

**ADOPTION OF AGENDA**

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

**PUBLIC COMMENT**

No one signed up for public comments.

**MINUTES FROM DECEMBER 4, 2012**

Mr. Thompson asked if there were any additions or corrections to the minutes for the December 4, 2012 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

## **DECLARE CONFLICTS OF INTEREST**

No one declared a conflict of interest.

Mr. Frank Thompson asked the Board to join him in a silent prayer for Ms. Nina O'Quinn, staff member who passed away on January 31, 2013. Mr. Thompson shared some reflections regarding Ms. O'Quinn.

## **CONSIDER COMMITTEE REPORTS**

### **Audit/Monitoring**

Mr. Joe Garcia explained that the committee met on January 30<sup>th</sup> by conference call and discussed recent activity.

The regional team has completed reviews of the Conroe Office (average) operated by Interfaith of The Woodlands. The team has also completed six other reviews; the reports will be issued in early February.

- The Regional Quality Assurance special projects monitor is conducting surprise visits to child care vendors to see if the vendors and parents are using the automated attendance system correctly.
  - They found problems with the POS (Point of Service) machines not working, locked in an office and poor customer service from the machine vendor.
  - They found parents' cards and pin numbers stored at the vendor and the vendors not reviewing their data reports as required.
  - Customers have approached the monitor with questions about inability to get to a human on the phone to help them, questions about warning letters and appeals and overall operation of the POS machines.
  - They also found data concerns in our system to accurately reflect problems with machines and attendance issues.

We are working with the Financial Aid Payment Office to correct issues, better train vendors and parents and better address misuse of the attendance cards.

- **Financial Reviews:**
  - Employments & Training Centers, Inc. annual review revealed missing documentation. All the documentation has been found and all issues are resolved.
  - Neighborhood Centers, Inc. needed to provide some back up documentation and revised procedures. This has been done and all issues are resolved.
  - Collaborative for Children, Inc. lacked formally documented process and controls for some computer access and record collecting. Also, computer

access was not terminated at an employee's separation. Their response is due next week.

- Financial aid fraud
  - The Harris County grand jury has returned indictments on 3 cases of suspected financial aid fraud. The individuals failed to correctly report employment status. The three cases represent ineligible services totaling \$41,330.

#### Recognition of Board Members with Expiring Terms

Mr. Thompson asked Vice Chair Guthrie and Andrews to assist him with presenting Certificates of Appreciation for Board members whose term expired on December 31, 2012.

#### **TAKE ACTION**

- a. Early Education & Care. The committee chair will present an update from the January 2013 meeting and bring recommended changes to Workforce Solutions financial aid procedures for Board consideration.

Dr. Bobbie Henderson stated that the committee wanted to dedicate the meeting on January 29, 2013 to Ms. Nina O'Quinn.

Dr. Henderson explained that the State recently passed rules which require us to impose corrective action for parents and providers who do not adhere to the requirements associated with the automated attendance system we use with our child care financial aid. The automated attendance system uses cards that parents swipe to record a child's presence or absence and provides the basis for all provider payments. Specifically, we must take action against parents who give their attendance cards and/or personal identification numbers to providers to keep on site and use – and against providers who keep cards and use them to record attendance.

It is proposed that corrective action be recommend and the Board adopt the following procedures for taking corrective action when parents or providers do not adhere to requirements of the automated attendance reporting system:

#### **Parents**

- The first time a parent gives or allows a provider to keep on site and use one or more automated attendance cards, Workforce Solutions will assess a financial penalty of \$25 per child.
- The second time a parent gives or allows a provider to keep on site and use one or more automated attendance cards, Workforce Solutions will discontinue the parent's financial aid.
- When Workforce Solutions discontinues a parent's financial aid because the parent did not adhere to requirements, the parent will not be able to re-apply for assistance for at least 30 days from the date of the discontinuation.

### **Providers**

- The first time a provider keeps on site and uses one or more automated attendance cards, Workforce Solutions will assess a financial penalty of \$25 per card.
- The second time a provider keeps one or more automated attendance cards, Workforce Solutions may stop referrals to the provider for a minimum of 90 days, or if the violation is egregious, Workforce Solutions may cancel the provider's agreement.
- If there is a third time that we find a provider keeping one or more automated attendance cards, Workforce Solutions will terminate the provider's agreement.

A motion was made and seconded to adopt proposed corrective action for parents and providers that do not adhere to requirements of the financial aid automated attendance reporting system to take effect no later than March 1, 2013. The motion carried.

- b. Budget. The Budget Committee will present a proposed 2013 Board budget of \$174,555,600 million for consideration.

Mr. Gerald Andrews presented the report for Committee Chair, Yvonne Estrada and explained that the Budget Committee met on January 24, 2013 to review the Proposed 2013 Board Budget. Each year the Workforce Board approves a budget showing how it uses the revenues it receives to achieve the results set out in the Board's strategic plan.

The proposed 2013 budget at \$174.6 million is 8% less than the revised 2012 budget. The largest reductions occur in our Child Care Development Fund revenues and several of the Board's non-core special revenue. Discussions at the federal level over the national budget and budget deficit continue and make predictions about our core revenue difficult for the coming year. We expect to see a small decline in our base funding, although larger cuts might be possible.

- We have spent out the last remaining Recovery Act funds for child care financial aid and early education and care quality improvements.
- State funds used for Texas Back to Work Funds were effectively spent by December 31, 2012.
- The additional funds supporting the Aerospace Transition Center are planned to end June 30, 2013.

Proposed 2013 expenditures are in line with contracts the Board approved in August 2012.

- The drop in financial aid is primarily due to the end of Recovery Act funds for child care assistance and early education/care quality projects.

- The remaining special projects funds are for the Training for Youth contracts the Board authorized last year.

We are proposing a Board operations budget of \$4.27 million, an increase of 3.4% from the 2012 revised budget. This represents 2.4% of the total 2013 Board budget.

- The budget includes \$225,000 that was approved in 2012 to upgrade the website for better customer service.
- H-GAC's indirect rate increased for 2013 due to a new office lease and depreciation of capital improvements.
- We are not asking for additional staff positions; however, we have had an increase in the benefits rate for 2013 primarily due to increased health care costs.
- H-GAC provides a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance. This year the pool has been set at 2.5%.
- Together the increase in the benefits rate and the merit raises account for the 2.8% increase in personnel.

A motion was made and seconded to approve the proposed 2013 Board budget in amount of \$174,555,600. The motion carried.

Mr. Andrews stated the Budget Committee could use some additional members and asked any interested parties to contact Mr. Rodney Bradshaw or Mr. Mike Temple.

- c. Nominating. The Committee chair will present nominations for Board officers in 2013

Mr. John Hebert explained that the Nominating Committee members are Joe Garcia, Guy Robert Jackson, Jeff Labroski and himself. Mr. Hebert explained that again after visiting with the committee they are unanimous in recommending the same officers be nominated to serve another term. Each officer has outstanding credentials and excellent record of performance.

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

The Chairman will entertain a motion for nominations from the floor or a motion that nominations cease and the existing officers be elected by acclamation.

A motion was made and seconded for nominations to cease and the existing officers be elected by acclamation – Frank Thompson – Chairman, Mark Guthrie -Vice Chairman, Gerald Andrews – Vice Chairman and Yvonne Estrada – Vice Chairman and. The motion carried.

## **RECEIVE INFORMATION**

### **System Performance**

Mr. David Baggerly reviewed the System Performance measures for October 2012 through December 2012. 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.

#### *For Workforce Solutions*

##### **More Competitive Employers** –

Employers Receiving Services (Market Share) – we expected to provide services to 24,591 employers this year which is almost 18% of the 138,150 employers identified for the Gulf Coast area. We provided services to 12,759 employers in the first quarter of the year.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,979 employers, 7,956 returned to The Workforce Solutions for additional services in the first quarter of the year.

##### **More and Better Jobs** –

New jobs created – This information is captured quarterly and reflects a two year average.

Customers employed by the 1<sup>st</sup> quarter after exit – Reporting for the quarter ending December 2011, 61,113 of the 86,227 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 the quarter ending June 2011, 17,073 of the 36,885 customers 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  
Reporting for the quarter ending December 2012, 314 of the 2,255 customers pursuing an education diploma, degree or certificate achieved one.

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

For the performance year that began October 1, 2012, we are meeting or exceeding the target for three of ten measures. The seven measures we are not meeting are:



- Total Job Postings Filled. The target for this measure is 32.1%. Our performance in the first quarter (1/12-3/12) was 27.7%.
- Total Employer Success Rate. The target for this measure is 49%. Our performance in the first quarter (1/12-3/12) was 38.1%.
- Total Education Achievement. The target for this measure is 80%. Our performance for December was 67.2%. We expect to meet the target by the end of September.
- Youth Placement in Employment or Education. The target for this measure is 64.9%. Our performance for October was 51.3%. We expect to meet the target by the end of September.
- Youth Literacy/Numeracy Gains. The target for this measure is 50.5%. Our performance in the first two quarters (7/12 – 12/12) was 37.1%. We expect to meet the target by the end of June.
- Choices Partial Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 55.7%. Our performance through December was 43.6%.
- Average Number of Children Served per Day (Child Care). The target for this measure is 23,439. We are about 4,000 children under enrolled and are working to increase our enrollment.

We expect the state to add another Choice Work Rate participation measure that will focus on how many customers receiving TANF benefits meet their participation requirements through employment.

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

### Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for twelve months ending December 31, 2012. Mr. Bradshaw explained that we have almost the complete expenditures in for the twelve months ending in December. We spent approximately 98% of the money that is available to us and overall the system has done a good job of managing the resources and appropriating them throughout the year, getting them to people to buy services. Mr. Bradshaw noted that Resident Services under Office Operations – shows we are \$3.4 million dollars over spent, which is not accurate. Currently, we capture the expenses of wages & benefits costs for TWC (state) employees, who are paid by the state, but are assigned to our offices and are part of our system. The current accounting system recognizes the expenses, but does not recognize the revenue since the revenue does not come through our system - it is paid by the state. We believe the system has been fixed and beginning last month in January there will be a different way that we capture and report how the dollars are being spent and managed.

### LOOK AT THE ECONOMY

Mr. Ron Borski explained that the rate of unemployment in the Houston-Sugar Land-Baytown-Metropolitan statistical area (H-S-B MSA) rose two-tenths of a percentage point

to 6.0 percent in December. This was the first December increase since 2009 and was driven by an increase of more than 6,000 to the number of unemployed in the H-S-B MSA. The current rate of unemployment is more than one full percentage point lower than it was one year earlier and considerably lower than the nation's current 7.6 percent rate

The H-S-B MSA added 5,200 jobs to payrolls in December. While December's increase was larger than it was in 2011 it was much weaker than most years. Most private industry sectors experienced job gains but more than half of it was a result of seasonal hiring at retail establishments.

While the 3.2 percent rate of job growth is down slightly from recent months the area continues to add jobs at a healthy pace that is more than double that of the nation. Many private sectors continue to report over-the-year job gains with strongest growth found in Construction, Mining and Logging, Fabricated Metal Product Manufacturing, Healthcare, Employment Services, Food and Beverage Service Establishments, and Other Service. The expectations are for continued job growth in 2013 but at a slower pace than in 2012.

Mr. Bradshaw explained that this was his last Board meeting before he retired. Mr. Bradshaw thanked the Board for the opportunity to work with them for some many years.

### **ADJOURN**

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

## **Audit/Monitoring Committee**

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### **April 2013 Update**

#### **Recent Activity**

- The regional team has completed reviews of the Humble Office (below average) operated by Interfaith of The Woodlands; Southwest and Northline (average) operated by Neighborhood Centers, Inc.; and Baytown, Rosenberg (below average) and Katy Mills (average) operated by ResCare Workforce Services.
- The team has also completed five other reviews that the reports will be issued in April.
- The Regional Quality Assurance special projects monitor is conducting surprise visits to child care vendors to see if the vendors and parents are using the automated attendance system correctly.
  - We seized 7 cards from vendors in February
  - Some vendors are not using the automated system as required.
  - We discovered delays in customers receiving their swipe cards timely.

We continue to work with the Financial Aid Payment Office to correct issues, better train vendors and parents and better address misuse of the attendance cards.

- Financial reviews:
  - Collaborative for Children, Inc. (CFC) lacked formally documented process and controls for some computer access and record collecting. Also, computer access was not terminated at an employee's separation. CFC has responded with new policies and procedures.
  - Goodwill Industries of Houston had personnel policy and procurement policy issues. Additionally, billings records are not based on the accrual system and they did not obtain required insurance timely. Goodwill has responded and grants management is reviewing the response.
  - Neighborhood Centers, Inc. lacks some formal procedures and some separation of duties issues. The response is due April 4, 2013.
- IT security:
  - We are on a corrective action plan (CAP) from the state as are several other boards. The TWC monitors have found private customer data not protected in the career offices such as: computer screen unattended and not locked, passwords

attached somewhere to the computer, customer documents left unattended on a staff desk, etc.

The Board has issued instructions to the office operators to ensure correction and elimination of these IT issues. The office operators must self monitor frequently, daily until they are perfect. Then they can monitor weekly. The regional QA team members are also making unannounced visits to our offices to check IT security.

# Targeted Industries High-Skill, High-Growth Occupations Where the Jobs Are

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## Updates

### Background

The Gulf Coast Workforce Board targets the resources it controls — and influences those controlled by its partners in the regional workforce system — with its strategic plan and a series of three supporting lists: 1) *Targeted Industries*, 2) *High-Skill, High-Growth Occupations*, and 3) *Where the Jobs Are*, a list of occupations likely to provide the largest number of job opportunities in the region over the next ten years.

We use these lists to guide not only the Board’s strategic investments, but also to help our residents build careers in industries and occupations with good prospects and higher wages. We use the High-Skill, High-Growth Occupations list to decide which occupations we will support with our education scholarship dollars.

The Employer Service Committee reviewed and recommended the initial lists for the target industries, demand occupations and “hot jobs” to the Board. We noted then that we would bring periodic updates to these lists to the Committee and the Board as circumstances warranted.

Following is information about updates to each of the three lists.

### Targeted Industries

We began, as always, with labor market data. We used NAICS-level employment and wage data and projections for the 10-year period from 2010 to 2020 and looked for industries that fit the following criteria:

1. Industries with a projected employment growth rate equal to or greater than the average growth rate for all industries in the region for the period 2010 to 2020 ( $\geq 22.7\%$ )
2. Industries having a projected employment growth of at least 6,500 new jobs from 2010 to 2020 (an average of 650 jobs per year)
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 several different groups of employers within this larger sector and 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.

We have also had significant interest from a number of employers in this sector in the Board's assistance for current and projected skills shortages. We have been working for several years with the large oil and gas companies, oilfield service firms, refiners and petrochemical manufacturers on a variety of workforce needs.

The proposed updated list for the Board's Target Industries is attached. There have been no changes to the list of targeted industries

## **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. These occupations are found in many industries in the region, not just in those on the targeted industries list.

### **Qualifying Criteria**

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

- projected employment for 2020 equal to or greater than the average for all occupations in the region (4,641)
- a projected employment growth rate equal to or greater than the average growth rate for all industries in the region (22.7 %)
- 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 (\$16.82 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.

### **Modifying the List**

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 published 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 both attached.

### **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.

### **Action**

Adopt the updated Targeted Industries; High-Skill, High Growth Occupations; Occupations Supported by Scholarship; and Where the Jobs Are to better focus available workforce resources in the region.

# GULF COAST WORKFORCE REGION

## Targeted Industries <sup>1</sup>

# DRAFT

Selected Three and Four-Digit Industries Grouped by Three-Digit NAICS Codes Ranked by Number of Employees in First Quarter of 2012

NAICS	Industry Title	1st Qtr 2012	4-Digit % of	# of Units With	Employment Growth				Avg Wkly
		Employment	3-Digit Totals		Annual Averages		Absolute	Percent	
				100 Employees	2010	2020	Change <sup>2</sup>	Change	Wages <sup>3</sup>
<b>611</b>	<b>Educational Services</b>	<b>262,104</b>	<b>100.0%</b>	<b>552</b>	<b>286,400</b>	<b>393,150</b>	<b>106,750</b>	<b>37.3</b>	<b>\$1,091</b>
6111	Elementary & Secondary Schools, Public/ Private	182,694	69.7%	511	194,760	280,980	86,220	44.3	\$1,005
6113	Colleges, Universities, & Professional Schools, Public/Private	52,863	20.2%	31	61,330	73,420	12,090	19.7	\$1,491
<b>541</b>	<b>Professional and Technical Services</b>	<b>192,253</b>	<b>100.0%</b>	<b>286</b>	<b>177,400</b>	<b>218,200</b>	<b>40,800</b>	<b>23.0</b>	<b>\$1,815</b>
5415	Computer Systems Design & Related Services	25,934	13.5%	11	24,090	32,010	7,920	32.9	\$1,983
5416	Management, Scientific, & Technical Consulting Services	27,517	14.3%	54	22,750	31,110	8,360	36.7	\$2,042
	<b>Oil and Natural Gas Extraction and Manufacturing</b>	<b>145,971</b>	<b>100.0%</b>	<b>128</b>					
211	Oil and Gas Extraction	51,938	35.6%	11	46,110	63,060	16,950	36.8	\$5,262
213	Support Activities for Mining	42,847	29.4%	66	34,390	44,490	10,100	29.4	\$2,597
324	Petroleum and Coal Products Manufacturing	12,067	8.3%	20	12,700	13,760	1,060	8.3	\$3,729
3331	Agriculture, Construction, and Mining Machinery Manufacturing	39,119	26.8%	31	31,780	39,270	7,490	23.6	\$2,247
	<b>Health Services</b>	<b>117,843</b>	<b>100.0%</b>	<b>88</b>					
6211	Offices of Physicians	45,682	38.8%	7	44,890	60,840	15,950	35.5	\$1,452
6221	General Medical & Surgical Hospitals, Public/Private	68,007	57.7%	75	76,710	103,740	27,030	35.2	\$1,140
6223	Specialty Hospitals, Ex. Psychiatric/Substance Abuse, Public/Private	4,154	3.5%	6	20,500	27,000	6,500	31.7	\$1,107
	<b>Specialty Construction</b>	<b>102,798</b>	<b>100.0%</b>	<b>106</b>					
2382	Building Equipment Contractors	39,413	38.3%	71	38,020	46,980	8,960	23.6	\$1,082
2362	Nonresidential Building Construction	36,938	35.9%	14	39,230	44,890	5,660	14.4	\$1,678
2371	Utility System Construction	26,447	25.7%	21	22,400	29,790	7,390	33.0	\$1,325
	Totals (for the above targeted industries)	655,620	n/a	929	669,660	891,340	221,680	33.1	\$1,708
	Total All Industries Public and Private	2,635,706	n/a	4,095	2,845,270	3,491,300	646,030	22.7	\$1,249

1. Criteria used to identify the targeted industries:

- Industries with a projected employment growth of at least 6,500 new jobs from 2010-2020 (an average of 650 jobs per year)
- Industries with projected employment growth rate equal to or greater than the average growth rate for all industries in the region for the period 2010 to 2020. (≥22.7%)
- Industries with an average weekly wage of at least \$700 per week.

2. Absolute changes do not represent total demand for labor because they do not reflect demand due to turnover.

3. Employment and average weekly wage information is from the first quarter 2012 ES-202 data based on employers' employment and wage reports to Texas Workforce Commission. Average weekly wages for NAICS 611, 6111, and 6113 are based on a 9 month year.

Draft: March 4, 2013



**Gulf Coast Workforce Board**  
**System Performance**  
October 2012 to February 2013

## 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 24,591 employers this year which is almost 18% of the 138,150 employers identified for the Gulf Coast area. We provided services to 16,000 employers through February.	17.8%	11.6%	17.1%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,979 employers, 9,150 returned to Workforce Solutions for additional services through February.	58%	39.8%	51.6%

## 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.	2,200	2,720	2,671
<u>Customers employed by the 1st Qtr after exit</u> Reporting for two quarters ending March 2012, 121,343 of the 170,077 customers who exited from services were employed by the quarter after exit.	80%	71.4%	69.9%

## 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 ending September 2011, 59,449 of the 122,343 customers who exited had earnings gains of at least 20%.	42%	48.6%	43.9%

## A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Reporting through February 2013, 603 of the 2,630 customers pursuing an education diploma, degree or certificate achieved one.	36%	22.9%	31.0%

## Production

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

For the performance year that began October 1, 2012, we are meeting or exceeding the target for four of eleven measures. The seven measures we are not meeting are:

- Total Job Postings Filled. The target for this measure is 32.1%. Our performance for two quarters (1/12-6/12) was 24.2%.
- Total Employer Success Rate. The target for this measure is 49%. Our performance for two quarters (1/12-6/12) was 28.4%.
- Total Education Achievement. The target for this measure is 80%. Our performance for two quarters was 68.9%. We expect to meet the target by the end of September.
- Youth Placement in Employment or Education. The target for this measure is 64.9%. Our performance for two quarters was 59.0%. We expect to meet the target by the end of September.
- Youth Literacy/Numeracy Gains. The target for this measure is 50.5%. Our performance in the first two quarters (7/12 – 12/12) was 35.3%. We expect to meet the target by the end of June.
- Choices Full Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 43.0%. Our performance through February was 34.0%.
- Average Number of Children Served per Day (Child Care). The target for this measure is 23,439. We are about 4,000 children under enrolled and are working to increase our enrollment.

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, 2013

	<b>ANNUAL BUDGET</b>	<b>BUDGET YEAR TO DATE</b>	<b>ACTUAL YEAR TO DATE</b>	<b>DOLLAR VARIANCE</b>
<b>WORKFORCE REVENUES</b>				
WORKFORCE REVENUES	174,555,600	29,147,050	28,806,530	340,520
<b>WORKFORCE EXPENDITURES</b>				
BOARD ADMINISTRATION	4,270,128	711,688	550,629	161,059
SYSTEM IT	759,648	126,608	18,835	107,773
EMPLOYER SERVICES	6,373,402	1,062,234	884,359	177,875
RESIDENT SERVICES	163,152,422	27,246,520	27,352,707	(106,187)
OFFICE OPERATIONS	42,320,985	7,053,498	6,207,794	845,704
FINANCIAL AID	119,851,337	19,975,223	20,954,948	(979,725)
SPECIAL PROJECTS	980,100	217,800	189,965	27,835
<i><b>TOTAL WORKFORCE EXPENDITURES</b></i>	<b>174,555,600</b>	<b>29,147,050</b>	<b>28,806,530</b>	<b>340,520</b>

**VARIANCE ANALYSIS**

Note: Except for Special Projects that are currently funded through September 30, 2012, the "Budget Year to Date" column reflects straight-line estimate of expenditures for the twelve-month period, assuming equal expenditures every month in order to fully expend the budget in a year. The Special Projects budget is a straight-line estimate of the budget over the nine month period January to September 2013.

## Sequestration

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### Current Situation

Based on the limited information we have available to date from the Texas Workforce Commission, and with the proposed federal budget continuing resolution as it stands, we estimate the overall reduction in funds available to the Gulf Coast Workforce Board as a result of the federal budget sequestration to be approximately \$8.2 million.

This would reduce our 2013 budget from \$174.6 million to approximately \$166.4 million, or by 4.7%.

About 70% of the reduction is from Child Care Development Block Grant funds, with the balance coming out of our core Workforce Investment funds.

Because the reductions occur relatively late in our contract year, and the requirement that the reductions be taken from currently budgeted funds, the actual impact likely will be larger than if the reductions could have been spread out over a full 12-month period.

We are currently working on recommendations on any needed belt-tightening in our system because of sequestration. We would likely:

- Reduce the availability of financial aid for scholarships and some other support services. Financial aid for child care may be affected late in the year.
- Consider the possibility of combining some local office operations.
- Reduce overhead expenses.

It is possible, though not likely, that Congress would reverse the sequestration. Some of the sequestered funds might be restored, although that also appears unlikely at this point in time.

### Next Steps

We would propose bringing recommendations for any changes to the budget and possible changes to our operating system to the Budget Committee and the Board for its June 2013 meeting.

## Regional Plan for Sustainable Development

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### H-GAC Community & Environmental Planning

#### Background

The Houston-Galveston Regional Plan is a locally-driven long range plan to ensure the 13-county region is as good or better a place to live, work and prosper in 2040 as it is today. H-GAC is working with a broad based coalition of twenty-four local government and nonprofit partners to develop the plan. The plan will contain goals, metrics, and proposed voluntary strategies and recommendations in the realms of housing, jobs and workforce, health, the environment, and transportation. The strategies and recommendations will be tailored to urban, suburban, rural, and coastal communities to reflect their varying priorities and challenges.

#### Current Situation

Over the past two years, over 11,000 people have been engaged in the planning process through public meetings, work groups, advisory committees, and the *Think2040* survey. The survey presented three alternative futures and asked questions about the tradeoffs that people would be willing to make to see those futures realized.

One alternative, “Competitive Workforce,” described a future where greater emphasis is placed on improving educational attainment levels in the region. Overall, responses to this alternative were generally favorable, though answers to some of the questions varied significantly by age, ethnicity, education, income level, and geographic location (see <http://www.ourregion.org> to view survey results, in full or sorted by different categories).

Survey responses will be used to inform the draft strategies and recommendations, which are currently being developed. H-GAC staff is also soliciting feedback from local leaders as to how the Houston-Galveston Regional Plan can help them with coordination, leveraging resources and addressing unmet needs. A full draft of the plan is expected to be ready for public comment this fall.

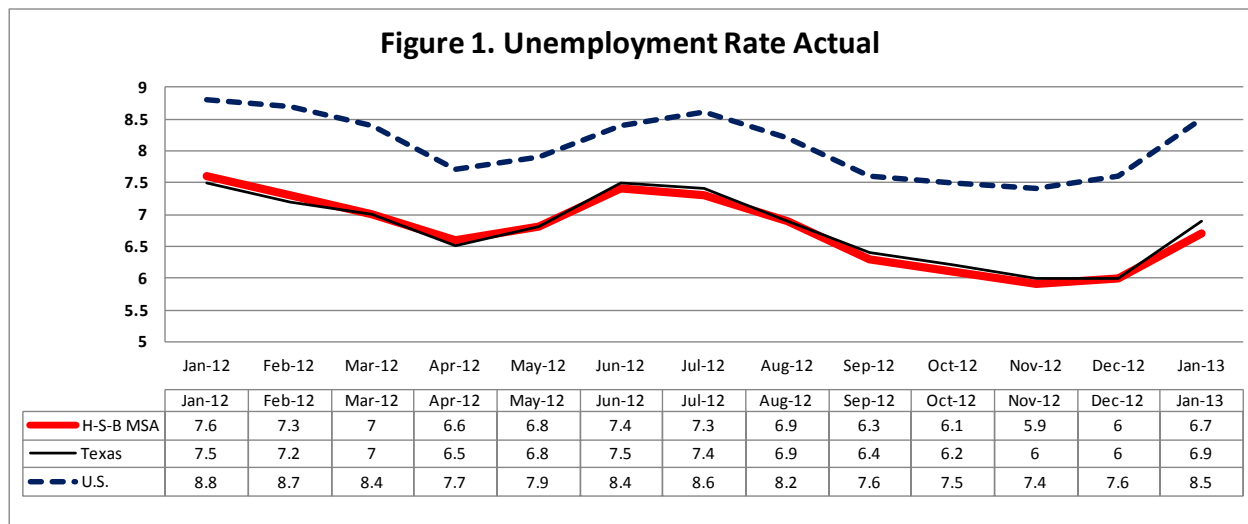


Labor Market Information  
JANUARY 2013 Employment Data

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

Visit our website at [www.wrksolutions.com](http://www.wrksolutions.com)

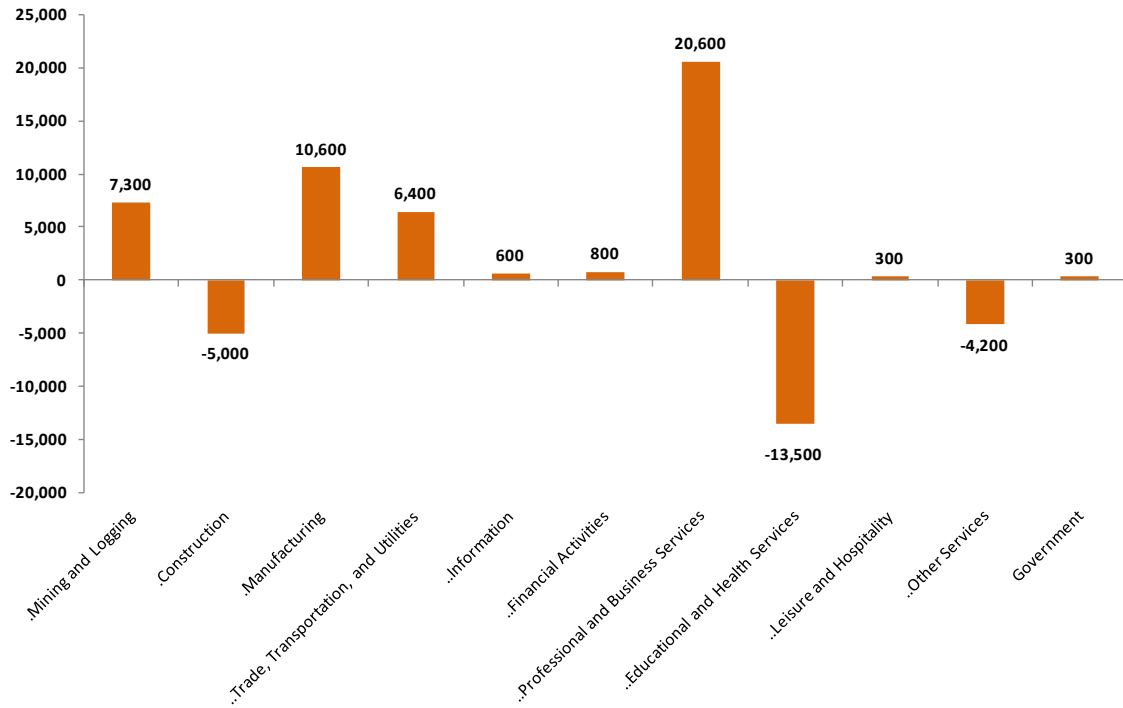
THE RATE OF UNEMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA) ROSE SEVEN-TENTHS OF A PERCENTAGE POINT TO 6.7 PERCENT IN JANUARY. While a rise in the unemployment rate is normal for January this year's increase was larger than a four-tenths of a percentage point increase in 2012. The current rate is nearly one percentage point lower than it was one year earlier and well below the nation's 8.5 percent rate, see figure 1.



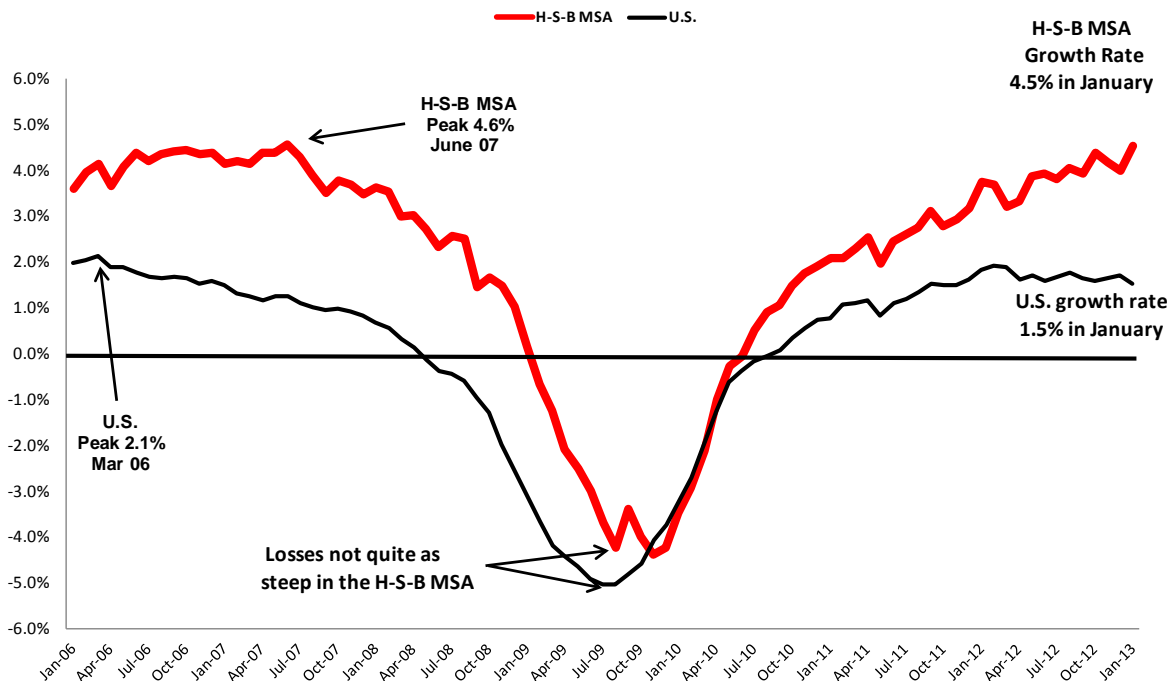
THE TEXAS WORKFORCE COMMISSION RELEASED REVISED ESTIMATES PRODUCED BY THE BUREAU OF LABOR STATISTICS INDICATING EMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN MSA WAS UP 4.5% IN JANUARY WITH PAYROLLS UP 118,200 JOBS OVER THE YEAR. The annual benchmark revisions indicate stronger job growth as a whole for the local area than originally estimated but not all revisions were favorable. While job growth was largely underestimated in Mining & Logging, Manufacturing, and Professional & Business Services it was overestimated in Construction, Educational & Health Services, and Other Services, see figure 2. The H-S-B MSA suffered a seasonal decline of 27,500 jobs in January, down 1.0 percent, but all major sectors both private and public were reporting over-the-year job gains, see figure 6. Strongest growth has been in Mining and Logging, Heavy Construction, Fabricated Metal Product Manufacturing, Architectural Engineering and Related Services, Employment Services, Ambulatory Health Care Services (where employment in all types of medical offices is found), and Food and Beverage Service Establishments.

Additional details by super sector are provided beginning on page 4.

**Figure 2. December 2012  
Revision Amount by Super Sector (Up/Down)**

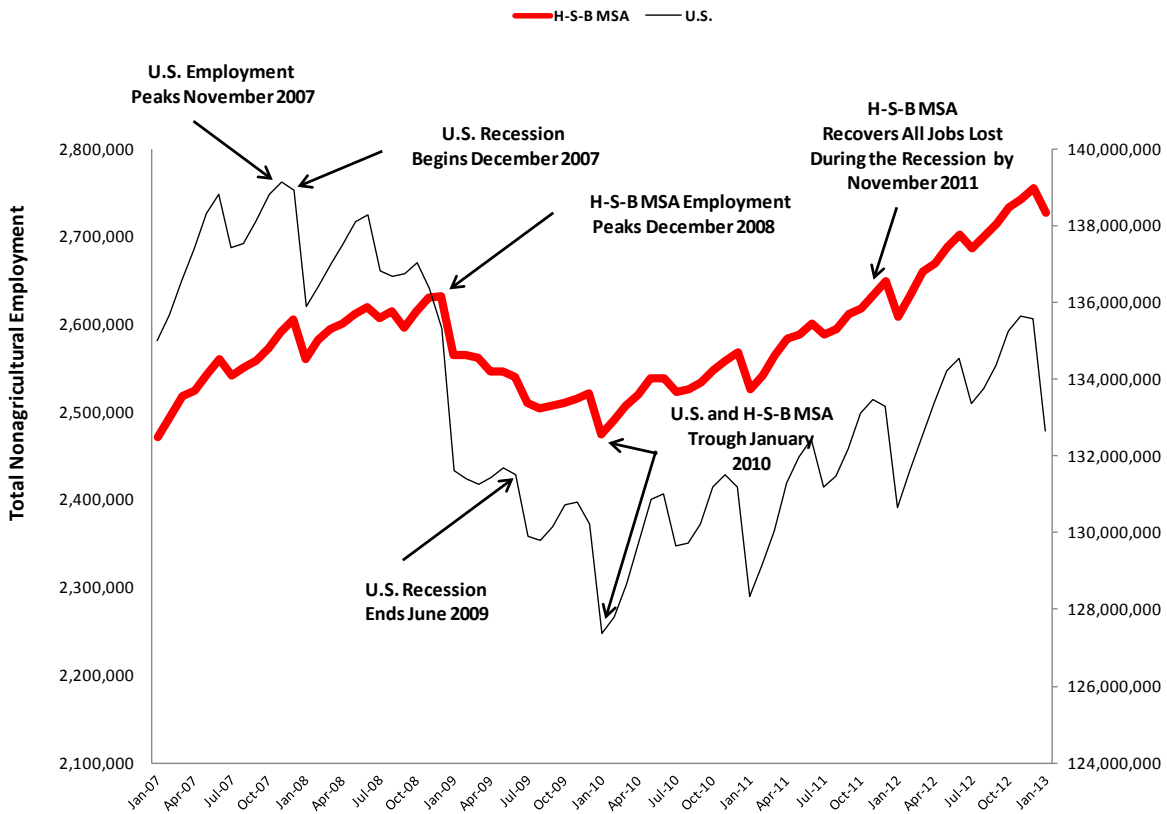


**Figure 3. Current Employment Statistics  
Actual Over-The-Year Increase/Decrease**

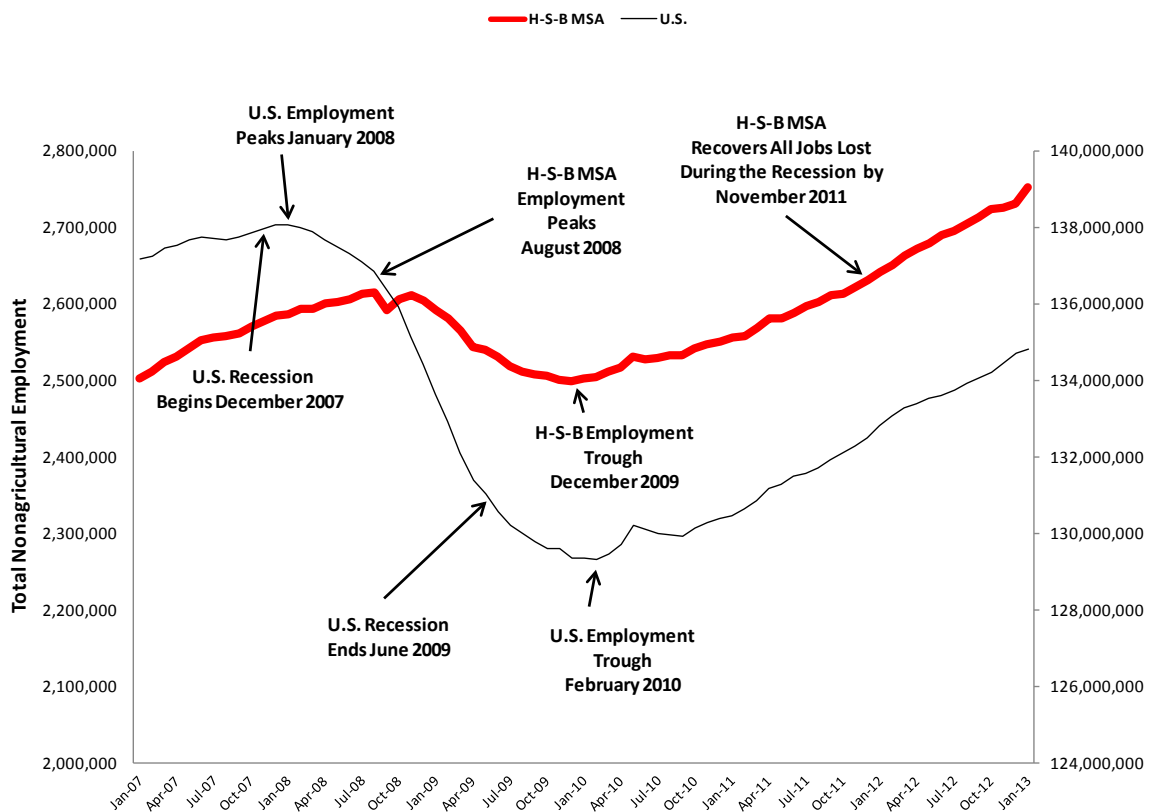




**Figure 4. Total Non-farm Employment-Actual**



**Figure 5. Total Non-farm Employment-Seasonally Adjusted**



Seasonally adjusted data for the H-S-B MSA and U.S. seen in figure 5 provides an additional view of employment removing the erratic seasonal movement. The H-S-B MSA recovered all jobs lost since the beginning of the recession by November 2011 and has since added 135,800 jobs to payrolls, an increase of 5.2 percent. Employment for the U.S. is still down 2.4 percent needing to recover 3,246,000 jobs to reach pre-recession levels.

#### DETAILS BY SUPER SECTOR

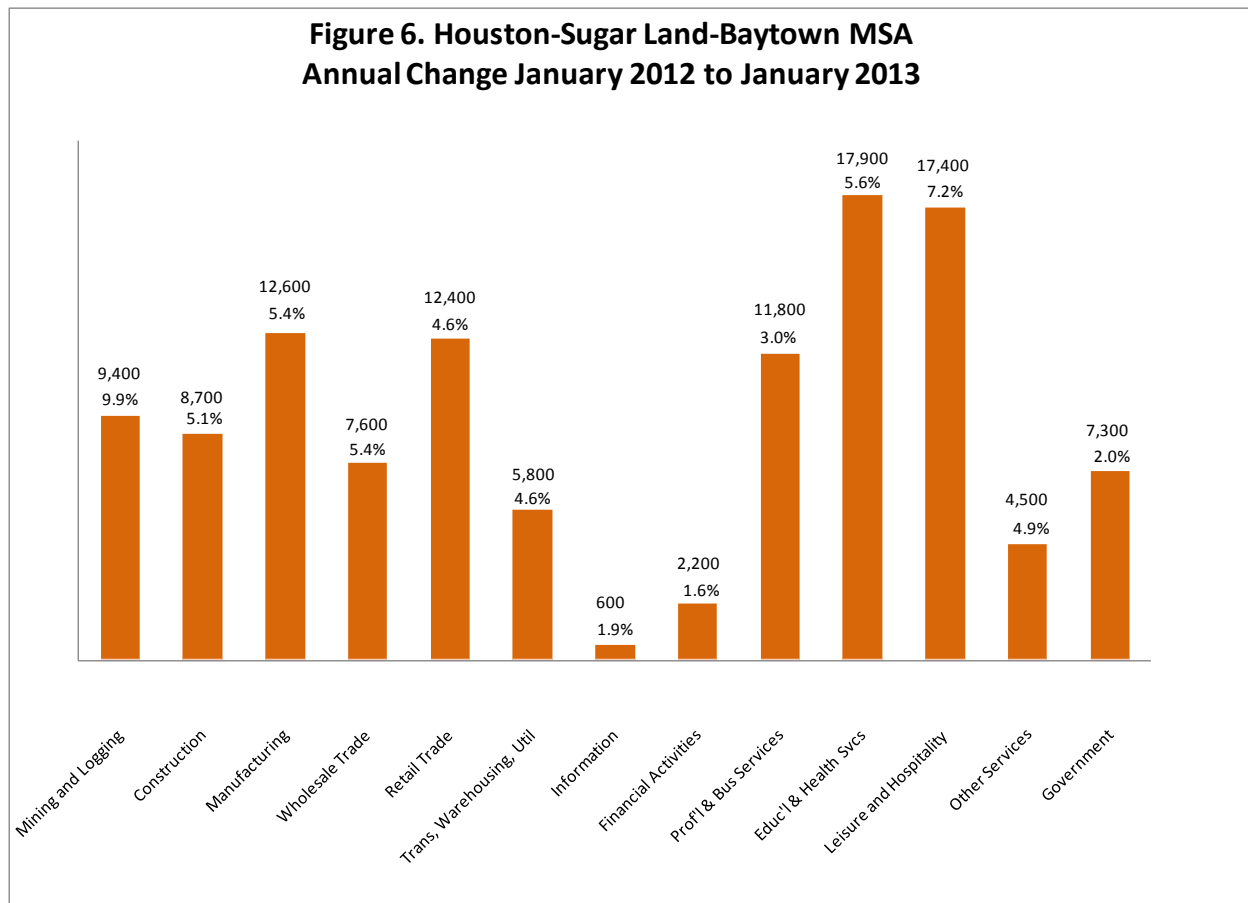
Revisions to **Mining and Logging** estimates indicate job growth was much stronger throughout 2011 and 2012 and by December 2012 employment was underestimated by 7,300 jobs. Mining and Logging experienced a slight increase of 100 jobs in January and added 9,400 jobs to payrolls over the year for a strong 9.9 percent rate of job growth, see figure 6. Job growth has been strong in both Oil and Gas Extraction, up 4,000 jobs or 7.7 percent, and Support Activities for Mining, up 5,200 jobs or 12.3 percent. The average U.S. rig count continued to decline in January by 27 to 1,757 and is down 246 from January 2012. Oil drilling continues to dominate activity representing more than seventy-five percent of drilling. The Eagle Ford Shale, Barnett Shale, and Permian Basin regions have been major sources of activity but recently the Permian Basin has been idling rigs due to low natural gas and natural gas liquids prices.

Revisions to **Construction** estimates indicate that job growth over 2012 was not quite as strong as originally estimated with December 2012 employment overestimated by 5,000 jobs. The super sector suffered a seasonal loss of 3,000 jobs in January, down 1.7 percent, but continues to report healthy over-the-year growth, up 8,700 jobs or 5.1 percent. While job gains are found across the entire industry the strongest growth has been in Heavy and Civil Engineering Construction where demand has been vigorous from the energy industry, up 4,700 jobs or 11.5 percent. More modest but healthy gains are found in Construction of Buildings, up 1,600 jobs or 3.6 percent, and Specialty Trade Contractors, up 2,400 jobs or 2.8 percent. The outlook for construction remains positive for 2013 due to the H-S-B MSA's healthy economy.

Revisions to **Manufacturing** estimates indicate that job growth over 2011 and 2012 was much stronger than originally estimated with December 2012 employment underestimated by 10,600 jobs. The super sector suffered a seasonal loss of 1,500 jobs in January, down 0.6 percent, and added 8,700 jobs to payrolls over the year, up 5.1 percent, see figure 6. Most of the increase was at manufacturers of durable goods with the largest gain found in Fabricated Metal Product Fabricating where many companies that support the energy sector are found, up 4,400 jobs or 8.2 percent. Nondurable Goods Manufacturing was reporting an increase of 1,700 jobs over the year, up 2.2 percent. The outlook for Manufacturing remains positive but slightly less optimistic than it was in early 2012. Demand for high-tech products have been flat to slightly down with the outlook for sales to remain flat over the next several months but then to pick up slightly during the second half of the year. Demand for petrochemicals have been up compared to last year across most categories. Demand for oil field and gas equipment continues to be steady to strong for many but some have reported a slowing in sales. The Houston Purchasing Managers index rose in January to 55.8. Any index over 50 indicates production gains over the near term.

Revisions to **Trade Transportation & Utilities** estimates indicate job growth over the second half of 2012 was stronger than originally estimated with December 2012 employment underestimated by 6,400 jobs. Trade Transportation & Utilities suffered a seasonal decline of 5,100 jobs in January as retail establishments cut staffing that was hired for the holiday season. The average seasonal decline for the month of January over the last ten years is nearly 19,000 indicating this month's decline is likely underestimated. Wholesale Trade was reporting an increase of 2,200 jobs in January despite the historical trend of a seasonal decline for the month. Monthly estimates have become more

volatile over recent years due to methodology changes at the Bureau of Labor Statistics and only time will tell how deep the seasonal decline was in the super sector and if the January increase in Wholesale Trade did occur. Estimates were also off last year with January 2012's seasonal decline revised from a loss of 7,800 jobs to a loss of 18,200 jobs. The Trade Transportation & Utilities super sector was up 25,800 jobs or 4.8 percent over the year. Retail Trade accounted for nearly half of the increases with payrolls up 12,400 jobs or 4.6 percent over the year. Wholesale Trade was up 7,600 jobs or 5.4 percent over the year. Transportation, Warehousing and Utilities was up 5,800 jobs or 4.6 percent over the year. The area of job growth that continues to stand out in Transportation, Warehousing, and Utilities is Truck Transportation, up 1,500 jobs or 6.6 percent, where demand has been strong due to energy related activity in the region.



Employment in **Information** was down 100 jobs in January but is posting an increase of 600 jobs over the year, see figure 6. About half of the MSA's employment in information resides in telecommunications with the remainder found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

Employment estimates for **Financial Activities** have reflected a series of large ups and downs since the beginning of 2012 and estimates will likely continue this pattern throughout 2013 due to estimating methodology of the Bureau of Labor Statistics. Benchmark revisions to estimates have shown that although monthly swings in employment levels did occur they were not as severe as originally thought throughout 2012. The overall trend was positive throughout most of 2012 but the super sector has shed 1,800 jobs over the last three months. Financial Activities continues to report an over-the-year increase, up 2,200 jobs or 1.6 percent, see figure 6. Gains in the super sector were found across most areas but Insurance Carriers and Related Activities was reporting a loss of 600

jobs over the year, down 2.0 percent. Financial firms report flat to moderate growth in loan demand and activity in the energy sector remained at high levels.

**Professional and Business Services** received the largest of revisions to 2012 employment estimates. Most of the revisions were over the first three quarter of 2012 where job growth was underestimated and by December 2012 there were an additional 20,600 on payrolls. Revisions to estimates for Architectural, Engineering, and Related Services were particularly strong where an over-the-year loss of 3,700 jobs in December, down 5.9 percent, was revised to reflect a strong over-the-year increase of 4,300 jobs, up 6.8 percent. The super sector reported a seasonal decline of 5,300 jobs in January and is reporting an increase of 11,800 jobs over the year, up 3.0 percent. The bulk of the increase was found in Architectural, Engineering, and Related Services, up 4,900 jobs or 7.0 percent, and Employment Services, up 5,100 jobs or 7.8 percent.

**Education and Health Services** received the largest downward revision to estimates that go as far back as July 2011 and by December 2012 there were 13,500 fewer jobs on payrolls. The super sector reported a slight seasonal decrease of 200 jobs in January. The average seasonal decline for January over the last ten years is nearly 3,000 indicating this month's decline is likely underestimated. Education and Health Services was up 17,900 jobs or 5.6 percent over the year, see figure 6. Most of the increase was in Health Care and Social Assistance. Ambulatory Healthcare Services, where employment in all types of medical offices is found, was up 9,200 jobs or 7.1 percent accounting for much of the increase. Educational Services also reported a healthy increase of 2,100 jobs, up 4.7 percent. An aging population and a population growth rate that more than doubles that of the nation is responsible for growth in the super sector.

**Leisure and Hospitality** experienced a seasonal decline of 6,100 jobs in January, down 2.3 percent, and was reporting an increase of 17,400 jobs over the year, up 7.2 percent, see figure 6. Most of the job growth has been in Food Services and Drinking Places, up 15,600 jobs or 8.0 percent. Accommodation was reporting an increase of 700 jobs over the year, up 3.4 percent, and Arts, Entertainment, and Recreation was up 1,100 jobs or 4.5 percent over the year. Like many other industries in the H-S-B MSA, population growth continues to be the driving factor to job gains in the super sector.

Revisions to **Other Services** estimates indicate job growth over 2011 and 2012 was weaker than originally estimated with December 2012 payrolls overestimated by 4,200 jobs. The super sector reported a slight increase of 200 jobs in January and was up 4,500 jobs or 4.9 percent over the year, see figure 6. Other Services includes, as a partial list, industries such as various repair services, personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

Revisions to **Government** estimates indicate payrolls were overestimated from June 2011 to August 2012 but job growth was stronger over the remainder of 2012. By December 2012 payrolls in the super sector were slightly underestimated by only 300 jobs but instead of reporting an over-the-year loss of 2,000 jobs it was reporting an increase of 5,700 jobs, up 1.5 percent. Government reported a decline of 6,200 jobs in January, down 1.7 percent, as a result of seasonal declines at local government educational institutions. The super sector was reporting an increase of 7,300 jobs over the year in January, up 2.0 percent, with most of the increase found in Local Government, up 6,900 jobs or 2.6 percent. Although Government was reporting an over-the-year increase there are 9,700 fewer employees on the payroll than there were in January 2011.

# NONAGRICULTURAL EMPLOYMENT

## Houston-Sugar Land-Baytown MSA

	JAN 2013	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,727,700	-27,500	-1.0%	118,200	4.5%
Total Private	2,359,700	-21,300	-0.9%	110,900	4.9%
Goods Producing	530,800	-4,400	-0.8%	30,700	6.1%
..Mining and Logging	104,700	100	0.1%	9,400	9.9%
...Oil and Gas Extraction	56,000	-200	-0.4%	4,000	7.7%
...Support Activities for Mining	47,400	300	0.6%	5,200	12.3%
..Construction	178,500	-3,000	-1.7%	8,700	5.1%
..Construction of Buildings	46,000	-600	-1.3%	1,600	3.6%
..Heavy and Civil Engineering Construction	45,600	-800	-1.7%	4,700	11.5%
..Specialty Trade Contractors	86,900	-1,600	-1.8%	2,400	2.8%
..Manufacturing	247,600	-1,500	-0.6%	12,600	5.4%
..Durable Goods	168,100	-1,100	-0.7%	10,900	6.9%
...Fabricated Metal Product Manufacturing	57,800	-500	-0.9%	4,400	8.2%
...Machinery Manufacturing	56,500	100	0.2%	5,300	10.4%
....Agriculture, Construction, and Mining Machinery Manufacturing	42,200	-200	-0.5%	4,100	10.8%
...Computer and Electronic Product Manufacturing	18,600	-200	-1.1%	100	0.5%
..Non-Durable Goods	79,500	-400	-0.5%	1,700	2.2%
...Petroleum and Coal Products Manufacturing	12,100	-100	-0.8%	100	0.8%
...Chemical Manufacturing	35,200	-100	-0.3%	800	2.3%
Service Providing	2,196,900	-23,100	-1.0%	87,500	4.1%
..Private Service Providing	1,828,900	-16,900	-0.9%	80,200	4.6%
..Trade, Transportation, and Utilities	563,200	-5,100	-0.9%	25,800	4.8%
...Wholesale Trade	147,800	2,200	1.5%	7,600	5.4%
....Merchant Wholesalers, Durable Goods	86,700	700	0.8%	3,800	4.6%
.....Professional and Commercial Equipment and Supplies Merchant	10,400	-100	-1.0%	0	0.0%
....Merchant Wholesalers, Nondurable Goods	40,600	-300	-0.7%	1,100	2.8%
...Retail Trade	284,100	-6,700	-2.3%	12,400	4.6%
....Motor Vehicle and Parts Dealers	34,500	-300	-0.9%	1,700	5.2%
....Building Material and Garden Equipment and Supplies Dealers	18,900	300	1.6%	500	2.7%
....Food and Beverage Stores	57,600	-400	-0.7%	1,200	2.1%
....Health and Personal Care Stores	17,100	-700	-3.9%	700	4.3%
....Clothing and Clothing Accessories Stores	32,000	-3,900	-10.9%	1,800	6.0%
....General Merchandise Stores	61,300	-4,500	-6.8%	-200	-0.3%
.....Department Stores	23,600	-2,700	-10.3%	-1,100	-4.5%
.....Other General Merchandise Stores	37,700	-1,800	-4.6%	900	2.4%
...Transportation, Warehousing, and Utilities	131,300	-600	-0.5%	5,800	4.6%
...Utilities	16,200	0	0.0%	-400	-2.4%
.....Air Transportation	22,000	-400	-1.8%	-100	-0.5%
.....Truck Transportation	24,100	-200	-0.8%	1,500	6.6%
.....Pipeline Transportation	10,400	0	0.0%	-100	-1.0%
..Information	31,800	-100	-0.3%	600	1.9%
...Telecommunications	15,100	-100	-0.7%	-400	-2.6%
..Financial Activities	139,700	-300	-0.2%	2,200	1.6%
...Finance and Insurance	89,900	200	0.2%	1,000	1.1%
....Credit Intermediation and Related Activities	42,900	300	0.7%	400	0.9%
.....Depository Credit Intermediation	29,600	400	1.4%	100	0.3%
....Securities, Commodity Contracts, and Other Financial Investment	13,400	0	0.0%	0	0.0%
....Insurance Carriers and Related Activities	28,800	-300	-1.0%	-600	-2.0%
...Real Estate and Rental and Leasing	49,800	-500	-1.0%	1,200	2.5%

## NONAGRICULTURAL EMPLOYMENT

### Houston-Sugar Land-Baytown MSA

	JAN 2013	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	402,600	-5,300	-1.3%	11,800	3.0%
...Professional, Scientific, and Technical Services	193,700	-2,400	-1.2%	4,300	2.3%
....Legal Services	23,800	-400	-1.7%	700	3.0%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	21,100	800	3.9%	-1,000	-4.5%
....Architectural, Engineering, and Related Services	67,000	-100	-0.1%	4,900	7.9%
....Computer Systems Design and Related Services	26,800	-200	-0.7%	1,000	3.9%
....Management of Companies and Enterprises	23,100	-100	-0.4%	700	3.1%
....Administrative and Support and Waste Management and Remediation Services	185,800	-2,800	-1.5%	6,800	3.8%
.....Administrative and Support Services	175,800	-3,300	-1.8%	5,600	3.3%
.....Employment Services	70,600	-4,600	-6.1%	5,100	7.8%
.....Services to Buildings and Dwellings	42,200	-700	-1.6%	1,600	3.9%
..Educational and Health Services	336,100	-200	-0.1%	17,900	5.6%
...Educational Services	46,500	-300	-0.6%	2,100	4.7%
...Health Care and Social Assistance	289,600	100	0.0%	15,800	5.8%
....Ambulatory Health Care Services	138,600	700	0.5%	9,200	7.1%
....Hospitals	75,700	-300	-0.4%	2,300	3.1%
..Leisure and Hospitality	258,600	-6,100	-2.3%	17,400	7.2%
...Arts, Entertainment, and Recreation	25,700	-1,100	-4.1%	1,100	4.5%
...Accommodation and Food Services	232,900	-5,000	-2.1%	16,300	7.5%
....Accommodation	21,500	-500	-2.3%	700	3.4%
....Food Services and Drinking Places	211,400	-4,500	-2.1%	15,600	8.0%
..Other Services	96,900	200	0.2%	4,500	4.9%
Government	368,000	-6,200	-1.7%	7,300	2.0%
.Federal Government	27,200	-300	-1.1%	-200	-0.7%
.State Government	71,400	-300	-0.4%	600	0.8%
..State Government Educational Services	38,300	-500	-1.3%	200	0.5%
.Local Government	269,400	-5,600	-2.0%	6,900	2.6%
..Local Government Educational Services	187,600	-6,100	-3.1%	4,900	2.7%

### UNEMPLOYMENT RATE

	JAN 2013	DEC 2012	JAN 2012
H-S-B MSA	6.7	6.0	7.6
Texas (Actual)	6.9	6.0	7.5
United States (Actual)	8.5	7.6	8.8

**Houston-Sugar Land-Baytown MSA:** Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and San Jacinto & Waller Counties. Houston-Baytown-Sugar Land MSA CES data series are benchmarked to March 2011 levels and are estimated by the U.S. Department of Labor, Bureau of Labor Statistics. All Data is Subject To Revision.

Sources: U.S. Department of Labor, BLS, Texas Workforce Commission, Baker Hughes Incorporated, Kiley Advisors, Metrostudy, and The Federal Reserve Bank of Dallas.